

<b>REPORT TO:</b>	<b>Adult Social Services Review Panel</b> <b>7 October 2014</b>
<b>AGENDA ITEM:</b>	<b>8</b>
<b>SUBJECT:</b>	<b>Croydon Better Care Fund Plan</b>
<b>SPONSOR:</b>	<b>Hannah Miller,</b> <b>Executive Director, Department of Adult Services,</b> <b>Health and Housing</b>

**CORPORATE PRIORITY/POLICY CONTEXT:**

*Croydon Council and Croydon Clinical Commissioning Group (Croydon CCG) have been required to develop a joint plan for the delivery of an integrated approach in transforming health and social care services to be delivered in the community (the BCF Plan) using pooled funds (the BCF) transferred from Croydon CCG's revenue allocation and the Council's capital allocation. This joint plan required approval by Croydon Health and Wellbeing Board on 11<sup>th</sup> September 2014 prior to submission to NHS England (NHSE).*

*The Croydon Better Care Fund Plan (final version) had been submitted 4<sup>th</sup> April 2014 (the April BCF submission), following approval by the Health and Wellbeing Board in February 2014. However, following a national review of Better Care Fund Plans Ministers decided that further assurance of all plans with respect to the reducing demand on acute services was required. To this effect, new templates for the Better Care Fund were issued on 25<sup>th</sup> July 2014 with a submission date of 19<sup>th</sup> September 2014.*

**FINANCIAL IMPACT:**

*The total BCF budget for 2015/16 is £23.388m.*

*Funding will be from both the NHS and Council as follows :-*

*£21.498m from the NHS, of which £6.423m will be from existing s256 NHS funds to support social care for the benefit of health, and £15.075m will be from the baseline 2015/16 budget*

*The £15.075m is not new funding and is fully committed in 2013/2014/14 15 in services for older people. Of this new funding £11.3m CCG service commitments have transferred into the Better Care Fund programme (2015/16) which means that there will be a circa £3.8m pressure on the CCG budget which will result in an equivalent increase in the CCG's deficit position from 2015/16 unless further initiatives are in place to further reduce non-elective admissions.*

*The Council will fund £1.110m from the Disabled Facilities Grant and £0.780m from the Community Capacity capital grant.*

*Since the April BCF submission a "pay for performance" condition has been re-introduced into the Better Care Fund. Fulfilment of this condition is set against the achievement of a minimum 3.5% reduction in emergency admissions into hospital and the £15.075m (Transfer of additional NHS funding) to be transferred from Croydon CCG into the BCF pooled budget. Failure to achieve the 3.5% target equates to a risk of £1.8m to the BCF budget.*

**For general release**

## **1. RECOMMENDATIONS**

This report recommends that the Adult Social Services Review Panel:

- 1.1 Note progress made in developing and the submission of the Croydon Council and Croydon CCG Better Care Fund Plan 2014-16.
- 1.2 Note BCF Programme Plan next steps.

## **2. EXECUTIVE SUMMARY**

- 2.1 The Better Care Fund (BCF) is a national initiative which introduces a pooled budget between NHS Clinical Commissioning Groups and Local Authorities to provide an opportunity to transform local services so that people are provided with better integrated care and support. The BCF aims to promote better integration between health and social care to provide a whole system approach to improving patient outcomes through investing in community based services and by doing so reduce demand on acute services. In order to achieve this BCF enables local authorities and CCGs to focus on both physical and mental health needs in their BCF plans.
- 2.2 Each local authority with adult social care responsibilities, with their partner CCG, were required to submit a draft of their Better Care Fund plan by the 14<sup>th</sup> February 2014 to the NHS England (NHSE) as required by the Department of Health (DH) under guidance issued on 20<sup>th</sup> December 2013. Following an assurance and feedback process undertaken by NHS England the final Croydon Better Care Fund Plan was submitted to NHS England on 4<sup>th</sup> April 2014.
- 2.3 Following a national review of Better Care Fund Plans the Minister for State decided that further assurance of all plans with respect to the reducing demand on acute services was required. New templates for the Better Care Fund requesting additional information were issued on 25<sup>th</sup> July 2014 with a submission date of 19<sup>th</sup> September 2014.
- 2.4 The revised Croydon Better Care Fund draft plan (the revised Croydon submission) at Appendix 1 to this report did not change in content or intent to that presented in draft to the Board on 12 February 2012 and submitted in final form following approval by the Executive Director of Adult Services Health and Housing, in consultation with the Health and Wellbeing Board Chair, on 4<sup>th</sup> April 2014 (Min.A5/14). The revised Croydon submission provided additional information as required by NHS England.
- 2.5 NHS England undertook an assurance process following submission of the Croydon Better Care Fund plan and a teleconference took place with the reviewing team (Arden Commissioning Support Unit) on 20<sup>th</sup> September 2014. It is expected that national feedback on Better Care Plans will be received by the end of October 2014 following presentation of findings by NHS England to Ministers for approval/sign off.

### 3. DETAIL

- 3.1 The BCF is defined in the joint LGA/NHS England Statement (Gateway Ref.No. 00314) as a “*a single pooled budget for health and social care services to work more closely together in local areas, based on a plan agreed between the NHS and local authorities*”.
- 3.2 Final BCF Plans were submitted nationally on the 4<sup>th</sup> April 2014 and feedback from NHS England on the Croydon April BCF submission was positive. However, nationally it was felt that further details was required in order to provide Ministers with assurance that plans were robust in the delivering a reduction in total emergency admissions through local health and care services working together to support people’s health and independence in the community (LGA/NHS England Revised Planning Guidance 25/7/14).
- 3.3 The key change introduced in the revised BCF template has been the increased focus on the reduction in non-elective hospital admissions which the Department of Health identifies as the biggest driver of cost on the NHS. As a consequence a “pay for performance” condition has been re-introduced for a proportion of Better Care Funding against this single metric.
- 3.4 The importance of the protection of social care has not been overlooked and the revised BCF plans are required to clarify the level of protection from the NHS additional contribution, and to specify the funding available for the introduction of the *Care Act (2014)*.
- 3.5 There is been no material change from Croydon’s April BCF submission. The revised Croydon BCF Plan will continue to support the aim of providing people with the right care, in the right place, at the right time, which includes the expansion of care into community settings. This fits with the strategic journey already started by health and social care in Croydon.

#### Summary – Croydon BCF Plan

- 3.6 The Croydon Better Care Fund Plan builds upon the established joint working in Croydon. The Strategic Transformation Board and Reablement and Discharge Board over the last 4 years have created a joint vision and key principles between Commissioners, Providers and patients and residents. The momentum created by the establishment of the Better Care Fund has meant the integration of these two Boards into the Transforming Care Board. The Board follows the following Five Principles:
  - Prevention is better than cure;
  - Let’s deal with this right now;
  - People don’t necessarily need to go to Hospital;
  - Not one more hour, access to care;
  - No quick returns [*to hospital*].
- 3.7 Based on these principles the Croydon BCF focuses on delivery of improved integrated community services that enable people to receive the care they

need at or close to home and in so doing reduce demand on acute health services and help maintain their independence and as a consequence reduce dependence on statutory services . These services include:

- Advanced practice based Multi-Disciplinary Teams (including social workers) based in the 6 Croydon G.P clusters;
- Community Based Locality Teams;
- Single Point of Assessment;
- Rapid Response Community Services;
- Intermediate Care Beds;
- Community Diabetes Services;
- Falls Services;
- Community Based COPD Services;
- Community Based Cardiology Services;
- Accessible Mental Health Service;
- Reablement;
- Mental Health Reablement;
- End-of-life care.

3.8 All of these service initiatives are supported through a range of other enabling services including assistive technology, carer support, and housing service, as well as additional social work support in working with the hospital to avoid admission to hospital through emergency care and facilitate timely and safe discharges.

3.9 Fuller description of services within the Croydon Better Care Fund Plan can be found in the Croydon BCF submission but is summarised in the diagram below:

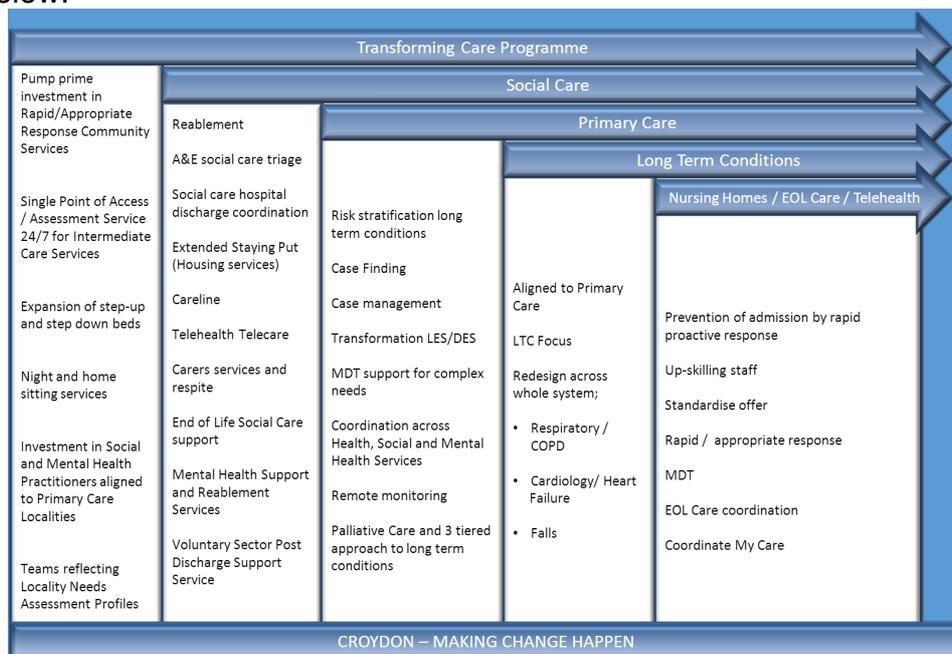


Figure 1 – Schematic Better Care Fund transformation programme in Croydon.

- 3.10 The overall programme has a clear implementation plan and is being monitored via the Transforming Care Board with joint membership across commissioners and providers including CCG, Local Authority, Acute and Community Providers, Mental Health, the Voluntary Sector and Local Medical Council.
- 3.11 The whole system management over the next 5 Years can best be described by Croydon's BCF Plan on a Page that shows the objectives, system interventions, governances, key outcomes and risks for the Local Authority, CCG, and the health and social care system as a whole:

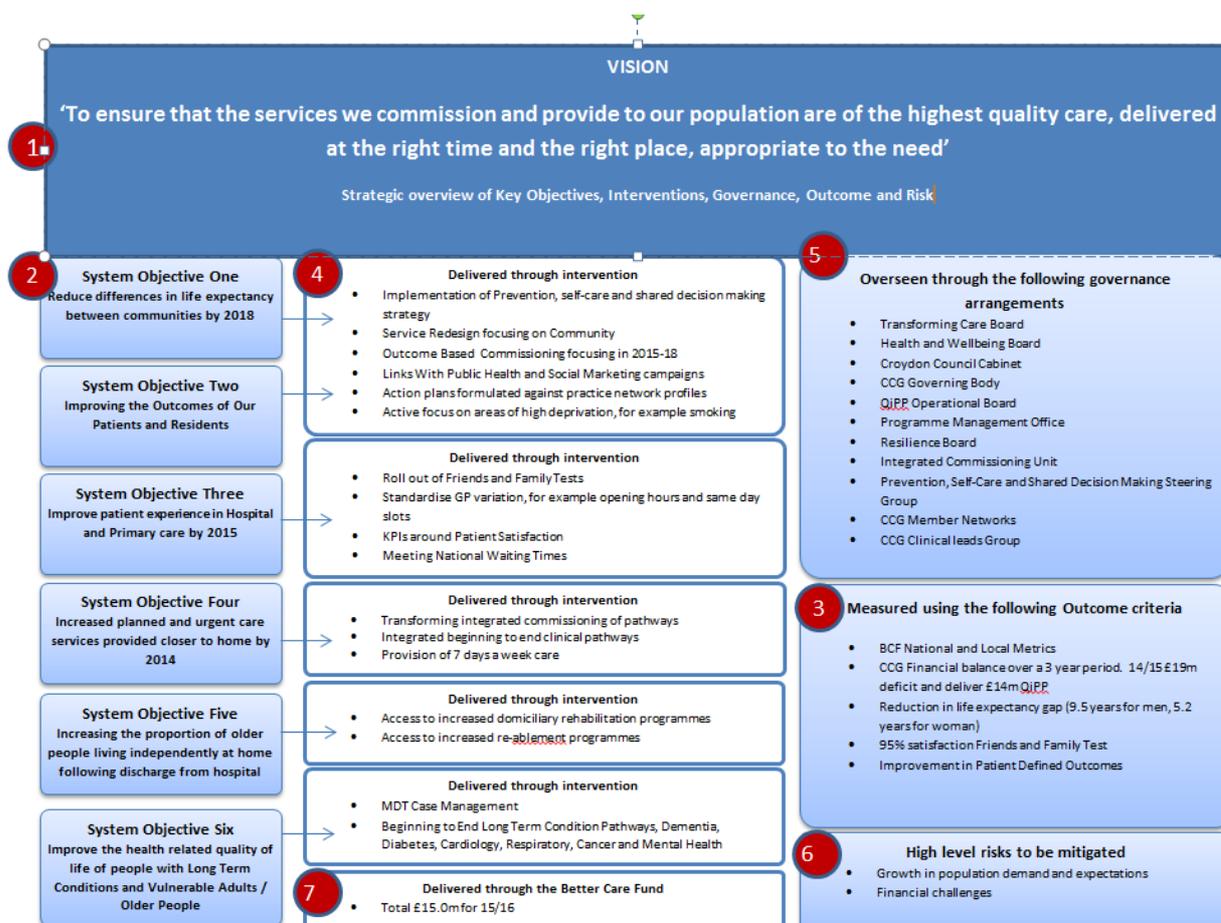


Figure 2 – Schematic showing the whole system management over the next 5 Years.

#### 4. BCF Funding Arrangements

- 4.1 It should be noted that the Better Care Fund is not a new funding stream from Government, but the pooling of existing Clinical Commissioning Group and local authority monies. The local BCF allocation is to be funded as follows:

<b>Current Funding Source</b>	<b>Current Lead Organisation</b>	<b>Allocation 2015/16 £m</b>
Disabled Facilities Grant	LBC	1.110
Adult Social Care Capital Grants	LBC	0.780
NHS transfer	LBC	6.423
Transfer of additional NHS funding – currently committed in CCG budgets (including historical funding for Carers and Reablement)	NHS	15.075
<b>Total</b>		<b>23.388</b>

4.2 The specific scheme allocation of the £23.388m BCF pooled budget is summarised in Appendix 1.

4.3 The NHS transfer of £6.423m in the table above relates to the 2014/15 national allocation from the Department of Health to social care (to deliver health outcomes).

### **Key Change to BCF Funding**

4.4 When the Better Care Fund was first launched 50% of the additional NHS funding element of the Better Care Fund (£15.075m CCG funding to be transferred into the pooled budget) was to be dependent on performance in working toward six national conditions for the fund and five nationally determined performance metrics and one locally chosen metric. This was withdrawn in February 2014 but following the assurance process for the April 2014 BCF Plan submissions, a “pay for performance” condition has been re-introduced set against a single metric:

- Reduction in non-elective admissions to hospital.

4.5 The national target for reduction for non-elective admissions through Better Care Fund has been set at a minimum 3.5%. The Better Care funding stream against which the “pay by performance” is to be set against is a proportion of the £15.075m to be transferred by Croydon CCG into the BCF pooled budget. As the Croydon metric target is proposed to be in line with the national target (3.5%) this equates to £1.8m (performance fund) that will be released to the Better Care Fund based on performance.

4.6 If the target reduction is achieved the whole of the £1.8m reward will be released into the BCF pooled budget.

4.7 If the target is not achieved only a portion of the locally agreed performance money (in Croydon’s case - £1.8m) will be automatically released to be spent on planned BCF priorities. The amount released will be linked to the level of performance achieved, so achievement of 70% of the target 3.5% reduction will secure 70% of the “performance fund” (£1.26m).

4.8 The remaining “performance fund” will remain with the CCG to meet any additional costs resulting from unplanned acute activity or spend on NHS

commissioned services in consultation with Croydon Council and the Health and Wellbeing Board..

## **Risk Sharing**

- 4.9 Croydon CCG and Croydon Council will be working with our integrated health provider to develop a risk sharing agreement in the event of the BCF target for reduction in non-elective admissions not being achieved.
- 4.10 Croydon CCG and Croydon Council have agreed that the principle underpinning the risk sharing agreement will be based on an “invest to save” policy, as opposed to holding a performance fund in contingency. It is recognised by both the CCG and the Local Authority that the Performance Funding of £1.8 million is a risk to all parties
- The CCG
  - The Local Authority
  - Croydon Healthcare Services as an integrated provider

## **The CCG**

- 4.11 The CCG hold the majority of the financial risk related to a potential over-performance of non-elective acute admissions but also the lack of performance on its potential investments into an integrated Trust and its Community Services. It is well recognised the achievement of 3.5% reduction of admissions with an underlying growth rate of 5.6% can only be achieved with robust programme management focusing on service delivery and monitoring of outcomes.

## **The Local Authority**

- 4.12 The local authority holds the potential risk of BCF schemes invested in to achieve the potential £1.8 million performance fund not achieving the stated target and thereby seeing a process of disinvestment in these schemes to cover the shortfall in the BCF pooled budget. This could have an impact on the local authority as it has services, demographic pressures and domiciliary care demand costs funded through the BCF.

## **Croydon Healthcare Services (CHS)**

- 4.13 CHS holds the risk of not being paid for over-performance on the calculation in the BCF (£1.4K *per* episode) but based on Pay-By-Results (PBR) rules including the effects of the NETA where some activity will only be paid for at 30% of Tariff. This also has the risk of potentially reducing capacity to meet projected activity reductions and then incurring the increased marginal costs of the potential non reduced activity. Lastly it has the risk as an integrated provider of any non-achievement of reduced admissions being linked to the non-achievement of the investments into its community services and, therefore, the potential disinvestment.

## **Risk Sharing Arrangement**

- 4.14 Therefore the CCG and the Council have set aside within the BCF £841K for further 'invest to save' schemes focusing on mitigating the risks mentioned above. This potential 'invest to save' fund has the potential to be expanded further once all current plans and demographic growth assumptions have been reviewed via the 'Implementation Working Group' that reports to the 'Transforming Care Board'. Ultimately the CCG, Local Authority will consider the potential to disinvest from BCF funded work streams and the reinvestment into services that have greater potential to help manage demand on acute services.
- 4.15 The next steps will be to develop the risk sharing agreement in readiness for the s.75 agreement. A schedule to achieve this is being developed.

### **Care Support Act - Implementation Funding – 2015/16**

- 4.16 From April 2015 there will be a universal requirement for local authorities to offer deferred payment agreements to care users who meet certain criteria. Although the Cap on care costs does not come into effect until April 2016, local authorities will face transitional costs in 2015/16. Since Croydon's April BCG submission the Local Government Association has clarified that £0.845m of the Croydon Better Care Fund should be allocated to Care Act implementation. These monies have been ring-fenced within the Croydon BCF funding allocation.

## **5 Next Steps**

- 5.1 Following submission of the Croydon BCF the following next steps are planned:
- Respond to any actions arising from BCF Assurance process;
  - Review of current BCF schemes in terms of delivery against "pay for performance" metric ( 3.5% reduction target for non-elective admissions);
  - Identify and develop additional proposals to support the reduction in non-elective admissions;
  - Finalise details of risk sharing agreement relating to pay for performance and report to Health and Wellbeing Board;

## **6. Final Comments**

- 6.1 Health and social care integration is a challenge and the Council and the CCG, with Croydon Health Services and our voluntary and community sector partners, have already made good progress on this journey. Our joint planning for the BCF has reaffirmed that integration and continued joint service development at a time of increasing financial pressure on both the CCG and Local Authority is an absolute necessity.
- 6.2 The CCG and Local Authority focused on developing a vision and plan with the diverse community of Croydon, to use our joint resources wisely to transform and provide safe, sustainable, effective, high quality, patient/client centred services. Our belief is that health and social care services should

empower people to understand and take responsibility for the management of their health, and the care and support they need to lead lives of independence within their home and community.

- 6.3 Over the next 5 years we will meet the health needs of the people of Croydon in very different ways, working toward less reliance on hospital care through improved primary and community care provision whilst continuing to develop our approach which focuses on prevention, self-care and shared decision making.
- 6.4 The ambition of the Croydon Better Care Fund Plan has been recognised through the NHS England BCF Assurance process and the challenge now rests with delivering that level of ambition for the residents of Croydon.

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## Appendix 1

### Croydon Better Care Fund Allocations 2015-16

<b>BCF Investment</b>	<b>2015/16 spend</b>	<b>2015/16 Allocations</b>
<b>BCF1: Transforming Adult Services (TACS)- Intermediate care beds,</b>	<i>256,000</i>	Intermediate Care Beds TACS = 256,000
<b>BCF2: TACS - Rapid Response, MDT's, Single Point of Assessment</b>	<i>2,400,000</i>	Rapid Response/MDTs/Single Point of Assessment = 2,400,000
<b>BCF3: TACS - MDT support services</b>	<i>102,000</i>	Medical cover TACS = 22,000 OP Services TACS = 80,000
<b>BCF4: TACS - Social Care Social Work Team</b>	<i>412,000</i>	Social Worker input TACS = 412,000
<b>BCF5: Social Work services to prevent unplanned admissions through A&amp;E and enable discharge</b>	<i>270,000</i>	Social Worker A&E triage = 135,000 Social Worker Discharge Coordinators = 135,000
<b>BCF6: Community health and social care services to prevent unplanned admissions to hospital.</b>	<i>1,563,000</i>	Community Diabetes = 1,000,000 Community cardiology = 500,000 Integrated stroke service = 63,000
<b>BCF7: Mental Health community based services and development</b>	<i>1,971,000</i>	Dementia Community services = 550,000 Residential based services = 1,221,000 Dementia Care Strategy = 200,000
<b>BCF8: MH Therapy Services to prevent admission and readmission and support hospital discharge.</b>	<i>1,312,000</i>	Mental Health Liaison Psychiatry = 991,000 Older Adults Psychiatry = 146,000 IAPT = 175,000
<b>BCF9: End of Life community support services</b>	<i>243,000</i>	End of Life Care Gold Standard Framework
<b>BCF10: End of Life community support services - respite</b>	<i>2,135,000</i>	Palliative Care = 1,714,000 Palliative Respite = 70,000 Palliative Care enhanced = 101,000 Improved End of Life social care = 250,000
<b>BCF11: Early Intervention and Reablement</b>	<i>1,254,000</i>	Reablement Service = 1,230,000 Falls & Bone Health = 24,000
<b>BCF Investment</b>	<b>2015/16 spend</b>	<b>2015/16 Allocations</b>

<b>BCF12: Social care community based services to prevent unplanned admission to hospital or care home</b>	<i>555,000</i>	Prevent return to acute or care home = 555,000 Extended Staying Put = 100,000
<b>BCF13: Support services to enable discharge</b>	<i>1,056,000</i>	MH Packages of Care = 400,000 Step down & convalescence = 400,000 Intermediate Care Beds = 256,000
<b>BCF14: Specialist input into Care homes/hostels to prevent unplanned attendance at A&amp;E and admission to acute</b>	<i>170,000</i>	Infection Control (Care Support Team) = 120,000 Alcohol Diversion = 50,000
<b>BCF15: Medicines optimisation - community settings.</b>	<i>93,000</i>	Increased Pharmacy capacity
<b>BCF16: COPD - community services to prevent unplanned admission</b>	<i>510,000</i>	COPD Community Service = 190,000 COPD Hot Clinic = 320,000
<b>BCF17: Carer Support</b>	<i>118,000</i>	
<b>BCF18: Primary Care services to prevent admissions to acute</b>	<i>1,150,000</i>	
<b>BCF19: Telehealth, telecare and additional specialist equipment to prevent admission and support discharge</b>	<i>80,000</i>	
<b>BCF20: Data sharing</b>	<i>85,000</i>	
<b>BCF21: Social Care Demographic pressures supporting acute services</b>	<i>2,023,000</i>	Demographic Pressures = 2,023,000
<b>BCF22: Costs to deliver required BCF performance targets and to support Care Act reform.</b>	<i>3,740,000</i>	<b>PRIORITY AREAS FOR INVESTMENT</b>
		Continuation of extensions to existing S256 schemes
		Care Act Implementation (£0.8m)
		Performance Fund (Invested up front to contributed to delivery of 3.5% reduction in emergency admissions (£1.8m)
		Social Care / Reablement Demographic Pressures
		Further investment to secure delivery of 3.5% reduction in emergency admissions
<b>Disabled Facilities Grant</b>	<i>1,110,000</i>	
<b>Adult Social Care Capital Grant</b>	<i>780,000</i>	
<b>TOTAL APPLICATION OF BETTER CARE FUND</b>	<i>23,388,000</i>	