

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 31st March 2015
Report of: Lorraine Butcher – Executive Director of Strategic Commissioning
Title: Better Care Fund – Section 75 Partnership Agreements
Portfolio Holder: Councillor Janet Clowes – Care and Health in the Community

1.0 Purpose of Report

- 1.1 Improving the health and wellbeing of the residents of Cheshire East is a priority for the Council and its partners. To achieve this, improvements in the way health and care services are delivered and managed are essential, with integration being the focus of attention across all organisations.
- 1.2 Cheshire East Council is, together with Cheshire West and Chester Council and the four Clinical Commissioning Groups within Cheshire, part of an 'Integration of Health and Care Pioneer', the Department of Health having recognised the scale of ambition and pace of change being progressed across Cheshire. Through the Eastern Cheshire CCG's 'Caring Together' and South Cheshire CCG's 'Connecting Care' programme, the Council is fully committed to developing new 'person centred' models of care.
- 1.3 The Better Care Fund (BCF) is a nationally driven initiative being overseen by the Department of Health and is a key part of Public Sector Reform supporting the integration of Health and Social Care. The Better Care Fund is a national pooling of £3.8billion from a variety of existing funding sources within the health and social care system and will be utilised to deliver closer integration across health and social care. The BCF is a pooled budget held between Local Authorities and Clinical Commissioning Groups (CCG's) via a legal section 75 (s75) partnership agreement. The Fund provides a tool to enable our local integration programmes. It will be spent on schemes that are integral to improving outcomes for local people.
- 1.4 The BCF plans and allocations have been developed on the Cheshire East Health and Wellbeing Board basis and the pooled budget for Cheshire East will be £23.9m and consists of Local Authority Capital funding of £1.8m, South Cheshire CCG funding of £10.5m and Eastern Cheshire CCG Funding of £11.6m.
- 1.5 The Cheshire East BCF plan was submitted to NHS England in September 2014 and has been fully approved by NHS England on the condition that a s75 pooled budget agreement is used as the mechanism to deliver the approved BCF plan.

- 1.6 It is a statutory requirement for a s75 pooled budget, partnership agreement to be in place to support the delivery of the BCF from 1st April 2015. The pooled budget arrangement is fundamental to the smooth delivery and implementation of the BCF plan, in particular ensuring that the level of both financial and non financial risk that partners could be exposed to is managed appropriately.
- 1.7 The Cheshire East Health and Wellbeing Board have endorsed progressing with two separate s75 pooled budget agreements locally, to support the delivery of the Better Care Fund plan and to be aligned with the respective health integration programmes – namely Caring Together (Eastern Cheshire Clinical Commissioning Group, plus Council and partners) and Connecting Care (South Cheshire Clinical Commissioning Group, plus Council and partners). Cheshire East Council would enter into a pooled budget arrangement with Eastern Cheshire Clinical Commissioning Group (CCG) and a separate s75 arrangement with South Cheshire Clinical Commissioning Group.
- 1.8 The report provides Cabinet with an update on the implementation and delivery of the Cheshire East Better Care Fund, as approved by NHS England and overseen locally by the Cheshire East Health and Wellbeing Board.
- 1.9 It requests Cabinet support and approval for the Council to enter into two s75 Partnership Agreements from 1st April 2015 until 31st March 2016 with local health partners and to continue post April 2016 so long as there is a national requirement to operate the Better Care Fund as a s75 pooled budget agreement.
- 1.10 It seeks delegated authority to the Executive Director of Strategic Commissioning to make decisions and agreements on behalf of the Council in relation to the commissioning of schemes funded by the Better Care Fund.

2.0 Recommendations

2.1 Members of the Cabinet are asked to:

- i) Support and approve the Council entering into two s75 partnership agreements with the relevant Clinical Commissioning Group, Eastern Cheshire Clinical Commissioning Group (for Caring Together Programme) and South Cheshire Clinical Commissioning Group (for Connecting Care Programme) to deliver the Better Care Fund Plan;
- ii) Support the proposal that the CCGs will be the lead accounting organisations for the s75 pooled budgets.
- iii) Agree that final amendments to the s75 can be agreed with the Portfolio Holder for Health and Social Care, CEC Executive Director of Strategic Commissioning, CEC s151 officer and the respective CCG Chief Officers;
- iv) Agree that the Cheshire Joint Commissioning Leadership Team is responsible for overseeing the delivery of the agreement pending a review of the existing governance arrangements and an updated

delivery position is reported to Cabinet and the CCG Governing Bodies during October 2015.

3.0 Reasons for Recommendations

- 3.1 In April 2014, Cabinet endorsed the Cheshire East Better Care Fund plan that was submitted to NHS England in April 2014. The Cheshire East Health and Wellbeing Board have overseen revisions to the original plan following updated guidance and conditions from the Department of Health during the summer of 2014. It was fully approved by NHS England in December 2014.
- 3.2 The Cheshire East Better Care Fund plan has been developed with health partners and is aligned with local health and social care transformation programmes.
- 3.3 Cheshire East Council is a core partner of the partnership arrangements and Cabinet approval is required to enter into the s75 partnership arrangements. The BCF s75 agreements have been reviewed and supported by the Health and Wellbeing Board on 24th March 2015 and the respective CCG governing bodies have / will be considering the s75 agreements.
- 3.4 The governance arrangements supporting the s75 Better Care Fund pooled budget arrangement are fundamental to the smooth delivery of the expected changes and ensuring the level of risk both financial and non-financial the council, partner organisations and providers are exposed to is understood and mitigated against.

4.0 Wards Affected

- 4.1 All wards.

5.0 Local Wards Affected

- 5.1 Not applicable.

6.0 Policy Implications

- 6.1 Health and Social Care integration is a key element of public sector reform. The Better Care Fund formalises these joint initiatives during 2015/16.
- 6.2 Elements of the Better Care Fund funding are linked to the implementation of the Social Care Act, in particular carers, safeguarding boards and maintaining eligibility criteria.

7.0 Implications for Rural Communities

- 7.1 There are no specific implications for rural communities. The benefits of the Better Care Fund Schemes will be seen across all communities in Cheshire East.

8.0 Financial Implications

- 8.1 The Better Care Fund is a national pooling of £3.8bn from a variety of existing funding sources within the health and social care system, with £23.9m being pooled locally within the Cheshire East Health and Wellbeing Board area. The local pooling is made up of Local Authority funding from the Disabled Facilities Grant and Capital Allocation for Adult Social Care of £1.8m, South Cheshire CCG funding of £10.5m and Eastern Cheshire CCG of £11.6m. The local health and social care economy will work together to deliver better care arrangements for its population, seeking to keep individuals within the community, avoiding hospital/residential nursing care. The schemes that make up the Better Care Fund Plan are appended at the end of the report (Annex 1)

Source of Allocation	Eastern Cheshire CCG and CEC Pooled Budget £'s	South Cheshire CCG and CEC Pooled Budget £'s	Total £'s
Eastern Cheshire CCG (Revenue)	11,612,000		11,612,000
South Cheshire CCG (Revenue)		10,481,000	10,481,000
Social Care Capital Grant (CEC)	421,000	387,000	808,000
Disabled Facilities Grant (CEC)	516,000	474,000	990,000
Total	12,549,000	11,342,000	23,891,000

- 8.2 The Council's financial contribution into the BCF is the capital funding of £1.8m detailed above, the Council are not making any additional revenue contributions towards the pooled budget arrangement. During 2014/15 the Council received £6.649m of funding from health towards social care service with a health benefit via a s256 agreement and this funding and associated services will transfer into the Better Care Fund.
- 8.3 The revised guidance in July 2014 introduced a payment for performance element related to the reduction in Non Elective Admissions (these are unplanned, often urgent admissions mainly via Accident & Emergency). The potential performance payment for Cheshire East is £2.11m and this is based on a 3.5% reduction in Non Elective Admissions. The performance fund is only released if there is a reduction in activity, however there is a risk that the Council as a partner to the pooled budget will need to contribute towards some upfront investment towards the services that will act as enablers to delivery of the BCF plan.

	Eastern Cheshire CCG and CEC Pooled Budget £'s	South Cheshire CCG and CEC Pooled Budget £'s	Total £s
Performance Fund linked to 3.5% reduction in Non Electives Admissions to hospital (this is not additional funding)	1,114,000	1,005,000	2,119,000

- 8.4 Following the agreement to operate two section 75 agreements within the Cheshire East area, the respective Clinical Commissioning Groups and the Council will be responsible for producing the pooled budget's accounts and audit in respect of those elements of the budget which they receive directly from government. This arrangement reduces the number of transactions across organisations and provides the opportunity for the pooled budgets to be aligned to the local health and social care transformation programmes. The organisations would host the budget in line with the agreed plans of all partners and the funding would be used explicitly for the agreed areas of spending identified in the plan. The Council will take responsibility for the collation and consolidation of standardised financial and reporting information for the Cheshire East Health and Wellbeing board.
- 8.5 The risk sharing arrangements for over and underspends is directly linked to each scheme specification and the lead commissioning organisation will be responsible for the budget management of the pooled fund allocated to the each individual scheme. The risks of overspends for the schemes included in the BCF plan are currently limited to the funding contribution. A variation schedule has been included in the partnership agreement to provide the lead commissioner with the escalation process to raise issues and concerns.
- 8.6 The main area of financial risk is linked to the delivery of the performance fund which is directly linked to the reduction in hospital non elective admission activity.

9.0 Legal Implications

- 9.1 S141 of the Care Act 2014 provides for the Better Care Fund Pooled Funds to be held under and governed by an overarching s75 National Health Service Act 2006 Partnership Agreement.
- 9.2 Pursuant to Section 75 of the National Health Service Act 2006 and the NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000 (the "Regulations"), NHS bodies and local authorities can enter into partnership arrangements for the exercise of specified functions. The regulations define the nature of the partnership arrangements. They provide for the establishment of a fund made up of contributions from the partners out of which payments may be made towards expenditure incurred in the exercise

of their functions; for the exercise by NHS bodies of local authority functions and for the exercise by local authorities of NHS functions; and require the partners to set out the terms of the arrangements in writing. The specific objectives for implementing Section 75 Agreements are:

- 9.2.1 To facilitate a co-ordinated network of health and social care services, allowing flexibility to fill any gaps in provision;
 - 9.2.2 To ensure the best use of resources by reducing duplication (across organisations) and achieving greater economies of scale; and
 - 9.2.3 To enable service providers to be more responsive to the needs and views of users, without distortion by separate funding streams for different service inputs.
- 9.3 NHS England has provided a template developed by Bevan Brittan for overarching s75 Agreement which has been used as the main framework for the Cheshire East section 75.

10.0 Risk Assessment

- 10.1 The Better Care Fund plan includes a risk register and each lead commissioner is responsible for maintaining a risk register. The risk register is monitored by the Joint Commissioning Leadership Team pending discussions about the ongoing Governance arrangements supporting the delivery and monitoring of the Better Care Fund. The corporate risk registers for the respective organisations incorporate significant risks relating to BCF.
- 10.2 The most significant risks in the plan are as follows:
- The funding for Social Care Act responsibilities funded from the Better Care Fund, including carer's assessment and support packages; advocacy and information and advice is not sufficient to cope with the statutory duties.
 - The investment in community based interventions does not deliver the expected benefits in reducing Non Elective Admissions. This may lead to cost pressures within the acute sector and the performance payment not being released.
 - Governance and decision making arrangements supporting the Better Care Fund are not clear and this may lead to delays with decision making; decisions not being made and decisions being made that are not aligned with the overall vision of the Better Care Fund plan.
 - Funding arrangements are not clear across partners and partners are exposed to unanticipated funding pressures.

These risks will be managed as part of the delivery of the Better Care Fund plan.

- 10.3 Mersey Internal Audit Agency and the Council's Internal Audit Team have worked together to test the proposed governance arrangements for the Better Care Fund.

11.0 Background

- 11.1 The opportunity afforded by the Better Care Fund is to translate the ideas that are already well established within the Cheshire East health and care economy into action, to drive change and transformation at pace.

- 11.2 This commitment is acknowledged by the ambitions of the Cheshire Pioneer Programme which aims to ensure that individuals in Cheshire stop falling through the cracks that exist between the NHS, Social Care and support provided in the Community. The aspiration of the Pioneer partnership is that we can develop a system that will avoid:

- duplication and repetition of individuals experience, with people having to re-tell their story every time they come into contact with a new services;
- people not getting the support they need because different parts of the system don't talk to each other or share appropriate information and notes;
- the "revolving door syndrome" of older people being discharged from hospital to homes not personalised to their needs, only to deteriorate or fall and end up back in A & E;
- home visits from health or care workers being un-coordinated, with no effort to fit in with people's requirements;
- delayed discharges from hospital due to inadequate co-ordination between hospital and social care staff.

- 11.3 The clear commitment is that we will move away from commissioning costly, reactive services and commission those that will develop self-reliance, focus on prevention, improve quality of care, reduce demand and take cost out of the system for re-investment into new forms of care. Across Cheshire we are aligning our commissioning approaches and where relevant jointly commissioning services to deliver consistency and integration in the wider service landscape.

- 11.4 By 2015, the communities of Cheshire will begin to experience world class models of care and support that are seamless, high quality, cost effective and locally sensitive. Better outcomes will result from working together with:

- Better experiences of local services that make sense to local people rather than reflecting a complex and confusing system of care;
- More individuals and families with complex needs are able to live independently and with dignity in communities rather than depending on costly and fragmented crisis services;
- Enhanced life chances rather than widening health inequalities.

- 11.5 We recognise that the current position of rising demand and reducing resources make the status quo untenable. Integration is at the heart of our response to ensure people and communities have access to the care and support they need.
- 11.6 Locally within Cheshire East, two integration programmes are at the heart of this work, connecting workstreams across the Cheshire footprint as appropriate, whilst also affording opportunities for learning and remodelling care according to the needs of local populations.
- 11.7 Caring Together (including NHS Eastern Cheshire Clinical Commissioning Group, Cheshire East Council and East Cheshire Trust) - This area covers a population of approximately 201,000 residents, and includes the urban areas of Macclesfield, Congleton and Knutsford. Whilst life expectancy is above the national average, there are significant disparities between areas. The main causes of premature death are circulatory and respiratory disease, cancers, and diseases of the digestive system, with particular links back to lifestyle issues of obesity and alcohol consumption. This area includes 23 GP practices, and works closely with the Local Authority of Cheshire East, and East Cheshire Trust.
- 11.8 Connecting Care (including NHS South Cheshire Clinical Commissioning Group and Vale Royal Clinical Commissioning Group, Cheshire East Council, Cheshire West and Cheshire Council and Mid-Cheshire Foundation Hospital Trust) - This locality has a population of approximately 278,500 and includes 30 GP practices (18 in South Cheshire CCG, 12 in Vale Royal CCG). This area covers a proportion of Cheshire East and Cheshire West and Chester Council. The two Clinical Commissioning Groups share a management team to provide efficiencies. Patient flows to the District General Hospital have illustrated that 92% are from people living within the boundaries of the two Clinical Commissioning Groups. There are significant financial pressures that exist within the health and social care geographies in this locality and this is due in part to a relative lack of deprivation against national benchmarking making it difficult for local organisations to individually draw resources to create the headroom for innovation.
- 11.9 Effective commissioning of services to secure improved outcomes for residents is at the heart of the Better Care Fund, and the partnership within Cheshire East acknowledges this.

- 11.10 Consideration has been given to whether additional joint activity and commissioning resources should be included in the Better Care Fund pooled budget from April 2015. The partners, through our Joint Commissioning Board, have discussed this extensively and determined that we would wish to take a cautious and measured approach to growing the pool as we extend our collective reach in identifying appropriate activity to be included. Common areas for commissioning reviews have been identified for 15/16 across the partnership. At the point of each review decisions will be considered to joining the activity and commission to the pool. Part of the reason for doing this is to ensure we do not lose a focus, via BCF on addressing the shared outcomes and measures that we are aiming to secure. For this reason we do not wish to get ahead of ourselves or overstate our ambition early and then under-deliver.
- 11.11 The ambition of the partnership is clearly to connect commissioning activity to improve the health and care outcomes for residents. The Better Care Fund, commencing in 2015 is seen as a staging post on the journey which will result over time in significant combining of resources to more effectively drive innovation and improvement.

12 Access to information

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

Name: Louisa Ingham
Designation: Better Care Fund Finance Lead
Tel No: 01270 686223
Email: louisa.ingham@cheshireeast.gov.uk