

<b>MEETING:</b>	<b>HEALTH AND WELLBEING BOARD</b>
<b>MEETING DATES:</b>	<b>16<sup>th</sup> October 2014</b>
<b>TITLE OF REPORT:</b>	<b>Better Care Fund Submission Report</b>
<b>REPORT BY:</b>	<b>Director of Adults &amp; Wellbeing &amp; the Clinical Commissioning Group Accountable Officer</b>

## **Classification**

### **Open**

This is a key decision because it is likely to be significant in terms of its effect on communities living or working in a one or more wards in the county

NOTICE has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

## **Wards Affected**

County-wide

## **Purpose**

This report was initially prepared to provide a briefing for the Chair of the Health and Wellbeing Board and has subsequently been updated to brief the Health and Wellbeing Board and sets out

- A summary of the revised guidance issued by the Local Government Association (LGA) AND NHS England on 25 July 2014
- An overview of the key agreed elements within the Herefordshire Better Care Fund submission made in response to the revised guidance on 19<sup>th</sup> September 2014
- The areas where ongoing work is required
- Confirmation of the governance process already completed and the process for completing final sign off by the Health and Wellbeing Board
- Information on the national assurance process feedback to date following the Herefordshire Better Care Fund September Submission

## **Recommendations**

- (a) **Note the summary of the revised guidance ;**
- (b) **Approve the elements of the plan that were agreed using the delegated powers agreed by the Health and Wellbeing Board subject to the completion of the ongoing work as required in the guidance and submission;**
- (c) **Approve the task and finish approach for completion of further requirements and**

- agreements;
- (d) **Note the national assurance process and feedback to date;**
  - (e) **Delegate authority to the Chair of the Health and Wellbeing Board, the Chief Accountable Officer of the CCG and the Director of Adults and Wellbeing as appropriate to agree further BCF plan submissions if required in November or December 2014**

## Alternative options

1. There is no alternative option. If the Better Care Fund is not submitted the Clinical Commissioning Group and the Local Authority will not receive the associated funding allocations.

## Reasons for recommendations

2. To ensure that the Health and Wellbeing Board responsibilities for approving the plan are discharged with full knowledge of the changing guidance, a summary of the areas still requiring agreement and the process and timeline for ensuring full approval by the Health and Wellbeing Board.

## Key considerations

3. The principle of the BCF Plan to use a pooled budget approach in order for health and social care services to work more closely together aligns directly with the vision and principles highlighted in the aspirations of the Health and Wellbeing Board in Herefordshire. This includes a commitment to an integrated systems approach, partnership working and a focus on prevention and early intervention in all areas. The plan and principles link directly to the CCG operational and strategic plans, and the local authority priority of adults maintaining their independence and living healthy lives. It also supports the themes evidenced in the Joint Strategic Needs Assessment for Herefordshire - Understanding Herefordshire 2014, which are to enable our older population to live independently and well; to prevent early death and increase years of healthy life; to improve physical and mental health and well-being; and reduce health inequalities.
4. The LGA/NHS England released revised planning guidance to all Health and Wellbeing Boards on 25 July 2014 in respect of BCF Plans. This guidance required all local authorities, in partnership with their local CCGs to submit revised BCF plans by 19 September 2014. The guidance set out acknowledged a key change in policy as set out below:  
  
*'.....of the £1.9bn additional NHS contribution to the BCF, £1bn will remain within the BCF but will now be either commissioned by the NHS on out-of-hospital services or be linked to a reduction in total emergency admissions. The intention of this policy change is to ensure that the risk of failure for the NHS in reducing emergency admissions is mitigated, and CCGs are effectively compensated for unplanned non elective activity.'*
5. The £1bn proportion of the BCF replaced what was originally the 'pay for performance' fund linked to delivery against both national and local metrics. No payment will now be linked to these metrics although local areas will still be expected to continue to set levels of ambition for these within their plans.
6. Payment for Performance will now only be linked to one metric and not the previous range of metrics. The metric is *reduction in total emergency admissions*. This was a significant change from the previous guidance, and the Health and Wellbeing Board Chair is asked to note the implication for reducing the incentive for acute providers to engage in rapid transformational change. This implication has not been evidenced locally as the Chief Executive of the acute provider Wye Valley Trust has stated that prevention and early

intervention continues to be a priority in managing demand particularly across the urgent care system.

7. All Health and Wellbeing areas are expected to set a minimum target reduction for total emergency admissions at 3.5%, although areas are free to choose a different target as long as all parties agree and a clear rationale can be developed to support such proposals. The Herefordshire BCF submission includes a target reduction in the number of emergency admissions of 1.5% and includes a business case to support the rationale to support this proposal.
8. It is also a requirement to submit detailed scheme descriptions, using a specified template, for each scheme included within the plan that supports the delivery of the agreed target for reduction in total emergency admissions
9. Local areas are also expected to share planned non-elective activity reductions with their acute providers and to ask the acute providers to submit commentary stating whether they recognise and agree with the activity reduction. Herefordshire CCG has agreed this approach with Wye Valley Trust and the required pro forma has been agreed and signed off. It is not proposed to include mental health within this aspect of the Herefordshire BCF and this approach has been agreed with the provider Together NHS Foundation Trust.
10. Herefordshire's submission in April 2014 was considered good by NHS England and the Local Government Association (LGA). Officers have transferred the information from Herefordshire's original BCF Plan (submitted April 2014) into a new plan template. Much of the original narrative remains the same, although since the submission the Transformation Board and programme has been established, as has the Joint Commissioning Board and the associated governance structure for decision making. The September BCF submission reflects these changes.
11. The new guidance introduced five new questions to answer, as well as revisions to four existing questions. The new questions relate to the following:
  - The case for change
  - Plan of action
  - Risks and contingency
  - Alignment
  - Implications for acute providers
12. The key areas that have been agreed within the September iteration of the Better Care Fund plan are
  - The Better Care Fund Minimum investment and the existing services that are included within this
  - The Local authority service delivery areas and activities that are funded through the existing s256 monies, including transformational plans, governance and monitoring of these.
  - The allocation of the Care Act implementation funding and the financial values supporting the Disabled Facilities Grant and the Social Care Capital elements included within the Better Care Fund Plans, along with milestones and key dates for implementation of the Local authority activities included within the BCF Plan.
13. The areas where agreement is still to be reached and discussions continue are

- a. Protection of Adult Social Care - senior CCG and Local Authority officers continue to work on this and are aiming to reach an agreement by November 2014.
  - b. Ongoing provider commitment - the acute provider has agreed in principle to the proposals made by the CCG and the LA and included within the BCF submission and to the development of a fully worked up mobilisation plan for transformation
  - c. Risk sharing and legal agreements - including the financial payment methodology and where funds will be held
  - d. Additional investments that may be included within the BCF prior to March 2015 for the 1<sup>st</sup> April start date
14. Following the 19<sup>th</sup> September submission date the current task and finish group comprising of senior CCG and Local Authority officers, and project managers from both organisations will continue to develop and complete the areas requiring agreement. A 10 week plan, (Appendix 2) has been put in place and this will be closely monitored for delivery.
15. The Health and Wellbeing Board should also note the development of the system wide transformation programme. The Better Care Fund plan will be at the heart of this programme of change and will set out system wide ambitious plans to
- a. Improve outcomes
  - b. Reduce cost
  - c. Improve efficiency
  - d. Tackle inequalities
16. The timing of the work of this programme, and the dates for the submission of the BCF are not completely aligned, but it is expected that as the programme develops this will give further assurance to the Health and Wellbeing Board on deliverability, governance and focus to deliver the overarching vision.
17. The first stage of the national assurance process began on 1<sup>st</sup> October 2014 and was a teleconference with chief officers, support officers and the Chair of the Health and Wellbeing Board. The group set out an introduction to the Herefordshire BCF Plan, the vision, strategic outcomes anticipated; the process for completing the remaining work and acknowledged elements of the September submission that were omitted or needed to be refreshed. The briefing note that supported this process and was submitted to the assurance team on the day of the call is attached at Appendix One of this report. The ten week Task and Finish plan for completion of the work and agreements is shown within the briefing note and separately at Appendix Two of this report.
18. The Assurance team were not able to give formal feedback but noted that the discussion had been helpful in setting out the Herefordshire story in a clear and coherent way and resolving all the key lines of enquiry that they had flagged for discussion.

## **Background**

19. In the 2013 Spending Round, the Government announced a national £3.8 billion pooled budget for health and social care services, building on the current NHS transfer to social care services, of £1 billion. The Spending Round document stated that 'the Government will introduce a £3.8 billion pooled budget for health and social care services, shared between the NHS and local authorities, to deliver better outcomes and greater efficiencies through more integrated services for older and disabled people'. This is set against the context of a reduction on overall local government expenditure.
20. It is important to note that this money is not new money, but a transfer of money from the NHS to Local Authorities that may already be committed to existing services. The funding must be used to support adult social care services, which also have a health benefit. The

funding can be used to support existing or new services or transformation programmes where such programmes are of benefit to the wider health and social care system where positive outcomes for service users have been identified.

21. On 14 February 2014, Herefordshire Council and Herefordshire Clinical Commissioning Group (CCG) submitted a jointly agreed plan to the LGA and NHS England. On 4 April 2014 a final BCF Plan was submitted on behalf of both organisations and an assurance process followed.
22. National support has been in place for areas since the publishing of the revised guidance with a national programme office put in place. Andrew Ridley, Better Care Fund Programme Director has provided weekly updates for all areas regarding plan developments and a 'support programme' has been offered to local areas by way of the Better Care Fund Task Force. Webinars were scheduled and a 'how to' guide was made available for all areas in the week commencing 01 September 2014. The guide focussed on some specific aspects of BCF planning which are among the most challenging to address.

This included information designed to support all areas with:

- Segmentation and risk stratification
- Reviewing and evaluating the evidence base
- Outcomes and modelling impact
- Financial analysis

23. In addition to the guide, a 'Making it Better' resource pack was made available and the Better Care Fund National Task Force has hosted regional workshops. Herefordshire has had intensive support through a local team as it was recognised that it had some specific challenges to address. Two other authorities within the West Midlands were also provided with intensive support to enable them to complete the September Better Care Fund requirements.
24. Following submission on the 19<sup>th</sup> September a national assurance process takes place with feedback into local areas within two weeks along with an indication if further national support will be required. Areas that do not submit a plan will not be approved to continue, plans that are not fully agreed and/or worked through will be likely to get conditions attached to the implementation plan, or offered further support.

## **Community impact**

25. The Understanding Herefordshire and local needs assessments will provide the evidence base to support any redesign of services
26. The system wide Transformation Programme incorporating the Better Care Fund will be directed by the overarching Health and Wellbeing Strategy for Herefordshire which is currently being developed and will be approved by the Health and Wellbeing Board with regular progress reports.
27. There is a strong emphasis within the overarching Transformation Programme, and within both the Local Authority and the Clinical Commissioning Group on developing our community partnerships to ensure services and pathways meet the local need and that communities are able to take a lead role in the design of how services could be delivered in the future
28. Service users, carers and front line staff are and will be actively engaged to support the re design of services through a number of mechanisms including the Making it Real Board, the Learning Disability Partnership Board and Healthwatch

## **Equality and human rights**

29. An equality impact assessment will be undertaken for each of the schemes of change

within the Better Care Fund

## Financial implications

30. Table 1: Funding made available to Herefordshire Council in 2014/15

Funding Stream	Herefordshire's Allocation £m
Current transfer from NHS to Social Care	3.302
Additional transfer from NHS (2014/15 - BCF preparation)	0.734
<b>Total Transfer from NHS (section 256)</b>	<b>4.036</b>
CCG Reablement Funding	0.484
<b>Total Revenue Funding 2014/15</b>	<b>4.520</b>
Adult Social Care Capital Grant	0.483
Disabled Facilities Grant (Capital)	0.702
<b>Total Capital received by local authority</b>	<b>1.185</b>

31. In 2015/16 the BCF Plan will be created from the following funding streams, a significant proportion of which is already being spent by the local authority on joint health and social care priorities. The sums currently allocated to Herefordshire Council in this way are identified in the table below.

32. Table 2: **Total 2015-16 BCF minimum funding allocation for Herefordshire**

	National 'Pot' £m	Herefordshire's Allocation £m
NHS Herefordshire CCG*	1,770.0	5.755
NHS Herefordshire CCG (Care Act)*	130.0	0.458
Carers Breaks Funding	130.0	0.477
CCG Reablement Funding	300.0	0.968
NHS transfer to Social Care	900.0	3.302
Additional transfer from NHS (2014/15 BCF preparation)	200.0	0.734
<b>Total Revenue Funding</b>	<b>3,430.0</b>	<b>11.694</b>
Social Care Capital Grant	129.0	0.490
Disabilities Facilities Grant	225.0	0.866
<b>Total Capital Funding</b>	<b>354.0</b>	<b>1.356</b>
<b>Total Better Care Fund</b>	<b>3,784.0</b>	<b>13.050</b>

\* The NHS allocation is £1.9bn in total – this has been split to show the Care Act allocation which is sourced from the NHS funding.

33. Of the total funding, £3.38 million is allocated to payment for performance.

34. The maintenance of the 2014/15 level of revenue funding previously through s256 monies of £4.520 million has been confirmed for 2015/16 however protection of social care has not

yet been agreed to address either the pressures relating to the social care budget or the pressures for implementing the Care Act (above the minimum allocation of £0.458m).

35. The statutory basis of the BCF Plan is section 121 of the Care Act 2014, which amends the National Health Service Act 2006. It is not clear if the funding will be released under existing arrangements or whether further legislation will be made for the creation of pooled budgets.
36. It is a national requirement that the BCF pooled budget is managed under a section 75 arrangement.

## Legal implications

37. The BCF will require a formal legal agreement between the LA and the CCG and this is in the process of been developed and agreed
38. Decisions required as part of the Joint Commissioning programme will be undertaken using the appropriate governing bodies within each partner organisation.

## Risk management

<b>There is a risk that:</b>	<b>How likely is the risk to materialise?</b> <i>Please rate on a scale of 1-5 with 1 being very unlikely and 5 being very likely</i>	<b>Potential impact</b> <i>Please rate on a scale of 1-5 with 1 being a relatively small impact and 5 being a major impact</i> <i>And if there is some financial impact please specify in £000s, also specify who the impact of the risk falls on)</i>	<b>Overall risk factor</b> <i>(likelihood *potential impact)</i>	<b>Mitigating Actions</b>
As the reduction in funding from the CCG budget will not be offset by the redesign work/possible efficiencies	4	5	20 / high	Prioritisation of initiatives to offset loss of budget; robust monthly performance monitoring and management with appropriate escalation and governance
As there are cuts to the DASS budget the BCF transfer will not offset the impact	5	5	25 / high	Prioritisation of initiatives to offset the loss of budget; robust monthly performance monitoring and management with appropriate escalation and governance
If the reduction in demand on the acute trust is not delivered and if the internal pathways in the acute trust are not adequately redesigned the cost will need to be met by an economy wide risk share	5	4	20 / high	A stepped approach to the redesign over an agreed timeline and a transitional approach via contracting  Early identification of issues and escalation. Monthly exception reporting to be developed  An approach to demand reduction including self-management and raising public awareness

There is a risk that:	How likely is the risk to materialise? <i>Please rate on a scale of 1-5 with 1 being very unlikely and 5 being very likely</i>	Potential impact <i>Please rate on a scale of 1-5 with 1 being a relatively small impact and 5 being a major impact</i> <i>And if there is some financial impact please specify in £000s, also specify who the impact of the risk falls on)</i>	Overall risk factor <i>(likelihood *potential impact)</i>	Mitigating Actions
				Ensuring that a whole system performance management process (both operational and strategic) is in place
Shifting of resources to fund new joint ventures and schemes will destabilise current providers particularly in the acute sector	3	5	15 / moderate	Plans will be based upon the strategic directions agreed linked to the 5 year strategic plan  There is a commitment across the health and social care economy to work together on a collaborative approach to redesign, integrated working and risk sharing  Consideration will be given to transitional support to providers
The impact of the Care Act	5	5	25 / high	Herefordshire Council is undertaking a detailed impact assessment of the effects of the Care Act 2014 will result in a significant increase in the cost of care and for subsequent years and we will need to fully understand the implications and impacts
There is a risk that a change in the cultures and behaviours of frontline staff and organisations (across all partners) is not delivered (which is required to support the whole systems redesign required)	4	4	16/ moderate	Joint Commissioning Frameworks and governance to review workforce implications allied to change programmes
Failing to achieve BCF outcomes and additional locally agreed outcomes will impact significantly on systems flow and financial balance	3	5	15 / moderate	Robust performance monitoring and management against agreed trajectories for improvement, including residential/nursing care home placements and acute demand



<b>There is a risk that:</b>	<b>How likely is the risk to materialise?</b> <i>Please rate on a scale of 1-5 with 1 being very unlikely and 5 being very likely</i>	<b>Potential impact</b> <i>Please rate on a scale of 1-5 with 1 being a relatively small impact and 5 being a major impact</i> <i>And if there is some financial impact please specify in £000s, also specify who the impact of the risk falls on)</i>	<b>Overall risk factor</b> <i>(likelihood *potential impact)</i>	<b>Mitigating Actions</b>
				Commitment to joint commissioning in all appropriate areas
Operational pressures and capacity will restrict the ability of our workforce to deliver	4	5	20 / high	Consideration of the need for double running/transitional capacity while service redesigns are implemented
Failure to deliver the BCF outcomes could impact upon quality of patient care and service provision	2	3	6/ low	Monitoring of key additional outcomes for quality of care to be integral to performance monitoring and reporting to allow mitigation of any issues
Improvements in the quality of care and in preventative services will fail to translate into the required reductions in acute and nursing/care home activity by 2015/16 impacting upon the overall funding available to support core services and future schemes	3	5	15/ moderate	2014/15 will be used to test and refine these assumptions, with a focus on developing detailed business cases and service specifications.

## Consultees

39. A full engagement strategy will be developed for the BCF as elements are implemented. NHS Provider engagement is continuing and informal monthly sessions have been set up with key local stakeholders e.g. Healthwatch

## Appendices

**Appendix One** - .BCF National Assurance Briefing Note

**Appendix Two** – Herefordshire BCF 10 week Task & Finish Action Plan September 2014

**Appendix Three** – BCF Scheme and Service Delivery Summary

## Background papers

None