

# North Tyneside Council Report to Cabinet 13<sup>th</sup> June 2016

**ITEM 6(c)**  
**Better Care Fund update**

**Portfolio(s):** Adult Social Care

**Cabinet Member(s):** Councillor Alison Waggott-Fairley

**Report from Service Area:** Adult Social Care

**Responsible Officer:** Jacqui Old  
Head of Health, Education, Care & Safeguarding

**Tel:** (0191) 6437317

**Wards affected:** All

## **PART 1**

### **1.1 Executive Summary:**

This report seeks 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') for the financial year 2016/17, through the creation of both a pooled budget and a non-pooled budget ('the Section 75 Agreement').

The BCF was announced by Government in June 2013. The Government's 2015 Spending Review and Autumn Statement announced that the Better Care Fund would continue, as a route towards full integration of health and social care by 2020/21.

The BCF is intended to provide the opportunity to transform local services so that people are provided with better integrated care and support. It acts as an enabler to take forward the integration agenda, building upon the work of the North Tyneside Health and Social Care Integration Programme, of which the Authority is a partner.

National guidance, issued by the Department of Health and the Department of Communities and Local Government, sets out that the minimum value of the BCF should be £16.572m. In addition, there is an opportunity for the respective partners to agree a larger fund if they wish. The planned value of the fund for 2016/17 is £16.773m; the £0.201m excess over the prescribed minimum amount will be provided by the CCG.

The 2016/17 BCF plan represents a continuation of the principles of the 2015/16 BCF plan. That said, there are differences in the overall size of the Fund; the respective contributions of the Authority and the CCG; and the balance between services commissioned by the Authority and services commissioned by the CCG.

These are set out in Appendix 1.

## **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 Head of Health, Education, Care & Safeguarding, in consultation with the Cabinet Member for Adult Social Care, the Cabinet Member for Finance, the Head of Finance, and the Head of Law and Governance to enter into the Section 75 Agreement on terms set out in this report and 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 16<sup>th</sup> May 2016.

## **1.4 Authority 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.

## **1.5 Information**

### **1.5.1 Background**

In its June 2013 Spending Round, the Government announced a national pooled budget of £3.8 billion for health and social care services. This has become known as the Better Care Fund (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 acts as an enabler to take forward the integration agenda, building upon the 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 continuing to support:

- extended home care services, including overnight care, to provide a rapid response to a crisis;
- the provision of telecare, aids to independence, and adaptations;
- social work services seven days per week, focussed on facilitating discharge from hospital;
- services to support people at the end of life; and
- services to support people admitted to acute hospitals, who have both mental and physical health conditions.

The BCF was first introduced in 2015/16, as a one-year arrangement. The continuation of the BCF was confirmed in the Chancellor's Spending Review and Autumn Statement 2015:

"1.111 The Spending Review continues the government's commitment to join up health and care. The government will continue the Better Care Fund, maintaining the NHS's mandated contribution in real terms over the Parliament. From 2017 the government will make funding available to local government, worth £1.5 billion in 2019-20, to be included in the Better Care Fund.

1.112 The Better Care Fund has set the foundation, but the government wants to go further, faster to deliver joined up care. The Spending Review sets out an ambitious plan so that by 2020 health and social care are integrated across the country. Every part of the country must have a plan for this in 2017, implemented by 2020. Areas will be able to graduate from the existing Better Care Fund programme management once they can demonstrate that they have moved beyond its requirements, meeting the government's key criteria for devolution."

#### 1.5.2 Differences between the 2015/16 BCF Plan and the 2016/17 BCF Plan

The 2016/17 BCF plan represents a continuation of the principles of the 2015/16 BCF plan. There are differences in the overall size of the fund; the respective contributions of the Authority and the CCG; and the balance between services commissioned by the Authority and services commissioned by the CCG.

These are set out in Appendix 1.

#### 1.5.3 Previous Cabinet consideration

Cabinet considered the 2015/16 Better Care Fund on March 10<sup>th</sup> 2014 and:

**Resolved** that (1) the arrangements and progress made by the Authority and the North Tyneside Clinical Commissioning Group to date, in terms of developing the Plan for the use of the Better Care Fund in North Tyneside be noted; and  
(2) the Deputy Chief Executive, in consultation with the Strategic Manager Finance and the Head of Adult Social Care, be authorised to enter into the Section 75 Agreement on terms agreed by the Head of Law and Governance.

This paper requests the Cabinet to grant a similar authorisation in respect of the updated BCF Plan for 2016/17.

#### 1.5.4 Previous consideration by the Health and Wellbeing Board

The Health and Wellbeing Board considered the draft BCF Narrative Plan on 28<sup>th</sup> April 2016 and resolved to:

“endorse the general principles of the use of the Better Care Fund, set out in the report and authorise the Chair of the Health and Wellbeing Board to authorise any further revisions to the submission, before the deadline for submission to NHS England on 3<sup>rd</sup> May 2016.”

#### 1.6 **Decision options:**

The following decision options are available for consideration by Cabinet

##### Option 1

(1) To authorise the Authority to enter into the BCF Agreement for 2016/17 with the CCG on the terms set out in this Report.

##### Option 2

(2) Not to authorise the Authority to enter into the BCF Agreement, as set out in this Report, for 2016/17.

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, to facilitate better, more integrated care.

#### 1.8 **Appendices:**

Appendix 1 – Differences between the 2015/16 and 2016/17 BCF plans

Appendix 2 – Outline of the BCF services

Appendix 3 – Key points of the proposed s75 Agreement

#### 1.9 **Contact officers:**

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

Sheila Watson, Strategic Commissioning Manager, Tel (0191 6437007)

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

#### 1.10 **Background information:**

The following background papers/information have been utilised 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) BCF Policy Framework 2016/17

(3) North Tyneside Better Care Fund plan, parts 1 and 2

- (4) Draft Section 75 Agreement
- (5) North Tyneside Better Care Fund – risk register
- (6) [Better Care Fund Narrative Plan](#)

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

In 2016/17, the value of BCF services managed by the Local Authority is £1.083m lower than in 2015/16.

The largest element of this change (£0.75m) is related to changes arising from the implementation of the Intermediate Care Review, part of the Health and Social Care Integration Programme. Following the outcome of that review, the CCG has signalled its intention to decommission the intermediate care provision at The Cedars site, from the end of September 2016; the BCF will cover running costs up until that date.

The BCF contribution towards the following Authority services will be discontinued in 2016/17:

- The Cedars (part year from October 2016) - £750k. The Authority will have to consider and determine, following appropriate consultation, the future of The Cedars. The impact on staff may be to some extent minimised by transfers to new provision commissioned by the CCG and internal restructuring already planned within the service for 2016/17. This will however be clearer once the CCG has confirmed its future commissioning intentions and will be reported to Cabinet for consideration and determination.
- Community Navigators / Care and Connect – previously £0.034m. This funded set up costs, which will not be required in 2016/17.
- Halfway to home beds – previously £0.060m. The costs will be reduced in line with the reduced funding.

The BCF contribution towards the costs of 7-day social work will reduce from £0.163m in 2015/16 to £0.063m in 2016/17. Spend in this area will be reduced to minimise the pressure in this area.

The BCF contribution towards increased use of telecare will reduce from £0.171m in 2015/16, to £0.1m in 2014/15. Spend on telecare allows the Authority to increase the length of time that clients can remain in their own home with a level of independence and is cheaper than alternative service provision. It will not therefore be possible for the Authority to make compensating reductions to spend in line with this reduction in funding. The service will do what it can to minimise this pressure and any residual pressure will be reported to Cabinet through budget monitoring.

An allocation of £0.068m was included in the 2015/16 BCF to enable training of home care staff in the requirements of the new “support to live at home” contract. This amount was not spent in 2015/16 but the CCG has agreed to this amount being carried forward from 2015/16 funds to fund the spend in 2016/17 in addition to the sums listed in Appendix 2.

The underspend in the non-pooled elements of the Better Care Fund for 2015/16 in the Social Care Capital Grant are also being carried forward to be spent in 2016/17 according to the grant conditions.

## **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 the Department of Health and Department for Communities and Local Government;
- a requirement that a proportion of the areas allocation will be subject to a new condition around NHS commissioned out of hospital services, which may include a wide range of services including social care.

The BCF must also demonstrate how the area will meet the following national conditions set out in the BCF Policy Framework 2016-17, namely

- Plans should be jointly agreed;
- Maintain provision of social care services;
- Agreement for the delivery of 7-day services across health and social care to prevent unnecessary non-elective (physical and mental health) admissions to acute settings and to facilitate transfer to alternative care settings where clinically appropriate;
- 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 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.

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.

The Health and Wellbeing Board considered the 2015/16 plan in March and September 2014 and approved the final plan on 18<sup>th</sup> December 2014, and considered the 2016/17 update on 28<sup>th</sup> April 2016.

## 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

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

## Appendix 1 – differences between the 2015/16 and 2016/17 BCF plans.

The national guidance sets out that the minimum value of the BCF in 2016/17 as £16.572m, a reduction of £25k from 2015/16.

Table 1 below shows that this change consists of a £32,000 increase in the CCG minimum contribution and a £57,000 reduction in the Local Authority minimum contribution.

**Table 1: changes in minimum value of the BCF from 15-16 to 16-17**

	2015/16	2016/17	Change
CCG minimum contribution	15,233,000	15,265,000	£32,000
Local Authority - Disabled Facilities Grant	790,000	1,307,000	£517,000
Local Authority - Social Care Capital Grant	574,000	-	-£574,000
Total Local Authority contribution	1,364,000	1,307,000	-£57,000
Total minimum value of BCF	16,597,000	16,572,000	-£25,000

Local partners can agree a larger fund if they wish. The planned value of the fund for 2016/17 is £16.773m; the £0.201m excess over the minimum amount being provided by the CCG.

### Balance of funds between health and social care

BCF services are assigned to a responsible commissioner of either the Local Authority or the CCG. In 2016/17, the value of BCF services managed by the Local Authority is £1.083m lower than in 2015/16.

**Table 2: value of BCF services allocated to the Local Authority and the CCG**

Responsible commissioner	15-16 Planned Expenditure	16-17 Planned Expenditure	Difference
<b>Pooled</b>	<b>£ 15,233,000</b>	<b>£ 15,466,000</b>	
CCG	£ 4,573,000	£ 5,889,000	£ 1,316,000
Local Authority	£ 10,660,000	£ 9,577,000	£ 1,083,000
<b>Non-Pooled</b>	<b>£ 1,364,000</b>	<b>£ 1,307,000</b>	
Local Authority	£ 1,364,000	£ 1,307,000	-£ 57,000
<b>Grand Total</b>	<b>£ 16,597,000</b>	<b>£ 16,773,000</b>	£ 176,000
Mandated minimum amount of the BCF	£ 16,597,000	£ 16,572,000	-£ 25,000
Local authority BCF income as a percentage of the mandated minimum value of the BCF.	72.4%	65.7%	

The BCF contribution towards two Authority services will be discontinued in 2016/17. These are:

- Community Navigators / Care and Connect – previously £0.034m
- Halfway to home beds – previously £0.060m

The BCF contribution towards the costs of 7-day social work will reduce from £0.163m in 2015/16, to £0.063m in 2016/17.



The BCF contribution towards increased use of telecare will reduce from £0.171m in 2015/16, to £0.1m in 2014/15.

### **Performance-related element**

In 2015/16, there was a national requirement to link payments into the BCF by the CCG to reductions in emergency hospital admissions. The s75 Agreement stated that £1.485m would be dependent upon achieving a reduction of 3.5% in emergency hospital admissions. This reduction was achieved. However the funding of the agreed BCF services did not require the use of these funds, and therefore there was a resulting underspend in the BCF of £1.485m. The terms of the s75 Agreement was that underspends were returned to the party which provided the funding, in this case the CCG.

In 2016/17, there is no national requirement to include a performance-related element in the BCF, and there is no local proposal to do so. Hence, all of the BCF will be committed up-front to service provision, with no contingency held back.

## Appendix 2 – outline of the BCF services

Planned expenditure	Service Name	Brief description	Responsible Commissioner
£7.013m	Community-based support, including Carepoint; reablement; immediate response and overnight home care; adaptations and loan equipment service; and CareCall / telecare	<p>The Carepoint service brings together a number of previously-separate services which aim to prevent admission to hospital and facilitate discharge from hospital. The predecessor services were:</p> <ul style="list-style-type: none"> <li>• North Tyneside Council’s reablement service, including immediate response and overnight home care</li> <li>• North Tyneside Council’s hospital-based social workers</li> <li>• Northumbria Healthcare FT’s admission avoidance resource team</li> <li>• Northumbria Healthcare FT’s “hospital to home service”</li> </ul> <p>Community-based support also includes:</p> <ul style="list-style-type: none"> <li>• Enabling equipment and adaptations to be rapidly provided to support healthy living at home (Adaptations and Loan Equipment Service)</li> <li>• Providing 24/7 crisis support through assistive technology (Carecall / telecare)</li> </ul>	Local Authority
£1.307m	Disabled Facilities Grant (non pooled)	<p>The Disabled Facilities Grants aims to:</p> <ul style="list-style-type: none"> <li>• Enable people to live independently in their own home</li> <li>• Minimise risk of injury for customer and carer</li> <li>• Prevent of admission to hospital and long term care</li> <li>• Reduce dependency upon high level care packages</li> <li>• Improving quality of life and well being</li> <li>• Maintain family stability</li> <li>• Improve social inclusion</li> <li>• Enhance employment opportunities of the disabled person</li> <li>• Support the local economy</li> </ul> <p>Examples of adaptations include stair lifts, level access showers and home extensions.</p>	Local Authority

£0.6m	Independent Supported Living for people with learning disabilities	To continue the move away from outmoded inpatient facilities and towards community-based services	Local Authority
£0.597m	Care Act implementation (non pooled)	This relates to the costs to the Authority of implementing the Care Act 2014, which aims to ensure that care and support: <ul style="list-style-type: none"> <li>• Is clearer and fairer</li> <li>• Promotes people's wellbeing</li> <li>• Enables people to prevent and delay the need for care and support, and carers to maintain their caring role</li> <li>• Puts people in control of their lives so they can pursue opportunities to realise their potential</li> </ul>	Local Authority
£0.56m	Carers Support	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.	Local Authority
£0.694m	The Cedars	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.	Local Authority
£0.063m	Seven day social work	Extends the working hours of the hospital 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. In line with the development of a 7-day NHS.	Local Authority
£0.05m	Improving access to advice and information	Having access to good, timely information and advice can prevent our customers from requiring for care or support. Our work in this area continues and seeks to focus on improving access to, and the availability of advice and information to maintain health and wellbeing.	Local Authority
£4.64m	Intermediate Care Beds	Intermediate care is a range of integrated services to promote faster recovery from illness, prevent unnecessary acute hospital admission and premature admission to long-term residential care, support timely discharge from hospital and maximise	CCG

		independent living. Current provision includes wards at North Tyneside General Hospital and beds provided by nursing homes. The Older Persons Programme Board is defining a new model of intermediate care provision.	
£0.723m	Proactive care and avoiding admissions	This relates to the healthcare costs of admission avoidance services, closely related to the Carepoint service referred to above	CCG
£0.314m	End of Life Care	<p>This includes two services:</p> <p>a. General Practice in Care Homes - which enables an improved primary care offering to all eligible patients who are registered with a GP Practice within North Tyneside and who reside in a nursing home or residential home.</p> <p>The service is delivered by GP Practices, and through mutual agreement, each participating GP Practice is allocated an allocated link nursing/residential home. Residents not already a patient of the practice are asked to consider the additional benefits.</p> <p>Participating practices ensure a tailored package of support and care centred on the residents as an individual</p> <p>b. Hospice at home – which ensures that all patients in non-palliative settings receive emergency palliative care; trying to keep people in their place of choice, offering emotional and practical support for carers and family members as well as specialist input where needed. Emergencies may arise from changes in condition, symptom problems, anxiety, distress or social crisis.</p>	CCG
£0.212m	Liaison Psychiatry	Liaison psychiatry provides an interface between psychiatry and medicine focusing on providing improved management for hospital patients with co-morbid physical and mental health conditions.	

## Appendix 3 - Key points of the proposed Section 75 agreement

### Hosting

The Authority will host the BCF.

### Total value

The minimum value of the Better Care Fund for 2016/17 is £16.572m. Parties may choose to make additional contributions, which will increase the value of the fund. The CCG expects to make an additional contribution of £0.201m, resulting in a total fund of £16.773m:

Table 3

Source of funding	Value £
CCG Minimum Contribution	15,265,000
CCG Additional Contribution	201,000
Local Authority (Non Pooled)	1,307,000
<b>Grand Total</b>	<b>16,773,000</b>

The Authority's contribution is the Disabled Facilities Grant.

### Responsible Commissioner arrangements

The arrangements for management of BCF services is that a Responsible Commissioner will be allocated to each service, which will be either the Authority or the CCG. This is shown in Appendix 2 above.

### Pooled and non-pooled budgets

The following BCF services form a single pooled budget.

Table 4

Service name	£ 2016/17 Expenditure	
<b>CCG is responsible commissioner:</b>		<b>5,889,000</b>
Intermediate Care Beds	4,640,000	
Proactive care and avoiding admissions	723,000	
End of life care	314,000	
Liaison Psychiatry	212,000	
<b>Local Authority is responsible commissioner:</b>		<b>8,980,000</b>
Community-based support, including Carepoint; reablement; immediate response and overnight home care; adaptations and loan equipment service; and CareCall / telecare	7,013,000	
The Cedars	694,000	
Independent Supported Living for people with learning disabilities	600,000	
Carers Support	560,000	
Seven-day social work	63,000	
Improving access to advice and information	50,000	
<b>Grand Total</b>		<b>14,869,000</b>

In addition, two services will be managed by the Authority through non-pooled budgets:

Table 5

Service name	Planned 2016/17 Expenditure £
Disabled Facilities Grant	1,307,000
Care Act implementation	597,000
<b>Grand Total</b>	<b>1,904,000</b>

### 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 services, 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 service are set out in advance in the s75 Agreement (summarised in Tables 3 and 4 of pages 13 - 14 of this report) and cannot be exceeded without the agreement of both the Authority 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 Responsible Commissioner will manage service expenditure and is responsible for any overspend.
- 2) The Responsible Commissioner of the Service 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 services for which they are the Responsible 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 services is not agreed by the Partnership Board.”
- 3) An overspend on a service for which the CCG is the Responsible Commissioner cannot be financed from the BCF without the agreement of the Authority, through the Partnership Board.
- 4) An overspend on a service for which the Authority is the Responsible 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 services for which it is Responsible 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 Authority has budgetary management responsibility.

In the event of a dispute between the Authority 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 non pooled funds**

The Authority is responsible for any overspend on the Disabled Facilities Grant this fund existed prior to the implementation of the Better Care Fund and the Authority is already responsible for dealing with any overspends. The Authority will also be responsible for any overspend on the 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 Authority will receive any underspends against the non-pooled funds, that is to say the Disabled Facilities 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.