

**Corporate Section 75 Agreement**

This is again a new section 75 Agreement creating a Pooled Fund. This Pooled Fund would contain two elements of funding as follows

- £3.6m of funding split as to £1.75m from the Council ( funded as part of the resource transfer from CCGs) and £1.9m from the CCGs to be spent on programme management for the LHAC programme; and
- £3.75m funding from the Council set aside as a contingency to meet the risk of government claw back if targets for 3.5% reduction on non-elective admissions into acute hospital are not met and potentially to fund other risks.

In relation to the first of these it is envisaged that the expenditure of the funds would be approved in principle by the Joint Commissioning Board with formal sign off by each partner organisation against business case submissions as to how the funding might be most efficiently and effectively spent to further the aims of the LHAC programme.

In relation to the second of these elements it is envisaged that a review will take place during the year of the Agreement to identify the degree to which the contingency may be required to meet the risk of the failure to meet targets for reduction of non-elective admissions into acute hospital.

Furthermore the corporate section 75 will be used as a means of pooling any underspends from the other Pooled Fund arrangements forming part of the Framework for allocation in accordance with risk share arrangements defined within the Framework Agreement.

The detail of the way in which these risks will be managed is specified in Schedule 3 to the Partnership Framework Agreement

The question of who will be the host of the pooled fund and will therefore appoint the pooled fund manager has not yet been resolved and it is proposed that this falls within the delegation to the Director of Adult Care

Because this section 75 Agreement is so directly related to management of specifically BCF risks it is proposed that it is directly incorporated into the BCF governance arrangements. Therefore it is proposed that this section 75 Agreement is managed by the Joint Commissioning Board itself seeking input from Joint Delivery Boards as required. This is all subject to the overall provisions of the governance arrangements set out in Schedule 2 to the Partnership Framework Agreement.

Approval is therefore sought for the entering into of a corporate section 75 Agreement with the Lincolnshire CCGs commencing on 1 April 2015 and continuing for a period of 1 year.

The way in which the statutory pre-conditions apply to the Corporate Section 75 Agreement is as follows.

- (1) The partnership arrangements must be likely to lead to an improvement in the way in which the functions are exercised

The proposed section 75 Agreement enables funding to be jointly considered when being spent on LHAC programme management activity and when risks relating to the BCF programme are being managed. This will lead to improved integration of decision-making and better informed decisions

- (2) The Partners must have consulted jointly such persons as appear to them to be affected by the arrangements.

No specific consultation has taken place concerning the proposals set out in this Report. These proposals are essentially about governance and do not change the way in which individual services are delivered. There are not therefore considered to be any persons who will be affected by these particular arrangements.

The partners will keep under review through other mechanisms including LHAC the potential impacts of the services commissioned and undertake consultation as appropriate.