

Southend-on-Sea Borough Council

Agenda
Item No.

Report of Corporate Director for People
to
Cabinet
on
23
23 March 2015

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Group Manager – Financial Management

Better Care Fund – S75 Agreement
Scrutiny Committee - People
Executive Councillor: Councillor David Norman
A Part 1 Public Agenda Item

1. Purpose of Report

To recommend that the Council enters into a formal agreement under S.75 of the National Health Service Act 2006 (“the 2006 Act”) with the NHS Southend Clinical Commissioning Group to underpin the operation of the Better Care Fund in Southend.

2. Recommendations

- 2.1 That the Council enters into an agreement under S.75 of the National Health Service Act 2006 with the NHS Southend Clinical Commissioning Group to underpin the operation of the Better Care Fund in the general form set out in **Appendix 2**; and
- 2.2 That the Corporate Director for People, in consultation with the Portfolio Holder for Adult Social Care, Health and Housing, be authorised to make final amendments to the draft S.75 Agreement as necessary.

3. Background

- 3.1 The Council has responsibility for commissioning and/or providing social care services on behalf of the population of the borough of Southend-on-Sea.
- 3.2 The Clinical Commissioning Group (“CCG”) has the responsibility for commissioning health services pursuant to the 2006 Act in the borough of Southend-on-Sea.
- 3.3 The Better Care Fund (“BCF”) 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 BCF that the CCG and the Council establish a pooled fund for this purpose.

3.4 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.

3.5 The purpose of the S.75 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 means through which the Partners will pool funds and align budgets as agreed between the Partners.

3.6 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.

4. Southend's Better Care Fund

4.1 The national £3.8 billion 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.

4.2 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.

4.3 In general, the content of the plans are locally agreed, but there are some nationally mandated elements. These include:

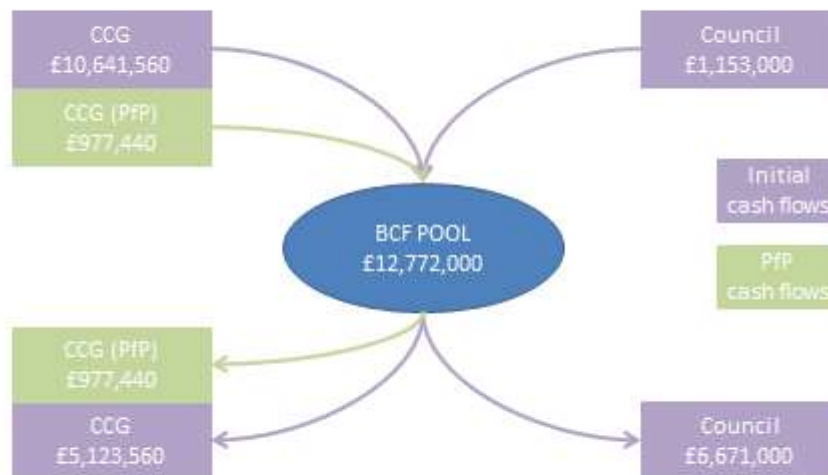
- plans to be jointly agreed;
- protection for social care services (not spending);
- As part of agreed local plans, 7 day working in health and social care to support patients being discharged and prevent unnecessary admissions at weekends, aligned to;
- better data sharing between health and social 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.

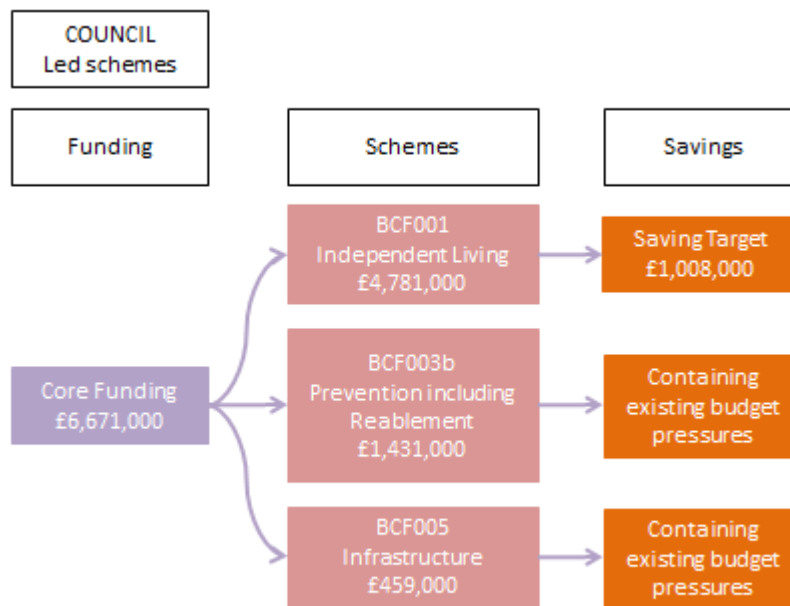
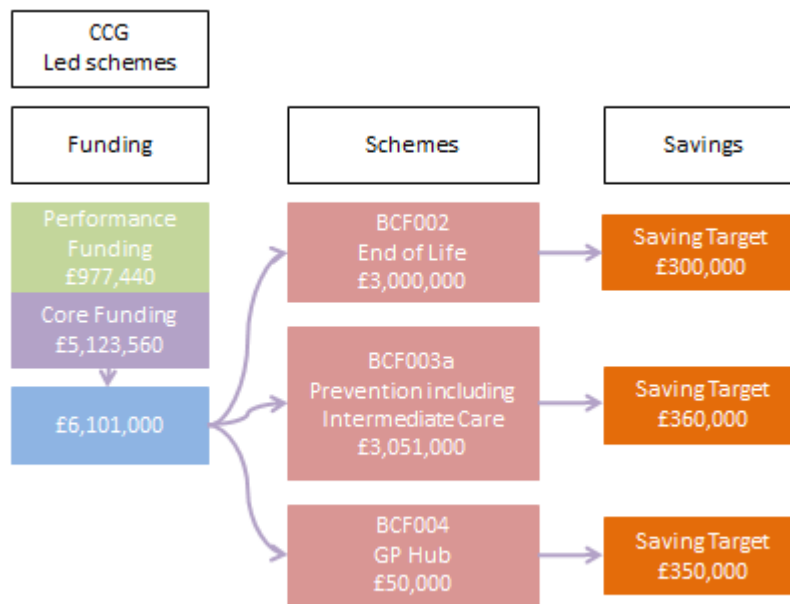
4.4 Locally in Southend, the BCF totals £12.772 million, of which £3.358 million has to be commissioned by the NHS on out of hospital services, of which £977,440 is subject to achieving the mandated target of 3.5% reduction in Total Emergency Admissions to Accident and Emergency. If that target is missed,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

4.5 In line with national requirements, the Southend BCF 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 BCF, the CCG contribution comes from its existing resources.

4.6 Under the BCF, 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.



4.7 **Appendix 1** sets out the headlines of the BCF schemes, with the flows of money and planned savings illustrated below.



4.8 The development of Southend's Better Care Fund has been overseen by Southend's Health & Wellbeing Board and was submitted to NHS England by the Board on 19 September 2014. The BCF achieved NHS England approval on 22 December 2014. The financial effects of the BCF have been fully incorporated into the 2015/16 budget as agreed by Council on 26 February 2015.

5 S75 Agreement

5.1 The Southend BCF has to be managed through a pooled fund, which itself has to be underpinned by an agreement under S.75 of the 2006 Act between the Council and NHS Southend CCG. The Council have appointed Bevan Brittan LLP to draft the S.75 Agreement setting 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.

5.2 The S.75 Agreement is based on a nationally approved template, adjusted and amended to local circumstances. The specific heads of terms for the Southend S.75 Agreement 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 (PfP) 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 BCF 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.

5.3 The BCF 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 S.75 Agreement 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 BCF and pool if both parties agree, and to facilitate future joint and integrated working.

5.4 The S.75 Agreement needs to be signed before 1 April 2015 to enable the pool and the BCF to go live on the 1 April 2015. The latest draft of the S75 is contained at **Appendix 2**.

5.5 Authority is therefore sought:

- For the Council to enter into an agreement under S.75 of the 2006 Act with the NHS Southend Clinical Commissioning Group to underpin the operation of the Better Care Fund in the general form set out in **Appendix 2** ; and
- To give delegated power to the Corporate Director for People, in consultation with the Portfolio Holder for Adult Social Care, Health and Housing, to make final amendments to the draft S.75 Agreement as necessary.

6. Corporate Implications

6.1 Contribution to Council's Vision & Critical Priorities

The S.75 Agreement, in underpinning the BCF, contributes to the Corporate Aims to continue to improve outcomes for vulnerable children and adults, to reduce inequalities and increase the life chances of people living in Southend and to deliver cost effective, targeted services that meet the identified needs of our community.

6.2 Financial Implications

As set out in the body of the report.

6.3 Legal Implications

S.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. The S.75 agreement is a legal agreement between the Council and NHS Southend CCG, that provides the framework and facilitates the operation of the BCF.

6.4 People Implications

None currently. Any implications for staff arising from the BCF will be managed under the relevant organisations HR procedures.

6.5 Property Implications

None

6.6 Consultation

None specifically required. However the BCF has been drawn up in consultation with all local statutory partners, and the Health and Wellbeing Board.

6.7 Equalities Impact Assessment

The BCF plan should result in more efficient and effective provision for vulnerable people of all ages

6.8 Risk Assessment

The risk sharing arrangements as set out in the S.75 Agreement mean that each party to the agreement carry their own financial risks around overspends and non-delivery of the anticipated savings.

Each individual scheme has its own risk register.

There is a risk of reputational damage if the Plan is not delivered and the anticipated outcomes are not realised.

6.9 Value for Money

The proposals set out in the report are part of the Council's drive to improve value for money and to deliver significant efficiencies in the way it operates.

6.10 Community Safety Implications

None

6.11 Environmental Impact

None

7. **Background Papers**

The Southend Better Care Fund

8. **Appendices**

Appendix 1

Summary of the Southend Better Care Fund

Appendix 2

Draft S.75 Agreement (main agreement attached, with schedules to follow)