

BETTER CARE FUND

To: Health and Wellbeing Board

Date: 11th September 2014

From: Adrian Loades, Executive Director: Children, Families and Adults Services
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 Commissioning Group (CCG)

1.0 PURPOSE

1.1 The purpose of this paper is to update the Board 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 19th September 2014; and to seek approval of the process for sign-off of the updated plans. A draft of the BCF submission will be shared with Health and Wellbeing Board Members prior to the meeting and made available to members of the public.

2.0 BACKGROUND

2.1 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 was announced as 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.

2.2 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

2.3 Our original BCF plan was submitted in April 2014 following approval by the Health and Wellbeing Board. Since the last report to the Health and Wellbeing Board there have been significant changes to the national approach to the BCF as described below.

3.0 RECENT NATIONAL DEVELOPMENTS AND RESUBMISSION OF PLANS

3.1 On 25 July, Andrew Ridley, BCF Programme Director with the Department of Health, 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. Part 1 of the template to be completed is attached as Appendix A; the full templates are available on the NHS England website at <http://www.england.nhs.uk/ourwork/part-rel/transformation-fund/bcf-plan/>.

3.2 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 Accident and Emergency (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 funding. If the target for total emergency admissions in local areas is achieved this sum is intended be released to BCF pooled budgets; if not it will be used by commissioning groups to pay for the above target acute activity. 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 retain the funding to pay for unplanned non-elective activity if planned reductions are not achieved.

3.3 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. Each area's plan must clarify how much funding from the £1.9bn NHS additional contribution to the BCF is to be used for the protection of social care, including the share of the £135m that has been identified nationally to support the implementation of the Care Act.

3.4 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.

3.5 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

4.0 CURRENT PROGRESS AND CHALLENGES

- 4.1 Since receiving Andrew Ridley's letter in July, officers from the CCG and County Council have been working to understand the guidance and begin to complete the new templates for BCF plans. A draft of the submission will be shared with Members of the Health and Wellbeing Board in advance of the meeting, for discussion at the meeting itself.
- 4.2 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.
- 4.3 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.
- 4.4 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 trend has been 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 Chief Executive or equivalent level) to drive system service transformation.
- 4.5 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. Reducing A&E admissions will though be a key objective of the new provider, who will be incentivised to reduce bed days for the over 65s.
- 4.6 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.

5.0 NEXT STEPS

- 5.1 Work is ongoing on each of the issues through constructive discussions between the Council and CCG, and the current picture is constantly changing. The County Council and CCG also continue to work closely with Peterborough City Council to ensure that our approaches are aligned. Therefore the version of the templates shared at the meeting will still have areas that are to be completed before submission. On the day of this meeting, the next checkpoint submission to central Government on local progress with BCF planning will be made; this is currently being coordinated by officers.
- 5.2 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. The CEPB will provide an opportunity for further development of the templates; and the submission is also due to be discussed at the CCG's Governing Body on 16 September.
- 5.3 As those meetings will inform and shape the final submission and work will continue until the submission deadline, delegation is requested to the Director of Public Health in consultation with the Chair and Vice Chair of the Health and Wellbeing Board in order to finalise and submit the templates on 19 September.

6.0 IMPLICATIONS

- 6.1 There are significant implications associated with the BCF which have been set out previously and will be summarised in the detail of the plan. Any late changes will be reported to the Board at the meeting.

7.0 RECOMMENDATION/DECISION REQUIRED

- 7.1 It is recommended that the Health and Wellbeing Board:
- notes the report and provides comments on the draft BCF templates (to follow); and
 - delegates authority for completion and submission of the BCF templates to the Director for Public Health in association with the Chair and Vice-Chair of the Health and Wellbeing Board.

Source Documents	Location
<p><i>Vision, ambition, scope for integrated health and social care services in Cambridgeshire</i></p> <p><i>Better Care Fund proposals</i></p> <p>Both from Health and Wellbeing Board 13 February 2014, available from http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Agendaltem.aspx?agendaltemID=9021</p> <p><i>Item 3, Appendix 2 (BCF submission)</i></p> <p>From Health and Wellbeing Board 3 April 2014, available from http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Agendaltem.aspx?agendaltemID=9566</p> <p><i>Better Care Fund updated guidance and templates</i> http://www.england.nhs.uk/ourwork/part-rel/transformation-fund/bcf-plan/</p> <p><i>Cambridgeshire BCF evaluation, April 2014</i></p> <p><i>Letter from NHS England to CCGs, reference 01685, 4 June 2014</i></p> <p><i>Communication to stakeholders re: BCF, June 2014</i></p>	<p>Room C0006 Castle Court Cambridge</p> <p>Room C0006 Castle Court Cambridge</p> <p>Room C0006 Castle Court Cambridge</p>