

**Report to:** Lead Member for Strategic Management and Economic Development  
**Date of meeting:** 28 April 2015  
**By:** Director of Adult Social Care and Health  
**Title:** Better Care Fund, Section 75 Pooled Budget Agreement  
**Purpose:** To seek agreement to proceed with the implementation of a Better Care Fund, Section 75 Pooled Budget.

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**RECOMMENDATIONS: The Lead Member is recommended**

- 1) to note and approve the process for establishing the Better Care Fund, Section 75 Pooled Budget for 2015/16 and beyond; and**
  - 2) to agree the Section 75 Pooled Budget arrangement as detailed in this report**
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**1 Background**

1.1 The Better Care Fund is a national Department of Health policy objective, which realigns specific health and social care funding, to deliver enhanced community-based health and social care services. Cabinet previously received reports in January and July last year when approval was given to proceed with the East Sussex submission. The Health and Wellbeing Board also received a report in September 2014 on the submission.

1.2 Within East Sussex the Better Care Fund plan has been developed within the framework of the East Sussex Better Together Programme. The Better Care Fund has required review and sign off from the Department of Health, which was given on 6 February 2015. This letter is attached at Appendix A.

1.3 The regulations require that a Section 75 Pooled Budget be established for 2015/16 onwards to provide the financial governance structure to support the delivery of Department of Health approved Better Care Fund outcomes.

**2 Supporting information**

2.1 Attached at Appendix B is the draft Section 75 Better Care Fund pooled budget.

2.2 The value of the approved Better Care Fund and draft pooled budget for 2015/16 is £42.214m. The County Council part of the funding contains those elements already agreed through Reconciling Policy Performance and Resources for the delivery of integrated support, such as the Joint Community Reablement service and Integrated Community Equipment Service. The contributions from partners to the pooled budget will be:

	£m
High Weald Lewes Havens CCG	10.614
Eastbourne, Hailsham and Seaford CCG	12.749
Hastings and Rother CCG	13.188
East Sussex County Council	5.663
Total	42.214

2.3 It is proposed that East Sussex County Council acts as host authority for the pooled budget. This is in line with the approach being adopted by the majority of local authorities. There are also potential VAT benefits from these arrangements, in that the County Council can reclaim VAT on service expenditure, whereas the NHS is unable to do so. The pooled budget agreement has been approved by the East Sussex Clinical Commissioning Groups. The VAT and tax implications have been reviewed and the agreement reflects current HMRC requirements. The Department of Health and HMRC are developing guidance to support the pooled budget arrangements for the Better Care Fund but these have yet to be issued.

2.4 Risk arrangements within the pooled budget:

Traditional pooled budget arrangements align financial risks, including the potential for overspending or underspending, to the level of contributions made by each partner. For the Better Care Fund, the pooled budget agreement does not set out a specific formula or basis for assessing contributions to meet risk. The agreement however recognises that there are a range of specific schemes, developments and investments, for which risk is related to key actions and service requirements. The agreement refers to the performance and financial reporting regime within East Sussex Better Together, plus the role of the East Sussex Better Together Programme Board, in identifying and addressing risk. As host authority, it is not the County Council's responsibility to meet financial risks, beyond those that have been agreed by the Programme Board.

2.5 The County Council contribution will be subject to monitoring through the Council Plan for 2015/16 and the Better Care Fund, as part of the East Sussex Better Together framework, will be scrutinised through the East Sussex Better Together Scrutiny Board.

### **3. Conclusion and reasons for recommendations**

3.1 Lead Member is recommended to agree the 2015/16 Better Care Fund pooled budget for the reasons detailed within the report.

#### **KEITH HINKLEY**

#### **Director of Adult Social Care and Health**

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#### LOCAL MEMBERS

All

#### BACKGROUND DOCUMENTS

<https://www.gov.uk/government/publications/better-care-fund-how-it-will-work-in-2015-to-2016>