

HEALTH & WELLBEING BOARD, 15 MARCH 2017

Subject Heading:	Better Care Fund Planning for 2017-19
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The subject matter of this report deals with the following themes of the Health and Wellbeing Strategy

- Theme 1: Primary prevention to promote and protect the health of the community and reduce health inequalities
- Theme 2: Working together to identify those at risk and intervene early to improve outcomes and reduce demand on more expensive services later on
- Theme 3: Provide the right health and social care/advice in the right place at the right time
- Theme 4: Quality of services and user experience

SUMMARY

The purpose of this report is to provide the Health and Wellbeing Board with an update on the way in which the Better Care Fund (BCF) will be implemented in the financial years 2017/18 and 2018/19. As with previous years, it is likely that the planning and submission requirements will require an accelerated process that may require consideration by HWB outside of its usual meeting process.

At time of preparation of this paper, neither National Policy Framework nor Planning Guidance has been released yet; this paper therefore reflects the latest understanding of what these documents are likely to require.

There is a new requirement for plans to cover two years, not one year as previously, and these plans are, as before, required to be jointly developed and approved by the Health and Wellbeing Board.

The BCF has been established by Government to provide funds to local areas to support the integration of health and social care. It aims to ensure a closer integration between health and social care, putting person centred care and wellbeing at the heart of the decision making process. The BCF is a vital part of both NHS planning and local government planning.

2015/16 was the first year of the BCF nationally. Section 75 of the National Health Service Act 2006 gives powers to local authorities and health bodies to establish and maintain pooled funds out of which payments may be made towards expenditure incurred in the exerciser of prescribed local authority functions and prescribed NHS functions.

The BCF policy required the pooling of budgets and a section 75 agreement about how integration will be taken forward and the funding prioritised to support this. In Havering, the indicative pooled fund totals £18.62m in 2017/18, with the local government settlement published on 20th February 2017 indicating an increase of £1.4m for 2018/19 in funds available primarily for the protection of adult social care.

RECOMMENDATIONS

1. Delegate authority to the HWBB Chair to approve the final submission of the BCF Plan 2017/19 to NHS England for submission as required by the guidelines, subject to obtaining approval from the Council and the Havering Clinical Commissioning Group (CCG).
2. Note the intention to consider a three borough approach in year two of the plan, which will be subject to further consultation and agreement with the HWBB.
3. To receive, at the first opportunity, the final submission that was made, and subsequently to receive monitoring reports at six monthly intervals.
4. Delegate authority to the HWBB Chair to approve BCF statutory reporting returns each quarter.

REPORT DETAIL

1. **2017/19 Planning**
 - 1.1 The Department of Health (DH) and the Department for Communities and Local Government (DCLG) will publish a detailed policy framework for the implementation of the Better Care Fund in 2017-19, developed in partnership with the Local Government Association, Association of Directors of Adult Social

Services and NHS England. This is expected in mid-March 2017 and for the first time will be a two year plan.

- 1.2 For 2017-19 it has again been agreed that the BCF planning and assurance process should be integrated as fully as possible with the core NHS operational planning and assurance process as well as reflecting the direction of travel agreed by the Integrated Care Partnership in pursuit of increasing the level of integration and cooperation across the three boroughs (Havering, Barking & Dagenham and Redbridge).
- 1.3 Local partners are expected to be required to develop, and agree, through the relevant Health and Wellbeing Board (HWBB):
 - i. A short, jointly agreed narrative plan including details of how they are addressing the national conditions;
 - ii. Confirmed funding contributions from each partner organisation including arrangements in relation to funding within the BCF for specific purposes;
 - iii. A scheme level spending plan demonstrating how the fund will be spent;
 - iv. Quarterly plan figures for the national metrics.
- 1.4. For 2017-19, the guidance is expected to set out an option for HWBs to 'Graduate' from being required to produce and monitor a BCF plan, focussing instead on a clear and agreed integration plan. This largely mirrors the plans of the Integrated Care Partnership in pursuit of increasing the level of integration and cooperation across the three boroughs of Barking & Dagenham, Havering and Redbridge (BHR).

2. Graduation from BCF planning

It is the government's policy intention that all areas move beyond minimum requirements for BCF and move towards fuller integration of health and social care by the end of this parliament. The timescales over which all areas will 'Graduate' are yet to be decided and will depend on when areas are ready, the time it takes for earlier waves to graduate and the levels of support needed for areas. It is expected that after the initial wave of invited areas, all other areas will be able to express an interest in graduation.

The criteria for graduation will be confirmed in the Policy Framework but is likely to include consideration of the quality of joint planning, maturity of local integrations of health and social care, current trajectory against national metrics and the degree to which budgets are or will be pooled, including potentially the expectation that additional funds are pooled above the minimum set out. The benefits of graduation will include areas becoming exempt from performance reporting on a quarterly basis and not needing to submit a full BCF plan for future periods.

The 2015 Spending Review set out models around joint commissioning, accountable care organisations and devolution. Models for integration are



expected to be included in any graduation material, when it is sent to local areas for expressions of interest to graduate from the Better Care Fund. It is possible that some areas such as the BHR partners will graduate from BCF through a joint plan.

3. Options for consideration

The scheme based approach used in our previous plans has had limited success in driving integration and joint working. It is proposed that the 2017/19 Plan should include a more direct approach to integration of services and /or commissioning, such as the development of the Intermediate Care Tier model. This would bring the commissioning interests of both the local authority and the CCG closer together, around services separately commissioned by each currently, to find a more streamlined, more effective joined up services that support two of the key principles of the BCF: reducing non-elective admissions to acute hospital and reducing Delayed Transfers of Care.

In light of the BHR Integrated Care Partnership vision and direction of travel, as well as the likely graduation principles, there is merit in reviewing the depth to which the BCF plan might be aligned or joined across BHR HWB's. Given the delay in the issue of guidance and policy, and the likely speed with which the plans will be required, it is unlikely that there is sufficient time available to bring the three plans together in 2017/18. However, a staged approach could be adopted which would allow the detail of that joint plan might be formed through 2017/18 to be implemented in 2018/19. This may be structured in such a way as to provide the flexibilities of each borough to ensure that the "protection of social care" element is still fulfilled directly, but the remaining pool is then used to support a more integrated plan.

The principal options appear at this stage to include submission of a Havering-only plan, or perhaps a joint plan across the three boroughs, probably staged across the two years.

4. Policy Requirements

4.1 The legal framework for the Fund derives from the amended NHS Act 2006, which requires that in each area the Fund is transferred into one or more pooled budgets, established under Section 75, and that plans are approved by NHS England in consultation with DH and DCLG. The Act also gives NHS England powers to attach additional conditions to the payment of the Better Care Fund to ensure that the policy framework is delivered through local plans. In 2017/19, it is expected that NHS England will set three conditions, which local areas will need to meet through the planning process in order to access the funding. The conditions require:

- i. That a BCF Plan, covering a minimum of the pooled Fund specified in the Spending Review, should be signed off by the HWB itself, and by the constituent Councils and CCGs;

- ii. A demonstration of how the area will meet the national condition to maintain provision of social care services in 2017/18 and 2018/19;
- iii. That a proportion of the area's allocation is invested in NHS commissioned out-of-hospital services, or retained pending release as part of a local risk sharing agreement.

5. Timeline (to be updated once published)

5.1 The timetable has not yet been published, but it is expected that there will be approximately 6 weeks between publication of the guidance and policy and the expected first submission. There will be an assurance process which is said to have been minimised compared to previous years.

6. Assurance and Plan Approval

- 6.1 It is expected that there will again be no national assurance process for BCF Plans for 2017-19. Early indications are that it will be a two stage assurance process, shared across NHS and local government, and that ratings will be 'simplified':
- i. First regional panels, moderated by NHS regional, calibrated and then rated 'compliant' or 'non-compliant'
 - ii. Second approved by HWB, assured by regional panels, moderated at NHS regional, rated 'approved' or 'not-approved'

The full detail has not yet been laid out.

IMPLICATIONS AND RISKS

Financial implications and risks:

Funding Requirement

Under the NHS Mandate for 2017/18, NHS England will be required to ring-fence £3.624 billion within its overall allocation to CCGs to establish the BCF. Full BCF 2017/18 funding allocations have not yet been confirmed. Havering's expected minimum funding allocations over 2016/17, 2017/18 and 2018/19 are per the table below:

Description	2016/17 £'000	2017/18 £'000	2018/19 £'000	Variance 17/18	Variance 18/19
Revenue funding via CCGs	16,352	16,352	18,352	0	2,000
Disabled Facilities Grant (DFG) funding *	1,426	1,426*	1,426*	0*	0*
Total	17,778	17,778	19,778	0	2,000

* DFG Allocation details not yet released.

In the Spending Review of 2015, it was announced that additional BCF funding of £105m (17/18), £825m (18/19) and £1.5bn (19/20) would be allocated nationally, described as the “Improved Better Care Fund”. Havering’s allocations are £0 (17/18), £2m (18/19) and £4.2m (19/20).

In 2016/17 there was also Local Authority non-recurrent revenue funding of £850k contribution from base budget. In 2017/18 it is expected this contribution from base budget will remain and is over and above the minimum requirement.

The Disabled Facilities Grant (DFG) allocations were increased from £829k to £1.4m in 2016/17. This was to encourage areas to think strategically about the use of home adaptations, use of technologies to support people in their own homes, and to take a joined-up approach to improving outcomes across health, social care and housing. Further detail is awaited on allocations and of any new expectations within the guidance.

Risk Share

In 2015/16 there was a performance element totalling £857k within the pool. This was related to the non-elective admissions performance metric, which had a target activity reduction. A connected risk share was apportioned between the local authority and the CCG. The performance fund was not achieved and so this element of the pooled fund was not passed onto the council and instead was paid directly to health to offset acute pressures. Changes in the 2016/17 guidance removed the requirement for a performance fund, and after lengthy discussions, it was agreed that there would be no risk share arrangement, on the basis. For 2017/18 and 2018/19, it is expected that Local areas are expected to re-consider including a risk sharing arrangement which is specifically linked to the delivery of their plan. There will be further discussions between the Council and the CCG to determine the approach and the level of risk that will need to be finalised before final submissions and the changes to the Section 75 Pooled Fund.

There is no contingency element built into the funding envelope with regard to non-elective admissions further to the removal of the risk share. This was a decision that was taken locally by Havering CCG after discussion with the Council and NHS England.

Better Care Fund 2017/19 First Submission

The first submission draft plan is awaiting the guidance and planning discussions will require further approval by the Joint Management and Commissioning Forum and is subject to HWB chair sign off for the second submission as required to meet the submission deadlines, as yet unpublished.

Section 75

There will be a requirement to amend the s.75 to reflect the 2017/18 position and also update the relevant schedules. As per s.75 the accounting arrangements will remain the same including the invoicing processes between the two partners.

Legal implications and risks:

There are no legal implications arising directly from this report at this stage.

Subject to discussions surrounding the possibility of a joint plan with other boroughs, there will a need to ensure that appropriate arrangements are made jointly if required and that each borough's interest are fully reflected.

Human Resources implications and risks:

There are no human resources implications arising directly from this report.

Equalities implications and risks:

The Better Care Fund provides an opportunity to transform care so that people are provided with better integrated care and support. It encompasses a substantial level of funding and it will help deal with demographic pressures in the health and social care system. The Better Care Fund does not appear to have any adverse effects on people who share Protected Characteristics and no further actions are recommended at this stage.

BACKGROUND PAPERS

None