CABINET

2 SEPTEMBER 2014

MEDWAY BETTER CARE FUND PLAN

Portfolio Holder: Councillor David Brake, Adult Services

Report from: Barbara Peacock, Director of Children and Adults Services

Author: Kerry Tappenden, Partnership Commissioning Manager

Summary

This report provides the Cabinet with information in relation to the Better Care Fund (BCF) Plan and its implications for Medway further to revised guidance issued by the Local Government Association (LGA) and NHS England on 25 July 2014.

The Cabinet are requested to note the progress made to date in relation to revising the BCF Plan for submission to the LGA/NHS England by 19 September 2014. It should be noted that feedback from NHS England on the original plan was extremely positive and this will form the basis of the new submission.

This report asks the Cabinet to delegate authority to the Director of Children and Adults Services, in consultation with the Portfolio Holder for Adults Services to finalise and submit the revised plan and to make any further minor amendments that may be required to the revised plan following submission.

1. Budget and Policy Framework

1.1 The principles of the BCF Plan to use a single pooled budget in order for health and social care services to work more closely together aligns directly with the vision and principles highlighted in the Joint Health And Wellbeing Strategy (JHWS) for Medway: a commitment to an integrated systems approach and partnership working and a focus on prevention and early intervention in all areas. This also links directly to the Council priority of adults maintaining their independence and living healthy lives as well as linking with the themes evidenced in the Joint Strategic Needs Assessment for Medway, to enable our older population to live independently and well; to prevent early death and increase years of healthy life; to improve physical and mental health and well-being; and reduce health inequalities. Therefore, this is a matter for Cabinet.

1.2 The LGA/NHS England released revised planning guidance to all Health and Wellbeing Boards on 25 July 2014 in respect of BCF Plans. This guidance acknowledged that all local authorities, in partnership with their local CCGs are required to submit revised BCF plans by 19 September 2014. The guidance acknowledged a change in policy:

'…is that, of the £1.9bn additional NHS contribution to the BCF, £1bn will remain within the BCF but will now be either commissioned by the NHS on out-of-hospital services or be linked to a reduction in total emergency admissions. 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.'

Payment for Performance will now only be linked to one metric and not a range of metrics. The metric is 'Total emergency admissions'.

1.3 The Cabinet is requested to consider this material change to the BCF Plan and its implication for Medway. This paper is submitted as a matter of urgency due to the externally imposed deadlines.

1.4 The development of Medway's revised BCF Plan will be an iterative process, up to the point at which the plan is submitted. The Cabinet is requested to delegate authority for the final sign off of the revised plan to the Director of Children and Adults Services, in consultation with the Portfolio Holder for Adults Services. Therefore this is an urgent matter for Cabinet.

1.5 Medway's submission in April 2014 was considered good by NHS England and the Local Government Association (LGA). Officers will be transposing all the information from Medway's original BCF Plan (submitted in April 2014) into a new plan template. It is anticipated that a lot of the original narrative will remain the same. There are five new questions to answer, as well as revisions to four existing questions. The new questions relate to the following:

- Case for change
- Plan of action
- Risks and contingency
- Alignment
- Implications for acute providers

2. Background

2.1 In the 2013 Spending Round, the Government announced a national £3.8 billion pooled budget for health and social care services, building on the current NHS transfer to social care services of £1 billion. The Spending Round document stated that 'the Government will introduce a £3.8 billion pooled budget for health and social care services, shared between the NHS and local authorities, to deliver better outcomes and greater efficiencies through more integrated services for older and disabled people'. This is set against the context of a reduction in overall local government expenditure.

2.2 It is important to clarify that this money is not new money, but a transfer of money from the NHS to Local Authorities that may already be committed to existing services. The funding must be used to support adult social care services which also have a health benefit. The funding can be used to support existing or new services or transformation programmes where such programmes are of benefit to the wider health and social care system where positive outcomes for service users have been identified.

2.3 On 14 February 2014 Medway Council and Medway Clinical Commissioning Group (CCG) submitted a jointly agreed plan to the LGA and NHS England.

On 4 April 2014 a final BCF Plan was submitted on behalf of both organisations and an assurance process followed.

2.4 Revised guidance in respect of BCF Plans was issued to all Health and Wellbeing Boards on 25 July 2014. This guidance acknowledged that all local authorities, in partnership with their local CCGs are required to submit revised BCF plans by 19 September 2014.

2.5 Payment for performance will only be linked to one metric and not a range of metrics. The metric is 'Total emergency admissions'.

2.6 The £1bn proportion of the BCF will replace what was originally the 'pay for performance' fund linked to delivery against national and local metrics. No payment will now be linked to these metrics although local areas will still be expected to continue to set levels of ambition for these within their plans.

2.7 All areas are expected to set a minimum target reduction for 'total emergency admissions' at 3.5%, although areas are free to choose a more ambitious target. Medway Council and Medway CCG are in agreement that our local target should be 3.5%. The funding corresponding to any reduction forms one element of the pay for performance fund. The outstanding balance will be spent by CCGs on 'NHS commissioned out-of hospital services' as part of the BCF Plan.

2.8 Money will be released from the CCG into a pooled budget on a quarterly basis, depending on performance. These payments start in May 2015.

2.9 It is a requirement to submit 'detailed scheme descriptions' for each scheme included within the plan.

2.10 Greater emphasis has been placed on the implementation of the Care Act 2014 in Medway.

2.11 Local areas are also expected to share their planned non-elective activity reductions with their relevant acute providers (Medway Foundation Trust) and for acute providers to submit commentary (at Annex 2) stating whether they recognise and agree with the activity reduction. Officers are currently working with Medway CCG to achieve this. A presentation by the Director of Children and Adult Services and the Chief Clinical Officer of the CCG was made to Medway Foundation Trust on 26 June 2014.

2.12 The timetable is as follows:

Cabinet Meeting on 2 September 2014
Health and Wellbeing Board on 9 September 2014
Submit plan on 19 September 2014

There will be an assurance process post submission of the plan due to end on 13 October 2014.

2.13 Plans for use of the pooled budgets must be agreed by CCGs and Local Authorities, and endorsed by the local Health and Wellbeing Board. It is not yet clear how this will be released to Local Authorities.

2.14 Senior officers from the CCG and Local Authority are overseeing the development of the revised BCF Plan and ensuring the National Conditions are adhered to and that all opportunities are fully understood, including implications, risks etc.

3. Options

3.1 Medway Council and Medway CCG are currently working towards externally imposed deadlines for developing the revised plan. Cabinet Members are requested to note that the development of the plan will be an iterative process and it will continue to be developed as more information and guidance from the LGA/NHS England becomes available.

4. Advice and analysis

4.1 Developing a revised BCF Plan is a national requirement of all Local Authorities in conjunction with their CCG partners.

4.2 Equality issues will be taken into account as part of the planning process. Better integration of services should mean that people receive a more consistent service across Medway. A Diversity Impact Assessment (DIA) has not been undertaken as this report does not make any new recommendations that would have a detrimental impact on services.

4.3 Officers are working on the revised Plan based on revised guidance provided by LGA/NHS England on 25 July 2014. The Plan development will be an iterative process, up to the point at which the plan is submitted.

5. Risk management

Risk rating:

Likelihood	**Impact:**
A Very high	1 Catastrophic (Showstopper)
B High	2 Critical
C Significant	3 Marginal
D Low	4 Negligible
E Very low	
F Almost impossible	

Risk	Description	Action to avoid or mitigate risk	Risk rating
Timescales for developing plan to be submitted by 19 September 2014 - externally imposed deadlines are in place	Revised guidance in relation to the Better Care Fund was released on 25 July 2014 and plans must be submitted by the 19 September 2014. The BCF Plan must journey through the Council's and the Medway CCG's governance arrangements ahead of the submission date. This is an externally imposed deadline which does not allow sufficient time to produce a plan ahead of the local authority and CCG governance journey deadlines. Therefore this is an urgent paper for Cabinet.	The Partnership Commissioning Team are working closely with Medway CCG and colleagues in Adult Social Care to ensure that key priorities for both organisations are addressed within the Plan. Resources have been identified to ensure the September deadline is achieved. Delegate authority to the Director of Children and Adult Services, in consultation with the Portfolio Holder for Adult Services, to give final sign off for the revised BCF Plan.	C2
Contingency planning if not approved by Cabinet or Medway CCG Informal Governing Body	Given the externally imposed deadlines and in light of the governance journey required, which includes assurance from NHS England via two checkpoints in August and September, the Plan development will be an iterative process, up to the point at which the plan is submitted in September 2014. Both organisations must be involved in the development of the plan and agree to the content.	See comments above. Joint meetings are being timetabled between senior officers of the local authority and CCG.	C2
Delays in submitting final plan due to all parties agreeing content	Both organisations must be involved in the development of the plan and agree to the content. Both organisations must agree the implementation of the BCF Plan in 2015/16.	See comments above.	C2
Governance procedures	The Plan must journey through the Council's and Medway CCG's governance arrangements ahead of the submission date in September 2014.	Resources have been identified to ensure the appropriate governance procedures are followed.	C2
Meaningful engagement with stakeholders, users and carers given the tight externally imposed timescales	It is a requirement of the BCF Plan that meaningful engagement is undertaken to understand the impact on the private and voluntary sector and acute services.	Every opportunity is being identified to engage with key stakeholders. A log of engagement activity will be included within the plan.	C2

Timely information from LGA/NHS England	The LGA and NHS England will provide weekly updates via email to officers across both organisations. Webinars have taken place and are available online to view. Officers are awaiting confirmation of the assurance process ahead of the 19 September 2014 deadline and the requirements for checkpoints one and two.	Information will be cascaded to the Partnership Commissioning Team and Medway CCG as soon as it is received.	B2
Performance levels and affordability	Performance levels impact on achieving Payment by Performance related funding and impact on overall BCF Plan and affordability.	We will ensure that the performance of all Better Care Fund funded schemes is robustly monitored allowing under-performance to be identified and proactively managed.	B2
Implementing the Care Act 2014	The introduction of the Care Act 2014 will result in a significant increase in the cost of care provision from April 2016 onwards that is not fully quantifiable currently and will impact the sustainability of current social care funding and plans.	We have undertaken an initial impact assessment of the effects of the Care Bill and will continue to refine our assumptions as we develop our final Better Care Fund response.	B2

6. Consultation

6.1 Medway's BCF Plan highlights all consultation that has taken place to inform the development of the plan. The Director of Children and Adult Services and the Chief Clinical Officer of the CCG have also met with Medway Foundation Trust, Medway Community Healthcare and have booked to meet with Kent and Medway NHS and Social Care Partnership Trust (KMPT).

6.2 Since submitting Medway's BCF Plan in April 2014, Medway Council and Medway CCG hosted their first joint simulation event on the 22 July 2014 at Priestfields Stadium, Gillingham titled 'Shaping the Future'. More than 90 key stakeholders were represented at this event facilitated by Institute of Public Care (Oxford Brookes University).The outcomes from this workshop will be used to inform individual work programmes identified under the BCF Plan.

6.3 Senior Officers from Medway CCG will be liaising with Medway Foundation Trust to ensure they are appropriately consulted around the changes to the BCF and recognise and agree to the 3.5% target reduction in total emergency admissions.

6.4 Officers will be attending a special Health and Wellbeing Board meeting on 9 September 2014.

7. Financial and legal implications

7.1 In 2015/16 the BCF Plan will be created from the following funding streams, a significant proportion of which is already being spent by the local authority on joint health and social care priorities. The sums currently allocated to Medway Council in this way are identified in the table below.

Table 1: Funding made available to Medway Council in 2014-15

Funding Stream	National 'Pot'	Medway's Allocation
NHS Funding	£1.9 billion	Yet to be advised by DH
Carers Breaks Funding	£130 million	£488,000
CCG Reablement Funding	£300 million	£1,340,677
Adult Social Care Capital Grant	£129 million	£536,601
Disabled Facilities Grant (Capital)	£225 million	£743,717
Current transfer from NHS to Social Care	£900 million	£3,571,548
Additional transfer from NHS (2014/15)	£200 million	£1,000,000 (est)

7.2 Table 2: Total 2015-16 BCF allocation for Medway

	£m
NHS Medway CCG	16.154
Social Care Capital Grant	0.556
Disabilities Facilities Grant	0.922
Total Better Care Fund	17.632

Of the total funding, £4.669million is allocated to payment for performance.

7.3 The statutory basis of the BCF Plan is section 121 of the Care Act 2014, which amends the National Health Service 2006. It is not clear if the funding will be released under existing arrangements or whether further legislation will be made for the creation of pooled budgets.

8. Recommendations

8.1 That Cabinet note and support the proposed governance journey for the delivery of the revised BCF Plan.

8.2 That Cabinet note that the plan is an iterative process that will continue to be developed as more information and guidance from the LGA/NHS England becomes available.

8.3 That Cabinet delegate authority to the Director of Children and Adults Services, in consultation with the Portfolio Holder for Adults Services, to finalise and submit the revised plan and to make any further minor amendments that may be required to the revised plan following submission.

9. Suggested reasons for decision(s)

9.1 Developing a revised BCF Plan is a national requirement of all Local Authorities in conjunction with their CCG partners. Delegated authority is

sought because the Plan development will be an iterative process, up to the point at which the plan is submitted in mid September 2014.

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Appendices

Appendix 1 - Letter dated 25 July 2014 from Andrew Ridley, Better Care Fund Programme Director
Appendix 2 - Better Care Fund – Revised Planning Guidance - 25 July 2014

Background papers

Cabinet report *Health and Social Care Better Care Fund Plan (Formerly known as Integration Transformation Fund)* - 14 January 2014
http://democracy.medway.gov.uk/ieListDocuments.aspx?CId=115&MId=2764&Ver=4

NHS England Publications Gateway Ref No. 01977

Appendix 1

To: Health and Well-Being Board Chairs
CC:
LA Chief Executives
NHS England Regional Directors,
NHS England Area Team Directors,
CCG Accountable Officers
CCG Clinical Leads

25 July 2014

Dear colleagues,

Revised Better Care Fund guidance and planning

I am writing to you today to provide you with new guidance and templates for revised Better Care Fund (BCF) plans.

Having now been in post three weeks, I am under no illusions about the size of the task ahead for all of us in making both the BCF and Integrated Care a reality. This is one of the most ambitious programmes in the history of the NHS and Local Government. And it is of critical importance. In order to improve the lives of those we work for and serve - whether we are in a local authority, the NHS, a social care provider or another organisation - it is critical that we come together and work as one in order to place people and their well-being at the centre of all that we do. I recognise the amount of work that many of you have already undertaken to make this happen. We now need to take the next step, and ensure this ambitious vision is built on a solid foundation.

As you will already be aware, there have been some changes to the policy framework underpinning the BCF. This letter highlights the key policy changes to the BCF, and confirms the process for revising and resubmitting BCF plans in light of the recent changes. It should be read in conjunction with the following attached documents:

1. Revised BCF planning guidance
2. Revised technical guidance
3. Two revised planning templates (an excel template; and a word template, both of which need completing)

What has changed?

The revised BCF planning guidance and technical guidance documents set out what has changed in more detail. In summary, the previous £1bn Payment for Performance framework has been revised so that the proportion of the £1bn that is now linked to performance is dependent solely on an area's scale of ambition in setting a planned level of reduction in total emergency admissions (i.e. general and acute non-elective activity). The national planning assumption is that this will be in the region of a 3.5% reduction against the baseline detailed in the technical guidance. If this is achieved, it would equate to a national payment for performance pool of c.£300m. The remaining c.£700m would be available up front in 2015/16 to be invested in NHS commissioned out-of-hospital services. The detail of this will be subject to local agreement, as set out in the planning guidance.

In acknowledgement of the additional work that may be required in some areas to revise and develop their plans, an extended planning timetable has been agreed, with plans to be resubmitted by midday on 19 September.

Previously submitted plans

A number of strong plans were submitted in April. These contained many excellent examples of innovative, integrated care. However, there were also some aspects in many plans that require further development: more evidence of sufficient provider engagement and agreement on the impact of plans; greater clarity around the alignment of the BCF plan to wider plans and policies, such as how BCF schemes will align with and work alongside primary care; and more evidence of robust finance and activity analytical modelling underpinning plans.

To encourage greater provider engagement, a crucial change to the revised BCF planning process is a requirement for projected non-elective activity data to be shared with local acute providers. In response these providers will need to submit their commentary in response to those figures to confirm the extent to which they agree with the projections, and set out that those assumptions are built into their own two year plans.

Support for strengthening plans

Support for Councils and CCGs will be available over the summer period ahead of the resubmission deadline of 19 September. This will be two-tiered: general support that will be available to all; and more bespoke support for areas that require further assistance. Please discuss what you believe your support needs are with your Area Team and Local Government region, who will be working with the central programme team to coordinate support.

The revised planning guidance sets out what 'good' looks like. A small number of worked examples of plans will also be made available, which may be useful reference tools in developing your own plan.

Assurance of plans

Area Teams and Local Government regional leads will be working closely with HWBs during the summer to ensure areas get the support they need to strengthen their plans. They will provide regular updates to the central team (at the checkpoints set out in the accompanying planning guidance) on progress locally during this period so that we can offer support if needed.

Once plans have been submitted, there will be an intensive two-week desktop review of plans, focused on:

1. Overall review of narrative of plan
2. Analytical review of data, trends and targets
3. Financial review of calculations and financial projections

The combination of the feedback from Area Team and Local Government regional peers, and the outcome of the desktop review, will form the basis of the assurance process ahead of plans being recommended to Simon Stevens, Sir Bob Kerslake and Ministers for sign-off.

Section 256 Payments

We have received a number of enquiries about the final portion of this year's section 256 payment. I am delighted to tell you that this will be released in the next few weeks to all those areas that submitted BCF plans in April. Further information about this will be sent out shortly.

I am aware the need for revised BCF plans will mean more work for areas in further developing plans to be resubmitted. But I believe that we need to grasp the opportunity that the BCF affords us; and that further development of the plans is necessary to do so. I am very grateful for your patience as we develop this challenging and ambitious programme and I look forward to working with you all in the coming months.

If you have any queries, please discuss with your Area Team and Local Government regional contacts. Alternatively, please email bettercarefund@dh.gsi.gov.uk. I would be grateful if you could cascade and share the guidance with colleagues in local Government, local NHS and others as necessary.

Yours sincerely,

Andrew Ridley
Better Care Fund Programme Director

Appendix 2

Better Care Fund – Revised Planning Guidance

INTRODUCTION

1. The Better Care Fund (BCF) was announced in June 2013. It provides an opportunity to transform local services so that people are provided with better integrated care and support. Every local area submitted a plan in April and these plans clearly demonstrated a commitment to ensuring more people received joined-up, personalised care closer to home.

2. The BCF is ambitious, and the majority of local plans submitted in April showed that same ambition. The April plans showed that significant progress has been made in bringing together organisations and moving to a new and more collective way of working, addressing key conditions such as a commitment to seven day working, better sharing of information and protection of social care services, for example.

3. Unplanned admissions are the biggest driver of cost in the health service that the BCF can affect. As such, Ministers are clear that plans will need to be revisited to demonstrate clearly how they will reduce total emergency admissions, as a clear indicator of the effectiveness of local health and care services in working better together to support people's health and independence in the community. Protection of social care also remains a top priority and a vital requirement on the BCF, both in securing better outcomes for local populations as well as reducing the demand on hospital services.

4. On 11 July, Jon Rouse and Helen Edwards wrote to each Health and Wellbeing Board to ask all areas to submit revised plans. This guidance sets out the additional requirements and sets out the timetable that will mean we can move as quickly as possible from improving and assuring the plans to letting local areas get on with delivery.

5. This planning guidance updates and supersedes the previous planning guidance '*Better Care Fund Annex of Planning Guidance*' from December 2013. It should be read alongside:

    - Letter from Andrew Ridley (25/07/14) – which outlines the high level changes
    - Technical guidance – detailed guidance on completing the planning templates
    - Part 1 template – the 'narrative' of the plan
    - Part 2 template – the finance and metrics underpinning the plan

POLICY CHANGES IN SUMMARY

6. The substantive change in policy is that, of the £1.9bn additional NHS contribution to the BCF, £1bn will remain within the BCF but will now be either

commissioned by the NHS on out-of-hospital services or be linked to a reduction in total emergency admissions. 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. The following bullet points summarise the changes to policy agreed by Ministers.

- The £1bn proportion of the BCF will replace what was originally the 'pay for performance' fund linked to the production of a plan and delivery against national and local metrics. No payment will now be linked to these metrics, although Health and Wellbeing Boards will be expected to continue to set levels of ambition for these within their plans. Further detail on requirements for these metrics is included in the technical guidance. Total emergency admissions replaces the original metric of avoidable emergency admissions.
- Health and Wellbeing Boards are invited to agree a target reduction in total emergency admissions. The funding corresponding to any reduction forms one element of the pay for performance fund. The outstanding balance will be spent by CCGs on 'NHS commissioned out-of-hospital services' as part of the BCF plan.
- For the proportion of the £1bn funds linked to a reduction in total emergency admissions, money will be released from the CCG into the pooled budget on a quarterly basis, depending on performance. These payments start in May 2015 based on Quarter 4 performance in 2013/14. The remaining proportion of the £1bn will be released to the CCG upfront in Quarter 1 in 2015/16.
- If the locally set target is achieved then all of the funding linked to performance will be released to the Health and Wellbeing Board to spend on BCF activities. If the target is not achieved, then the CCG will retain the money proportional to performance, to be spent by the CCG in consultation with the Health and Wellbeing Board
- The expected minimum target reduction in total emergency admissions will be 3.5% for all Health and Wellbeing Board areas, unless an area can make a credible case as to why it should be lower. All areas can set more ambitious targets should they wish, and the amount of funding linked to performance will increase accordingly.
- The local target and resulting funding linked to total emergency admissions will be based on the total figure for the whole Health and Wellbeing Board area, not just to the portion resulting from BCF schemes.
- 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 at least £135m has been identified for implementation of the Care Act
- Every Health and Wellbeing Board is asked to sign off and resubmit their Better Care Fund Plan by 19 September. Up to and after this date there will be a support and assurance process so that the Chief Executive of NHS England (as the accounting officer of the BCF) and Ministers can be confident that the plans are affordable and deliverable in 2015/16.
- A separate note will be sent to areas outlining the expectations of the support and assurance process through to 19 September and beyond

REQUIRED ACTIONS

7. All areas must now revise their BCF plans in light of the updated policy framework

8. Using the new templates that sit alongside this guidance, local BCF plans must set out the local **vision for health and care services**, and describe the schemes that will deliver this vision but the plans must also go beyond this, specifically to clearly set out:

   - **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

THE REVISED TEMPLATES

9. Both part 1 and part 2 of the planning templates have been revised. The purpose of the revisions is to ensure that the questions are as clear as possible and provide added emphasis on the following:

   - A clearer articulation of the analysis and evidence that underpins the BCF plans (particularly Part 1 template, section 3)

   - A clearer articulation of the delivery chain that will underpin the shift of activity away from acute activity (particularly Part 1 template, section 4)

   - A tighter description of the schemes underpinning the plan schemes and the underlying success factors (particularly Part 1 template, section 4c and annex 1)

   - A much clearer focus on the risks, the risk sharing arrangements and the contingency plan in case the target reduction in admissions are not met (particularly Part 1 template, section 5)

- A clearer articulation of the alignment between the BCF and other plans and initiatives within a locality across NHS and social care (particularly Part 1 template, section 6)

- Ensuring that the potential impact of proposed schemes on providers are understood, and providers are fully engaged (particularly Part 1 template, sections 8b and c and Annex 2)

10. In addition further detail is required on the protection of social care services (Part 1 template, section 7a), including the new duties resulting from the Care Act. The changes reflect the fact that social care services and the changes within the Care Act not only impact on local authorities but more broadly on the NHS and other local partners. Local plans should consider how the BCF may be used to support common areas of focus which deliver the Care Act but also underpin shared local priorities. In addition to previous questions the template now asks for the following:

    - the total amount from the BCF that has been allocated for the protection of social care services

    - the total level of resource that will be dedicated to carer-specific support, and the nature of that support

    - Confirmation that at least the local proportion of the £135m has been identified from the NHS £1.9bn funding for implementation of new Care Act duties on councils (including new entitlements for carers, national minimum eligibility threshold, advocacy, safeguarding and other measures in the Care Act)

    - The financial impact on local authority's budgets resulting from changes to the BCF policy since April 2014

11. There are some new questions, some revised questions and some questions which have not changed. The table below summarises the changes – please note the numbers below refer to the numbering in the new template. The detailed requirements for the changes can be found within the templates themselves and within the technical guidance.

New questions	3) The case for change 4) a) b) c) d) Plan of action 5) Risks and contingency 6) a) b) c) Alignment 8) c) Implications for acute providers Annex 1: Detailed scheme description Annex 2: Provider commentary

Slightly revised questions	2) a) b) c) Vision for health and social care services 5) a) b) Risks and contingency 7) a) Protection of social care services 8) a), b) Engagement
Questions which have not changed	1 a) b) c) Summary details 7) b), c), d) National conditions

12. In addition, to meet the core requirements of the BCF, all plans must articulate:-
    - How the plan will meet the remaining national conditions of the BCF (detail included in Annex 1 of this document, the technical guidance and the Part 1 template)
    - Detail of agreements made on the local target for total emergency admissions (detail within the technical guidance and the Part 2 template)
    - The specific financial investment and benefits resulting from the schemes or groups of schemes included within the BCF (detail within the technical guidance and Part 2 template)

PAYMENT FOR PERFORMANCE

13. Payment of the £1bn pay for performance fund will now only be linked to total emergency admissions and not the range of other metrics that are included within the plans. However, CCGs and councils, through Health and Wellbeing Boards, will still need to identify their ambitions for improvement against the wider performance metrics already identified:

    - admissions to residential and care homes;
    - effectiveness of reablement;
    - delayed transfers of care;
    - patient / service user experience; and
    - a locally defined metric

14. Setting and achieving appropriate ambitions against these metrics remains important in achieving the system change required to transform care for people. As such this will continue to form a part of the assurance and sign off process for BCF plans, but will no longer form the basis of payment for performance on the BCF. The Better Care Dashboard tool, to be published later this year, will enable comparisons and benchmarking against these and a broader range of metrics associated with integration. Further detail on requirements for these metrics is included in the technical guidance.

Total emergency admissions

15. The measure to be used for performance payments will also change from avoidable to total emergency admissions. There are a number of reasons for this: it is consistent with the measures used by CCGs in wider operational plans, with

data readily collected and analysed already; it provides better statistical significance over the time/population in question, and it maximises the opportunity for payment for performance. It also captures a range of activity that is relevant to the Better Care Fund that would otherwise not have been included within avoidable admissions only.

16. CCGs and Councils are invited to agree the target for reducing total emergency admissions. There is a national expectation that areas will set a target to reduce their total emergency hospital admissions by at least 3.5%. NHS England's Area Teams will discuss with CCGs, along with local government, what an appropriate level of improvement might be in the context of this overall expectation, should this target be unrealistic locally. All areas can set more ambitious targets should they wish. The baseline for the level of ambition will be based on quarter 4 2013/14, and quarters 1 to 3 2014/15.

17. The value of the performance related payment for each area will be determined by the ambition agreed for reducing emergency admissions. The higher the target, the larger the performance related payment will be on success. The performance related payment will be a proportion of the local share of the £1 billion performance budget, and the remaining proportion will be available upfront in 2015/16 for CCGs to spend on NHS-Commissioned out of hospital services.

NHS-commissioned out of hospital services

18. The remainder of the local share of the £1 billion performance budget will be within the BCF for investment in NHS-commissioned out-of-hospital services. These could include a wide range of services, to be determined locally, including existing out of hospital services. This ring-fenced money will be available up front as part of the core BCF allocation in April 2015. CCGs and Councils should include a breakdown of spend, including the amount they identify as NHS-commissioned spend from the £1bn in the revised templates.

19. Further detail on how this will work is set out in the technical guidance. The part two planning template also contains a sheet to help determine the proportion of the £1bn for payment for performance, and the proportion that is for investment in NHS commissioned services.

Summary of different elements of revised P4P scheme

20. Of the £1.9bn NHS contribution to the BCF, £1bn will be made up of the following parts:

Part 1: Payment for performance on total emergency admissions		**Part 2: NHS commissioned spend**
Target met	**Target not met**	
Full amount included within the BCF To be released at quarterly intervals for local HWBs to invest in locally agreed priorities, as set out in BCF plans	Payment is proportional to performance so some funding remains within CCG budgets proportional to the level by which the target was missed. CCGs will decide how to spend this portion of the funding, in	Included within the BCF to be spent by CCGs on NHS-commissioned out of hospital services. This money will be allocated to the pooled budget up front as part of the core BCF allocation in April 2015.

	consultation with HWBs. It is expected that this money will be used to compensate CCGs for unplanned emergency admissions costs	

How will performance payments work?

21. The performance-related funding will be made on the basis of performance over the final quarter of 2014/15 and the first three quarters of 15/16, against the trajectory as set out in the plans. HWBs are therefore required to set an annual target (from Q4 2014/15 until end of Q3 2015/16), with quarterly milestones in the finance and activity plan template. Payments will be made in arrears as set out below:

    1. May 2015 (based on Q4 2014/15 performance)
    2. August 2015 (based on Q1 2015/16 performance)
    3. November 2015 (based on Q2 2015/16 performance)
    4. February 2016 (based on Q3 2015/16 performance)

22. At each 'payment point', CCGs will release money into the BCF pooled fund on the basis of performance to date, against plan. Each quarterly payment will be proportionate to the level of improvement achieved so far (calculated as a proportion of the planned reduction against the baseline). The relationship between payment and progress toward target will be directly linear (i.e. achieving 30% of the target will release 30% of the funding). There will be no additional payment for performing beyond the target. If targets are met then funds will be released for local HWBs to invest in locally agreed priorities, as set out in BCF plans. Full details are included in the technical guidance.

What if agreed targets are not hit?

23. If a Health and Wellbeing Board area fails to deliver the agreed ambition to reduce total emergency admissions only a portion of the locally agreed performance money will be automatically released to be spent on the planned activities. The amount released will be linked to the level of performance achieved e.g. achieving 70% of the target reduction will secure 70% of the performance payment.

24. The remaining performance money will not leave the local area, and it will remain within the CCG, intended for use to compensate for unplanned acute activity or spend on NHS commissioned services, in consultation with partners on the Health and Wellbeing Board. In the example given above 30% of the performance money will remain within the CCG for this use.

25. This system is designed to mitigate the financial risk to the CCG, whilst at the same time providing flexibility to deliver schemes that reduce acute activity. Strong risk sharing agreements and contingency plans will be crucial in case targets are not met on total emergency admissions. Local areas may also wish to explore the payment and contract levers available locally to ensure that incentives are aligned with the overall policy objective.

Links to wider NHS planning

26. Some of the changes to the BCF described above, will have an impact on wider two-year NHS operational plans. Providers and CCGs have recently submitted their final planned projections for non-elective activity for 2014/15 and 2015/16 on UNIFY., The change to the metric attached to the payment for performance element of the fund to total emergency admissions may therefore have an impact on the already submitted operational plans. Although UNIFY will not be reopened, CCGs should ensure their revised figures are reflected when the next planning round commences.

27. It is also recognised that the assumptions councils have made in their operational plans may be affected by the policy changes. Continued local dialogue will be required to ensure that revised plans adhere to the original ambitions of Health and Wellbeing Boards to deliver better care for the benefit of local people and the health and care system.

PLAN DEVELOPMENT, ASSURANCE AND SIGN OFF

Timetable

Date	Process
25 July	• Guidance and templates issued
28 July – 19 September	• Support to local areas to strengthen plans • Checkpoints for regional support and assurance on 8 August, 29 August, 12 September
19 September	• Revised BCF plans submitted to bettercarefund@dh.gsi.gov.uk and copied to Area Teams and local government regional peers by 12pm
22 September – 3 October	• Desktop review of plans
10 October	• Moderation exercise complete
17 October	• Final presentation and recommendations to Sir Bob Kerslake, Simon Stevens and Ministers

Improvement support

28. Local areas are being asked to revise their BCF plans and supply additional information to ensure that they are in the best possible position to deliver their ambitions for more integrated health and social care. Substantial progress has already been made, but there are areas where extra support is needed to bring about the transformation at scale and pace.

29. Support will be commissioned nationally but deployed locally through agreement of support needs with NHS England Area Teams and Local Government regions at the checkpoints outlined in the timetable above. The central BCF programme

team led by Andrew Ridley will have national oversight to ensure the right support is being put in place. Further details on the support will follow separately.

Assurance and moderation

30. The crucial element of assurance of plans is for local areas to make arrangements for sign off by the Health and Wellbeing Board. Following this, plans should be submitted to bettercarefund@dh.gsi.gov.uk by 19 September 2014.

31. Area Teams and Local Government regional leads will be working closely with HWBs during the summer to ensure areas get the support they need to deliver plans by 19 September. They will provide regular updates to the central team (at the checkpoints detailed in the above timetable) on progress locally during this period so that we can offer support if needed.

32. Once plans have been submitted, there will be an intensive two-week desktop review of plans, focused on:
    1. Overall review of narrative of plan
    2. Analytical review of data, trends and targets
    3. Financial review of calculations and financial projections

33. The combination of the feedback from Area Team and Local Government regional peers, and the outcome of the desktop review, will form the basis of the assurance process ahead of plans being recommended to Ministers for sign-off.

34. Further details will follow separately on the support, assurance and moderation process

ANNEX 1: Key elements of the BCF

1. 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.

2. The June 2014 Spending Round set out the following:-

2014/15: A further £200m transfer from the NHS to adult social care, in addition to the £900m transfer already planned
2015/16: £3.8bn to be deployed locally on health and social care through pooled budget arrangements

3. In 2015/16 the Fund will be created from:

£1.9bn of additional NHS funding
£1.9bn based on existing funding in 2014/15 that is allocated across the health and wider care system. This will comprise: • £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.

4. The £3.8bn Fund therefore 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. The Disabled Facilities Grant has been included in the Fund so that the provision of adaptations can be incorporated in the strategic consideration and planning of investment to improve outcomes for service users. DFG will be paid to upper-tier authorities in 2015/16. However, the statutory duty on local housing authorities to provide DFG to those who qualify for it will remain. Therefore each area will have to allocate this funding to their respective housing authorities (district councils in two-tier areas) from the pooled budget to enable them to continue to meet their statutory duty to provide adaptations to the homes of disabled people, including in relation to young people aged 17 and under.

6. DH Adult Social Care capital grants (£134m) will also reach local areas as part of the Fund. Relevant conditions will be attached to these grants so that they are used in pooled budgets for the purposes of the Fund.

7. In addition, it was announced as part of the Spending Round that the Better Care Fund would include £135m of revenue funding for costs to councils resulting from the Care Act in 2015/16. This revenue funding will be identified from the £1.9bn of NHS funding, and will cover a range of new duties on councils relating to the

Care Act, (including new entitlements for carers, national minimum eligibility threshold, advocacy, safeguarding and other measures in the Care Act)

The statutory framework

8. The Care Act sets out that the Fund will be allocated to local areas, where it will be put into pooled budgets under Section 75[1] joint governance arrangements between CCGs and councils. A condition of accessing the money in the Fund is that CCGs and councils must jointly agree plans for how the money will be spent, and these plans must meet certain requirements.

9. BCF revenue funding will be routed through NHS England to ensure a process that works coherently with wider NHS funding arrangements.

10. BCF capital funding, including funding for the Disabled Facilities Grant (DFG) will be routed through direct grant allocations from the Department for Communities and Local Government and the Department of Health.

11. Government will use the NHS Mandate for 2015/16 to instruct NHS England to ring-fence its contribution to the Fund and to ensure this is deployed in specified amounts at local level for use in pooled budgets by CCGs and local authorities.

Local BCF Allocations

12. BCF allocations for each local area were confirmed in March 2014, and are available at:

    http://www.england.nhs.uk/ourwork/part-rel/transformation-fund/bcf-plan/

[1] Sec 75 of the NHS Act, 2006, provides for CCGs and local authorities to pool budgets.

National conditions

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

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 Wellbeing Board itself, and by the constituent Councils and Clinical Commissioning Groups. In agreeing the plan, CCGs and councils should engage with all providers likely to be affected by the use of the fund in order to achieve the best outcomes for local people. They should develop a shared view of the future shape of services. This should include an assessment of future capacity and workforce requirements across the system. The implications for local providers should be set out clearly for Health and Wellbeing Boards so that their agreement for the deployment of the fund includes recognition of the service change consequences.
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. The definition of protecting services is to be agreed locally. It should be consistent with 2012 Department of Health guidance to NHS England on the funding transfer from the NHS to social care in 2013/14: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/213223/Funding-transfer-from-the-NHS-to-social-care-in-2013-14.pdf
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. If they are not able to provide such plans, they must explain why. There will not be a nationally defined level of 7-day services to be provided. This will be for local determination and agreement. There is clear evidence that many patients are not discharged from hospital at weekends when they are clinically fit to be discharged because the supporting services are not available to facilitate it. The recent national review of urgent and emergency care sponsored by Sir Bruce Keogh for NHS England provided guidance on establishing effective 7-day services within existing resources.
Better data sharing between health and social care, based on the NHS number
The safe, secure sharing of data in the best interests of people who use care and support is essential to the provision of safe, seamless care. The use of the NHS number as a primary identifier is an important element of this, as is progress towards systems and processes that allow the safe and timely sharing of information. It is also vital that the right cultures, behaviours and leadership are demonstrated locally, fostering a culture of secure, lawful and appropriate sharing of data to support better care. 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;
- confirm that they are pursuing open APIs (i.e. systems that speak to each other); and
- ensure they have the appropriate Information Governance controls in place for information sharing in line with Caldicott 2, and if not, when they plan for it to be in place.

NHS England has already produced guidance that relates to both of these areas. (It is recognised that progress on this issue will require the resolution of some Information Governance issues by DH).

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.

The Government has set out an ambition in the Mandate that GPs should be accountable for co-ordinating patient-centred care for older people and those with complex needs.

Agreement on the consequential impact of changes in the acute sector

Local areas should identify, provider-by-provider, what the impact will be in their local area, including if the impact goes beyond the acute sector. Assurance will also be sought on public and patient and service user engagement in this planning, as well as plans for political buy-in.

Ministers have indicated that, in line with the Mandate requirements on achieving parity of esteem for mental health, plans must not have a negative impact on the level and quality of mental health services.