

## National Commissioning Board: Pooled Budgets Evaluation Summary Assessment

As part of the work programme for 2021/22 for the National Commissioning Board, I have been asked to create a summary of the [KPMG report](#). from the Welsh Government Pooled Budgets Evaluation. I have highlighted the following themes and observations:

1. **Risk Sharing within RPB's** – This is an area where all 7 RPB's seem to need development. Risk Sharing seems to be a complex issue that has not been overcome or resolved completely in any of the regions. From reading the recommendations of the report in general and that of the report within each region, the following suggestions could be made:
  - Risk Sharing agreements need to be developed within each RPB as a collaborative exercise between all partners, ***is there some research / guidance / templates that could be developed and shared?***
  - Risk tracking – ***Using the data sets within each region, would it be possible to track risks and better plan to mitigate them?***
  - ***Cross subsidisation*** between authorities within the RPB appears to be a recurring obstacle where risk sharing is being developed. ***Is there a way to overcome this?***
  - Virtual fund pooling is common and seems to be a way to negate the challenges of trying to formalise and agree risk sharing. Is there a way we could encourage and support those regions who are virtually pooling funds to physically pool them? Support in utilising the [ADSSC Toolkit](#) could be one way to assist with this.
  - Look for the benefits of pooled budgets in each region by ***carrying out case studies in areas that are physically pooling funds and demonstrate how they facilitate better outcomes.***
2. **Pool Fund Manager (PFM) roles** – Those areas who are physically pooling funds all have PFM roles in place. Could we look at this role in more depth to analyse the overall effects of having this role by:
  - Contacting each RPB who has a PFM and asking for their job description and reporting duties.
  - Assessing the benefits and pitfalls of having a PFM in place.
  - Looking for examples that clearly show how having a PFM has developed the pooled budgets within the RPB and how they have helped their maturity scores within the report. These could be added within the case studies for each region.
3. **Sharing notable practice** – I can see that there are some good examples of notable practice within each of the RPB's throughout the report. I feel it would be beneficial to:
  - Highlight and draw out the examples of good practice into one central report – (again the case studies would align with this).
  - For each area of good practice, detail the beneficial effects that this has had for the RPB
  - Encourage and facilitate workshops with RPB's to allow them to openly discuss and share their experiences and challenges. This would allow for some creative thinking and collaboration to improve and strengthen practices within each RPB.

I have looked in detail at each region and how they scored within the maturity matrix. I have also delved into the deeper detail within the report to highlight areas where regions have gained higher maturity scores and how these may have been achieved.

The areas that appear to need most development, (highlighted in red) were; How the pooled fund risk is shared and evaluating and monitoring the initial outcomes of pooled funds. I have detailed my findings below:

Assessment	Cardiff & VOG	CTM	Gwent	North Wales	Powys	West Glam	West Wales
Purpose & Scope of pooled funds	2	4	3	2	4	4	4
Fund Governance arrangements	4	5	5	5	5	5	4
How decisions are made around the funds use	3	5	5	5	5	5	3
How the pooled funds risk is shared	1	2	1	1	2	1	1
Initial outcomes of pooled funds	2	3	2	2	3	2	2
Future development	3	3	3	2	5	3	3
Collaboration	3	4	3	3	3	3	4
<b>Average</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>3</b>	<b>3</b>
<b>Total</b>	<b>18</b>	<b>26</b>	<b>21</b>	<b>20</b>	<b>26</b>	<b>23</b>	<b>21</b>

## Ways to improve progress and maturity within each area of the assessments.

Assessment	Ways to improve – Shared learning
Purpose & Scope of pooled funds	<ul style="list-style-type: none"> <li>• Better articulation of the purpose and scope of the pooled funds.</li> <li>• Having clear milestones to plan and achieve strategic outcomes.</li> <li>• Prioritising milestones – (most impactful and rewarding first)</li> <li>• Define tangible benefits which could be measured through use of KPI's</li> <li>• Setting KPI's to measure progress against goals and objectives</li> </ul>
Fund Governance arrangements	<ul style="list-style-type: none"> <li>• Having a dedicated Pooled Fund Manager</li> <li>• Pooled fund manager reporting to leadership group for each RPB regularly.</li> <li>• Pre agreeing budget between all partners and paying into fund in advance.</li> <li>• Ensuring that records of how the governance structure is followed are kept and audited.</li> <li>• Having an appropriate mechanism for questioning fund spending and decisions</li> <li>• Having a written process for the payment of contributions.</li> <li>• Having co-terminosity between HB and LA's within the RPB</li> <li>• Overcoming cash flow for smaller councils. Clear documentation and audit of all cash flow to show what has been paid out.</li> </ul>
How decisions are made around the funds use	<ul style="list-style-type: none"> <li>• Greater clarity in written agreements in relation to how the polled funds will be spend and managed</li> <li>• Recommendations by the Adult Transformation Board being made to the RPB</li> <li>• Consider funding sign off approaches.</li> <li>• Having a set mediation route for any disagreements between the partners</li> <li>• Having a lead partner to ensure pool can be used in a productive manner</li> <li>• All partners having oversight of numbers within the region, enabling intelligence in relation to preventative activities and demand management. Shares knowledge and best practice across the region.</li> <li>• Decision making structure / flow chart?</li> </ul>
How the pooled funds risk is shared	<ul style="list-style-type: none"> <li>• Risk sharing agreements / structure and arrangements being agreed and implemented.</li> <li>• Developing a risk register to record risks, monitor and review these for learning</li> <li>• Recording risks ahead of time to help decide and plan mitigating actions.</li> <li>• Physically pool funds and financial risk sharing to encourage more integrated service.</li> <li>• Applicability of ADSSC toolkit</li> </ul>

Assessment	Ways to improve – Shared learning
Initial outcomes of pooled funds	<ul style="list-style-type: none"> <li>• Transparency of activity and expenditure</li> <li>• Comprehensive and detailed Section 33 agreement</li> <li>• Regional joint decision making – more collaborative approach to iron out any issues</li> <li>• Joint working gives greater understanding of each partners pressures and challenges</li> <li>• Develop performance reporting to show trends over time</li> <li>• Recognition and sharing of benefits achieved by using the pooled fund</li> <li>• Tracking of fund spend and whether it is achieving its goals.</li> <li>• Legal mechanism for virement of surplus funds.</li> <li>• Placement portal – good data sharing and reduces duplication of information gathering / sharing</li> <li>• Analysis of benefits gained from pooled funds v's individual organisational spend</li> <li>• Revisit pooled budget arrangements – again ADSSC toolkit may help.</li> </ul>
Future development	<ul style="list-style-type: none"> <li>• Setting of clear and achievable long-term goals / milestones and measuring these with KPI's</li> <li>• Regular reviews of these goals to assess if any changes need to be made to help achieve the goals. Evidence actions taken to remedy this.</li> <li>• Regular analysis of data within the region to inform strategic thinking</li> <li>• Regular meetings and communication between the partners of the RPB</li> <li>• Joint commissioning structures supported by joint quality assurance and monitoring structures and processes.</li> <li>• Having an action planner with named colleagues / teams alongside tasks to enable goal achievement with timescales set for reviewing and achieving.</li> <li>• Scaling initiatives across the region to ensure that all partners within the RPB are working at the same levels.</li> <li>• Again utilising ADSSC toolkit</li> </ul>
Collaboration	<ul style="list-style-type: none"> <li>• More collaboration with regards to data sharing</li> <li>• Use of a portal to share data between LA's and HB within the RPB</li> <li>• Regular discussions backed with data around key issues being discussed to ensure they are recognised by all partners.</li> <li>• Having a coterminous boundary and clear senior team</li> <li>• Having trust and confidence across the region.</li> <li>• Good provider links within the private sector.</li> <li>• Better collaborative working and reviewing and sharing of benefits realised through collaborative working. – ADSSC toolkit could help by structuring future RPB initiatives.</li> </ul>

### **Other general observations:**

- United Budgets – These are mentioned but not in any great detail, could these be researched and explained, they could be potentially helpful
- ADSSC Toolkit – This is mentioned frequently throughout the report and I feel that it could be better utilised by RPB's when managing their pooled budgets.
- RPB's being legal entities – Could this be another way to strengthen the pooled budgets within each region?
- Locality models – These again feature quite frequently through the report and are detailed as being a positive area to formalise pooled budgets within.
- Development of milestones and KPI's for each region – Potential for more advice, support and guidance on deciding and setting these within each region. The review and upkeep of these is also essential.
- Lead Partners – These appear to be essential when a physically pooled budget is in place.
- Within the review of Powys there is a lovely definition; “The purpose of a pooled budget is to adopt a single system for commissioning, procurement and contract management / monitoring”.
- Within the West Wales review is another lovely definition; “It is envisaged that ever-closer financial arrangements between Health & Social care partners will remove barriers and promote improved operational arrangements. This will lead to enhanced outcomes”.

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