

SUBJECT: To consider the financial liabilities of the Regional Integration Fund Regional Integration Fund

MEETING: Cabinet

DATE: 7th December 2022

DIVISION/WARDS AFFECTED: ALL

1. PURPOSE:

1.1 The purpose of this report is to consider the financial liabilities and implications of the Regional Integration Fund and its tapered funding model. Members will need to consider and provide a response to the Gwent Regional Partnership Board on the outcome of the consideration as to whether the council accepts or rejects the liabilities.

2. RECOMMENDATIONS:

2.1 That the Council does not accept the financial liabilities and implications of the new Regional Integration Fund and its tapered funding model.

2.2 That the Council advocates that the Regional Integration Fund continues to be used to support the objectives of the Regional Partnership Board through allocating funds based on a process of evaluation and review using an evidence base focused on achieving best outcomes for residents of Gwent, rather than a formulated tapering approach.

2.3 That the Cabinet Member for Social Care, Safeguarding and Health, together with the Chief Officer provides this response to the Regional Partnership Board.

3. KEY ISSUES:

3.1 Welsh Government has made a 5 year commitment of revenue funding for Regional Partnership Boards (RPBs). This revenue funding, now known as the Regional Integration Fund (RIF), brings together previous funding streams provided to RPBs into one source of strategic revenue funding, providing £26.8m for Gwent annually, from April 2022 to March 2027.

3.2 The RIF is intended as a key lever to drive change and transformation within the health and social care system, with RPBs tasked to consider how they deploy their collective resources, including both partnership funding and wider core resources to meet their objectives.

3.3 The key features and values of the RIF are identified as:

- A strong focus on prevention and early intervention

- Developing and embedding national models of integrated care (also referred to as models of care within the guidance)
- Actively sharing learning across Wales through communities of practice
- Sustainable long term resourcing to embed and mainstream new models of care
- Creation of long term pooled fund arrangements
- Consistent investment in regional planning and partnership infrastructure

3.4 The models of care referenced within the RIF guidance have been developed with the intention of ensuring citizens experience an effective and seamless service, with the intention of nationally embedded models of care. The models of care are identified as:

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

3.5 In Monmouthshire the RIF has been used to develop a range of preventative services/ projects in children's and adult services. Examples include preventative and family support services to support the safe reduction of Children Looked and preventative services for adults with care and support needs to maintain their independence, avoid admissions to hospital and facilitate hospital discharge.

3.6 Other projects supporting the identified objectives for RIF have been developed on a regional footprint such as Home First.

3.7 Within Gwent, RIF funded projects are supported by the Programme Management Office (PMO). The PMO supports the RPB and its sub-groups to maintain monitoring and oversight of the various funded projects as well as collate significant amounts of performance and evaluative data, both for the purposes of reporting against the fund and as an aid to strategic decision making. The PMO assists with the development of projects and the flow of available money through the system, including developing business cases for the use of core money, to achieve the aspirations and objectives set out within the RIF guidance.

3.8 Monmouthshire Social Care and Health services, and Gwent as a region, has a positive reputation for innovative services that focus on people and outcomes.

3.9 The other Local Authorities within Gwent are similarly seeking decisions regarding a proposal not to accept the financial liabilities associated with the tapering model because of the impact that it will have on services. 3 out of the 5 have endorsed the recommendation, and 2 including Monmouthshire, remain in the decision-making process. The Gwent picture is reflective of the situation at a national level, with chairs of Regional Partnership Boards having collectively raised the issue at ministerial level.

4 EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING):

4.1 The people who are predominantly affected by this decision are some of the most vulnerable within the county including children who are looked after and adults with care and support needs. The extent to which adequate preventative and support services are in place is critical to ensure that Monmouthshire residents, particularly those who are the most negatively impacted by social determinants of health, are supported to live the lives they want to live and have choice and control wherever possible over the services they receive.

5 OPTIONS APPRAISAL

	Benefits	Disadvantages	Recommended
<p>Option 1 Accept the RIF tapering model and the liabilities that this entails</p>	<p>Local Authority core funding (as a consequence of the taper) and RIF funding would allow the projects to continue to help the Council meet its corporate objectives in respect of social care and health including the provision or preventative, community-based support for children and adults with care and support needs.</p> <p>The tapering effect would in theory release money for the development of new projects / innovations.</p>	<p>As a consequence of the Council's current budgetary position, there is a high risk that the Council will be unable to identify the financial resources available to contribute to the overall costs of these schemes in the medium / long term as the tapering effect is enacted. Consequently, the services supported by the RIF would have to significantly reduce, or cease with a negative impact on residents.</p> <p>Alternatively, if the RIF services are prioritised for core funding other services may be disadvantaged and delivery of these may need to be reconsidered or stopped.</p> <p>Sufficient resources in skills, workforce and organisational attention would be required to develop new projects or innovations. Within the current context these may not be forthcoming.</p> <p>Reducing resources into current innovation projects would have a de-stabilising effect with the risk of reduced</p>	<p>NO</p>

		capacity to meet the needs of Monmouthshire residents.	
<p>Option 2 Do not accept the financial liabilities and implications of the new Regional Integration Fund and its tapered funding model</p>	<p>Continued RIF funding would allow the projects to continue to help the Council meet its corporate objectives in respect of social care and health including the provision or preventative, community-based support for children and adults with care and support needs.</p> <p>Evaluation of projects and new innovations would continue through the mechanisms that are already in place, and would be driven through strategic decision making within the RPB partnership rather than being driven via a tapering model.</p> <p>Projects and current innovations would be allowed time to consolidate and build to ensure continuity of service provision to Monmouthshire residents, rather than risk de-stabilisation, particularly given the current financial and budgetary context.</p>	<p>The RIF funding freed up by the tapering approach would not be available to test other models of care.</p> <p>Whilst WG are aware that the tapering model is problematic for the RPB partnership, the risks as described have not been accepted. There is, therefore, an element of uncertainty for the region if the tapering model is rejected.</p>	YES

6 EVALUATION CRITERIA

6.1 Evaluation for RIF supported projects is conducted on behalf of the RRP and its partners through the Programme Management Office. Evaluative material is included at appendix 1.

7 REASONS:

7.1 The decision is required to enable on-going decisions regarding the development and implementation of the RIF strategic plan which in turn supports the objectives of the RPB as defined by the Population Needs Assessment and Local Area Plan under Part 9 of the Social Services and Wellbeing (Wales) Act 2016.

8 RESOURCE IMPLICATIONS:

8.1 The funding model comprises four key elements which involves a tapering approach during the course of the 5 year programme. The tapering approach is intended to promote sustainability, with the expectation that local authorities and statutory partners fund the services from their core budget by the end of the 5 yr programme.

8.2 The 4 tapering models outlined below have been applied to all the projects and programmes in receipt of the RIF across Gwent.

1. Fully Funded National Priorities Fund (100% WG funded)
Ring fenced funding provided to Regional Partnership Boards at 100%, no tapering or resource match required for initiatives within this category. This includes Dementia ringfenced funding, and the Integrated Autism Service.
2. Acceleration Change Fund (90% funded via RIF, 10% tapering)
Funding to test and develop new models of care, for a maximum period of 2 years. Following robust evaluation these models can be considered to move into the embedding fund
3. National Delivery Model Embedding Fund (70% funded via RIF, 30% tapering)
Projects successfully tested can move into the embedding fund with a clear business case for sustainability. Embedding funding can be received for a maximum of 3 years. If appropriate, projects can move into the mainstreaming fund at the end of this period.
4. 50/50 Integrated Mainstreaming Fund (50% funded via RIF, 50% tapering)
After a project has concluded its three years funding under the Embedding Fund it should now be ready to be mainstreamed. Partners must agree and commit resources to ensure that the project or model of care will be sustained long term. This fund will take the shape of a recurrent pooled fund with partners contributing 50% and Welsh Government contributing the remaining 50%

8.3 The tables below show the itemising list of services in receipt of funding and the associated financial liabilities for consideration. As the funding model is delivered over a five year programme, the implications are identified for the remainder of the programme for financial periods 2023-24 to 2026-27. Although no organisational budgets have been released in Year 1 (2022/23) to contribute to the RIF, 2022/23 is still classed as Year 1. This means that when we have two years of an "Accelerate Scheme", that will be for financial years 2022/23 and 2023/24

8.4 Children's Services Potential Liability Commitments

			2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Programme	Project Name	Accelerate / Embed	Year 1 Indicative Allocation	Year 2 Actual Budget Required from MCC	Year 3 Actual Budget Required from MCC	Year 4 Actual Budget Required from MCC	Year 5 Actual Budget Required from MCC	Year 6 Actual Budget Required from MCC
Early Intervention & Support: Edge of Care	Enhanced Edge Of Care (Monm)	Embed	£169,140	£50,742	£50,742	£84,570	£84,570	£84,570
Early Intervention & Support: Edge of Care	Family Group Conferences (Monm)	Embed	£34,835	£10,451	£10,451	£17,418	£17,418	£17,418
Early Intervention & Support: Edge of Care	Mediation Support (Monm)	Embed	£34,835	£10,451	£10,451	£17,418	£17,418	£17,418
Early Intervention & Support: Edge of Care	Sgo Support (Monm)	Embed	£120,957	£36,287	£36,287	£60,479	£60,479	£60,479
Grand Totals			£359,767	£107,930	£107,930	£179,884	£179,884	£179,884

8.5 Adult's Services Potential Liability Commitments

Programme	Project Name	Accelerate/ Embed	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
			Year 1 Indicative Allocation	Year 2 Actual Budget Required from MCC	Year 3 Actual Budget Required from MCC	Year 4 Actual Budget Required from MCC	Year 5 Actual Budget Required from MCC	Year 6 Actual Budget Required from MCC
Dementia: Living with Dementia	Early Intervention Dementia Reablement Services	Ringfenced	£136,317	£0	£0	£0	£0	£0
Improving System Flow	Monmouthshire County Council - Hospital Discharge Co-Ordination	Accelerate	£202,814	£20,281	£60,844	£60,844	£60,844	£101,407
Improving System Flow	Monmouthshire D2RA Resource	Accelerate	£219,344	£21,934	£65,803	£65,803	£65,803	£109,672
Place Based Graduated Care	Raglan Project	Accelerate	£76,378	£7,638	£22,913	£22,913	£22,913	£38,189
Place Based Graduated Care	Community Night Support	Accelerate	£287,154	£28,715	£86,146	£86,146	£86,146	£143,577
Place Based Graduated Care	Enhanced Intermediate Care (Previously Enhanced Intermediate Care & Strength Based Assessment)	Accelerate	£298,415	£29,842	£89,525	£89,525	£89,525	£149,208
Support for Unpaid Carers	Carers Support - Monmouth	Embed	£136,146	£40,844	£40,844	£68,073	£68,073	£68,073
Connected Communities	Community Support - Monmouth	Embed	£343,944	£103,183	£103,183	£171,972	£171,972	£171,972
LD Independence & Wellbeing Assistive Technology	Upside Down Pilot Dom Care Monmouth For Ld Commissioning (Locality V Hourly)	Embed	£51,000	£15,300	£15,300	£25,500	£25,500	£25,500
	Implementation of Better Care Project	Embed	£46,031	£13,809	£13,809	£23,016	£23,016	£23,016
Grand Totals			£1,797,543	£281,547	£498,368	£613,792	£613,792	£830,613
LD Independence & Wellbeing	My Mates	Embed	£160,960	TBD	TBD	TBD	TBD	TBD
Grand Totals including My Mates			£1,958,503	£281,547	£498,368	£613,792	£613,792	£830,613

8.6 Key

■	Ringfenced - no budget contribution required from Lead Organisation
■	Accelerate - 10% budget contribution required from Lead Organisation for a maximum of 2 years, then 30% budget contribution as move into Embed Stage for a maximum of 3 years
■	Embed - 30% budget contribution required from Lead Organisation for a maximum of 3 years
■	Legacy Fund - 50% budget contribution required post Embed Stage
■	Regional Scheme - Liability to be determined

8.7 The tables illustrate the overall implications of the tapering model for Monmouthshire i.e. the extent to which there will be shortfalls in available funding to support the projects listed over the next 5 years. In total these shortfalls are:

YEAR	CHILDREN'S	ADULT'S	TOTAL
23/24	£107,930	£281,547	£389,477
24/25	£0	£216,821	£216,821
25/26	£ 71,954	£115,424	£187,378
26/27	£0	£0	£0
27/28	£0	£216,821	£216,821
TOTAL over 5 years	£179,884	£830,613	£1,010,497

8.8 It is important to note, that these figures are based on Monmouthshire specific projects. At this point in time, consideration has not yet been given to how liabilities may be shared between statutory partners for services that have been developed jointly. However, these projects will also be subject to the tapering model. Based on the assumption that Monmouthshire would bare 1/6th of the liabilities, this would increase the potential shortfall for Monmouthshire as follows:

YEAR	Additional Regional Liability
23/24	£54,183
24/25	£116,865
25/26	£132,093
26/27	£132,093
27/28	£194,775

8.9 Since the introduction of the RIF tapering model by Welsh Government, Directors and Heads of Service have been in discussion with Welsh Government to outline the risks and challenges associated with this model.

8.10 Monmouthshire Council, as with many authorities in Wales is attempting to manage a significant forecasted in-year overspend together with unprecedented budgetary pressures for 2023 / 24 onwards. At the same time, demand pressures in terms of increased volume of referrals and complexity of presenting need are well documented within both children's and adult's services.

8.11 These issues are impacting on our ability to maintain sustainable services without the added pressure of the further added pressure of the RIF funding being reduced via the tapering model.

8.12 In an effort to mitigate against this risk a one-off reserve of £390k has been proposed for this cost pressure. However, in light of the information highlighted this amount of reserve would only allow the current RIF projects to provide services at the current level for one further year.

9 CONSULTTEES:

- Gwent Directors
- Programme Management Office of the RPB
- Peter Davies, Deputy Chief Executive and Section 151 Officer
- Tyrone Stokes, Directorate Finance Manager

10 BACKGROUND PAPERS:

Regional Integration Fund Guidance

<https://gov.wales/health-and-social-care-regional-integration-fund>

11 AUTHOR:

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12 CONTACT DETAILS:

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