

Health and Wellbeing Board

14 May 2015

Guidance for the Operationalisation of the Better Care Fund in 2015-16



Report of Phil Emberson, Integration Programme Manager – Joint Funded, Children and Adults Services, Durham County Council and Clinical Commissioning Groups

Purpose of Report

1. The purpose of this report is to update the Health and Wellbeing Board on the requirements and recommendations set out in the Better Care Fund (BCF) Operationalisation Guidance released on the 20th March 2015.

Background

2. In June 2013, the Government announced that it would be allocating £3.8 billion to a pooled budget, initially called the Integration Transformation Fund, now called the Better Care Fund. County Durham's allocation from the fund is £43.735m in 2015-16.
3. The BCF plan for County Durham was submitted in line with the national requirements and fully signed off in December 2014. The BCF plan is supported locally by a financial Risk Sharing Agreement developed by the partner agencies and was agreed at the Health and Wellbeing Board in January 2015.
4. The five priorities for transformation underpinned by the BCF plan are
 - Intermediate Care.
 - Support for care homes.
 - Non Fair Access to Care Services (FACS) reablement.
 - Combating social isolation.
 - Seven day services.
5. The seven work programmes and levels of investment within the BCF plan are as follows:
 - **IC+ 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, 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).
6. Reports relating to the Better Care Fund have previously been received at Health and Wellbeing Board meetings on 21st January 2014, 5th March 2014, 23rd September 2014, 5th November 2014 and 28th January 2015.
7. On the 20th March 2015 NHS England released the final guidance for the operationalisation of the BCF. The guidance sets out the reporting and monitoring requirements of the fund, how progress against conditions of the fund will be managed, the future role of the BCF Support Team and advice about the alignment of the BCF targets for reducing non-elective admissions with the planning assumptions included in final Clinical Commissioning Group (CCG) operational plans.

Legal Powers of the Care Act

8. The guidance sets out the powers from the Care Act (2014) that underpin the arrangements within which the BCF allocation can be released to CCG's and the conditions which will need to be satisfied. A number of conditions have to be met to facilitate the release of funding from NHS England to the CCGs including that a Section 75 agreement is in place and that clear, agreed and approved plans are in place to reduce non elective admissions.
9. At a local level, as legal recipients of the funding, the CCGs and the local authority are the accountable bodies for their respective elements of the BCF allocated to them. This means that they retain responsibility for ensuring the appropriate use of the funds, spending decisions and monitoring the expenditure of the fund in accordance with the plan. At present these tasks cannot be delegated to Health and Wellbeing Boards, however, new regulations are being consulted upon which may broaden the role of the Health and Wellbeing Boards to include the functions set out.
10. In terms of the operational oversight of the BCF the regulations governing the Section 75 Agreement require it to set out:
- The arrangements for monitoring the delivery of the services that it covers.

- Who the host organisation is that will be responsible accounting and audit.
 - Who the 'pool manager' is that will be responsible for submitting to the partners quarterly reports, and an annual return about income and expenditure from the pooled fund and other information by which the partners can monitor the effectiveness of the pooled fund arrangements.
11. The guidance advises that the governance of the Section 75 should be through the Partnership Board made up of those authorised to act upon the behalf of their employing organisation. In County Durham the Governance of the Section 75 agreement will be managed by the Officer Health and Wellbeing Group and the Integration Board which is the new name for the Better Care Fund Chief Officer Group and is now part of the Health and Wellbeing Board governance arrangements to monitor the Better Care Fund and other integration elements.
 12. At the time of writing this report, a draft Section 75 agreement is being considered by the partners which should cover all of the requirements set out in the guidance. In the meantime both CCG's have made arrangements with their executive to allow the funding arrangements to proceed in anticipation of the Section 75 being agreed.
 13. The Section 75 agreement identifies that the local authority will be the pooled fund holder and a nominated pooled fund manager has been identified who will ensure that the required information is available for monitoring the plan.

Reporting and Monitoring 2015/16

14. The BCF will be embedded into business as usual processes in NHS England for planning and performance management as far as possible and on the most part this will be at CCG level.
15. The conditions as set in the assurance outcome letters will stand relating to the use of the fund and those conditions are broadly that:
 - The fund is to be used in accordance with the final approved plan and through a Section 75 pooled fund agreement. The full values of the element of the fund linked to non-elective admissions reduction targets will be paid over to CCG's at the start of the financial year, however, the CCG's can only release this part of the funding in line with achieving the non-elective admissions performance targets.
16. The guidance requires that the area submits reports using the BCF quarterly and annual reporting templates provided with the guidance at five points in the year. The guidance suggests that the Health and Wellbeing Board signs off the performance report before it is submitted.

17. The date for the submission of these reports are:
- 29th May 2015 for period January to March 2015.
 - 28th August 2015 for periods April to June 2015.
 - 27th November 2015 for periods July to September.
 - 26th February 2016 for periods October to December 2015.
 - 27th May 2016 for periods January to March 2016. (TBC)
18. There is a timing difficulty in matching the running of the reports with the Health and Wellbeing Board in relation to 'signing off' the reports to be returned to the BCF Task Force, as the performance data will either not be complete or possibly not processed in time.
19. It is recommended that the Health and Wellbeing Board should consider delegating the authority to sign off the performance reports due to the timeframes involved in gathering, formulating and reporting the data.
20. The performance reports could be considered as soon as practical post submission to the BCF Support Team in the Health and Wellbeing Board.

Payment for Performance

21. The Guidance document raises the issue of the Health and Wellbeing Board wishing to review the BCF targets with planning assumptions included in final CCG operational plans. In some cases differences may have occurred when a broad range of planning factors are taken into account, including:
- Actual performance in the year to date, particularly through the winter.
 - The actual outturn for 2014/15.
 - Progress with contract negotiations.
22. The guidance stresses that BCF targets should remain ambitious in terms of reducing admissions and they may be higher than the operational plans and a difference between the two does not mean the target should be lowered. However, if large differences are beginning to effect the credibility of BCF ambitions they may wish to amend the BCF targets to more closely align with the operational plan. If this is the case the guidance expects that:
- *There will be no change to targets included in BCF plans where these are within 2 percentage points of assumptions in operational plans.*
 - *Where the target is greater than 2 percentage points than the operational plan the Health and Wellbeing Board may at its discretion amend the BCF target where it believes the change is required to ensure it remains credible and realistic.*
 - *Any changes will need to be agreed by the Health and Wellbeing Board and will be subject to approval by NHS England in consultation with Ministers.*

23. The BCF target for non –elective admissions for County Durham was set at 3.5% following negotiations with NHS England, however, narrative was added to the BCF Plan to stress that local data suggested that the target was ambitious and a more realistic operating range would be between 1% and 3.5%. Both CCG's have set their operational plans, investment strategies and contractual plans with a clear focus on the achievement of a 3.5% reduction in non-elective admissions. The target set for a 3.5% reduction is still very ambitious and recent data has demonstrated that there has been an increase in unscheduled admissions of 1.6 % in comparison to 2013/14. At this point any proposed reduction in the target would have significant impact on the CCGs plans and strategies and would also fall out with the 2 percentage points reduction in target parameters that can be re- negotiated.
24. The guidance states that the payment of performance element of the Fund will be linked to the performance of local areas in reducing non-elective admissions in line with the trajectory agreed in their BCF plan. This performance element should be paid by CCG's into the pooled fund in four quarterly instalments and payment will be proportionate to actual performance. The first payment should be made in May 2015 based upon the performance in the final quarter of 2014/15 and following the payments should be based upon the trajectory for improvement set out in the BCF plan.
25. The partners in County Durham have agreed the process for the payment of the funds into the pooled budget, including the performance element, as appropriate, and have a Risk Sharing Agreement in place to assist with any financial pressures that may arise.

Better Care Fund Support Team

26. A joint BCF Support team with representation across NHS England, the Local Government Association (LGA), the Department of Health (DH) and the Department for Communities and Local Government (DCLG) will continue into 2015/16 and working through NHS England and Local Government regions will focus on:
 - Supporting Local Areas with the implementation of their plans.
 - Monitoring progress with the delivery of plans through the reporting set out in this report.
 - Supporting the performance management and escalation processes for the BCF, including the enactment of Care Act Powers where relevant.
 - Reporting progress to the national BCF Programme Board and Cross Ministerial Board.
27. The BCF Support Team will be responsible for monitoring performance of the areas against plans and will check to ensure that the standard conditions of the fund are being met in line with the assurance letters.
28. Failure to meet the standard conditions may result in the BCF Support Team initiating an escalation process which will aim to get the plan back in line with the agreement, failure to do so may lead to further interventions.

Recommendations

29. The Health and Wellbeing Board is recommended to:

- Note the content of the report.
- Delegate the agreement of the quarterly BCF performance report for submission to NHS England to the Corporate Director, Children and Adult Services, Durham County Council, the Chief Clinical Officer's ND and DDES CCG and the Chief Operating Officer, DDES CCG's in consultation with the Chair of the Health and Wellbeing Board.

**Contact: Phil Emberson, Integration Programme Manager – Joint Funded,
Children and Adults Services, Durham County Council and Clinical
Commissioning Groups**

Tel: 03000 268245

Background Paper - [Guidance for the Operationalisation of the BCF in 2015-16](#)

Appendix 1: Implications

Finance

The BCF for County Durham is £43.735m for 2015/16 and the arrangements and requirements for the use of the fund are set out in the report and appendices.

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

Consultation

None

Procurement

None

Equality Act

None

Legal Implications

The BCF Operationalisation Guidance is set out in this report and needs to be followed