

Commissioning Partnership Board Report

Decision Maker:	Executive Member Councillor Z Chauhan, Cabinet Member for Health and Social Care
Date of Decision:	30 August 2018
Subject:	Approval of S75 Partnership Agreement
Report Author:	Gioia Morrison – Finance Manager Ext 4491
Officer Contact:	Anne Ryans, Director of Finance

Reason for the decision: To approve the signing a S.75 notice between the Council and the CCG that will enable and encourage closer working and a more integrated approach.

Summary: The partners have carried out consultations on the proposals for Pooled Funds and commissioning arrangements under the Section 75 Agreement with those persons likely to be affected by the arrangements.

What are the alternative option(s) to be considered? Please give the reason(s) for recommendation(s): Approve the signing of the S.75 Partnership Agreement to enable closer working between Oldham MBC and Oldham CCG.

Continue with the current agreement and update the schedules in line with inflation and budget adjustments. This would enable us continue to pool the BCF, iBCF and Community Equipment Fund but would not reflect our ambition as a health economy.

Do nothing. This would mean that we would be operating with an out of date S.75 in respect of the BCF, iBCF and Community Equipment Fund.

Recommendation(s): To approve the signing of an updated S.75 Partnership Agreement.

Implications:

*What are the **financial** implications?*

The financial implications of the preferred option are significant for both organisations because each partner would be committing significant funds to the various pools. The precise figures for each partner's contribution are included in the Schedule to the Section 75 Agreement to be presented at the CPB meeting.

However, the majority of the fund will be held within the pooled aligned budget. Each partner will maintain control of its contribution to the pooled aligned budget but this has to be done in liaison with the other partner.

The amounts to be pooled by each partner will amount to a total of circa £148m.

*What are the **procurement** implications?*

None.

*What are the **legal** implications?*

Oldham Council and Oldham CCG have both sought separate external legal advice in relation to the preparation of the section 75 Agreement to be presented to the board for approval. Senior representatives from both partner organisations have participated in the negotiations to ensure that each party has agreed the content of the pooled budgets and the pooled aligned budgets, the decision making processes for each organisation and the risk sharing profile for each area of spend. (Elizabeth Cunningham Doyle.)

*What are the **Human Resources** implications?*

None

Equality and Diversity Impact Assessment attached or not required because (please give reason)

The commissioning decisions to be taken under the auspices of the Section 75 Agreement will be subject to Equality Impact Assessments to address the impact upon individuals with protected characteristics.

*What are the **property** implications*

None

Risks:

The Section 75 Agreement sets out the framework and the arrangements for risk sharing, liabilities and insurance and indemnities and the governance arrangements. Subject to Legal colleagues being satisfied that the appropriate process has been undertaken, it is understood that failure to approve the agreement, may hinder the delivery of benefits arising from closer working between Oldham MBC and Oldham CCG.

(Jane Whyatt)

Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution/CCG's Standing Orders?	Yes
Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the S.75 budget?	Yes
Are any of the recommendations within this report contrary to the Policy Framework of the Council/CCG?	No

Reason why this Is a Key Decision (1) to result in the local authority incurring expenditure or the making of savings which are, significant (over £250k) having regard to the local authority's budget for the service or function to which the decision relates; or

The Key Decision made as a result of this report will be published within **48 hours** and cannot be actioned until **five working days** have elapsed from the publication date of the decision.

This item has been included on the Forward Plan under reference CPB-01-1819.

List of Background Papers under Section 100D of the Local Government Act 1972:

Title	Available from
Section 75 Partnership Agreement and Schedules	

Report Author Sign-off:	
Date:	

Please list any appendices:-

Appendix number or letter	Description
	2018/19 S75 Agreement

1. Background

- 1.1 Oldham Council and Oldham CCG have been working towards an integrated health and social care system for a number of years. This has been limited in scope financially to pooling budgets around the Better Care Fund (BCF)/improved Better Care Fund (iBCF). In the autumn of 2017 at a meeting of the Integrated Commissioning Partnership Board, Oldham Council and Oldham CCG both agreed to pool the commissioning elements of budgets to increase the scope of the integrated delivery of services, to reduce duplication and get the best value for money from the Oldham pound. The elements of the budgets which were agreed to be included in the pooled budgets were the commissioning of individual placements for service users, domiciliary care, mental health, learning disability and older people services.
- 1.2 In addition as a borough, Oldham has successfully bid for £21.3m Transformation Funding from Greater Manchester Health and Social Care Partnership. Although this funding has to be paid directly to the CCG the money relates to spend for both OMBC and the CCG. As a consequence the Transformation Fund is being incorporated into the S75 Partnership Agreement.
- 1.3 A S.75 Partnership Agreement is made under the provisions of Section 75 of the National Health Service Act 2006 and enables funds to be pooled between the CCG and the Local Authority. However, there are two distinct types of pools within this agreement.
- 1.4 Pooled Budget – This is a fund where both partners pay in to the pooled fund and the money is hosted by one of the partners and the decision on how to spend is delegated to that partner. The Community Equipment budget and the Transformation Fund are both Pooled Budgets hosted by the Council and the CCG respectively.

- 1.5 Pooled Aligned Budget – This is a fund where each respective partner keeps control of its own contributions and spend. Instead decisions are taken in collaboration with the partner to maximize impact and reduce duplication. Currently the BCF, iBCF budgets are all pooled aligned budgets. The intention is for the commissioning budgets referred to in paragraph 1.1 above to be pooled aligned budgets.

2 **Current Position**

- 2.1 As stated a S.75 Agreement is currently in place that incorporates the Better Care Fund (BCF) and the Community Equipment Store. This was updated to reflect the introduction of the improved Better Care Fund (iBCF) in 2017 but does not reflect the figures for the current financial year or the increased ambition to jointly commission individual placements, mental health services, packages of domiciliary care and learning disability services. However, it does not align to the new governance structures of Oldham Cares. Therefore a new s.75 Partnership Agreement has been drawn up to address these issues.

3 **Proposals:**

- 3.1 Approve the signing of the S.75 Partnership Agreement to enable closer working between Oldham MBC and Oldham CCG.
- 3.2 Continue with the current agreement and update the schedules in line with inflation and budget adjustments. This would enable us continue to pool the BCF, iBCF and Community Equipment Fund but would not reflect our ambition as a health economy.
- 3.3 Do nothing. This would mean that we would be operating with an out of date S.75 in respect of the BCF, iBCF and Community Equipment Fund.

4 **Conclusions:**

- 4.1 Option 3.1 is the preferred option as this allows us to align our work more closely and reflects both organisations' current risk appetite. It would also make it relatively simple to increase the areas the two parties want to pool in the future.
- 4.2 The signing of the Section 75 Partnership Agreement by Oldham Council and Oldham CCG demonstrates the commitment of the partners to the co-operative agenda within the borough.