

North Tyneside Council Report to Cabinet 9 March 2015

ITEM 7(d)
Better Care Fund

Portfolio(s): Adult Social Care

Cabinet Member(s): Councillor Lesley Spillard

Report from Service Area: Adult Social Care

Responsible Officer: Jacqui Old

Tel: (0191) 6437317

Wards affected: All

PART 1

1.1 Purpose:

The purpose of the report is to seek Cabinet approval for the Authority to enter into an agreement with NHS North Tyneside Clinical Commissioning Group ('the CCG'), (together referred to as 'the Partners') under Section 75 of the National Health Service Act 2006, in order to implement the Better Care Fund ('the BCF'), through the creation of both a pooled budget and a non-pooled budget ('the Section 75 Agreement').

1.2 Recommendations:

It is recommended that Cabinet:

- (1) Notes the arrangements and progress made by the Authority and the CCG to date, in terms of developing the plan for the use of the BCF in North Tyneside ('the Better Care Fund Plan'); and
- (2) Authorises the Deputy Chief Executive, in consultation with the Strategic Manager Finance and the Head of Adult Social Care to enter into the Section 75 Agreement on terms agreed by the Head of Law and Governance.

1.3 Forward Plan:

28 days notice of this report has been given and it first appeared on the Forward Plan that was published on 19th January 2015.

Council Plan and Policy Framework

This report relates to the following priorities in the 2014/18 Our North Tyneside Plan:

The people of North Tyneside will:

- be listened to by services that respond better and faster to their needs;
- be supported to achieve their full potential, especially our children and young people; and
- be supported to live healthier and longer lives.

The report also relates to the following objectives in the North Tyneside Joint Health and Wellbeing Strategy 2013-2023:

- to continually seek and develop new ways to improve the health and wellbeing of the population;
- to reduce the difference in life expectancy and healthy life expectancy between the most affluent and most deprived areas of the borough;
- to shift investment to focus on evidence based prevention and early intervention;
- to build resilience in local communities through focussed interventions and ownership of local initiatives to improve health and wellbeing; and
- to integrate services where there is an opportunity for better outcomes for the public and better use of public money.

1.4 Information:

1.4.1 Background

In its June 2013 Spending Round, the Government announced a national £3.8 billion pooled budget for health and social care services. The pooled budget, initially termed the Integration Transformation Fund, is now known as the BCF. The BCF is intended to provide the opportunity to transform local services so that people are provided with better integrated care and support. It will act as an enabler to take forward the integration agenda, building upon the existing work of the North Tyneside Health and Social Care Integration Programme, of which the Authority is a partner

The BCF will benefit the people of North Tyneside by supporting:

- extended home care services, including overnight care, to provide a rapid response to a crisis;
- the provision of halfway-to-home beds in residential care, providing an alternative to a hospital stay;
- increased use of telecare, aids to independence, and adaptations;
- the extension of social work services to seven days per week, focussed on facilitating discharge from hospital;
- new services to support people at the end of life;
- more people who are liable to fall to be offered assessment and treatment; and
- increased support for people with mental health conditions.

The BCF also consolidates some previous arrangements for funds transfer from the NHS to Social Care, which includes partial funding of the Cedars Intermediate Care Resource Centre, the Adaptations and Loan Equipment Service, and the Reablement service.

In the main, the BCF funding is not new money to the health and social care system, but is comprised of a number of existing allocations including the current NHS social care allocations. In addition, the BCF includes some core CCG allocations and some other Authority funds and grants, including the Disabled Facilities Grant and social care capital grant funding. The new element of funding contained within the BCF is North Tyneside's allocation of the £135m provided nationally to support the introduction of the Care Act 2014.

In order to make its contribution to the BCF, the CCG is expected to make savings on existing expenditure, including services commissioned from NHS Foundation Trusts.

1.4.2 Previous Cabinet consideration

The Cabinet considered the Better Care Fund on March 10th 2014, progress to date was noted, and the Head of Adult Social Care was authorised, in conjunction with the Chair of the Health and Wellbeing Board, the Cabinet Member for Adult Social Care, and the Cabinet Member for Finance and Resources to approve the final Better Care Fund Plan on behalf of the Authority for submission to the Department of Health (DoH) by the then required deadline of 4th April 2014.

On 4th April 2014 and in line with national guidelines, the Authority submitted a Better Care Fund plan to the Department of Health (DH). However, following the submissions, none of the BCF plans which were submitted to the DH nationally were signed off. In relation to the range of plans throughout England, NHS England stated "these contained many excellent examples of innovative, integrated care. However, there were also some aspects in many plans that require further development: more evidence of sufficient provider engagement and agreement on the impact of plans; greater clarity around the alignment of the BCF plan to wider plans and policies, such as how BCF schemes will align with and work alongside primary care; and more evidence of robust finance and activity analytical modelling underpinning plans."

1.4.3 Resubmission and consideration by the Health and Wellbeing Board

A new set of guidance material and timescales were issued by NHS England on 25th July 2014; together with a new plan template. Under the delegated authority granted by the Cabinet on 10th March 2014, and following further discussion with the Health and Wellbeing Board on 18th September 2014, a revised plan was submitted to the DH on 19th September.

Notification was received from NHS England on 29th October 2014 that the North Tyneside BCF plan had been "approved with conditions". The conditions on approval related principally to the following issues:

- Our plan contained an ambition to reduce emergency hospital admissions by 1.8%, compared with a national ambition of a 3.5% reduction.
- The statements of support from local NHS acute producers were felt to be too equivocal.

Subsequently, the Health and Wellbeing Board approved a further revised plan which addressed these two issues and other minor issues.

Our original trajectory for reduction of emergency admissions had been based on the fact that emergency admissions had reduced very significantly in 2013/14 and that only a further 1.8% reduction from the 2012/13 base point appeared to be reasonable.

However, as the 2014/15 financial year progressed it became clear that emergency admissions were rising again and that a reduction of less than 3.5%, if the 2013/14 was to be used as the base point, would not be sufficiently ambitious.

The revised plan therefore aims for a 3.5% reduction in emergency hospital admissions, and statements of support have been received from Northumbria Healthcare NHS Foundation Trust and Newcastle Hospitals NHS Foundation Trust.

On 21st January 2015, the Authority's plan was fully approved by NHS England, who noted "your plan is strong and robust and we have every confidence that you will be able to deliver against it"

1.4.4 New national process

The total value of the BCF in North Tyneside, for 2015/16, remains at £16,597,000.

The previous Government guidance linked release of an element of the funds tied to the contingency budgets for the CCG to the following measures:

- avoidable emergency hospital admissions;
- delayed transfers;
- effectiveness of reablement;
- permanent admissions to residential care;
- patient / service user experience;
- a local measure; in our case, hospital admissions due to falls.

BCF plans were required to set ambitious trajectories against these measures, but it was **not** planned to delay release of funds pending evidence of meeting goals.

The July 2014 Government guidance linked payments to only a single measure: emergency hospital admissions (not just avoidable admissions).

1.6 Decision options:

The following decision options are available for consideration by Cabinet

Option 1

- (1) Note the arrangements and progress made by the Authority and the CCG to date, in terms of developing the plan for the use of the BCF in North Tyneside ('the Better Care Fund Plan'); and
- (2) Authorises the Deputy Chief Executive, in consultation with the Strategic Manager of Finance and the Head of Adult Social Care to enter into the Section 75 Agreement on terms agreed by the Head of Law and Governance.

Option 2

To instruct officers explore an alternative approval mechanism to enable the Authority is able to pursue implementation of the Better Care Fund.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

To ensure the Authority is able to meet Government expectations for implementation of a Better Care Fund plan throughout the borough of North Tyneside.

1.8 Appendices:

Appendix 1 – Outline of the BCF schemes

Appendix 2 – Key points of the proposed s75 Agreement

Appendix 3 – Terms of Reference- North Tyneside Better Care Fund Partnership Board

1.9 Contact officers:

Kevin Allan, Programme Manager – Integrated Care for Older People, Tel 07958 055 897

Alison Campbell, Senior Business Partner, Tel (0191) 643 7038

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- (1) North Tyneside Joint Health and Wellbeing Strategy 2013-13
- (2) Everyone Counts – Planning for Patients 2014/15
- (3) BCF Revised Planning Guidance, 25/7/14 <http://www.england.nhs.uk/wp-content/uploads/2014/07/bcf-rev-plan-guid.pdf>
- (4) North Tyneside Better Care Fund plan, parts 1 and 2
- (5) Draft Section 75 Agreement
- (6) North Tyneside Better Care Fund – risk register
- (7) Hosting Briefing Note, Alison Campbell, NTC Finance Business Manager

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The agreement of the plan has involved meetings of the North Tyneside Better Care Fund Programme Board, which includes senior representatives of the Authority, CCG, three NHS Foundation Trusts, and Healthwatch.

The plan does not of itself create additional demands for Council services above those which are created by the growth of our population and in particular the number of elderly people we serve. Where the plan includes proposals for additional services such as seven-day social work, increased coverage of reablement, and overnight home care, the representatives of the Authority on the BCF Programme Board will ensure that the full cost of services are known, are funded from the BCF pooled budget where possible, and any decisions which place additional pressure on overall council care budgets will be known and reported at the appropriate level.

2.2 Legal

The BCF will provide financial support for councils and NHS organisations to jointly plan and deliver local services. The BCF was announced by Government in June 2013 to drive the transformation of local services to ensure that people receive better and more integrated care and support.

The Care Act 2014 amended the NHS Act 2006 to provide the legislative basis for the BCF. It allows for the NHS Mandate to include specific requirements relating to the establishment and use of an integration fund.

The amended NHS Act 2006 gives NHS England powers to attach conditions to the payment of the BCF. Those conditions are:

- A requirement that the BCF is transferred into one or more pooled funds established under section 75 of the NHS Act 2006;
- A requirement that Health and Wellbeing Boards jointly agree plans for how the money will be spent, with plans signed-off by the Authority and the CCG;
- A requirement that plans are approved by NHS England in consultation with Ministers;
- The fund is to be used in accordance with the agreed plan; and
- The element of the fund linked to non-elective admissions reduction target will be released into the pooled budget proportional to performance (detailed in technical guidance). If the target is not met, the CCG may only release into the pool a part of that funding proportionate to the partial achievement of the target. Any part of this funding that is not released into the pool due to the target not being met must be dealt with in accordance with NHS England requirements.

The BCF must also demonstrate how the area will meet the following national conditions agreed in the 2013 Spending Review:

- Plans should be jointly agreed
- There should be protection for social care **services, not spending**;
- As part of agreed local plans, 7-day services in health and social care to support patients being discharged and prevent unnecessary admissions at weekends
- Better data sharing between health and social care, based on the NHS number
- Ensure a joint approach to assessments and care planning and ensure that, where funding is used for integrated packages of care, there will be an accountable professional
- Agreement on the consequential impact of changes in the acute sector.

In order to comply with the legislative background to the BCF and the Plan it is necessary for the Authority to enter into a Section 75 agreement.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Initial consultation has been undertaken with staff and relevant stakeholders, including Members as part of the 'Partners in Care' consultation exercise.

2.3.2 External Consultation/Engagement

The initiatives described in the Better Care Fund Plan, are based upon the general principles of avoiding hospital admissions, reducing permanent admissions to residential care, and care closer to home, which have been key features of all relevant engagement carried out by the Authority, the CCG, and the former Primary Care Trust.

In addition to the Partners in Care consultation, the CCG has undertaken a three week public engagement process on the CCG Commissioning Plan, which has helped to inform the proposals for the BCF. This included four public drop-in sessions, on-line and paper surveys and focus groups. The Health and Wellbeing Board considered the plan in March and September 2014 and approved the final plan on 18th December 2014.

2.4 Human rights

There are no human rights implications arising directly from this report.

2.5 Equalities and diversity

There are no equality and diversity implications directly arising from this report.

2.6 Risk management

A risk assessment was carried out as part of the development of the Better Care Fund Plan and the ongoing risk management of the BCF will be carried out in accordance with the Authority's risk management strategy, including regular review of the risk register by the Partnership Board to be established through the Section 75 Agreement.

2.7 Crime and disorder

There are no crime and disorder implications arising directly from this report.

2.8 Environment and sustainability

There are no environment and sustainability issues arising directly from this report.

PART 3 - SIGN OFF

- Head of Service X
- Cabinet Member X
- Chief Finance Officer X
- Monitoring Officer X
- Head of Corporate Strategy X
- Deputy Chief Executive X

Appendix 1 – outline of the BCF schemes

Scheme Ref	Scheme Name	Brief description
8	Seven day social work (new service)	Extends the working hours of the social work service to cover evenings, weekends, and bank holidays, so that plans for hospital discharge can be commenced earlier to reduce length of stay in hospital; and to increase customer access to services that can prevent or respond to a crisis.
10	Immediate response and overnight home care (new service)	<p>To provide effective and responsive emergency support to carers in times of crisis, which will allow them to continue in their caring role, helping to prevent carer breakdown and avoid increased costs to the health and social care system.</p> <p>Offering planned, regular support overnight will enable the person being cared for to maintain their dignity and improve their health and well being.</p>
11	Increased use of Telecare (extension of existing service)	Enhance the Care Call service to (a) deal with an additional 7,500 calls per year (b) offer a wider range of technology aids to enable people to maintain their independence and avoid admission to hospital or residential care.
12	Community Navigators and Support Network (contribution to funding of recently launched service)	Provides an alternative, more proportionate response to adult social care need. This is achieved by working with individuals who present with non-eligible or 'low level' needs and self-funders to help them to identify their own solutions, without the need to go through a lengthy, professional-led care management process. This more cost-effective approach will result in reducing and/or delaying the numbers of people entering the social care system.
13	"Halfway to home" beds (new service)	This initiative will procure a number of beds within a residential care setting, which can be used as either 'step-down' from an acute setting, or 'step-up' from the community and which allow sufficient time for recuperation and reablement, before a decision is taken about longer-term care. This will enable a co-ordinated and structured approach to be taken and will use staff from the Reablement Support Team to provide support to help people to regain independence to allow them to return home. Having a dedicated resource will enable us to have greater control over the delivery of the rehabilitation and reablement provided and provide more positive outcomes for those using the service.

14	Improved home care service (enhancement of an existing service)	<p>The strategic objective for this service is to deliver a new and improved home based support service for older people and people living with long-term, complex disabilities. The new service will be a joint commission between the Council and the Clinical Commissioning Group and will be accessed by both social care staff and the Case Managers who are responsible for commissioning support packages for customers who have been assessed as CHC</p> <p>The service will be based upon a 'progression' model, which has a reablement/enablement focus and which recognises that the concept of self-directed support, where those receiving care and their carers are provided greater choice and control over the design and delivery of care will provide the greatest benefit to individuals and the broader community.</p>
20	Carers Support (existing service)	<p>Provides short-term breaks / respite provision, which is integral to enable carers, whether they care for older relatives, people with learning disabilities, or people with physical disabilities to continue to undertake their caring roles and be valued.</p>
26	Reablement (increased funding for existing service)	<p>The reablement service currently provides around 1,750 packages per year, helping people to regain or acquire skills to live independently. Additional funding through the BCF will allow the service to support more clients in line with the increasing elderly population.</p>
27	Adaptations and Loan Equipment Service (ALES) (existing service)	<p>ALES provides equipment & adaptations for North Tyneside residents requiring these due to age, illness or disability.</p> <p>The service provides around 30,000 pieces of equipment, and 3,000 adaptations per year, including:</p> <ul style="list-style-type: none"> - community nursing equipment - equipment for daily living - equipment for sensory impairment - Short term wheelchairs - Maintenance & servicing of equipment and adaptations - Collection of equipment & decontamination & recycling - Provision of adaptations for hospital discharge / palliative care - Full design and implementation of adaptations in all tenures

		<ul style="list-style-type: none"> - Feasibility of adaptations - Assessment & Demonstration Suite.
28	The Cedars (existing service)	The Cedars is an intermediate care and rehabilitation service which helps to prevent unnecessary admissions to hospital or residential care, and reduce length of stay in hospital.
25	NHS support to social care (existing funding stream)	This is an existing funding stream which now forms part of the BCF. It includes funding for community based support for older people; people with dementia; with mental health issues; with drug and alcohol issues; people facing homelessness. It also covers services for people with learning disabilities.
24	Protection of adult social care (additional funding stream)	The local government settlement announced in December 2013 indicated that the central government grant to run local services will fall by 8.5 per cent over the next two years over and above the additional NHS support for social care. This additional transfer from health to social care will be used to support a range of existing services and transformation programmes, which are of benefit to the wider health and social care system and produce better outcomes for our customers and without this investment would be at risk of reduction, due to budget pressures.

Scheme Ref	Scheme Name	
2	Providing proactive care and avoiding unplanned admissions (new service in 2014/15)	<p>NHS England has introduced an Enhanced Service titled “Providing proactive care and avoiding unplanned admissions for vulnerable people”, with the following features:</p> <ul style="list-style-type: none"> • Patients identified as being at high risk of unplanned admission and on the case management register will be assigned a named accountable GP (and where relevant a care coordinator). • These patients will have a personalised care plan which will have been developed collaboratively between the patient, their carer (if applicable) and the named accountable GP and/or care coordinator • Patient care will also be reviewed at an interval agreed with the patient, and if appropriate, their carer. Practices should also be aware of the needs of carers • Participating practices will review emergency admissions and A&E

		<p>attendances of patients on the case management register (i.e. to understand why these admissions or attendances occurred and whether they could have been avoided).</p> <p>The general practice input to this service is funded by NHS England; the BCF will make a contribution to the costs of community geriatrician, community matron, and pharmacy support, provided by Northumbria Healthcare NHS Foundation Trust.</p>
3	End of Life Care (new service in 2014/15)	The objective of this scheme is to reduce the number of hospital admissions of patients on the palliative care register, and to increase the number of people able to die in the place of their choice. The BCF will make a contribution to the cost of enhanced general practice in care homes; a specialist end of life care nursing team to support nursing homes; and a hospice at home service.
5	Falls pathway	A new service will be commissioned to support people at risk of falls. The service will be provided by Northumbria Healthcare NHS Foundation Trust and will work with council services to encourage prevention, provide assessment and treatment, and help people to use a variety of services which can reduce the risk of falls.
9	Increased hours of the Elderly Assessment and Admission Avoidance Service (extension of an existing service)	<p>The Elderly Assessment and Admission Avoidance Service is a component of an urgent care pathway for older people that will ensure patients can be maintained in their usual place of residence with an integrated package of care where appropriate which:</p> <ul style="list-style-type: none"> • Keeps patients safe. • Deals with immediate problems • Identifying other related problems • Responds to urgent needs appropriately • Links with comprehensive geriatric assessment • Ensures a care plan is in place <p>It is proposed to extend the hours of the service to include evenings and weekends.</p>
15	Liaison Psychiatry	<p>The objective of this service is to improve management for patients who have both physical and mental health conditions.</p> <p>The service will address the mental and physical health needs for patients aged over 65 years in both A & E and hospital wards.</p>

17	Mental health community pathways	The Northumberland, Tyne and Wear Mental Health NHS Foundation Trust are redesigning their services to enable clinicians to spend more time with patients; reduce reliance on inpatient beds and support more service users to be treated in the community; and improve access to the therapeutic interventions recommended by NICE through a staff retraining exercise,
----	----------------------------------	--

Appendix 2 - Key points of the proposed Section 75 agreement

Hosting

The Council will host the BCF.

Total value

The maximum potential value of the Better Care Fund for 2015/16 is £16,597,000

Table 1

Contributor	£
North Tyneside Council	1,364,000
North Tyneside Clinical Commissioning Group	
• Non-performance related contribution	13,748,185
• Performance-related contribution (maximum payable)	1,484,815
TOTAL	16,597,000

The Authority's contribution arises from two specific elements which are mandated at fixed amounts by Government:

Table 2

Scheme	2015/16 Value £'000
Social care capital grant	574
Disabled Facilities Grant	790
Total	£1,364

Pay-for-performance element

The national pay-for-performance mechanism requires that the CCG hold back £1,484,815 pending confirmation of the extent of any reduction in emergency hospital admissions.

If emergency hospital admissions reduce (from a 2014 calendar year baseline) then the CCG will pay into the Better Care Fund, a pro-rata amount up to a maximum of £1,484,815. The maximum amount will be payable if emergency admissions decrease by 3.5% or more. All payments will be made quarterly.

Locally-agreed dual running costs element

The expenditure plan includes an amount of £1,515,185 for "dual running costs". This amount is not allocated to fund BCF schemes. Taken together with the pay for performance element, this means there is a total of £3,000,000 held as a contingency fund, which can be utilised to pay for ongoing emergency hospital admissions in the event that the level of emergency admissions does not reduce as planned.

Lead Commissioner arrangements

The arrangements for management of BCF schemes is that a Lead Commissioner will be allocated to each scheme (except for "dual running costs"), which will be either the Council or the CCG.

Table 3: Pooled BCF schemes for which the Council will be the Lead Commissioner

Scheme Ref	Scheme Name	Value £000's	Lead Commissioner
8	Seven day social work	163	Authority
10	Immediate response and overnight home care	384	Authority
11	Increased use of telecare	171	Authority
12	Community Navigators and Support Network	34	Authority
13	"Halfway to home" beds	60	Authority
14	Improved home care service	68	Authority
20	Carers Support	560	Authority
26	Reablement	1,300	Authority
27	Adaptations and Loan Equipment Service	494	Authority
28	The Cedars	544	Authority
25	NHS support to social care	4,285	Authority
24	Protection of adult social care	2,000	Authority
TOTAL		10,063	

Table 4: Pooled BCF schemes for which the CCG will be the Lead Commissioner

Scheme Ref	Scheme Name	Value £000's	Lead Commissioner
2	Providing proactive care and avoiding unplanned admissions	341	CCG
3	End of Life Care	306	CCG
5	Falls pathway	194	CCG
9	Increased hours of the Elderly Assessment and Admission Avoidance Service	71	CCG
15	Liaison Psychiatry	212	CCG
17	Mental health community pathways	449	CCG
TOTAL		1,573	

Pooled and non-pooled budgets

The BCF schemes named in Table 3 and Table 4 above form a single pooled budget. In addition, three schemes will be managed by the Authority as lead commissioner through non-pooled budgets

Table 5: BCF schemes with non-pooled budgets

Scheme	2015/16 Value £'000
Social care capital grant	574
Care Act Implementation	597
Disabled Facilities Grant	790
Total	1,961

Table 6 below summarises the allocation of the BCF between pooled budgets, non-pooled budgets, and pay-for-performance contingency.

Table 6: Summary of components of BCF

	Value £000's	
Schemes in Pooled Budget		
With the Authority as Lead Commissioner	10,063	
With the CCG as Lead Commissioner	1,573	
Dual running costs - no Lead Commissioner	1,515	13,151
Non-pooled budgets		1,961
Pay-for-performance contingency		1,485
TOTAL		16,597

Risk share over-arching principles

The Section 75 Agreement makes reference (in Schedule 3) to the over-arching risk share principles agreed by the North Tyneside Health and Social Care Integration Programme Board – a partnership body formed by the Authority, the CCG, and Northumbria Healthcare NHS Foundation Trust - as follows:

“North Tyneside Council, NHS North Tyneside Clinical Commissioning Group and Northumbria Healthcare NHS Foundation Trust are committed to joint working and the implementation of integration principles referred to in the Health and Social Care Act 2012. As part of the North Tyneside health and Social Care Integration Programme, North Tyneside Council, NHS North Tyneside Clinical Commissioning Group and Northumbria Healthcare NHS Foundation Trust have agreed to collaborate on ensuring robust arrangements for the management of financial risk and gain.

The key principles agreed as part of this risk and gain share are:

- All parties will fully engage in the transformation agenda.
- Representatives will be empowered to make decisions.
- Any decisions affecting any partners of the Integration Programme will be shared in advance with as much notice as possible and all efforts will be made to achieve consensus on any major changes;

- Agreement of any decisions directly affecting any partner is desirable before any changes are implemented and at least 3 months notice (or longer if stipulated in contracts) should be given for any change that has a significant change on any partner(s) to make sure that all comply with positive workforce practice and are clear of the impact of any decision on each organisation's financial position. There is a commitment to work together to try to mitigate (where we can) for any substantial pressures on individual partners.
- Any changes to the wider health and social care environment need to demonstrate Value for Money for North Tyneside residents.
- Any gains or losses associated with the changes need to be understood by all partners and factored into each party's strategic and financial plans.
- Any transition paths should be agreed well in advance taking into account the scale of the changes and the costs and opportunity costs should be balanced to ensure no partner is unnecessarily exposed financially or operationally whilst looking to implement change as soon as possible.
- Where decommissioning services is proposed at least 6 months notice (or longer if stipulated in contracts) should be given as we would expect there to be full consultation, discussion of any staffing implications and early opportunities for all to be involved in discussions about the shape of new services. All new commissioning will demonstrate value for money.
- A commitment from each partner to obtaining a shared understanding of the financial position and pressures of each organisation, and for the financial forecasting of each organisation to be built around this shared picture wherever possible."

Managing potential overspends on pooled funds

The s75 Agreement sets out a comprehensive set of financial and performance metrics which the BCF Partnership Board will use to monitor the implementation of the BCF schemes, including assessing the risk of overspends.

The BCF Partnership Board will meet monthly to manage performance of the BCF.

The amounts of expenditure on each BCF scheme are set out in advance in the s75 Agreement (summarised in Tables 3 and 4 of Page 15 of this report) and cannot be exceeded without the agreement of both the Council and the CCG through the BCF Partnership Board.

Schedule 3 to the Section 75 Agreement sets out the arrangements for managing overspends. The key points relating to pooled funds are:

- 1) The relevant Lead Commissioner will manage scheme expenditure and is responsible for any overspend.
- 2) The Lead Commissioner of the Scheme reporting or predicting an Overspend has responsibility for:
 - a. managing expenditure to minimise the risk of an Overspend
 - b. taking all reasonable steps to eliminate an Overspend

- c. making a proposal to the Partnership Board to vire funds from other schemes for which they are the Lead Commissioner (such proposals are subject to agreement by the Partnership Board)
 - d. Absorbing the Overspend from their own funds, outwith the Pooled Budget, if virement from other schemes is not agreed by the Partnership Board.”
- 3) An overspend on a scheme for which the CCG is the Lead Commissioner cannot be financed from the BCF without the agreement of the Council, through the Partnership Board.
 - 4) An overspend on a scheme for which the Council is the Lead Commissioner cannot be financed from the BCF without the agreement of the CCG, through the Partnership Board.

The responsibility of the Authority for managing potential overspends on the BCF schemes for which it is Lead Commissioner is not a fundamental change from existing arrangements, since the BCF largely represents current, plus some additional funding for services which already exist, and for which the Council has budgetary management responsibility.

In the event of a dispute between the Council and the CCG which the Partnership Board cannot resolve, the s75 Agreement provides for escalation to the respective Chief Officers and for the use of a mediation process.

Managing potential overspends on pooled funds

The Authority is responsible for overspends on the Disabled Facilities Grant and the Social Care Capital Grant; these funds existed prior to the implementation of the Better Care Fund and the Council is already responsible for dealing with any overspends. The Authority will also be responsible for any overspend on the new allocation for implementation of the Care Act 2014.

Management of underspends

The arrangements for management of underspends are set out in clauses 12.7 to 12.9 of the Section 75 Agreement and confirm that:

- “12.7 In the event that expenditure from any Pooled Fund or Non Pooled Fund in any Financial Year is less than the aggregate value of the Financial Contributions made for that Financial Year the Partners shall agree how the surplus monies shall be spent, carried forward and/or returned to the Partners. Such arrangements shall be subject to the Law and the Standing Orders and Standing Financial Instructions (or equivalent) of the Partners and the terms of the Performance Payment Arrangement.
- 12.8 In the absence of specific agreement to the contrary, underspends on any Pooled Fund will be distributed to each Party in proportion to their Financial Contributions to the Pooled Fund.
- 12.9 The Parties may agree to carry forward any underspend on any Pooled Fund in order to contribute to the Pooled Fund in the following year, subject to the existence of an agreement to extend the term of the Agreement.”

The practical effect of clauses 12.7 to 12.9 is that:

- The Council will receive any underspends against the non-pooled funds, that is to say the Disabled Facilities Grant, Social Care Capital Grant, and the Care Act 2014 implementation fund. The Authority will comply with all the grant conditions in spending this money.
- The CCG will receive any underspend against all other elements of the BCF, that is to say, the pooled budget elements.

Contingency and underspends.

The BCF contains two contingency mechanisms which mitigate the risk that the BCF schemes do not result in the expected reduction in emergency admissions (or that other factors outside the influence of the BCF lead to an increase in emergency admissions).

The two mechanisms, which have a combined value of £3m, are:

- a) A “dual running costs” element of £1,515,185, held within the BCF Pooled Fund, but not allocated to planned spend on BCF schemes
- b) The nationally-mandated “pay for performance element” which is held back by the CCG pending confirmation of the extent of any reduction in emergency hospital admissions. If emergency hospital admissions reduce (from a 2014 calendar year baseline) then the CCG will pay into the Better Care Fund, a pro-rata amount up to a maximum of £1,484,815. The maximum amount will be payable if emergency admissions decrease by 3.5% or more. Payments will be made quarterly.

If emergency hospital admissions do not reduce in accordance with the target, then the CCG will retain the £1,484,815 value of the pay for performance element, to help pay for the continuing costs of hospital admissions.

The Partnership Board, established by the Section 75 Agreement on which representatives of the Authority and the CCG sit, will have authority to decide how to utilise underspends including the £1,515,185 dual running costs funds. By default, the Section 75 Agreement stipulates that underspends will return to the CCG, unless an alternative arrangement is agreed by both Partners.

The Partnership Board

The Agreement establishes a Partnership Board; the terms of reference are contained in Appendix 3.

Appendix 3

Terms of Reference - North Tyneside Better Care Fund Partnership Board

Membership

The membership of the Partnership Board will be as follows:

North Tyneside Clinical Commissioning Group

- Director of Commissioning Development
- Chief Finance Officer
or a deputy to be notified to the other members in advance of any meeting;

North Tyneside Council:

- Director of Adult Social Services
- Senior Business Partner
or a deputy to be notified in writing to Chair in advance of any meeting;

Other officers will attend the Partnership Board as required by members

Role of Partnership Board

The Partnership Board shall:

- provide strategic direction on the individual Services;
- receive the financial and activity information;
- review the operation of [the Section 75] Agreement, and performance manage the individual Services;
- agree such variations to [the Section 75] Agreement from time to time as it thinks fit;
- review and agree annually a risk assessment and a Performance Payment protocol;
- review and agree annually revised Schedules as necessary;
- request such protocols and guidance as it may consider necessary in order to enable teach Pooled Fund Manager to approve expenditure from a Pooled Fund;

Partnership Board Support

The Partnership Board will be supported by officers from the Partners as required.

Meetings

- The Partnership Board will meet at least quarterly at a time to be agreed, following receipt of each quarterly report of the Pooled Fund Manager.

- The quorum for meetings of the Partnership Board shall be a minimum of one representative from each of the Partner organisations.
- Decisions of the Partnership Board shall be made unanimously. Where unanimity is not reached then the item in question will in the first instance be referred to the next meeting of the Partnership Board. If no unanimity is reached on the second occasion it is discussed then the matter shall be dealt with in accordance with the dispute resolution procedure set out in the Section 75 Agreement.
- Where a Partner is not present and has not given prior written notification of its intended position on a matter to be discussed, then those present may not make or record commitments on behalf of that Partner in any way.
- Minutes of all decisions shall be kept and copied to the Accountable Officer / Proper Officer within ten working days of every meeting.

Delegated Authority

- The Partnership Board is authorised within the limited of delegated authority for its members (which is received through their respective organisation's own financial scheme of delegation) to:
 - authorise commitments which exceed or are reasonably likely to lead to exceeding the contributions of the Partners to the aggregate contributions of the Partners to any Pooled Fund; and
 - authorise a Lead Commissioner to enter into any contract for services necessary for the provision of Services under an individual Scheme Specification.
- The Better Care Fund Partnership Board shall provide updates on its work to the North Tyneside Health and Wellbeing Board.
- Members of the Better Care Fund Partnership Board shall report on the work of the Partnership Board through their host organisation's governance structures.

Information and Reports

Each Pooled Fund Manager shall supply to the Partnership Board on a quarterly basis the financial and activity information as required under the Section 75 Agreement.

Post-termination

The Partnership Board shall continue to operate in accordance with the Section 75 Agreement following any termination of it, but the Partners are required to endeavour to ensure that the benefits of any contracts are received by the Partners in the same proportions as their respective contributions at that time.