

Pooled funding: arrangements in west Wales

Members are asked to note the regional arrangements that are in place to support organisations in meeting obligations under the Social Services and Well-being (Wales) Act 2014 (SSWBA) in respect of pooled funding provisions.

Context

Under the 2014 Social Services and Well-Being (Wales) Act (SSWBA), councils and health boards have a statutory obligation to establish and maintain pooled fund arrangements in relation to:

- The exercise of their care home accommodation functions (by 6 April 2018)
- The exercise of their family support functions
- Specified functions exercised jointly in response to Population Assessments, where such arrangements are considered appropriate

The West Wales Care Partnership established under Part 9 of the Act, has prioritised the establishment of pooled fund arrangements for older people's care homes by the statutory deadline. This approach is consistent with elsewhere in Wales.

The Health Act 1999, consolidated by the National Health Service (Wales) Act 2006, provides a legislative basis for pooled funding agreements – so-called s33 agreements. While the SSWBA itself provides for governing agreements, s33 agreements may be preferred, due to their long standing and established use.

S33 agreements must cover:

- The agreed aims, objectives and outcomes of the partnership
- The contributions to be made by each of the partners and how these may be varied
- The NHS functions and the health related functions of local authorities which are subject of the arrangements
- The persons the service is for and the kinds of arrangements they can expect
- The staff, goods and services or accommodation that are also to be provided in support of the arrangements
- The duration of the arrangement and provision for review or termination of the arrangements
- How the arrangements are to be monitored and how they are going to be managed

Where an organisation has a pre-existing s33, it has the option to amend this to reflect additional services, or it can develop a new, service-specific s33.

The regional programme

Service integration and pooled fund arrangements are a strategic priority of the West Wales Care Partnership. A regional programme has been developed, with delivery through the regional Service Integration and Pooled Fund Programme Board and its working groups, (all with cross-organisational representation). The Programme consists of *three priorities*:

1-Pooled funds for care homes (to include nursing homes)

In line with statutory obligations, a working group (meeting monthly) has been established to ensure pooled funds for care homes will be operational from 6th April 2018. The Group is working together to define the service scope of the pooled budgets, establish a baseline budget for the 2018-19 pooled funds, and oversee the drawing up of pooled fund agreements to underpin the pooled funds.

In terms of scope, the Group are working to deliver pooled funds for care homes for *older people*, initially. The Group are working to establish three pooled funds – one per county area; involving HDdUHB in each case. Arrangements will span internal and commissioned services.

The following figures are included to illustrate the magnitude of the potential pooled funds (care and nursing homes for older people). They are illustrative only and based on preliminary analysis of outturn figures for 2016-17.

	Council	HDdUHB	Total
Carmarthenshire	£24m	£8m	£32m
Ceredigion	£7m (in-house provision excluded)	£3m	£10m
Pembrokeshire	£13m	£6m	£19m

Note: council figures include in-house care homes (less central support costs) and commissioned placements. They are net of client contributions and contributions made on behalf of the Health Board. HDdUHB figures include Continuing Health Care and Free Nursing Care.

2-Pooled funds for older people's services

This priority has a practical focus on Carmarthenshire as 'pace-setter' for the Region, although the learning from the work will have wider applicability for future developments in the other two counties. While directly involving Carmarthenshire County Council and HDdUHB, it is intended that the Working Group will include members from Ceredigion and Pembrokeshire councils, in recognition of shared learning opportunities and wider applicability.

The scope of the Group goes beyond the 'statutory minimum' of pooled funds for adult care homes by 6th April 2018. A wider range of services are potentially 'in-scope', as below:

Assessment services	Therapies	End of life care	Hospice care
Care homes (including nursing homes)	Domiciliary care	CHC (including specialist palliative)	Community hospitals
	Community nursing	Bereavement service	Intermediate Care Fund (ICF)

A key success factor for any pooled funds established under this priority area will be the extent to which spend shifts away from resource intensive services, towards more appropriate, but less expensive, community-based interventions.

3-Other opportunities for pooling funds to support service integration

The Service Integration and Pooled Fund Programme Board is mindful of the general obligation on councils and LHBs to develop pooled funds where this supports service integration. Working groups will be established, with representation from HDdUHB and the councils of the Region, to pursue opportunities. This will include reviewing current arrangements for family support functions and consideration of functions that will be exercised jointly in response to the Population Assessment (published March 2017).

Such a group has been established to consider integrated community equipment stores. These exist in each county area and each has a pooled budget, legal agreement (s33 agreement) and governance arrangements (including pooled fund manager and board).

Benefits and risks of pooled funds

Pooled funding arrangements involve an organisation holding and being held accountable for the budget on behalf of a partner (or partners). Commissioning is an important consideration and arrangements have to be agreed regarding who can spend against the pooled fund and what process will apply (e.g., 'signing off' admissions to care homes). In all cases, a legal agreement (for instance, a s33 agreement) is required to formalise arrangements between the parties.

It is critical to appreciate that although some functions can be delegated (e.g., commissioning), legal responsibility for the discharge of functions ultimately remains with the organisation defined in law.

Organisations will need to be satisfied that governance and control mechanisms are sufficient.

Potential benefits

- Enhancement of the users' experience in respect of a seamless service across health and social care.
- Packages better suited to what helps meet the needs of the user, rather than the default 'go to' options that are typically prescribed.
- streamlined commissioning through a lead commissioner and single agreed commissioning framework.
- Can help prevent 'cost-shunting' between agencies.
- System-wide budgetary control due to consistent, streamlined decisions leading to the use of the most appropriate and cost-effective care packages.
- Meeting the aim of supporting integration across systems, without the distraction of reorganisation or restructuring.

Potential risks

- Failure to meet the statutory deadline for care home pooled funds.
- Lack of consideration of impact on corporate services (e.g., finance, commissioning, audit, governance arrangements).
- Difficulties establishing a realistic baseline budget, given the pressures on the budgets of all partner agencies.
- Overspends.
- Budget cuts.
- Control of budget / service.
- Financial benefits disproportionately gained by one partner.

Managing risk

It is recognised that risk will be an inherent feature of the developing Programme and that not all risks can be anticipated at this point in the process. Regular risk identification and appraisal will be an integral aspect of the Programme planning and implementation. The following is offered as indicative only.

An obvious area of concern is missing the statutory deadline for care homes (6th April 2018). Ensuring corporate commitment can help ensure sufficient resources are given over to meeting the task.

Pooled fund arrangements rely on organisations prepared to act as budget host. Those organisations need to have a comprehensive understanding of likely impacts on corporate services, and come to a view on appropriate charges to be included in the pooled fund.

Establishing a base budget is likely to be challenging, given the pressures on the budgets of all partner agencies. Even so, benchmarking on the basis of actual expenditure, rather than allocated budget, is likely to lead to a more accurate position. Agreeing budget for subsequent years will need to be considered, particularly in the context of efficiency savings or other cost reduction pressures.

Sufficient attention will be needed to ensure costs are contained (within year), through robust reporting, and agreement will need to be reached over methods of cost apportionment (at year end). In the event that budgets overspend cost apportionment will be critical. Queries from stakeholders have been raised as to whether they would in reality be pooled budgets if overspends are simply attributed to respective agencies at year end. It is clearly a risk that aligned rather than pooled budgets would deliver little benefit yet create an enhanced level of administration.

Setting unrealistic single agency savings targets against these budgets this year could make the delivery of a pooled budget challenging in 2017/18.

A further control issue relates to organisational accountability. Measures to address this may include: the development of shared performance arrangements (including objectives); and transparent governance arrangements (including regular reports to relevant committees/ boards).

Good practice

Pooled funding can be a component of successful service integration, though is insufficient on its own. Some examples, where pooled funding has been a feature of effective integration, are highlighted below:

Cornwall: £2billion budget (health, social care and welfare budget). Admissions to hospital have fallen by 50% in Penwith and 40% in Newquay, through action to reconnect socially isolated, and service-dependent people with their communities.

Greenwich: £19.8 Better Care Fund. 35% reduction in care home admissions, through integration of rapid response and intermediate care services.

Worcestershire: Improved care planning (integrating patient flow and clinical triage), supported through the Better Care Fund has led to a 23% fall in A&E attendance from care homes (estimated £700,000 saving).

Summary

- The SSWBA, places a duty on statutory partners to establish and maintain pooled funds for care home accommodation functions, family support functions and (where such arrangements are deemed appropriate) other functions exercised jointly in response to Population Assessments.
- The same legislation defines a specific obligation for relevant organisations to put in place pooled funds for care homes by 6th April 2018.
- Service integration and pooled funding arrangements are key priorities for the West Wales Care Partnership. A regional approach (incorporating cross-organisational representation) has been instituted to take forward organisational obligations in respect of pooled funds.
- Members of the Service Integration and Pooled Funds Programme Board, and its' working groups, are expected to take responsibility for reporting back to their respective organisations, progressing required actions and achieving 'sign-off' at relevant stages.
- Respective organisations will be required to consider and formally sign off relevant legal agreements associated with any pooled funds in due course. This will involve a legal agreement for care homes, as a legal minimum.
- Organisations will need to be satisfied that sufficient governance and control mechanisms are in place.
- Lead responsible officers in the 3 counties are the Directors with the Statutory Social Services Responsibility. The Executive responsible officer in the Health Board is Jill Paterson, Interim Director of Commissioning, Primary Care, and Therapies and Health Sciences. The governance structure for the project is attached.

Governance structure

Statutory partners

