

CABINET

Date of Meeting	Tuesday, 16 th July, 2019
Report Subject	Pooled Budget Agreement for Care Home Accommodation for Older People 2019-2020
Cabinet Member	Cabinet Member for Social Services
Report Author	Chief Officer Social Services
Type of Report	Operational

EXECUTIVE SUMMARY

This report is brought to advise on the proposed regional approach to fulfilling the authority's legal requirements in relation to the establishment and maintenance of a regional pooled fund for care home accommodation in line with the duties imposed by the Social Services and Well-being (Wales) Act 2014 ("the 2014 Act") and The Partnership Arrangements (Wales) Regulations 2015 ("the 2015 regulations").

A decision is required endorsing the regional approach to establishing a non-risk sharing pooled fund (to be hosted by Denbighshire County Council on behalf of the six North Wales Councils and Betsi Cadwaladr University Health Board) insofar as regional spend on care home accommodation functions for older people is concerned.

Given the value of the pooled fund, Cabinet authority is required for the Local Authority to ratify and enter into the agreement prepared to regulate our ongoing relationships with our Partners in relation to the establishment and operation of the pooled fund.

RECOMMENDATIONS

1	That Cabinet note the progress made regionally in meeting the Part 9 requirements of the 2014 Act which includes a legal requirement to establish a regional pooled fund for care home accommodation for older people.
2	That Cabinet approve the establishment of a non-risk sharing pooled fund for care home accommodation for older people as set out in this report

	with Denbighshire County Council acting as Host Authority and for the arrangements to be effective for the financial year 2019/20.
3	That Cabinet give approval to the Council entering into a legal agreement between Betsi Cadwaladr University Health Board and the six local authorities across North Wales, regulating the establishment, operation and governance arrangements in respect of the pooled fund for a period of 3 years.

REPORT DETAILS

1.00	EXPLAINING THE POOLED BUDGET
1.01	Members will be aware that Part 9 of 2014 Act provides for Regional Partnership Boards to be established. These Boards bring together health, social services, the third sector and other partners to take forward effective integration of health and social services. Whilst Regional Partnership Boards have strategic and oversight responsibilities in relation to promoting the use of pooled fund arrangements, it is the responsibility of the partners themselves to establish, develop and operate any pooled budget arrangements.
1.02	Members will recall that an Integration Agreement has previously been endorsed by Flintshire (Appendix 1) and the other North Wales Councils and Betsi Cadwaladr University Health Board. The aim of the Integration Agreement is to set out partners' approach to integrated working and to provide a framework outlining how integration may be achieved in the region (including any pooling of funds). The pooling of funds for care home accommodation commissioning (both nursing and residential) is one of the identified areas for integration and pooling of funds included within the Integration Agreement.
1.03	The 2015 Regulations have been subject to amendment and revision by Welsh Government since their original enactment. The regulations require partnership bodies for each financial year (beginning with the financial year commencing 1 April 2019) to make a contribution to a regional pooled fund in relation to the exercise of their care home accommodation functions for older people. The contributions must be commensurate with each Partner's anticipated annual expenditure on care home places for older people.
1.04	The purpose of the pooled funds arrangements is to encourage Local Authorities and Local Health Boards to work together to maximise their influence to shape the future development of services and to ensure that services are sustainable in the long-term and capable of responding flexibly to local demand.

1.05	Finance Officers from the six Local Authorities and Health Board have progressed the work to develop a non-risk sharing pooled budget for North Wales. The pooled fund will focus on care accommodation costs for older people (those over 65 years of age, excluding in-house services). It has been established that the overall regional spend in 2018/2019 was £111m (£90m net of charges and contributions).
1.06	From the financial year 2019-2020, it is proposed that one regional non-risk sharing pooled budget be established for North Wales. The arrangement would take effect from 1 st April 2019. It has been agreed that Denbighshire County Council will host the arrangements; thereby operating the pooled fund on behalf of all the partners.
1.07	There will be no delegation of functions involved as part of the pooled fund arrangement. This means that all partners will retain full individual responsibility for fulfilling their statutory duties insofar as commissioning and provision of care home accommodation services is concerned. Each Partner will continue to be solely responsible for their own budgets and expenditure in this respect. The pooled fund will however reflect the actual spend of all partners on care home accommodation functions through quarterly transactions whereby quarterly spend by each partner will be charged to the pooled budget and off-set against contributions made by each partner to the pool on a quarterly basis.
1.08	Reporting arrangements for the operation of the pooled budget will consist of a quarterly report to the Regional Partnership Board and internal reporting arrangements to be determined by each partner organisation.
1.09	A written, legal agreement has been developed to underpin the proposed pooled fund arrangements for care home accommodation for older people as set out in this report. All six North Wales local authorities and Betsi Cadwaladr University Health Board are parties to the Agreement with Denbighshire County Council acting as the Host Partner administering the pooled fund. The Agreement provides for quarterly financial reporting to the North Wales Regional Partnership Board. Each organisation will have to ratify and execute the Agreement in accordance with their own internal governance arrangements.
1.10	In addition to this, the North Wales partner agencies have entered into an 'Integration Agreement' which commits them to work collaboratively to integrate services where appropriate.
1.11	No formal Section 33 agreement has been signed by any of the partners. Once partners enter into a formal Section 33 agreement they would be bound by law to honour all the financial and other commitments included in the agreement. Consequently there would be legal recourse for any obligations not met and sufficient resource and infrastructure would be required by the host authority to meet the needs of the agreement.

1.10	The work of developing a formal Section 33 agreement would only commence once the data collected during the establishment of the 'non-risk sharing pool' had been robustly analysed and been sufficiently risk-assessed to enable potential pooled budget arrangements to be drawn up for consideration by each of the 7 partners. It is important to note that the 'non-risk sharing pool' complies with the Act, requiring partners to make a financial contribution to the pool. There is currently no appetite from any of the 7 partners to develop a full risk sharing pool in the region.
1.11	A draft agreement has been completed by Denbighshire County Council on behalf of the region and is currently being finalised, with a view to taking it to the 6 local authorities and health board chief executive at Leadership in the Summer.

2.00	RESOURCE IMPLICATIONS/INCOME GENERATION
2.01	There are no direct costs associated with signing up to the agreement. The agreement provides the regulatory and governance framework for the establishment of a single, regional pooled fund for North Wales for a period of three years. The arrangement will comprise of each partner organisation providing contributions to the pooled fund equivalent to the costs they incur. There will therefore be no risk sharing in the first year of this arrangement or any cross-subsidisation between the partners.
2.02	Denbighshire County Council will act as Host Authority for the regional pooled fund for the period of the agreement. The hosting arrangements will, in line with the terms of the legal agreement, be reviewed by the partners as part of the development of the pooled fund arrangements for future financial years.
2.03	A contribution from regionally administered transformation funding of £20k is paid to Denbighshire to recognise the cost of hosting the pool on behalf of all partners.
2.04	The establishment of a formal Section 33 agreement would have significant resource implications for the host agency.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Finance Officers have been working regionally for many months – collating relevant financial information from all partners and then developing a non-risk sharing pooled budget model. These discussions have involved all partners' s151 Officers (or equivalent) who are in agreement with the proposed way forward.

3.02	The North Wales Regional Leadership Board have received regular updates on the development of the pooled fund arrangement.
3.03	The proposed agreement has been circulated to each partners' legal representatives for consideration.
3.04	The North Wales Regional Partnership Board, which has strategic oversight responsibilities for partnership arrangements emanating from the 2014 Act must also promote the establishment of pooled funds where appropriate.

4.00	RISK MANAGEMENT
4.01	The requirement to establish and maintain a regional pooled fund in North Wales for care home accommodation functions is a legal requirement enshrined in law.
4.02	The agreement provides a framework which offers consistency, clarity and protection for all Partners in respect of the establishment, operation and governance of the non-risk sharing pooled fund. The Agreement lasts for a period of three years from its commencement and the arrangements will therefore need to be robustly reviewed prior to the expiry of the 3-year term. Accordingly, partners will have the benefit of a clear framework within which to operate for a period of 3 years but also have the opportunity to develop the arrangement further in the future as agreed between the partners.

5.00	APPENDICES
5.01	Appendix 1 - North Wales Integration Agreement

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None. Contact Officers: Jane Davies Telephone: 01352 702503 E-mail: jane.m.davies@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	<p>(1) Part 9 Board: Part 9 of the Social Services and Well-being (Wales) Act 2014 requires local authorities to promote cooperation with their relevant partners and others, in relation to adults with needs of care and support, carers and children.</p> <p>As North Wales had already established the governance structure which was stipulated by Welsh Government in 2015/16 namely the North Wales Partnership Forum (NWPF) and the North Wales Leadership Group (NWLG), this formed the basis for the setting up of the North Wales Regional Partnership Board (to meet the statutory guidance set out in Part 9 of the Act).</p> <p>The NWRPB was established in September 2016 and the Membership of the Board, as stated in the Statutory Guidance, includes the following:</p> <ul style="list-style-type: none"> • at least one elected member of a local authority which established the regional partnership board; • at least one member of a Local Health Board which established the regional partnership board; • the person appointed as director of social services under section 144 of the Act in respect of each local authority which established the regional partnership board, or his or her nominated representative • a representative of the Local Health Board which established the regional partnership board • two persons who represent the interests of third sector organisations in the area covered by the regional partnership board • at least one person who represents the interests of care providers in the area covered by the regional partnership board • one person to represent people with needs for care and support in the area covered by the regional partnership board • one person to represent carers in the area covered by the regional partnership board. <p>The Regional Partnership Board may co-opt other persons to be members of the board as appropriate. Other members that could be considered for example include housing leads, fire service and police. The NWRPB has co-opted representatives from North Wales Police, Welsh Ambulance Service Trust, Public Health Wales, North Wales Fire and Rescue Service and Local Authority S151 Officer.</p> <p>The Board's key priorities areas are:</p> <ul style="list-style-type: none"> • Older people with complex needs and long term conditions, including dementia • People with Learning Disabilities • Carer's including young carers • Integrated Family Support Services • Children with complex needs due to disability or illness

	<p>In addition to these priorities North Wales has included Mental Health as an additional priority area. There are also specific requirements in relation to pooling of budgets which the Board is overseeing.</p>
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