Bath & North East Somerset Council

healthwatch Bath and North East Somerset

NHS Bath and North East Somerset Clinical Commissioning Group

MEETING	B&NES HEALTH AND WELLBEING BOARD
DATE	25/03/2015
TYPE	An open public item

Report summary table	
Report title	Better Care Fund (BCF) Section 75 agreement
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List of attachments	• Appendix 1: Financial Summary of BCF funded schemes • Appendix 2: Emergency Admissions Summary Revisions • Appendix 3: Draft Section 75 Agreement
Background papers	• Report to the Health and Wellbeing Board (HWB), 17th September 2014 • BCF Plan Submission: http://www.england.nhs.uk/wp-content/uploads/2014/12/bcf-bath-prt1.pdf
Summary	The changes to the previously submitted Bath and North East Somerset BCF plan were agreed by the Health and Wellbeing Board on the 17th September 2014, this led to the plan being approved and recognised as an example of best practice through the NHS England national assurance process. The submitted plan has had no changes to planned schemes; however the Council and CCG have reviewed its emergency admissions target and reconsidered this target to take into account 2014/15 pressures in acute trust non-elective activity. There is now a requirement to formalise the arrangement and ensure that there is a documented agreement in place outlining funding transfers, governance and risk share arrangements under Section 75 of the NHS Act 2006.
Recommendations	The Board is asked to: • Note the financial summary of BCF schemes and the 2015/16 funding transfers • Support the changes to the target for reductions in emergency admissions • Agree entering into the draft section 75 agreement with delegation to the Co-chairs of the Health and Wellbeing Board and CCG's Chief Officer for agreement of the final agreement before signing.
Rationale for	The Health and Wellbeing Board in March 2014 approved and

recommendations	endorsed BaNES's Better Care Plan 2014/15-2018/19 and the associated schemes to be funded from the Better Care Fund in the context of the local vision for and delivery of integrated care and support. This local vision is aligned with and makes a significant contribution to delivery of the outcomes in the Joint Health and Wellbeing Strategy as follows: Theme One - Helping people to stay healthy: • Reduced rates of alcohol misuse; • Creating healthy and sustainable places. Theme Two – Improving the quality of people's lives: • Improved support for people with long term health conditions; • Reduced rates of mental ill-health; • Enhanced quality of life for people with dementia; • Improved services for older people which support and encourage independent living and dying well. Theme Three – Creating fairer life chances: • Improve skills, education and employment; • Reduce the health and wellbeing consequences of domestic abuse; • Increase the resilience of people and communities including action on loneliness. A requirement of NHS England is that the contents of the agreement need to be overseen by the Health and Wellbeing Board, through this strategic oversight the HWB is required to approve entering into the section 75 agreement. Physical signing of the agreement is the responsibility of BaNES CCG Chief Officer / Chief Finance Officer and Council Section 151 Officer. As the agreement is in draft form there may be changes in the final document, it is therefore necessary to seek delegation of HWB for approval of the final agreement.
Resource implications	The proposed use of the funding and subsequent financial transfers is set out in Appendix 1 of the report. There is an element of risk around the pay for performance period that is addressed in the report and schedule 3 of the Section 75 agreement. On an annual basis and in accordance with each organisation's financial planning processes and decision making, adjustments are likely to be made to BCF funded schemes; model(s) of service; and/or capacity. Revisions will take account of i) evidence of the outcomes delivered by the schemes; ii) the principles and conditions of use of the BCF, including any future revisions; iii) any changes in the statutory obligations of either or both of the organisations; and iv) best value. The treatment of Overspends and Underspends and associated

	Financial governance has been documented in Schedule 1 of the agreement and in the body of the report. The overarching aim of BCF funding is to act as a key enabler of the delivery of integrated services that support and safeguard older and vulnerable people to remain independent through timely interventions that contain, stabilise, decrease and/or de-escalate risks, care and support needs. Also, to continue to reduce unnecessary and unplanned admissions. This requires a shift in focus and of resources to the "front end" of the pathway/system to place greater emphasis on prevention and early intervention. This strategy is critical to responding in a sustainable way to the increasing volume, complexity and acuity of older people and those with long term conditions whilst also achieving the best possible outcomes for individuals. In the longer term this strategic shift of resources is likely to require a reduction in the proportion of funding to acute and specialist health in order to fund sufficient capacity and capability in community services.
Statutory considerations and basis for proposal	This report is recommending entering into the agreement that will allow BaNES to meet its statutory requirement for the Better Care Fund transfer under Section 75 of the NHS Act 2006. Under section 223G of the NHS Act 2006 (as amended most recently by the Care Act 2014), NHS England has the power to set conditions around the payment of funds to CCGs.
Consultation	Key contributors to this report are: • Director, Adult Care and Health Commissioning; • Council Section 151 Officer; • CCG Chief Finance Officer; • Strategic Business Partner – Joint Commissioning (Council & CCG); • CCG Chief Officer; • Senior Commissioning Managers (Council & CCG); The local vision for integrated care and support and associated plans have been developed and endorsed by a broad range of partners, including representatives from: provider organisations; primary care; VCSE (Voluntary, Community and Social Enterprise) sector organisations; Healthwatch BaNES; the HWB; the CCG, the Council, including Public Health; and NHS England.
Risk management	A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance. Any arising financial risks have been recorded by both CCG and Council in line with Schedule 3 of the Section 75 Agreement.

THE REPORT

1 BACKGROUND

1.1 In June 2013, the Government announced £3.8bn pooled fund across health and social care services from 2015/16 to ensure better integration and improvements for the lives of some of the most vulnerable people in our society. Locally for BaNES this is a pooled fund of £12.049m that delivers ambitious schemes across the Health and Social Care pathway.

1.2 Following the 17th September HWB the BaNES plan was "Approved with support" after the Nationally Consistent Assurance Review (NCAR) process and included as an example of best practice on the NHS England website. The BaNES plan demonstrated how it will meet the BCF national conditions of:

- Plans to be jointly agreed
- Protection for social care services (not spending)
- As part of agreed local plans, 7-day services in health and social care to support patients being discharged and prevent unnecessary admissions at weekends
- Better data sharing between health and social care, based on the NHS number
- Ensure a joint approach to assessments and care planning and ensure that, where funding is used for integrated packages of care, there will be an accountable professional
- Agreement on the consequential impact of changes in the acute sector

1.3 The plan has been jointly developed and supported through the HWB, to enable the schemes to be delivered 2015/16 there is the requirement to have the pooled funding agreement in place that meets section 75 of the NHS Act 2006.

1.4 The September submission of the plan had a revision to the reporting metrics, this was the introduction of the metric of reductions of total emergency admissions with the national ambition of a 3.5% reduction in 2015 against a 2014 actual baseline. As the BCF is not new money, much of it will have to be re-invested from existing NHS services. To strengthen the framework a payment for performance element was introduced to allow CCGs to withhold funds where the emergency admissions targets are not achieved, this will allow CCGs to fund the cost of the additional emergency admissions.

1.5 Through the CCG's 2015/16 operational planning process there has been the opportunity to review the BCF existing 3.5% target reduction that was included in the BaNES BCF plan. This has allowed BaNES to review actual 2014/15 activity and aligned its BCF plan reductions with the CCG operational plan and associated QIPP schemes that sit within or alongside the BCF.

2 SUPPORTING INFORMATION

2.1 Section 75 Agreement

The draft section 75 agreement will formalise the 2015/16 transfer of Better Care Funding from BaNES CCG to the Council. The document will give both organisations assurance around the use of funding in line with the BCF plan and outline joint governance and reporting requirements. The section 75 agreement uses an amended Bevan Brittan template that has been provided for Councils

and CCGs as a BCF resource on the NHS England website. Some of the key elements in the agreement cover:

Funding Transfers

The BCF schemes and associated budgets are detailed in Appendix 1, this summary shows the total BCF funding for BaNES at £12.049m across CCG and Council commissioned schemes. The Council will act as lead commissioner on a large number of schemes, this is building on existing joint commissioning arrangements that have a good track record of delivery.

The total value of the Council commissioned schemes is £9.94m with £0.958 of scheme funding direct from the Department for Communities and Local Government (DCLG) and the Department of Health (DoH), this funding is ring-fenced to capital schemes for the Disabled Facilities Grant (DCLG) and Social Care IT investment (DoH). The revenue transfer from BaNES CCG is £8.98m, the table details the £0.756m that is held in relation to the payment for performance fund.

The total value of CCG commissioned schemes is £2.11m, this is funding NHS Commissioned out of hospital services.

Commissioning Arrangements

The schemes within the BCF build on existing joint commissioning arrangements and will be closely aligned to the CCG's 5 Year Strategic Plan, 2015/16 operational plan, NHS England Five Year Forward View and the Joint Health and Wellbeing Strategy. In 2015/16 it is unlikely that contractual arrangements will change and will follow existing contract procedure rules and frameworks within BaNES CCG and Council.

Governance Arrangements

The BCF governance builds on the joint arrangements that are in place, delegated decision making for approved schemes will sit within the existing budgetary control framework for the lead commissioning organisation.

Joint reporting will be taken at regular intervals to the Joint Commissioning Committee giving details of scheme expenditure against agreed budgets and individual performance outcomes against the national BCF metrics and locally agreed scheme specific KPI's. When required any changes to existing agreed schemes and use of BCF funding will be a joint decision of the committee.

Wider engagement for reporting against the Better Care fund will be taken through the newly established Transformation Group. The Transformation Group reports directly into the Health and Wellbeing Board and provides a forum supporting the delivery and implementation of *'Seizing Opportunities',* BaNES CCG's 5-Year Strategy and shared system oversight of the Better Care Fund.

To allow the HWB to carry out its strategic oversight role appropriate information will be reported on an annual or quarterly basis.

The Joint Committee for the Oversight of Joint Working may review the joint working aspects of the BCF.

Finance Reporting Arrangements

Financial monitoring will be incorporated into the existing monthly budget monitoring and reporting arrangements in place in both CCG and Council. Specific reporting on the Better Care Fund will be taken regularly to the Joint Commissioning Committee to assure both partners that the financial objectives set out in the Better Care Fund plan are being achieved.

The Joint Commissioning Committee shall be notified of any projected underspends through the Better Care Fund financial monitoring arrangements. The treatment of underspends should be retained within the Better Care Fund with its use agreed by the Joint Commissioning Committee or delegated to the Pooled Fund Manager.

Unless the parties shall agree otherwise all underspends shall at the end of the financial year shall belong to the Council and be earmarked for future Better Care Fund scheme expenditure. The use of underspends will be agreed by both partners.

As with underspends the Joint Commissioning Committee are to be notified of any projected overspends, In the event of a scheme overspending, the funding of overspends will be reviewed by the Joint Commissioning Committee against the overall Better Care Funding available and follow the decision making set out in clause 5.5 of this agreement.

The funding of overspends would be at the discretion of the Joint Commissioning Committee and or delegated to the pooled fund manager if the funding could be met from within existing delegated budgets. If the funding cannot be met from the available pooled fund and available resources the funding request will be subject to Council and CCG approval processes

Performance Reporting Arrangements

There will be BCF specific reporting in the form of a monthly dashboard that will focus on the delivery against the national metrics as follows:

- Total Emergency Admissions
- Permanent admissions of older people (aged 65 and over) to residential and nursing care homes, per 100,000 population
- Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement / rehabilitation services
- Delayed transfers of care from hospital per 100,000 population
- Patient / Service user experience
- Local Measure

The BCF performance dashboard will form part of the reporting taken to the Joint Commissioning Committee to provide oversight of performance outcomes.

The BCF dashboard will be supported by scheme specific monitoring that will be incorporated into contract performance management arrangements with the providers who are delivering the schemes. A number of BCF metrics will also be reported through the Council's corporate performance arrangements that focus on the Adult Social Care Outcomes Framework (ASCOF).

Risk Share Arrangements

The Section 75 agreement outlines the Council and CCG's approach to risk sharing in relation to the performance element of the fund and the treatment of any overspends. These are summarised as follows:

In relation to the payment for performance element, if target reductions in emergency admissions are not met the CCG has the ability to withhold the performance element of the fund, in line with BCF guidance. Priority will be given to funding the cost of emergency admissions above planned levels, to enable acute providers to meet the cost impact of delivering this activity, and to support management of the operational and capacity risks associated with greater than planned activity.

However, schedule 3 of the section 75 agreement outlines a Council and CCG supported approach to risk management, informed by their joint commitment to supporting effective integrated working. Both parties would wish to continue funding the initiative associated with the at risk funding, providing it is proving successful against key metrics and outcomes, even if the specific target relating to reduced emergency admissions is not being achieved.

2.2 Emergency Admissions 2015/16 Reductions

The revised BCF guidance issues on the 25th July 2014 set an expectation of a national reduction in emergency admissions of 3.5%; this was reflected in the BaNES re-submission of the BCF plan in September.

In light of the increased pressures on acute trusts in BaNES and nationally there has been the opportunity to revisit these targets and revise the 2015/16 target in light of actual activity for the submission of the CCG 2015/16 operational plan.

Appendix 2 shows the actual 2013 & 2014 activity levels for emergency admissions that have been used for the CCG activity planning. This shows an increase of 3% in emergency admissions in the 2014 BCF period. The information is presented in the BCF monitoring period which is calendar year Q4 2014/15 – Q3 2015/16.

Before applying scheme reductions this current level of activity has been assumed in 2015/16 with additional growth of 0.65%, the growth assumptions are based on a model that has been agreed with the RUH.

The CCG has carried out a detailed review of all schemes that will impact on emergency admissions and aligned them to Quality, Innovation, Productivity and Prevention (QIPP) financial targets in the operational plan. The planned reductions are aligned to the 2015/16 financial year with target reductions of 382 admissions.

This gives gross reductions of 1.9% across the BCF reporting period and 2.5% for the 2015/16 financial year. When taking into account growth in 2015/16 the net reductions are 0.5% across the BCF period and 1.9% for 2015/16.

These targets have been carefully considered by both the CCG and Council and reflect scheme reductions that take into account current pressures whilst

providing a manageable level of reductions. They have also been shared with providers through the Transformation Group.

3 NEXT STEPS

3.1 Section 75 Agreement sign off

Following the agreement of the HWB the section 75 agreement will be finalised and shared with the Co-chairs of the Health and Wellbeing Board and CCG's Chief Officer for agreement on behalf of the HWB, the authorised signatories for entering into the agreement are the Council Section 151 officer and the CCG Chief Officer / Chief Financial Officer.

The local reporting requirements have been defined in the report and the section 75 agreement. It is anticipated that there will be a requirement from NHS England for a Better Care Fund report in the form of a quarterly reporting template, and a year-end reporting template, will be issued jointly by NHS England and DCLG or LGA to CCGs and LAs to use.

Please contact the report author if you need to access this report in an alternative format

Appendix 1

Table 1 – Scheme summary and financial breakdown

BCF Revenue Schemes					**Lead Commissioner**		**Total**
Scheme Name	**Area of Spend**	**Please specify if Other**	**Provider**	**Source of Funding**	**BaNES CCG**	**B&NES Council**	**2015/16 (£000)**
1. Extended Hours Service	Other	Scheme covers integrated care and support across health and social care.	Charity / Voluntary Sector	CCG Minimum Contribution		559	559
2. Handyperson, Step Down and Intensive Home from Hospital	Other	Scheme covers integrated care and support across health and social care.	Charity / Voluntary Sector	CCG Minimum Contribution		342	342
3. Older People's Independent Living Service	Social Care		Charity / Voluntary Sector	CCG Minimum Contribution		100	100
4. Integrated Re-ablement & Rehabilitation	Other	Scheme covers integrated care and support across health and social care.	Charity / Voluntary Sector	CCG Minimum Contribution		500	500
5. Rural Support Service	Social Care		Charity / Voluntary Sector	CCG Minimum Contribution		208	208
6. Social Care Pathway Re-design Council	Social Care		Charity / Voluntary Sector	CCG Minimum Contribution		1,000	1,000
6. Social Care Pathway Re-design CCG	Community Health		Charity / Voluntary Sector	CCG Minimum Contribution		1,000	1,000
7. Care Act Implementation	Social Care		Local Authority	CCG Minimum Contribution		481	481
8. Integrated Care & Support	Community Health		Private Sector	CCG Minimum Contribution	2,008		2,008
9. Protection of Social Care	Social Care		Private Sector	CCG Minimum Contribution		4,141	4,141
10. Increased capacity in the Approved Mental Health Practitioner Service & DOLS	Mental Health		Local Authority	CCG Minimum Contribution		150	150

11. Social Prescribing	Mental Health		Charity / Voluntary Sector	CCG Minimum Contribution	100		100
12. Mental Health Re-ablement Beds	Mental Health		NHS Mental Health Provider	CCG Minimum Contribution		100	100
13. Increased capacity in the Learning Disabilities Social Work Service	Mental Health		Charity / Voluntary Sector	CCG Minimum Contribution		168	168
16. Support for Carers	Social Care		Charity / Voluntary Sector	CCG Minimum Contribution		234	234
17. Community Cluster Model	Commun ity Health		Charity / Voluntary Sector	Additional CCG Contribution		-	
Total					**2,108**	**8,983**	**11,091**

BCF Capital Schemes					**Lead Commissioner**		**Total**
Scheme Name	**Area of Spend**	**Please specify if Other**	**Provider**	**Source of Funding**	**BaNES CCG**	**B&NES Council**	**2015/16 (£000)**
14. Disabled Facilities Grant	Social Care		Local Authority	Local Authority Social Services		552	552
15. Social care capital	Social Care		Private Sector	Local Authority Social Services		406	406
Total					**-**	**958**	**958**

Better Care Fund Total					**-**	**9,941**	**12,049**

Table 2 – Financial details (and timescales)

Total amount of revenue funding to be transferred from BaNES CCG to B&NES Council and amount in each year:

Funding Stream	**Year**	**£**	**Invoicing Dates**
Section 75 Transfer	2015/16	£8,227,404	On or shortly after 1st April
Payment for Performance	2015/16	£755,596	Quarterly from 1st April
Total		**£8,983,000**	

Appendix 2

Emergency admission summary revisions

Table 1

Emergency admissions quarterly actuals and 2015 forecast

Quarter	2013	2014	2015	% Increase / -Decrease
Q4 Jan - Mar	3,609	3,730	3,840	2.96%
Q1 Apr - Jun	3,634	3,670	3,656	0.65%
Q2 Jul - Sep	3,614	3,621	3,682	0.65%
Q3 Oct - Dec	3,737	4,100	4,046	0.65%
Total	**14,594**	**15,121**	**15,224**	
Percentage Change		**3.06%**	**1.22%**	

Table 2

Revised emergency admissions with growth adjustments and Quality, Innovation, Productivity and Prevention (QIPP) reductions

Financial Year	Quarter	2014	Growth Adjustments	QIPP Allocation	2015	% Increase / -Decrease
14/15	**Q4 Jan - Mar**	3,730	138		3,868	3.70%
15/16	**Q1 Apr - Jun**	3,670	24	-95	3,599	-1.93%
15/16	**Q2 Jul - Sep**	3,621	24	-95	3,550	-1.96%
15/16	**Q3 Oct - Dec**	4,100	27	-96	4,031	-1.68%
BCF Period Total		**15,121**	**213**	**-286**	**15,048**	
15/16	**Q4 Jan - Mar**	3,868	25	-96	3,797	-1.84%
Financial Year Total		**15,259**	**100**	**-382**	**14,977**	
BCF Period Percentage Change			**1.41%**	**-1.89%**		**-0.48%**
Financial Year Percentage Change			**0.66%**	**-2.50%**		**-1.85%**