

Healthier Communities Select Committee			
Title	Better Care Fund Update		
Contributor	Executive Director for Community Services	Item	5
Class	Part 1 (open)	03 September 2014	

## 1. Purpose of report

- 1.1 This report provides background information on the Better Care Fund (BCF) and updates Members on the current position and activity being undertaken.

## 2. Recommendation

- 2.1 Members of the Healthier Communities Select Committee are asked to note the information provided in this report.

## 3. Background

- 3.1 Members of the Healthier Communities Select Committee received a short briefing on 16 July 2014 which gave an introduction to the BCF and the current position in Lewisham. At that time further information was still awaited from NHS England and the Local Government Association (LGA) which would direct the next stages of the programme.

## 4. Better Care Fund Introduction

- 4.1 The Better Care Fund was announced as part of the 2013 Spending Round. The document stated that 'the Government will introduce a £3.8 billion pooled budget for health and social care services, shared between the NHS and local authorities, to deliver better outcomes and greater efficiencies through more integrated services for older and disabled people'.
- 4.2 The Government also announced an extra £200m to be transferred from health to social care in 2014/15. The associated guidance stated that Councils should use the additional £200m to prepare for the implementation of pooled budgets in April 2015 and to make early progress against the national conditions and the performance measures set out in the locally agreed plan.
- 4.3 The Spending Round announced that in 2015/16 the £3.8m Fund would be created from £1.9bn of existing funding for 2014/15 that was allocated across the health and wider care system. The breakdown of this funding was:
- £130m Carers' Break funding
  - £300m CCG reablement funding
  - £354m capital funding (including £220m Disabled Facilities Grant)
  - £1.1bn existing transfer from health to adult social care.

- 4.4 The remaining £1.9bn of the £3.8bn for 15/16 was to be dependent on performance and local areas were required to set and monitor achievement of national and locally agreed outcomes during 2014/15 as a baseline for 2015/16. Plans were required to set out five national metrics and one local indicator showing performance and improvement targets, including ones relating to avoidable emergency admissions and delayed transfers of care from acute settings.

## **5. First draft BCF submission**

- 5.1 To access the fund Lewisham was required to submit a “good first draft” of its plan by 14 February 2014. A review of all BCF plans was carried out by a team consisting of representation from NHS England’s local area teams, the integrated care team, and with local authority input provided by the London Social Care Partnership and London Councils. The outcomes of this review were then fed into the overarching assurance process conducted by local area teams to align BCF and operating plans.
- 5.2 The feedback from the local area team on Lewisham’s draft plan on 26 February 2014 and further feedback given on 3 March was that it evidenced Lewisham’s good governance arrangements for the integration of health and care and the team acknowledged the strategy that was in place for integration. However the feedback also identified the need for the plan to contain more concrete milestones and better descriptions of the specific activity to achieve the national outcomes.
- 5.3 On 12 March, NHS England issued a further update of the BCF technical guidance and issued a revised Part 2 template. It stated that access to the Better Care Fund was dependent on the submission of a two year plan which outlined how Lewisham would use the fund to support integration and meet the national conditions.

## **6. April submission**

- 6.1 The final draft of Lewisham’s BCF plan was submitted on 4 April 2014. NHS England stated that the subsequent BCF plans had been subject to an assurance process led by Area Teams together with Local Government regional peers. NHS England said that while the assurance process demonstrated some improvement on the draft plans submitted in February, it also showed that further work was required on many local plans, particularly around the metrics and finance data, and on the extent of provider engagement in the planning process. In light of this, Ministers confirmed that no BCF plans would be formally signed off in April and that further time should be taken for CCGs and Councils, working with Health and Wellbeing Boards to refine their plans during June and that further guidance would follow.
- 6.2 The additional guidance was due to be issued by the end of the first week of June, along with clarification on next steps and timetable, with the data required by 27 June; this additional guidance and information was delayed until the last week of July and with additional guidance coming out in the first week of August.

## **7. Updated guidance – July/August**

- 7.1 The July/August guidance provided details of the process for revising and resubmitting BCF plans and set a new submission deadline of 19 September 2014.

- 7.2 At the same time it was announced that a national programme was being designed to support local areas in the further development of BCF plans which would be available to councils and CCGs over the summer period ahead of the deadline for resubmission.
- 7.3 The guidance set out a number of key policy changes. In summary, the previous £1bn Payment for Performance framework was revised so that the proportion of the £1bn that is now linked to performance is dependent solely on an area's scale of ambition in setting a planned level of reduction in total emergency admissions (i.e. general and acute non-elective activity). The national planning assumption is that this will be in the region of a 3.5% reduction against the baseline detailed in the technical guidance. If this is achieved, it would equate to a national payment for performance pool of c.£300m. The remaining c.£700m would be available up front in 2015/16 to be invested in NHS commissioned out-of-hospital services. The detail of this will be subject to local agreement, as set out in the planning guidance.
- 7.4 Additionally the guidance stated that all areas must set out the local vision for health and care services, and describe the schemes that will deliver this vision. However, it noted that plans are expected to go beyond this, and required to specifically set out:
- **The case for change:** a clear analytically driven and risk stratified understanding of where care can be improved by integration,
  - **A plan of action:** A clear explanation of the activity that will take place to shift activity away from emergency admissions, developed with all local stakeholders and aligned with other initiatives and wider planning,
  - **Strong governance:** clear local management and accountability arrangements, and a credible way of tracking the impact of interventions and taking remedial action as necessary, as well as robust contingency plans and risk sharing arrangements across providers and commissioners locally,
  - **Protection of social care:** How and to what level social care is being protected, including confirmation that the local share of the £135m of revenue funding resulting from new duties within the Care Act is protected, and the level of resource dedicated for carers is spelled out,
  - **Alignment with acute sector and wider planning:** including NHS two-year operational plans, five-year strategic plans, and plans for primary care as well as local government plans.

## 8. Supplementary guidance 20 August 2014

8.1 At the time of writing this report further guidance was received from the LGA and NHS England offering additional information on two key areas:

- Methodology for the Nationally Consistent Assurance Review Process.
- Guidance on the National Aspiration to reduce emergency admissions by 3.5%.

### 8.2 Nationally Consistent Assurance Review Process

The guidance states that the BCF national review of all submitted plans will be performed by externally commissioned providers all working to a common methodology which has been reviewed and approved, and validated by external experts. The results of the review process will then be moderated and calibrated to develop a consistent national view of the status of local BCF plans. This will include an individual assessment of each plan including a pre-scheduled meeting with the Health and

Wellbeing Board leadership to discuss it. The individual assessment of each plan will be used alongside an assessment of the local delivery context in which a plan sits, to produce an approval rating. Plans will be either: approved; approved with support; approved with conditions; or not approved.

### 8.3 National Aspiration to Reduce Emergency Admissions by 3.5%.

The LGA and NHS England note that since the release of their 25 July guidance, they have received a number of requests for further guidance regarding what would constitute a robust case for setting a target lower or higher than the guideline reduction of 3.5%. In response they have provided additional supplementary guidance which sets out for CCGs and Councils the extent of flexibility available in setting the scale of ambition to reduce the total number of emergency admissions to hospital, as a key performance metric for the Better Care Fund plan. It notes that although targets should be ambitious and stretching they should not be unrealistic.

## 9. Lewisham's next steps

- 9.1 In preparation for our resubmission, on 8 August the Adult Integrated Care Programme Board reviewed the new guidance and identified areas that required further discussion and development. It was agreed that the original schemes proposed within Lewisham's plan would need to be reviewed given the performance element of funding relating to a reduction in total emergency admissions. In the developing the plan, Board Members will ensure that it takes account of the Care Act and adequately addresses the needs of carers and the mental and physical health of service users. Members will also ensure that activity to reduce acute emergency admissions is feasible and realistic.
- 9.2 This activity is currently underway and is being undertaken alongside the development of Lewisham's joint commissioning intentions for health and care. This will ensure that the funding from BCF is properly targeted and that the risk of failure in achieving a reduction in emergency admissions and the financial risk to the Council, the CCG or other providers is minimised.
- 9.3 Following the 19 September submission it is anticipated that feedback on Lewisham's revised plans will be provided by NHS England and the LGA at the end of October 2014.

### Background documents

1. Full Revised Planning Guidance  
<http://www.england.nhs.uk/wp-content/uploads/2014/07/bcf-rev-plan-guid.pdf>
2. Revised Technical Guidance  
<http://www.england.nhs.uk/wp-content/uploads/2014/08/bcf-technical-guidance-v2.pdf>

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