

# Cheshire East Council

## Health & Wellbeing Board

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<b>Date of Meeting:</b>	<b>15/3/16</b>
<b>Report of:</b>	<b>Brenda Smith</b>
<b>Subject/Title:</b>	<b>Better Care Fund 2016/17</b>
<b>Portfolio Holder:</b>	<b>Cllr Janet Clowes (Adults and Integration)</b>

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### 1. Report Summary

1.1 The purpose of this report is to provide Health & Wellbeing Board with an update on the proposals for the implementation and delivery of the Cheshire East Better Care Fund (BCF) in 2016/17.

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### 2. Recommendations

2.1 It is recommended that Health & Wellbeing Board:

- a. Advises how sign-off of the final return on 25<sup>th</sup> April be undertaken in the absence of HWB meetings between 15<sup>th</sup> March and 31<sup>st</sup> May 2016;
- b. Approves the continuation of the 2015/16 arrangements via two s75 Partnership Agreements from 1<sup>st</sup> April 2016 until 31<sup>st</sup> March 2017, and for these arrangements to continue post April 2017 so long as there is a national requirement to operate the BCF as a s75 pooled budget agreement;
- c. Acknowledges that the continuation of the two s75 arrangements is proposed to reflect the local integrated care system programmes (Caring Together being led by Eastern Cheshire CCG and Connecting Care being led by South Cheshire CCG);
- d. Approves BCF Governance Group, which links to Caring Together and Connecting Care transformation programmes through its membership, to be the lead group to develop and agree returns prior to HWB sign-off.

### Reasons for Recommendations

3.1 The BCF plans and allocations have been developed on the Cheshire East Health and Wellbeing Board basis, as required. In 2015/16, the pooled budget for Cheshire East was £23.9m, and consisted of Local Authority Capital funding of £1.8m, South Cheshire CCG funding of £10.5m and Eastern

Cheshire CCG Funding of £11.6m. This was the minimum required pool nationally.

- 3.2 In 2016/17, the minimum required pool is £24,236,470 and consists of Disabled Facilities Grant funding of £1,637,470, South Cheshire CCG funding of £10.705m and Eastern Cheshire CCG funding of £11.894m.
- 3.3 Due to a combination of factors, including the national direction of travel and improvements in trusting meaningful working relationships, there is an appetite across SCCCG and CEC to have a 2016/17 pooled budget that goes beyond the minimum required. Plans in SCCCG are to invest their ringfenced budget in out of hospital NHS-commissioned services.
- 3.4 ECCCCG is not proposing going beyond the minimum required due to significant financial pressures. Plans in ECCCCG are to retain the maximum ringfenced amount as part of a risk share agreement.
- 3.5 The proposed areas of work to bring under the pooled budget for 2016/17 in the SCCCG area, in addition to those already in for 2015/16, are:
  - Staffing of integrated teams
  - Carers (including young carers)
  - Cheshire Care Record
  - Mental health reablement
  - Community equipment service
- 3.6 The initial Cheshire East BCF plan for 2016/17 was submitted to NHS England on 2<sup>nd</sup> March 2016. A second submission is due on 21<sup>st</sup> March 2016 followed by a final complete return, to be signed off by HWB, on 25<sup>th</sup> April 2016. HWB is asked to advise how they would like this sign-off to be undertaken.
- 3.7 The BCF Governance Group, which links into Caring Together and Connecting Care transformation programmes through its membership, is leading on the development of the plans.
- 3.8 Full approval by NHS England of the plans for 2016/17 is based on the following conditions:
  - A s75 pooled budget agreement is used as the mechanism to deliver the approved BCF plan.
  - Health and Wellbeing Boards jointly agree plans for how money will be spent, with plans signed off by the local authority and Clinical Commissioning Groups
  - That a proportion of the area's allocation is invested in NHS-commissioned out of hospital services, or retained pending release as part of a local risk sharing agreement
  - Social care services are maintained
  - Agreement for the delivery of 7-day working across health and social care
  - Improved data sharing between health and social care based on the NHS number

- Joint approaches to assessment and care planning, and that where integrated packages of care are funded, that there is an accountable professional
  - Agreement on the consequential impact of the changes on the providers that are predicted to be substantially affected by the plans
  - Agreement on a local action plan to reduce delayed transfers of care
- 3.6 It is a statutory requirement for a s75 pooled budget, partnership agreement to have been in place to support the delivery of the BCF from 1<sup>st</sup> April 2015, and for this to be continued into 2016/17. 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.
- 3.7 In 2015/16, the Cheshire East Health and Wellbeing Board 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 Caring Together (Eastern Cheshire Clinical Commissioning Group) and Connecting Care (South Cheshire Clinical Commissioning Group). 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. It is proposed that this arrangement continues into 2016/17. It is a statutory requirement for a s75 pooled budget, partnership agreement to have been in place to support the delivery of the BCF from 1<sup>st</sup> April 2015, and for this to be continued into 2016/17. The Cheshire East Better Care Fund plan has been developed with health partners and is aligned with local health and social care transformation programmes.
- 3.8 The BCF s75 agreements for 2015/16 have been reviewed for 2016/17 by the BCF Governance Group and respective partners are now considering the revised s75 agreements.
- 3.9 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. The s75 pooled budget partnership agreement provides an overview of the current governance arrangements.
- 3.10 Policy Guidance regarding the BCF for 2016/17 describes the need for areas to develop Sustainability and Transformation Plans to 2020 by June 2016. These plans will need to describe how fully integrated health and social care systems will be achieved by 2020. Partners recognise that the BCF s75 pooled budget is a vehicle by which this can be achieved. However a significant rate of pace and change will be required to get from the minimum required to a fully integrated system. Areas that do go beyond the minimum requirements in 2016/17 are expected to have more autonomy in choosing the method by which their integrated system is achieved and in managing this integration process.

#### **4. Other Options Considered**

- 4.1 The requirement to have a s75 agreement and BCF is mandatory.
- 4.2 The option to maintain a minimum pool has not been recommended as it does not demonstrate progress in the direction of a fully integrated Health and Social Care system by 2020 as required nationally.
- 4.3 The option to increase the pool across the HWB area was considered but was not agreed by ECCCG.

#### **5. Background**

- 5.1 The 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 BCF enters its second year in 2016/17 with a national pooling of £3.9billion (an increase from £3.8 billion in 2015/16) from a variety of existing funding sources within the health and social care system and will be utilised to further develop 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.

#### **6. Wards Affected and Local Ward Members**

- 6.1 All wards.

#### **7. Implications of Recommendation**

##### **7.1 Policy Implications**

- 7.1.1 Health and Social Care integration is a key element of public sector reform. The Better Care Fund develops these joint initiatives further during 2016/17.
- 7.1.2 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.

##### **7.2 Legal Implications**

- 7.2.1 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.
- 7.2.2 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:

- To facilitate a co-ordinated network of health and social care services, allowing flexibility to fill any gaps in provision;
- To ensure the best use of resources by reducing duplication (across organisations) and achieving greater economies of scale; and
- 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.

7.2.3 In 2015/2016 Cheshire East Council entered into two separate s75 agreements, one with each CCG operating within the Cheshire East Borough footprint. In accordance with those agreements (and the statutory requirement to hold BCF pooled funds under a s75 agreement), during January 2016 a review was commenced into the continuation of the agreements for a further period of one year.

7.2.4 As set out in paragraph 3.4, Policy Guidance regarding the BCF for 2016/17 describes the need for areas to develop Sustainability and Transformation Plans to 2020 by June 2016, which plans will need to describe how fully integrated health and social care systems will be achieved by 2020. Partners have recognised that the BCF s75 pooled budget is a vehicle by which this can be achieved and are considering amendments to the agreements which reflect this ambition both in terms of going beyond the minimum financial requirements in 2016/17 and of committing to designing and articulating how integration is to be achieved and managed.

7.2.5 During 2015/16 the governance of the BCF pooled fund arrangements has been developed and the BCF Governance Group now makes decisions, which has been taken into account within the amendments to the agreements.

### **7.3 Financial Implications**

7.3.1 In 2016/17, the minimum required pool is £24,236,470 and consists of Local Authority Capital funding of £1,637,470, South Cheshire CCG funding of £10.705m and Eastern Cheshire CCG funding of £11.894m.

7.3.2 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.

7.3.3 Following the agreement to operate two section 75 agreements within the Cheshire East area, the respective Clinical Commissioning Groups and Council are 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 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 takes responsibility for the collation and consolidation of standardised financial and reporting information for the Cheshire East Health and Wellbeing board.

- 7.3.4 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.

#### **7.4 Human Resources Implications**

- 7.4.1 None

#### **7.5 Equality Implications**

- 7.5.1 The recommendations will most likely benefit over 65's and people living in disadvantaged areas more than other parts of the population.

#### **7.6 Rural Community Implications**

- 7.6.1 None.

#### **7.7 Public Health Implications**

- 7.7.1 The recommendations will have a positive impact on populations experiencing the greatest inequities in health and social care, e.g. those aged 65 years and above, and those with lower incomes / living in disadvantaged areas.

### **8 Risk Management**

- 8.1 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 BCF Governance Group
- 8.2 These risks are being managed, and will continue to be managed, as part of the delivery of the Better Care Fund plan.

## 9 Background Papers

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

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