

Bath & North East Somerset Council	
MEETING:	Health and Wellbeing Board
MEETING DATE:	29 January 2014
TITLE:	Better Care Fund
WARD:	All
AN OPEN PUBLIC ITEM	
List of attachments to this report:	

1 THE ISSUE

- 1.1 The Better Care Fund (previously referred to as the “Integration Transformation Fund”) was announced in the June 2013 spending round covering 2015/16. This national £3.8 billion fund, established by the Department of Health, is to be held by local authorities and will include funding previously transferred by local NHS commissioners to the Council under Section 256 Agreements.
- 1.2 This report sets out expectations about the use of the Better Care Fund (the Fund); the development of joint plans for the use of this funding; and associated sign-off and governance requirements in light of the publication of detailed guidance as an annex to the NHS England Planning Guidance on 20 December 2013 and joint statement by the Department of Health and Department for Communities and Local Government.
- 1.3 The Fund *“...provides an opportunity to transform local services so that people are provided with better integrated care and support. It encompasses a substantial level of funding to help local areas manage pressures and improve long term sustainability. The Fund will be an important enabler to take the integration agenda forward at scale and pace, acting as a significant catalyst for change.”*

2 RECOMMENDATION

The Board is asked to:

- 2.1 Note the national planning guidance set out in this report, including the key requirement for the Board to formally sign off the local Better Care Fund plan in March 2014 for submission by 4th April 2014.
- 2.2 Consider the requirement to select a local metric as summarised in paragraphs 5.28 to 5.30 in this report and potential use of flexibility to agree a local alternative, which could be Hospital admissions as a result of self-harm.

- 2.3 Consider whether it is appropriate to host or undertake joint stakeholder engagement on the local Better Care Fund plan alongside the CCG's engagement on its wider strategic and operational plans in line with the requirements of Everyone Counts: Planning for Patients 2014/15 to 2018/19.
- 2.4 Agree to receive a further report, including the draft local Better Care Fund Plan, at its next meeting on 26th March 2014, with the aim of signing off the plan for submission by 4th April 2014.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The 2015-16 allocations to the Better Care Fund for Bath and North East Somerset have been confirmed as follows: Total: £12.049 million comprising £11.091m from the CCG to the BCF; £406k Social Care Capital Grant; and £552k Disabled Facilities Grant. Early analysis indicates that this allocation is slightly higher than anticipated based on an estimated 3% share of the national Fund. The detail of this is being worked through to understand the extent to which the 'extra' funding identified in the allocations data, which is in the region of £800k, represents additional NHS funding to the BCF and how much is the Government contribution to the additional costs expected to be incurred by the Council as a result of the Care Bill, which is due to come into force in 2015-16.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The policy framework is contained within the Health and Social Care Act 2012; Section 256 of the National Health Service Act 2006; and the NHS England Planning Guidance 2014/15.
- 4.2 The proposals set out in this report aim to both achieve the maximum local allocation from the Better Care Fund in 2015/16 in order to invest in achieving the best possible outcomes for local people and communities and support delivery of strategic priorities and objectives, including those set out in Bath & North East Somerset's Joint Health & Wellbeing Strategy.
- 4.3 The Better Care Fund will help support the Council in meeting its statutory responsibilities, including those in respect of adult social care.

5 THE REPORT

Purpose

- 5.1 To set out expectations in relation to the use of the Better Care Fund (the Fund); the development of joint plans for the use of this funding in 2015/16; and associated sign-off and governance requirements.

Background

- 5.2 Over the past four years, funding from the Department of Health has been passed, via local NHS commissioners (previously the Primary Care Trust, now, following NHS Reform, a combination of the Clinical Commissioning Group and NHS England Area Team). Funding streams have included: additional support funding for social care; improving and sustaining performance on access (primarily to hospital services); and reablement support. Each funding stream has typically come with guidance about use of the funding, which has informed the development of local agreements between the NHS and Local Authority about use of the funding. These agreements are termed “Section 256” Agreements as they are made under the terms of Section 256 of the National Health Service Act 2006.
- 5.3 Following NHS Reform, a proportion of the funding for 2013/14 is covered by a Section 256 Agreement between the Clinical Commissioning Group (CCG) and Council. The majority of funding is covered by a similar Agreement between the NHS England Bath, Gloucester, Swindon and Wiltshire Area Team (the Area Team) and the Council.
- 5.4 In the June 2013 spending round covering 2015/16 a national £3.8 billion “Integration Transformation Fund” was announced. This fund, established by the Department of Health, is to be held by local authorities and will include funding previously transferred by local NHS commissioners to the Council under Section 256 Agreements.
- 5.5 Guidance on developing plans for the Better Care Fund (formerly the Integration Transformation Fund) was published by both NHS England and the Department of Communities and Local Government on 20th December 2013 along with local allocations of the first full year of the fund in 2015/16.

What is the Better Care Fund?

- 5.6 The Better Care Fund (previously referred to as the Integration Transformation Fund) was announced in June as part of the 2013 Spending Round. It provides an opportunity to transform local services so that people are provided with better integrated care and support. It encompasses a substantial level of funding to help local areas manage pressures and improve long term sustainability. The Fund will be an important enabler to take the integration agenda forward at scale and pace, acting as a significant catalyst for change.
- 5.7 The Fund will support the aim of providing people with the right care, in the right place, at the right time, including through a significant expansion of care in community settings. This will build on the work Clinical Commissioning Groups (CCGs) and councils are already doing.

What is included in the Better Care Fund and what does it cover?

- 5.8 The Fund provides for £3.8 billion worth of funding in 2015/16 to be spent locally on health and care to drive closer integration and improve outcomes for patients and service users and carers. In 2014/15, in addition to the £900m transfer already planned from the NHS to adult social care, a further £200m will transfer to enable localities to prepare for the Better Care Fund in 2015/16.

5.9 The tables below summarise the elements of the Spending Round announcement on the Fund:

The June 2013 Spending Round set out the following:	
2014/15	2015/16
A further £200m transfer from the NHS to adult social care, in addition to the £900m transfer already planned	£3.8bn to be deployed locally on health and social care through pooled budget arrangements
In 2015/16 the Fund will be created from:	
£1.9bn of NHS funding	
<p>£1.9bn based on existing funding in 2014/15 that is allocated across the health and wider care system. This will comprise:</p> <ul style="list-style-type: none"> • £130m Carers' Break funding • £300m CCG reablement funding • £354m capital funding (including £220m Disabled Facilities Grant) • £1.1bn existing transfer from health to adult social care. 	

5.10 For 2014/15 there are no additional conditions attached to the £900m transfer already announced, but NHS England will only pay out the additional £200m to councils that have jointly agreed and signed off two-year plans for the Better Care Fund.

5.11 The requirements for the use of the funds transferred from the NHS to local authorities in 2014/15 remain consistent with the guidance¹ from the Department of Health (DH) to NHS England on 19 December 2012 on the funding transfer from NHS to social care in 2013/14. In line with this:

5.12 The funding must be used to support adult social care services in each local authority, which also has a health benefit. However, beyond this broad condition we want to provide flexibility for local areas to determine how this investment in social care services is best used.

5.13 A condition of the transfer is that the local authority agrees with its local health partners how the funding is best used within social care, and the outcomes expected from this investment. Health and wellbeing boards will be the natural place for discussions between NHS England, clinical commissioning groups and councils on how the funding should be spent, as part of their wider discussions on the use of their total health and care resources.

5.14 In line with our responsibilities under the Health and Social Care Act, an additional condition of the transfer is that councils and clinical commissioning groups have regard to the Joint Strategic Needs Assessment for their local population, and existing commissioning plans for both health and social care, in how the funding is used.

- 5.15 A further condition of the transfer is that local authorities councils and clinical commissioning groups demonstrate how the funding transfer will make a positive difference to social care services, and outcomes for service users, compared to service plans in the absence of the funding transfer”
- 5.16 Councils should use the additional £200m to prepare for the implementation of pooled budgets in April 2015 and to make early progress against the national conditions and the performance measures set out in the locally agreed plan. This is important, since some of the performance-related money is linked to performance in 2014/15.
- 5.17 The £3.8bn Fund includes £130m of NHS funding for carers’ breaks. Local plans should set out the level of resource that will be dedicated to carer-specific support, including carers’ breaks, and identify how the chosen methods for supporting carers will help to meet key outcomes (e.g. reducing delayed transfers of care). The Fund also includes £300m of NHS funding for reablement services. Local plans will therefore need to demonstrate a continued focus on reablement
- 5.18 It was announced as part of the Spending Round that the Better Care Fund would include funding for costs to councils resulting from care and support reform. This money is not ring-fenced, but local plans should show how the new duties are being met.
- 5.19 £50m of the capital funding has been earmarked for the capital costs (including IT) associated with transition to the capped cost system, which will be implemented in April 2016.
- 5.20 £135m of revenue funding is linked to a range of new duties that come in from April 2015 as a result of the Care Bill. Most of the cost results from new entitlements for carers and the introduction of a national minimum eligibility threshold, but there is also funding for better information and advice, advocacy, safeguarding and other measures in the Care Bill.

What are the National Conditions?

5.21 The Spending Round established six national conditions for access to the Fund:

National Condition	Definition
Plans to be jointly agreed	The Better Care Fund Plan, covering a minimum of the pooled fund specified in the Spending Round, and potentially extending to the totality of the health and care spend in the Health and Wellbeing Board area, should be signed off by the Health and Well Being Board itself, and by the constituent Councils and Clinical Commissioning Groups.
Protection for social care services (not spending)	Local areas must include an explanation of how local adult social care services will be protected within their plans.

National Condition	Definition
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	Local areas are asked to confirm how their plans will provide 7-day services to support patients being discharged and prevent unnecessary admissions at weekends.
Better data sharing between health and social care, based on the NHS number	Local areas should confirm that they are using the NHS Number as the primary identifier for health and care services, and if they are not, when they plan to.
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	Local areas should identify which proportion of their population will be receiving case management and a lead accountable professional, and which proportions will be receiving self-management help - following the principles of person-centred care planning. Dementia services will be a particularly important priority for better integrated health and social care services, supported by accountable professionals.

How will Councils and CCGs be rewarded for meeting goals?

5.22 The Spending Round indicated that £1bn of the £3.8bn would be linked to achieving outcomes. Ministers have agreed the basis on which this payment-for-performance element of the Fund will operate.

5.23 Half of the £1bn will be released in April 2015. £250m of this will depend on progress against four of the six national conditions and the other £250m will relate to performance against a number of national and locally determined metrics during 2014/15. The remainder (£500m) will be released in October 2015 and will relate to further progress against the national and locally determined metrics.

5.24 The performance payment arrangements are summarised in the table below:

When:	Payment for performance amount	Paid for:
April 2015	£250m	Progress against four of the national conditions: <ul style="list-style-type: none"> • 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

	Payment for performance amount	Paid for:
	£250m	Progress against the local metric and two of the national metrics: <ul style="list-style-type: none"> • delayed transfers of care; • avoidable emergency admissions; and
When:	Payment for performance amount	Paid for:
October 2015	£500m	Further progress against all of the national and local metrics.

National and Local Metrics

- 5.25 The national metrics underpinning the Fund will be:
- admissions to residential and care homes;
 - effectiveness of reablement;
 - delayed transfers of care;
 - avoidable emergency admissions; and
 - patient / service user experience.
- 5.26 In addition to the five national metrics, local areas should choose one additional indicator that will contribute to the payment-for-performance elements of the fund. In choosing this indicator, it must be possible to establish a baseline of performance in 2014/15.
- 5.27 A menu of possible local metrics selected from the NHS, Adult Social Care and Public Health Outcomes Frameworks is set out in the table below:

NHS Outcomes Framework	
2.1	Proportion of people feeling supported to manage their (long term) condition
2.6i	Estimated diagnosis rate for people with dementia
3.5	Proportion of patients with fragility fractures recovering to their previous levels of mobility / walking ability at 30 / 120 days
Adult Social Care Outcomes Framework	
1A	Social care-related quality of life
1H	Proportion of adults in contact with secondary mental health services living independently with or without support
1D	Carer-reported quality of life
Public Health Outcomes Framework	
1.18i	Proportion of adult social care users who have as much social contact as they would like
2.13ii	Proportion of adults classified as “inactive”
2.24i	Injuries due to falls in people aged 65 and over

- 5.28 Local areas must either select one of the metrics from this menu, or agree a local alternative.
- 5.29 In agreeing specific levels of ambition for the metrics, Health and Wellbeing Boards should be mindful of a number of factors, such as:
- having a clear baseline against which to compare future performance;
 - understanding the long-run trend to ensure that the target does not purely reward improved performance consistent with trend increase;
 - ensuring that any seasonality in the performance is taken in to account; and
 - ensuring that the target is achievable, yet challenging enough to incentivise an improvement in integration and improved outcomes for users.
- 5.30 A report on the Better Care Fund to the CCG Board meeting on January 9th 2014 prompted a discussion about the absence of metrics in relation to children and young people. The CCG Board agreed that it would be appropriate to consider using the flexibility to select a local metric in relation to child and adolescent mental health. Such a local metric would be consistent with the key measure in *Everyone Counts: Planning for Patients 2014/15 to 2018/19* (NHS National Planning Guidance) of achieving “parity of esteem” between physical and mental health. Also, the Health & Wellbeing Strategy objective, under Theme 2: Improving the Quality of People’s Lives, of reducing rates of mental ill-health in light of the fact that hospital admissions as a result of self-harm (Public Health Outcomes Framework indicator 2.10) are higher in B&NES (229 per 100,000) compared to the national average (198 per 100,000) in 2009/10.

When should plans be submitted?

- 5.31 Health and Wellbeing Boards should provide the first cut of their completed Better Care Plan template, as an integral part of the constituent CCGs’ Strategic and Operational Plans by 14 February 2014, so that these can be aggregated at a national level to provide a composite report, and identify any areas where it has proved challenging to agree plans for the Fund.
- 5.32 The revised version of the Better Care Plan should be submitted to NHS England, as an integral part of the constituent CCGs’ Strategic and Operational Plans by 4 April 2014.

Financial Implications

- 5.33 The 2015-16 allocations to the Better Care Fund for Bath and North East Somerset have been confirmed as follows: Total: £12.049 million comprising £11.091m from the CCG to the BCF; £406k Social Care Capital Grant; and £552k Disabled Facilities Grant. Early analysis indicates that this allocation is slightly higher than anticipated based on an estimated 3% share of the national Fund. The detail of this is being worked through to understand the extent to which the ‘extra’ funding identified in the allocations data, which is in the region of £800k, represents additional NHS funding to the BCF and how much is the Government contribution to the additional costs expected to be incurred by the Council as a result of the Care Bill, which is due to come into force in 2015-16.

Progress on the Local Better Care Fund Plan

- 5.34 At a closed development session of the Health & Wellbeing Board in early December 2013, which included H&W Board members from the CCG, Council, NHS England Area Team and Healthwatch, some local principles for use of the Fund were agreed in draft form, in advance of the issue of the planning guidance. The principles agreed were consistent with the principles and aims now set out in the planning guidance.
- 5.35 Principles agreed in draft form for further discussion and development at the Board meeting in January were:
- Needs to support the priorities in the Joint Health and Wellbeing Strategy as well as align with the CCG Plan, NHS England operational plan and others;
 - Needs to be based on clear evidence including cost/benefit analysis of funding early-intervention and prevention services to achieve greater long-term sustainability and reduce pressure on acute/specialist services;
 - Services should be encouraged through the Fund to be work in different and innovative ways, rather than simply creating new services as the fund itself is bringing together resources already committed to existing core activity;
 - “Do no harm”, that is, the use of the Fund should add value and not adversely impact on core budgets.
- 5.36 The Board acknowledged that: i) the Fund does not represent “new” money flowing into the local health and social care system; ii) given the extent of integrated commissioning and service delivery already in place, local plans for use of the Fund may largely represent a formalisation of what is already in place; iii) the element of that will be subject to a “payment by results” test could be seen as a good way of facilitating a “leap of faith” in relation to shifting funding from acute services to community services.
- 5.37 At the same development session, the Board agreed to develop a strategic advisory group of large health and social care providers Chaired by the H&W Board Chair/Vice Chair. The Board discussed this as a positive way to engage and work with large health and social care providers. This strategic advisory group will be an important forum for engaging providers in the development and implementation of detailed plans.
- 5.38 Work on the required template has started to reflect existing arrangements and use of Section 256 funding as well as the planning guidance and initial thoughts of the Health & Wellbeing Board.

6 RATIONALE

- 6.1 The principles and proposals set out in this report reflect existing and well-embedded joint working arrangements and the shared objectives and priorities of the Council and CCG, including those set out in the Health & Wellbeing Strategy.

6.2 Timescales, process and sign-off of the local BCF Plan are all the subject of nationally prescribed requirements and in order to achieve maximum local benefit from the national BCF is it important that both the development, agreement and implementation of the local BCF Plan do comply with the nationally planning guidance summarised in this report.

7 OTHER OPTIONS CONSIDERED

7.1 None.

8 CONSULTATION

8.1 Plans for use of the Fund will reflect priorities set out in the Joint Health & Wellbeing Strategy and strategic plans of both the CCG and Council as is the case for Section 256 funding. This approach was confirmed, in principle, at a closed session of the Health & Wellbeing Board in December 2013. The Joint Health & Wellbeing Strategy and other key strategic plans have been the subject of public engagement and, also, targeted provider/service user and patient consultation.

8.2 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

9.2 Timescales for formalising plans for use of the Fund following publication of the funding allocation and planning guidance are challenging. Also, only the first year's funding allocations have been confirmed. Both relatively late notice of allocations and guidance and annual confirmation of the level of funding allocation makes it difficult for the CCG and Council to plan and commission services to make the most effective use of the Fund and, also, to ensuring alignment with strategic objectives.

9.3 This lack of clarity can, also, lead to market instability, with providers unable to plan and develop services and recruit and/or train staff to respond to changes in commissioning intentions.

9.4 In order to minimise and mitigate risks it is important that the CCG and Council continue to work together to agree joint plans for the use of the Fund that are in line with both organisations' priorities and strategic objectives and, also, to communicate these plans in a timely way to providers. It is also important to clearly articulate and monitor the outcomes, milestones and performance measures associated with the Fund.

Contact person	Jane Shayler, Telephone: 01225 396120
Background papers	<p>NHS Planning Guidance 2014/15, which includes, as an Annex, the specific planning guidance for the Better Care Fund.</p> <p>The full NHS Planning Guidance can be accessed via the NHS England website: www.england.nhs.uk</p>
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