

**CARDIFF AND VALE OF GLAMORGAN JOINT COMMISSIONING
AND POOLED BUDGET FOR OLDER PEOPLE SERVICES**

**SOCIAL CARE, HEALTH & WELL-BEING (COUNCILLOR SUSAN
ELSMORE)**

AGENDA ITEM: 8

DIRECTOR OF SOCIAL SERVICES

**Appendix 2 is exempt from publication pursuant to the provisions of
Schedule 12A Part 4 paragraph 16 of the Local Government Act 1972**

Reason for this Report

1. To enable the Cabinet to consider joint commissioning arrangements for older people services across Cardiff and the Vale of Glamorgan, including the establishment of a pooled budget for care accommodation.

Background

2. Part 9 of the Social Services and Well-being (Wales) Act 2014 (SSWWA 2014) requires local authorities and the local health board for each region to establish and maintain pooled funds in relation to the exercise of care home accommodation functions by 6th April 2018. The region consists of Cardiff & Vale University Health Board (UHB), together with Cardiff Council and the Vale of Glamorgan Council as the statutory bodies within the pooled budget.
3. The purpose of the pooled funds arrangements is to ensure that local health boards and local authorities work together to maximise their influence to shape the future development of services. This includes ensuring there is sufficient capacity and an appropriate range of good quality services to respond to demand.
4. The work to develop the pooled budget is overseen by the Cardiff and Vale of Glamorgan Regional Partnership Board (C&VGRP). It is important to recognise that, whilst the C&VGRP retains the oversight of the development of the pooled budget, the decision making responsibilities (i.e. for agreeing the pooled budget and its management) rests with Cardiff Council, the Vale of Glamorgan Council and Cardiff and Vale University Health Board.

5. On 21st May 2017, the then Minister for Social Services and Public Health wrote to the Chairs of Regional Partnership Boards (RPBs) setting out Welsh Government's expectations: *"You will be aware that the requirement to establish pooled funds in relation to the exercise of care home accommodation functions will come into effect next April. My expectation is that there will be a single pooled fund established jointly at the regional level between the health board and all the local authorities within the partnership area. This approach is essential to ensure that partnership boards deliver an integrated and collaborative approach to meeting care and support needs"*.
6. In a statement to the National Assembly on 10th October 2017, the previous Minister for Social Services and Public Health also said *"If I am not satisfied with the way this requirement has been delivered in each region by the end of the forthcoming financial year (2018/19), I will need to consider options for more direct intervention"*.
7. In addition to the requirement for pooled funds in relation to care home accommodation functions, local authorities and health boards are also expected to:
 - Undertake a population needs assessment and market analysis to include the needs of self-funders.
 - Agree an appropriate integrated market position statement and commissioning strategy.
 - Agree a common contract and specification (for use between the care home providers and the statutory bodies).
 - Develop an integrated approach to agreeing fees with providers.
 - Develop an integrated approach to quality assurance.

Issues

Pooled Budget

8. In order to progress the work to develop a pooled budget, a project team has been in place including the service leads and legal and finance representatives from the three partner organisations.
9. To date, work has been undertaken to consider the scope of the pooled budget arrangements within the Cardiff and Vale of Glamorgan region. It is proposed that the budget will initially focus on care accommodation for older people (over 65), including those whose care is funded by NHS Continuing Health Care (NHS CHC), Funded Nursing Care (FNC) and local authority funded long term care home placements.
10. In order to inform the potential size of the proposed budget, the Pooled Budget Project Board has considered previous expenditure in relation to the 'in-scope' services and current commitments for 2017/18. This is estimated to be approximately in the region of £46.1m made up of:
 - £22m - Cardiff Council
 - £6.3m - Vale of Glamorgan Council

- £17.8m - Cardiff and Vale University Health Board

11. For the 2018/19 financial year, it is proposed that one pooled budget is established across the region with effect from 1st April 2018. During the first year of the new pooled budget arrangements, it is intended that Cardiff Council will act as the host organisation for these arrangements. The host arrangements will be reviewed as part of the development of any further joint working agreed by partners beyond March 2019.
12. Whilst there will be one pooled budget in place, the processes for commissioning and payment for services will still remain with the three organisations as at present, with each partner continuing to be responsible for their own budget and expenditure. The accountability for the functions of the statutory bodies remains with each individual organisation, in accordance with the Part 9 Guidance under SSWWA 2014.
13. However, in order to reflect the relevant costs of the three organisations within the pooled budget, transactions will be undertaken on a quarterly basis. This will operate so that the costs incurred by each of the three organisations during each quarter will be charged to the pooled budget held by Cardiff Council, as the host organisation at the end of each quarter. These costs will be offset by the contributions made by each of the partners to the pooled budget, also on a quarterly basis. The contributions will be based on the actual costs incurred in that quarter and will be timed to coincide with the charges so that no adverse cash flow implications are incurred by any of the three partners.
14. At the end of the financial year, the pooled budget will therefore provide an overall record of the costs incurred by the three organisations in relation to long-term care home placements, FNC and NHS CHC costs for older people. These will be fully offset by the partners' contributions which will be equivalent to their actual costs in that year. Each of the three partner organisations will therefore continue to pay and be responsible for their own net costs, reflected as their individual contributions to the pooled budget. There is no risk sharing in the first year of this new arrangement.
15. The proposed arrangements for the pooled budget means that there is no possibility of any potential cross-subsidisation between the parties (e.g. between the UHB and both local authorities).
16. The operation of the pooled budget transactions will be reported on a quarterly basis to the C&VGRPB and the supporting Strategic Leadership Group. Reporting on activity and expenditure will also continue to be made through existing mechanisms within each of the partner organisations. These new arrangements will enable greater transparency regarding activity and expenditure and help facilitate increased joint working between partners regarding engagement with providers in relation to market shaping and fee setting over time.
17. The pooled budget arrangements will be subject to a written partnership agreement between Cardiff Council, Vale of Glamorgan Council and Cardiff and Vale UHB. It will set out the scope of the pooled budget,

hosting, payment and monitoring arrangements as well as governance structures, accountability and decision making.

18. The Partnership Agreement will be finalised and signed before the 31st March 2018 following formal approval of the proposed arrangements by each of the three partners in January 2018.

Market Position Statement and Commissioning Strategy for Older People Care and Support Services

19. One of the requirements of Part 9 of the Act is to '*Agree an integrated market position statement and commissioning strategy to specify outcomes required of care homes and services required*'. The Market Position Statement aims to contain information on:

- Current and projected local demographics, expenditure and activity levels;
- The types of services we will be investing/ disinvesting in;
- Our vision for how we wish to respond to the changing needs for care and support in the future.

20. A joint Market Position Statement and Commissioning Strategy (**Appendix 1**) for older people has now been completed following a stakeholder workshop in July involving over 80 people from health, housing and social care (including third sector and providers). Feedback and additional information from the session has been incorporated into the completed document.

21. The Market Position Statement and Commissioning Strategy has been developed around 4 key 'design principles' which partners will be expected to consider and support when developing future services. These include:

- **What Matters to Me** - *Listening and working with people in need of care and support to jointly find solutions to meet their needs;*
- **Home First** - *Enabling people to live at home, or as close to home as possible, in accommodation appropriate to their needs and where they can live well, thrive and remain independent;*
- **Sustainable and Prudent Use of Resources** - *Promoting prevention and early intervention, and developing quality outcomes and value for money solutions which meet care and support needs;*
- **Avoiding Harm, Waste and Variation** - *To ensure high quality care across all services.*

22. Following the approval of the Market Position Statement and Commissioning Strategy by partner formal decision making processes, the document will be used to inform the longer term commissioning plan across partners going forward.

Other Part 9 Requirements

23. In addition to the requirement to establish the pooled fund, the Cardiff

and Vale of Glamorgan RPB has also undertaken a number of pieces of work in response to the additional Part 9 requirements. These will provide the foundations for developing wider integration across the region and an update on progress is provided in the table below:

Part 9 Requirement	Progress to date
Undertake a population needs assessment and market analysis to include the needs of self-funder	The Cardiff & Vale of Glamorgan Population Needs Assessment was published at the end of March 2017. Further analysis was undertaken in relation to self-funders as part of the Market Position Statement.
Agree common contract and specification for nursing care	<p>A Task and Finish Group is in place across the partners and a new draft common contract has been developed. Engagement is planned to take place with providers and older people later in the year in relation to outcomes, which will be incorporated into the specification.</p> <p>The Group is also waiting for the feedback on the Welsh Government's consultation on Phase 2 of the implementation the Regulation and Inspection of Social Care (Wales) Act 2016 so this can be reflected in the final document.</p>
Develop an integrated approach to agreeing fees with providers	<p>There are currently separate arrangements in place across the 2 local authorities in relation to fee setting and negotiations with providers. Separately, Cardiff and Vale UHB undertake fee setting for CHC, which has no direct link to local authority fees.</p> <p>A Task and Finish Group has been established across the three partners to develop a shared message to ensure that all providers are updated across the region in a timely way:</p> <ul style="list-style-type: none"> • Different fee levels across the Local Authorities have been collated and analysis completed on the rates paid. There is a notable difference in rates, so work will need to be done over the next year to increase alignment. However, it is important to highlight that developing a consistent approach to fee setting across the region does not mean that there will be one fee across the region as there will continue to be regional differences impacting on costs. • Process mapping of the current placement, authorisation and commissioning processes used by partners has been completed with a view to identifying where work will need to be undertaken to develop a common approach where practicable to do so. This will also form part of the phased approach to achieving wider integration by April 2019. • There are plans for a new regional Provider Forum

	to take place to enable a greater integrated approach between partners and providers.
Develop an integrated approach to quality assurance	This will be undertaken as part of the discussions to agree the common contract.

Next steps

24. Following the establishment of a pooled budget, further work will be required to develop the joint commissioning programme in relation to a consistent approach to fee setting, commissioning placements, undertaking quality assurance and ultimately the agreement of new models of care. Future reports on any new approaches will be brought to Cabinet as appropriate.
25. At this stage, the Partnership is not considering a pooled budget for learning disabilities and mental health for younger adults. This position is consistent with other Regional Partnership Boards across Wales. However, work is underway on the development of a Regional Learning Disability Commissioning Strategy for Adults and a report on the proposed approach will be brought to Cabinet in the future for consideration and approval.

Reason for Recommendations

26. To enable the Cabinet to progress joint commissioning arrangements for older people services across Cardiff and the Vale of Glamorgan, including the establishment of a pooled budget for care accommodation.

Financial Implications

27. Part 9 of the Social Services and Well-being (Wales) Act 2014 requires local authorities and the local health board for each region to establish and maintain pooled funds in relation to the exercise of care home accommodation functions by 6 April 2018. It is therefore proposed that a single pooled budget be established across the region with effect from 1 April 2018 with Cardiff Council acting as the host organisation for these arrangements in that financial year. The host arrangements will then be reviewed as part of the development of any further joint working agreed by partners beyond March 2019.
28. There are no direct financial implications to the Council as a result of this arrangement with each of the three partner organisations providing contributions to the pooled fund equivalent to the costs they have incurred. There will therefore be no risk sharing in the first year of this new arrangement and no cross-subsidisation between the parties. Any costs associated with hosting the pooled budget will be minimal and can be met within existing resources.

Legal Implications

29. The Legal Implications are set out in confidential Appendix 2

HR Implications

30. There are no HR implications for this report.

RECOMMENDATIONS

Cabinet is recommended to:

1. Note the progress regarding meeting the Part 9 requirements which includes the establishment of a pooled budget for care accommodation.
2. Approve the establishment of a pooled budget for older people care accommodation with Cardiff Council to act as the host organisation as detailed in the report and with such arrangements to take effect on 1 April 2018.
3. Delegate authority to the Director of Social Services in consultation with the Cabinet Member for Social Care, Health and Well-being, Section 151 and the Director of Governance and Legal Services to deal with all aspects of the Partnership Agreement (including the letting of the same) and any ancillary matters pertaining to the same..
4. Approve the Market Position Statement and Commissioning Strategy for Older People Care and Support Services as set out in **Appendix 1**.

TONY YOUNG
DIRECTOR OF SOCIAL SERVICES
12 January 2018

The following appendices are attached:

Appendix 1 – Cardiff and Vale of Glamorgan Market Position Statement and Commissioning Strategy for Older People Care and Support Services

Appendix 2 – Legal Implications (exempt from publication)

The following background papers have been taken into account

Social Services and Well-being (Wales) Act 2014 – Part 9 Statutory Guidance (Partnership Arrangements)