

HEALTH AND WELLBEING BOARD

17 March 2015

Title: Section 75 Arrangements for the Better Care Fund	
Report of the Corporate Director of Adult and Community Services	
Open Report	For Decision
Wards Affected: ALL	Key Decision: YES
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Sponsors: Anne Bristow, Corporate Director of Adult & Community Services Conor Burke, Chief Accountable Officer, Barking and Dagenham, Clinical Commissioning Group.	
Summary: The Better Care Fund between the Council and the Clinical Commissioning Group has now been fully assured by NHS England, recognising the positive joint work undertaken by the partners and the resolution of the remaining issues for implementation. National directions for the Better Care Fund require the agreement of a Section 75 arrangement between local authorities and the Clinical Commissioning Group for Barking and Dagenham to be in place for year two of the fund, 2015/16. This will formalise arrangements for bringing together the financial contributions made by the Council and by the CCG into a single pool with a collective value of £21.299m, along with details of the 11 individual schemes that comprise our Better Care Fund plan. The agreement also formalises the management of the fund and the role of the Joint Executive Management Committee in monitoring and improving performance across the Better Care Fund plan. The Board will be aware that a key policy objective is the pursuit of reduced unplanned admissions into emergency care. To this end we set a reduction in emergency admissions target of 2.5% which has been accepted as part of our plan submission and full approval by NHS England. A consequence of any failure to meet the reduction in emergency admissions for all areas is that a proportion of the fund may be withheld to pay for hospital services. We have therefore developed a risk share agreement as a schedule of the Section 75 through which such an event might be mitigated and, in the event that a financial shortfall remains, shared by the partners.	

The Health and Wellbeing Board will be the key point of governance through which recommendations such as those to re-commission or de-commission services will be submitted and through which improvements in local services can be considered.

Whilst the Section 75 is established for one year it has been developed to include sufficient scope for flexibility to allow for further extension should there be a desire to do so. This flexibility also includes an option to bring in additional services into our shared pooled arrangements.

The work has now been successfully completed to ensure the legal and financial viability of the agreement for both partners. The agreement is attached to this report and the Board is invited to approve its signing on behalf of the Council. The CCG Governing Body is considering the same authorisation to enter into the agreement on 23rd March.

Recommendation(s)

It is recommended that Members of the Health and Wellbeing Board:

- Delegate authority to the Deputy Chief Executive & Corporate Director of Adult & Community Services, acting on advice from the Divisional Director of Legal & Democratic Services and the Chief Finance Officer, to enter into the Section 75 agreement for the Better Care Fund on behalf of the Council as set out in this report.

Reason(s)

It is a requirement of the Better Care Fund arrangements, that its schemes and services are governed by a formal S.75 agreement. Without such agreement, there is a risk that substantial funding would be withheld from the local health economy.

1. Introduction

- 1.1 The Better Care Fund (BCF) provides an opportunity to transform local commissioning and services so that people are provided with improved integrated care and support to achieve their health and social care outcomes. The Fund is intended to support the scale and pace of integration between health and social care and reduced reliance upon bed based services. In moving forward with the pooled fund arrangements through the S.75 agreement we have a positive opportunity to improve local outcomes.
- 1.2 As Board Members will remember from the previous reports and presentation to the Health and Wellbeing Board in February, March and December 2014, the Fund is made up of a number of existing funding streams to the Clinical Commissioning Group (CCG) and the local authority as well as recurrent capital allocations.
- 1.3 In addition to the overarching integration agenda, a number of conditions and indicators are attached to the Fund, designed to move resources across the system towards prevention and short term care interventions and away from high cost packages in acute or care home settings. The conditions, outcomes and metrics were outlined in the February 2014 report. A significant change over the summer was the requirement that local areas establish a target for the reduction in the

overall emergency (unplanned) admission rate for the local area, for which NHS England sought a minimum of 3% reduction. Barking & Dagenham has previously achieved an average annual reduction in such admissions of 3% over the previous four years whilst other areas have seen increases in admission numbers. This has had the effect of limiting opportunities to utilise quick or easy gains. We therefore agreed and submitted a target of 2.5% reduction, accompanied by a substantial supporting case, which was accepted by NHS England. However, failure to meet the agreed target could result in funds being withheld proportional to the level of underperformance.

- 1.4 In the development of the Section 75 agreement we have utilised the template commissioned by NHS England for this purpose to ensure, as far as possible, that there is consistency in approach and format.

2. Overview of the Agreement

- 2.1 Barking and Dagenham Council and the Clinical Commissioning Group have been working together with shared intent and as trusted partners to ensure that the BCF Plan puts residents at the heart of the health and social care system. Against a backdrop of increased demand and reductions in resources, the BCF in Barking and Dagenham aims to:

- Improve how people experience care and ensure the best possible quality to deliver the right care, in the right place, at the right time;
- Ensure the health and social care system is 'future proof' and able to effectively manage increasing demand and need, not only today, but in years to come;
- Reduce reliance upon bed based services and ensure improved support closer to home.
- Ensure that services are efficient, sustainable and deliver value for money.

3. Key provisions of the Section 75 agreement are:

- It will run for the coming financial year and provides a mechanism through which the arrangements might be continued at the end of that year.
- The provision of a joint Executive Management Committee, comprising senior officers from the Council and the CCG to manage performance and financial matters relating to the Fund.
- Financial management reporting including actual spends and projections.
- A risk share agreement in relation to any shortfall in funding due to any failure to meet reductions in emergency admissions and the management of any overspends in respect of any of the schemes.
 - The primary focus is to continue to manage existing commissioning and contractual arrangements by each of the partners to mitigate any risks.
 - Ultimately, in the event that mitigating actions do not improve performance in relation to emergency admissions, the risk to be shared equally between the Council and the CCG.

- Management of the pooled fund between the Council and the CCG and the ability to recommend the re-deployment of monies to where these can deliver maximum benefit.
- Performance management provided by a dedicated BCF dashboard.
- Detailed specifications for each of our 11 Better Care Fund Schemes, setting out the purpose, contributions and required outcomes.

4. Governance

- 4.1 Governance arrangements were outlined in the report to the Board in September.
- 4.2 A joint executive management committee has been meeting in shadow form since October 2014 and will continue to oversee the development and management of the Section 75 Agreement, alongside reviewing performance outcomes currently achieved through the Better Care Fund.

5. Risk

- 5.1 Risk is managed through specific provisions provided within Schedule 3 of the Section 75 agreement and considers how financial and performance risks will be managed between the partners.

6. Finance

- 6.1 Through the development of the Section 75 agreement the management arrangements for the pooled funds have been developed by finance officers from both the CCG and the Council, receiving approval in turn by both organisations' Chief Finance Officers.

7. Mandatory Implications

Joint Strategic Needs Assessment

- 7.1 Integration is one of the themes of the JSNA 2013 and this paper is well aligned to address and support the strategic recommendations of the Joint Strategic Needs Assessment. It should be noted, however, that there are areas where further investigation and analysis have been recommended as a result of this year's JSNA.
- 7.2 The purpose of the ongoing JSNA process is to continually improve our understanding of local need, and this paper identifies which areas can be addressed in more integrated way to shape future sustainable strategies for the borough.
- 7.3 Social care and health Integration is a recommendation of all seven key chapters of the JSNA but in particular the sections that relate to:
- Supported living for older people and people with physical disabilities
 - Dementia
 - Adult Social Care

- Learning Disabilities
- Mental health- Accommodation for People with Mental Illness
- End of Life Care

7.4 The relevant sections of the JSNA can be found by visiting the following link:
<http://www.barkinganddagenhamjsna.org.uk/Pages/jsnashome.aspx>

Health & Wellbeing Strategy

7.5 The Better Care Fund reinforces the aims of the Health and Wellbeing Strategy and provides an excellent opportunity for alignment between the ambitious integration plans and the Strategy which are both as much about keeping people well and independent as about ensuring they receive the services they need if they become unwell. Our focus is on people's wants and needs rather than the organisations and structures that deliver care. We aim to prevent ill health and support people to stay well rather than only intervening in a crisis.

Integration

7.6 Integrated commissioning and provision is at the heart of the BCF. The integrated Care Coalition (ICC) with the relevant CCGs and local authorities for Barking & Dagenham, Redbridge and Havering came together to agree the strategic commissioning case for integration and commissioning work accordingly. Barking and Dagenham have a strong history of integrated work and the Fund provides opportunity to strengthen this. Alongside this work, the Integrated Care Coalition is leading the work on the required 5 year Strategic Plan. This will set out our shared vision for fully integrated commissioning by year 5 of the Plan.

7.7 There is an agreed vision for integration confirmed at the Integrated Care Coalition in November 2012. This includes supporting and caring for people in their own homes or closer to home, shifting activity from acute to community services and particularly to locality settings. It places individuals at the centre of delivery, driving improvements to the quality of experience and outcomes. Examples of local integrated services and approaches include:

7.8 Integrated multi-disciplinary teams across six clusters in Barking & Dagenham are well established aiming to achieve co-ordination of care across the health and social care economy with a focus on prevention and promotion of self management through Integrated Case Management.

7.9 Work has been successfully completed, establishing the Joint Assessment & Discharge Service based at Barking, Havering, Redbridge University Hospital Trust and working with North East London Foundation Trust and London Borough of Barking and Dagenham, and the CCG. The aim is to ensure timely co-ordinated discharge from hospital and admission avoidance of unnecessary admission to hospital. Seven day working is part of this service.

7.10 The promotion of physical activity through sports and leisure services using public health to improve health and well being.

- 7.11 Further integrated approaches will develop as part of the BCF Plan which will be overseen by the Integrated Care Subgroup of the H&WBB. Integration of funds and commissioning for people with learning disabilities is the subject of a separate piece of work between the Local Authority and the CCG.

Financial Implications

Implications completed by:

Roger Hampson, Group Manager (Finance) Adults and Community Services,
Barking and Dagenham

- 8.1 The final Better Care Fund submission was discussed at the meeting of the Health and Wellbeing Board at its meeting in December 14, and the covering report set out broad financial implications for the Council and the CCG.
- 8.2 The Better Care Fund (BCF) is expected to lead to the transformation of health and social care services for people in the community; this is to be achieved through the integration of services between health and social care using pooled budget arrangements. These pooled budget arrangements are required to be in place from April 2015.
- 8.3 The delivery of integrated health and social care services at greater scale is expected to deliver improvements against national and local outcomes
- 8.4 The Better Care Fund is £21,299m in 2015/16 as set out in the table below. This is £311k lower than the December 2014 submission following the recent government decision to reduce Barking and Dagenham's allocation for the New Burdens Grants for implementation of the Care Act.

	£k	£k
Local authority funding:		
Social Care Capital Grant	508	
Disabled Facilities Grant	672	
LA minimum contribution		1,180
Public Health	1,191	
New Burdens Grant	773	
Base Budgets	5,100	
Additional LA contributions		7,064
Total LA funding		8,244
CCG funding:		
Reablement	1,120	
Carers	495	
Former Social Care Grant	4,185	
Care Act costs in BCF	513	
Existing services	6,742	
CCG minimum contribution		13,055
TOTAL BCF Pool		21.299

- 8.5 The Section 75 draft agreement sets out that the London Borough of Barking and Dagenham will act as host for the BCF Pool. In order to achieve this, the CCG will pay to the Council a total of £13.055m in equal monthly instalments to reflect their total contribution to the pool. Following these transfers, the Council will pay to the CCG a total of £7.707 in equal monthly instalments in respect of those services which the CCG will continue to directly commission, including the Community Treatment Team (£470k) and Carers Services (£495k).
- 8.6 Each partner is responsible for managing any overspend on those services they directly commission included in the BCF pool. In the event of an under spend, the options will be considered by the Joint Executive Committee.
- 8.7 Failure to meet the agreed target for reduced emergency admissions could result in funds being withheld by NHS England proportional to performance. A risk share agreement has been prepared and, if there is a financial shortfall, this will be shared equally by the partners. This is in recognition of the broadly equal financial contributions by each partner to the individual schemes in the BCF pool which are likely to impact on underachievement of the target. The total risk in the event of the very the worst performance is estimated to be £600k, i.e. £300k per partner. If the

BCF pooling arrangements were to continue beyond 2015/16, the Section 75 draft agreement envisages that the risk share agreement is reviewed on an annual basis.

Legal Implications

Implications completed by: Daniel Toohey, Principle Corporate Solicitor, Legal and Democratic Services.

- 9.1 Section 75 of the National Health Service Act 2006 gives powers to local authorities and clinical commissioning groups to make certain joint arrangements, including the establishing of pooled funds out of which payment can be made towards expenditure incurred in the exercise of prescribed local authority functions and prescribed NHS functions. Such arrangements are often referred to in short hand as “s75 agreements”.
- 9.2 It is a requirement of the Better Care Fund grant programme, as set down in national directions, that an agreement in the form of a Section 75 agreement be entered into between the Council and the Clinical Commissioning Group for Barking and Dagenham. This is required to be in place for year 2015/16. The agreement also formalises the management of the pooled funds and the role of the Joint Executive Management Committee in monitoring and improving performance across the Better Care Fund plan.
- 9.3 Under the s75 agreement, the Council has undertaken to host the fund, and in particular to manage and maintain the pooled funds, which entails ensuring that expenditure out of the pool occurs within strict parameters, and that specified actions regarding potential overspends are taken, including timely reporting back to the Joint Executive Management Committee.

10. Non-Mandatory Implications

Workforce Implications

- 10.1 The Better Care Fund and accompanying schemes will have various workforce implications and all relevant HR procedures will be followed to ensure that staff are consulted as these new services are developed. The BCF has included money for training and workforce development initiatives within the scheme plans. Each of the organisations will have their own change management processes and the Council and the CCG will need to ensure that the appropriate processes are followed. Members of the Board should note that the development and implementation of the Joint Assessment and Discharge service has shown the complexity of working across a number of organisations and this complexity should not be underestimated.

Customer Impact

- 10.2 Integrating health and social care services is expected to not only generate cash efficiencies but to improve the patient/service user experience in a number of ways. The benefits for patient/service user experience can be read in each of the schemes of work.

