

**REPORT OF THE CORPORATE DIRECTOR, ADULT SOCIAL CARE,
HEALTH AND PUBLIC PROTECTION, NOTTINGHAMSHIRE COUNTY
BETTER CARE FUND POOLED BUDGET – Q3 2017/18 RECONCILIATION
AND BCF POOLED FUND AGREEMENT FOR 2018/19.**

Purpose of the Report

1. This report sets out progress to date against the Nottinghamshire Better Care Fund (BCF) plan and the impact of recent policy changes. The Finance and Major Contracts Management Committee are invited to:
 - a. Consider and comment on the findings of the reconciliation of the BCF Pooled Fund for Q3 2017/18.
 - b. Approve the Better Care Fund section 75 pooled budget for 2018/19 subject to amendments proposed by the Governing Bodies of the Clinical Commissioning Groups (CCG).

Information

2. Nottinghamshire County Council and the six Nottinghamshire Clinical Commissioning Groups (CCGs) contributing to the pooled fund undertook a reconciliation exercise of Quarter 3 2017/18 income and expenditure.
3. Expenditure is currently on plan for 2017/18. Tables 1 and 2 show the difference between funding available and spend to period 9.

Table 1: Quarter 3 2017/18

Contributing partner	Nottinghamshire Clinical Commissioning Groups (CCGs)	Nottinghamshire County Council	Total
<i>£'000s</i>			
Funding within the pooled budget	38,653	18,004	56,657
Payments received from pooled budget to NCC	23,665	32,992	56,657
Total spend to period 9	23,665	32,992	56,657
<i>Under/(over) spend to period 9</i>	0	0	0

4. The Nottinghamshire County Council allocation is shown in Table 2. This table shows the difference between planned spend and actual spend to period 9. The Improved Better Care Fund is forecasting a breakeven position with the inclusion of new bids proposed to utilise underspend. This position will be updated as part of the monthly monitoring process of BCF funds.

Table 2: Quarter 3 2017/18 Nottinghamshire County Council

£'000s	Planned Spend	Spend	Variance
Protecting Social Care	12,555	12,555	0
Carers	927	927	0
Care Act Implementation	1,506	1,506	0
Improved Better Care Fund	12,045	12,045	0
Disabled Facilities Grant (District and Borough Councils)	5,504	5,504	0

Pooled Fund Agreement

5. It is nationally mandated that investment in the Better Care Fund (BCF) is operated under a pooled budget agreement under section 75 of the National Health Service Act (2006). This is the legislation that allows local authorities and NHS bodies to operate pooled budgets at a local level.
6. The section 75 agreement is a legally binding partnership agreement, in this instance between the commissioners of health and social care services in Nottinghamshire County. The signatories to the agreement are Nottinghamshire County Council and the six County Clinical Commissioning Groups (CCGs), namely Bassetlaw CCG, Mansfield and Ashfield CCG, Newark and Sherwood CCG, Nottingham North and East CCG, Nottingham West CCG and Rushcliffe CCG.
7. The basis of the agreement is a national form of a model contract to administer section 75 terms, prepared by external solicitors. In order to ensure local fit, both the County Council and the CCGs (acting jointly) have taken independent legal advice on the practical application in relation to the specific components of the Nottinghamshire plan. Nottinghamshire County Council has instructed its in-house legal team and the CCGs have collectively instructed an external solicitors firm.
8. The 2018/19 Pooled Fund Agreement remains consistent with the principles agreed for the previous agreements. The 2018/19 agreement has been updated to take into consideration the 2018/19 scheme spending plan.
9. As agreed in March 2015, the pooled budget will continue to be hosted by Nottinghamshire County Council, with the accountable officer and named pooled budget holder (the section 151 officer) being the Council's Service Director for Finance, Procurement and Improvement who will be supported by the BCF Programme Manager.

Payments

10. Payment into and out of the pool will take place as in 2016/17:
- Payments are made on a monthly basis in accordance with the payment schedule set out in "Schedule 9 – Payment Protocol". CCGs will contribute into the pool on the first of the month an amount equal to one twelfth of the annual sum they have agreed to contribute.
 - CCGs and the Council will pay providers directly to ensure that existing contractual payment mechanisms continue and to avoid providers receiving multiple payments from commissioners. This ensures no additional contracts are required to be set up and that no additional contract management falls to the County Council as pooled budget host.
 - For the purposes of the agreement, District and Borough Councils are a provider and payment of the Disabled Facilities Grant (DFG) allocation will be made to the pooled budget via the County Council. The DFG allocation will then be transferred to the District and Borough Councils for ongoing payment to contractors once plans for the use of funding have been agreed.

Risk sharing

11. The risk share arrangements for any overspends and management of any underspends are set out in schedule 3 of the agreement.
12. The partners have agreed that risk sharing will initially remain at the organisation or unit of planning level in line with current practice. This means that any over/under spend will be managed by CCGs in the following units of planning:
- North Notts: Bassetlaw CCG; -
 - Mid Notts: Mansfield and Ashfield CCG and Newark and Sherwood CCG;
 - South Notts: Nottingham North and East CCG, Nottingham West CCG, Rushcliffe CCG.
13. It will be for the units of planning to determine apportionment of over/under spend. Nottinghamshire County Council will manage its own over/under spend. If the overspend cannot be contained within the respective organisation or unit of planning then it will be escalated to the Steering Group for a decision.

Governance and reporting

14. CCGs and Nottinghamshire County Council are the accountable organisations with statutory responsibility for investment into the pooled budget and each has to satisfy its own statutory requirements for investment into BCF schemes. This is supported by a countywide governance structure for monitoring progress of the BCF plans including the pooled budget.
15. The BCG Finance, Planning and Performance subgroup will continue to be responsible for providing a monthly report on the pooled budget income and expenditure. This will be reported to the BCF Steering Group monthly and include details of performance against the outcome metrics, progress with scheme delivery and outstanding risks as recorded in the programme risk register.
16. The subgroup will undertake a quarterly reconciliation of actual income and expenditure against plan which will take into account any delays to scheme implementation and consequent payments to providers. Quarterly reconciliation reports will be presented to the Committee as agreed in March 2015.

17. There will be a quarterly report to the Health and Wellbeing Board in line with NHS England requirements. This will be accompanied by an exception report on scheme delivery, programme risks and delivery of the outcome metrics.
18. Any changes to planned schemes' financial values will be determined by the responsible statutory commissioner in the first instance, and will then be discussed through the programme governance structure with the Steering Group recommending changes in values to the Health and Wellbeing Board with the associated consideration of impact on overall programme delivery.
19. All organisations have agreed to share relevant information with each other's auditors to ensure transparent reporting of the BCF pooled fund. Additional external audit costs may be incurred by the County Council as the pooled budget host. If this is the case, a proposal to share costs across the partner signatories will be made to the Steering Group.

Other Options Considered

20. A BCF pooled fund is a national requirement, another partner organisation could become the Host Organisation.

Reason/s for Recommendation/s

21. To ensure appropriate governance is in place to oversee the delivery of the pooled fund as the Host Organisation.

Statutory and Policy Implications

22. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

23. The financial implications are detailed in the Nottinghamshire BCF plan. The pooled budget amounts to a minimum of £73.5m in 2017/18. Progress against the plan will be reported to the Health and Wellbeing Board on an ongoing basis as part of the Better Care Fund reporting process.

RECOMMENDATION/S

That the Committee:

- 1) Consider and comment on the findings of the reconciliation of the BCF Pooled Fund for Q3 2017/18.
- 2) Approve the variation to the Better Care Fund section 75 pooled budget for 2018/19 subject to amendments proposed by the Governing Bodies of the Clinical Commissioning Groups (CCG).

**David Pearson, Corporate Director, Adult Social Care, Health and Public Protection,
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Constitutional Comments (SLB 15/02/18)

24. Finance and Major Contracts Management Committee is the appropriate body to consider the content of the report. If Committee resolves that any actions are required it must be satisfied that such actions are within the Committee's terms of reference.

Financial Comments (OC 14/02/18)

25. The financial implications are contained within the body of the report. They are summarised in the tables found in paragraphs 3 and 4.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Terms of Reference for BCF Steering Group and Finance, Planning and Performance sub-group.
- Better Care Fund Pooled Budget March 2015
- Better care fund pooled budget – Q1 and Q2 reconciliation and planning for 2016/17. December 2015
- Section 75 Pooled Fund Agreement 2015/16 variation
- Section 75 Pooled Fund Agreement 2016/17
- Section 75 Pooled Fund Agreement 2017/18

Electoral Division(s) and Member(s) Affected

- All