

**BETTER CARE FUND**

*To:* **Adults Committee**

*Meeting Date:* **9September 2014**

*From:* **Adrian Loades, Executive Director: Children, Families and Adults Services**

*Electoral division(s):* **All**

*Forward Plan ref:* **N/A** *Key decision:* **No**

*Purpose:* **To update the Committee on progress with planning for use of the Better Care Fund (BCF) in the light of the new guidance recently issued by Central Government, which requests that we resubmit our plans by 19<sup>th</sup> September 2014.**

*Recommendation:* **The Committee is asked to:**

- **Note the report and provide comments;**
- **Delegate authorisation of the Better Care Fund submission to the Executive Director: Children, Families and Adults Services in association with the Chairman and Vice-Chairwoman of the Committee and members of the BCF Working Party**
- **Agree to receive further reports on the Better Care Fund including the sign-off of the anticipated Section 75 agreement for the County Council.**

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## 1.0 BACKGROUND

- 1.1 The purpose of this paper is to update the Committee on progress with planning for the Better Care Fund(BCF) in the light of the new guidance recently issued by Government requesting that we resubmit our plans by the 19<sup>th</sup> September 2014.
- 1.2 This is a fast moving agenda and we are working hard with Cambridgeshire and Peterborough Clinical Commissioning Group (CCG) to meet this challenging timeframe. This paper sets out for the Committee the new national expectations, how we are progressing towards an agreed Cambridgeshire County Council(CCC) and CCG submission on 19<sup>th</sup> September,and detail of the main issues/challenges we are working to resolve. We will provide the Committee with a detailed update on progress at the meeting on 9<sup>th</sup> September.
- 1.3 The Better Care Fund was announced by the Government in the June 2013 spending round, with the aim of supporting transformation in integrated health and social care. The BCF is a single pooled budget to support health and social care services to work more closely together in local areas. The pooled budget is expected to be in place from April 2015. In Cambridgeshire, the amount allocated to the fund is £37.7m. This is not new money granted by Government, but rather a re-organisation of existing funding that is currently used to provide health and social care services in the county. Figure 1 below demonstrates the sources of funding for the BCF both nationally and locally. The ambition of Health and Wellbeing Board partners and the voluntary sector is to achieve a fundamental shift in emphasis in the health and care system, with a view to taking action which will prevent or reduce the need for costly specialist services and find effective ways to reduce reliance on statutory support. This implies significant changes for services supporting the health and wellbeing of Cambridgeshire residents.

	National allocations	Cambridgeshire allocations
CCG Carers' Break funding	£139m	£1.3m (estimated)
CCG reablement funding	£300m	£3.0m (estimated)
Disabled Facilities Grant	£220m	£1.923m
Social care Capital Grant	£134m	£1.294m
S256 transfers from health to Social Care	£1,100m	£10.652m
Additional NHS funding (from existing CCG budgets)	£1,900m	£18.169m
Total	£3.8bn	£37.668m

**Figure 1: Allocations for BCF nationally and locally**

- 1.4 Our original BCF plan was submitted in April 2014 following approval by the Health and Wellbeing Board. At its last meeting, the Adults Committee received an update on the BCF and agreed to establish a working party of

Members to guide the Council's approach to BCF. The Working Party has met to understand the significant changes that have been made to the guidance surrounding the BCF, the challenges we are facing and to inform the process for completion of the BCF submission.

## **2.0 RECENT NATIONAL DEVELOPMENTS AND RESUBMISSION OF PLANS**

- 2.1 On 25 July, Andrew Ridley, BCF Programme Director, wrote to Health and Wellbeing Board Chairs to provide new guidance and templates for the Better Care Fund. The documents issued included revised BCF planning guidance, revised technical guidance and two revised planning templates to be completed. Plans must be resubmitted following approval by the Health and Wellbeing Board no later than midday on 19 September.
- 2.2 The main change included in the guidance is confirmation of a major shift in the performance-related element of the BCF. Of the £1.9bn additional NHS contribution to the BCF, £1bn will remain within the BCF but will be solely focused on reducing A&E admissions. A proportion (at least £600m nationally) will be reserved for commissioning by the NHS on out-of-hospital services in order to achieve that reduction; and the remainder will be held back as performance related pay. If the target for total emergency admissions in local areas is achieved this sum will be released to BCF pooled budgets; if not it will be used to compensate acute providers. 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.
- 2.3 The expected minimum target reduction in total emergency admissions will be 3.5% for all Health and Wellbeing Board areas. Money will be released quarterly from the CCG to a pooled budget depending on performance against the agreed target. All plans will be expected to clarify the level of protection of social care from the £1.9bn NHS additional contribution to the BCF, including that £135m nationally has been identified to support the implementation of the Care Act.
- 2.4 The national metrics and conditions (residential and nursing home admissions; patient and service user experience; avoidable emergency admissions; reablement; and delayed transfers of care) will still apply but will have no performance mechanism attached.
- 2.5 The aim of the new planning templates is to ensure that each area can better provide:
  - **The case for change:** a clear analytically driven and risk stratified understanding of where care can be improved by integration
  - **A plan of action:** A coherent and credible evidence-based articulation of the delivery chain that underpins the shift of activity away from emergency admissions developed with all local stakeholders and aligned with other initiatives and wider planning

- **Strong governance:** clear local management and accountability arrangements, and a credible way of tracking the impact of interventions and taking remedial action as necessary, as well as robust contingency plans and risk sharing arrangements across providers and commissioners locally
- **Protection of social care:** How and to what level social care is being protected, including confirmation that the local share of the £135m of revenue funding resulting from new duties within the Care Act is protected, and the level of resource dedicated for carers is spelled out.
- **Alignment with acute sector and wider planning:** including NHS two-year operational plans, five-year strategic plans, and plans for primary care as well as local government plans

### 3.0 CURRENT PROGRESS AND CHALLENGES

- 3.1 The timetable for completion of the new templates is extremely ambitious and there are a number of areas which will need to be resolved prior to the completion of the revised templates. The main issue is that all of the resources that will make up the BCF are currently funding existing housing, health and social care services. The funding for the BCF is drawn primarily from NHS budgets, although it is made up of some ring-fenced resources (such as the Disabled Facilities Grant, which must be directly passed to District Councils) and some resources that are already transferred to the local authority. The resources that form the existing transfer are currently allocated in CCC budgets for the provision of adult social care services.
- 3.2 As in some other areas, the CCG and Council are working through the funding guidelines set out in the BCF guidance. Several areas have been identified which require further discussion and resolution, including some matters of interpretation of the guidance, the amount of funding required to adequately protect social care and the amount of funding that should be included within the scope of the pooled budget. Officers from the CCG and County Council have committed to working closely to resolve this and an update on progress will be provided at the meeting.
- 3.3 Both the Council and CCG have significant concerns about the ability to reduce the pressures on A&E admissions on the scale now required by the updated guidance. Existing CCG plans are based on a 1% reduction in A&E admissions, whilst the current trend is for an annual increase of around 2%. There is also a mismatch between the BCF vision (which proposes reduced acute activity) and providers' 5-year plans (which plan for increased acute activity and staffing); and this must be addressed. The scale of the challenge ahead is acknowledged in the CCG's Five Year System Blueprint which includes re-designing non-elective care. The CCG has established a Strategic Transformation Group (at CEO or equivalent level) to drive system service transformation.
- 3.4 Finally the local procurement of Older People and Community Services by the CCG means that it is challenging to achieve the flexibility required in budgets that are within scope of the procurement exercise, particularly before the

provider has been appointed. Officers from the CCG and Council are continuing to work together to address this as far as possible before the appointment of the provider in Autumn 2014.

- 3.5 These issues have been highlighted to central Government in the 'checkpoint' updates we are required to submit under the new timetable for the Better Care Fund. Work is ongoing on each of the issues through constructive discussions between the Council and CCG, and the current picture is constantly changing. Officers also continue to work closely with Peterborough City Council to ensure that our approaches are aligned. Therefore a detailed update on progress will be provided verbally at the meeting.

#### **4.0 NEXT STEPS**

- 4.1 The next checkpoint submission to central Government on local progress with BCF planning will be on 11 September; this is currently being coordinated by officers. On the same day, the Health and Wellbeing Board is holding a special meeting to discuss the submission. The Health and Wellbeing Board has overall responsibility for the submission and plans must be signed off by a Chair or an individual with delegated authority. At that meeting, delegated authority will be sought for the final submission to be signed off by the Director for Public Health in consultation with the Chair of the Health and Wellbeing Board.
- 4.2 Before the submission is finalised the inaugural meeting of the Cambridgeshire Executive Partnership Board (CEPB) will take place on 15 September. The CEPB has been established to oversee the delivery of change in health and social care using a programme management approach, ensuring that the most important transformation projects in the county are aligned with each other.
- 4.3 Following submission of the BCF plan it is expected that the Adults Committee will continue to be closely involved in the development of the Better Care Fund at its meetings and through the Working Party on the Better Care Fund. A section 75 agreement is likely to be required for the BCF pooled budget; and it is proposed that this is agreed by the Adults Committee following detailed discussion with the Working Party.

#### **5 ALIGNMENT WITH CORPORATE PRIORITIES**

- 5.1 *Developing the local economy for the benefit of all*

There are no significant implications for this priority.

- 5.2 *Helping people live independent and healthy lives*

Work to develop the BCF plan and improve the health and social care system more generally is the practical expression of the Council's strategy to support people to live independent and healthy lives for as long as possible.

### 5.3 *Supporting and protecting vulnerable people*

The work to transform the health and social care system discussed in this paper is intended to result in improved support for vulnerable people to live safely and independently for as long as possible. This will be achieved by more integrated working between agencies, care and support that offers service users and patients choice and control, and a service model that facilitates support from their own community.

## 6 **SIGNIFICANT IMPLICATIONS**

### 6.1 *Resource Implications*

In line with the National Health Service Act 2006, under a 'Section 256 Agreement', health monies are transferred annually to local authorities to support adult social care.

CCC budgets for 2014-15 therefore anticipate the transfer of £10.7m from NHS England to fund social care activity. The transfer includes a £1.9m 'integration payment' which is part of BCF. CCC budgets for 2014-15 also anticipate the transfer of £1.3m of capital funding from health services, labelled as the 'Community capacity grant'.

In 2015-16 and onwards, these transfers will be part of the BCF pooled budget, which CCC budget planning must take account of. A national condition of the BCF is that plans must protect social care services – any changes to budgets as a result of BCF plans therefore must not reduce social care services (although they may be provided differently).

### 6.2 *Statutory, Risk and Legal Implications*

The key risk for BCF planning is that the negative impact on demand-led services as a result of disinvestment is not balanced by a positive impact from the preventative or transformed services that receive investment. This could result in the destabilisation of the whole health and social care system if resources are shifted to social and / or community services but demand remains high for acute services and social / community services do not reduce that demand. The pace of the creation of the pooled budget that is set by statutory requirements exacerbates this risk.

However, timidity in implementing BCF and associated transformation activity risks reducing the possible impact of change, increasing the likelihood of budget and demand pressures created as a result of growing demand that has not been mitigated by successful transformation of the system. The Council is working with the CCG to strike an appropriate balance and take appropriate risks in recognition of such negative consequences of inaction.

### 6.3 *Equality and Diversity Implications*

There are no significant implications in this category.

6.4 *Engagement and Consultation Implications*

A stakeholder and public consultation on the vision for transformation within the BCF, and on proposals for better services, has already taken place and was reported to Cabinet on 4 March 2014 (see references in source documents below). Further consultation with stakeholders, as part of the development of a BCF plan to agree an operating model for the health and social care system, will take place in late autumn 2014.

6.5 *Public Health Implications*

The activity that is expected to be undertaken as a result of the BCF plan is expected to improve the health of people living in Cambridgeshire so more people than currently can live independently of long-term intensive or acute health and social care services for as long as possible.

6.6 *Localism and Local Member Involvement*

The strategy and vision for BCF, approved by the Health and Wellbeing Board, is of a wide range of local community services available to help people to live independently. Work undertaken as part of BCF is expected to support this strategy.

Source Documents	Location
<p><b><i>Vision, ambition, scope for integrated health and social care services in Cambridgeshire</i></b></p> <p><b><i>Better Care Fund proposals</i></b></p> <p>Both from Health and Wellbeing Board 13 February 2014, available from  <a href="http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=9021">http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=9021</a></p> <p><b><i>Item 3, Appendix 2 (BCF submission)</i></b></p> <p>From Health and Wellbeing Board 3 April 2014, available from  <a href="http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=9566">http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=9566</a></p> <p><b><i>Report to Cabinet 17 December 2013</i></b>  <a href="http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=7746">http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=7746</a></p> <p><b><i>Report to Cabinet 4 March 2014</i></b>  <a href="http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=9407">http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=9407</a></p> <p><b><i>CCC Business Plan 2014-15</i></b>  <a href="http://www.cambridgeshire.gov.uk/info/20043/finance_and_budget/90/business_plan_2014_to_2015">http://www.cambridgeshire.gov.uk/info/20043/finance_and_budget/90/business_plan_2014_to_2015</a></p> <p><b><i>Better Care Fund updated guidance and templates</i></b>  <a href="http://www.england.nhs.uk/ourwork/part-rel/transformation-fund/bcf-plan/">http://www.england.nhs.uk/ourwork/part-rel/transformation-fund/bcf-plan/</a></p>	
<p><b><i>Cambridgeshire BCF evaluation, April 2014</i></b></p>	<p>Room C0006 Castle Court Cambridge</p>
<p><b><i>Letter from NHS England to CCGs, reference 01685, 4 June 2014</i></b></p>	<p>Room C0006 Castle Court Cambridge</p>
<p><b><i>Communication to stakeholders re: BCF, June 2014</i></b></p>	<p>Room C0006 Castle Court Cambridge</p>