

## **Health Overview and Scrutiny Committee**

### **Report of the Chief Executive Officer, Dudley CCG**

#### **Better Care Fund**

##### **1.0 BACKGROUND**

1.1 The Committee will recall that the Better Care Fund (BCF) requires the CCG to establish a pooled budget, under Section 75 of the NHS Act 2006, with the Council, designed to support the integration of health and social care.

1.2 There are a number of key system wide performance metrics associated with this including:-

- reduction of emergency admissions (performance in relation to which has a direct bearing on releasing resources from the CCG);
- reduction of admissions to care homes;
- promotion of reablement;
- reduction in delayed transfers of care.

1.3 This has been viewed locally as a work-stream of our service integration programme which pre-dates the BCF. The main vehicle for our programme is the establishment of integrated, practice based teams and associated services including the Community Rapid Response Team.

1.4 The CCG and the Council are required to go through an assurance process in order to gain approval to what is ultimately the Health and Wellbeing Board's BCF Plan. A submission was made in September 2014 which was "approved with conditions". The main condition was related to the extent of our ambition to reduce the number of emergency admissions and a requirement to re-profile the planned reduction over a longer timeframe.

1.5 This report sets out:-

- the implications of this;
- the CCG's revised proposal in relation to the BCF Plan;
- the proposed arrangements for the Section 75 Agreement required to govern the pooled budget and the associated performance framework.

##### **2.0 RE-PROFILED ACTIVITY PLAN**

2.1 The required 15% reduction in emergency admissions presents the CCG and the Council with a financial challenge:-

- the ability of the CGG to pool funding is directly related to the freeing up of resources as a result of reducing emergency admissions, including those associated with the performance element of the BCF;

- this in turn affects the ability of the Council to protect adult social care - a national condition of the BCF.

2.2 The original submission was deemed ambitious to achieve the 15% reduction over 2 years, therefore it is proposed to reprofile the activity reduction over 4 years equating to 3.5% per annum.

2.3 The final outcome of the assurance process is expected in January.

### **3.0 FINANCIAL PLAN**

3.1 The plan designed to address this, with the reduction in emergency activity phased over 4 years, is now based upon the pooling of £4.625m (£3.0m + £1.625m – see below) from the CCG to be managed within a total pooled budget of £69.548m (see 4.1 below). This is built up of two elements:-

- monies from the CCG baseline of £3.0m;
- performance fund of £1.625m (from the reduction in emergency admissions).

3.2 The £3.0m identified above is conditional upon the Council paying for excess bed day costs incurred by the CCG for patients medically fit for discharge from hospital.

### **4.0 SECTION 75 AGREEMENT**

4.1 The proposed pooled budget, in total, is £69.548m. This has been constructed on the basis of identifying those services commissioned by both the Council and the CCG which contribute to the key performance metrics set out above. This is shown at Appendix 1.

4.2 Section 75 of the NHS Act 2006, enables CCGs and Councils to enter into agreements to:-

- create jointly managed teams of staff with associated secondment arrangements;
- enable one body to act as "lead commissioner" for a service;
- create pooled budgets.

It is the latter power that will be used in relation to the BCF.

4.3 There are two specific issues that such an agreement will need to address:-

- how the pooled budget will operate;
- how it will be governed.

### **5.0 POOLED BUDGET**

5.1 The CCG needs to ensure that any risks associated with the pool are mitigated as well as ensuring that the budget facilitates the development of the service integration programme.

5.2 Therefore, the CCG's requirements for the Section 75 Agreement are:-

- budgetary management to be hosted by the CCG;
- all decisions in relation to investment or disinvestment of services in the pool to be taken jointly by the Joint Management Group (see below);
- any decisions in relation to service changes as part of 2015/16 budget setting (i.e. prior to the Agreement becoming operational on 1st April 2015) to be taken jointly;
- any negotiations within the Council on adult services' share of any corporate savings target to take place on a tripartite basis with CCG involvement;

- any benefits/risks arising from the operation of the pool to be distributed between the partners in proportion to their relative contributions to the pool;
- performance framework to be developed and maintained by the CCG.

## **6.0 JOINT MANAGEMENT GROUP**

6.1 A Joint Management Group will be established with the following membership to oversee the arrangements described above. The membership is proposed as follows:-

### **CCG**

- Chief Executive Officer
- Chief Finance and Operating Officer
- Head of Commissioning

### **Council**

- Strategic Director, People's Services
- Chief Officer, Adult Social Care
- Finance Manager

**Chairmanship** - to be alternated on an annual basis

**Reporting arrangements** - reports to Health and Wellbeing Board

## **7.0 RECOMMENDATION**

7.1 That the revised financial plan for the Better Care fund be noted.

7.2 That the proposed arrangements for the Section 75 Agreement and pooled budget be noted.

**Enclosed: Appendix 1**

.....  
**Neill Bucktin**  
**Head of Commissioning, Dudley CCG**

Contact Officer: Neill Bucktin, Head of Commissioning  
Telephone: 01384 321823  
Email: [neill.bucktin@dudleyccg.nhs.uk](mailto:neill.bucktin@dudleyccg.nhs.uk)