

**Agenda Item: 13**

Author: Mick Sanders

Governing Body

meeting:

24 March 2015

**Norwich****Clinical Commissioning Group**

<b>Subject:</b>	Better Care Fund s75 Agreement
<b>Presented By:</b>	Jo Smithson
<b>Submitted To:</b>	Governing Body 24 March 2015
<b>Purpose of Paper:</b>	<p>The Governing Body is asked to note and agree the arrangements set out in this report and in particular to:</p> <ul style="list-style-type: none"> <li>• Review the draft s75 Agreement</li> <li>• Note the parts of the s75 Agreement that require further resolution between Norwich CCG and Norfolk County Council (NCC)</li> <li>• Approve the s75 Agreement in principle, subject to resolving outstanding elements with NCC and any matters arising from legal consultation</li> <li>• Delegate authority for signing the s75 Agreement to the Chief Executive Officer, subject to the caveats outlined above</li> </ul>
<b>Summary:</b>	<p>This paper provides an update on Better Care Fund arrangements and more specifically seeks in principle agreement on the Norwich s75 legal agreement which covers how the Better Care Fund pooled budget will be spent in Norwich.</p>
<b>Background</b>	<p>The Norwich BCF is set at a minimum of £12,245k for 2015/16 plus capital funding, some of which is passported direct to district councils as Disabled Facility Grant funding (for which they have a statutory duty).</p> <p>Discussions on the balance of spending between Norfolk County Council and Norwich CCG were concluded early in the process. This included an agreement that the CCG would provide NCC with non-recurrent funding of £285k to be spent on promoting efficiencies to help alleviate the impact of reductions in social care expenditure.</p> <p>The original Norfolk submission was made in April 2014, but despite early encouraging noises from both the NHS England and the Local Government Association, the more detailed 'temperature check' prompted by the Cabinet entailed further scrutiny and a greater focus by consultants, particularly on the robustness of financial projections. This process was concluded in January 2015 when the Norfolk BCF was approved subject to conditions. In summary these are:</p> <ul style="list-style-type: none"> <li>• The arrangements must be covered by a s75 agreement</li> <li>• The value of the fund is linked to achievement of the acute hospital admission reduction target</li> </ul> <p>There is no additional funding for the Better Care Fund and this follows a trend of using NHS</p>

funding to support social care on the premise that effective social care promotes independence and contributes to preventative health care. Approximately one third of the Norwich Better Care Fund comes from existing health expenditure on social care.

The Better Care Fund comprises a number of 'schemes' designed to support people out of hospital. The schemes in outline are those in the 'Plan on a Page' contained in Appendix 1. The high level BCF proposals for investment in the BCF were agreed as part of a Strategic and Operational Planning Update report made by the Chief Executive Officer to the GB on 25 March 2014.

There is a performance element to the Better Care Fund of approximately £1m. The full payment of this relies on reducing unplanned hospital admissions by 3.5% based on 13/14 figures. Essentially, this funding is transferred to the acute sector to underpin the costs of extra unplanned admissions if this target is not met. There was an option to change the target from the original recommendation of a 3.5% reduction of 2013/14 acute unplanned admissions, but Norfolk elected not to revise its assumptions.

Good progress has been made in developing the schemes that make up the Norwich BCF and is reported regularly through the YourNorwich Programme Board (see below). However, the pace of change required over the next year to reach the reduced level of unplanned admissions, required by the BCF targets, remains challenging. In particular, this change must take place in the context of no additional funding for integrated services. Nevertheless, the development locally of integrated working, both in commissioning and at an operational level, between health and social care over the last year provides a case for optimism.

## **Section 75 Agreement**

The process of developing and signing off the required s75 Agreement, like the rest of the BCF, has to be iterative because of the number of governance related structures that it has to be presented through before the end of March (see Appendix 2 for current draft version). The required s75 Agreement has been drafted by NCC based on a national template. Legal advice is being sought by Norfolk CCGs collectively. The main facets to highlight for the Governing Body are the following:

### **1 Norfolk-wide Governance**

Although there is a separate pooled budget for Norwich, Better Care Funds for two-tier local authority areas must be managed at a countywide level. The governance of the Norfolk BCF is through the countywide Health and Wellbeing Board (HWBB) with regular scrutiny through the Norfolk BCF Programme Group. It has been agreed recently that the HWBB has the overarching responsibility for dispute resolution, but that an additional level of dispute resolution process should be put in place to resolve issues ahead of the HWBB needing to become involved.

### **2 Norwich Governance**

Progress reports on the various elements making up the Norwich BCF are reported to the YourNorwich Programme Board. The Board is made up of many partners, and with the decision made recently to have separate pooled budgets for each CCG, it is considered that there needs to be a separate dedicated focus on BCF for Norwich. It is planned that a small board is established, enshrined in the new s75 agreement and with equal representation of NCCG and NCC. It will meet six weekly initially and will comprise the Chief Executive Officer and Chief Finance Officer of the CCG or their representatives and the Executive Director of Adult Social Services and Social Services Finance Business Partner or their representatives. The responsible officer and Pooled Fund Manager will be the Head of Integrated

Commissioning, Norwich supported by the Integrated Programme Manager (see below).

### **3 Scheme Progress**

Detailed reporting on the BCF schemes is being made through the Your Norwich reporting framework. An overview of progress on the schemes is included in highlight reports submitted to the Norfolk BCF Programme Group.

### **4 Norwich Context of BCF**

There is a developing cohesion between the Norwich BCF proposals, the YourNorwich Programme and QIPP targets. It has been agreed that part of the £285k funding put at NCC's disposal will support temporary Integrated Programme Manager support for the BCF, to track the benefits of the agreed schemes and to ensure that alignment with YourNorwich and QIPP is in place. The Integrated Programme Manager was appointed in March.

### **5 Integrated Community Equipment Service and VAT**

A by-product of the BCF pooled fund arrangements is that VAT can be re-claimed by CCGs for the Integrated Community Equipment Service (ICES). It has been agreed recently that CCGs will be the beneficiaries of this reduced contribution, rather than the pooled fund, but that this should not set a precedent where savings occur in future through the BCF, where these will be considered on a case by case basis.

### **6 Capital**

It has been agreed with NCC that it makes little sense to divide the Norfolk capital funding into five, but CCGs wish to ensure that each is getting their share. A table showing the district council coverage by CCG (relevant for Disabled Facility Grant purposes) is contained in the draft s75 Agreement.

### **7 Reablement (outstanding issue)**

NCC will write up the draft the arrangements for reablement discussed recently at a Chief Officer's meeting. NCC has agreed in principle to put its reablement funding into the pooled budget, subject to a caveat on timing. CCGs and NCC will maintain agreed levels of funding, with a principle being established that all might have to reduce funding at some point should budget pressures dictate.

### **8 Hosting (outstanding issue)**

It has been agreed previously that NCC will host the BCF arrangements. More recently, it has been agreed by CCGs and NCC that the costs of hosting the pooled funds should be shared and this data on expenditure will be available to CCGs to enable them to monitor these costs. The level of support remains to be agreed.

### **9 Clawback Arrangements on Quarterly Performance Overpayment (outstanding issue)**

Agreement is yet to be reached on whether quarterly performance payments should be returned to the pooled fund, should subsequent performance dip. Whilst the supposition in the national s75 template envisages that such payments should be made based on individual quarterly performances, Norwich CCG will not go wish to commit to these if retrospectively, the annual performance did not merit this. This situation might arise in a scenario where initial promising performance resulted in a performance payment early in the

year, but where later poor performance meant that the overall annual performance did not warrant any performance payment. It may be necessary for both parties to agree an amendment to the national s75 template

### **10 Conflict of Interest (outstanding issue)**

A schedule on conflict of interest for the Pooled Fund Manager needs to be written and agreed.

#### **Recommendation:**

The Governing Body is asked to:

- Review the draft s75 Agreement
- Note the parts of the s75 Agreement that require further resolution between NCCG and NCC
- Approve the s75 Agreement in principle, subject to resolving outstanding elements with NCC and any matters arising from legal consultation
- Delegate authority for signing the s75 Agreement to the Chief Executive Officer, subject to the caveats outlined above