

# North Somerset Council

## REPORT TO THE ADULT SERVICES AND HOUSING POLICY AND SCRUTINY PANEL

**DATES OF MEETINGS: 18<sup>TH</sup> SEPTEMBER 2015**

**SUBJECT OF REPORT: SECTION 75 AGREEMENT (BETTER CARE FUND)**

**TOWN OR PARISH: NONE SPECIFIC**

**OFFICER/MEMBER PRESENTING: GERALD HUNT – ASSISTANT DIRECTOR, FINANCE, RESOURCES & STRATEGIC COMMISSIONING**

**KEY DECISION: NO**

### RECOMMENDATIONS

The Adult Services and Housing Policy and Scrutiny Panel is asked to note:

- Proposal for management of the Better Care Fund through the section 75 Agreement.

### 1. SUMMARY OF REPORT

Launched through the Spending Round in June 2013 and highlighted as a key element of public service reform, the Better Care Fund has a primary aim to ‘...drive closer integration and improve outcomes for patients and service users and carers’. The intention is for the fund to be set up as a pooled budget - a type of partnership arrangement whereby NHS organisations and local authorities contribute an agreed level of resource into a single pot (the ‘pooled budget’) that is then used to commission or deliver health and social care services.

The over-arching framework for joint working includes the People and Communities Board, one of the two delivery bodies working within the North Somerset Partnership (NSP) structure. The Board meets the new statutory requirement for a Joint Health and Wellbeing Board. It meets in this mode as a full committee of North Somerset Council at least once a year to undertake the statutory duties prescribed for the Board in the Health and Social Care Act 2012.

### 2. POLICY

Integration of Health and social and Prevention and Early Intervention are at the heart of the Better Care Fund.

### 3. DETAILS

#### Statutory Framework

The Fund comprises of a number of existing funding streams (as part of 2014/15 allocations to local authorities and CCGs) To these funding streams we have added

existing NHS revenue funding from allocations to CCGs in 2015/16 (amounting to £1.9bn at a national level) to give a total pooled budget of at least £3.8bn from 1 April 2015/16 The Better Care Fund operates within the context of existing legislation, the key elements of which are:

- Section 256 of the NHS Act 2006, which allows for a transfer of resource between health and local authorities but not a transfer of functions.
- Section 75 of the NHS Act 2006, which allows local authorities and NHS bodies to operate pooled budgets (directly replacing section 31 of the Health Act 1999). This is the legislation that allows the establishment of pooled budgets between NHS bodies and local authorities at a local level
- Statutory Instrument 2000 617 (SI 2000/617), which sets out the regulations governing pooled budget arrangements between NHS bodies and local authorities
- Section 195 of the Health and Social Care Act 2012, which requires health and wellbeing boards (HWBs) to 'encourage persons who arrange for the provision of any health or social care services in that area to work in an integrated manner'

It is for each local area to determine the operational structure for their local pooled budget. As it has been required to sign off better care fund plans, the People and Communities Board provides the means for ongoing oversight.

Although the pooled budget is created from allocations to CCGs and local authorities, the arrangements do not constitute a delegation of statutory responsibilities. These are retained by the CCG governing body and the local authority cabinet/executive.

The governance arrangements for the Better Care Fund, therefore, have to meet the requirements of all partners to achieve economy, efficiency and effectiveness in their use of resources. Each partner will also need to satisfy itself that the pooled complies with the requirements of its appropriate code of governance and annual governance reporting guidance.

### Reporting and accountability

The regulations require that one of the partners is nominated as the host of the pooled budget and this body is then responsible for the budget's overall accounts and audit. The decision as to which partner is to host the pooled budget should be made locally and based on the most appropriate operational requirements.

The Local authority will be hosting the budget after we considered the following

- The level at which financial and non-financial performance metrics will be reported.
- In-year reporting of the performance of the pooled budget
- Financial management arrangements for the budget
- Audit arrangements for the pooled budget
- Responsible for ensuring that the VAT arrangements are compliant

- Responsible for ensuring that appropriate capital accounting arrangements are applied

Appoint a pool manager whose role is covered appropriately by Standing Orders and Standing Financial Instructions

- Year-end accounting arrangements.

The People and Communities Board has established that integrated commissioning arrangements, with a single budget for health and social care, should enable us to build on the achievements of current partnership working to establish truly integrated health and social care services for the people of North Somerset. A single approach to commissioning with, for example, single service specifications, is essential to enable providers to deliver integrated services.

Equally importantly, wherever possible, a single budget for health and social care functions will enable us to together make the best use of the resources available to us, which are of course reducing as a result of cuts to funding for Councils whilst demand for health and social care services is growing. Together we can ensure we commission the most efficient and effective services for our population and avoid actions that simply transfer costs between us and do nothing to help us manage within our budgets.

The aim is to commission genuinely integrated services in community settings that support people to stay well at home and provide a rapid response to health and social crises that enable them to stay home whenever possible.

The section 75 agreement is a legally binding document that sets out the terms of our integrated commissioning, with robust, fair, effective and legal mechanisms to make decisions about the money and responsibilities in the pooled budget, including how much we each contribute and how we share benefits and consequences of any failures. It recognises the ongoing statutory responsibilities of each organisation and respects the mandate each has. It is explicit about where authority for decision making has moved from a single organisation to a joint process, with delegated authority.

Over the last few weeks both organisations have been undertaking further work to finalise budgets for next year in line with the approved MTFP, and the table below and as summarised in more detail at Schedule 1 provide that detail. It is intended that these are the figures included within the Section 75 agreement, but as discussed in the agreement, can be changed in year with the agreement of both parties.

#### **4. CONSULTATION**

The Better Care Fund plan has been developed with other partners and includes feedback from our local stakeholders. It has been shared widely and delivery groups that report to the Joint Commissioning Group include wider stakeholders.

#### **5. FINANCIAL IMPLICATIONS**

The Better Care Fund has delivered significant MTFP savings first quarter financial monitoring indicates savings of £1.9m are on schedule.

See schedule 1 for a full breakdown include summary below

## Financial Contributions 2015/16

	<b>NSCCG Contribution</b>	<b>NSC Contribution</b>	<b>Total</b>
	£000s	£000s	£000s
Pooled Fund A - Lead Commissioner NSCCG	£8,030,251		£8,030,251
Pooled Fund B - Lead Commissioner NSC		£8,322,440	£8,322,440
Pooled Fund C - Joint Commissioners	£1,438,369		£1,438,369
<b>Total Fund</b>	<b>£9,468,620</b>	<b>£8,322,440</b>	<b>£17,791,060</b>

### **6. RISK MANAGEMENT**

A risk register is maintained for the Better Care Fund.

### **7. EQUALITY IMPLICATIONS**

The transformation of services will need to be mindful of the disparate levels of health and deprivation levels within North Somerset. The delivery of the BCF vision will need to have an overarching priority of reducing these disparate levels.

### **6. CORPORATE IMPLICATIONS**

None

### **AUTHOR**

#### **Officer/s:**

Julie Kell  
Head of Joint Commissioning  
North Somerset Clinical Commissioning Group

Gerald Hunt  
Assistant Director – Finance, Resources & Strategic Commissioning  
North Somerset Council