



**Subject:** Pooled budget for Aids and Adaptations  
**Meeting:** Joint Health and Social Care Board  
**Date of Meeting:** Thursday 31st July 2003  
**Report of:** Lynn Hudgell Commissioning Manager Physical Disabilities

### Executive Summary

The reports sets out the arrangements that Milton Keynes Council and Primary Care Trust need to make to implement pooled budget funding for the Integrated Community Equipment Service, in line with Government recommendations. The reports highlights the benefits of pooling which include:

- Facilitating development of an integrated service, single point of access, more responsive service from the patient perspective
- Access to the Ring fenced budget £45,000 which will be lost if we do not pool by December 2003
- 17.5% increase in the spending capacity of health money in the pool due to changes in VAT
- More co-ordinated and efficient deployment of resources

### Consultation

Consultation has been with the key stakeholders, Milton Keynes Council and Primary Care Trust. Users of the service have been involved in helping to plan and monitor service developments The Department of Health are the drivers of the initiative.

### Outstanding issues

Whilst the potential risk of pooling Aids and Adaptations budgets is much less than in other areas of service, considerable work is required to address issues of potential threat outlined in a recent District Audit review of Pooled Budget proposals. The work is being driven through th PPT and associated subgroups to address outstanding issues

### Recommendations

The JHSCB is asked to agree the recommendations at the end of the paper which support the continued work to address outstanding issues and move towards and implementation date for the Pooled Budget for Aids and Adaptations by 1<sup>st</sup> October 2003. These recommendations are:

1. That the JHSCB agree that the budgets to be pooled are the Adult Social Care budget, the PCT Medical Loans Equipment Budget and the ring-fenced budget. The total budget to be pooled is £283,000

2. That the Children's Social care budget and Education budget will be included in the pool at a later date. Criteria for these services and budget monitoring are underway but there is not enough data to ensure the budgets are robust enough to meet demand, at this time.
3. The Housing Revenue Budgets and Disabled Facility Grant are not legally able to be included in the pooled fund. The proposed arrangement for these budgets will be to create a virtual pool outside the pool. The JHSCB is asked to agree that the Joint Equipment Board retains responsibility for ensuring a streamlined, coordinated process and properly accountable system is introduced.
4. The JHSCB is asked to agree that Milton Keynes Council to be the lead authority.
5. That the identified pooled fund manager who will have the overall performance managing role for the pooled budget will be a joint commissioner physical disabilities in the integrated commissioning unit. This ensures the post holder is sited in the host organisation.
6. That the service will be commissioned and performance managed by the Joint equipment Board, who will report to the joint Health and Social Care Board.

**Subject: Aids and Adaptations - Pooled Budgets**

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**Date: 31st July 2003**

**Report of: Lynne Huggell, Joint Commissioner - Physical Disabilities Services, MKC**

### **Purpose of the report**

The purpose of this report is to outline arrangements that Milton Keynes Council and Primary Care Trust need to make to implement pooled budget funding for the Integrated Community Equipment Service. This will enable the provision of major and minor adaptations and equipment to be co-ordinated and streamlined for the benefit of the users. With the creation of the Unitary Authority, Milton Keynes Council inherited an arrangement whereby the Primary Care Trust provides the Occupational Therapy Service and Equipment Service on behalf of the Council. Currently equipment and adaptations budgets that are accessed by the Occupational Therapy Service are held in Adult Social Services, Children's Social Services, Education and Housing. The present funding systems that are in place regarding equipment provision and adaptations are not linked.

### **The benefits of Pooling Budgets**

There are some well defined reasons why pooling this budget should be seriously considered by the PPT:

- Department of Health recommendation<sup>1</sup>.
- It is widely recognised that pooling of the equipment services budget and integrating health and social care equipment services will deliver more effective and appropriate service to users, with clearer lines of accountability and a more responsive service to users than the current system
- The ring-fenced budget from central Government for this financial year has a requirement attached to it. This constitutes £45,000. The budget must be spent within a pooled budget system or it will be recovered at year-end.
- It is proposed that the Council assumes responsibility for hosting and administering the pooled budget overall. This is appropriate given the proposed overall management of the budget lying within Joint Commissioning based at Milton Keynes Council. This will mean that Council conditions in relation to VAT will apply and will represent an additional spending capacity of 17.5% will be afforded to the PCT contribution to the pooled budget.
- Effectively feeds into the relevant budget holder and therefore increases budget management.

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<sup>1</sup> See appendix 1 DoH ICES March 2001

- Ensures the Joint Commissioner and Joint Equipment Board can “performance manage” these services within the service level agreement.
- Creates a unified service with one set of eligibility criteria.
- It streamlines processes and avoids unnecessary duplication.

## **Consultation**

Consultation has been with the key stakeholders, Milton Keynes Council and Primary Care Trust. The Department of Health are the drivers of the initiative.

Users of the service have been involved in helping to plan and monitor service developments to achieve tangible benefits, for example consultation events choice of equipment provided.

## **Service Strategy**

The Milton Keynes Integrated Community Equipment Service provides an important function in the provision of equipment to facilitate rehabilitation, in promoting independence and to enable nursing care to be provided within the home environment. Supporting both the formal and informal carer by delivering an effective and responsive equipment service to its users.

The principles underpinning the service include;

- Promoting social inclusion and building confidence.
- Complying with the Disability Discrimination Act
- Integration of service commissioning to maximise health gain
- Meeting the needs of users of all ages and responding to changes in their needs.
- Meeting the requirements of the NHS Plan
- Meeting the requirements/ standards of the NSF for Older People
- Relieving pressure on acute hospital through timely discharges and community rehabilitation.
- Links with the wider independence agenda
- Delivering “Best Value”
- Involving users/ carers in planning the service and monitoring its delivery
- In house provision versus outsourcing
- Moving towards a complete removal of any charging schemes for equipment
- Use of direct payment schemes for those who wish to purchase their own
- A move towards greater independence and choice for service users
- Developing standardised eligibility criteria for the provision of equipment to residential and nursing homes

## **Public Service Agreement targets**

Equipment service priorities are key features in supporting these Public Service Agreement targets.

The Government’s top priorities for Health and Social Care are covered by the Public Service Agreement between HM Treasury and the Department of Health. It covers the period from April 2003 to March 2006 and with the National Service Frameworks will formally form the basis of franchise plans between the Strategic Health Authorities and the local plans agreed between primary care trust and social care commissioners and local providers.

A key objective of the Public Service Agreement is to improve the quality of life and independence of older people so that they can live at home where possible. To help deliver this objective, a number of targets have been set. By improving the efficiency of community equipment services we will be able to deliver one of these targets. Community equipment can also play a part in strategies to deliver traditional priorities of the NHS: capacity, waiting times and by increasing throughput.

## Background

### Government policy and initiatives

In the past, health and social services have in the main responded to their statutory obligations by developing parallel services. Organisational boundaries and pressures on funding have worked against the interests of equipment users. Now, NHS organisations and local councils should use the flexibilities contained within the Health Act 1999 to remove the boundaries by pooling budgets and integrating services. Milton Keynes Community Equipment Service has been working closely with housing, education, employment, voluntary sectors, and with specialist equipment providers. Having clearly defined the services, eligibility criteria and the intended users, agreed Service Level Agreements are now in place. There is a Joint Health and Social Care Equipment Board with the appropriate membership and remit to deliver the DOH requirements including all adaptation recommendations. The Board will work within the agreed financial limits set by the partners<sup>2</sup>.

This Board will link with the sub group of the PPT and report to the Joint Health and Social Care Board.

The guide to Integrating Community Equipment Services identifies the following milestone: *December 2003: Preparation for Integrated service management arrangements and pooled funding complete.*

Pooled funding using Health Act Flexibilities is a defining characteristic for integrated services.

Section 31 of the Health Act 1999 has opened up the way for more flexible working between health and social care. This includes pooled funding and integrated provision.

The Department of Health partnership guidance emphasises:

*“Regardless of what contributions NHS bodies or local authorities commit to the pool, the pooled resource can be used on the agreed services as set out in the partnership arrangement. This will mean that the expenditure will be based on the needs of the users, and not on the level of contribution from each partner. This gives pooled budgets a unique flexibility, whilst being bound by agreed aims and outcomes”*

Milton Keynes Council and Primary Care Trust will need to consider the amount of the total budget committed to a pooled budget. To balance the amount of flexibility needed within the pooled budget against the risk of being able to fulfil all service needs.

A staged approach to integrating community equipment services is acceptable.

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<sup>2</sup> See Appendix 2 Terms of Reference for Joint Equipment Board June 2003

Wendy Rowlands, (Chief Management Accountant, MKPCT) provides details of the way forward for pooled budgets. This paper was submitted to the PPT in January 2003, whilst it was well received it has not yet been ratified<sup>3</sup>.

## **Key Issues to be resolved**

### Shared Values and Accountability

- Identify and agree shared aims, outcomes and targets for the pooled fund to support a flexible approach.
- There must be clear lines of accountability. Membership of the Equipment Board needs to be reviewed to ensure appropriate seniority and representation. A structure which links the Equipment Board as a subgroup of the PPT and consequently JHSCB needs to be developed.
- It is proposed that Health remain responsible for audit and stock checks of equipment, reporting to the Joint Equipment Board.
- The Equipment Board will undertake performance management role.
- It is proposed that Milton Keynes Council will manage the pooled budget overall, although individual service managers will continue to deploy the budget on an operational level

### Levels of Contribution

- Partnership agreement must address the issue of risk
- Each partner needs to agree a level of contribution.
- The pooled budget contributions from each partner must, at the outset, reflect realistic activity as contributions can be used on any of the services in the pooled budget. There has been a monitoring of spend against these budgets consistently for the past eighteen months that assures the partners that the shared aims are being fulfilled.
- Careful management of the fund is needed to meet the agreed outcomes.
- Agreement on how to manage under/overspends
- The partnership agreement should reflect ownership of equipment based on its appropriate use, i.e. all equipment will be defined as nursing or social care equipment
- If a partnership is terminated it is recommended there is a return to ownership of equipment based on independence equipment/ nursing equipment, respectively.

### Type of Agreement

There are various partnership models prepared for community equipment services by the Department of Health and HM Customs and Excise. It is proposed that a partnership agreement is developed which will address all these issues. The details to be covered will include: lead organisations, responsibility for equipment and VAT.

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<sup>3</sup> See Appendix 3 Project plan for Pooled Budgets – Wendy Rowlands January 2003.

## **Recommendations**

7. That the JHSCB agree that the budgets to be pooled are the Adult Social Care budget, the PCT Medical Loans Equipment Budget and the ring-fenced budget. The total budget to be pooled is £283,000
8. That the Children's Social care budget and Education budget will be included in the pool at a later date. Criteria for these services and budget monitoring are underway but there is not enough data to ensure the budgets are robust enough to meet demand, at this time.
9. The Housing Revenue Budgets and Disabled Facility Grant are not legally able to be included in the pooled fund. The proposed arrangement for these budgets will be to create a virtual pool outside the pool. The JHSCB is asked to agree that the Joint Equipment Board retains responsibility for ensuring a streamlined, coordinated process and properly accountable system is introduced.
10. The JHSCB is asked to agree that Milton Keynes Council to be the lead authority.
11. That the identified pooled fund manager who will have the overall performance managing role for the pooled budget will be a joint commissioner physical disabilities in the integrated commissioning unit. This ensures the post holder is sited in the host organisation.
12. That the service will be commissioned and performance managed by the Joint equipment Board, who will report to the joint Health and Social Care Board.

## **Appendices Available on request**

Appendix 1  
DoH ICES March 2001

Appendix 2  
Terms of Reference for Joint Equipment Board June 2003

Appendix 3  
Project plan for Pooled Budgets – Wendy Rowlands January 2003