

## **Bath and North East Somerset Joint Committee for Oversight of Joint Working**

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	Date:	3 <sup>rd</sup> November 2014

To: All Members of the Joint Committee for Oversight of Joint Working

**Members:** Councillor Simon Allen (Bath & North East Somerset Council), Councillor Andrew Furse (Bath & North East Somerset Council), John Holden (B&NES CCG Chair of Audit Committee), Sarah James (NHS B&NES), Dr. Ian Orpen (Clinical Commissioning Group representative) and Councillor Dine Romero (Bath & North East Somerset Council)

Other appropriate officers  
Press and Public

Dear Member

### **Joint Committee for Oversight of Joint Working**

You are invited to attend a meeting to be held on **Monday, 3rd November, 2014** at **4.00 pm** in the **Council Chamber - Guildhall, Bath.**

The agenda is set out overleaf.

Yours sincerely

Michaela Gay  
Committee Administrator

*This Agenda and all accompanying reports are printed on recycled paper*

## **NOTES:**

### **1. Inspection of Papers:**

Any person wishing to inspect minutes, reports, or a list of the background papers relating to any item on this Agenda should contact Michaela Gay who is available by telephoning Bath 01225 394411 or by calling at the Riverside Offices Keynsham (during normal office hours).

### **2. Public Speaking at Meetings:**

The Committee encourages the public to make their views known at meetings. They may make a statement relevant to what the meeting has power to do. Advance notice is requested, if possible, not less than *two full working days* before the meeting (this means that for meetings held on Wednesdays notice is requested in Democratic Services by 4.30pm the previous Friday).

### **3. Details of Decisions taken at this meeting** can be found in the draft minutes which will be published as soon as possible after the meeting, and also circulated with the agenda for the next meeting. In the meantime details can be obtained by contacting Michaela Gay as above. Appendices to reports (if not included with these papers) are available for inspection at the Council's **Public Access Points:**

- Guildhall, Bath;
- Riverside, Keynsham;
- The Hollies, Midsomer Norton;
- Public Libraries at: Bath Central, Keynsham and Midsomer Norton.

### **4. Recording at Meetings:-**

The Openness of Local Government Bodies Regulations 2014 now allows filming and recording by anyone attending a meeting. This is not within the Council's control.

Some of our meetings are webcast. At the start of the meeting, the Chair will confirm if all or part of the meeting is to be filmed. If you would prefer not to be filmed for the webcast, please make yourself known to the camera operators.

To comply with the Data Protection Act 1998, we require the consent of parents or guardians before filming children or young people. For more information, please speak to the camera operator

The Council will broadcast the images and sound live via the internet [www.bathnes.gov.uk/webcast](http://www.bathnes.gov.uk/webcast) An archived recording of the proceedings will also be available for viewing after the meeting. The Council may also use the images/sound recordings on its social media site or share with other organisations, such as broadcasters.

### **5. Substitutions**

Members of the Committee are reminded that any substitution should be notified to the Committee Administrator prior to the commencement of the meeting.

### **6. Declarations of Interest**

At this point in the meeting declarations of interest are received from Members in any of the agenda items under consideration at the meeting. Members are asked to indicate:

- (a) The agenda item number in which they have an interest to declare.
- (b) The nature of their interest.

(c) Whether their interest is a **disclosable pecuniary interest** or an **other interest**, (as defined in Part 2, A and B of the Code of Conduct and Rules for Registration of Interests) Any Member who needs to clarify any matters relating to the declaration of interests is recommended to seek advice from the Council's Monitoring Officer before the meeting to expedite dealing with the item during the meeting.

**7. Attendance Register:**

Members should sign the Register which will be circulated at the meeting.

**8. Emergency Evacuation Procedure**

If the continuous alarm sounds, you must evacuate the building by one of the designated exits and proceed to the named assembly point. The designated exits are sign-posted.

Arrangements are in place for the safe evacuation of disabled people.

## Joint Committee for Oversight of Joint Working

Monday, 3rd November, 2014

Council Chamber - Guildhall, Bath

4.00 pm

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### Agenda

1. WELCOME AND INTRODUCTIONS
2. EMERGENCY EVACUATION PROCEDURE

The Chair will draw attention to the emergency evacuation procedure as set out under Note 6.

3. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

Apologies have been received by Dr Ian Orpen (Bath and North East Somerset Clinical Commissioning Group)

4. DECLARATIONS OF INTEREST

At this point in the meeting declarations of interest are received from Members in any of the agenda items under consideration at the meeting. Members are asked to indicate:

- (a) The agenda item number in which they have an interest to declare.
- (b) The nature of their interest.
- (c) Whether their interest is **a disclosable pecuniary interest** or an **other interest**, (as defined in Part 2, A and B of the Code of Conduct and Rules for Registration of Interests)

Any Member who needs to clarify any matters relating to the declaration of interests is recommended to seek advice from the Council's Monitoring Officer before the meeting to expedite dealing with the item during the meeting.

5. TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN
6. ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING

At the time of publication no notifications had been received.

7. MINUTES - 25TH NOVEMBER 2013

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To approve the Minutes of the meeting held on 25<sup>th</sup> November 2013.

8. FINANCIAL OUT-TURN 2013/14 ON PARTNERSHIP BUDGETS Mike Bowden

A report is attached on 'Financial Out-Turn 2013/14 on Partnership Budgets'.

9. PERFORMANCE HIGHLIGHTS Mike Bowden

There will be a presentation on 'Performance Highlights' at the meeting.

10. MENTAL HEALTH BUDGET POOLING PROPOSAL

There is a report attached on 'Mental Health Budget Pooling Proposal'.

11. BETTER CARE FUND Mike Bowden

There will be a presentation on 'Better Care Fund' at the meeting.

12. FUTURE MEETINGS PLANNING Mike Bowden

There will be a discussion around future meetings of the Committee.

The Committee Administrator for this meeting is Michaela Gay who can be contacted by telephoning Bath 01225 394411

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## **JOINT COMMITTEE FOR OVERSIGHT OF JOINT WORKING**

### **Minutes of the Meeting held**

Monday, 25th November, 2013, 2.00 pm

Councillor Simon Allen	- Bath & North East Somerset Council
John Holden	- B&NES CCG Chair of Audit Committee
Sarah James	- NHS B&NES
Councillor Dine Romero	- Bath & North East Somerset Council

#### **1 ELECTION OF CHAIR**

Following a proposal by Councillor Simon Allen, seconded by John Holden, Councillor Dine Romero was elected Chairperson for the Committee.

#### **2 WELCOME AND INTRODUCTIONS**

The Chairman welcomed everyone to the meeting.

#### **3 EMERGENCY EVACUATION PROCEDURE**

The Chairman drew attention to the emergency evacuation procedure.

#### **4 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS**

Councillor Andy Furse and Dr Ian Orpen sent apologies as they were not available to attend the meeting when the date was set.

#### **5 DECLARATIONS OF INTEREST**

There were none.

#### **6 TO ANNOUNCE ANY URGENT BUSINESS AGREED BY THE CHAIRMAN**

There was none.

#### **7 ITEMS FROM THE PUBLIC OR COUNCILLORS - TO RECEIVE DEPUTATIONS, STATEMENTS, PETITIONS OR QUESTIONS RELATING TO THE BUSINESS OF THIS MEETING**

There was none.

#### **8 DRAFT TERMS OF REFERENCE**

The Committee considered the Draft Terms of Reference. Mike Bowden – Deputy Director Children and Young People, explained that the Joint Working Framework had now been signed off through the Council and the Clinical Commissioning Group (CCG) Board. He explained that this Committee’s purpose is to fulfil a governance and assurance role. He further explained the importance of having this joint body to oversee the arrangements.

John Holden (CCG) asked if the words ‘provide formal assurance’ could be inserted under the title ‘Roles and Responsibilities’. He also asked that under ‘Accountability’ it be made clearer that there is a two way responsibility between the CCG and the Council. Other Committee members agreed with these suggested amendments.

John Holden (CCG) asked if this Committee is sufficiently differentiated from the Health and Wellbeing Board. The officer explained that this Committee provided an audit and oversight role whereas the Health and Wellbeing Board made executive decisions. Councillor Simon Allen added that this Committee was in place to oversee the mechanics of joint working.

Following a point made by Councillor Simon Allen, it was noted that the Terms of Reference may need to change in light of the Care Bill and other national developments.

**RESOLVED** that, following the above amendments, the Terms of Reference be agreed.

## 9 **JOINT WORKING FRAMEWORK**

Tracy Cox (CCG) introduced the item. She explained that the Joint Working Framework encapsulates present thinking and describes the interface between the two organisations. She further explained that it is a joint statement of intent about how we work together rather than a legal form of agreement and that it would continue to evolve. She added that the Joint Working Framework had been signed off by the Council and the CCG.

Councillor Dine Romero noted that there was flexibility in the document. John Holden asked that the document be dated.

**RESOLVED** that the Joint Working Framework be noted.

## 10 **FUTURE MEETINGS PLANNING**

Mike Bowden, Deputy Director Children and Young People, explained that the next meeting is due to be held in May 2014. He asked the Committee what they would like to have on the agenda. It was agreed that the May agenda would contain information on:

- Pooled budget
- Jointly Shared Workforce
- Workplan



The Committee could then review if aims had been met in these areas.

It was also noted that the May 2015 meeting date should be considered next year as it could potentially fall during the pre-election period.

**RESOLVED** to note the above.

The meeting ended at 2.45 am

Chair .....

Date Confirmed and Signed .....

**Prepared by Democratic Services**

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**Joint Committee for Oversight of Joint Working  
Agenda item 1**

**Date: 3<sup>rd</sup> November 2014**

**Agenda Item: Financial out-turn 2013/14 on partnership budgets**

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**1. Summary**

The report presents the revenue outturn for the 2013/14 partnership budgets between BaNES Clinical Commissioning Group and B&NES Council. An overview will be given of the areas of joint working where funding is transferred through the regulations set out in the National Health Service Act 2006, explanations for variances to planned expenditure will be identified in the report.

**2. Recommendation**

The Joint Committee notes the 2013/14 financial outturn on the partnership budgets

**3. Supporting Information**

**3.1 Pool Overview**

The following tables give an overview to the joint funded budgets in place and the 2013/14 year end financial position, for areas where there has been any material under or overspends there is further detail explaining the causes of the variances and any issues that need to be highlighted to the committee.

Out of a combined £25.7m budget the outturn was £27.5m giving an over budget position of £1.8m, this is largely due to increased demand on the Learning Disabilities budget.

Table 1

Section 75 / Section 10 Arrangements		Budget	Actual	Variance Over / (Under)
Service Area	Funding	£000	£000	£000
Learning Disabilities	Council	17,130	18,442	1,312
	CCG	4,744	5,145	401
Community Equipment	Council	285	433	148
	CCG	218	307	89
Children's Pool	Council	2,484	2,339	(145)
	CCG	131	123	(8)
Public Health CCG Administered	Council	615	615	0
Public Health Council Administered	CCG	138	138	0
<b>Total</b>		<b>25,745</b>	<b>27,542</b>	<b>1,797</b>

### 3.2 Learning Disabilities

Table 2 below breaks down the main elements of expenditure in the Learning Disabilities pooled budget and the Council and CCG financial contributions. The 2013/14 overspend of £1.7m has been caused by increased demand on purchased care packages of £2.2m, this expenditure has been partially offset by increased service user contributions due to higher than anticipated numbers entering the service.

The main causes of the £2.2m overspend are increased demand due to complex need service users entering the service and also existing known service users transitioning from specialist hospital placements that were previously funded by NHS England into community residential placements funded by BaNES.

Through the Councils financial planning processes these new demands have been recognised with additional growth funding being added to the pool, this increased funding has not been fully matched by the CCG which has led to an element of the Council funding held outside of the pooled budget agreement. This funding mitigated the Council element of the overspend in 2013/14.

To address this the increased demand on the service has been recognised by both the CCG and Council in the 2014/15 budget planning round with increased contributions being made by both parties to help address the rising level of service users and inflationary pressures.

Table 2

Learning Disabilities Section 75 Pooled budget arrangements	2013/14			Comments
	Budget	Actual	Variance	
	£000	£000	£000	
<b>Income &amp; Expenditure</b>				
Commissioning	560	474	(86)	Various underspends
Purchased Services	16,064	18,292	2,228	Overspends in residential and high cost health placements
Sirona Contract	6,361	6,448	87	Increase due to investment in autism service
Income	(1,112)	(1,627)	(515)	Increased service user contribution income
<b>Total</b>	<b>21,873</b>	<b>23,587</b>	<b>1,713</b>	
<b>Funding</b>				
Council	17,130	18,442	1,312	Overspend funded through additional Council funding into the pool held outside of the pooled budget agreement
CCG	4,744	5,145	401	
<b>Total</b>	<b>21,873</b>	<b>23,587</b>	<b>1,713</b>	

### 3.3 Community Equipment

Table 3 summarises the funding and expenditure breakdown of the Community Equipment pooled budget. In 2013/14 there have been overspends in this budget due to increased activity from growth in the re-ablement service, this has led to earlier discharges and more people receiving care in their homes which has increased the demand on the equipment pool.

As this growth in the service along with demographic pressures will be recurring a review of the pooled budget arrangements took place in 2013/14 which led to a bid to the CCG investment panel being approved that resulted in increased funding.

Table 3

Community Equipment Section 75 Pooled budget arrangements	2013/14			Comments
	Budget	Actual	Variance	
	£000	£000	£000	
<b>Expenditure</b>				
Equipment	234	423	189	Increased demand
Rails & Minor Adaptions	88	92	4	
Sirona Contract	97	97	0	
Overheads	84	130	47	Increased cost from additional driver
<b>Total</b>	<b>502</b>	<b>742</b>	<b>239</b>	
<b>Funding</b>				
Council	285	433	148	
CCG	218	307	89	
Other Income		2	2	
<b>Total</b>	<b>502</b>	<b>742</b>	<b>239</b>	

### Section 256 Arrangements

Table 4 outlines the section 256 arrangements that transfer health money to the Council to act as lead commissioner on a number of joint working schemes. Annex 1 gives the detailed behind the use of the national and local transfers from NHS England and the CCG to the Council.

The summary position of these schemes gives an underspend of £345k on the Council funded element of the budget, this funding has been transferred into a Social Care reserve and held to meet 2014/15 commitments. To note there have been commitments made in 2014/15 that are early investments into the Better Care Fund projects such as the Social Care pathway re-design.

The existing investment from the S256 transfers support meeting the national requirements of the BCF such as supporting 7 day services through the investment in the extended hours service in Sirona.

Grants to Voluntary bodies funded contributions to a range of voluntary organisations including the Care Forum, Age Concern and The Stroke Association. The amounts were on budget as the value has been previously agreed on a recurring basis.

The Carers investment funded a contribution to the Carers Centre to provide advice, information, assessment and support services to carers within Bath and North East Somerset.

The Disabled Children's S256 funded residential and overnight short breaks from disabled children provided by Quarriers and life skills and mentoring provided by KIDS.

Table 4

Section 256 Arrangements		Budget	Actual	Variance Over / (Under)
		£000	£000	£000
National Re-ablement (via NHS England)	CCG	2,612	2,612	0
Local Re-ablement	Council	2,900	2,555	(345)
	CCG	900	900	0
<b>Total</b>		<b>6,412</b>	<b>6,067</b>	<b>(345)</b>
Grants to Voluntary Bodies	CCG	235	235	0
Carers	CCG	266	266	0
Disabled Children	CCG	525	495	(30)
<b>Total</b>		<b>1,026</b>	<b>1,231</b>	<b>(30)</b>

# Annex 1

## S256 2013/14 Summary

		2013/14
		£000
<b>Funding Streams:</b>		
LA Budget		2,900
<b>Sub Total</b>		<b>2,900</b>
National Framework Funding		2,612
Local Re-ablement		900
<b>Sub Total</b>		<b>3,512</b>
<b>Total</b>		<b>6,412</b>
<b>S256 Schemes</b>	<b>Detail</b>	
7 day working	Sirona Health Care & Health - Service Developments	350
Integrated re-ablement	Sirona - Re-ablement & Rehab	760
Protection for adult social care services	Sirona Care & Health - Demographic Change	1,516
Admission avoidance	Targeted rural domiciliary care service aimed at admission avoidance	324
Strategic Planning	Funding additional capacity	71
	Income maximisation	46
Hospital discharge	Step Down Accommodation (Curo & Sirona)	323
	Handyperson Services & Minor Adaptation	45
	Intensive Home from Hospital	13
Integrated re-ablement and hospital discharge	7 day working - Hosp SW & Core re-ablement	209
Protection for adult social care services	Social Care Demographic pressures	1,500
	Commissioned Services	884
	Employment Inclusion LD	15
	Safeguarding Post	11
<b>Sub Total</b>		<b>6,067</b>
<b>Balance</b>		<b>345</b>

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## **Joint Committee for Oversight of Joint Working**

### **Agenda item 3**

**Date: 3rd November 2014**

### **Agenda: Mental Health Pooled Budget**

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#### **1. Summary**

- 1.1.1 To outline the proposal for a Mental Health pooled budget arrangement under a Section 75 arrangement between NHS Bath & North East Somerset CCG (BaNES CCG) and Bath & North East Somerset Local Authority (B&NES Council).

#### **2. Recommendations**

- 2.1.1 To note the proposal for entering into a S75 arrangement to form a pooled budget between BaNES CCG & B&NES Council
- 2.1.2 To note the proposal for the management, reporting and associated governance arrangements for the pooled budget.

#### **3. Background**

- 3.1.1 *“The distinction between what is health care and what is social care is not clear and this creates duplication, fragmentation and waste at the boundary between the NHS and social care. Many individuals with mental health problems receive services from both the NHS and social care and are frustrated by the lack of integration between the two systems.”*

(Joint position statement of the Royal College of Psychiatrists and the Association of Directors of Adult Social Services March 2013)

- 3.1.2 Section 75 of National Health Services Act 2006 allows for the creation of agreements between a local authority and an NHS body in England, in respect of, in the main, Adult Services. (The equivalent for Children Services being a Section 10, Children Act 2004, agreement.) Many Section 75 agreements were made between local authorities and PCT(s), and these have now been made with clinical commissioning groups (CCGs). Section 75 agreements can include arrangements for pooling resources and delegating certain NHS and local authority related functions to the other partner(s) if it would lead to an improvement in the way those functions are exercised.

The recent drive for closer working between Health and Social Care through the Better Care Fund highlights the value of joint working as well as streamlining budgets and the financial delivery of services. This allows for any efficiencies that are achieved to be shared by partners, irrespective of the source of funding.

There are already examples of Pooled Budget arrangements between B&NES Council and CCG, such as the Learning Disabilities Pooled Budget (S75) and the Children's Pooled Budget (S10). The partners also operate a structure which employs Joint Commissioning Managers, who are empowered to commit expenditure on services on behalf of both organisations (authorised S113 Signatories).

Mental Health services are currently managed by one joint Senior Commissioning Manager, who is responsible for the services and budget for both the CCG and the Council. This is currently operated as a pseudo pooled budget; performance and management meetings are held with AWP (the key provider managing an integrated health and social care team) in respect of both partners' (CCG/Council) expenditure and service requirements. The majority of funds, outside of the AWP Block Contract, are held by the local authority and 'managed' on behalf of the CCG in respect of placements. This includes all AWP sponsored placements for health services that cannot be delivered via the contract e.g. independent hospital in-patient services for clients with specialised needs.

## **4. Supporting Information**

### **4.1.1 Senior Commissioner Perspective**

A formal and full Pooled Budget arrangement will better support the joint approach to assessments and care planning - and the majority of our clients require a joint package. If we are able to create a single operating record for clients it will allow a concentration on client outcomes linked directly to the cost of service in a way that is not possible at the moment.

It will also support pathway planning for individuals removing any perverse incentive to shift costs across organisations/budgets which may lead to an ineffective pathway (this was the case before the "pseudo" pool was introduced by the commissioner).

As the NHS is now moving toward implementing Personal Budgets, a Pooled arrangement will enable joint health and social care personal budgets. This will fit with our enabling, recovery orientated approach in B&NES. In addition, it will support the active promotion of choice and control across a whole range of support thereby supporting the health initiative of introducing Personal Health Budgets from 1 April 2014 and the Integration Agenda through merging the delivery of Personal Budgets/Direct Payments with Local Authority schemes.

A pooled budget also more easily enables the option for jointly procuring single entry services – much in the same way as we have done in substance misuse services - so providing more efficient and effective delivery of services through economies of scale and integration. This would facilitate and enable improved planning decisions, convergence to single joint outcomes (without the distraction of working to two discrete administrative systems) and improved dialogue and agreement about service design between partners.

## 5. Financial Implications

- 5.1.1 The following tables give the current 2014/15 budget funding across Mental Health services that is in scope to form a pooled budget across both organisations.

Table 1: Headline contributions and funding split

<b>Table 1</b>	<b>£000</b>	<b>%</b>
NHS Bath & North East Somerset CCG	16,610	68.67%
Bath & North East Somerset Council	7,580	31.33%
<b>Total Pooled Budget</b>	<b>24,190</b>	<b>100.00%</b>

Table 2: Funding across service area

<b>Table 2</b>	<b>2014/15 Budget</b>
<b>NHS Bath &amp; North East Somerset CCG</b>	<b>£000</b>
AWP Block contract	12,816
Specialist Care & NCA charges	714
Improving Access to Psychological Therapies	1,059
Joint Funded Placements	854
Shared Staffing & Overheads	651
RICE Contract & Drugs	401
S12	115
<b>CCG Total</b>	<b>16,610</b>
<b>Bath &amp; North East Somerset Council</b>	<b>£000</b>
Staffing including AWP and LA social workers in CMHT	
Older Peoples Team	434
Adult Team	383
AMPH Team	164
Other budgets	-114
Older People Purchasing	4,679
Adult Purchasing	2,034
<b>Council Total</b>	<b>7,580</b>
<b>Pooled Budget</b>	<b>24,190</b>

Amounts included are opening 2014/15 budget values and exclude in year investment bids that will be non-recurring and recurring.

## 6. Proposal for Delivering the Pool

### 6.1 Management responsibility

There is the need to have a lead organisation for the management and administration of the pooled budget in terms of financial processing of payments,

financial reporting and advice. Due to the Senior Commissioning Manger holding joint responsibility for decision making, budget and contract management for both organisations there is no proposed change to this arrangement.

## 6.2 Administration of pooled budget

Before arriving at the recommendation outlined below the following table details the options considered for administering the pooled budget.

Option	Suitability of systems	Comments
1. Bath & North East Somerset CCG become the lead organisation for the pool	Oracle Financial management system in place for general ledger transactions and reporting. No client management system in place for individual packages and processing of personal budgets.	Having the CCG as the lead organisation would build on existing experience in finance supporting the AWP contract. Due to having no client record system there would be the reliance on the council to process and hold this information that would lead to the need for recharges between organisations to fully account for spend within the pool.
2. Bath & North East Somerset Council become the lead organisation for the pool	Agresso and Carefirst are in place in the Council and suitable to process all Mental Health transactions. Existing processes in place for reporting from pooled budgets currently supported by the Council.	The Council has been the lead for the current pooled budgets and has suitable systems for all transactions.

## 6.3 Recommended Option

It is suggested that Option 2 be adopted – B&NES Council become the lead organisation for the pool with all financial payments and reporting processed through the Agresso financial management system.

## 6.4 Rationale

Option 2 has the lowest risk and will enable a smooth transition as it builds on existing arrangements and an infrastructure that is in place. The current pooled budgets (Learning Disabilities, Community Equipment & Children’s Pool) have the Council as the lead organisation and benefit from a well-established infrastructure for finance, business systems and commissioning support.

A review of transactions has revealed that a high volume of Mental Health payments and running costs sit within the Council ledger already. From a CCG perspective the main costs are contract charges from AWP and other NCA (Non Contract Activity) invoices. This should lead to a manageable transition with limited resourcing requirements to shift transactions to the Council. Following the decision

of this paper a project plan will be developed that details work required by both the CCG and the Council to establish the pool.

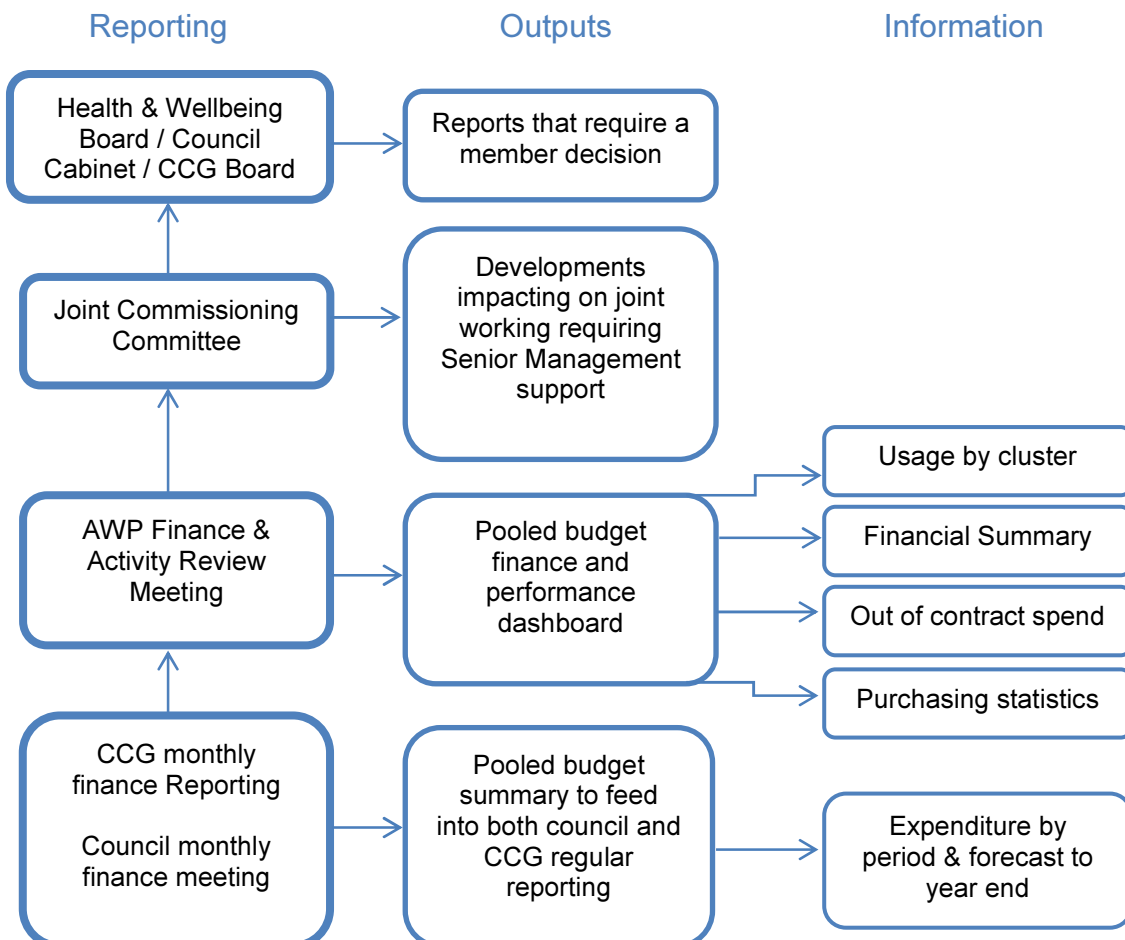
At the moment there are no planned changes to the direct AWP contract support received from the CCG & CSU as the current process is well established and working well. The benefits outlined below do indicate potential channel shifts as a result of the efficiencies from joint reporting, the impact to teams will be established in the detailed project plan.

### 6.5 Benefits

- All other pooled arrangements have B&NES Council as the lead so there is consistency in approach and past knowledge and experience.
- A large number of transactions for staffing support and client costs are currently processed by the Council and recharged to the CCG, the pooled budget will remove all recharging.
- The Council processes client information and provider payments through Carefirst, developing a joined up approach to reporting will help future commissioning decisions
- There can be financial benefits to both organisations though an agreed approach to sharing risks and benefits

### 7. Governance

Due to the joint working nature of pooled budgets it is essential to have a clear governance process around reporting and decision making. The diagram below outlines the proposed reporting framework



There is no proposed change to the decision making and budget holder responsibilities within the Mental Health service, the annual budget responsibility is currently delegated to the Senior Commissioning Manager operating to both organisations schemes of delegation, any investments or savings will be approved through the Council & CCG individual planning processes.

The current S75 Pooled Budgets are hosted by the Council and administered on behalf of both partners. The funding is on a predetermined/agreed basis of 'percentage' contributions. During the agreed period (one or two years) the partners agree not to revisit the percentage contributions and to suffer or benefit from any overspend or underspend on the basis of the percentages, and not the nature of the cause.

There will be a requirement to draft a S75 arrangement the details the agreed funding streams and percentage contributions between both CCG & Council.

## 8. Contracting

There are no immediate implications with existing contract arrangements, there is the option to review the NHS contract with AWP with the view to have a single contract in place that brings in the Council arrangement with AWP.

## 9. Risks

With all such Pooled Budget arrangements there are risks that service pressures from one partner might impact on the pooled budget funding. However as Bath & North East Somerset already operate a Joint Commissioning Manager structure, there is already a basis of confidence that decisions made are in the interest of clients and not detrimental as a principle to either partner.

Specific risks and mitigating actions are detailed in the table below:

Risk	Mitigation
Loss of autonomy over budget decisions	Having a joint SCM accountable to both CCG & Council decisions will be made in the interest of both organisations.
Loss of finance support	The CCG & Council are building resilience into structures to enable joint working including the joint funded Finance Business Partner that supports the Mental Health SCM and works with both organisations.
Risk share creating financial pressures	A cap / collar approach to funding unplanned pressures would help minimise the risk share exposure.
Payment by results charging model	The financial impacts of Pbr to the CCG AWP contract will need to be reviewed separately when an implementation date is proposed.

Therefore it is suggested that creating a more formalised Pooled Budget arrangement, does not increase the financial risk exposure of either partner, the SCM remaining accountable to both for their actions, plans and budget management. It does however reduce the risk for clients who are on the cusp of both partners criteria.

## **10. Information Governance**

The issues around Information Governance will be better addressed by having all client data and information on one secure system (hosted by the Council), which eliminates the need to attempt to communicate from one partner to the other, possibly sensitive data.

Through the use of the NHS number there should be the opportunity to improve data sharing through increased interoperability of systems.

## **11. Further work**

Following the decision of this paper a project plan will be developed that details work required by both the CCG and the Council to establish the pool.

Communication and consultation will be required with staff in the Council, CCG and with providers about the proposed changes.

Through the S75 arrangement there would have to be specific requirements around reporting and transfer of funds from the CCG to the Council. This will ensure that the treasury management needs of both organisations are met in terms of managing cashflows.

Further work will also be required to determine the arrangements around the sharing of risks & benefits within the pool budget and the treatment of investments and savings and how these are reported.

## **12. Conclusion**

We would recommend a pooled budget for mental health that is administered and managed by B&NES Council on behalf of both funding partners.

As outlined above whilst there will be benefits in terms of simpler contracting and administration of clients, financial support and contracting, the main driver for this proposal is to improve the quality of services provided and enhance outcomes.

Encouraging joint working and the sharing of resources fits with both the CCG & the Councils strategy for joint working.

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