Nottinghamshire County Council

Report to Health and Wellbeing Board

8 January 2014

Agenda Item: 5

REPORT OF THE CORPORATE DIRECTOR, ADULT SOCIAL CARE, HEALTH AND PUBLIC PROTECTION AND CLINICAL LEAD, NHS NOTTINGHAM NORTH AND EAST CCG

BETTER CARE FUND (FORMERLY THE HEALTH AND SOCIAL CARE INTEGRATION TRANSFORMATION FUND)

Purpose of the Report

1. The report provides an update on progress in developing the two year operational plans that support the Better Care Fund (formerly the Health and Social Care Integration Transformation Fund) for 2014/15 and 2015/16, and also requests approval from the Board to agree how it might receive further detail (including formally approving the draft plan prior to 14 February 2014).

2. The report provides detail developed through the Integrated Care Transformation Working Group, and as such considers the health, social care, and public health requirements throughout the County.

Background

3. The Better Care Fund (BCF) was announced in June 2013 within the Government's spending review. It was described as creating a national £3.8 billion pool of NHS and Local Authority monies intended to support an increase in the scale and pace of integration and promote joint planning for the sustainability of local health and care economies.

4. This fund is described as "a single pooled budget for health and social care services to work more closely together in local areas, based on a plan agreed between the NHS and Local Authorities". A joint statement from NHS England and the Local Government Association in July 2013 noted that the BCF will:
    - Provide an opportunity to transform care so that people are provided with better integrated care and support
    - Help deal with demographic pressures in adult social care
    - Assist in taking the integration agenda forward at scale
    - Support a significant expansion in care in community settings

5. The fund is made up of a number of differing existing funding streams to Clinical Commissioning Groups (CCGs) and Local Authorities, anticipated annual grants, as well as recurrent capital allocations. There is no new or additional funding. This creates potential risks for existing services funded from these sources, either if conditions and targets attached to the fund are not achieved or if new priorities are identified for this funding.

6. Access to the BCF will be dependent on agreement of a local 2-year plan for 2014/15 and 2015/16. Plans agreed locally will need to align with national conditions and demonstrate measurable progress in respect of key outcomes. Ministers will ultimately approve any plans.

7. In 2014/15, the existing £859m s.256 transfer to councils for adult social care to benefit health, and the additional £241m, will continue to be distributed using the social care relative needs formula (RNF). The formula for distribution of the full £3.8bn fund in 2015/16 will be based on a financial framework agreed by ministers. The current social care transfer of £1.1bn and the £134m of adult social care capital funding included in the Fund in 2015/16 will be allocated in the same way as in 2014/15. The Disabled Facilities Grant (DFG) will be allocated based on the same formula as 2014/15. The remainder of the Fund will be allocated on the basis of the CCG allocations formula.

8. For Nottinghamshire (excluding the City of Nottingham), it is our understanding that an extra £3.5m will be transferred from the NHS to support social services in 2014/15, giving a full BCF budget of £16.1m for 2014/15. A total of £49.7m will be transferred to the BCF in 2015/16 as broken down below, although this figure is believed to exclude additional capital grants.

2014/15

£16.1m, including an extra £3.5 transferred from the NHS to support social services

2015/16

£49.7m, broken down here by CCG:

NHS Mansfield and Ashfield CCG	£12,418,000
NHS Nottingham North and East CCG	£9,115,000
NHS Newark and Sherwood CCG	£7,718,000
NHS Bassetlaw CCG	£7,526,000
NHS Rushcliffe CCG	£6,780,000
NHS Nottingham West CCG	£6,180,000

Capital grants expected in addition to this sum.

9. £1bn of the £3.8bn BCF in 2015/16 will be accessible dependent upon performance and local areas will need to set and monitor achievement of those outcomes during 2014/15 as the first £500m paid in April 2015 will be based upon performance in the previous year, while the rest will be paid in October 2015, and will be based on in-year performance. The payments are dependent on performance as follows:

<table>
<tr><th colspan="2">April 2015</th></tr>
<tr><td>£250m dependent on progress against four of the national conditions:
Protection for adult social care services
Providing 7-day services to support patients being discharged and prevent unnecessary admissions at weekends
Agreement on the consequential impact of changes in the acute sector
Ensuring that where funding is used for integrated packages of care there will be an accountable lead professional</td><td>£250m dependent on progress against the following four metrics:
Delayed transfers of care
Avoidable emergency admissions
A local metric chosen from a menu of 9 options or developed locally</td></tr>
<tr><th colspan="2">October 2015</th></tr>
<tr><td colspan="2">£500m dependent on further progress against the following six metrics:
Admissions to residential and care homes
Effectiveness of reablement
Delayed transfers of care
Avoidable emergency admissions
Patient and service user experience (metric TBC)
A local metric chosen from a menu of 9 options or developed locally</td></tr>
</table>

10. Failure to achieve the levels of ambition set out in the plan for 2015/16 will not result in withdrawal or re-allocation of performance-related funding. However, if a local area achieves 70% or more of the levels of ambition set out in each of the indicators in its plan, it will use the performance-related portion to fund its agreed contingency plan. If it fails to deliver 70% of the levels of ambition, it may be required to produce a recovery plan with the support of a peer review process.

11. The most important element of assurance for plans will be the requirement for them to be signed-off by the Health and Wellbeing Board. NHS England's process for assuring CCG strategic and operational plans will include a specific focus on the element of the plan developed for the Fund, to provide an overview

of Fund plans at national, regional, and local level, reviewed by a Departmental-led senior group comprised of DH, DCLG, HMT, NHS England, and LGA officials, supported by external expertise from the NHS and local government. Ministers will give the final sign-off to plans and release of performance-related funds.

Key Issues to Note

12. **Finding the extra NHS investment required:** Given demographic pressures and efficiency requirements of around 4%, the joint statement from NHS England and the LGA confirms that CCGs are likely to have to redeploy funds from existing NHS services. CCGs and the county council are actively engaging health care providers to assess the implications for existing services and how these should be managed.

13. **Managing the service change consequences:** The scale of investment CCGs are required to make into the pooled budget cannot be delivered without service transformation. The focus must be on re-investing funds in services that prevent future reliance on reactive health services. The process for agreeing the use of the pooled budget must therefore include an assessment of the impact on acute and community services and agreement on the scale and nature of changes required.

14. **Protecting adult social care services:** Although the emphasis of the BCF is on a pooled budget, the joint statement states that, "as with the current transfer from the NHS to social care, flexibility must be retained to allow for some of the fund to be used to offset the impact of the funding reductions overall. It is envisaged that this will happen alongside the on-going work that councils and health are currently engaged in to deliver efficiencies across the health and care system".

15. **Targeting the pooled budget to best effect:** The conditions the Government has set make it clear that the pooled funds must deliver improvements across social care and the NHS. Robust planning and analysis will be required to (i) target resources on initiatives which will have the biggest benefit in terms outcomes for people and (ii) measure and monitor their impact. Section 256 monies will no longer be an automatic transfer as historically has been the case.

16. **Plans for use of the pooled budgets should not be seen in isolation:** They will need to be developed in the context of:
    - Local joint strategic plans
    - Other priorities set out in the NHS Mandate and NHS planning framework (CCGs will be required to develop medium term strategic plans as part of the NHS 'Call to Action').

Update on local Planning – Emerging Themes

17. The BCF Working Group hosted a successful planning event on 6th December 2013. Commissioners of health and social care were represented, as were

providers of health care. In order to prepare the plan within the timescales, a governance structure has been put in place that includes:

- Three local units of planning; south, mid, and north Nottinghamshire
- A performance sub-group, focusing upon data collection, data analysis and proposals for measurement of key outcome metrics.

18. At the planning event, each of the three planning units presented its own local perspective on the plan and the following key points were agreed:

    a) There is a collective leadership challenge to ensure that the governance structure delivers the level of clarity and detail in the plan necessary to optimise outcomes.
    b) The Fund will be focused upon the needs of all adults, and also consider end of life care.
    c) In order to ensure delivery, outcome Key Performance Indicators (KPIs) will be set at local level to respond to specific population needs, but an aggregate view will be provided for the plan submission for approval by Ministers. Acute providers will be involved in agreeing these KPIs.
    d) Care professionals will work together to develop key schemes for early implementation in 2014/15, to be agreed through this year's contract negotiations with care providers.
    e) It will be important to co-design solutions with providers, and also be mindful of the impact on providers who relate to more than one BCF operational plan, where they cross local authority boundaries.
    f) Ensuring engagement of the workforce will be critical, as will be developing internal and external communications strategies that support the cultural changes and build the confidence required to deliver better, less hospital-based, outcomes. This will involve those developing the plans being able to "see services through the eyes of our citizens".

Next Steps

19. The outline timetable for developing the pooled budget plans, conditions and response to local and county level performance metrics is as follows:

    - December to January: completion of plans
    - February: sign off by Health and Wellbeing Board before 14 February
    - March: Plans assured by Department of Health
    - April: final version of the Better Care Plan to be submitted to NHS England as an integral part of CCGs' Strategic and Operational Plans

20. County and District & Borough council and CCG Officers have identified where the potential sums that may make up the fund are currently allocated. As the monies comprising the fund are already committed to existing care, partners will need to fully consider any assumptions and the implications on existing services of a redirection of funds.

21. Whilst planning on this basis of an allocated fund, local partners will be able to put additional funding into the pooled budget from their existing allocations if they want to do so; indeed this may be an opportunity for creating a larger “joint pot” for plans that can be jointly agreed.

Implications for Service Users

22. It is expected that integrated systems will improve the service user journey and experience. Work will need to be done to assess the impact on existing service provision to ensure any redirection of resources is not detrimental.

Financial Implications

23. Further detailed work alongside the completion of the plan and its priorities will be necessary to consider the impact of the proposed pool upon existing services, and the sharing of risk. While many of the revenue funding streams are currently committed to core services and assist with pressures in base budgets the capital allocations are currently the subject of grant conditions and dedicated to one purpose, so the consequences of any dis-investment proposals will need to be considered carefully. For example Disabled Facilities Grants (DFG) are dedicated for use to fund major adaptations in privately owned property and any reduction would have an impact on the availability of grants for this purpose.

Equalities Implications

24. Equality issues will be taken into account as part of the planning process undertaken in the working group. Better integration of services should mean that people receive a more consistent service across the county.

Legal Implications

25. The report sets out the basis for the fund and there are no legal implications at this stage. The Department of Health is considering what legislation may be necessary to establish the Integrated Transformation Fund, including arrangements to create the pooled budgets. Government officials are exploring the options for laying any required legislation in the Care Bill. Further details will be available in due course. The wider powers to use Health Act flexibilities to pool funds, share information and staff are unaffected. Ongoing engagement will be necessary as well as an Equalities Impact Assessment with regards to how monies are spent.

26. Services will need to be jointly commissioned by Local Authorities and CCGs. Agreement will need to be reached on contract leads for particular aspects of delivery.

Statutory and Policy Implications

This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

That the Board:

1. **Agree to hold an extra-ordinary Health & Wellbeing Board meeting alongside the planned workshop on 5th February 14** to approve the draft two year plan.
2. Board Members **consider** the emerging themes that will form the basis for firm proposals to be considered at a future meeting.

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Constitutional Comments (SG 20/12/2013)

The Board is the appropriate body to consider the issues set out in this report.

Financial Comments (KAS 20/12/2013)

The financial implications are contained within paragraph 23.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

None

Electoral Division(s) and Member(s) Affected

All members for divisions in Ashfield, Mansfield and Newark and Sherwood