Meeting	Health and Wellbeing Board
Date	20th March 2014
Subject	**Better Care Fund (formerly the Integration Transformation Fund)**
Report of	Barnet CCG Chief Officer / Adults and Communities Director
Summary of item and decision being sought	This report presents the draft final submission of the Better Care Fund (BCF) plan supported by the Ernst and Young (EY) work. Collectively they represent an ambitious statement for achieving a transformation in integrated health and social care in Barnet. The BCF covers the period 2014-15 and 2015-16 and moves us towards a single pooled budget to support health and social care services to work more closely together in local areas.

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Reason for Report	This report provides an update on the changes made to the BCF to inform final submission, incorporating and addressing the Barnet response to feedback received from NHS England and the Local Government Association on its 'first-cut' draft submitted on 14 February 2014. It is presented to the Health and Well-Being Board for comment and agreement. The Health and Well-Being Board are also requested to endorse the Outline Business Case supporting the Integration of Health and Social Care Services model (OBC) and endorse the approach to governance of the BCF set out in the report.
Partnership flexibility being exercised	None
Wards Affected	All
Status (public or exempt)	Public
Appendices	Appendix 1 – Better Care Fund Planning template Appendix 2 – Better Care Fund Finance Outcomes & Metrics Appendix 3 – Health and Social Care Integration Outline Business Case
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1. RECOMMENDATIONS

1.1 That the Health & Wellbeing Board (HWB) comment on and agree the final draft BCF plan.

1.2 That the HWB endorse the OBC as the jointly commissioned strategic case for change for integrated care and note the source data used for financial modelling in the BCF plan.

1.3 That any material changes made following the HWB meeting are signed off by the HWB Chair following prior endorsement of the BCF plan by the Chief Officer – Barnet CCG and Adults & Communities Director – Barnet Council, before submission of the draft Plan to NHS England by 4 April 2014.

1.4 That the Health and Wellbeing Board endorse that governance of the BCF is overseen by the HWB Finance Group, which represents a continuation of its current role in relation to Section 256 transfer monies.

2. RELEVANT PREVIOUS DISCUSSIONS AND WHERE HELD

2.1 The 'first cut' draft of the BCF was presented at the HWB Board on 23 January 2014 and was subsequently submitted to NHS England in accordance with the nationally mandated timescales on 14 February 2014.

2.2 In addition, the meetings of the HWB 19 September and 21 November 2013 discussed health and social care integration and the Integration Transformation Fund (which then became the BCF). Closely linked are discussions at the 21 November 2013 meeting (Agenda Item 10) regarding NHS England's "Call to Action" Programme, part of a national engagement exercise designed to build public awareness of the challenges facing health and social care in order to create a platform for future transformational change. The BCF represents part of the government's response to this challenge.

3. LINK AND IMPLICATIONS FOR STRATEGIC PARTNERSHIP-WIDE GOALS (SUSTAINABLE COMMUNITY STRATEGY; HEALTH AND WELL-BEING STRATEGY; COMMISSIONING STRATEGIES)

3.1 The BCF plan is a single pooled budget to support health and social care services to work more closely together in local areas. It is an important enabler to take the integration agenda forward at scale and pace, acting as a significant catalyst for change. The Plan therefore complements the work of the Health and Social Care Integration Board, as well as 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 and Barnet CCG 2 & 5 year Strategic Plan. Barnet Council and the CCG will play key roles in delivering the plan through the Joint Commissioning Unit (JCU) and Public Health.

4 NEEDS ASSESSMENT AND EQUALITIES IMPLICATIONS

4.1 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.

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

(a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
(b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
(c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

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

4.3 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 CCG's 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. RISK MANAGEMENT

5.1 Barnet Council / CCG projects are delivered within a project management and governance framework whereby individual and aggregate project risks are identified, reported and managed by Programme Management Offices and the senior management teams within the CCG and Adults & Communities Delivery Unit (A&CDU).

5.2 Specific risks relating to the BCF are outlined in the part 1 submission, along with mitigating actions. These will be monitored regularly in accordance with the aforementioned governance process.

5.3 At a more strategic level, next steps will include an assessment of the over-arching governance arrangements for the BCF in the context of a pooled budget and shared risk. This will essential to ensure robust management of the fund especially as the size and scope of the BCF and true pool will increases subject to necessary due diligence).

6. LEGAL POWERS AND IMPLICATIONS

6.1 In 2015/16 the BCF (the Fund) 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.

6.2 The Department of Health (DH) will use the 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.

6.3 Legislation is needed to ring-fence NHS contributions to the Fund at national and local levels, to give NHS England powers to assure local plans and performance, and to ensure that local authorities not party to the pooled budget can be paid from it, through additional conditions in Section 31 of the Local Government Act 2003. This will ensure that the Disabled Facilities Grant (DFG) can be included in the Fund

6.4 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.

6.5 Special conditions will be added to the DFG Conditions of Grant Usage (under Section 31 of the Local Government Act 2003) which 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 such that it can be spent within year. Further indicative minimum allocations for DFG have been provided for all upper-tier authorities, with further breakdowns for allocations at district council level as the holders of the Fund may decide that additional funding is appropriate to top up the minimum DFG funding levels.

6.6 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. DH, DCLG and the Treasury will work together in early 2014 to develop the terms and conditions of these grants.

7. USE OF RESOURCES IMPLICATIONS – FINANCE, STAFFING, IT ETC

7.1 The BCF Plan Part 2 document details the financial contributions from Barnet CCG / Council which comprise the single pooled budget that will be used to support health and social care working more closely together to deliver integrated outcomes for patients and service users. The Table below sets out the minimum allocations as advised by NHS England. 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 bought alongside this pooled budget, including an agreed public heath contribution to support delivery of the model.

Department of Health Better Care Fund 2015/16
NHS Barnet CCG

				14/15						15/16	15/16
	LA	LA	NHSE	All	LA	LA	CCG	CCG	CCG	All	NHSE / CCG
£000s	Disabled Facilities Grant (1)	Adult Social Care Capital Grant (1)	S256 / SR10 Transfer	Sub Total	Disabled Facilities Grant (2)	Adult Social Care Capital Grant (2)	Reablement	Carers Breaks	Additional funding	Total	Transfer to BCF
	Notified	*Estimated*	*Notified*		*Notified*	*Notified*	*Estimated*	*Estimated*	*Notified*		
England	180,000	129,059	1,100,000	1,409,059	40,000	4,582	300,000	130,000	1,930,000	3,813,641	3,460,000
Barnet	875	778	6,634	8,287	191	28	1,860	806	12,240	23,412	21,540
Barnet as %	0.49%	0.60%	0.60%	0.59%	0.48%	0.60%	0.62%	0.62%	0.63%	0.61%	0.62%

Notes:
1. Reablement / Carers Breaks estimated from PCT 11/12 target allocations.
2. CCG additional funding per NHS England Total Allocations 15/16.

8. COMMUNICATION AND ENGAGEMENT WITH USERS AND STAKEHOLDERS

8.1 The BCF Plan details the public engagement with patients and service users.

9. ENGAGEMENT AND INVOLVEMENT WITH PROVIDERS

9.1 The BCF Plan details the extensive engagement undertaken with service providers and our ongoing approach.

10. DETAILS

10.1 It should be noted that the BCF plan attached as Appendix 1 to this report represents a draft final version that needs to be submitted to NHS England by 4 April 2014. Any material changes to the draft following this HWB meeting will therefore need to be signed off by the HWB Chair following prior endorsement of the BCF plan by the Chief Officer – Barnet CCG and Adults & Communities Director – Barnet Council, before submission of the final plan to NHS England. Governance procedures for monitoring implementation of the final BCF plan will need to be considered and proposals will be brought to a future meeting of the HWB by officers.

10.2 The £3.8bn Better Care Fund (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. The BCF is a single pooled budget to support health and social care services to work more closely together in local areas. It encompasses a substantial level of funding to help local areas manage pressures and improve long term sustainability. The Fund will be an important enabler to take the integration agenda forward at scale and pace, acting as a significant catalyst for change. However there is widespread recognition that most of the BCF is not new or additional resources, but the reallocation of existing service provision budgets to a new pooled budget format. The BCF is intended to provide an opportunity to improve the lives of some of the most vulnerable people in our society, giving them control, placing them at the centre of their own care and support, and, in doing so, providing them with a better service and better quality of life. The Fund will support the aim of providing people with the right care, in the right place, at the right time, including through a significant expansion of care in community settings. This will build on the work already underway in Barnet. HWB are responsible for ongoing oversight of the plan.

10.3 As part of compiling the BCF plan Barnet CCG and Council commissioned Ernst & Young LLP (EY LLP) to support the development of a shared model for integrated care across Barnet. The key recommendations for the proposed integrated service model, which was developed jointly between Barnet Council / CCG through a design group which included representation from providers, partnership boards and other stakeholders, include a five-tier model for frail elderly and people living with long term conditions, with self-management applicable for all tiers and for all types of care and support. The five tiers can be summarised as: (i) self-management; (ii) health and wellbeing services; (iii) access services including primary care and social care assessment; (iv) community based intensive services; and (v) residential, nursing and acute services.

10.4 This work also provided a strategic case for change through a supporting outline business case (OBC). This provides financial modelling that informs the BCF pooled budgets and will inform priorities for investment. The OBC sets out a high level analysis of the activity shift required in order to enable local health and social care commissioners

to develop a more sustainable system for older people's care. This is included as Appendix 3 to this report.

10.5 Following sign off of the 'first–cut' BCF plan by local HWBs, there has been an assurance process facilitated by NHS England and the Local Government Association. To achieve final sign-off to plans via Government Ministers, and hence the release of performance related funds, local areas have been benchmarked and provided with individual feedback to facilitate improvement where needed.

10.6 Given the acknowledgement that a principal challenge for Barnet is managing the aspirations of the BCF against a backdrop of a financially challenged CCG and a local authority under the financial constraints applying to local government, our draft plan was subject to the increased scrutiny afforded to those areas with underlying financial challenge in their economy.

10.7 Benchmarking of our plan with other areas indicated that we were largely comparable and no significant, individual areas of concern were identified. Positive feedback reflected upon an integrated vision that incorporates the BEH strategy. The vision is strongly user focused with clear governance arrangements. There is good public and provider engagement and schemes are clearly described. The themes identified for improvement before final submission were indicative of the common areas applicable nationally.

10.8 Key Changes to BCF

This section outlines key changes to the BCF addresses feedback from the assurance process and builds in financial modelling derived from the OBC.

- Primarily, our plan required strengthening to increase confidence that it was affordable and deliverable, in keeping with many other areas. Further detail about the approach to modelling of activity and costs, and particularly the impact on acute providers has now been directly informed by the completed OBC and is outlined in the Financial Modelling and Fund Values section. This provides detail of the in-scope population and services and outlines proposed activity shifts equating to a reduction in acute and placement activity of 2% and 3% per annum for the five year period.

- A key requirement of the BCF is that CCGs and Councils engage from the outset with all providers, both NHS and social care, likely to be affected by the use of the fund. Our plan clearly sets out how this engagement has taken place in terms of development of the service model; and has now been further strengthened, using the OBC modelling, to include a clearer picture of the impact of the Fund on individual providers and existing models of service delivery. Additional work will be required to undertake an assessment of future capacity and workforce requirements across the system and to establish a plan of how we will work with providers to help manage the transition to new patterns of provision. The Health and Wellbeing Board are asked to recognise the service change consequences, in addition to the improved outcomes for the people of Barnet.

- The smaller areas of change relate to (i) data sharing using NHS number – the updated draft now incorporates a clearer roadmap that outlines how we will reach the goal of using the NHS number as the primary identifier; and (ii) metrics – these have been reviewed and we are awaiting guidance from system-wide pieces of support being developed nationally to assist.

10.9 As outlined in the Plan our next steps for delivery are to:

- Develop programme approach for the Health and Social Care Integration model including establishment of key working groups targeted to service areas e.g locality teams, self-management and 7 day working. Ensure adequate PMO support.
- Continue with implementation of early phase plans such as older people's integrated care, rapid care and Ageing Well.
- Agree a commissioning/ contracting approach to the model. To include cross-organisational working to draw from and share ownership and delivery e.g. Public Health lead for self-management
- Work with partners to co-design detailed operational delivery models including phasing of delivery and funding streams particularly focussed on investment priorities. To include mapping of future capacity and workforce requirements.
- Establish benefits tracking mechanism to effectively monitor delivery of metrics and outcomes.
- Establish a mechanism to capture user views to effectively feed in user perspective to inform progress and continued improvement.
- Develop a communications strategy
- On a North Central London CCG level continue with the value-based commission for outcomes work including establishment of Integrated Provider Units (IPUs).

10.10 As set out in the BCF plan, key next steps for officers are to:

- Agree and establish governance arrangements for BCF investments to include risk share and contingency plans.
- Establish aligned budgets and monitoring for the CCG and the Council in respect of the Health and Social Care model to influence delivery of the BCF and enable early monitoring of the anticipated activity shift set out in the BCF plan and OBC.
- Develop proposals and mechanisms for the broader pooled budget described in the BCF plan. Proposals for this will need to be developed in the first half of 2014-2015 in order that implementation can be agreed through Council and CCG budget setting timetables for 2015-2016.

10.11 It is proposed that governance of the Better Care Fund pooled budget is led and overseen by the Health and Well-Being Finance Group. This finance group consisting of senior commissioners across Health and Social Care will be responsible for agreeing any business cases arising from the Health and Social Care Integration Board or Joint Commissioning Unit in relation to the health and social care integrated model. Its membership and terms of reference need to be reviewed by the end of quarter 1 of 2014/15 to take account of: the Council's new governance structures which will be in place from June onwards; and the need for shared decision making and the involvement of CCG Board members in the governance of the Better Care Fund. Any changes will need to be agreed through the Health and Well-being Board at its first meeting in the municipal year 2014/15.

11.0 BACKGROUND PAPERS

11.1 Better Care Fund – Letter and Guidance, published 20 December 2013, GOV.UK

Legal – LC
CFO – AD