

SOCIAL CARE & HEALTH SCRUTINY COMMITTEE
24TH JANUARY, 2018

**SERVICE INTEGRATION, POOLED FUNDING AND
REGIONAL GOVERNANCE ARRANGEMENTS**

To consider and Comment on the Following Issues:

To note-

- Arrangements for the establishment of a regional pooled fund for older adults care home accommodation
- Proposals for regional governance arrangements

Reasons:

The project will improve service integration across health and social care. In particular, it will help meet strategic objectives relating to:

- Legislative compliance
- Facilitating service transformation
- Integrated working across health and social care
- Effective and democratically accountable regional governance arrangements

To be referred to Executive Board/Council for decision: NO

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:-

Cllr. J. Tremlett (Social Care & Health Portfolio Holder)

Directorate: Communities	Designations: Director of Community Services	Tel Nos. 4697 / 2777
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EXECUTIVE SUMMARY
SOCIAL CARE & HEALTH SCRUTINY COMMITTEE
24TH JANUARY, 2018

**SERVICE INTEGRATION, POOLED FUNDING AND
REGIONAL GOVERNANCE ARRANGEMENTS**

Service integration and pooled funding arrangements for older adult care home placements

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.

Main Issues

The headline issues are 1) regional arrangements for the care home pooled fund; and 2) the governance structures necessary to support integrated regional arrangements (including the care home pooled fund).

In relation to 1, Members are asked to note that-

The regional approach is to develop a **single regional pooled** fund for care home accommodation (older adults, initially), in accordance with the statutory deadline. The approach has been informed by the positions of Welsh Government, the WLGA, Regional partners; and in the light of Counsel Advice commissioned by Carmarthenshire County Council.

The arrangements will be designed to ensure cross subsidy – across local authority areas, or between Health and Social Care – will not occur. Due to reporting requirements, the single fund arrangement will improve the availability of financial and performance information about the sector, enhancing the ability of commissioning organisations to positively shape the care home market.

Alongside the regional pooled fund itself, the Regional approach is to secure gains through **integrated commissioning arrangements**. Of particular note is work to develop a single regional Pre-Placement Agreement contract for care homes, which will ensure more consistent engagement with the market, in terms of contractual arrangements, service specification and quality assurance. Further work is being undertaken to align and, where possible, streamline care assessment and placement processes, to achieve greater consistency across the Region - yielding service efficiencies and improved outcomes for users.

In relation to 2, Members are asked to note that-

The necessity of pooled fund arrangements presents a timely opportunity to consider **governance structures**. Discussions are taking place between the statutory partners (Local Government and Health), regarding appropriate structures to oversee this work and other parts of the regional programme.

A **Governance Working Group**, with representation from across the statutory partners, is being established to consider, and develop proposals in relation to:

- Reviewing the present Regional Partnership Board partnership structure
- Considering arrangements for a regional Joint Committee of the statutory partners
- An overarching Integration Agreement and a specific agreement for the regional care home pooled fund

An **Executive Board** of local authority social services and Health Board Directors - acting by unanimous decision within delegated authority - has been established in shadow form.

Summary

Members are asked to note-

- The requirements regarding integrated working and partnership arrangements under Part 9 of the Act
- The approach being taken in respect of pooled funds for care homes in West Wales
- The establishment of the Executive Board of directors in shadow form
- The establishment of the Governance Working Group, to undertake the review of current regional governance and partnership arrangements. The Group will include officers from Carmarthenshire County Council
- That a formal decision paper setting out detailed provisions of the Integration Agreement and Agreement for care homes pooled funds will be prepared for ratification by Carmarthenshire County Council in early 2018.

DETAILED REPORT ATTACHED ?	YES
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IMPLICATIONS

Policy and Crime & Disorder	Legal	Finance	ICT	Risk Management Issues	People Management & Performance	Physical Assets
YES	YES	YES	YES	YES	YES	YES

1. Policy, Crime & Disorder and Equalities

The establishment of pooled fund arrangements for older people's services support the commitment of the Council to promote the integration of health and social care services, as set out in the Integrated Community Strategy and as articulated through *Carmarthenshire's vision for Sustainable Services for Older People*.

Equality Impact Assessment will be an integral part of the development of pooled funding arrangements.

2. Legal

The Social Services and Well-Being Act places a General Duty on the Council to implement pooled fund arrangements where this supports service integration. More specifically, the Act places a Duty on the Council to establish pooled fund arrangements for adult care homes by 6th April 2018. In line with elsewhere in Wales - the Regional approach is to focus initially on care home placements *for older people*.

A pooled fund between the Council and Health Board will give rise to a range of considerations. The Legislation stipulates the requirement for pooled funds to be governed by a legal agreement. The legal agreement will outline how the pooled fund will operate and how the interests of the Authority will be protected.

The agreement will require formal sign off.

3. Finance

Pooling funds for older adult's services will have significant – though mainly operational - financial impacts. The budget host will take on obligations for budget management and audit, whereas the other parties will have fewer commitments but also less direct control.

There are a number of further financial considerations, including: establishing the 'baseline' budget (based on spend); arrangements for under/overspends; spend profile and trajectory (i.e., away from resource-intensive support); unscheduled budget reductions (including PBBs); the treatment of user charges; and the process for accessing the fund. The impact on treasury management opportunities will also need to be considered.

4. ICT

Service integration across older people's services may suggest a need for integration of ITC systems, particularly in relation to commissioning and performance management. Opportunities may exist to pursue this through the WCCIS project.

5. Risk Management Issues

Possible risks include:

- Overspend within the pooled fund.
- Benefits being gained by one partner, at the expense of the other.
- Budget cuts/Priority based budgeting/ efficiency savings.
- Challenges relating to centralised direction on LHB budgets by Welsh Government
- Difficult end of year discussions focussing on who funded what instead of on the outcomes achieved.
- Democratically elected and Health Board members fear of losing their responsibility for budgetary control.
- Lack of consideration of impact on corporate services e.g., finance and / or governance to manage pooled funds.
- Unpredictable pressures on the system e.g., local political changes in the council, national political imperatives in the NHS.
- Change of leadership in the partnership.
- Cross subsidisation of services.
- Lack of culture and values alignment.

6. Physical Assets

The service delivered by Council-run care homes may be within the scope of the project. Council establishments offer scope and flexibility to enable the testing of innovative approaches to meeting user needs. It is important that close links are maintained with the Care Homes Capital Programme.

7. Staffing Implications

Should transferring staffing budgets to the pooled fund be under consideration, careful attention would need to be given to any possible changed status (intended or otherwise) this could give rise to. This particularly applies where the intention is to move staff into the management structure of another organisation.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Jake Morgan

Director of Community Services

1. Local Member(s) - N/A
2. Community / Town Council – N/A
3. Relevant Partners - N/A
4. Staff Side Representatives and other Organisations - N/A

Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:

THERE ARE NONE.

Title of Document	File Ref No.	Locations that the papers are available for public inspection
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