

HEALTH AND WELLBEING BOARD

9 SEPTEMBER 2014

MEDWAY BETTER CARE FUND PLAN

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

Author: Kerry Tappenden, Partnership Commissioning Manager

Summary

This report provides the 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.

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.
- 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 Health and Wellbeing Board is requested to consider this material change to the BCF Plan and its implication for Medway.
- 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 has been requested, at its meeting on 2 September 2014 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 and to make any further minor amendments that may be required to the revised plan following submission. The Informal Governing Body agreed at its meeting on 27 August 2014 to delegate authority to the Chief Clinical Officer for Medway Clinical Commissioning Group to do the same.
- 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
- 1.6 Andrew Ridley, Better Care Fund Programme Director is providing weekly updates for all areas regarding plan developments and the 'support programme' being offered to local areas by way of the Better Care Fund Task Force. Webinars have been scheduled and a 'how to' guide is expected to be made available for all areas by the week commencing 1 September 2014. The guide focuses on some specific aspects of BCF planning which are among the most challenging to address. It will include information that is designed to support all areas with:
- Segmentation and risk stratification
 - Reviewing and evaluating the evidence base
 - Outcomes and modelling impact
 - Financial analysis
- 1.7 In addition to the guide, a 'Making it Better' resource pack is available and the Better Care Fund Task Force will be hosting regional workshops. The South East regional workshop is due to take place on 8 September 2014. Local areas are encouraged to send a team of at least 4 people and officers are being identified from each organisation to attend. The Health and Wellbeing Board will be provided with a verbal update at its meeting on 9 September 2014 following the workshop.

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. Officers from Medway CCG's finance team are liaising with Swale CCG with regards to their minimum target reduction for 'total emergency admissions' for the Swale population accessing the local acute service, which should align with the target for Medway. In the event that the 3.5% target is not achieved, this will result in no monies being released into the BCF Pooled budget as this would present a significant risk to the acute sector. Therefore funding for BCF initiatives is being prioritised based on the amount of money ring-fenced from the pooled fund. Officers will implement a phased introduction of BCF initiatives where they can achieve the biggest impact based on funding that becomes available during 2015/16.
- 2.8 Money will be released from the CCG into a pooled budget on a quarterly basis, depending on performance and paid in arrears. 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. Members of the Health and Wellbeing Board 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 as well as signed off by the Medway Health and Wellbeing Board. This is an externally imposed deadline which does not allow sufficient time to produce a plan ahead of the governance journey deadlines.	<p>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.</p> <p>Resources have been identified to ensure the September deadline is achieved.</p> <p>Delegate authority to the Director of Children and Adult Services, in consultation with the Portfolio Holder for Adult Services and the Chief Clinical Officer for the CCG, to give final sign off for the revised BCF Plan.</p>	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.	<p>See comments above.</p> <p>Joint meetings are being timetabled between senior officers of the local authority and CCG.</p>	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. The South East Regional Workshop is due to take place on 8 September 2014.	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 Act 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.

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 the Health and Wellbeing Board supports:

- (a) the proposed governance journey for the delivery of the revised BCF plan;
- (b) the plan (attached as appendix 4 to this report) as it now stands, accepting 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;

- (b) and notes that the Cabinet has given delegated 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. The Informal Governing Body has given delegated authority to the Chief Clinical Officer to do the same.

Lead officer contact

Helen Jones, Assistant Director, Partnership Commissioning, Gun Wharf

Ext no: 4049

E-mail address: helenm.jones@medway.gov.uk

Kerry Tappenden, Partnership Commissioning Manager, Gun Wharf

Ext no: 3537

E-mail address: kerry.tappenden@medway.gov.uk

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

Appendix 3 – powerpoint presentation

Appendix 4 – draft plan

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>