

# REPORT TO: CHESHIRE EAST HEALTH AND WELLBEING BOARD

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**Date of Meeting:** Tuesday 27th January 2015

**Report Of:** Lorraine Butcher

**Title:** Update on the Better Care Fund: Appendix One: Section 75 Development

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## **1.0 Report Summary:**

- 1.1 It is a statutory requirement for a Section 75 pooled budget agreement to be developed to support the delivery of the Better Care Fund plan from 1 April 2015. The Better Care Fund is a national initiative to encourage integrated Health and Social care working at a local level and to improve outcomes for patients, service users and carers. To date, the BCF plans and allocations have been developed on a Health and Wellbeing geographic and organisational footprint, with both submissions containing the expectation that any S75 agreement would reflect this geography. Further guidance has now been issued in respect of the formation of a S75 fund agreement and it has become apparent that there will be a pooled fund for each scheme with a host partner allocated for each pool. This gives the opportunity to more closely reflect the current strategic footprints of the West Cheshire Way, Connecting Care and Caring Together.
- 1.2 This paper outlines a number of options for the potential structure of the s75 agreements, the partners involved, the financial value of the schemes in the BCF applications and prospective merits of each. A collective Strategic decision from all partners is required to agree and confirm which proposed S75 option to progress and develop so that a pooled budget arrangement can be operational from 1 April 2015.
- 1.3 Consideration also needs to be given to the General Election which is due to take place in May 2015 and this may lead to further changes to the Better Care Fund. A local ambition and ongoing support for an arrangement for integrated care regardless of the national direction will provide a more stable platform for developing the s75 agreement locally.
- 1.4 Given that there are potentially six partners, this paper does not provide an overarching recommendation as all partners are assumed to be equal for the purposes of this decision. A consensus decision will need to be reached in order to facilitate working relationships across the Cheshire Area and to truly embed the principles of integrated working.

## **2.0 Recommendation**

- 2.1 A Strategic decision is required on the following matters:
  - i) The S75 option and structure to be used to support the BCF. The preferred option is option four (as agreed by the Cheshire West and Chester Health and Wellbeing Board on 14<sup>th</sup> January 2015).

- ii) The local ambition to support ongoing pooled-budget arrangements in-light of the lack of clarity for medium-term for the BCF due to the general election.

### 3.0 Options for BCF s75 Pooled Budget Agreement

Local discussions across partners have taken place throughout November and December regarding the potential approaches to the S75 agreement. During these discussions a number of issues for consideration have been raised:

- Existing proposals and plans have been developed on a Health and Wellbeing Board footprint.
- The ability to develop and implement proposed S75 by 1 April 2015.
- The BCF is currently only covering the financial year of 2015/16 so there is input needed regarding the longer-term intentions locally.
- The governance and reporting arrangements that are required for the Health and Wellbeing board, the CCG Governing Bodies and NHS England

The governance arrangements supporting the s75 Better Care Fund pooled budget arrangement are fundamental to the smooth delivery and implementation of the BCF plan and ensuring the level of risk both financial and non-financial the council, CCGs, partner organisations and providers are exposed to. This has been supported through the publication of CIPFA guidance, and the 'mock' templates issued by NHS England and produced by Beavan Brittan.

The following options exist for the structure of S75 agreements across Cheshire, and each will be presented in more detail:

<b>Option 1: Pan-Cheshire</b>	One over-arching S75 agreement on a pioneer geography, including all six partners.
<b>Option 2: Bi-Cheshire</b>	Two over-arching S75 agreements on Health and Wellbeing footprint, with three signatories to each.
<b>Option 3: Tri-Cheshire</b>	Three over-arching S75 agreements reflecting the geography of existing transformation programmes. (See below)*
<b>Option 4: Four separate agreements</b>	Four over-arching S75 agreements reflecting the geography of the Clinical Commissioning Groups with the ability for reporting to be consolidated on a transformation programme basis and a Health and Wellbeing Board basis.

#### **\*Option 3 Structure of S75 agreements:**

<b>Transformation Programme Locally:</b>	<b>No. partners</b>	<b>Named Partners:</b>
<i>Connecting Care in Central Cheshire.</i>	4	<i>NHS South Cheshire CCG; NHS Vale Royal CCG; Cheshire West and Chester Council Cheshire East Council</i>
<i>Cheshire West Way</i>	2	<i>NHS West Cheshire CCG Cheshire West and Chester Council</i>
<i>Caring Together in East Cheshire.</i>	2	<i>NHS Eastern Cheshire CCG Cheshire East Council</i>

Further information on each of these options is presented below.

### 3.1 Option One: Pan-Cheshire Section 75 Agreement:

This financial mechanism would operate across Cheshire (including both Health and Wellbeing Boards). This would reflect the Pioneer footprint, therefore including all four CCGs and both Local Authorities. This would reflect the ambition of partners to integrate across the Cheshire geography, and inform planning better aligned to the flow of patients.

This option would propose combining the BCF budgets of £24.3m and £23.9m respectively across the County. Indicatively, this would be structured as illustrated below:

<b>Oversight of the BCF</b>	Pioneer Panel / or a Pan Cheshire HWBB.
<b>No. of S75 agreements</b>	One overarching
<b>Number of partners</b>	6
<b>Geographic Area</b>	Pan Cheshire
<b>Value of Pooled Budget</b>	£48.2m
<b>Number of schemes</b>	24
<b>Pooled Budget Hosts</b>	<i>TBC</i>

#### **Potential Strengths of this approach:**

- a) This approach demonstrates the ambition of partners and aligns with the wider pioneer ambition over coming years.
- b) This approach provides an opportunity to develop integrated health and social care services across Cheshire
- c) Reduces duplication and provides a platform to share risk across a greater number of organisations.
- d) This provides an opportunity for the provision of more consistent services across Cheshire, and for us to better align services to patient flows.

#### **Potential Weakness of this approach:**

- a) It would become more challenging to get quick decisions across partners due to the breadth of organisations involved.
- b) Except for the Pioneer Panel there are no pan-Cheshire governance arrangements in place, and there would be a need to ensure that this did not hinder or hamper the wider pioneer work.
- c) This would not be aligned with the BCF proposals submitted by partners in September.
- d) Performance and financial monitoring needs to be transparent to provide confidence to partners.
- e) Performance and monitoring would need to be disaggregated to a CCG and HWB level.
- f) This decision has not yet been approved by organisation's governing bodies
- g) There is a risk that this would create some political sensitivities across partners, especially with the uncertainty on issues following the general election.

### 3.2 Option Two: Bi-Cheshire Section 75 Agreements:

This financial mechanism would operate on the individual geography of each Health and Wellbeing Board. This would therefore require two S75 agreements with three partners acting as signatories to each, as reflecting the organisations which approved each submission. These two S.75 agreements would be worth £24.3m and £23.9m.

This reflects the partners that have developed and approved the plans to date, and the assumption for S75 operations as submitted in plans. This is also the current expectation of partners following our Nationally Consistent Review process.

However, the emerging issue with this approach is the overview of the Connecting Care in Central Cheshire Programme (South, Vale Royal, CWAC, and CEC). The CCGs in this programme are currently making progress across social care boundaries, but are divided by the HWBB geographies.

Oversight of the BCF	Cheshire East Health and Wellbeing Board	Cheshire West Health and Wellbeing Board
No. S75 Agreements	One for Cheshire East	One for Cheshire West
Number of partners	3	3
Area Covered	Cheshire East	Cheshire West
Total Value	£23.891m	£24.3m
Number of schemes	11	13
Pooled Budget Hosts	TBC	TBC

#### Potential Strengths of this approach:

- Aligned with BCF plans that have been submitted nationally and that have already been approved and quality assured.
- BCF plans Signed off by statutory bodies co-terminus with the geography of the plans.
- Furthermore, the existing governance structures of partners have the potential to be aligned to include updates on these issues.
- Provides an opportunity for consistent services across respective local authority social care provision
- More realistic workload for implementation by the 1 April 2015.
- The partners that have approved each plan are naturally well informed regarding its content. This approach keeps organisations closely linked to plans that they have jointly-designed, rather than expanding interest across new plans that they have had little involvement in.

#### Potential Weaknesses of this approach:

- The proposal does not reflect the strategic direction of West Cheshire Way, Connecting Care or Caring Together, causing a lack of alignment for all areas.
- There will need to be disaggregation in all reporting to an individual CCG basis as reporting will be required to the CCG Governing Bodies as the Statutory Bodies responsible for these funds.
- Differing approaches by the two councils will not be highlighted using this approach leading to confusion for patients and carers within Central

- Cheshire as they will be potentially dealing with disparate social service systems..
- d) Using 2 S75s will ensure that Social Services partners remain only informed about the plans which they have been previously involved in producing, it is imperative that both social services partners understand the impact on patients of lack of consistency for Vale Royal and South Cheshire CCG patients when accessing social services provision from local health services.
  - e) The approach does not reflect patient flows.
  - f) There is a potential weakness for Central Cheshire partners regarding both the double reporting of progress to both health and wellbeing boards, and the wider alignment of plans to the Connecting Care in Central Cheshire programme.
  - g) Different approaches across the Health and Wellbeing might lead to inconsistencies in approach to Central Cheshire
  - h) Finally, this does not reflect the patient flows across the Borough or our larger ambition as a Pioneer area.
  - i) This decision for 2 S75s has not yet been approved by organisation's governing bodies

### 3.3 Option Three: Tri-Cheshire S75 Agreements:

To support the existing health transformation programmes the BCF plan could be aligned to the health locality geography and the existing transformation programmes.

The emerging issue with structuring the S75 agreements on a health and wellbeing board footprint is the issue of consistency for Central Cheshire partners, as highlighted above. The CCG are currently working across social-care boundaries, and therefore, across BCF geographies. This would require dividing the BCF schemes, and assigning them to the appropriate locality level. Under the guidance each scheme represents an individual pool with a designated pool manager for all of the S75 options so this should not be an issue for health.

	<b>Caring Together:</b>	<b>Connecting Care in Central Cheshire</b>	<b>West Cheshire Way</b>
<b>Oversight of the BCF</b>	Cheshire East Health and Wellbeing Board	Cheshire East Health and Wellbeing Board  Cheshire West Health and Wellbeing Board	Cheshire West Health and Wellbeing Board
<b>Three s75 agreements</b>	Caring Together	Connecting Care	West Cheshire Way
<b>Number of partners</b>	2	4	2
<b>Area Covered</b>	Eastern Cheshire	South Cheshire and Vale Royal	Western Cheshire
<b>Value of Pooled Budget</b>	£11.612m (CCG) £0.953m (Council) <i>£12.565m</i>	£10.481m (South CCG)  £0.845m (CEC)	

		£11.326	
<b>Pooled Budget Hosts</b>	To be decided	To be decided	To be decided

#### **Potential Strengths of this approach:**

- Aligned with health localities, therefore strengthening the oversight and BCF schemes on the ground.
- This would also help to align financial and performance reporting is to locality areas.
- Existing governance structures have the potential to be aligned (for example the Provider Board, and Connecting Care in Cheshire Partnership Board).
- There are strong existing working relationships across partners involved in each of these areas.
- Supports required reporting to both CCGs and HWB
- Reflects patient flows across health areas and will allow greater patient focus.

#### **Potential Weaknesses of this approach:**

- Performance information from the Council is not reported on a health locality basis.
- Whilst this does provide some more consistency for Central Cheshire partners, it does not alleviate the need to report to two Health and Wellbeing Boards.
- This model does not reflect the patient flows across the whole of Cheshire or the ambition stated in our Pioneer Programme.
- Health and social care is not integrated across a Health and Wellbeing board basis, and it does not reflect the geography on which plans were approved.

### **3.4 Option Four: Bi-Cheshire Section 75 Agreements:**

This financial mechanism can be consolidated to operate on the individual geography of each Health and Wellbeing Board and can reflect the health transformation programmes. There would be four separate s75 agreements which are aligned with the CCG boundaries and there would be two signatories.

This reflects the partners that have developed and approved the plans to date, and the assumption for S75 operations as submitted in plans. This is also the current expectation of partners following our Nationally Consistent Review process.

	<b>Eastern Cheshire</b>	<b>South Cheshire</b>	<b>Vale Royal</b>	<b>Western Cheshire</b>
<b>Oversight of the BCF</b>	Cheshire East Health and Wellbeing Board	Cheshire East Health and Wellbeing Board	Cheshire West Health and Wellbeing Board	Cheshire West and Chester Health and Wellbeing Board
<b>Four s75 agreements</b>	Eastern Cheshire	South Cheshire	Vale Royal	Western Cheshire

<b>Number of partners</b>	2	2	2	2
<b>Area Covered</b>	Eastern Cheshire	South Cheshire	Vale Royal	Western Cheshire
<b>Value of Pooled Budget</b>	£11.612m (CCG) £0.953m (Council) £12.565m	£10.481m (South CCG) £0.845m (CEC) £11.326		
<b>Pooled Budget Hosts</b>	To be decided	To be decided	To be decided	

#### **Potential Strengths of this approach:**

- Aligned with health localities, therefore strengthening the oversight and BCF schemes on the ground.
- This would also help to align financial and performance reporting to locality areas.
- Existing governance structures have the potential to be aligned (for example the Provider Board, and Connecting Care in Cheshire Partnership Board).
- There are strong existing working relationships across partners involved in each of these areas.
- Flexibility to report at a local CCG level and options to consolidate at a health transformation programme basis; local HwB and on a Pan Cheshire basis if required
- Opportunity to introduce standardised performance and finance reporting to assist with consolidation of information
- Opportunity to progress schemes on a local basis whilst also developing an overarching strategic commissioning approach

#### **Potential Weaknesses of this approach:**

- Performance information from the Council is not reported on a health locality basis.
- Whilst this does provide some more consistency for Central Cheshire partners, it does not alleviate the need to report to two Health and Wellbeing Boards.
- Differing approaches by the two councils might not be highlighted using this approach leading to confusion for patients and carers within Central Cheshire as they will be potentially dealing with disparate social service systems.
- Information would need to be consolidated to report to respective health and wellbeing boards and there would need to be adequate resources identified to support this

#### **4.0 Feedback from the Local Area Team:**

Contact has been made with NHS England colleagues through the Local Area Team to gain their insight into this subject. These emails answered some questions put forward on behalf of the officers that developed this paper.

As noted above NHS England was not in favour of a single pioneer wide S75 arrangement for Cheshire as there is not a single HWB across Cheshire although they supported cross Cheshire working.

NHS England was clear that reporting is required at both individual CCG and HWB level.

NHS England was not specifically asked if the arrangements for 3 or 4 s75s, noted above with strong and focussed governance and reporting would be acceptable.

## **5.0 Potential Option for discussion:**

The feedback from the LAT and the guidance issued to date seemingly promotes the use of a bi-Cheshire approach, structuring the S75 agreement in-line with the HWBB geography. However, this does not reflect the wider ambition of partners and the needs of specific geographic areas within Cheshire.

Therefore, following discussion at the Pioneer Panel it has been suggested that we could use a phased approach to move towards a more appropriate framework. This would include a tiered model of schemes to an appropriate level, with S75 agreements developed to reflect the geography, scope and appropriateness of these initiatives.

- **Tier One:** Initiatives that are legally required or mandated to operate at a HWBB footprint and would therefore be unable to operate at a Pioneer level, and would be uniform at a locality level within the Borough (e.g. Social Isolation and the Care Act).
- **Tier Two:** The initiatives that would vary across CCG areas and would be better informed through local oversight and delivery (e.g. integrated teams).
- **Tier Three:** Pan Cheshire Initiatives: The common schemes within the BCF that could be extended a Pioneer level, and would be appropriate for this geography (e.g. Carers and Equipment).

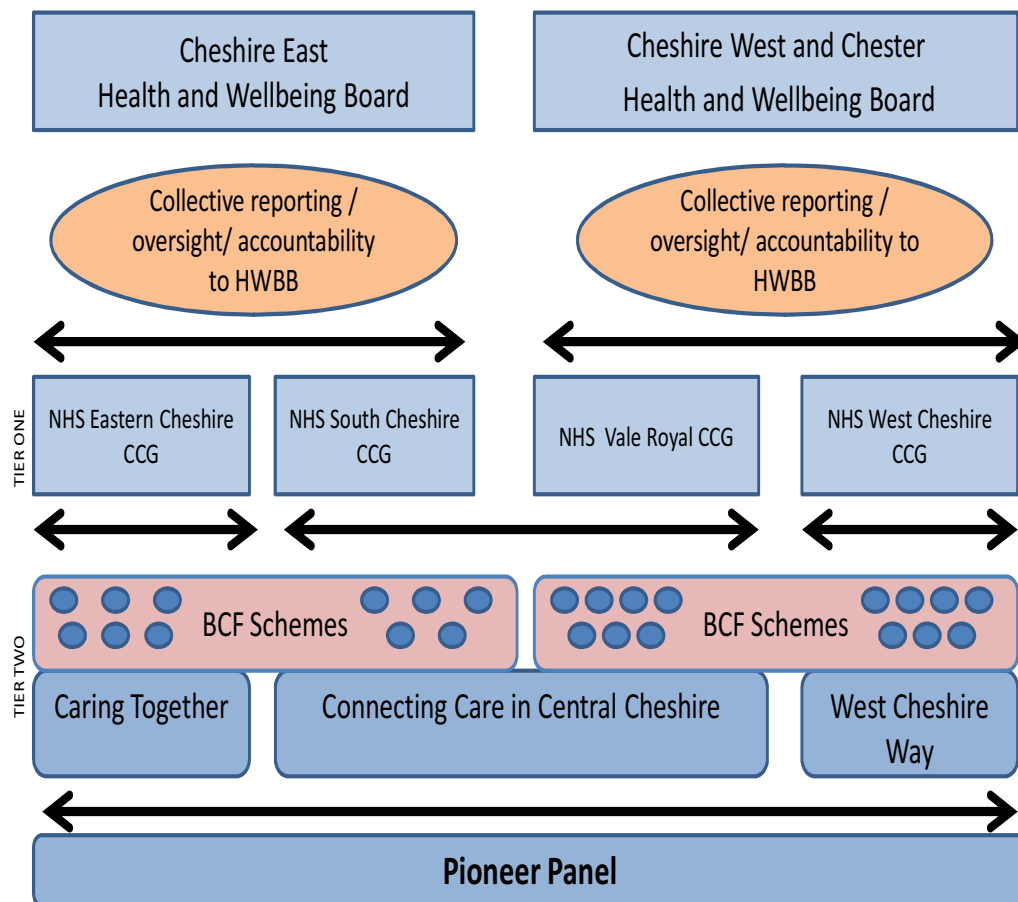
Establishing the most appropriate option in relation to the creation of the Section 75 agreements is now necessary.

For information the Cheshire West and Chester Health and Wellbeing Board agreed at its meeting on 14<sup>th</sup> January:

- That each of the BCF schemes would be supported through an individual S75 (tier two agreement).
- That these schemes would be grouped / collated at a Transformation Programme level (West Cheshire Way) and (Connecting Care).
- Vale Royal and South CCG would hold their individual schemes separately (two tier one agreements) as this enables reporting up to the HWBB, and also allows them to collectively manage the operationalization.
- CWAC would act as 'host' due to the practical benefits of VAT/ carry forward issues.



# Better Care Fund Oversight



## 6.0 Access to information

The background papers relating to this report can be inspected by contacting:

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