

<b>9 March 2016</b>		<b>ITEM: 22</b> (Decision 01104366)
<b>Cabinet</b>		
<b>Thurrock Better Care Fund Section 75 Agreement</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Key	
<b>Report of:</b> Councillor Barbara Rice, Portfolio Holder Adult Social Care and Health		
<b>Accountable Head of Service:</b> n/a		
<b>Accountable Director:</b> Roger Harris, Director of Adults, Housing and Health		
<b>This report is</b> Public		

### **Executive Summary**

In March 2015, Cabinet approved Thurrock's Better Care Fund Section 75 Agreement between the Council and NHS Thurrock Clinical Commissioning Group. The Agreement allowed the creation of a pooled fund, operated in line with the conditions set within it, to promote the integration of care and support services.

The Council is the 'host' organisation for the pooled fund, which means that once the Section 75 Agreement is agreed, providers of community health care services to be provided under the Better Care Fund can be paid.

The pooled fund is overseen by an Integrated Commissioning Executive made up of officers from the Council and CCG which receive regular reports on expenditure, quality and activity. The Executive reports on the performance of the Fund to the Health and Wellbeing Board, as well as Cabinet and the Board of the CCG.

This report concerns arrangements for 2016/2017.

#### **1. Recommendation(s)**

- 1.1 That Cabinet agree to the Council entering in to the Better Care Fund Section 75 Agreement with NHS Thurrock Clinical Commissioning Group for 2016/17 based on the terms set out in the 2015/16 Agreement.**
- 1.2 That Cabinet agree to delegate agreement for changes to the Better Care Fund Section 75 Agreement to the Director of Adults, Housing and Health and Director of Finance and ICT in conjunction with the Portfolio Holder for Adult Social Care and Health.**

## **2. Introduction and Background**

- 2.1 The Better Care Fund requires Clinical Commissioning Groups and local authorities in every single area to pool budgets and to agree an integrated spending plan for how they will use their Better Care Fund allocation.
- 2.2 Section 75 of the NHS Act 2006 gives powers to local authorities and clinical commissioning groups to establish and maintain pooled funds out of which payment may be made towards expenditure incurred in the exercise of prescribed local authority functions and prescribed NHS functions.
- 2.3 The purpose of the section 75 Agreement is to set out the terms on which the Partners (Thurrock Council and Thurrock NHS Clinical Commissioning Group) have agreed to collaborate and to establish a framework through which the Partners can secure the future provision of health and social care services. It is also the means through which the Partners will pool funds.
- 2.4 The Agreement to support Thurrock's 2015/16 Better Care Fund was agreed by Cabinet at its meeting in March 2015. Whilst the Agreement supported the 2015/16 Better Care Fund Plan, the intention was that it could be rolled over in to subsequent years with changes made to reflect the updated Better Care Fund for 2016/17.
- 2.5 Guidance for 2016/17 Better Care Fund Plans was originally expected before the end of December 2015. The publication of the Guidance has been delayed and at the writing of this report, had still not been received. Thurrock Better Care Fund Plan and pooled fund amount will not therefore be finalised until a later date and upon receipt of the Guidance.
- 2.6 Whilst the Plan and therefore Section 75 agreement for 2016/17 have not been finalised, Better Care Fund allocations by area have very recently been published. On this basis, Cabinet are asked to agree to the Council entering in to the Section 75 agreement for 2016/17, and to delegate changes and final sign off to the Director of Adults, Housing and Health and Director of Finance and ICT in conjunction with the Portfolio Holder for Adult Social Care and Health.

## **3. Issues, Options and Analysis of Options**

### **Value of the Better Care Fund**

- 3.1 The value of Thurrock's Better Care Fund for 2015/16 was £18,019,336. This was made up of a £14,766,142 contribution from the CCG and a £3,253,194 contribution from the Council. The Fund consisted of a mandatory amount, and an additional contribution agreed locally by the Council and CCG. The mandated amount for Thurrock's Better Care Fund in 2015/16 was £10,565,000.

- 3.2 Allocations for 2016/17 were published on the 9<sup>th</sup> February 2016. For Thurrock, the mandated Better Care Fund amount is £10,770,000. This consists of a contribution from the CCG of £9,871,000 and a contribution from the Council of £899,000. As part of preparations for the 2016/17 Better Care Fund, the Council and CCG will need to agree how much they are adding to the Fund over and above the mandated amount. This is unlikely to be less than the amount added to the Fund in 2015/16.

### **Focus of the Fund**

- 3.3 Whilst the Council is still waiting for Better Care Fund Guidance, it has received the Better Care Fund 2016/17 Policy Framework. This outlines changes for 2016/17. This includes:
- Increased Fund of £3.9 billion compared to £3.8 billion in 2015/16;
  - £1 billion payment for performance element to be removed; and
  - The addition of two new national conditions which replace the performance fund – requirement for local areas to fund NHS commissioned out-of-hospital services; and to develop a clear, focused action plan for managing delayed transfers of care (DTCOC).
- 3.4 The focus of Thurrock's Better Care Fund in 2015/16 was on adults aged 65 and over who are most at risk of hospital admission or residential home admission. The schemes chosen for the Fund reflected this focus. The schemes contained within the 2015/16 Plan will be reviewed to reflect the latest position, but it is likely that the 2016/17 Plan will retain the same focus.

### **Overspends and Underspends in the Better Care Fund**

- 3.5 The March 2015 Cabinet report and Section 75 Agreement set out arrangements for overspends and underspends to the Fund. The arrangements will continue and consist of any expenditure over and above the value of the Fund falling to the Council or CCG depending on whether the expenditure is incurred on social care functions or health functions. Arrangements for monitoring expenditure and managing any overspend in an individual scheme are set out in detail within the Section 75 Agreement. Underspends will stay within the Pooled Fund unless otherwise agreed by both parties.

### **Governance**

- 3.6 Similar to the majority of areas, the Council is the host for the pooled Fund. The management of the pooled Fund has regular oversight by both the Council and CCG including through the established Integrated Commissioning Executive. The Executive reports to the Health and Wellbeing Board. A Pooled Fund Manager exists to provide regular reports.

## **Contracting arrangements**

- 3.7 The Council as host of the Fund enters into contracts with third party providers – namely NHS providers. The standard NHS contract is used for these services with the Council becoming an equal commissioning partner. This arrangement will continue in to 2016/17 with the majority of the Fund relating to existing NHS contracts.

## **4. Reasons for Recommendation**

- 4.1 The Section 75 Agreement must be agreed for the Council to be able to pay providers of services contained within the Better Care Fund. In the absence of guidance for 2016/17, Cabinet are asked to agree to the Council entering in to the Agreement against terms set out in the 2015/16 Agreement.
- 4.2 As Thurrock's Better Care Fund Plan will be developed and finalised once Guidance has been received and after March Cabinet, Cabinet are asked to agree that any final changes are delegated to the Director of Adults, Housing and Health and Director of Finance in conjunction with the Portfolio Holder for Adult Social Care and Health for sign-off. A report detailing the final Agreement and detailing changes made can be brought back to Cabinet as requested.

## **5. Consultation (including Overview and Scrutiny, if applicable)**

- 5.1 A specific consultation on the establishment of the pooled fund to drive through the integration of health and social care services, as required under the terms of the Health and Social Care Act 2012, was held in September and October 2014.

## **6. Impact on corporate policies, priorities, performance and community impact**

- 6.1 A key aim of the Better Care Fund is to reduce emergency admissions, which brings with it the potential to invest in services closer to home to prevent, reduce or delay the need for health and social care services or from the deterioration of health conditions requiring intensive health and care services. This will contribute to the priority of 'Improve Health and Wellbeing' and the vision set out within the refreshed Health and Wellbeing Strategy 2016-2021.
- 6.2 Achieving closer integration and improved outcomes for patients, service users and carers is also seen to being a significant way of managing demand for health and social care services, and so manage financial pressures on both the CCG and the Council.

## **7. Implications**

### **7.1 Financial**

Implications verified by: **Mike Jones**  
**Management Accountant**

The Better Care Fund is made up of contributions from the Council and Thurrock CCG. The mandated amount as published on the 9<sup>th</sup> February 2016 is £9,871,000 for Thurrock CCG and £899,000 for Thurrock Council. Additional contributions for 2016/17 have not yet been confirmed, but are unlikely to be less than 2015/16 amounts which are £5,046,142 for Thurrock CCG and £2,408,194 for Thurrock Council.

The nature of the expenditure is an agreed ring-fenced fund. Financial risk is therefore minimised and governed by the terms set out in the Agreement. Paragraph 3.5 refers.

The Fund will be accounted for in accordance with the relevant legislation and regulations, and the agreement between the Local Authority and CCG.

Financial monitoring arrangements are in place, ensuring that auditing requirements are met, as well as disclosure in the financial statements.

### **7.2 Legal**

Implications verified by: **Paul O'Reilly**  
**Projects Lawyer**

Legal Services can advise that the entry of the Council into the Better Care Fund Agreement is governed by S75 of the NHS Act 2006. The procurement of specific services by the Council utilising the Better Care Fund is a separate process for consideration and will be the subject of a further report. Legal Services will ensure its continuing availability to support the Director of Adult Social Care and appropriate colleagues during the further procurement exercise.

### **7.3 Diversity and Equality**

Implications verified by: **Natalie Warren**  
**Community Development and Equalities  
Manager**

The vision of the Better Care Fund is improved outcomes for patients, service users and carers through the provision of better co-ordinated health and social care services. The commissioning plans developed to realise this vision will be developed with due regard to the equality and diversity considerations.

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Cabinet Report March 2015

9. **Appendices to the report**

- None

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