

**EXECUTIVE BOARD COMMISSIONING SUB-COMMITTEE**

**15 October 2014**

<b>Subject:</b>	<b>Better Care Fund Re-Submission</b>		
<b>Corporate Director(s)/ Director(s):</b>	Alison Michalska Corporate Director Children & Adults		
<b>Portfolio Holder(s):</b>	<b>Cllr Norris</b>		
<b>Report author and contact details:</b>	Antony Dixon, Strategic Commissioning Manager – 0115 8763491 <a href="mailto:antony.dixon@nottinghamcity.gov.uk">antony.dixon@nottinghamcity.gov.uk</a>		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Subject to call-in</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b>	<input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital	
Significant impact on communities living or working in two or more wards in the City	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<b>Total value of the decision: £ 11.125m</b>			
<b>Wards affected: All</b>	<b>Date of consultation with Portfolio Holder(s): 1 October 2015</b>		
<b>Relevant Council Plan Strategic Priority:</b>			
Cutting unemployment by a quarter			<input type="checkbox"/>
Cut crime and anti-social behaviour			<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input type="checkbox"/>
Help keep your energy bills down			<input type="checkbox"/>
Good access to public transport			<input type="checkbox"/>
Nottingham has a good mix of housing			<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input type="checkbox"/>
Support early intervention activities			<input checked="" type="checkbox"/>
Deliver effective, value for money services to our citizens			<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
This report provides Executive Board Commissioning Sub-Committee with detail of the revised Better Care Fund Plan which was originally approved by Executive Board Commissioning Sub-Committee on 12 March 2014. Revisions to the original plan were required as a result of changes in national guidance by NHS England which are summarised in this report.			
<b>Exempt information:</b>			
None			
<b>Recommendation(s):</b>			
<b>1</b> To approve the revised Better Care Fund plan for 2014/15 and 2015/16 as detailed in appendices 1 and 2 as required by the NHS England Regional Team.			
<b>2</b> To approve the risk sharing arrangements for the performance related element of the Better Care Fund as detailed in paragraph 1.1			
<b>3</b> To approve the arrangements for apportionment of over-commitment of the Better Care Fund plan as detailed in paragraph 1.2			
<b>4</b> To delegate authority to the Director of Early Intervention to agree any realignment of the 2014/15 and 2015/16 BCF Plan as a consequence of the issues referred to in paragraphs 1.2, 1.3 and 4.3.			
<b>5</b> To approve the allocation of Better Care Fund funding for council schemes in 2015/16 as detailed in Appendix C.			

## **1 REASONS FOR RECOMMENDATIONS**

- 1.1 In 2014/15, in addition to the £900m (£5.81m for Nottingham City) transfer already planned from the NHS to Adult Social Care (ASC), a further £200m (£1.292m for Nottingham City) will transfer to enable localities to prepare for the BCF in 2015/16. For 2014/15 there are no additional conditions attached to the £900m transfer already announced, but NHS England will only pay out the additional £200m to Councils that have jointly agreed and signed off two-year plans for the Better Care Fund (BCF).
- 1.2 Council and Health commissioners have proposed a 50/50 split of the risk should the performance related element of the BCF Plan not be delivered. This totals £1.556m annually which will be paid proportionately on a quarterly basis dependent on the extent to which the 3.5% reduction in non-elective emergency admissions to acute care is delivered. BCF planning guidance requires risk sharing arrangements for the performance related element to be detailed within the Plan.
- 1.3 The BCF Plan is currently over-committed by £2.548m against a total plan value of £25.845m as per Table 1. Mitigation of this issue will be through a review by Nottingham City Council and the Clinical Commissioning Group (CCG) of the programme or the contribution of further funding. The allocation of the over-commitment is £1.832m to the CCG and £0.716m to Nottingham City Council.
- 1.4 Changes to schemes within the BCF Plan may be required in order to deliver performance objectives
- 1.5 The report presented to Executive Board Commissioning Sub-Committee on 12 March 2014 contained approval of allocation of funds for 2014/15 only

## **2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 Over the past four years, funding from the Department of Health (DoH) has been passed, via local NHS commissioners (previously the Primary Care Trust, now, following NHS Reform, a combination of the CCG and NHS England Area Team). Funding streams have included: Additional support funding for social care; Improving and sustaining performance on access (primarily to hospital services); and Re-ablement support. Each funding stream has specific guidance regarding the use of the funding, which has informed the development of local agreements between the NHS and LA. These agreements are termed "Section 256" Agreements as they are made under the terms of Section 256 of the National Health Service Act 2006.
- 2.2 Following NHS Reform, a proportion of the funding for 2013/14 is covered by a Section 256 Agreement between the CCG and LA. In the June 2013 spending round covering 2015/16, a national £3.8 billion "Integration Transformation Fund" was announced. This fund, established by the DoH, is to be held by LA's and will include funding previously transferred by local NHS commissioners to the Council under Section 256 Agreements and a further £1.9 billion nationally NHS Contribution.
- 2.3 Guidance on developing plans for the BCF (formerly the Integration Transformation Fund) was published by both NHS England and the Department of Communities

and Local Government on 20th December 2013. Local allocations for the first full year of the fund in 2015/16 were also issued on this date.

2.4 A sub group made up of CCG and LA members who met on a weekly basis to agree principles ensuring a consistent and transparent approach to the allocation of the BCF. Following NHS Reform, a proportion of the funding for 2013/14 is covered by a Section 256 Agreement between the Clinical Commissioning Group (CCG) and Council. In the June 2013 spending round covering 2015/16 a national £3.8 billion “Integration Transformation Fund” was announced. This fund, established by the Department of Health, is to be held by local authorities and will include funding previously transferred by local NHS commissioners to the Council under Section 256 Agreements and a further £1.9 billion nationally NHS Contribution.

2.5 Guidance on developing plans for the BCF (formerly the Integration Transformation Fund) was published by both NHS England and the Department of Communities and Local Government on 20th December 2013. Local allocations for the first full year of the fund in 2015/16 were also issued on this date.

**2.6 Nottingham City’s approach to implementing the Better Care Fund Principles**

A sub group made up of CCG and LA members met on a weekly basis to agree principles that will ensure a consistent and transparent approach to the allocation of the better care funds. It was agreed that the overarching principles of the BCF should:

- Support the priorities in the Joint Health and Wellbeing Strategy as well as align with the CCG Plan, NHS England operational plan and others;
- Acknowledge the extent of integrated commissioning and service delivery already in place, and where applicable use the Fund to formalise what is already in place;
- Acknowledge that the Fund does not represent “new” money flowing into the local health and social care system;
- Utilise the Integrated Programme Board for operational systems and processes to ensure engagement and consistent feed through.
- Utilise The Health and Wellbeing Commissioning Executive Group to strategically oversee performance and outcomes of the fund.
- Work towards achieving the national metrics to: reduce non-elective admissions, improve delayed transfers of care, reduce emergency admissions, and remain at home 90 days after re-ablement

**2.7 National Conditions**

The Spending Round established six national conditions for access to the Fund set out in the table below:

<b>National Condition</b>	<b>Definition</b>
Plans to be jointly agreed	The Better Care Fund Plan, covering a minimum of the pooled fund specified in the Spending Round, and potentially extending to the totality of the health and care spend in the Health and Wellbeing Board area, should be signed off by the Health and Well Being Board itself, and by the constituent Councils and Clinical Commissioning Groups.

Protection for social care services (not spending)	Local areas must include an explanation of how local adult social care services will be protected within their plans.
As part of agreed local plans, 7-day services in health and social care to support patients being discharged and prevent unnecessary admissions at weekends	Local areas are asked to confirm how their plans will provide 7-day services to support patients being discharged and prevent unnecessary admissions at weekends.
Better data sharing between health and social care, based on the NHS number	Local areas should confirm that they are using the NHS Number as the primary identifier for health and care services, and if they are not, when they plan to.
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	Local areas should identify which proportion of their population will be receiving case management and a lead accountable professional, and which proportions will be receiving self-management help - following the principles of person-centred care planning. Dementia services will be a particularly important priority for better integrated health and social care services, supported by accountable professionals.

2.8 The requirements for the use of the BCF transferred from the NHS to local authorities in 2014/15 remain consistent with the guidance from the Department of Health (DH) to NHS England on 19 December 2012 on the funding transfer from NHS to social care in 2013/14. In line with the following conditions:

- “The funding must be used to support adult social care services in each local authority, which also has a health benefit. However, beyond this broad condition we want to provide flexibility for local areas to determine how this investment in social care services is best used.
- A condition of the transfer is that the LA agrees with its local health partners how the funding is best used within social care, and the outcomes expected from this investment. H&WBB will be the natural place for discussions between NHS England, CCG groups and councils on how the funding should be spent, as part of their wider discussions on the use of their total health and care resources.
- In line with our responsibilities under the Health and Social Care Act, an additional condition of the transfer is that councils and clinical commissioning groups have regard to the Joint Strategic Needs Assessment for their local population, and existing commissioning plans for both health and social care, in how the funding is used.
- A further condition of the transfer is that LA’s councils and CCG groups demonstrate how the funding transfer will make a positive difference to social care services, and outcomes for service users, compared to service plans in the absence of the funding transfer”

2.9 The BCF Plan was approved by the H&WBB on 25 February 2014 and was subsequently approved by Executive Board Commissioning Sub-committee (EBCSC) on 12 March 2014.

- 2.10 Following assurance of plans NHS England announced that all plans would need to be resubmitted. Revised planning and technical guidance for resubmission were published in July 2014. The key substantive changes are as follows:
- Total emergency admissions replaces the original metric of avoidable emergency admissions
  - Of the £1.9bn additional NHS contribution to the BCF, £1bn will remain within the BCF but will now be either commissioned by the NHS on out-of-hospital services or be linked to a reduction in total emergency admissions (as in Nottingham).
  - The intention of this policy change is to ensure that the risk of failure for the NHS in reducing emergency admissions is mitigated, and CCGs are effectively compensated for unplanned non elective activity. This replaces the 'pay for performance' fund linked to the production of a plan and delivery against national and local metrics. No payment will now be linked to these metrics, although Health and Wellbeing Boards will be expected to continue to set levels of ambition for these within their plans.
  - All plans will be expected to clarify the level of protection of social care from the £1.9bn NHS additional contribution to the BCF, including that at least £135m has been identified for implementation of the Care Act
  - Every Health and Wellbeing Board is asked to sign off and resubmit their Better Care Fund Plan by 19 September. Up to and after this date there will be a support and assurance process so that the Chief Executive of NHS England (as the accounting officer of the BCF) and Ministers can be confident that the plans are affordable and deliverable in 2015/16.

2.11 The BCF Plan was submitted to NHS England on 19 September in accordance with guidance requirements.

2.12 The Plan has subsequently been reviewed by a team appointed by NHS England. The feedback from the review was very positive and the plan has been rated as 'high'. In the guidance this is described as a: 'high quality, coherent, comprehensive and credible plan, it is well written and there are no issues with the financial or metric elements'. The NHS England Area Team will now determine whether to accept the Plan as is or whether further conditions or support is required.

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

3.1 In developing the Nottingham Better Care Fund commissioners had regard to the national guidance and expectations issued by NHS England and the agreed outcomes contained within the Nottingham Health and Well-being Strategy and the Integrated Care Programme. These criteria were used to inform how the additive elements of the Fund should be allocated recognising that the Fund is predominantly comprised of existing allocated funding. As such, alternative options for use of the fund were not considered.

### **4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)**

4.1 As detailed in paragraph 2.7, the original BCF plan was approved by the Health and Wellbeing Board on 25 February 2014 and subsequently at Executive Board Commissioning Sub-Committee on 12 March 2014.

- 4.2 Due to the requirement to submit updated BCF plans to NHS England based on further clarification and guidance, Table 2 below summarises the allocation of funding for 2014/15 and 2015/16 as detailed in Appendices A and B. This includes the current over-commitment values for 2015/16 referred to in paragraph 1.3.

<b>TABLE 2 - REVISED NOTTINGHAM CITY BCF ALLOCATION</b>					
		<b>2014/15</b>		<b>2015/16</b>	
		<b>Revenue £m</b>	<b>Capital £m</b>	<b>Revenue £m</b>	<b>Capital £m</b>
1	Existing Agreed Value of Transfer from Health to Social Care	5.812		5.812	
2	Additional Transfer from Health to Social Care	1.293		1.293	
3	Carers' Break Funding Allocation	0.819		0.819	
4	Reablement Funding Allocation	1.891		1.891	
5	Additional Allocation of Health Funding			11.606	
6	Disabled Facilities Grant and Social Care Capital Grant		1.863		1.876
	<b>Sub-Total</b>	<b>9.815</b>	<b>1.863</b>	<b>21.421*</b>	<b>1.876**</b>
7	<b>TOTAL FUND</b>	<b>11.678</b>		<b>23.297</b>	
8	<b>PLAN VALUES</b>	<b>11.678***</b>		<b>25.845***</b>	
9	<b>OVER COMMITMENT</b>	<b>0</b>		<b>2.548</b>	
<b>Over-Commitment Mitigation</b>					
10	NHS Nottingham City CCG Reablement Provision			(1.489)	
11	City Council Care Act Requirements and use of associated funding.			(0.373)	
12	<b>Balance of Over-Commitment</b>			<b>0.686</b>	

\* £21.421m is the minimum required value of the BCF pooled budget in 2015/16.

\*\* £1.876m represents Disabled Facilities Grant and Social Care Capital Grant allocations that the council receives direct from the DoH. This funding has been included in the BCF pooled budget.

\*\*\* Figures align to the total agreed value of the pooled budget as per Appendix A (BCF planning template – Part 1)

- 4.2 The current level of over-commitment of the BCF plan for 2015/16 is £2.548m as per line 9 in Table 2 above; mitigating actions reduces this to £0.686m as per line 12 in Table 2 above.

- 4.3 Recommendation 3 proposes that the balance of the current over-commitment of £0.686m is apportioned on a 50/50 basis.

4.4 Table 3 below shows the total value to be mitigated by Nottingham City Council totalling £0.716m.

<b>TABLE 3 - BCF OVER-COMMITMENT</b>		
	<b>City Council</b>	<b>NHS Nottingham City CCG</b>
	<b>(£'m)</b>	<b>(£'m)</b>
Reablement Provision		1.489
Care Act Requirements	0.373	
Balance of Over-Commitment	0.343	0.343
<b>Sub-Total</b>	<b>0.716</b>	<b>1.832</b>
<b>TOTAL</b>	<b>2.548</b>	

This amount is as per line 11 and a 50/50 split of line 12 in Table 2 above and as referred to in paragraph 4.3. The funding of this balance will need to be identified from efficiencies from within the council's current allocation of BCF funding as set out in Appendix C before 1 April 2015.

4.5 Paragraph 1.2 refers to an additional risk associated with £1.556m of the BCF being allocated based on performance. Any shortfall in payment will be split on a 50/50 basis between the CCG and Nottingham City Council. The actual level of the payment for the performance element is dependent upon the achievement of the 3.5% reduction in non-elective emergency admissions to acute care. Paragraph 4.3 proposes a 50/50 risk sharing arrangement that would result in a maximum financial risk to the council of £0.778m should the target reduction not be met. This risk will be incorporated into the council's 2015/16 budget setting process and included within the corporate financial risk register

4.6 The revised BCF plan does not change any of the approvals for funding and spend in 2014/15 agreed at Executive Board Commissioning Sub-Committee on 12 March 2014.

4.7 Appendix 3 details the proposed allocation of £11.125m BCF funding for council schemes in 2015/16 as per recommendation 4. Disabled Facilities Grant and Social Care Capital Grant funding is paid direct to the council and will be subject to the appropriate approval process.

4.8 Within the BCF plan, funding of £2.470m has been allocated for 7 day working initiatives across both health and social care. Further work will be undertaken to develop these schemes and quantify the respective partner allocations. This report seeks authority for the Director of Early Intervention to approve any variation to the BCF allocation in 2015/16.

## **5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)**

### **5.1 Performance Related Pay**

As detailed in revised national guidance the performance related element of the BCF will now be based on performance against a target of a 3.5% reduction in total emergency admissions (as suggested in the National Guidance). This funding will be released from the CCG into the pooled budget on a quarterly basis, depending on performance. These payments start in May 2015 based on Quarter 4 performance in 2014/15. The remaining proportion of the £1bn will be released to

the CCG upfront in Quarter 1 in 2015/16. Funding linked to total emergency admissions will be based on the total figure for the whole Health and Wellbeing Board area, not just to the portion resulting from BCF schemes. The performance related element will be based on the proportionate delivery against target on a quarterly basis

- 5.2 Concerted efforts are being made across the local health and social care economy in a number of ways to ensure that these reductions are achieved. For instance, senior leaders meet on a weekly basis through the System Resilience Group to escalate and resolve issues. In addition an Urgent Care Programme Director has recently been appointed on behalf of the City and County CCGs to lead on this agenda.
- 5.3 To ensure that the performance expectations are delivered a performance dashboard will be created and monitored via the Health and Wellbeing Commissioning Executive Group (HWBCEG). A joint Programme Director post has been appointed and will have the responsibility for ensuring the necessary performance and outcomes are delivering against the agreed metrics, with the HWBCEG providing oversight and guidance, feeding into the Health and Wellbeing Board through quarterly reports. Joint service specifications with clear performance expectations will also be developed for all BCF funded service areas.
- 5.4 Legal Services will assist the commissioning team as required to finalise the necessary agreement(s) for the transfer of Health funds to the Council. To mitigate the risk of the performance related payments being withheld the Council must ensure that appropriate provisions are included in its commissioning contracts.

## **6 SOCIAL VALUE CONSIDERATIONS**

- 6.1 Consideration will be given to how new BCF funded provision could improve the economic social and environmental well-being in Nottingham. By virtue of the integrated nature of services being developed, social improvements are expected to be delivered, particularly for those receiving services. Supporting local communities to better care for their residents is a cornerstone of the Integrated Adult Care Programme. It is anticipated that a proportion of efficiencies generated from closer integration will in future be made available to pump prime an expansion of community provision

## **7 REGARD TO THE NHS CONSTITUTION**

- 7.1 Not applicable

## **8 EQUALITY IMPACT ASSESSMENT (EIA)**

- 8.1 The equality impact has been assessed, and an EIA is attached at appendix 3. Due regard has been given to the equality implications identified in the attached EIA.

## **9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

- 9.1 None



## **10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

10.1 None

## **11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

11.1 Jo Williams – Integrated Adult Care Programme Manager, Nottingham Clinical Commissioning Group

11.2 Maria Principe – Director Primary Care & Service Integration, Nottingham Clinical Commissioning Group

11.3 Andrew James – Team Leader, Legal, Nottingham City Council

11.4 Darren Revill – Finance Analyst, Nottingham City Council