

APPENDIX 8

POOLED FUND ARRANGEMENTS

1. The Partners' Contributions shall be managed by the Pooled Fund Manager, appointed by the Host Partner.
2. Each Partners' Contributions for the 2022-23 financial year i.e. 1 April 2022 until 31 March 2023 shall be set out in Annex A to this Appendix 8.
3. The process for setting future year contributions - that is 2023/24 onwards - is set out in Annex B to this Appendix 8. Any overspends and underspends shall be dealt with in accordance with the provisions of Annex C of Appendix 8.
4. The Host Partner will be responsible for the accounts and providing timely information to support the audit of the Pooled Fund.
5. The Pooled Fund Manager will be responsible for:
 - 5.1 managing the Pooled Fund on behalf of the Host Partner;
 - 5.2 submitting to the Partners timely financial reports, about the income of, and expenditure from, the Pooled Fund and other information by which the Partners can monitor the effectiveness of the Pooled Fund Arrangements through the Joint Delivery Board;
 - 5.3 providing the other Partners with the necessary information they require to meet their financial governance arrangements;
 - 5.4 transacting payments from the Pooled Fund; and
 - 5.5 ensuring that management arrangements and reporting for the Pooled Fund comply with audit requirements;
6. The Standing Orders and Standing Financial Instructions of the Host Partner as notified to the other Partners from time to time shall apply to the management of the Pooled Fund.
7. The Host Partner shall arrange for the audit of the accounts of the Pooled Fund Arrangements.
8. The Host Partner shall make available information to support the Year end Audit of Partner organisations' accounts. The memorandum of accounts shall be made available to Partner organisations on its completion.
9. The monies in the Pooled Fund:
 - 9.1 may be expended on the Functions in such proportions as the Partners shall agree is necessary to undertake the Functions and to procure or otherwise provide the Services;
 - 9.2 shall be spent in accordance with any restrictions agreed in writing between the Partners from time to time; and
 - 9.3 are specific to the Arrangements and shall not be used for any other purpose.

Annex A:

Contributions for the Financial Year 2022/23

The total Pooled Fund contributions by all partners for 2022/23 is £86,104,050 as detailed in table one below:

Table 1 Learning Disabilities

The opening Partner contributions for 2022-23 to the LD pooled fund Services are as follows:

	CCG Total	BCF	iBCF	LCC Total	Total
CCG Funded Care	17,922,492				17,922,492
LCC Funded Care		7,011,690	7,581,695	50,341,447	64,934,832
Sub total	17,922,492	7,011,690	7,581,695	50,341,447	82,857,324
Staffing	1,623,363			1,623,363	3,246,726
Total	19,545,855	7,011,690	7,581,695	51,964,810	86,104,050

The above table reflects the following principles

- 2022-23 Provider rates to be paid from April 2022. These rates reflect the NMW/NLW as per the December 2021 Spending Review.
- The financial position is built up from individual service users packages of care with the 2021-22 full year effect.
- Net growth is built into the projections.

The Fund contributions for 2022-23 have been calculated by the Council's financial team and agreed with the Lincs CCG.

For 2022/23 the CCG direct contributions are projected to be £19,545,855 from CCG budgets.

Should the CCG costs exceed the direct contribution above a maximum additional contribution of £700,000 to CCG 2022-23 costs will be drawn down from Better Care Fund (iBCF)2022-23. If the maximum contribution from BCF is not required it will not be drawn down.

Within the financial parameters of the table outlined above, the CCGs will fund

- 50% of the actual staffing costs incurred by the Council in performing its role under this Agreement up to a fixed upper value of £1,623,363
- 100% of the actual cost of existing and new packages of care which are agreed fully funded through the CHC agreement process and;
- 35% of the actual cost of existing and new packages of care which are agreed joint funded through the CHC agreement process.

In relation to cases within the pooled fund that have eligibility for S117 funding the CCG and LCC will apportion cost in line with the Section 117 Policy and related procedures and funding agreement.

The "CHC agreement process" referred to in the paragraph above is the process set out in paragraph 5.2 of Appendix 9 to this Agreement.

In relation to the CHC agreement process the fund manager will retain a record of when the review was sent for consideration, the CCG will record when the details have been received and when considered and also when the decision has been communicated to the fund manager. All decisions must be confirmed electronically to the fund manager. The complex CCG must provide

the fund manager with an accurate list of any cases still awaiting decision at the end of each month.

The Council will invoice the CCG on a monthly basis for 1/12 of each CCGs total contribution to the Pooled Fund. The CCG will pay its contribution within 20 working days of receipt of invoice.

The Pooled Fund Manager will present monthly financial information at organisational and expenditure type level for year to date and forecast expenditure against budget. The financial information will be underpinned with an anonymised service user dataset to enable data quality checks to be carried out. Through this process the Pooled Fund Manager will provide each organisation with a reconciliation of the CCG's 1/12th contribution against actual expenditure on each of the above categories noted in Table 1 above to inform the determination of any underspends/overspends by the CCG of its contributions. Any over or underspends determined to have been made by the CCG will be invoiced by the CCG to the Council or by the Council to the CCG on a monthly basis. Invoices shall be paid within 20 working days of receipt.

A finance report will also be provided on a monthly basis to the Adult Specialist Joint Delivery Board supported on an exceptional basis by an interim report should there be financial risks or deviations which are material.

The management of any overall over and underspends is defined in Appendix 8 Annex C and for 2022/23. Any overall underspends will be returned to the contributing organization in accordance with Annex C.

The process for setting future contributions from financial years 2023-24 is set out in Appendix 8 Annex B.

The Joint Delivery Board is expected as part of its work plan to consider effective use of resources and to consider opportunities for improving value for money.

Annex B:

Agreement of Financial Contributions

The 2022/23 Partner contributions are outlined in Annex A to this Appendix 8.

In establishing Partner contributions for 2023/24 and beyond, all Partners will collaborate to deliver against the agreed work programme included below to determine the scope of the S(75) pooled fund arrangements and to confirm a process for establishing contributions and for affirming the management of under/overspends.

To support continual strengthening of an integrated LD service for the Lincolnshire population, a work programme is being drafted to take this forward for 21/22. This is looking in part to assist our journey towards an Integrated Care System (ICS) and the further development of lead commissioner arrangements for Learning Disability, Mental Health and Transforming Care populations. The key components of the work programme are to:-

- Continue to progress the development a pooled budget and lead commissioner arrangements for people with complex needs;
- Build the Section 256 agreement (and related schemes) between LCCG and LCC into monthly reporting
- Continue the joint work between LCC/LCCG and LPFT in relation to the continuous improvement of demand management for Adult Care and CHC with a particular focus on maximising people's independence
- Propose the development of a joint approach to the setting of provider rates for 2023+ taking into account the current market environment and the likely implications of the social care reforms

ANNEX C

Overspends and Underspends

1. The Host Partner shall make the other Partners aware of any actual or forecast variances of spend against the Pooled Fund or financial risks as soon as it becomes aware of this possibility. The Host Partner will highlight reasons for the variance both current and projected, and make recommendations for action to bring the overspend into alignment with the budget.
2. For 2022/23 the CCG direct contribution of £19,545,855 will be used to fund CCG's related care costs. Should the level of total CCG related care costs be below £19,545,855 related underspend will be returned the CCG. There is however a financial risk that total costs will exceed £19,545,855.
3. For 2022/23 an additional contribution towards the cost of CCG related care up to a maximum of £700,000 will be funded from the BCF. Any of the £700,000 not utilised to fund CCG related care within the Section 75 agreement will not be drawn down from the Better Care fund.
4. Any overspend of CCG related care above the £19,545,855 plus the £700,000 CCG related contributions will be funded by the Lincolnshire CCG.
5. For 2022-23 the Council will fund any overspends relating to social care functions including 65% of joint funded packages. The Council will also retain any underspends relating to social care functions including 65% of joint funded packages.
6. Any underspends will be transferred to the contributing organisation through the monthly reconciliation and invoicing process. For clarity underspends will relate directly to the areas funded by the contributing organisation as described in the table in Appendix A.

Annex D VAT

Regime

1. The Partners agree to adopt "Partnership Structure (a)" as described in the VAT Guidance through which the Partners agree that goods and services will be purchased in accordance with the Host Partner's VAT regime and reimbursed from the Partners' contributions.

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