

Southend-on-Sea Borough Council

Agenda
Item No.

Joint Report of
Simon Leftley, Corporate Director for People, Southend-on-Sea Borough Council
Melanie Craig, Acting Accountable Officer, Southend CCG

to
Health and Wellbeing Board

On
25th March 2015

Report prepared by: Nick Faint, Programme Manager

For discussion		For information only	X	Approval required	
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Better Care Fund – S75 Agreement

Part 1 (Public Agenda Item)

1.1. A Better Care Fund plan (BCF) was submitted to the Department of Health (DoH) on 14th April 2014. A subsequent update to the plan was submitted on 27th June 2014. On a national basis the DoH requested that Health and Wellbeing Boards (HWB) resubmit BCF plans on 19th September 2014. Southend's HWB, through delegated powers, submitted the BCF plan on 19th September 2014.

Following a nationally led review process Southend's BCF plan was formally approved in December 2014. Southend has an obligation to enter into a Section 75 Agreement between Southend on Sea Borough Council (SBC) and Southend Clinical Commissioning Group (SCCG) to ensure the creation and maintenance of the pooled fund out of which payment may be made towards expenditure incurred in the exercise of prescribed local authority functions and prescribed NHS functions.

1.2. The HWB is asked to note the Section 75;

1.2.1. as per this report and appendix 1 to this paper; and

1.2.2. is subject to SBC Full Council agreement and SCCG Governing Body agreement, both planned for 26th March 2015;

1.3. This paper recommends that the Board notes the draft Section 75 Agreement.

1.4. SBC has responsibility for commissioning and/or providing social care services on behalf of the population of the borough of Southend-on-Sea.

1.5. SCCG has the responsibility for commissioning health services pursuant to the National Health Service Act 2006 (the 2006 Act) in the borough of Southend-on-Sea.

1.6. The Better Care Fund has been established by the Government to provide funds to local areas to support the integration of health and social care and to seek to achieve

the National Conditions and Local Objectives. It is a requirement of the Better Care Fund that the CCG and the Council establish a pooled fund for this purpose.

- 1.7. Section 75 of the 2006 Act gives powers to local authorities and clinical commissioning groups to establish and maintain pooled funds out of which payment may be made towards expenditure incurred in the exercise of prescribed local authority functions and prescribed NHS functions, regardless of original source.
- 1.8. The purpose of the S75 Agreement is to set out the terms on which the Partners have agreed to collaborate and to establish a framework through which the Partners can secure the future position of health and social care services through lead or joint commissioning arrangements. It is also a means through which the Partners will pool funds and align budgets as agreed between the Partners.
- 1.9. The aims and benefits of the Partners in entering in to this Agreement are to:
 - improve the quality and efficiency of the Services;
 - meet the National Conditions and Local Objectives; and
 - make more effective use of resources through the establishment and maintenance of a pooled fund for revenue and capital expenditure on the Services,

for the benefit of the population of Southend-on-Sea.

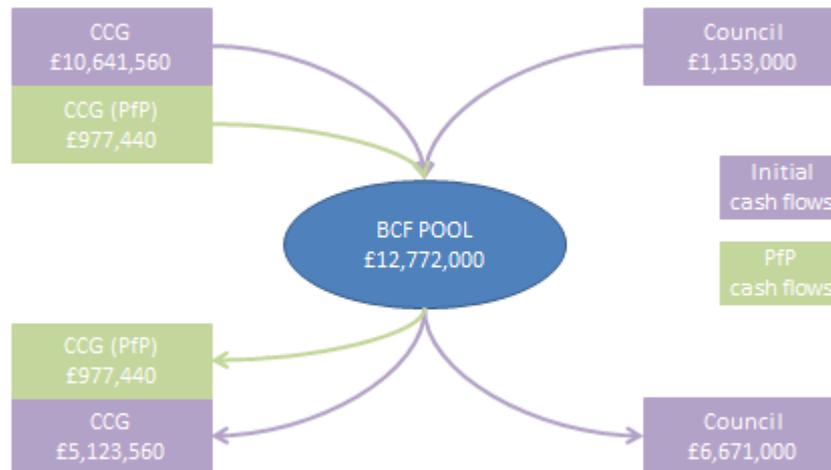
1.10. The Better Care Fund

- 1.10.1. The national £3.8 billion Better Care Fund (BCF) was announced by the Government in the June 2013 Spending Round, to support transformation and integration of health and social care services to ensure local people receive better care. The BCF is a pooled budget of NHS and Local Authority monies that shifts resources into social care and community services for the benefit of the NHS and local government.
- 1.10.2. Following agreement by Ministers in June 2014, £1 billion of the NHS additional contribution to the BCF will now either be commissioned by the NHS on out of hospital services or be linked to a corresponding reduction in total emergency admissions. Protection of social care remains a top priority, and the revised plans must reflect this clear policy intention.
- 1.10.3. In general, the content of the plans are locally agreed, but there are some nationally mandated elements. These include:
 - Plans to be jointly agreed;
 - protection for social care services (not spending);
 - As part of agreed local plans, 7 day working in health and social care to support patients being discharged and prevent unnecessary admissions at weekends, aligned to;
 - better data sharing between health and social care, based on the NHS number ensure a joint approach to assessments and care planning;
 - ensure that, where funding is used for integrated packages of care, there will be an accountable professional;
 - risk-sharing principles and contingency plans if targets are not met – including redeployment of the funding if local agreement is not reached; and
 - agreement on the consequential impact of changes in the acute sector.

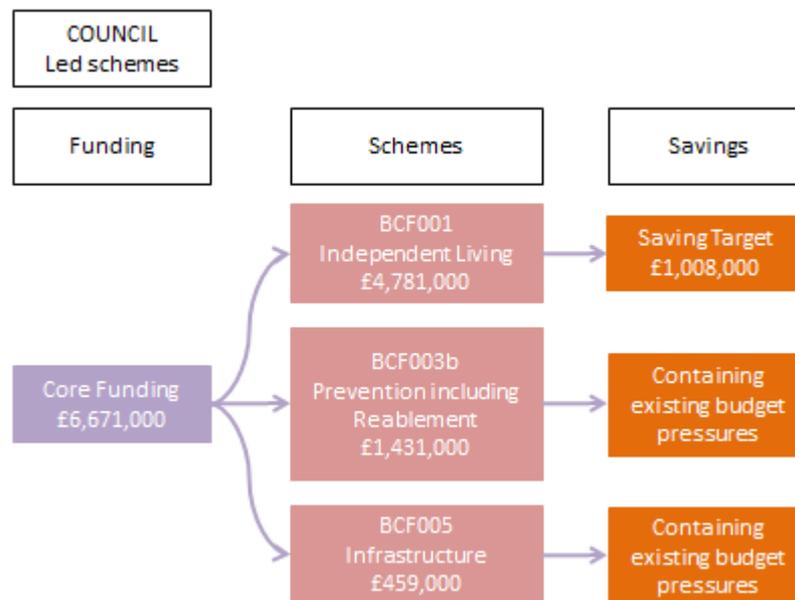
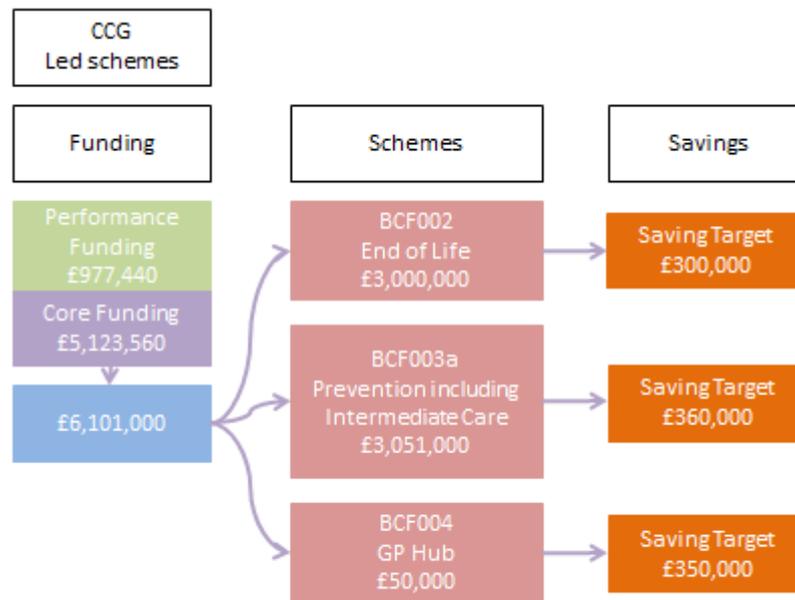
1.10.4. Locally in Southend, the Better Care Fund totals £12.772 million, of which £3.358 million has to be commissioned by the NHS on out of hospital services, of which £977,440 is subject to achieving the mandated target of 3.5% reduction in Total Emergency Admissions to Accident and Emergency. If that target is missed, all or part of the “pay for performance” element will be diverted away from the Better Care Fund pool to effectively pay for the “excess” A&E activity.

1.10.5. In line with national requirements, the Southend Better Care Fund is financed by £1.153 million Council contribution and £11.619 million CCG contribution. As required, the Council’s contribution consists of two existing capital grants, namely Disabled Facilities Grant and Social Care Grant. Similarly, apart from £3.777 million transferred from NHS England to Southend CCG, in lieu of the value of the 2014/15 NHS Transfer Grant to the Council now incorporated into the Better Care Fund, the CCG contribution comes from its existing resources.

1.10.6. Under the Better Care Fund, the £12.772 million pool flows to fund £6.101 million CCG led schemes and £6.671 million Council led schemes. The flows of money are illustrated below.



1.10.7. Appendix 2 sets out the headlines of the Better Care Fund schemes, with the flows of money and planned savings illustrated below.



1.10.8. Southend's Better Care Fund was submitted by the Health and Wellbeing Board on 19 September 2014, and achieved NHS England approval in December 2014 – the first approved Better Care Fund in the East of England. The financial effects of the Better Care Fund have been fully incorporated into both the 2015/16 Council budget and the CCG 15/16 operational plan.

1.11. The Section 75 Agreement

1.11.1. The Southend Better Care Fund has to be managed through a pooled fund, which itself has to be underpinned by a S75 agreement between the Council and SCCG. The Council have appointed Bevan Brittan LLP to draft the agreement. The S75 agreement sets out

- governance arrangements for the pooled funds to ensure accountability
- risk share and risk management; and
- effective contract and commissioning arrangements to deliver the plan objectives.

1.11.2. The S75 is based on a nationally approved template, adjusted and amended to local circumstances. The specific heads of terms for the Southend S75 are

- The BCF for 2015/16 will comprise the following schemes

	Scheme	Lead	Amount	Saving
BCF001	Independent Living	Council	£4,781,000	£1,008,000
BCF002	End of Life	CCG	£3,000,000	£300,000
BCF003a	Prevention including Intermediate Care	CCG	£3,051,000	£360,000
BCF003b	Prevention including reablement	Council	£1,431,000	0
BCF004	GP Hub	CCG	£50,000	£350,000
BCF005	Infrastructure to support integrated working	Council	£459,000	0
Total			£12,772,000	£2,018,000

- Each lead is required to work within the allocated amount to the scheme, with no recourse to additional funding from the pool. Any overspends will need to be absorbed by the scheme lead
- Each lead will make appropriate arrangements to commission the activities underpinning the scheme, be that existing contractual arrangements, joint commissioning arrangements etc
- Each lead to bear the risk associated with delivering the anticipated saving, and need to make appropriate contingency plans within their own organisational budgets to manage this risk
- Pool to be hosted and monitored by the Council
- Each party to pay into the pool their required amounts. For the CCG, they are required to withhold the Pay for Performance element, until such time as the performance is delivered. Therefore the parties are to pay in the following amounts initially

Party	Amount
CCG	£10,641,560 (£11,619,000 less £977,440 PfP)
Council	£1,153,000

- The pool will initially pay each lead organisation the amount relating to the schemes, with the exception of the element relating to Pay for Performance. Therefore the pool will pay the leads the following amounts

Lead	Amount
CCG	£5,123,560 (£6,101,000 less £977,440 PfP)
Council	£6,671,000

- Upon achievement of the target reduction in Total A&E admissions, the CCG will pay the Pay for Performance element into the pool. The pool will then pay the CCG. The pool will not therefore bear the risk of the Pay for Performance element
- Oversight of the Better Care Fund and its pool to be exercised by Health and Wellbeing Board, with operational detail being dealt with by the Joint Executive Group acting as programme board. Each lead to take responsibility for reporting on activity, spend against budget and outcomes / savings achieved.

1.11.3. The Better Care Fund is initially for only 2015/16. Its future will be dependent on the outcome of the General Election and the subsequent spending review undertaken by the incoming Government. Nevertheless the Southend S75 is being drawn up with no specific termination date, but with the agreement being terminable by either party on 3 months' notice. It is also being drafted with sufficient flexibilities to enable the expansion of the better care fund and pool if both parties agree, and to facilitate future joint and integrated working.

1.11.4. The agreement needs to be signed before 1 April 2015 to enable the pool therefore and the Better Care Fund to go live 1 April 2015. The latest draft of the S75 is contained at Appendix 1.

1.12. The establishment of the s75 agreement is a core national requirement to enable local areas to deliver the Better Care Fund ambitions. The s75 agreement will contribute to the majority of the HWB strategic ambitions. Specifically the establishment of the s75 will contribute to;

1.12.1. Ambition 5. Living Independently;

1.12.2. Ambition 6. Active and healthy ageing; and

1.12.3. Ambition 9. Maximising opportunity

1.13. The establishment of the s75 agreement will support the delivery of HWB added value outcomes;

1.13.1. Increased personal responsibility / participation;

1.14. The s75 is being considered by both the council and the CCG the HWB is therefore requested to note this paper.

1.15. The BCF sets out joint Council and CCG expenditure for 2015 / 2016.

1.16. People Implications – None currently. Any implications for staff arising from the Better Care Fund will be managed under the relevant organisations HR procedures.

1.17. Consultation – consultation, as required, will be carried out in accordance with any identified requirements.

1.18. Legal Implications – None. The plans are compliant with Government requirements

1.19. Equalities Impact Assessment – The BCF plan should result in more efficient and effective provision for vulnerable people of all ages.

None

Appendix 1	Draft Section 75 Agreement	 150320 s.75 Agreement - c_receiv
Appendix 2	Southend BCF Summary	 002 Southend Part 1 19.09.14_Summary (;