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Yn arwain Gwasanaethau Cymdeithasol yng Nghymru
Leading Social Services in Wales

**ASSOCIATION OF DIRECTORS OF SOCIAL SERVICES CYMRU**

# Delivering Transformation Grant (DTG) Programme 2018-19

## Advice Note 1 – An Introduction to Integration

**Measures to support the successful integration of services by providing an effective legal framework through formal partnerships and pooled budgets**

**April 2019**

# Contents

# Introduction

1. This is the first in a series of advice notes, commissioned by the Welsh Government in collaboration with the Association of Directors of Social Service Wales (ADSS Cymru), which are designed to help both Regional Partnership Boards (RPBs) and their constituent members, to address some of the technical issues associated with formal partnership arrangements and pooled budgets.

2. ADSS Cymru put in place an expert reference group made up of representatives from health boards, local authorities and the Welsh Government, to support the delivery of this project. The scope of the project is confined to providing technical and practical advice and not to draft policy.

3. The purpose of this first Advice Note, beyond introducing the other topic specific advice notes in the series, is to provide an overview of the purpose of formal partnerships in supporting the options for securing the effective integration of services. It is important that members of RPBs, senior and frontline managers, frontline staff and all other stakeholders (service users, carers, service providers) understand that formal partnerships and pooled budgets are intended to provide a legal underpinning to facilitate the effective integration of services. They are designed to provide a safe environment both to improve outcomes for users and carers and to enable staff and organisations to operate legally.

4. The advice notes will assist in addressing practical issues such as deciding the respective contributions of partners to pooled budgets; designing the most appropriate governance arrangements and how partners should manage differing VAT regimes. They also address some of the perceived barriers to partnership formulation, such as 'you cannot pool budgets because the NHS cannot charge for services whilst the local authority can charge'. All of the technical problems can be overcome.

5. This Advice Note explores the rationale for the appropriate use of formal partnerships and pooled budgets; their potential applications and the benefits of their use, and the opportunities available to the RPBs to shape the integration agenda. The creation of a formal partnership and pooled budget is not an end in itself. The purpose is to use these valuable tools to integrate services to:

    - **improve outcomes for individuals in need of care and support and for their family/carers.**
    - **improve the use of resources – removing inappropriate bureaucracy and processes and streamlining management structures where appropriate.**
    - **develop an integrated approach to service development – moving away from silo working and organisations making unilateral decisions with possible negative impacts upon the performance of partners.**
    - **improve governance including management, financial and performance information in relation to the whole system, informing service development and supporting continuous improvement.**
    - **improving staff morale – reducing administration and providing opportunities for shared learning between professionals.**

6. Formal partnerships and pooled budgets should not involve imposing additional administration but should involve streamlining decision making and management arrangements.

**Key Message – Steps to Integration**
It can take several months to develop a formal partnership agreement and given the scale of work involved with the effective integration of services across all user groups and functions, such a work programme will need to be carefully managed.

RPBs can take a range of actions to improve effective service integration, which can inform decisions as to whether or not a formal partnership and pooled fund are required and if so, will prepare the ground for their development. Such steps may include, for example, improving the quality and availability of management information about demand for and expenditure of services; or aligning budgets; or developing multi-disciplinary approaches to assessment, care planning and decision making; developing appropriate care pathways or developing an integrated approach to commissioning.

An RPB could decide to develop a statement of purpose outlining its approach to integration and partnership working for each user group, establishing milestones over the next three to five years. It could also establish a formal pooled-fund arrangement for a specific service.

However, a useful starting point is to use the 'Steps to Integration' tool at Annex 1, as the questions are designed to stimulate thinking about how integration could improve outcomes for individuals and make better use of resources.

7. The other Advice Notes attached are:

**Advice Note 2 – Policy and Legislation**

**Advice Note 3 – Practicalities of Partnership Development**

**Advice Note 4 – Governance**

**Advice Note 5 – Treatment of VAT in Partnership Arrangements**

**Advice Note 6 – Charging for Services within Part 9 Agreements**

**Advice Note 7 – Workforce Implications of Formal Partnerships**

An advice note on 'Pooled Funds under the Children Act 2004', was previously published by the Welsh Government with an agreement template. This can be accessed through the reference material in Advice Note 2.

8. Formal partnerships and pooled funds should be developed under Part 9 of the Social Services & Well-being (Wales) Act 2014.[i] These can still use the same content and format as a Section 33 Agreement (under the National Health Service (Wales) Act 2006[ii]), which has the advantage of being a tried and tested model and is familiar to other agencies such as HMRC and auditors. The National Commissioning Board (NCB) has previously published an illustrative agreement on the development of a Section 33 arrangement. These and other materials are available on the NCB's website, which is hosted by the Welsh Local Government Association (WLGA)[iii], and is further supplemented by resources published by Social Care Wales (SCW).[iv] In addition, other illustrative agreements are available on the Better Care Fund website in England.[v]

**Key Message – Always seek legal advice**
This and other advice notes in the series, together with any attachments, should not be used as an alternative to obtaining independent legal advice as appropriate. The advice notes are intended as aids to the consideration of what might be required.

Partners should seek individual and joint legal support before signing the partnership agreement. This enables partners to know their rights/powers and any legal restrictions.

# Background

9. There is a long history of attempts to promote more effective joint working between local authorities and health boards going back to circulars on joint working and joint finance in the 1970s. (The NHS Reorganisation Act 1973 established new machinery for joint planning between local authorities and the NHS through member-based Joint Consultative Committees. They were followed in 1976 by the introduction of joint finance arrangements, partly as an incentive to joint planning). Yet, there is still significant room for improvement in terms of gaining all the benefits from effective integration.

10. The challenges of rising demand, often involving individuals with a range of complex needs requiring a complex range of service solutions, coupled with severe financial constraints, requires local government and the NHS to make the best use of resources and avoid waste and duplication.

11. The Welsh Government's strategy – *'A Healthier Wales'*[vi] provides the strongest message to date of the need to improve cooperation and partnership and this is underpinned by both the Social Services and Well-being (Wales) Act 2014 and the Well-being of Future Generations (Wales) Act 2015 and earlier legislation.

12. Although the Social Services and Well-being (Wales) Act 2014 provides Welsh Ministers with powers to direct the creation of formal partnerships and pooled budgets, both this Act and *A Healthier Wales,* provide considerable scope for RPBs to develop their own approaches to integrating services where appropriate to deliver seamless care. (Also see, *Guidance Note 5: Pooled funds*, on the SCW website).[vii]

13. The successful development of formal partnerships and pooled budgets to underpin integration depends on the commitment of members of the RPBs, the partnership bodies, senior managers and the organisations and staff that they manage. It requires the winning of 'hearts and minds' to the notion that formal partnerships and pooled budgets can enhance the prospects of effective integration of services. The RPBs know the local challenges and understand the assets they bring to bear to respond to them. The Welsh Government is keen to support the RPBs in the development of integrated services.

14. There are very good examples of best practice partnership working in Wales where partners are striving to develop integrated approaches to service delivery. The NCB's work on developing guidelines on the commissioning of integrated services for children and young people with complex needs due to disability and or illness, for example, identified some excellent work in the Gwent Region on developments to improve both integrated working and decision making concerning the funding of complex packages of care. Successful examples need to be more widely shared and studied.

# Challenging Current Practice and Arrangements

15. RPBs are striving to improve outcomes for people requiring care and support and are constantly looking for ways to improve the effectiveness and efficiency of services, in the very challenging circumstances of rising demand and tightening resources. The challenging circumstances should serve as a driver for integration to make best use of resources despite the challenges. The partners may genuinely feel that they are working well together at both 'operational and strategic levels' but it is always worth challenging these assumptions to identify opportunities for improvement.

16. We can test this from the perspectives of service users, carers, frontline operational staff, managers and advocates, etc.

    - **What is the experience of the user being able to access appropriate services?**
    - **How well are services coordinated? How often is it left to the carer to coordinate services?**
    - **How easy was it to achieve an integrated assessment and care plan where different professionals/agencies needed to be involved?**
    - **How long did it take to agree joint funding for the care plan?**
    - **From a strategic point of view, do the partners have an agreed vision, shared outcomes, an overview of the whole system in terms of demand, expenditure, service pressures, etc?**

17. Partnerships may also wish, for example, to measure their services against the ten national design principles described in *A Healthier Wales*.

18. The NCB published good practice guidance for RPBs on the Integrated Commissioning of Services for Families, Children and Young People with complex needs due to disability and or ill health (September 2018) together with a toolkit.[viii] During the development of this guidance, through discussions with stakeholders and research, it became evident that there is considerable room for improvement in the integration of services at both operational and strategic levels, which could improve outcomes for children, young people and their families and make better use of resources. The guidance and toolkit provide some challenging questions for partnerships, as well as examples of developing good practice to address some of the challenges.

19. Some of the questions have been adapted from the toolkit and added as an annex to this document. However, a recent publication in England, *Shifting the Centre of Gravity: Making place-based person-centred health and care a reality*, which was published by the Local Government Association and was endorsed by a number of organisations including, the Association of Directors of Adult Social Services, NHS Clinical Commissioners, NHS Providers and the NHS Confederation, also includes a useful checklist for integration.[ix]

20. RPBs can also challenge themselves as how well they are making progress against the following definition of integration as it applies to individuals who require care and support from more than one professional or organisation:

    ***"My care is planned by me with people working to understand me, my family and carer(s), giving me control, and bringing together services to achieve the outcomes important to me."***

21. The purpose of asking these questions is to ensure that all partners are doing everything possible to make the optimum use of resources to improve outcomes for individuals in need

of care and support, their families and carers, as the views of users, carers and frontline staff may be very different to senior managers.

## Rationale for the use of Formal Partnerships and Pooled Funds

22. The delivery of public sector services requires clearly defined roles and accountabilities. Each agency, NHS and local authority, involved in the delivery of support to service users, will have a defined set of legal responsibilities.

23. Agencies are not necessarily empowered under current legislation or their insurance arrangements to deliver or co-ordinate care for the other agency, or to use their resources for the other agency's responsibilities. They cannot simply decide to manage the other's services and staff without formal agreement and permitted legislation. Otherwise there may be enormous risk for service users, staff and the organisations concerned. Governance and management controls must be clear.

24. The development of formal partnerships and pooled budgets were introduced with the Health Act 1999. This introduced a legal underpinning for partnership working and the integration of services. Early guidance accompanying the Health Act talked about 'Integrated Provision', 'Lead Commissioning' and 'Pooled Budgets'.

25. Integrated Provision, for example, enables a health board to delegate the management of NHS staff to a local authority and vice versa. This enables the development of integrated teams – e.g. learning disability teams, mental health teams etc.

26. Lead Commissioning enables a health board to delegate the function of commissioning specified services to the local authority and vice versa. For example, this would enable the local authority to commission all residential placements for people with a learning disability on behalf of the health board. At that stage, the local authority would be managing two separate budgets - the health board budget and the local authority budget - for the commissioning of residential placements for people with learning disabilities.

27. The health board and the local authority may decide that rather than operate with two budgets, these will be brought together in a pooled budget to be spent on objectives determined by the partnership.

28. These arrangements were designed to be very flexible and became known as 'Health Act Flexibilities' enabling partners (local authorities and health boards) to design their own partnership arrangements for the integrated commissioning and delivery of services. These arrangements could be applied to a single service or to a range of services. The advantages of these arrangements will be described later in this advice note. They have the immediate advantage of enabling partners to create new organisational arrangements without major restructuring of organisations. These measures were later consolidated with other measures within the NHS (Wales) Act 2006.

29. Part 9 of the Social Services and Well-being (Wales) Act 2014 now makes the same provision for formal partnerships and pooled budgets as the 2006 Act. Moreover, through the creation of RPBs, there is a bespoke mechanism to take forward the integration and partnership agenda based on population and locality need.

**Question?**
If you have joint posts (e.g. joint managers) between health and social services (outside of a Part 9 Agreement/Section 33) what are the governance arrangements? Are these arrangements legally robust?

30. Partners should always understand the need to establish whether or not their staff are legitimately enabled to undertake each-other's functions, manage each-other's budget and assessment-related services or not. Part 9 Agreements under the Social Services & Well-being (Wales) Act 2014 (or Section 33 Agreements), permit such arrangements **if a full written agreement is completed between the partners.**

31. A Part 9 (or Section 33) Agreement is a written agreement that, in being drafted, must comply with certain statutory directions on content and which therefore, forces the partners to agree joint priorities and targets, what resources are needed, the types of services required and what outcomes are to be met. They will, of course, also need to agree how the partnership arrangement is jointly overseen and controlled. (see Advice Note 4 on Governance).

32. The partners can then bring together different funding streams so that providers and their service users do not need to apply separately for and against many different funds or services, ensuring monitoring arrangements are less bureaucratic.

33. Joining up resources for commissioning and provision, also ensures that the partners are focusing on meeting the needs of a person, rather than holding discussions on who should pay for what. This is particularly valuable when new models of care are being introduced and there is a gain for the whole care economy.

34. However, where the partners and their staff are not specifically enabled with a Part 9 (or Section 33) Agreement to do so, they should not attempt to carry out a function of other partners, as they have no acquired authority. Failure to comply with this could lead to significant difficulties for both partners if there is a serious complaint or if a critical incident were to occur.

35. The Advice Note 3 on the 'Practicalities of Partnership' includes a suggested criterion as to when formal partnerships should be considered. In brief, services which are interdependent benefit from partnership working.

36. We can take two detailed case study examples in Wales prior to exploring other opportunities available to RPBs. The example of Care Homes for Older People has been developed further to balance the pressures of regional governance arrangements and local decision making as close to the user and carer as possible.

## Case Study 1: Community Equipment Services

37. Within Wales we have one example where formal partnerships and pooled budgets were applied to one service across the whole of Wales – Community Equipment Services. Community Equipment Services are core services and in themselves may help an individual maintain their independence without the assistance of carers. In many cases, it may be that essential services cannot be delivered without community equipment e.g. reablement, home care, district nursing, care homes services, etc. It was becoming clear that as reablement and intermediate care services were being developed that increasing demand for community equipment was inevitable – more prescribers = more equipment being prescribed. At the same time, there was clearly an interdependency between health and local authorities in relation to the provision of community equipment. For example, in many cases, health boards provided hoists for short term use, whilst local authorities allocated hoists for long term use.

38. The Welsh Government made £12.5 million available to improve the infrastructure to support the effective integration of Community Equipment Services and the development of formal partnerships and pooled budgets were made a condition of accessing the grant. The purpose of the funding was to facilitate the development of a unified, integrated approach to the provision of equipment in terms of:

    - **the procurement of equipment from suppliers**
    - **the development of effective storage facilities**
    - **a unified approach to delivering equipment**
    - **an integrated approach to the collection of equipment when no longer required, along with its decontamination and refurbishment**
    - **the development of effective IT systems to track and trace equipment to ensure effective maintenance and servicing**
    - **the facilitation of the effective recycling of equipment.**

39. Prior to this initiative, there were two or three systems in place duplicating a range of functions sometimes, for example, involving two vehicles from two organisations being in the same street at the same time collecting equipment to take back to different stores.

40. Furthermore, the development of formal partnerships and pooled budgets required the partners to identify their contributions to the pooled budget. This required both the identification of expenditure and demand. This led, for the first time, to a unified understanding of both demand and expenditure for the service.

> **Key Message – Expenditure and Demand**
> How can we plan effectively if we do not understand the level of demand or expenditure on a service, let alone the more complex understanding of its impact upon the effective delivery of other services?
>
> This applies across a whole range of services. The fact that we often lack an understanding of demand and expenditure across a range of interrelated and interdependent services is understandable given the different statutory responsibilities and histories of organisations. However, this situation cannot and will not stand up to scrutiny in the future.

41. The Community Equipment Service initiative led to the development of eleven formal partnerships. The initiative took place before NHS reorganisation in Wales, involving 22 local

health boards, NHS Trusts, as well as 22 local authorities. It also led to a partnership for the procurement of routine equipment across the whole of Wales (excluding Powys) led by Value Wales, which used the purchasing power of Wales, saving both significant expenditure and improving the quality of equipment. This took partnership working to a higher level. In addition, there was an active programme of support from Welsh Government for service managers to deliver this program.

42. The Community Equipment Service initiative met with more success in some partnerships than others. One of the early success stories concerned the Cwm Taf Partnership, which enjoyed both very effective management and an effective Partnership Board. The Board developed good quality management information systems, which helped the partners to develop confidence in the partnership. They could all identify what they were putting into the partnership together with the benefits of the partnership.

43. Building on this work, the Welsh Government was the first UK administration to develop national standards for Community Equipment Services.

44. The initiative was largely confined to the development of effective partnership arrangements together with an infrastructure to make the service more sustainable by developing a capacity to recycle equipment. It did not officially include the assessment of needs of individual service users, although it did encourage partnerships to develop appropriate arrangements for determining which professionals could assess for specific items of equipment and for authorising expenditure. It also ensured that key professionals played a part in developing the service.

45. The Cwm Taf Partnership also encompassed education. The service conducted an effective audit of equipment in education and recovered a lot of equipment and brought it back into use, saving significant resources. Not all education departments availed themselves of these partnership opportunities. For those education departments which remain outside these arrangements, they may wish to consider the benefits of joining these arrangements. If they wish to remain outside these arrangements, they should at least evaluate their community equipment services against the National Standards developed by the Welsh Government to ensure that they are fit for purpose.[x]

## Case Study 2: Care Homes for Older People

46. The guidance issued under Part 9 of the Social Services & Well-being (Wales) Act 2014 requires the establishment of partnerships and pooled funds for the commissioning of services from care homes for adults, focusing on care homes for older people. This is intended by Welsh Government as an example of where formal partnerships and pooled budgets could make a positive contribution bearing in mind that:

- It was expected that commissioners would develop a more accurate picture of the total demand for care home placements and use their combined resources to work with providers to plan the development of services and thus help to shape the market more effectively.

- Local authorities and health boards already jointly fund nursing home placements, with health boards contributing the Funded Nursing Care (FNC) component; and where health boards funded the placements of individuals eligible for Continuing Health Care (CHC) funding, they still purchase services from the same providers. There is, therefore, a

mutual dependency between local authority and health board commissioners on the same providers.

- One of the challenges of developing a pooled budget is determining the contributions of each partner to the pooled budget. This should be relatively simple in the case of care homes because the contributions of commissioners are largely determined by their statutory responsibilities. The only areas for negotiation concern responsibilities for funding short term care e.g. the provision of short-term rehabilitation/reablement/ intermediate care or respite care.
- Finally, it would be helpful for care home providers who may provide care for residents from several authorities, for the health board and their local authority partners to have a more consistent approach to commissioning. The guidance required health boards and local authorities to:
    - Undertake a population needs assessment and market analysis to include the needs of individuals who fund/purchase their own placements. The purpose of the market analysis is to examine both demand and provision for Care Homes for Older People. Some younger people are occasionally admitted to care homes for older people and the reasons for such placements require careful scrutiny.
    - Agree an appropriate integrated market position statement and commissioning strategy. These will specify the outcomes required of care homes, including the range of services required. There should also be an agreement on the methods of commissioning (for example, some services may require a block contract, step-up step-down intermediate care services, respite care, etc).
    - Agree a common contract specification.
    - Develop an integrated approach to agreeing fees with providers.
    - Develop an integrated approach to quality assurance.
    - Adopt a transparent use of resources – develop a pooled fund.

47. The purpose of these requirements is to ensure that 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 the needs of people in their region.

48. Some partnerships may wish to include other accommodation options as part of their approach towards responding to the needs of older people. For example, Powys included other accommodation options in their market analysis.

49. Since the publication of the original guidance in relation to Part 9, the Welsh Government has further clarified the requirement that the pooled fund for Care Homes for Older People should be managed at the regional level. Regulation 19 (establishment and maintenance of pooled funds) has been amended by *The Partnership Arrangements and Population Assessments (Miscellaneous Amendments) (Wales) Regulations 2019*[xi] to require partnership bodies to establish and maintain a regional pooled fund in the exercise of their care home places for older people and family support functions. This regulation requires partnership bodies for each of the Regional Partnership Board areas to make a financial contribution to the regional pooled fund. A regional-led approach should facilitate the continuing improvement agendas flowing from the report of the Commissioner for Older People in Wales (*A place to Call*

*Home*)[xii]; the Flynn Review (*Operation Jasmine*)[xiii]; the implementation of the toolkit to assist all parties to provide a sustainable cost model for care homes in Wales (*Let's Agree to Agree*)[xiv] and the implementation of the policy of Directly Enhanced Services (DES), which is designed to improve the quality of health care and multi-disciplinary support to care homes and their residents.

50. The challenge is how to balance the requirements of regional governance with the need to ensure effective local and timely decision making as close to the individual in need of care and support as possible. Where a care home placement has been assessed as part of the most effective means of addressing the needs and outcomes of the individual, the authorisation of that placement needs to be taken both in a timely manner and as close to the individual as possible by managers and professionals who understand the circumstances. Such an authorisation cannot afford to be delayed whilst awaiting a decision from some form of central bureaucracy that is distant from the individual. Such a situation would risk a negative impact both on the individual, their family and on other services (e.g. delayed transfers of care).

51. Any system which authorises a placement also, by default, authorises the expenditure on the placement and therefore makes a claim on any pooled fund. So how should the system work? The RPB is already required to develop a regional approach to undertaking a market analysis; fee setting, contracts, specifications, quality assurance and develop a pooled fund. The RPB will also need to ensure that it has an agreed method for determining adequate contributions to the pooled fund from each partner (See Advice Note 3 - Practicalities of Partnership). The agreed contributions will need to be identified and made available. The RPBs will agree the management, financial and performance information required for reporting purposes at local and regional levels.

52. Each RPB will develop a system of delegation for the authorisation of placements at the appropriate level and will make a budget available at that level. There will a designated individual to manage this local budget. This may be at the level of a local authority or, in time, could be delegated to a locality e.g. GP Cluster. Most local authorities and health boards presently have mechanisms in place for making decisions regarding placements, albeit they sometimes operate separately. These could be integrated at the local level and this could be the vehicle for the authorisation of local placements. This will need to be facilitated by the development of appropriate information systems. The locality will report on activity, performance and expenditure in an agreed format, within agreed timescales, to the RPB which will provide appropriate regional and local reports to partners. This will provide an opportunity for benchmarking within the region. If a national template for reporting is used (see Advice Note 4 - Governance) it will allow for benchmarking across Wales. This will also be referenced in the RPB's annual report.

53. Such a system of delegation will facilitate local decision making and provide effective governance at regional and local levels. It should also help to address any concerns about loss of control over resources and cross subsidisation. Such an approach will also serve to identify the needs of individuals, which can be more effectively resolved by specialist regional services e.g. specific conditions such as head injuries.

# Other Opportunities for Integrating Services

54. Partners can also develop more integrated approaches at an earlier stage. The Local Government Association's publication, *Efficiency opportunities through health and social care integration* (2016)[xv] provided the example of a substantial reduction in the number of residential placements of individuals leaving hospital in Kent, as the result of introducing a more integrated and multi-disciplinary approach to assessment. It was found that ward-based staff were not familiar with the full range of enabling interventions on offer. The focus shifted to examining what range of services (often a complex mix) could be put in place to allow the individual to be discharged home safely.

55. Similarly, in Wales, the NHS Delivery Unit published a report in 2017 – *Moving On: Review of the Decision-Making Process for Care Home Placement Following Admission to Hospital in Wales*[xvi] which reviewed the decision-making process for care home placement following admission to hospital in Wales. The review found that:

- Too many people are being assessed for a new care home placement in an acute care environment. This impacts both on the individual's ability to maximise their potential for independence and on the ability of the health and social care system to function optimally.

- A significant proportion of patients move directly from being independent at home to care home placement without the full range of care and support options being comprehensively explored.

56. The LGA report noted how Lancashire had introduced a similar multidisciplinary approach at the front door of acute hospitals in A&E departments, which reduced acute admissions by 5% or 100 to 120 avoided admissions per month.

57. Taking the example of Care Homes for Older People above, it is not difficult to think of other examples where effective integration can be applied whether or not this goes as far as the development of formal partnerships and pooled budgets. In relation to Care Homes for Younger Adults, for example, the NCB published a draft discussion document on the integrated commissioning of supported living services for people with learning disabilities.[xvii] During the development of this work, it became apparent that there is often very little difference between registered care homes and supportive living arrangements. This may be another area where integrated commissioning could make a useful contribution.

58. The guidance issued under Part 9 of the Social Services & Well-being (Wales) Act 2014, also refers to the option of an integrated approach to commissioning Home Care Services. The commissioning of Home Care Services is largely undertaken by local authorities, but health boards are increasingly commissioning services from home care providers. Once again, an integrated approach to commissioning these services may be helpful in terms developing a coherent approach to the development of these services. An integrated approach would provide a clear picture of both demand and expenditure. It may help to address specific challenges of provision e.g. night time cover; out of hours management support; and coverage of sparsely populated areas. In time, it may be possible to develop a pooled fund covering both Home Care and Care Homes for Older People. This has the advantage of being easier to transfer funding between services within the pool, providing such arrangements meet the requirements established for the pooled budget by the partners.

59. Services for children and young people are often jointly funded from care homes. Experience to date suggests that it can take a considerable amount of time and effort to get an agreed

assessment, let alone getting agreement from all the partners – social services, education and health. There are a number of challenges here. Firstly, how do we put appropriate arrangements in place to facilitate integrated assessments and care planning and secondly, how can we improve arrangements for agreeing integrated care and support arrangements including education? The funding of placements may be facilitated by the development of a pooled budget. An integrated commissioning strategy is also required.

60. The development of multi-disciplinary teams offers another example of where an integrated approach may be more effective. This may involve such teams working as part of GP clusters; learning disability or disability teams, mental health teams, etc. The advantages of co-locating professionals in multidisciplinary teams improves communication, problem solving and joint learning. However, it is important to remember where these involve health and social care professionals, the governance arrangements need to be clear. If the manager is employed by a local authority and they are managing health professionals employed by the health board, this may involve a delegation of functions requiring a formal partnership.

# Formal Partnerships and Pooled Funds

61. The purpose of formal partnerships and pooled funds is to provide a legal governance framework to support effective partnerships and service integration. The benefits are derived from effective integration.

**Key Message – Opportunities of Pooled Funds**
They can reduce the number of separate funding streams that must be accessed providing an opportunity for integrated decision making.

They can encourage a more joined-up approach to working with providers to influence the shape of services to respond more effectively to a range of needs more effectively.

They can offer precipitous and more efficient decision making.

The development of a pooled budget also encourages greater transparency concerning the use of resources. Partners must be transparent about their expenditure to calculate their contribution to the pooled fund. This encourages partners to scrutinise their total expenditure, rather than simply focus on any new money available – e.g. Transformation Grant and the Integrated Care Fund (ICF), particularly, where the funding is only available for a fixed period of time. It is important to understand how all resources are being used, whether there is duplication and whether there are opportunities to deploy resources more effectively.

In the case of children's services, they provide a higher-level commitment to change the way children's services are commissioned and delivered including management protocols.

62. Formal partnerships can facilitate the development of new integrated services with streamlined management processes without organisational restructuring with all the distractions that can involve.

63. The use of pooled funds is particularly challenging at a time of financial austerity. One of the barriers is that statutory agencies often fear the loss of resources by contributing to a pooled fund but still being held accountable for their statutory responsibilities. In reality, working together with partners gives them a much more accurate picture of demand and expenditure across the whole system, together with greater opportunities for shaping and managing demand. Working alone, for example, local authorities will have limited success in influencing the market in relation to nursing homes, whilst health boards are also spending heavily on nursing home services for individuals eligible for Continuing Health Care in the same nursing homes.

64. They may also fear cross-subsidising other agencies. The construction of an effective pooled budget can address both concerns if partners are clear about the rationale underpinning their contribution and they receive good quality management reports which provide evidence that their statutory responsibilities are being fulfilled, whilst also effectively using its resources. Partners from health boards and local authorities are members of partnership boards which oversee the management of the pooled fund and, as such, they are not giving away control of scarce resources. They have to agree the purpose of the pooled fund.

65. A formal Partnership Arrangement is legally binding and prevents a partner from unilaterally walking away. Agreements can be terminated but only with notice and this allows time for consideration and avoiding short term decision making.

66. During the development of the NCB's guidance for the integrated commissioning of services for children and young people, there were numerous references from professionals to the need to develop pooled funds to ensure more effective and timely decision making.

# Conclusion

67. The development of formal partnerships and pooled budgets are designed to support safe and effective integration, providing appropriate protections to users, carers, staff, managers and organisations. They provide for effective governance arrangements and, where RPBs are developing integrated services outside of a formal partnership, they will need to scrutinise the governance arrangements to satisfy themselves that they are legally robust.

68. In addition, the RPBs need to identify opportunities where further integration would improve outcomes for service users and carers. As suggested, users, carers and frontline staff, can make a useful contribution. Where there is an interdependency between services, RPBs need a full picture of demand, the drivers of demand and expenditure. Failing to have a complete understanding of demand and expenditure will no longer stand up to scrutiny and will continue to impede planning and service development.

69. The challenges posed by the effective design and delivery of integrated services across all user groups and functions are considerable and all the relevant literature identifies the need for effective leadership at all levels. This will require significant investment in leadership and organisational development involving all partners including those in the third and private sectors.

70. Annex 2 to this Advice Note is taken from a table from the report, *Integration: A Report from NHS Future Forum*[xviii] and provides a useful list of enablers to support integration, together with a list of barriers to integration. This can be used to inform discussions.

# ANNEX 1: Steps to Integration

71. The following tool aims to help Regional Partnership Boards (RPBs) discuss and address challenges to integration. It is adapted from *Good Practice Guidance for Regional Partnership Boards on the integrated commissioning of services for families, children and young people with complex needs*,[xix] together its accompanying toolkit.

| | **Challenge** | **Current Situation** |
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| 1. | Does the RPB have a partnership board or mechanism in place responsible for the development of services for children and young people? | |
| 2. | Has the RPB agreed the aims and objectives of how partners will work together with all stakeholders, including children and parents, to develop services for children and young people requiring complex service solutions? | |
| 3. | Has the RPB developed a statement of intent or plan to describe how it plans to integrate to improve outcomes for children and families? | |
| 4. | Is there a single point of access to services? There may be more than one within each region covering different geographical localities. Are partners working towards a single point of access or have more effective solutions been found? | |
| 5. | Does the RPB have an integrated approach to provide information to children and parents enabling informed decision making? | |
| 6. | Are there agreed pathways for children and young people across all age groups? | |

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| 7. | Is there are integrated approach to assessment, care planning and review, to include the requirements of the Additional Learning Needs and Education Tribunal (Wales) Act 2018; the Social Services and Well-being (Wales) Act 2014 and Continuing Health Care? One of the difficulties can be getting all the relevant professionals together. | |
| 8. | Are there integrated mechanisms in place between the agencies to make timely decisions concerning the funding of placements? | |
| 9. | Are the existing governance arrangements sufficiently robust and integrated? | |
| 10. | Is the expenditure on services for children and young people with complex from each agency transparent? | |
| 11. | Is there an integrated commissioning strategy for services, which are jointly funded? Is there a rationale for the contribution of each agency? | |
| 12. | Effective partnerships are built and developed on trust and confidence. We can promote trust and confidence by ensuring that RPBs and their management groups (e.g. partnership for children and young people) are serviced regularly with good quality management and financial information, reports to provide assurance that their statutory duties are being fulfilled and that resources are being used | |

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| | effectively. Are such reports in place? | |
| 13. | How are partners working together to assess and manage or shape demand? How is data being shared? | |
| 14. | Where agencies work closely together (e.g. health professionals based in special schools) what mechanisms exist to discuss how resources are flexed to cope with changing levels of demand? | |
| 15. | Are there plans to develop multidisciplinary teams across agencies, to work with children and young people with complex needs? | |
| 16. | Do partners understand the role and contribution of each professional (e.g. Learning Disability Nurse, Rehabilitation Officer for the Blind) and services of partner agencies? | |
| 17. | How does the RPB plan to evaluate the performance of the partnership? | |
| 18 | Has the RPB discussed the merits of using a formal partnership and pooled budget to provide a legal and financial underpinning of integration? | |
| 19. | Has the RPB developed a leadership and organisational development program to support integration? | |

These questions can be subject to further refinement, but they are designed to stimulate thinking about how integration could improve outcomes for individuals and make better use of resources. They will also inform any discussion concerning the merits of using tools, such as formal partnerships and pooled budgets, to stimulate integration.

# ANNEX 2: Taken from Integration: A report from NHS Future Forum

## Enablers to integrated care identified include:

- A shared vision of the case for change between GPs, local authorities and other partners.
- Strong, courageous and persevering leadership, particularly from local professionals.
- Sufficient time spent building relationships, developing a shared culture and governance between organisations.
- Involvement of people and communities as key partners in designing a shared culture and governance between organisations.
- Involvement of people and communities as key partners in designing services
- Proactive provision of information and support to help people make decisions about their own care.
- Sharing information between all providers involved in an integrated journey of care.
- Joint commissioning between health and social care based on shared vision and budgets.
- Using flexible funding models and innovating around existing incentives.
- Alignment of governance procedures, staff management and training.
- Leadership investment in supporting behavioural change and shared ambitions with providers.
- Responsiveness to feedback of frontline staff.
- Strong commissioners prepared to follow through on a vision to integrate around the needs of people and patients.
- Sharing of activity and performance data between commissioners and providers.
- Anticipation and mitigation of side effects of service changes, such as initial ‘double running’ of services.

## Barriers to integrated care identified include:

- Repeated structural change prescribed centrally.
- Lack of a clear shared vision among all parties involved.
- Lack of strong leadership or organisational alignment.
- Lack of attention to issues of culture, staff engagement, behaviour and training to deliver change.
- Lack of interest from GPs, local authorities or other organisations in new ways of working.
- Lack of shared culture, language, governance and operating procedures between organisations and sectors.
- Insufficient investment in service improvement and project management.
- Failure to remove or address conflicting incentives.
- Existing payment regimes and information systems.
- An expectation that the integration of providers will always improve care or reduce costs.
- Disparities between commissioners in funding available – particularly between health and local authorities.
- Reluctance among providers to share performance data.
- Lack of high-quality premises in the community for new services.
- Provider financial models which disincentivise integration.

# References


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[xvi] *Moving On: Review of the Decision-Making Process for Care Home Placement Following Admission to Hospital in Wales*

[xvii] integrated commissioning of supporting living services for people with learning disabilities

[xviii] NHS Future Forum, *Integration: A Report from the NHS Future Forum*, 2012. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/216425/dh_132023.pdf

[xix] NCB, ibid, 2018.