

## Social and Health Care Overview and Scrutiny Committee

<b>Date of Meeting</b>	29 <sup>th</sup> February 2024
<b>Report Subject</b>	Pooled Budget Agreement for Care Home Accommodation for Older People
<b>Cabinet Member</b>	Cabinet Member for Social Services
<b>Report Author</b>	Chief Officer Social Services
<b>Type of Report</b>	Operational

### **EXECUTIVE SUMMARY**

This report is brought to advise on the regional approach to fulfilling the council's legal requirements in relation to a 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") and to request an extension to the arrangement's ad infinitum.

In the financial year 2019-2020, one regional non-risk sharing pooled budget was established for North Wales and initially received Cabinet approval from Flintshire on the 16<sup>th</sup> July 2019. The arrangement took effect from 1st April 2019 and it was agreed that Denbighshire County Council host the arrangements; thereby operating the pooled fund on behalf of all the partners.

A decision is now required to continue with the existing arrangements for 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 council to enter into the updated agreement prepared to regulate our ongoing relationships with our partners in relation to the operation of the pooled fund.

### **RECOMMENDATIONS**

1	To support 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.
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2	To support the council entering into a legal agreement between Betsi Cadwaladr University Health Board and the six local authorities across North Wales, regulating the operation and governance arrangements in respect of the pooled fund until such time as we need to terminate the agreement.
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## **REPORT DETAILS**

<b>1.00</b>	<b>EXPLAINING OLDER PEOPLE POOLED BUDGET</b>
1.01	The North Wales Regional Partnership Board was established as part of the Social Services and Wellbeing Wales Act (SSWB) to improve the wellbeing of the population and improve how health and care services are delivered. It brings together health, social services, housing, the third sector and other partners to co-ordinate the continued transformation and integration of health, social care, and well-being services across the region.
1.02	<p>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. The 2015 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.</p> <p>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.</p> <p>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.</p>
1.03	An Integration Agreement has previously been endorsed by Flintshire 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.
1.04	In the financial year 2019-2020, one regional non-risk sharing pooled budget was established for North Wales and initially received Cabinet approval from Flintshire on the 16 <sup>th</sup> July 2019. The arrangement took effect from 1st April 2019 and it was agreed that Denbighshire County Council

	<p>host the arrangements; thereby operating the pooled fund on behalf of all the partners.</p> <p>A written, legal agreement to underpin the pooled fund arrangements was written and signed. 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 original agreement has now come to an end, and we need to consider refreshing the agreement with a recommendation that there are no changes other than making it ad infinitum.</p> <p>Reporting arrangements for the operation of the pooled budget will consist of a quarterly report to the Regional Partnership Board.</p>
1.05	<p>There is 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 for commissioning and provision of care home accommodation services. Each partner continues to be solely responsible for their own budgets and expenditure in this respect. The pooled fund does 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.</p> <p>For 2022/23 the value of the pooled budget transfer was £10.556m.</p>
1.06	<p>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.</p> <p>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 seven partners to develop a full risk sharing pool in the region.</p>
1.07	<p>In September 2020, Audit Wales undertook a review of the North Wales regional pooled fund in relation to care home places for older people. They concluded that all seven partners should review the arrangements and ensure that the transfer of funds between public bodies has a tangible benefit. The arrangements were reviewed and as noted in 1.06 above, there was and remains no appetite from any of the seven partners to develop a full risk sharing pool, referred to by Audit Wales. In 2020, the North Wales region obtained confirmation from Welsh Government that the arrangements in place are compliant with the Act.</p>
1.08	<p>The draft updated agreement has been completed by Denbighshire County Council on behalf of the region. There is only one proposed amendment to the original agreement and that is rather than make it short term (3 years) like the previous agreement we make it ad infinitum with the option for any</p>

	partner to terminate the agreement when needed. This allows us to indefinitely continue to deliver on our statutory duties.
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
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.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	The requirement to maintain a regional pooled fund in North Wales for care home accommodation functions is a legal requirement enshrined in law. 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 has been running for a period of three years from its commencement and the arrangements have been robustly reviewed with a recommendation to continue them ad infinitum. Accordingly, partners will have the benefit of a clear framework within which to operate for the foreseeable future minimising risks to not meeting legal requirements.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	Finance Officers have been working regionally monitoring the non-risk sharing pooled budget model in place. These discussions have involved all partners' s151 Officers (or equivalent) who agree with the proposed way forward.
4.02	The North Wales Regional Leadership Board have received regular updates on the development of the pooled fund arrangement.

4.03	The proposed agreement has been circulated to each partners' legal representatives for consideration.
4.04	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.
4.05	Report to be considered at Social and Health Care Overview and Scrutiny Committee on 29 <sup>th</sup> February 2024.

<b>5.00</b>	<b>APPENDICES</b>
5.01	None

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	Cabinet Report 16 <sup>th</sup> July 2019 <a href="https://committeemeetings.flintshire.gov.uk/documents/s55529/Pooled%20Budgets%20v4.pdf?LLL=0">https://committeemeetings.flintshire.gov.uk/documents/s55529/Pooled%20Budgets%20v4.pdf?LLL=0</a>

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<b>Contact Officers:</b> Jane Davies - Senior Manager Safeguarding and Commissioning <b>Telephone:</b> 01352 702503 <b>E-mail:</b> jane.m.davies@flintshire.gov.uk

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<b>Pooled Budget</b> - Pooled budgets combine funds from different organisations to enable them to fund truly integrated services.
8.02	<b>Audit Wales</b> - is the trademark of two legal entities, the Auditor General for Wales and the Wales Audit Office. Its role is to assure the people of Wales that public money is being managed well as well as explaining how public money is being used and how it meets people's needs.