Joint financing across health and social care

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Charly Goldman & Jane Carrier
Audit Commission

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Partnerships are key for better service delivery and outcomes

- Better services and outcomes, e.g. delayed transfers of care;
- Responsive, co-ordinated network of health and social care services; and
- Best use of resources, eliminating gaps and duplications.

Government emphasis on local partnership working

- Joint financing is one indicator of integration, i.e. combining NHS and council funding for specific health and social care services:
  - to use money more flexibly to meet user needs
  - using statutory or non-statutory approaches

- Legislative basis: section 75 of the NHS Act 2006
  - delegation and pooling of functions, and the pooling of money

How essential is joint financing to this? *Understanding s75*

Option	Detail	Combination examples
Lead commissioning	One partner leads service commissioning on behalf of another	•Lead commissioning arrangement with pooled funds •Integrated provision with pooled funds •Integrated management or lead commissioning arrangements, but budgets are aligned, not pooled
Integrated management / provision	Functions delegated to a partner to jointly manage service provision; or resources, staff and management combined from senior levels to the frontline	
Pooled funds	Partners make contributions to a common fund to be spent on pooled functions or agreed NHS or health-related council services, managed by a host partner	
Care trusts (and s77)	Combined NHS and council health-related responsibilities within an NHS body under a single management	

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What else does the NHS Act offer?

Delegation of functions	Transfer payments (s76)	Transfer payments (s256)
•Statutory powers or duties of one partner can be delivered day-to-day by another partner •Subject to agreed terms of delegation •To help partners more easily meet shared objectives	•*Previously s28BB of NHS Act 1977* •LA payments to PCTs to support extra PCT services	•*Previously s28A of NHS Act 1977* •PCT payments to LAs to support extra LA services
	•Not a transfer of functions •Has to show more efficient use of resources than if the same amount used directly for own purposes	

How essential is joint financing to this? *Pooled v. aligned funds*

Pooled funds	Aligned funds
•Partners identify own contributions to a common fund meet agreed service aims •Health and social care funds lose their identity to allow flexibility •Host partner leads on delivery and financial management etc.	•Partners identify own contributions to meet agreed service aims •Spending and performance jointly monitored •Separate management and accountability for council and NHS funding streams

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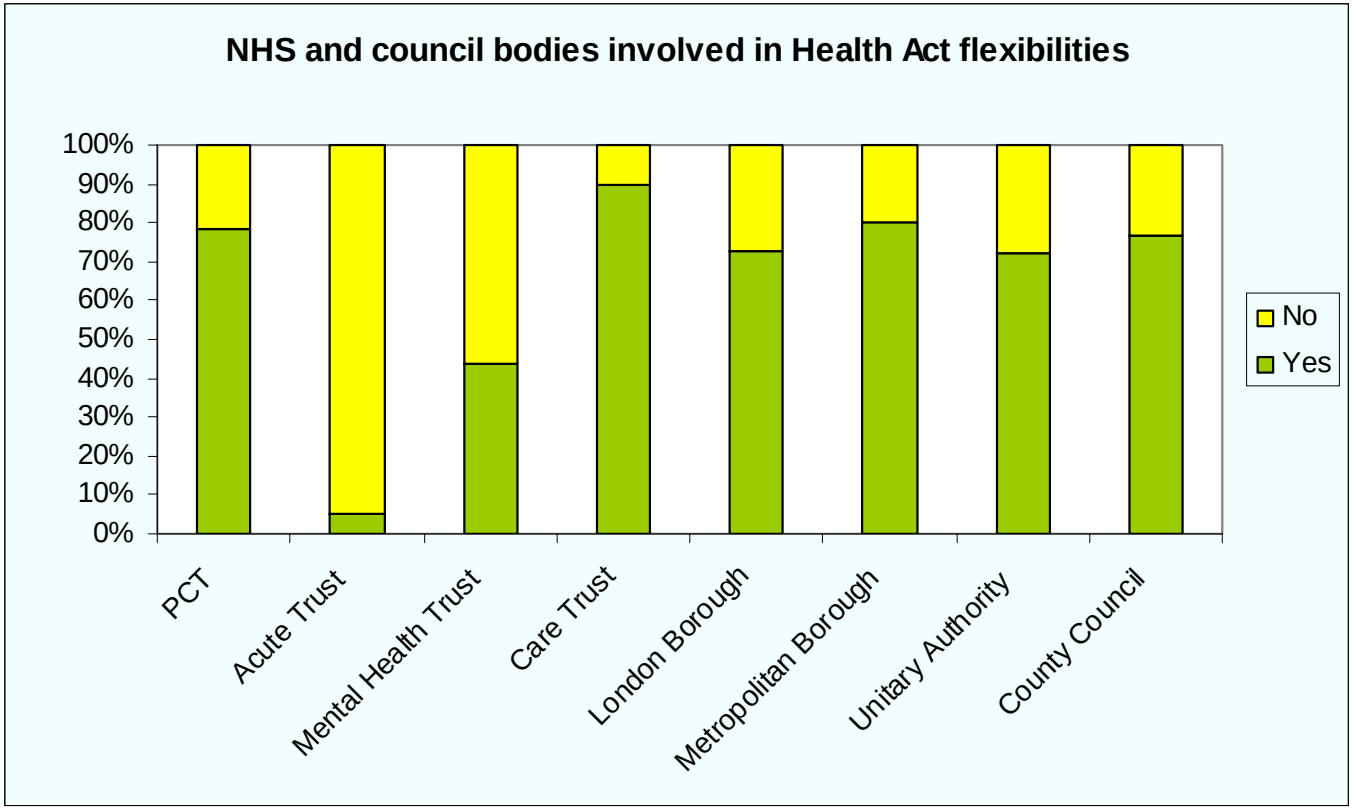
All types of NHS bodies and councils use s75 flexibilities

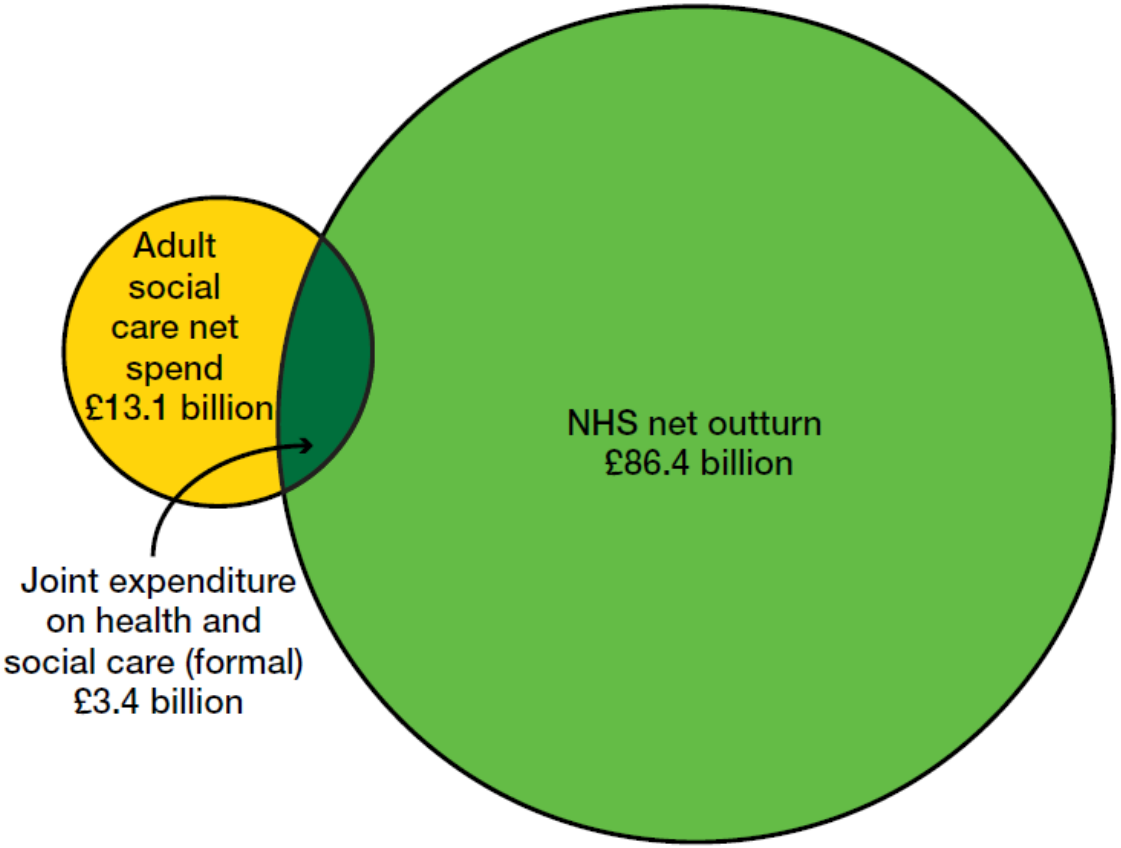
- PCTs, mental health trusts & care trusts more likely than acute trusts to use s75
- All types of councils as likely to use s75



Source: Stewardship & Governance returns

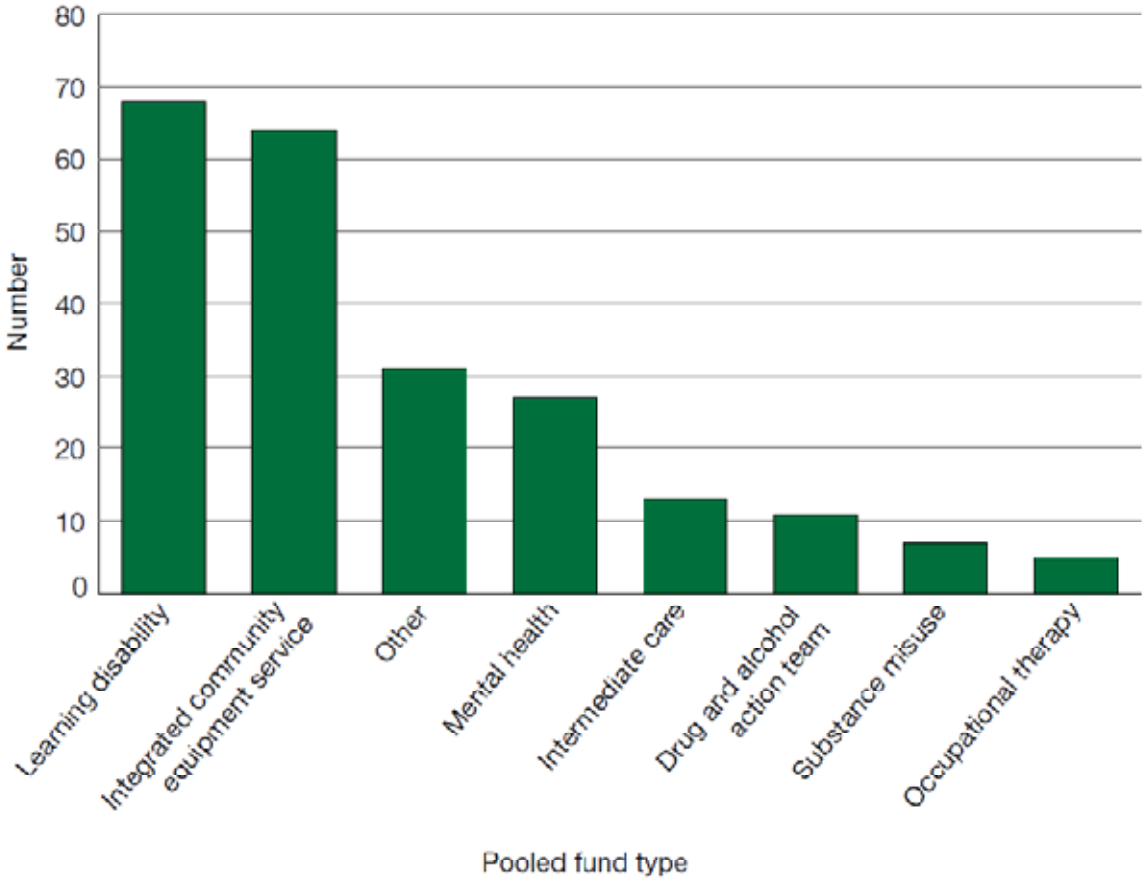
Joint fund expenditure is still only a small proportion of the total

- Approx. £3.4bn pooled health and social care pooled budget expenditure = 3.4% of total NHS and adult social care spend (2007/08)



Pooled funds cover a range of services

- Learning disability: £0.09m-87m p.a.
- Mental health: £0.8m-43m p.a.
- Community equipment: £0.5m-3.8m p.a.



Source: Audit Commission (data from pooled fund survey, 2008)

Why are people working together?

- To improve service users' experience
- To protect funding for vulnerable groups
- To improve efficiency
- Local partnership history
- Natural progression
- Government policy

How are people working together? Integrated management/provision

- Care trusts, e.g. public health functions, children's trusts
- Joint posts (not always using s75)

•Joint chief executive with integrated management team (Hammersmith & Fulham)

•Joint health and social care co-ordinators (Torbay)

- Integration without structural change

•Partnership Board, pooled funds and two-way delegation of functions (Bath & NE Somerset)
•Public Services Partnership (Herefordshire)
•Health and well-being partnership board (Knowsley)

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How are people working together?
Pooled funds aren't the only option

- Technical difficulties v. benefits
- Pooled v. aligned budgets
- How do the flexibilities differ?
  - Beyond pooled funds
  - Mis-labelling the flexibilities
  - Aligned budgets within a s75 arrangement

Practical implementation issues

- A signed, robust agreement should:
  - Outline agreed aims and outcomes
  - Identify contribution levels
  - Clarify FM and governance arrangements, linked across all partners
  - Clarify information-sharing arrangements (performance management, monitoring and reporting)

- Aligning systems, e.g. information, finance, HR
- Clarifying technical matters, e.g. VAT, accounting and audit

Are the rules different for FTs?

Perceptions

- s75 is undesirable
- Delegation by contract only ('legally binding contracts', non-commercial contracts or joint venture)

Reality

- Where s75 is in place, FTs still need to:
  - identify partners, roles
  - clarify governance, management and dispute resolution arrangements
  - ensure this is understood by their Board

Challenges for joint financing

Challenges:	Positive	Negative
PCT provider arm development	Opportunities for creating provider models	Not in the spirit of partnership; concern for care trusts
Personal budgets	Dissolve boundaries; draw on pool	Hard to disaggregate; re-labelling money
LD transfer	Build on experience and relationships	Disaggregation of funds
World Class Commissioning	PCT to improve commissioning	Too much NHS focus

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Making a difference?

For service users:

- Include measurable outcomes in agreements (based on national targets and locally agreed outcomes)
- Data relatively sparse
- Hard to link outcomes back to joint financing

For partners:

- Often qualitative, e.g. trust and understanding

Examples where health and social care services must work together and where joint financing can be valuable

- Reduction in hospital admissions as a result of falls (65+; 75+ & 85+) → No clear downward trend over 3 years despite local falls prevention programmes
- Increased percentage of equipment delivered within 7 days and an increase in the no. of people benefiting → 2007/08: 91% delivered on time, accounts for 3% of delayed discharges; improved quality of life (66%)
- Reduction in delayed transfers of care (particularly 65+) → 2007/08: experienced by 1% of 65+; wide variation in PCT performance

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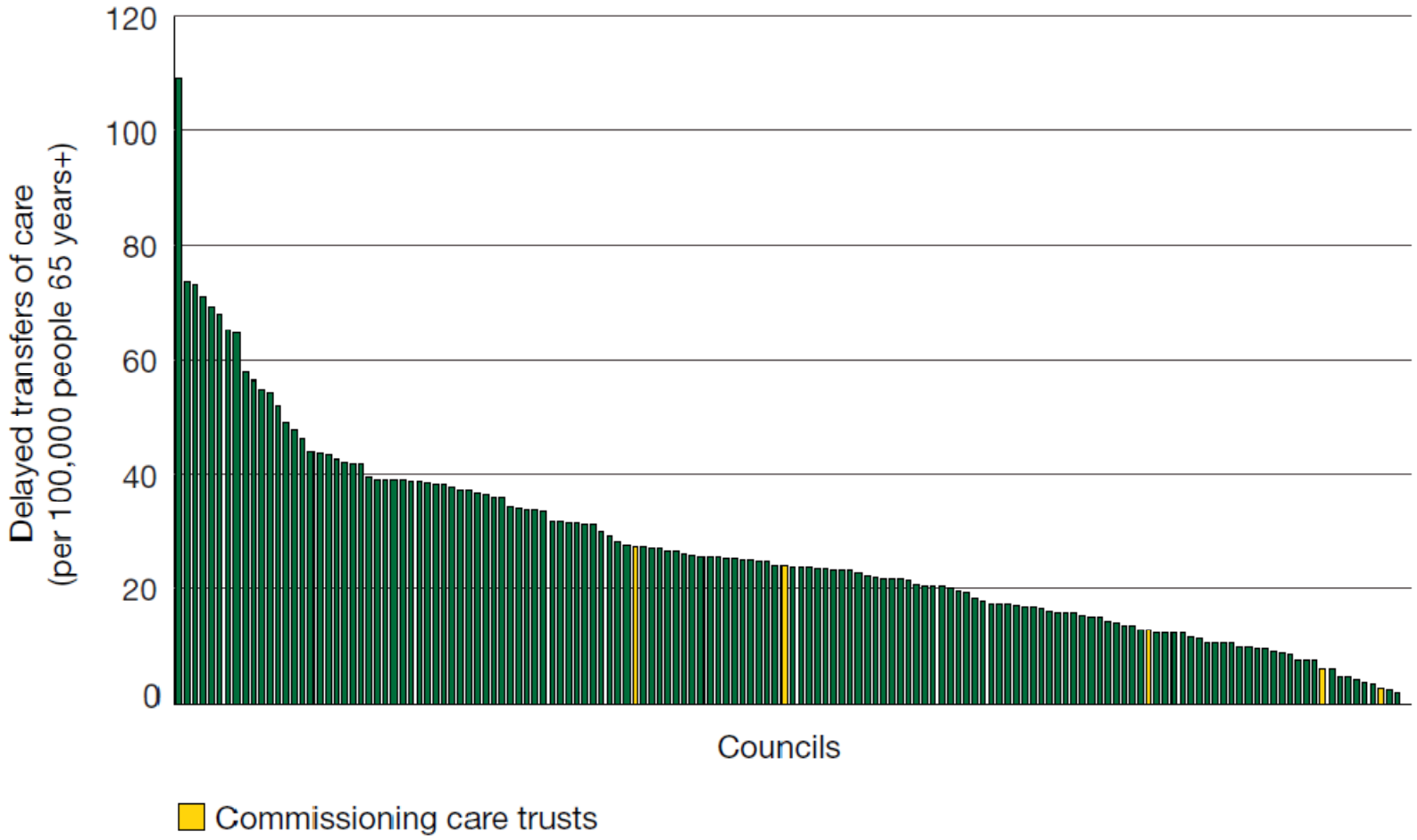
Delayed transfers of care for those aged over 65 years



Source: Audit Commission (data from PAF indicator D41 2007/08)

Conclusion

- Joint financing arrangements assist and underpin health and social care integration
- Various approaches available, both statutory and non-statutory (pooled funds most easily identifiable)
- Need to focus on differences made for users, not process or structures

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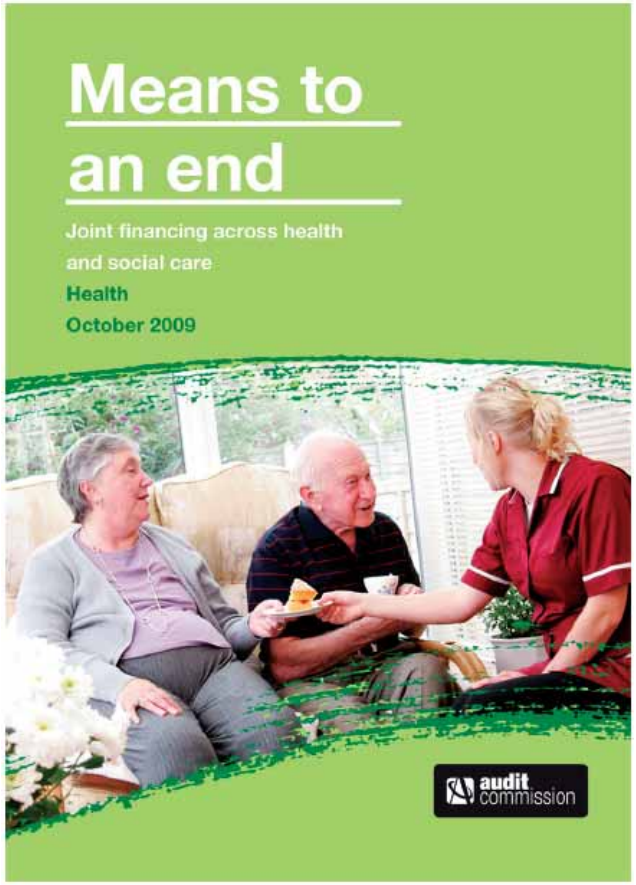
Outputs to assist local and national change

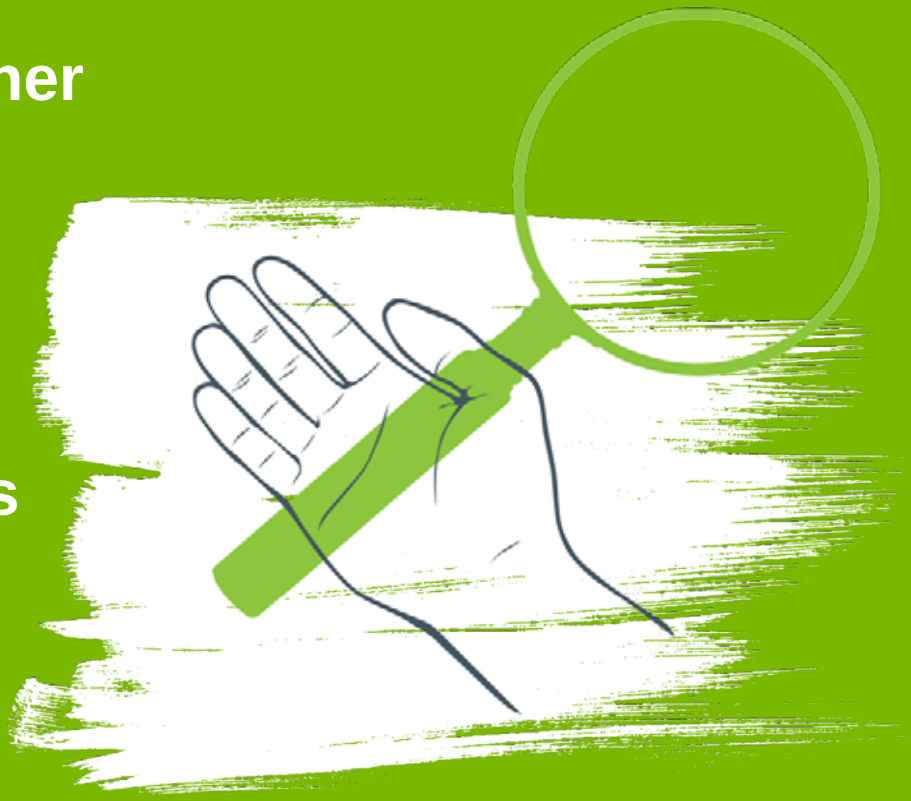
- Briefing - *Clarifying joint financing arrangements* (December 2008)
- Report - *Means to an end* (October 2009)
- Audit tool (Winter 2009/10)
- Outcome measurement tool with CQC (early 2010)



For further information:

Charly Goldman
Senior Health Policy Researcher
Tel. 0844 798 2751
Email c-goldman@audit-commission.gov.uk

Jane Carrier
Older People & Adult Services Policy Lead
Tel. 0844 798 2069
Email j-carrier@audit-commission.gov.uk



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