

REPORT TO:	HEALTH AND WELLBEING BOARD (CROYDON) 12 th February 2014
AGENDA ITEM:	5 – URGENT BUSINESS
SUBJECT:	Better Care Fund (formerly Integrated Transformation Fun (ITF)) – Draft Submission to NHS England
BOARD SPONSOR:	Hannah Miller, Executive Director, Department of Adult Services, Health and Housing, Croydon Council.

CORPORATE PRIORITY/POLICY CONTEXT:

The 2013 Spending Round announced a fund of £3.8bn nationally to ensure closer integration of health and social care services from 2015/16. This was initially referred to as the Integration Transformation Fund (ITF) but has been renamed the Better Care Fund (BCF).

*Croydon Council and Croydon Clinical Commissioning Group (Croydon CCG) are 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. Croydon Council and Croydon CCG are required to develop a draft joint plan for approval by Croydon Health and Wellbeing Board prior to submission to NHS England (NHSE) on **14th February 2014**. The final version of Croydon's Plan will need to be completed for submission by **4th April 2014**.*

FINANCIAL IMPACT:

The requirements for the Better Care Fund (BCF) present a challenge to both health and social care at a time of severe financial constraint. This risk will need to be jointly assessed by health and social care and risk strategies built into planning required for financial years 2014/15 and 2015/16.

There are significant financial implications and risks for Croydon CCG resulting from the introduction of the Better Care Fund.

The CCG will be required to contribute £21.5m to the Fund, of which £6.4m will be from existing s256 NHS funds to support social care for the benefit of health, and £15.1m from the CCG baseline in 2015/16. The £15.1m is not new funding and is fully committed in 2013/14 in services for older people. The degree to which transferred commitments are less than £15.1m will result in an equivalent increase in the CCG's deficit position from 2015/16.

In addition the council also will receive £1.110m for the Disabled Facilities Grant and £0.780m from the Community Capacity capital grant. Both of these funding streams have been part of local authority funding sources for a number of years and have existing commitments.

Reasons for urgency: The special circumstances for non-compliance with Access to Information Procedure Rule 5.01/Section 100B(4) of the Local Government Act 1972 (items not to be considered unless open to inspection at least 5 days before the meeting) are that the national deadline is the 14th February 2014 and that this is such a significant piece of legislative change that joint work is needed to meet the requirements of NHS England.

1. RECOMMENDATIONS

This report recommends that the Health and Wellbeing Board:

- 1.1 Approve Croydon Council and Croydon CCG draft Croydon Better Care Fund Plan 2014-16 at Appendix A in readiness for submission to NHS England by 14th February 2014. Please note that appendices 1 and 2 of the Submission will be presented at the Board Meeting on 12th February 2014.
- 1.2 Agree that the Executive Director of Adult Services Health and Housing, in consultation with the Chair of the Health and Wellbeing Board, be delegated authority to approve the final Croydon Better Care Fund Plan 2014-16 for submission to NHS England by 4th April 2014.

2. EXECUTIVE SUMMARY

- 2.1 At its meeting on 4th December 2013 the Health and Wellbeing Board received a background report (for information) on the Integration Transformation Fund, now known as the Better Care Fund, in November 2013.

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. It was previously referred to as the Integration Transformation Fund, and re-named the Better Care Fund in December 2013. The BCF aims to supported 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 The BCF will be an important enabler to take the integration agenda forward at scale and pace, acting as a significant catalyst for change. It provides an opportunity to improve the lives of some of the most vulnerable people in our population, 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. It encompasses a substantial level of funding to help local areas manage pressures and improve long term sustainability. However, as the funding is mainly a transfer of revenue from the Clinical Commissioning Group's (CCG's) allocation, and existing capital from the Council's allocation, into the pooled budget, the Better Care Fund could be viewed as not being new money but a new way of agreeing and stimulating service transformation between health and social care. This will require careful planning and a period of transition to enable a managed process of change.
- 2.3 The BCF will support the aim of providing people with the right care, in the right place, at the right time, and with the right outcome, including through a significant expansion of care in community settings, instead of in hospital or care homes. The drive behind the BCF is focused on adults, in particular older people.

- 2.4 Each local authority with adult social care responsibilities with their partner CCG are required to submit a draft of their Better Care Fund plan by 14 February 2014 to the NHS England (NHSE) as required by the Department of Health (DH) under guidance issued on 20th December 2013. The draft Croydon BCF plan is at Appendix A to this report.
- 2.5 Following submission of draft plans NHSE will undertake an assurance process. It is likely that following feedback to Croydon Council and CCG from the NHSE assurance review of the draft plan, further work will be required to refine Croydon's Better Care Fund Plan ready for its final submission by 4th April 2014. Due to the timing of the Health and Wellbeing Board meeting scheduled for March 2014 it is recommended that the Executive Director of Adult Services Health and Housing, in consultation with the Chair of the Health and Wellbeing Board, be given delegated authority to approve the final Croydon Better Care Fund Plan 2014-16 for submission to NHS England by 4th April 2014.

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 The BCF does not come into full effect until 2015/16, but an additional £200m will be transferred to local authorities from the NHS in 2014/15 (in addition to the £900m already planned) and it is expected that Clinical Commissioning Groups (CCGs) and local authorities will use this year to transform in readiness for 2015/16. Consequently a draft two year local BCF Plan for the period 2014-16 has been prepared with Croydon CCG for approval by the Health and Well Being Board in readiness for submission as a draft to NHS England (NHSE) by February 14th 2014 for its assurance process in March and submission of the final Croydon BCF Plan by 4th April 2014.
- 3.3 In 2014/15 there are no new requirements for pooling of budgets. The requirements for the NHSE allocation of £6.423m to Croydon Council remain consistent with arrangements for funding transfer in 2013/14.
- 3.4 The Croydon BCF Plan will 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 and reflect the principles of the joint Reablement and Hospital Discharge Board (see Report to Health and Well-Being Board – 11th September 2013), and CCG operational plan .

BCF Funding Arrangements

The local BCF allocation is to be funded as follows:

Current Funding Source	Current Lead Organisation	Allocation 2015/16 £m
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
Total		23.388

- 3.5 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). This is an increased amount from 2013/14, which was £5.015m and both of these sums are managed through the joint Reablement and Hospital Discharge Programme.
- 3.6 Half of the allocation of the £15.075m BCF will be dependent on performance in working toward six national conditions for the fund (25%), and five nationally determined performance metrics and one locally chosen metric (25%).
- 3.7 The six national conditions required by BCF (as per LGA/NHS England joint statement - August 2013, planning guidance “ Developing Plans for Better Care issued on 20th December 2013) are:
- BCF plans are jointly agreed: – and should be signed off by the Health and Wellbeing Board and by Croydon Council and CCG.
 - Protection for Social Care Services
 - 7 day services in health and social care to support patients being discharged and prevent unnecessary admissions at weekends.
 - Better data sharing between health and social care.
 - Ensure a joint approach to assessments and care planning and ensure that where funding is used for integrated packages of care, there will be an accountable professional.
 - Agreement on the consequential impact of the changes in the acute sector.

3.8 The following national metrics will be applied in the pay for performance element of the BCF. The payment made by NHS England to Croydon Council in April 2015 will be based on performance in 2014/15:

- Reduction of avoidable emergency admissions to hospital
- Reduction of delayed transfer of care from hospital
- Demonstration of the effectiveness of re-ablement
- Reduction in permanent admissions to residential and nursing homes
- Increase patient and service-user experience

Croydon Council and Croydon CCG will also choose one local metric that will also be included in the pay for performance element of the BCF payment.

3.9 It has been clarified by NHSE that should the planned level of achievement not be reached, money will not be clawed back in 2015/16. Instead, a previously agreed contingency plan will be put into operation if the performance is above 70% of the level of the levels of ambition set out in the plan. If performance falls below 70%, a recovery plan may be required. This will be developed with the support of a peer review process involving colleagues from NHS and local government organisations in neighbouring areas. The peer review process will be coordinated by NHS England, with the support of the LGA.

4 Care Support Bill - Implementation Funding

4.1 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. Whilst the government will provide £285m revenue grant to local authorities (£110m to cover costs of deferred payments and £175m to cover capacity building and early assessments required for transition to capped cost model), there is concern that the reality will not be affordable. This will need to be considered in the planning required for 2015/16. The Department of Health is also providing a further £50m nationally of capital funding aimed at ICT developments for the Care Bill. The indicative Croydon allocation based on the current formula for these funds is £1.664m. It should be noted that government is currently working through options for the allocations for this support.

5 CONSULTATION

5.1 Both Croydon Council and Croydon Clinical Commissioning Group, are committed to ensuring that regular communication and engagement with our population, the wider health and social care community and our local stakeholders to maintain public trust and confidence in services for which we are responsible. The Better Care Fund proposal draws on strategies that have been subject to consultation and engagement with stakeholder groups.

- 5.2 Service user and patient participation groups at G.P network level and wider public forums will help to ensure we continually capture views and suggestions about services and service development. These will be used to refine and develop the joint BCF Plan throughout 2014/15 and 2015/16.

6. SERVICE INTEGRATION

- 6.1 The drive behind the Integration Transformation Fund is deliver “fuller integration between health and social care for the benefit of the individual” (LGA/NHS England Joint Statement – August 2013).
- 6.2 Croydon Council, Croydon CCG, and Croydon Health Services have a history of close partnership working demonstrated through co-working in various transformation strategies and programmes, Winter Planning, and the Urgent and Emergency Care Strategy.

7. NEXT STEPS

To reach agreement on the Better Care Fund for Croydon by April 2014, the following steps will be completed:

- Negotiation of the level of existing CCG commitments that the fund will support, and therefore the available resources for new investment in 2015/16;
- Finalise the specific targets against each metric for Croydon patients;
- Quantification of the financial benefit to the NHS (CCG) of achieving the stated metrics e.g. reduced admissions to acute hospital setting;
- Quantify how social care will be protected under BCF and how BCF will contribute to meeting stated metrics and social care efficiencies;
- Proposed service investment to secure delivery of the agreed metrics;

8. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

8.1 Revenue and Capital consequences of report recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast	
	2013/14	2014/15	2015/16
Revenue Budget available	5.015	6.423	22.608
Expenditure			
Income			
Effect of decision from report	0	0	0
Expenditure			
Income			
Remaining budget	5.015	6.423	22.608
Capital Budget available	0	0	0.780
Expenditure			
Effect of decision from report	0	0	0
Expenditure			
Remaining budget	0	0	23.388

8.2 The Department of Health will contribute £21.5m to the Croydon Better Care Fund from 2015/16. This will be made up of £6.423 from existing s256 Reablement Funds and £15.075m that has been removed from the CCG baseline budget. This total sum will be made available to the Council via a joint agreed s256 agreement and our understanding is that funds will come from NHS England. The balance is derived from existing grants made direct payable to Croydon Council totalling £1.89m.

8.3 The effect of the decision

8.3.1 Health and Wellbeing Board approval of Croydon draft Better Care Plan is a requirement for submission to NHS England on 14th February 2014. This will be the first step to ensure access to NHS investment in social care for health outcomes monies in 2014/15 and Better Care Funding in 2015/16.

8.4 Risks

8.4.1 CCG's will need to identify funding to be invested in the BCF. Decisions about how this will need to be made at a time of severe financial constraint and may have implications for health budgets. It is acknowledged nationally that this requirement of BCF is unlikely to be achieved without service transformation and the impact on service providers within health and social care will need to be assessed.

8.4.2 There is a risk that BCF funding may need to be redeployed within the BCF if pay by performance targets or progress on BCF national conditions are not reached. As 50% of the £15.075m additional transfer from the CCG is subject to this condition (split 25% - national conditions and 25% BCF metrics) this is a substantial risk. In order to mitigate this risk Croydon Council and the CCG will need to prepare contingency plans in advance of 2015/16 to meet such an eventuality should it arise. The guidance provided by NHSE has been detailed in paragraph 3.12 of this Report.

8.5 Issues

8.5.1 Whilst the CCG funds can transfer to Croydon Council, via NHS England with agreed commitments an important national condition of the Fund is to protect social care services and financial commitments.

8.5.2 In 2014/15 the Section 256 funds to the Council will increase from £5.015m to £6.423m. This increase in investment will need to impact on outcomes and reduce hospital admissions of Croydon's older population.

8.5.3 The CCG will be required to contribute a further £15.1m (3%) to the Better Care Fund in 2015/16. This contribution will need to be identified from its annual baseline funding. National guidance directs that this should be found from monies currently invested in acute services.

8.5.4 As the CCG already has a 5-year QIPP financial recovery plan of £65.9m BCF will act as an enabler to this programme but will not increase the opportunity for savings. The CCG with its partners (local authority and primary care) has already embarked on a programme of investment that fits within the purpose of the BCF to reduce demand for emergency care in acute hospitals.

8.5.5 The council is projecting a 104m budget gap over the period 2015/18, this reflects the further reduction in government grant anticipated and also service demands from the changing demographics of the borough. The BCF provides an opportunity to invest in integrated social care and health outcomes that may help to reduce those demands.

8.6 Future savings/efficiencies

Any savings or efficiencies will be identified following joint health and local authority planning for 2014/15 and 2015/16 (introduction of BCF).

(Approved by: Paul Heynes, Head of Finance – DASHH, Chief Executives Department on behalf of the Director of Finance)

9. LEGAL CONSIDERATIONS

9.1 The Council Solicitor comments that there are no direct legal implications arising from this report.

(Approved by: Gabriel MacGregor, Head of Corporate Law on behalf of the Council Solicitor & Monitoring Officer)

10. HUMAN RESOURCES IMPACT

- 10.1 There are no immediate H.R issues that arise from this report for London Borough of Croydon staff.

(Approved by: Michael Pichamuthu. Strategic HRBP on behalf of Heather Daley, Interim Director of Workforce)

11. EQUALITIES IMPACT

- 11.1 Better Care Fund is not new funding and there are existing commitments that will need to be continued under BCF. The Reablement and Hospital Discharge Programme workstreams which will be included in the Better Care Fund have already been approved by Health and Wellbeing Board.
- 11.2 Any new initiatives that are commissioned through BCF will be subject to an Equalities impact assessment where it has been assessed as being required.
- 11.3 Description of population groups to be covered by Better Care Funding is included in first section of the draft Better Care Fund draft submission submitted to Board.

12. ENVIRONMENTAL IMPACT

- 12.1 There is no environmental impact to be considered from this report.

13. CRIME AND DISORDER REDUCTION IMPACT

- 13.1 There are no crime and disorder impacts to be considered from this report.

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BACKGROUND DOCUMENTS: None