	Adults and Safeguarding Committee 02 October 2014
Title	**Business Case for Barnet Health and Social Care – Integration of Services**
Report of	Dawn Wakeling, Adults and Communities Director
Wards	ALL
Status	Public
Enclosures	*Appendix 1:* Business Case for Barnet Health and Social Care – Integration of Services *Appendix 2*: Better Care Fund Narrative Plan
Officer Contact Details	Karen Spooner karen.spooner@barnetccg.nhs.uk Rodney D'Costa rodney.dcosta@barnet.gov.uk

Summary

This report presents the full business case for health and social care integration. This report will also be presented to the Barnet Clinical Commissioning Group (CCG) Board on the 23rd October for approval.

This business case represents an ambitious statement for achieving a transformation in integrated health and social care in Barnet. The business case provides the local system with the tools to implement a programme of work that will deliver the objectives of the high level model for integrated care set out in this paper. These same objectives have also been submitted to NHS England in the form of Barnet's Better Care Fund (BCF) submission. The BCF is a national initiative that requires local areas to move towards a single pooled budget to support health and social care services to work more closely together in local areas. The Better Care Fund, which replaces existing Section 256 (s256) funding arrangements, has required local areas to submit plans for joint working for the period 2014-16.

The business case presents the integrated care model in detail, with a financial and non-financial benefit analysis modelled up to the 2019/20 financial year. This business case shows that by integrating health and social care services for the frail elderly and those living with long term conditions, it will be possible for the Council to realise the £1m saving from integrated care hypothecated in the Priorities and Spending Review (PSR), provided the right level of invest-to-save funding can be made available during the period to allow for people to be treated in the community and at home, outside of acute and residential care settings.

Recommendations

1. That the Committee approves the full business case for integrated care, subject to the agreement of budget pooling and risk sharing between the Council and NHS Barnet CCG (recommendation 3 refers).

2. To note, that subject to approval, the full business case is to be used by the Policy & Resources Committee to inform budget setting processes.

3. To note the work taking place between the Council and NHS Barnet CCG to develop an approach to budget pooling for older people, under the Better Care Commissioning Partnership, led by the Chief Executive and Strategic Director for Communities.

4. To note that, subject to the approval of the full business case, implementation of the integrated care model will continue through the work programme of the Adults and Communities Delivery Unit, working in partnership with NHS Barnet CCG.

1. WHY THIS REPORT IS NEEDED

1.1 The £3.8bn Better Care Fund (BCF) (formerly the Integration Transformation Fund) was announced by the Government in the June 2013 spending round, to ensure a transformation in integrated health and social care. BCF starts in April 2015 as one pooled budget to support health and social care services to work more closely together in local areas. The Fund is an important enabler to take the integration agenda forward at scale and pace.

1.2 Barnet has been working on the integration of health and social care services for some time. This includes the member Task & Finish group to define a local vision for integration, setting up an integrated care programme reporting to the Health and Wellbeing Board (HWB) and agreeing an Integrated Care Concordat between Barnet commissioning and provider partners. The Barnet BCF plan and the full business case for health and social care integration are the culmination of local work on integrated care for frail older people and those aged 55 and over with long term conditions.

1.3 Most BCF funding is not new or additional resources, but the reallocation of existing Council and Barnet CCG budgets for health and social care service provision to a new, single pooled budget format. This is £23.4m in total and includes: s.256 funding; NHS funding for Carers Breaks and Enablement services; the Adult Social Care (ASC) Capital Grant and Disabled Facilities Grant (both ring-fenced); funding to meet the requirements of the Care Act; and NHS funding provided via Barnet CCG.

1.4 The attached full business case for integrated health and social care has been developed to ensure that locally, Barnet will implement a model of integrated care for frail elderly people and those with long term conditions, which has a clear financial and non-financial case for the Council and NHS Barnet CCG (CCG), which will enable the Council to meet longer-term aims and challenges.

1.5 The business case sets out a clear, analytically driven understanding of how the Council will use the BCF together with budgets for core services to improve care for frail, elderly people in Barnet by integrating health and social care services.

1.6 It details the Barnet 5 tier integrated care model and demonstrates how investment from Public Health, s.256, CCG and Council adult social care will be used to develop and deliver this new model of care. It also shows how the integrated care model is a key delivery vehicle for achieving Council Priorities and Spending Review (PSR) priorities and savings and CCG Quality, Innovation, Productivity, Prevention (QIPP) savings. To develop this business case, we have consulted and agreed our plans with all key stakeholders in the Barnet health and social care economy.

1.7 Using this investment from 2014/15 to 2019/20 (six years) the business case illustrates an indicative, estimated saving of £12.2m, resulting by 2019/20 in a annual shift in spending away from acute hospital and residential and nursing care home services of £5.7m. The modelling has factored in the proportion of agreed medium term financial strategy (MTFS) savings for Adults and Communities of £17m (rounded) for 2014 – 16; plus £13m savings for 2016 – 2020 allocated through the Council PSR process related to older people and long term conditions.

2. REASONS FOR RECOMMENDATIONS

2.1 The business case demonstrates that the hypothecated PSR savings of £1m from Adult Social Care budgets (£150,000 in 2016/17; £250,000 in 2017/18 and 2018/19 respectively; and then £350,000 in 2019/20) can be achieved by delivering this programme of work, provided the right level of invest-to-save funding can be made available during the period to allow for people to be treated in the community and in their own homes, outside acute and residential care settings.

2.2 The Policy and Resources Committee will subsequently use the financial and benefits modelling in this business case to inform the setting of budgets and so the level of investment available.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 Doing nothing is not recommended. The Council and CCG need to integrate health and social care services to meet the anticipated needs of frail, elderly people to achieve better outcomes and improve user experience in a financially sustainable way.

3.2 The business case builds on the local vision developed for health and social care integration through the work already done under the auspices of the HWB. The full business case is closely aligned with the BCF, which is a mandatory requirement for Councils and CCGs nationally.

4. POST DECISION IMPLEMENTATION

4.1 The Council has previously set its strategic vision for integrated care for older people, through its published vision statement and the Barnet integrated care Concordat. To this end, officers have been working to implement new models of integrated care, such as multi-disciplinary case management and integrated locality care teams, on a pilot basis. The business case analysis is based on a combination of new services in pilot form and services yet to be implemented. An agreed programme structure is in place to develop and evaluate integrated care, led by the Council/CCG Joint Commissioning Unit based in Adults and Communities and reporting into the HWB through the HWB Financial Planning Group. Subject to Committee approval, implementation of the Business Case will be delivered through this agreed programme structure. This work will also be aligned with parallel work to develop wider strategic arrangements for integrated commissioning between the Council and CCG.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 The business case aligns with the 2012-15 Health and Wellbeing Strategy's twin overarching aims (Keeping Well; and Keeping Independent). Clear links are also made to: the Barnet Council Corporate Plan; PSR; the outline aims of the Council's 5 year commissioning intentions for adult social care, published in draft at Committee in July; and Barnet CCG 2 and 5 year Strategic Plans. Barnet Council and the CCG will play key roles in delivering the plan through the Joint Commissioning Unit (JCU) and Public Health.

5.2. Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 The business case sets out the overall investment required to implement the 5 tier integrated care model and the links between the model and published QIPP schemes and PSR proposals.

5.2.2 The national allocation of BCF to Barnet is £23.4 million (rounded) in 2015/16. The Business Case considers the totality of local spend on older people with physical frailty and/or long terms conditions, amounting to a total of £136.5 million across health and social care, with £77.9 million forming the core spend within the model (divided between 46% Council spend and 54% CCG spend) and £58.6 million of 'influence-able' spend. Influence-able spend is money spent in the acute health care and nursing care sectors, where it is anticipated that savings will be made as a result of activity reductions arising from the impact of the integrated care model. All Council adult social care spend on older people, both direct care costs and staffing, has been included in the £77.9 million core spend.

5.2.3 The majority of the savings will be made within acute hospital spend. It should be noted that due to acute health care payment rules (Payment by Results or PBR), strong commissioning will be required to deliver the savings in reality. Senior leaders within the Council and the CCG have been considering how closer working on commissioning can be developed to support the achievement of financial benefit for Barnet. This work is being led by the Chief Executive and the Strategic Director of Communities. This work on integrated commissioning gives the Council the opportunity to consider whether the size of the BCF pool should be increased to include higher levels of adult social care spend. Further proposals on this will be brought to Committee in the future.

5.2.4 The business case details the financial contributions from Barnet CCG and the Council which comprise the single pooled budget to be used to support health and social care working more closely together to deliver integrated outcomes for patients and service users. Table 1 below provides a breakdown of the 2015/16 Better Care Fund funding that will deliver the projects set out in the business case. Of this total, the allocation for *protecting social care* is £4.20m (rounded) plus £846,000 for Care Act implementation. It can be seen that most of the BCF is not new or additional resources, but the re-allocation of existing service provision budgets to a new pooled budget format. Aligned budgets will be brought alongside this pooled budget, including an agreed public heath contribution to support delivery of the model. It should also be noted that existing 2014/15 s256 funding (£6.634m) previously agreed by Health and Well-Being Board will be continued into 2015/16.

Table 1 – 2015 /16 BCF

	£000
ASC Capital Grant (ring-fenced)	806
s256	6,634
Carers Breaks	806
Enablement	1,860
Disabled Facilities Grant (ring-fenced)	1,066
NHS funding	12,240
(includes £846,000 for implementation of the Care Act)	*846*
Total	**23,412**

5.2.5 The majority of funding for the business case is contained in the s256 and NHS funding streams, alongside an element from Public Health not contained in the BCF. This includes baseline funding and additional incremental funding for investing in the projects and services described.

5.2.6 Planned initiatives are estimated to deliver a net annual recurring benefit to budgets of £5.7m by 2019/20. This is a result of £4.1m additional revenue expenditure per year, generating £9.8m per year of avoided expenditure in acute hospital and care home services. There are also one-off investments upfront totalling £1.4m.

5.2.7 The £5.7m in benefits realised includes £3.1m QIPP savings for Barnet CCG QIPP savings, £1m PSR savings for the Council plus £1.6m in other savings for both organisations across the delivery of integrated services.

5.3 Legal and Constitutional References

5.3.1 In 2015/16 the BCF will be allocated to local areas, where it will be put into pooled budgets under Section 75 joint governance arrangements between CCGs and councils. (Note: Section 75 of the NHS Act, 2006, provides for CCGs and local authorities to pool budgets). 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. Funding will be routed through NHS England to protect the overall level of health spending and ensure a process that works coherently with wider NHS funding arrangements.

5.3.2 The DFG 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.

5.3.3 The Council and Barnet CCG already have an overarching s75 agreement in place for health and social care integration, within which the Barnet BCF work will be included, with clear service schedules.

5.3.4 DH and the Department for Communities and Local Government (DCLG) will also use Section 31 of the Local Government Act 2003 to ensure that DH Adult Social Care capital grants (£134m) will 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.

5.3.5 The terms of reference of Health and Well Being Board include a commitment '*To work together to ensure the best fit between available resources to meet the health and social care needs of the population of Barnet (including children), by both improving services for health and social care and helping people to move as close as possible to a state of complete physical, mental and social well-being. Specific resources to be overseen include money for social care being allocated through the NHS; dedicated public health budgets; and Section 75 partnership agreements between the NHS and the Council*.'

5.3.6 The responsibilities of the Adults and Safeguarding Committee are contained within the Council's Constitution - Section 15 Responsibility for Functions (Annex A). Specific responsibilities for those powers, duties and functions of

the Council in relation to Adults and Communities including the following specific functions:

- Promoting the best possible Adult Social Care services.

5.3.7 The Adults and Safeguarding Committee is responsible for the following:

- Working with partners on the Health and Well-being Board to ensure that social care interventions are effectively and seamlessly joined up with public health and healthcare, and promote the Health and Well-being Strategy and its associated sub strategies.
- Ensuring that the local authority's safeguarding responsibilities are taken into account.

5.4 Risk Management

5.4.1 Barnet Council / CCG projects are delivered following programme and project management methodologies and governance frameworks and arrangements that enable project and programme level risks to be identified, reported and managed by the Programme Management Offices and senior management teams of CCG and Adults & Communities Delivery Unit (A&CDU).

5.4.2 Specific risks relating to the delivery of work detailed in the business case are included, together with mitigating actions. These will be monitored regularly in accordance with the aforementioned governance process.

5.4.3 Barnet CCG and the Council will assess and implement the most appropriate contracting models and over-arching governance arrangements to enable the set up and delivery of pooled budgets and shared risk. This is required to be in place for April 2015 and it will be essential to ensure robust management of the BCF, especially as the size and scope of BCF and the pooled budgets increases, subject to necessary due diligence.

5.5 Equalities and Diversity

5.5.1 Equality and Diversity issues are a mandatory consideration in decision-making in the Council pursuant to the Equality Act 2010. This means the Council and all other organisations acting on its behalf must have due regard to the equality duties when exercising a public function. The broad purpose of this duty is to integrate considerations of equality and good relations into day to day business, requiring equality considerations to be reflected into the design of policies and the delivery of services and for these to be kept under review. Health partners as relevant public bodies must similarly discharge their duties under the Equality Act 2010 and consideration of equalities issues should therefore form part of their reports.

5.5.2 The specific duty set out in s149 of the Equality Act is to have due regard to need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

5.5.3 The relevant protected characteristics are – age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation.

5.5.4 As new services are developed resulting from the full business case, they will be subject to appropriate equality impact assessments and mitigation plans. A requirement of the BCF is to guarantee that no community is left behind or disadvantaged – the commissioning system therefore needs to be focused on reducing health inequalities and advancing equality in its drive to improve outcomes for service users and patients.

5.6 Consultation and Engagement

5.6.1 To develop the 5 Tier Model for integrated health and social care, the Council and CCG have engaged with residents, commissioning and provider partners and voluntary sector groups across three areas:

- To validate the outcomes, modelling and other elements of direction of travel described in the business case.
- To co-design and develop the detailed model and services that will deliver our target outcomes and vision for integrated care.
- To test a variety of ideas addressed in the case at forums such as the residents' consultation facilitated by 'HealthWatch' and the Older Peoples Partnership Board.

5.6.2 More details of the stakeholder consultation and engagement undertaken to date and planned for the future are set out in Council and Barnet CCG BCF Plan appended to this report, in Section 8 of the BCF plan. Specific consultation will take place with staff in line with Council and CCG/NHS HR policies as required, as implementation plans for the full business case are developed.

6. BACKGROUND PAPERS

6.1 None.