

Health and Wellbeing Board

28 January 2015



Better Care Fund Update

Report of Paul Darby, Head of Finance (Financial Services), Durham County Council

Purpose of the Report

1. The purpose of this report is to provide the Health and Wellbeing Board an update on the Better Care Fund (BCF).

Background

2. In June 2013, the Government announced that it would be allocating £3.8 billion nationally to a pooled budget, now called the BCF. County Durham's allocation is £43.735m in 2015/16.
3. This budget is to be deployed locally on health and social care initiatives through pooled budget arrangements. The BCF will support the aim of providing people with the right care, in the right place, at the right time, including a significant emphasis upon care in community settings, with the express aim of reducing admissions and readmissions to secondary care and alleviating pressures on the acute sector.
4. An initial draft of the County Durham BCF plan, following national guidance at that time, was submitted to the Durham Darlington and Tees Area Team on 14 February 2014 and following an assurance process a revised plan, incorporating the additional information requested, was resubmitted on 4 April 2014.
5. Ministers subsequently confirmed that no BCF plans would be formally signed off in April 2014 and it was noted that refreshed national guidance would provide further detail on the changes to risk sharing, pay for performance framework and the full range of performance metrics to be included in the BCF. The revised guidance and planning templates were subsequently published on 25 July 2014, with a requirement for BCF plans to be resubmitted on 19 September 2014.
6. The Health and Wellbeing Board has received updates and agreed the Better Care Fund plan at its meetings on 21 January, 5 March 2014, 3 September 2014 and 5 November 2014.
7. The vision for the BCF in County Durham remains as **“Improve the health and wellbeing of the people of County Durham and reduce health inequalities”**

8. The five priorities for transformation remain as:

- Intermediate Care
- Support for care homes
- Non Fair Access to Care Services (FACS) reablement
- Combating social isolation
- Seven day services

9. The seven work programmes and levels of investment remain as follows:

- **Short term intervention services** which includes intermediate care community services, reablement, falls and occupational therapy services (**£13,428,000**)
- **Equipment and adaptations for independence** which includes telecare, disability adaptations and the Home Equipment Loans Service (**£8,562,000**)
- **Supporting independent living** which includes mental health prevention services, floating support and supported living and community alarms and wardens (**£5,005,000**)
- **Supporting Carers** which includes carers breaks, carer's emergency support and support for young carers (**£1,361,000**)
- **Social inclusion** which includes local coordination of an asset based approach to increase community capacity and resilience to provide low level services (**£1,121,000**)
- **Care home support** which includes care home and acute and dementia liaison services (**£1,774,000**)
- **Transforming care** which includes maintaining the current level of eligibility criteria, the development of IT systems to support joint working and implementing the Care Act (**£12,484,000**)

Approval of BCF plan

10. County Durham has now received formal sign off of the BCF submission, and plans are progressing to ensure practical issues are addressed, ready for new financial and reporting arrangements to commence from 1 April 2015. These plans may need to be reviewed in light of additional guidance subsequently received from NHS England.

Financial Practicalities

11. It has been agreed locally that Durham County Council will manage the BCF "pool" on behalf of the three partners, the other two partners being DDES CCG and North Durham CCG.
12. The funding of £43.735m, subject to final confirmation, consists of a total of £39.193m from the two CCG's and a further £4.542m receivable direct from the government as two separate capital allocations.
13. Financial reporting requirements are not fully known at present, but in order to provide information to the Health and Wellbeing Board, partner organisations and any external monitoring requirements it is deemed appropriate to set up a separate BCF cost centre within the DCC accounting system, with relevant transactions recorded in a format to allow interrogation of financial information as required.

14. A BCF risk-sharing agreement has been agreed in principle by the three partner organisations and is attached at Appendix 2.
15. A Joint Finance Group, with representation from the three partner organisations, will continue to meet on a regular basis, and will include a remit to review any overarching financial issues linked to the BCF.

Governance Practicalities

16. In addition to the finance issues outlined above, appropriate governance procedures will need to be in place to provide assurance to all stakeholders regarding the delivery of the various BCF projects.
17. The BCF submission outlines a governance matrix with a number of existing groups having a specific monitoring role in the delivery of individual projects, with the Health and Wellbeing Board ultimately overseeing the meeting of BCF objectives, and receiving regular progress updates.
18. Clear reporting lines are required for each of the groups with designated lead officers understanding their roles in the assurance process, and taking responsibility for the delivery of individual projects.
19. A robust assurance process, in tandem with clear financial arrangements, should help to ensure all stakeholders are satisfied that BCF requirements are met.
20. Governance of the Better Care Fund will be reviewed on a monthly basis as part of the Chief Officers meeting to ensure that the Better Care Fund plan is being delivered.
21. A new jointly funded post of Integration Programme Manager has been created and recently recruited to, with a remit to include developing and implementing the BCF across County Durham.

Recommendations

22. It is recommended that the Health and Wellbeing Board:
 - Note the content of this report and approve the Risk Sharing Agreement attached at Appendix 2, with further update reports on delivery of the Better Care Fund Plans being brought to the Board in 2015/16.

Contact: Paul Darby, Head of Finance - Financial Services
Tel: 03000 261930

Appendix 1: Implications

Finance

The BCF is £43.735m for 2015/16, subject to confirmation, and appropriate financial management arrangements are being finalised.

Staffing

A number of posts are included within BCF projects

Risk

Non-achievement of performance-related targets may lead to financial pressures on the BCF

Equality and Diversity / Public Sector Equality Duty

None

Accommodation

None

Crime and disorder

None

Human rights

None

Consultation

None

Procurement

None

Disability Discrimination Act

None

Legal Implications

BCF requirements need to be adhered to at all times

Appendix 2 : County Durham Better Care Fund Risk Sharing Agreement

1. From 1 April 2015, Durham County Council, North Durham Clinical Commissioning Group (CCG) and Durham Dales, Easington and Sedgfield CCG will pool relevant funds in line with Better Care Fund (BCF) requirements. As part of the performance reward element of the BCF and the requirements for pooling budgets, a clear framework for local risk sharing of activity forming part of the BCF is required.
2. Durham County Council will be the accountable body for the BCF, and robust financial monitoring arrangements will be put in place to ensure that any projected over/under spends are reported to the Officer Health and Wellbeing Group (OHWG) and Health and Wellbeing Board (HWB) in a timely manner. This will not extend to Local Government being accountable for overspending on acute activity, but CCG's and the Council sharing risk and reward (including any under and overspending) for activity within the BCF.
3. A Joint Finance Group, including appropriate Finance representation from the three partner organisations, will meet on a regular basis to review financial information to support the reporting process.
4. Pooled monies should only be used for BCF projects in the first instance, and any changes to spending plans should only be implemented after agreement through the appropriate governance route.
5. This risk sharing agreement seeks to address three specific financial issues which could occur:
 - a) In-year projected under spend
 - b) In-year projected over spend
 - c) Non-achievement of the performance reward element within the BCF
6. In order to help mitigate the risk of any over spend on BCF projects in year or non-achievement of the performance element of the BCF, a BCF reserve will be created from available funds held by the parties for use in 2015/16. Any drawing from this reserve is to be on recommendation from the Joint Finance Group and requires HWB approval.
7. If there is any under spend available during the year, this should be used for BCF-related projects and not utilised to directly support, for example, any over spends relating to acute budgets. Subject to HWB approval, in certain circumstances the under spend could be used to support projects which will have an impact on future admissions targets. Any under spend at financial year end is to be added to the BCF reserve to support future BCF-related activity.
8. An overall over spend position across the pooled budget would be problematic for all partners. Key to preventing this is the establishment of robust monitoring arrangements and a prudent approach to committing expenditure to non-recurrent activity. There are a number of projects within the BCF that can be ceased at relatively short notice and some contingent sums not allocated to specific activity but held against "transformational activity". In year budget monitoring should highlight any areas of concern, with the Joint Finance Group to review options for HWB consideration. If other actions cannot address any potential over spend, then utilising funds from the BCF reserve should be considered.

9. Similarly, non-achievement of the target linked to the performance reward element would be a cause for concern. For 2015/16, alternative arrangements to at least part underwrite this element from CCG budgets are in place. Any remaining shortfall would need to be considered as in Paragraph 8 above.

The risk sharing agreement to be reviewed on an annual basis to adapt to any changes in circumstances.