

<b>REPORT TO:</b>	<b>HEALTH AND WELLBEING BOARD (CROYDON)</b> <b>11<sup>th</sup> September 2014</b>
<b>AGENDA ITEM:</b>	<b>4 – URGENT BUSINESS</b>
<b>SUBJECT:</b>	<b>Better Care Fund – Draft Submission to NHS England V3</b>
<b>BOARD SPONSOR:</b>	<b>Hannah Miller, Executive Director, Department of Adult Services, Health and Housing, Croydon Council.</b>

**CORPORATE PRIORITY/POLICY CONTEXT:**

*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. This joint plan requires 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) was submitted 4<sup>th</sup> April 2014 (the April BCF submission), following approval by the Health and Wellbeing Board. 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 £15.1m is not new funding and is fully committed in 2013/2014/15 in services for older people. The degree to which £11.3m transferred CCG service commitments included in the Better Care Fund programme (2015/16) which means that there will be a £3.8m pressure on the CCG budget are less than £15.1m 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.*

**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 BCF Executive will be approving the papers on 8 September and the national deadline for final submission date for the Croydon BCF Plan is 19th September 2014. As this is such a significant piece of legislative change, joint work is needed to meet the requirements of NHS England.

## **1. RECOMMENDATIONS**

This report recommends that the Health and Wellbeing Board:

- 1.1 Note progress made in completing the revised templates for the Croydon Council and Croydon CCG Better Care Fund Plan 2014-16 (draft) at Appendix 2 in readiness for submission to NHS England by 19<sup>th</sup> September 2014.
- 1.2 Agree that for the reasons detailed in para. 7 the Executive Director of Adult Services Health and Housing, and the CCG Chief Operating Officer 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 19th September 2014.

## **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 20th 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 A to this report has not changed 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 Chair, on 4<sup>th</sup> April 2014 (Min.A5/14). The revised Croydon submission provides additional information as required by NHS England.

2.5 NHS England will undertake an assurance process following submission of the Better Care Fund plans. It is expected that feedback on Better Care Plans will be received from the 17<sup>th</sup> 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.

### **BCF Funding Arrangements**

3.6 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>

- 3.7 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).
- 3.8 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 one metric:
- Reduction in non-elective admissions to hospital.
- 3.9 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.
- 3.10 If the target reduction is achieved the whole of the £1.8m reward will be released into the BCF pooled budget.
- 3.11 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).
- 3.12 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..

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

- 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. Since Croydon's April BCG submission NHS England has clarified that £1.152m of the Croydon Better Care Fund should be allocated to Care Act implementation. It is therefore important that these funds are separately earmarked within the BCF to cover these costs.

#### **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 Better Care Fund 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). Section 195 of the Health and Social Care Act 2012 requires that a Health and Wellbeing Board must encourage persons who arrange for the provision of any health or social care services in that area to work in an integrated manner and must, in particular, provide such advice, assistance or other support as it thinks appropriate for the purpose of encouraging the making of arrangements under section 75 of the National Health Service Act 2006 in connection with the provision of such services. One of the arrangements under section 75 is a "pooled budget".
- 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

7.1 For the revised Croydon submission to be ready by 19<sup>th</sup> September 2014, the following steps will need to be completed:

- Review and finalise Better Care Fund allocations
- Finalise details of the risk sharing agreement relating to “pay for performance”;
- Review submission in light of any further comment or feedback;
- Finalise commentary On the Croydon Better Care Fund plan with key health provider organisations in Croydon;
- Submit final BCF template on 19<sup>th</sup> September 2014.

7.2 As the Board members will not have had five days’ notice of the content of this paper, Board Members are asked to submit any contributions and comments they may have about the submission in writing before 18 September to **Andrew Maskell** (Strategic Projects Manager – Department of Adult Services, Health and Housing: e-mail contact details can be found at the end of this report) to help inform the final submission. This being the case delegated authority is sought for the Executive Director of Adult Services Health and Housing, and the CCG Chief Operating Officer in consultation with the Chair of the Health and Wellbeing Board, to approve the final Croydon Better Care Fund Plan 2014-16 for submission to NHS England by 19th September 2014

## 8. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

8.1 Revenue and Capital consequences of report recommendations

	<b>Medium Term Financial Strategy – 2 year forecast</b>	
	<b>2014/15</b>	<b>2015/16</b>
	<i>£’000</i>	<i>£’000</i>
<b>Revenue Budget available</b>	6,423	22,608
Expenditure	6,423	22,608
Income		
<b>Effect of decision from report</b>	0	0
Expenditure		
Income		
<b>Remaining budget</b>	<b>0</b>	<b>0</b>
<b>Capital Budget available</b>	0	0.780
Expenditure		
<b>Effect of decision from report</b>	0	00780
Expenditure		
<b>Remaining budget</b>	<b>0</b>	<b>0</b>

- 8.2 The total BCF for 2015/16 is £23.388m.
- 8.3 The NHS funding is £21.498m, 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
- 8.4 The £15.075m is not new funding and is currently fully committed by the CCG in 2014/15 to services for older people.
- 8.5 Of this £15.075m budget, £11.3m of CCG service commitments are being transferred and included in the Better Care Fund programme (2015/16) which means that there will be a £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 put in place by the CCG to further reduce non-elective admissions or realign other budgets.
- 8.6 In addition to the above the council will fund £1.110m from 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.
- 8.7 The list of Better Care Funding commitments (approved April 2014) can be found in Appendix 1.
- 8.8 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.
- 8.9 In 2015/16 the Croydon Better Care Fund will be pooled through a joint agreed s75 agreement. It is our understanding that the s75 agreement will be between Croydon CCG and Croydon Council.

### **The effect of the decision**

- 8.10 Health and Wellbeing Board approval of the Croydon draft Better Care Plan is a requirement for submission to NHS England on 19<sup>th</sup> September 2014. This is required to ensure access to NHS investment in social care for health outcomes monies in 2014/15 and Better Care Funding in 2015/16.

### **Risks**

- 8.11 The requirements for the Better Care Fund (BCF) present a challenge to both health and social care at a time of severe financial constraint and continuing demographic growth. This risk will need to be jointly assessed by health and social care and risk strategies built into future financial planning to manage the demand and impact.
- 8.12 Within the £15.075m NHS budget, £11.3m of CCG service commitments are being transferred and included in the Better Care Fund programme (2015/16) which means that there will be a £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 put in place by the CCG to further reduce non-elective admissions or realign other budgets.

- 8.13 There is also a risk that there will be a reduction in Better Care funding available to Croydon Council and Croydon CCG if the “pay for performance” target for non-elective admissions (3.5%) is not met. As referenced earlier in this report this risk equates to a maximum £1.8m if admissions to Croydon University Hospital do not reduce at all. It has been agreed between Croydon CCG and Croydon Council that rather than identify a contingency fund within the BCF funding allocations plan to be held back in case of underperformance, it would be appropriate to adopt an “invest to save” approach targeted on schemes or initiatives that will contribute to the delivery of the 3.5% reduction in non-elective admissions . This risk will need to be regularly reviewed and expenditure will need to be managed according to the level of funding available.
- 8.14 There is a financial risk to Croydon University Hospital if there is an increase in non-elective activity under the current payment system. Non- elective tariff activity over a set threshold only attracts a 30% tariff and therefore the trust is not able to recover its costs in full.
- 8.15 There is a continued risk to Croydon Council that if the Better Care Fund does not deliver its outcomes as planned that demand on care budgets will continue to increase.
- 8.16 Performance against the metric will be monitored regularly by the Croydon Better Care Fund Executive Group (CCG and Council) and agreement has been reached between the CCG and the Council that in the event of underperformance action will be taken to re-direct Better Care Fund monies as per the BCF “pay for performance” guidelines. This risk sharing agreement will form part of the s.75 agreement drawn for the BCF pooled budget arrangement.
- 8.17 The Better Care Fund will be monitored on a regular basis by the Better Care Fund Executive Group in order to ensure that spends against each investment funded remains within budget and manage any risk of potential overspend. Workstream leads will be expected to report by exception any issues relating to budget to enable timely decision making to take place.

#### **Future savings/efficiencies**

- 8.18 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 Lisa Taylor, Head of Finance and Deputy S151 Officer and Mike Sexton – Chief Finance Officer NHS Croydon CCG**

## **9 LEGAL CONSIDERATIONS**

- 9.1 The Council Solicitor comments that there are no specific 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 Whilst partnership working has been ongoing for a while, this recommendation further integrates the two organisations involved. Whilst there are no immediate HR considerations that arise, this may change as closer ties are formed and HR advice should be sought at that juncture

**(Approved by: Michael Pichamuthu - Strategic HRBP on behalf of Heather Daley, 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

## Appendix 1

### Croydon Better Care Fund Allocations 2015-16

	2015/16 spend	2015/16 Allocations
<b>BCF Investment</b>		
<b>BCF1: Transforming Adult Services (TACS)- Intermediate care beds,</b>	256,000	Intermediate Care Beds TACS = 256,000
<b>BCF2: TACS - Rapid Response, MDT's, Single Point of Assessment</b>	2,400,000	Rapid Response/MDTs/Single Point of Assessment = 2,400,000
<b>BCF3: TACS - MDT support services</b>	102,000	Medical cover TACS = 22,000 OP Services TACS = 80,000
<b>BCF4: TACS - Social Care Social Work Team</b>	412,000	Social Worker input TACS = 412,000
<b>BCF5: Social Work services to prevent unplanned admissions through A&amp;E and enable discharge</b>	270,000	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>	1,563,000	Community Diabetes = 1,000,000 Community cardiology = 500,000 Integrated stroke service = 63,000
<b>BCF7: Mental Health community based services and development</b>	1,971,000	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>	1,312,000	Mental Health Liaison Psychiatry = 991,000 Older Adults Psychiatry = 146,000 IAPT = 175,000
<b>BCF9: End of Life community support services</b>	243,000	End of Life Care Gold Standard Framework
<b>BCF10: End of Life community support services - respite</b>	2,135,000	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>	1,254,000	Reablement Service = 1,230,000 Falls & Bone Health = 24,000

BCF Investment	2015/16 spend	2015/16 Allocations						
<b>BCF12: Social care community based services to prevent unplanned admission to hospital or care home</b>	555,000	Prevent return to acute or care home = 555,000 Extended Staying Put = 100,000						
<b>BCF13: Support services to enable discharge</b>	1,056,000	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>	170,000	Infection Control (Care Support Team) = 120,000 Alcohol Diversion = 50,000						
<b>BCF15: Medicines optimisation - community settings.</b>	93,000	Increased Pharmacy capacity						
<b>BCF16: COPD - community services to prevent unplanned admission</b>	510,000	COPD Community Service = 190,000 COPD Hot Clinic = 320,000						
<b>BCF17: Carer Support</b>	118,000							
<b>BCF18: Primary Care services to prevent admissions to acute</b>	1,150,000							
<b>BCF19: Telehealth, telecare and additional specialist equipment to prevent admission and support discharge</b>	80,000							
<b>BCF20: Data sharing</b>	85,000							
<b>BCF21: Social Care Demographic pressures supporting acute services</b>	2,023,000	Demographic Pressures = 2,023,000						
<b>BCF22: Costs to deliver required BCF performance targets and to support Care Act reform.</b>	3,740,000	<table border="1"> <thead> <tr> <th><b>PRIORITY AREAS FOR INVESTMENT</b></th> </tr> </thead> <tbody> <tr> <td>Continuation of extensions to existing S256 schemes</td> </tr> <tr> <td>Care Act Implementation (£0.8m)</td> </tr> <tr> <td>Performance Fund (Invested up front to contributed to delivery of 3.5% reduction in emergency admissions (£1.8m)</td> </tr> <tr> <td>Social Care / Reablement Demographic Pressures</td> </tr> <tr> <td>Further investment to secure delivery of 3.5% reduction in emergency admissions</td> </tr> </tbody> </table>	<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
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<b>Disabled Facilities Grant</b>	1,110,000							
<b>Adult Social Care Capital Grant</b>	780,000							
<b>TOTAL APPLICATION OF BETTER CARE FUND</b>	<b>23,388,000</b>							