

BETTER CARE FUND: UPDATE AND PROPOSED NEXT STEPS

To: Health and Wellbeing Board

Date: 10th July 2014

From: Rebecca Hudson, Head of Strategy and Partnerships, Cambridgeshire County Council

1.0 PURPOSE

1.1 The purpose of this report is to:

- provide an update on preparations relating to the Better Care Fund; invite discussion on the emerging operating model for the health and social care system;
- seek agreement for proposed governance arrangements; and
- update on discussions relating to the use of Section 256 funding for 2014/15.

The report develops further the proposals discussed and agreed at the Health and Wellbeing Board Development Day on 11 June 2014.

2.0 BACKGROUND

2.1 The Better Care Fund (BCF) was announced by the Government in the June 2013 spending round to support transformation within 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. However, collectively, the ambition of Health and Wellbeing Board partners and the voluntary sector is to achieve a fundamental shift in emphasis in the 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.

2.2 Health and Wellbeing Boards were required to submit plans by 4 April 2014. The plan covering the Cambridgeshire County Council (CCC) area was considered by the Health and Wellbeing Board at their meeting on 3 April and signed off for submission. At that meeting, the Health and Wellbeing Board expressed their thanks to all partners who contributed to the development of the BCF plan.

- 2.3 Recent media reports stated that BCF was to be delayed following a review of plans by the Cabinet Office. The Department of Health issued a response stating that the delay was an expected result of the quality assurance of plans that were submitted early in order to allow such assurance to take place.
- 2.4 The quality assurance process (by Local Government Association, NHS area teams and NHS England) categorised Cambridgeshire's plan as 'Further discussions required with regions / Area Teams' because the Cambridgeshire area was identified as one of the 11 financially challenged health economies in February 2014 by NHS England. These discussions are currently underway, and it is expected that the Cambridgeshire plan will require further assurance in July or August.
- 2.5 Nationally and locally the health and social care system is under enormous pressure from increasing demand for health services with decreasing funding; significant increases in emergency care; and significant demands on social care services. This situation is unsustainable, and is worse in Cambridgeshire than many other areas due to historic underfunding and above average growth in population. The outcome based Older People and Adult Community Services (OPACS) Procurement has been designed to respond to this pressure, as has the Council's *Transforming Lives* initiative, to redesign adult social care.
- 2.6 The £37.7m allocated to Cambridgeshire is not new money. The majority of the BCF funding transfer is spent on existing health and social care services such as acute sector services; the section 256 transfer from the NHS to social care; and reablement services. However, at the same time a number of new statutory requirements are being placed on the BCF money. There are three 'national conditions' for use of the BCF – it must support the protection of social care; 7-day working to discharge patients from hospital; better information sharing between our organisations; and joint care planning with a lead professional. In addition the BCF must be used to respond to the requirements of the Care Act (such as the cap on social care charges and new entitlements for carers); the current Disabled Facilities Grant (DFG) is also included in BCF and ring-fenced. Because all of the money is already allocated, our planning must take account of existing services and the people already being supported by those services.
- 2.7 In addition, major health and social care transformation is already happening across the system. Transformation strategies and financial plans must align, including:
- CCG Procurement of services for older people and adult community services (OPACS);
 - The developing Older People's Strategy;
 - Transforming Lives in Adult Social Care;
 - Review of carers' services; and
 - The two and five year plan for the health system.

3.0 PLANNING FOR USE OF THE BCF

- 3.1 The strategy and work planned under BCF must be aligned with the transformation described above and other strategic plans. For example, plans for acute services in Cambridgeshire are currently planning on activity growth, whereas the BCF strategy is for a reduction in acute activity to fund preventative, integrated work that helps people to live independently at home.
- 3.2 Existing transformation and commitments raise a number of financial issues. Investment will need to balance with disinvestment in acute services and/or other services. The majority of BCF spend will be on older people's services. CCG expenditure is within the OPACS procurement – which is the CCG's main vehicle for service transformation and offers the opportunity for step change improvement from 2015/16 as ambitions and incentives align. The scale of transformation and the need to balance disinvestment from existing services with investment in new ways of working means transformation and financial alignment needs to be planned and delivered over a medium term timescale.
- 3.3 The potential difficulties of whole system transformation have been recognised by the Department of Health. NHS England issued a communication to Clinical Commissioning Groups that further guidance on BCF plans would be issued by 27 June, and further clarification on plans and the impact on the acute sector could be required. A verbal update on this assurance process will be provided at the meeting.
- 3.4 Whilst work continues to explore and try to manage the tensions described above, one part of the BCF will transfer from NHS England to the Council. This is the Sustainability Funding that is transferred to local authorities under a Section 256 agreement to contribute to the costs of adult social care, subject to conditions set within directions from the Department of Health. Funding must be used to support adult social care services in each local authority and also provide a health benefit. In 2014/15 this funding stands at £10,652,000, which includes an additional £1,937,000 to support preparations for the BCF.

4.0 DEVELOPING AN OPERATING MODEL

- 4.1 At a recent workshop and at the Health and Wellbeing Board Development Day, the first steps were taken in establishing what the 'operating model' might be for older people's services, to provide a framework which could be used to consider proposals that had come forward for BCF funding. An early draft of the model is shared at appendix A. The aim of the operating model is to help develop priority transformation programmes by joining shared ambitions with the ideas and initiative proposed by providers. This will support the development of how the local system will work, with a focus on those who are most

vulnerable, including older people and people with disabilities, taking into account the role of all key statutory and voluntary sector partners. This will bring together our ambitions across the system, and take account of the themes emerging from the procurement of health services for older people, currently being managed by the CCG and the consultation on the joint Older People's Strategy. It will also inform development programmes for discussion and negotiation with the new provider appointed by the CCG in September.

- 4.2 The early draft model attached describes a system in which the majority of people's needs are met through family and community support, including support networks, primary and community care, the voluntary and community sector, and housing. As people develop more support needs, a common approach to risk stratification across organisations in the system will ensure that needs are picked up in a timely way, and that the first point of contact into the system supports people to receive the support that they need. This might be through all organisations understanding the first signs that someone may need more support, or be developing greater support needs, and highlighting this to other organisations who can arrange any necessary support. This support will focus on returning them to independence as far as possible; but more intensive and longer term support will be available to those that need it.
- 4.3 The model describes a possible way of reducing demand for resources to fund acute demand-led services, by greater investment in social and health services. Significant work will be needed on the 'families and communities' area of the attached model, to consider how we build community and family capacity and support at an operational level and make best use of existing investment and resources. It is this area of work that will be most informed by the proposals previously invited from our organisations and voluntary and community sector partners.

5.0 PROJECT PROPOSALS AND FURTHER ENGAGEMENT

- 5.1 The proposals and ideas received in January 2014 were wide-ranging in their scope and ambition and came from a diverse range of providers, including voluntary and statutory bodies of all sizes. The sheer volume and quality demonstrates a tremendous positive commitment in Cambridgeshire to the transformation of the health and social care system. The proposals have been extremely helpful in establishing a sense of the most important areas for change, and have had a significant impact on our planning so far.
- 5.2 It will not be possible to take all proposals forward. Some are not compatible with each other and many have some very similar features. The BCF plan must be driven by statutory requirements and the overall Health and Wellbeing Strategy as well as ideas contained in proposals that have been received. Resources are finite and work under BCF must be prioritised and focused. It is also likely that proposals will be developed and adjusted as project teams begin analysis and design.

- 5.3 Many of the bids overlap and have common themes. They fall into a number of categories and include proposals that:
- Could be picked up through the re-procurement of health services and the new provider;
 - Could be picked up through Transforming Lives and the transformation of adult social care;
 - Are existing projects or services that have the potential to be expanded or funding made permanent;
 - Are service developments that need to form part of the future integrated operating model for services;
 - Are a statutory requirement as set out in the Better Care Fund; &
 - Are new and don't have an obvious link to any of the above.
- 5.4 It is not possible to make decisions about funding without an understanding of what is required to implement our ambitions. We recognise this creates uncertainty about whether funding will be available for specific projects in April 2015. However, it is unavoidable given the financial situation outlined above. Some organisations have started to move their proposals forward anyway, recognising the financial context in which the BCF is being taken forward in Cambridgeshire.
- 5.5 At the time of writing, a communication is under development to all organisations that submitted proposals to the BCF, to explain the current situation. We anticipate that this will have been sent out before the HWB meets. A verbal update will be provided to the Board at the meeting.

6.0 GOVERNANCE PROPOSALS

- 6.1 In order to steer development of the BCF through the next few months, a new model of governance is required. A diagram of the proposed arrangements is attached as appendix B. It is proposed, with the agreement of the Health and Wellbeing Board, that a Cambridgeshire Executive Partnership Board (CEPB) be established from September 2014. CEPB would support the Health and Wellbeing Board to provide effective leadership, management and governance of the BCF. CEPB will provide whole system leadership and co-ordinate multi-agency oversight of health and social care service transformation (for adults and older people). It is proposed that it would have multi-agency executive officer membership from both commissioners and providers. A draft terms of reference is attached as appendix C.
- 6.2 As CPCCG covers both Cambridgeshire and Peterborough, it is proposed that coordination between Cambridgeshire and Peterborough would be beneficial. It is therefore proposed that an 'integration forum'

is established, which has a co-ordination role, but is not responsible for decision making. The forum would promote, develop and coordinate joint planning across Cambridgeshire and Peterborough's Health and Social Care economies. The forum would be jointly accountable to the CEPB for Cambridgeshire, and to Peterborough's Commissioning Forum.

6.3 If the Health and Wellbeing Board approve the development of the above groups, the CEPB will meet in shadow form in July, before its first full meeting in September 2014.

7.0 RECOMMENDATIONS

- 7.1 It is recommended that Health and Wellbeing Board:
- Note the update on preparations for the BCF;
 - Comment on the draft operating model for the BCF; and
 - Agree the formation of the CEPB and the Integration Forum.

8.0 SOURCE DOCUMENTS

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/AgendaItem.aspx?agendaItemID=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/AgendaItem.aspx?agendaItemID=9566</p> <p><i>Report to Cabinet 17 December 2013</i> http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=7746</p> <p><i>Report to Cabinet 4 March 2014</i> http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=9407</p> <p><i>CCC Business Plan 2014-15</i> http://www.cambridgeshire.gov.uk/info/20043/finance_and_budgets</p>	

[d_budget/90/business_plan_2014_to_2015](#)

Cambridgeshire BCF evaluation, April 2014

Room C0006
Castle Court
Cambridge

Letter from NHS England to CCGs, reference 01685, 4 June 2014

Room C0006
Castle Court
Cambridge

Communication to stakeholders re: BCF, June 2014

Room C0006
Castle Court
Cambridge

APPENDIXA – draft operating model for health and social care system in Cambridgeshire



