

# Report

## Cabinet

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### Part 1

Date: 22 November 2022

**Subject** Gwent Regional Integration Fund

**Purpose** For Cabinet to consider the financial liabilities arising from the proposed tapering of the Regional Integration Fund.

**Author** Strategic Director Social Services

**Ward** All Wards

**Summary** The Gwent Regional Integration Fund was established to support transformation in public services across social care and health. The revised model of funding has within it a series of financial implications for all partners. This report summarises the specific implications for Newport City Council of the proposed financial taper. While the attached papers lay out the detailed background, use of the fund and highlight the pending financial challenge.

**Proposal** Cabinet is requested:

- a) To consider the financial liabilities and implications of the Regional Integration Fund and its tapered funding model.
- b) In light of the significant financial challenges the proposed tapering arrangements will place on the LA we support the RPB leadership in seeking to revise the grant conditions.
- c) To determine whether it wishes to make any comments to the Gwent Regional Partnership Board

**Action by** Strategic Director Social Services

**Timetable** Immediate

This report was prepared after consultation with:

- Cabinet Member for Social Services
- Chief Finance Officer
- Executive Board
- Regional Partnership Board and Regional Leadership Group

**Signed**

Case 1

## Background

Gwent Regional Partnership Board, via a range of statutory and third sector partners, have established a portfolio of activity aligned with the priority areas for integration, as defined within the Social Services and Wellbeing Act [Wales] 2014. This portfolio was enabled by a range of funding streams provided to Regional Partnership Boards across Wales, those funding streams ceased on 31 March 2022. To reflect the planned end of funding streams, the 2021-22 financial year was defined as a transition period to support both the regional partnership and organisational financial planning.

Following on from the transition period the Health and Social Care Regional Integration Fund (RIF) was introduced as a 5 year fund to deliver a programme of change from April 2022 to March 2027. The RIF builds on the learning and progress made under the previous Integrated Care Fund (ICF) and Transformation Fund (TF) and will seek to create sustainable system change through the integration of health and social care services.

The RIF is a key lever to drive change and transformation across the health and social care system and in doing so is intended to directly support implementation of several key pieces of policy and legislation. The aim is that by the end of the five year programme social care and health will have established and mainstreamed at least six new national models of integrated care so that citizens of Wales, wherever they live, can be assured of an effective and seamless service experience in relation to:

- Community based care – prevention and community coordination
- Community based care – complex care closer to home
- Promoting good emotional health and well-being
- Supporting families to stay together safely, and therapeutic support for care experienced children
- Home from hospital services

At the time of the introduction of the Regional Integrated Fund the financial modelling including a taper was set out to support a transformational programme. The economic changes since the establishment of the fund have brought significant challenges to all partners and the implementation of the taper as originally proposed will destabilise and undermine core elements of provision. All partners are being asked to consider the viability of the proposed taper model in light of the current financial position.

The Cabinet is asked to consider the executive report specifically relating to the Financial Liabilities applicable to Newport City Council of the Regional Integrated Care Fund funding model, in [Appendix A](#).

In addition, the Regional Integration Fund Strategic Outline Plan is also included for wider context and information, and provides programme level information that has been submitted to Welsh Government, provided by the Regional Partnership Board in [Appendix B](#).

## Services funded by the RIF

The services funded by the RIF have been developed over the past 10 years. Many of the services have been in place since the introduction of the Integrated Care Fund. These services are key to supporting some of the most vulnerable citizens. The services in Newport include

- Community Connectors
- Support for unpaid carers
- Assistive Technology
- Home First – supporting patients to plan discharge from hospital
- Step up – Step down beds
- Early intervention dementia services
- Shared Lives
- My Mates

- Supporting care experienced young people
- Enhanced Edge of Care Services
- Special Guardianship Support

All of these services are currently delivering direct provision to some of our most vulnerable citizens. The services in total directly employ 41 staff by Newport City Council with a further group of staff employed by third sector agencies to support the services as well as the posts in regional services. There is a full description of the services in the appendices.

The original planning for the RIF was predicated on a series of % tapers depending on the nature of the service with a view to releasing the funding for further developments of models of care. Originally the cash taper was due to come into play in 2022/23. However, the timing of the introduction of the cash taper was delayed because of the challenges of timescales. The cash taper is currently due to be enacted in 2023/24.

Across Wales all Local Authorities and Health Boards are in discussion as to the impact of the proposed cash taper. The services provided from the RIF are provisions that have been developed over years and the majority were previously funded by the Integrated Care Fund. Many of the services are models of good practice and innovation. They work with the vulnerable citizens and either work directly with statutory services or are services which prevent escalation of need to a need for statutory interventions. Savings as a direct result of preventative or new models of services are challenging to identify particularly against a back drop of inexorably rising demand, increasing population numbers and for Newport increasing numbers of both older people and young children. The fallout of the pandemic and the increasing impact of the cost of living crisis have exacerbated the difficulties in ceasing services.

### Current position

If the RIF cash taper were to be introduced in the timescales now proposed all agencies involved in providing these services would be required to make savings elsewhere in core budgets in order to meet the cash taper. The overall challenges to the public sector budgets mean the RIF cash taper quite simply adds to an already immensely difficult budget setting round.

In order for Newport City Council to meet the cash taper in 2023/24 and 2024/25 either core services will need to be cut or the grant funded services will need to be brought to a close.

### Financial Summary (Capital and Revenue)

- The costs and financial implications:

Comprehensive details of the current financial arrangements for the RIF and the proposed funding taper are included in the appended papers.

**In 2022/23 Newport Children’s Services will receive £736,276 in RIF grant allocation.**

**In 2022/23 Newport Adult Services will receive £1,313,379 in RIF grant allocation.**

**For Home First a regional service managed by Newport the 2022/23 grant allocation is £1,799,418**

For Newport the headline revenue funding position is as laid out in the table below. There is no implication for capital funding. These are the contributions required as totals under the RIF tapering model.

	Year 2	Year 3	Year 4	Year 5	Year 6
	23/24	24/25	25/26	26/27	27/28
Adults	£175,837	£353,119	£411,250	£411,250	£588,531
Childrens	£220,882	£220,882	£368,138	£368,138	£368,138
<b>TOTAL</b>	<b>£396,719</b>	<b>£574,001</b>	<b>£779,388</b>	<b>£779,388</b>	<b>£956,669</b>

## **Risks**

The key risks highlighted in these reports are the additional and immensely budgetary challenges the RIF taper will place on the Social Services budgets from 2023/24 onwards. RIF grant funding is fundamental in providing effective statutory services in social care. The proposed taper risks fatally undermining the work itself or placing unacceptably high challenge on the core budget.

## **Links to Council Policies and Priorities**

The fund supports fundamental elements of the social care provision. The work funded by the RIF is outlined in the service plans for Children's and Adults Services. The service plans themselves rest in the Corporate Plan.

## **Options Available and considered**

- a) To accept the financial liabilities and implications of the Regional Integration Fund and its tapered funding model.
- b) In light of the significant financial challenges the proposed tapering arrangements will place on the LA we support the RPB leadership in seeking to revise the grant conditions.

## **Preferred Option and Why**

- b) In light of the significant financial challenges the proposed tapering arrangements will place on the LA we support the RPB leadership in seeking to revise the grant conditions.

Working to support transformation in health and social care is to be welcomed. At the time of the introduction of the tapered funding model the economic outlook was very different. However, given the now bleak financial position across the public sector the options to release funding to embed new models of care have been fatally eroded. When improvements come to the finances of the public sector we would of course welcome a return to a consideration of tapered funding models to support transformation.

## **Comments of Chief Financial Officer**

This report highlights significant cost pressures to the authority if Welsh Government mandates the tapering of the Regional Integrated Funding, almost £1m by 27/28. The service area is already requesting cost pressures within the medium term financial plan associated with demand and rising costs. This would further add to the financial gap currently forecast for the authority over the medium term. There has been mitigation and saving proposals put forward to offset some of these but the service area would undoubtedly find it extremely difficult to find any more without significantly affecting statutory services.

## **Comments of Monitoring Officer**

There are no specific legal issues arising from the report, which sets out the financial risks and implications for the Council as a consequence of the proposed tapering of the RIF and the reduced grant funding from Welsh Government. Cabinet are invited to comment on the proposal to the RPB and to support a joint approach to Welsh Government to try to secure a change to the tapered funding model.

## **Comments of Head of People, Policy and Transformation**

As outlined in the report, working to support transformation in health and social care is welcomed, however the proposals outlined alongside the current financial challenges undermine service delivery and will impact on staffing levels within the Council and wider partnership.

The preferred option to not accept the model as proposed is supported.

## **Scrutiny Committees**

The reports were presented to Performance Scrutiny Committee on 26.10.2022

- The Committee considered the financial liabilities and implications of the new Regional Integration Fund and its tapered funding model. The Committee wished to make comment to Welsh Government that now is not the time for the tapering funding model as the challenge at present climate is too great. It was agreed that innovation and improvement is desirable in the longer term, however now is not the time to put these services at risk. Not having the money to be able to run the projects noted in the report would have an enormous impact on the people who rely on these projects for support. The Committee request that deadlines be pushed back for the tapered funding model until 2024.
- The Committee ask if the comments from the other partnership members where this has been presented could be shared.
- The Committee requested for a report on the work of the Regional Partnership Board will be brought back to the Committee. Members commented that it would be helped if the report contact possible case studies to show examples of how the partnership works.
- The Committee ask if they could be provided with the figures of the amount of unpaid carers there are in Newport.

## **Fairness and Equality Impact Assessment:**

- **Wellbeing of Future Generation (Wales) Act**
- **Equality Act 2010**
- **Socio-economic Duty**
- **Welsh Language (Wales) Measure 2011**

An FEIA has not been completed. This report is for proposal to respond back to the Regional Partnership Board with a view as to support or not for the RIF taper. At the point where next steps might be taken to reconfigure because of the loss of funding or the introduction of the taper the FEIA would be completed.

## **Summary of impact – Wellbeing of Future Generation (Wales) Act**

### **Well-being of Future Generation (Wales) Act**

- Long term: the importance of balancing short- term needs with the need to safeguard the ability to also meet long – term needs
- Prevention: How acting to prevent problems occurring or getting worse may help us meet our objectives
- Integration: Consider how the proposals will impact on our wellbeing objectives, our wellbeing goals, other objectives or those of other public bodies
- Collaboration: have you considered how acting in collaboration with any other person or any other part of our organisation could help meet our wellbeing objectives
- Involvement: The importance of involving people with an interest in achieving the wellbeing goals, and ensuring that those people reflect the diversity of the City we serve.

Throughout this report the core principles of the WFG are referenced and interwoven. Prevention and Inclusion underpins the work of Social Services. Sadly while much of the direct work of Social Services teams is crisis and risk driven the aim is always to reach a place where citizens can support their own

families and manage their own care with as little statutory intervention as possible. Integration with other elements of the Council and public bodies is key to the success of the work of Social Services. Working in collaboration with families and vulnerable adults as well as partner agencies is vital and drives this work. Throughout Social Services we are constantly looking for new ways to fully involve and engage children, young people, parents, vulnerable adults and carers.

### **Summary of impact – Equality Act 2010**

Social Services are largely reactive services with provision available to all across the City. The services must be open to all fairly. Given the nature of vulnerability the two key elements of particular note are age and sex. Young and old are more likely to access services while women are more likely to feature as caregivers.

### **Summary of impact – Socio-economic Duty**

Just as with the Equality Act and the protected characteristics Social Services work with all regardless of their socio economic position. In Children's Services the correlation between accessing care and support and poverty has been well documented in research while in adult social care the role of unpaid care givers creates particular socio economic challenges for those with high levels of vulnerability.

### **Summary of impact – Welsh language**

Within Social Services staff work to "More than Words" to promote the Welsh language. All who are referred to Social Services receive the "Active Offer" of service in Welsh or English. The choice is the recorded on WCCIS to ensure appropriate service.

## **Consultation**

The Cabinet Member for Social Services sits on the Regional Partnership Board and so has been party to the regional discussions in respect of the funding liabilities.

## **Background Papers**

The two background papers Newport City Council Executive Report and the Outline Strategic Plan have been produced by the team who support the work of the RPB and in particular are responsible for the implementation and monitoring of the RIF. The team work closely with all regional partners and liaise with Welsh Government.

Dated: 23.11.2022