

	<b>Health and Well-Being Board 12 March 2015</b>
<b>Title</b>	<b>Development of the Better Care Fund Pooled Fund</b>
<b>Report of</b>	Adults and Health Commissioning Director CCG Director of Integrated Commissioning
<b>Wards</b>	All
<b>Date added to Forward Plan</b>	January 2015
<b>Status</b>	Public
<b>Enclosures</b>	Appendix 1 - NHS Barnet BCF Plan Wave 3 Approval Letter 15-02-06
<b>Officer Contact Details</b>	Karen Spooner, Rodney D'Costa <a href="mailto:karen.spooner@barnetccg.nhs.uk">karen.spooner@barnetccg.nhs.uk</a> / 0203 688 1836 <a href="mailto:rodney.dcosta@barnet.gov.uk">rodney.dcosta@barnet.gov.uk</a> / 0208 359 4304

<b>Summary</b>
<p>NHS England approved the Barnet Better Care Fund (BCF) Plan on 6 February 2015. From April 2015, the Department of Health requires London Borough of Barnet (LBB) and NHS Barnet Clinical Commissioning Group (CCG) to pool budgets allocated for the delivery of the schemes of work stated in the BCF Plan. This will also enable LBB, the CCG and the Health and Well-Being Board (HWBB) to realise the target benefits and outcomes identified.</p> <p>The amount agreed for the Barnet BCF Pooled fund for 2015/16 and detailed in the BCF Plan is £23.4m. It should be noted that this budget is not new or additional resources, but the reallocation of existing service budgets for services to a pooled fund structure.</p> <p>This report updates the HWBB on progress to establish the pooled fund and the detailed principles and arrangements agreed regarding its scope and operation.</p>

## **Recommendations**

- 1) That the Health and Well-Being Board notes the proposed approach to the BCF pooled fund for the delivery of services in the BCF Plan, prior to final approval by the Council's Policy & Resources Committee and NHS Barnet CCG Board, as noted at the HWBB Meeting on 29 January 2015.**

### **1. WHY THIS REPORT IS NEEDED**

- 1.1 This report updates the Health and Well-Being Board (HWBB) on progress to establish a pooled fund for services to deliver the vision for integrated care in Barnet, as described in the Final Barnet BCF Plan (presented to HWBB on 29 January 2015) and the Business Case for Integration (presented to HWBB on 18 September 2014).
- 1.2 From April 2015, for BCF the Department of Health requires London Borough of Barnet (LBB) and NHS Barnet Clinical Commissioning Group (CCG) to pool their budgets allocated for the delivery of the schemes of work in the Plan. This will enable LBB, the CCG and the HWBB to determine investment and work to realise the target benefits and outcomes identified.
- 1.3 NHS England approved the BCF Plan on 6 February 2015. They commented that it was "strong and robust" and they had "every confidence" Barnet HWBB would ensure its successful delivery because the Plan places Barnet in a "strong position to deliver the changes described". The full approval letter is attached as Appendix 1.
- 1.4 Local areas are only able, under the BCF regulations, to enter into a formal pooled fund for the BCF once their BCF plans are fully approved. LBB and the CCG are now in a position to formalise the detailed principles and operational and governance arrangements for the first year of the fund.

### **Scope**

- 1.5 The pooled fund for 2015/16 as described in the Plan is £23.4m (rounded). This is not new or additional resources, but the reallocation of existing service budgets for services to a pooled fund structure.
- 1.6 Table 1 overleaf breaks down this funding by contribution from LBB or the CCG and by type. £4.20m (rounded) of the £23.4m is allocated for protecting social care, one of the national conditions. Existing s256 spending plans for 2014/15 (£6.634m) as previously agreed by HWBB will continue in 2015/16.
- 1.7 As the BCF plan moves to full implementation, LBB and the CCG will also where appropriate align other budgets and report them alongside the core BCF fund, in order to review the impact of integrated care delivery against planned benefits (both financial and performance). This will include an agreed Public Health contribution to deliver Tier 1 and elements of Tier 2 of the 5 Tier Model plus other elements still to be determined.

**Table 1 – 2015 /16 BCF**

	<b>Source</b>	<b>Type</b>	<b>£000</b>
<b>1</b>	LBB	Adult Social Care Capital Grant	806
<b>2</b>	LBB	s256 Funding	6,634
<b>3</b>	BCCG	Carers Breaks	806
<b>4</b>	BCCG	Enablement	1,860
<b>5</b>	LBB	Disabled Facilities Grant (DFG)	1,066
<b>6</b>	BCCG	NHS Funding ( <i>Note - Includes £846K for Care Act Implementation</i> )	12,240
		<b>Total</b>	<b>23,412</b>

**Pay For Performance**

- 1.8 An important element of the pooled fund is the Pay for Performance (P4P) mechanism applied to reducing non-elective admissions (NEL) by our agreed BCF target of 1,205 patients by 31 March 2016. This equates to an estimated benefit/risk of £2.054m and is the amount of the fund at risk depending on our performance on this target.
- 1.9 This portion of the fund is reflected in line 6 (NHS Funding) in Table 1 above. The CCG will receive the full amount of the BCF P4P element (£2.054M) in April 2015, in the core CCG funding allocation from NHS England. However, this funding can only be released into the fund by the CCG if Barnet achieves its target reduction in NEL.
- 1.10 LBB and the CCG will need to monitor and report to NHSE on performance in achieving this target quarterly. If Barnet does not fully meet the target, the CCG may only release into the fund a directly proportionate amount of the P4P funding. It must use the rest of the funding in line with NHSE requirements, as detailed in the published BCF Technical Guidance or any other future guidance. It should be noted that this does not specify an alternative usage for this money.
- 1.11 This means the fund will need an appropriate amount of contingency funding that reflects the likelihood of this risk occurring and does not prevent either organisation from providing the services in the BCF plan. Quarterly reviews of performance will enable LBB and the CCG to determine the amount of P4P funding to be released and to revise contingency funds accordingly.
- 1.12 We are currently working to define the required amount and source of contingency funds required, as detailed below.

## **Approach**

- 1.13 Barnet will review and evaluate the operation of the fund during the course of 2015/16. This will enable us to consider increasing the scope where beneficial and to refine operational and governance arrangements further, based on the first year's lessons learned and evolving guidance from NHSE.
- 1.14 Officers have established a Task & Finish Group to develop the pooled fund arrangements. The Group includes senior officers from LBB and the CCG, including finance, supported by Legal advice.
- 1.15 The BCF pooled fund will be established through the addition of a new Service Schedule for the services covered by the fund to the existing section 75 agreement for health and social care integration. This will be added to the S75 agreement through a Deed of Variation.

## **Operational arrangements**

- a. The HWBB Finance Group will be the pooled fund Executive, with decisions being ratified by the full HWBB as required. The fund will consist of £23.4m of funding and LBB will host it for reporting and accounting purposes.
- b. The HWBB Finance Group will be responsible for monitoring progress in delivering the target benefits and outcomes in the BCF Plan and Business Case, with ongoing oversight and sign off of work and spend.
- c. The HSCI Steering Group will deliver the HSCI work programme and report progress to HWBB Finance Group and HSCI Board.
- d. In the first year (2015/16) there is no joint risk share. LBB and the CCG will bear their own risk as determined by their contribution to the fund.
- e. In the first year there is also no joint benefit share. LBB and the CCG will instead take their benefits attributed to them as described in the BCF Plan and Business Case. The first benefits taken will be agreed QIPP Plans for the CCG and Commissioning Plan targets for LBB.
- f. In the first year LBB and the CCG will be responsible for their own under or over spend against target benefits or outcomes. Both will consider any such event on a case by case basis and reach an equitable solution to rectify any issues that arise as a result.
- g. In the first year budgets in scope will be aligned but effectively pooled for the purposes of progressing the delivery of planned schemes of work and for performance monitoring and reporting. During the year we will look to align more funds to increase the integration and development and impact of services to meeting target benefits and outcomes.
- h. We will review performance in achieving the targeted reduction in NEL quarterly and revise P4P funding and contingency funds as a result. We will also agree immediate actions to rectify underperformance and reduce further risks to pooled funds or activities.
- i. S75 Agreements for other services, e.g. for Learning Disabilities will carry on in parallel in 2015/16 but we will aim to simplify their number to bring them under the S75 Agreement for Integrated Care. This will enable us to develop the integration of all health and social care services by considering integration between the CCG and LBB in the round.

- j. LBB and the CCG will review the status and performance of the fund every six months (first review September 2015) to determine if there is a case to change its scope or operations, e.g. contributions, risk and reward sharing for the following year, to be decided by the following March.
- k. In principle LBB and the CCG will monitor all budgets for integrated care from the Business Case for Integration across health and social care through the HWBB Finance Group, in order to track benefits realisation. It should be noted that more work is needed to identify precisely which budgets will be monitored in this way.

### **Current work**

- 1.16 Prior to the pooled fund coming into operation the following will be completed:
  - Confirm the scope of services to include in the Service Schedule for the S75 Agreement, taken from the schemes in the BCF Plan.
  - Finalise financial contingency arrangements.
- 1.17 In the first year of operation, officers will:
  - Implement a process for tracking benefits and carrying out internal and external reporting as required.
  - Continue to investigate longer-term options for sharing benefits.
  - Investigate options to vary the amount and/or the proportion of annual contributions based on policy direction and changes
- 1.18 We are therefore investigating the likely size of any contingency fund required for 2015/16 and in particular the first quarter until we have a clear view of our performance in achieving our target reduction in NEL, based on:
  - Our latest view of performance on NEL for 2014/15, to help understand the profile and level of risk and so contingency funds required.
  - Identifying s256 and other sources of funding for 2014/15 that could be carried over or moved into to the fund.
  - Forecasting committed spend for 2015/16 against uncommitted funds to date to determine if some of it could act as temporary contingency.
- 1.19 We will present the final draft pooled fund arrangements for 2015/16 to the Council Policy and Resources Committee and the CCG Board in March. To set up the pooled fund we will:
  - Develop the Service Schedule for the S75 Agreement and request legal advisors to execute the necessary Deed of Variation.
  - Work with Council Legal Advisors to extend the S75 Agreement beyond the current expiry date of August 2016 until we decide to end it or NHSE or the government change or stop BCF.
  - Start work to set up the necessary performance monitoring and progress, financial and operational reporting arrangements.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The BCF Plan underlines our ambitious plans for transforming and integrating health and social care in Barnet. It presents a clear, analytically driven case for transforming care that has been thoroughly quality assured.
- 2.2 BCF remains a key delivery vehicle for realising CCG QIPP plans and savings and Council Commissioning Plan priorities and savings. The Plan explains:
- How schemes contribute to achieving target benefits and outcomes and expected change in activity and financial benefit derived.
  - The work done/planned to maximise the chances of meeting these aims.
- 2.3 All key stakeholders in the Barnet health and social care economy have been consulted on the Plan and agree with it. It demonstrates how we will use s256, CCG and LBB adult social care funding to invest in new models of care.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 All areas are required to establish a BCF Plan with a pooled fund for the delivery of greater integration of health and social care services.

## **4. POST DECISION IMPLEMENTATION**

- 4.1 Work will continue to establish the pooled fund and benefits management arrangements to evidence successful delivery of target benefits and outcomes, as outlined earlier in this report.

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 The BCF Plan and Business Case align with the twin overarching aims of Barnet's Health and Well-Being Strategy 2012 to 2015 (published in October 2012), Keeping Well; and Keeping Independent. There are also clear links with the Barnet Council Corporate Plan, the Priorities and Spending Review, the outline aims of Council 5 year commissioning intentions for adult social care and Barnet CCG 2 and 5 year Strategic Plans. LBB and Barnet CCG will lead delivery of the plan through the Joint Commissioning Unit (JCU) and with Public Health and partner service providers.

### **5.2 Resources (Finance and Value for Money, Procurement, Staffing, Property IT, Sustainability)**

- 5.2.1 The BCF Plan and Business Case set out the overall investment required to implement the 5 Tier Model for integrated care and the links between it and published CCG QIPP schemes and Council commissioning plan proposals.
- 5.2.2 The BCF Plan details the financial contributions proposed from LBB and the CCG that will comprise the pool fund used to integrate health and social care services. Table 1 in paragraph 1.9 above details this funding for 2015/16.

### 5.3 Legal and Constitutional References

- 5.3.1 In 2015/16 BCF (the fund) will be allocated to local areas, placed into pooled funds under joint governance arrangements detailed in s75 Agreements for Integrated Care between CCGs and councils. Section 75 of the NHS Act 2006, provides for CCGs and local authorities to pool budgets.
- 5.3.2 A condition of accessing the fund is that CCGs and councils must jointly agree plans for investing the money, which must meet certain requirements. The fund will be routed through NHS England to protect the overall level of health spending and ensure alignment with wider NHS funding arrangements.
- 5.3.3 The Department of Health (DH) will use the Mandate for 2015/16 to instruct NHS England to ring-fence its contribution to BCF and ensure it is deployed in specified amounts locally for CCGs and councils to use in pooled budgets.
- 5.3.4 The DFG is included to incorporate the provision of adaptations into strategic considerations and planning of investment to improve outcomes for service users. DFG will be paid to upper-tier local 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 DFG funding to their respective housing authorities (district councils in two-tier areas) from the pooled budget so they can continue to meet their statutory duty to adapt the homes of disabled people, including for young people aged up to 17.
- 5.3.5 Special conditions will be added to the DFG Conditions of Grant Usage (under Section 31 of the Local Government Act 2003). They will stipulate that, where relevant, upper-tier local authorities or CCGs must ensure they cascade the DFG allocation to district council level in a timely manner so it can be spent in year. Further indicative minimum allocations for DFG will be provided for all upper-tier authorities, with further breakdowns for allocations at district council level as the holders of the fund may decide additional funding is appropriate to top up the minimum DFG funding levels.
- 5.3.6 DH and the Department for Communities and Local Government (DCLG) will also use Section 31 of the Local Government Act 2003 to ensure DoH 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.
- 5.3.7 Under the Council's Constitution (Responsibility for Functions Annex A) the Health and Well-Being Board has the following responsibility within its Terms of Reference:
- (3); *'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.'*
- (9); *Specific responsibility for:*
- *Overseeing public health*
  - *Developing further health and social care integration*

## **5.4 Risk Management**

- 5.4.1 The delivery of the schemes of work funded through the pooled fund will be delivered by LBB / CCG using recognised commissioning and programme and project management methodologies and governance arrangements.
- 5.4.2 This includes clear processes to identify and report on and manage individual and aggregated risks through LBB and CCG Programme Management Offices and senior management teams in the CCG and LBB Adults & Communities.
- 5.4.3 Specific risks relating to BCF are included in the BCF Plan and Business Case with detailed mitigating actions. These are monitored regularly in accordance with said governance arrangements and processes.

## **5.5 Equalities and Diversity**

- 5.5.1 It is mandatory to consider Equality and Diversity issues 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.
- 5.5.2 The broad purpose of this duty is to integrate considerations regarding 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.
- 5.5.3 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.
- 5.5.4 Relevant protected characteristics are – age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation.
- 5.5.5 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. Proposals are therefore assessed for their impact on equality and diversity in line with the Barnet CCG Equality Delivery System. 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 patients and service users.

## **5.6 Consultation and Engagement**

- 5.6.1 The approved BCF Plan details all public engagement with patients or service users as well as with providers to define the schemes of work to be managed through a pooled budget arrangement.



## **6. BACKGROUND PAPERS**

- 6.1 Part 1 of the Final Barnet BCF Plan approved by NHSE on 6 February 2015 was presented to the HWBB on [29 January 2015](#) prior to submission to NHS England on 9 January 2015. Part 2 of the Plan is available for inspection on request from the officers listed on the front page of this report.
- 6.2 BCF Guidance and Planning was provided in a letter dated 25 July 2014, [NHS England Publications Gateway Ref No. 01977](#).