

HERTFORDSHIRE COUNTY COUNCIL

**HEALTH AND WELLBEING BOARD
THURSDAY, 10 JUNE 2014 AT 10.00 A.M.**

Operationalisation of the Better Care Fund

Report of Assistant Directors of Health Integration, East and North Hertfordshire CCG and Hertfordshire County Council and Herts Valleys CCG

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1. Purpose of report

- 1.1. On 1 April 2015 the Hertfordshire Better Care Fund (BCF) plan became operational. This report presents the national and local accountability arrangements for the Better Care Fund monies and outlines the NHS England guidance and recommendations on the role of the Health and Wellbeing Board in the financial oversight and performance monitoring of integrated services.

2. Summary

- 2.1. The Better Care Fund (previously referred to as the Integration Transformation Fund) was announced as part of the June 2013 Spending Round.. The fund will drive integration of services and provide people with the right care in the right setting, including significant investment into care provided within the community.
- 2.2. Of the £3.8bn national BCF, Hertfordshire was required to pool a minimum budget of £70.9million in 2015/16. However the Clinical Commissioning Groups (CCGs) and County Council agreed an approach which pools a larger budget and allows for the joint commissioning of a wider range of health and social care services for older people. The HWB agreed that approximately £230million would be pooled in 2015/16 to create integrated services which would:
- Deliver better care for patients and service users
 - Reduce reliance and spend on acute services
 - Meet national conditions to deliver against the metrics
 - Release efficiencies for Hertfordshire County Council and both CCGs to help deliver against efficiency targets.
- 2.3. Throughout 2014 there was a rigorous national review process in which the operational plans, benefits, financial savings and governance for each of the local integration schemes funded through the BCF were scrutinised / evaluated. In January 2015 the Hertfordshire Better Care Fund plan was fully approved by NHS England. The plan evidenced how the Hertfordshire Health and Wellbeing Board

would meet the six national conditions on the Fund, and deliver against the following national metrics:

| <u>National metrics to monitor the impact of the local Better Care Fund</u> | <u>National Conditions on the local Better Care Fund</u> |
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| Delayed transfers of care | '7 day working' in health and social care |
| Avoidable emergency admissions | Plans to be agreed jointly between the NHS and social care |
| Effectiveness of re-ablement | Better data sharing between NHS and social care |
| Admissions to residential and nursing care | Joint assessment and 'accountable professionals' |
| Patient and service user experience | Protection of social care services (not spending) |
| Plus one locally agreed metric: Estimated diagnosis rate for people with dementia (NHS Outcomes Framework 2.6i) | Agreement on the consequential impact of changes in the acute sector |

- 2.4. From 1 April 2015 the pooled health and care budgets between ENHCCG and HCC, and HVCCG and HCCS were operational.

3. Recommendations

- 3.1. That the Board consider the governance structure and responsibilities outlined by NHS England and adopt the recommendations that:

3.1.1. HWB receive a six-monthly and annual report using the monitoring template issued by NHS England (a monitoring approach stated included as part of the Hertfordshire s.75 agreements)

3.1.2. HWB sign off the quarterly and annual returns prior to submission to NHS England. When meeting dates do not coincide with national submission dates, the returns will be approved remotely by the HWB Chair, the CCG Accountable Officers, and the Director of Health and Community Services.

4. Accountability Structure for the BCF 2015/16

- 4.1. NHS England have provided clarity on the national and local accountability for the contributions to the Better Care Fund. In summary, the Department of Health (DH) Permanent Secretary will retain accountability for the full £3.8bn. However there is a division of accountability between NHS England the Department of Communities and Local Government (DCLG). Please see Figure 1 for details:

4.1.1. DH will release £3.46bn ring-fenced funding to the CCGs, via NHS England Accounting Officer who is accountable for the effective use of the funding. The CCG Accountable Officer receiving their local proportion of the £3.46bn is then the accountable body for the appropriate use of this resource for the BCF (and any additional monies they voluntarily add to the pooled fund).

4.1.2. The capital grant monies will flow directly to the Local Authorities. The S251 officers will then be the accountable body, under the terms of their grant conditions, for the local proportion of the £354m which will be paid to them and added to the pooled fund (along with any additional monies they voluntarily add).

4.2. The CCGs and LAs are the legal recipients of the respective elements of the BCF funding allocated to them and are therefore responsible for spending decisions and monitoring the proper expenditure of the fund in accordance with the plan.

4.3. HWB are key stakeholders in reviewing performance of the BCF, providing strategic direction for the BCF, the delivery of integrated care, and future work as part of their statutory duty to encourage integrated working between commissioners. However where members of the HWB include providers, the NHS England guidance notes the need to ensure that conflicts of interest are appropriately dealt with.

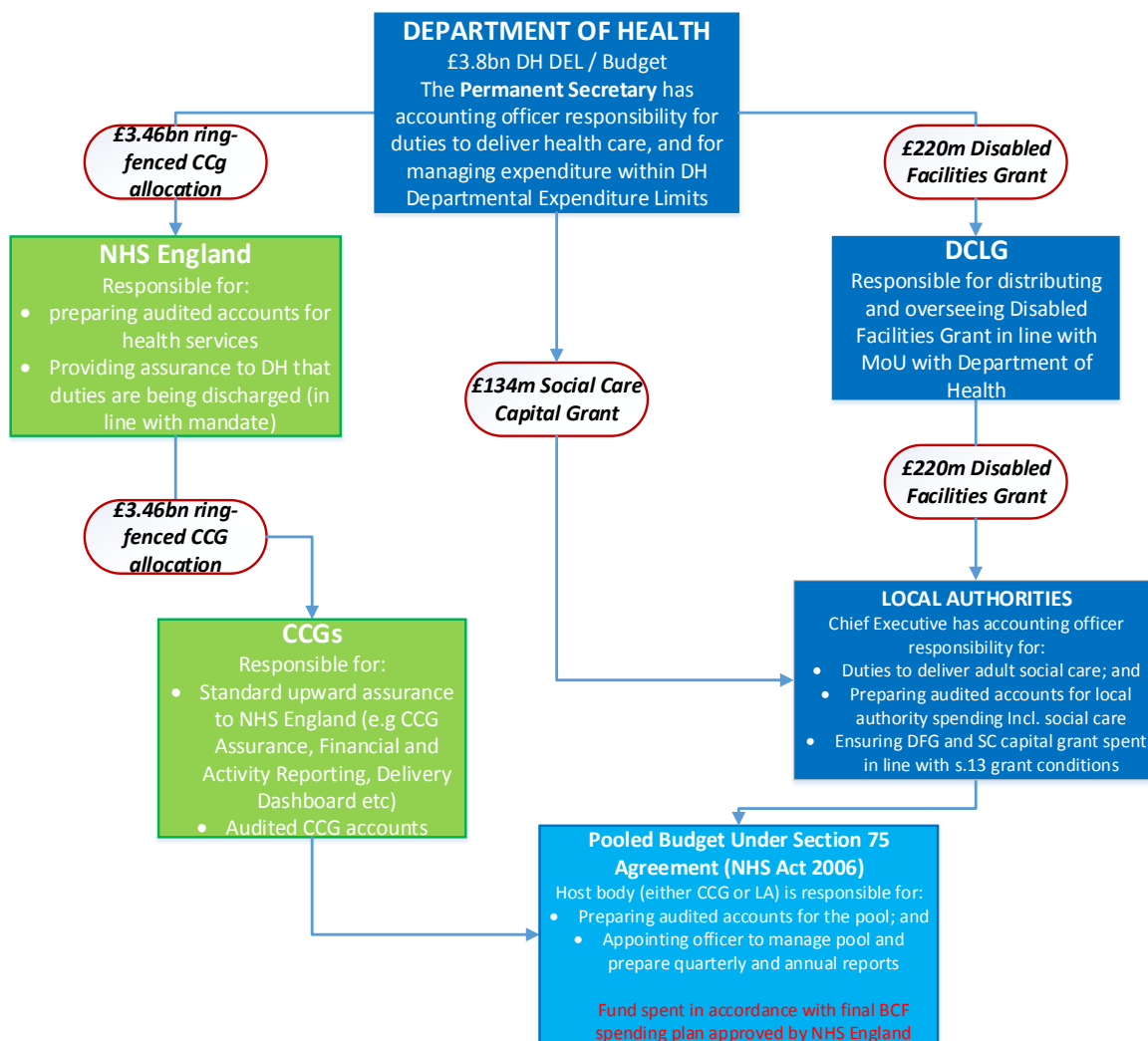
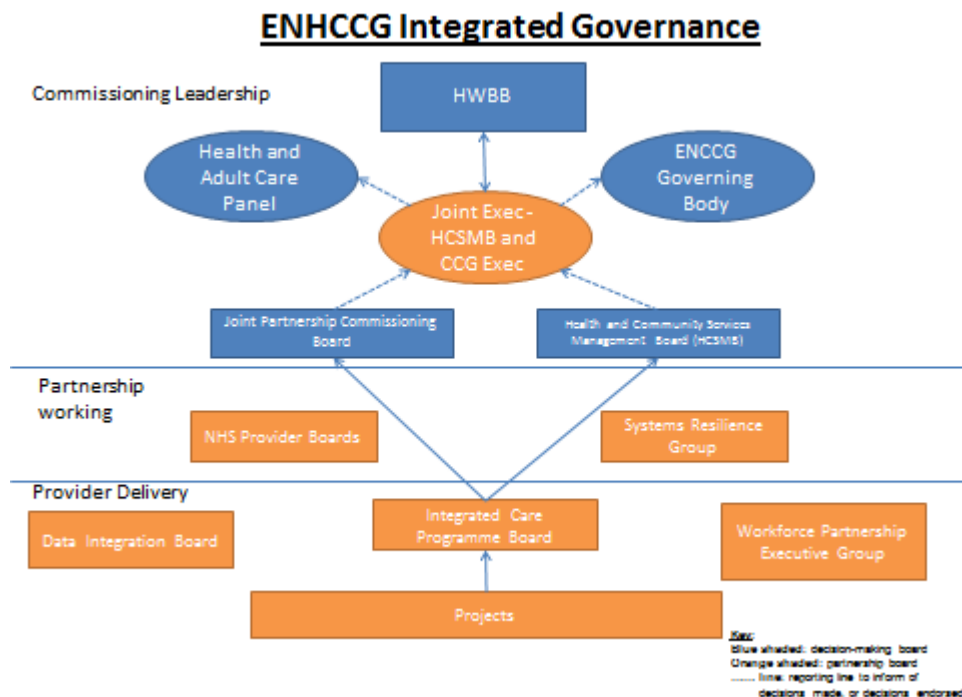


Figure 1 Accountability structures for the Better Care Fund monies

5. Reporting and Monitoring 2015/16

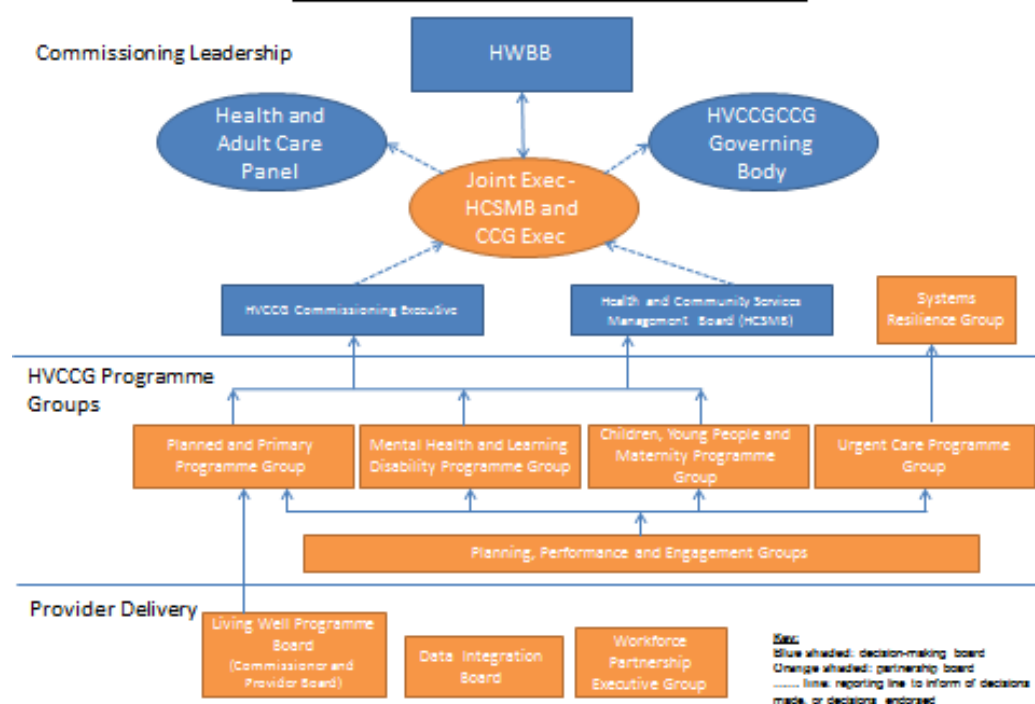
- 5.1. The BCF will be embedded into business as usual in NHS England for planning, performance monitoring, assurance and performance management as far as possible which for the most part, will be at CCG-level not HWB.
- 5.2. However in order for the HWB to review performance of the BCF and consider future work, it needs to have the appropriate information. It is recommended the HWB receives six-monthly reports on the BCF programme (see detailed recommendations in Section 3).
- 5.3. The HVCCG-HCS and ENHCCG-HCS Joint Executive Groups oversee the Better Care Fund at the CCG-level. The Joint Executive Groups may provide advice to HV CCG Joint Commissioning Executive, ENH CCG Joint Partnership Commissioning Board, HCC Children’s Board or HCS Board as appropriate.
- 5.4. Local governance structures of accountability are shown below:

5.4.1. East and North Hertfordshire CCG:



5.4.2. Herts Valleys CCG:

HVCCG Integrated Governance



6. Pay for Performance

- 6.1. The BCF pooled budgets have a payment for performance on reducing total emergency admission (general and non-acute non-elective admissions). Hertfordshire HWB agreed a target reduction of 2.5% emergency admissions during the period Q4 2014/15 to Q3 2015/16, against a baseline of Q4 2013/14 to Q3 2014/15. This equates to an avoidance of 2748 admissions as compared to the baseline period (based on actuals not planned figures and therefore amended since the HWB report of September 2014). The Pay for Performance pot totals £4.09m - an increase from projected figure of £3.79m in September 2014.
- 6.2. If the local target of 2.5% reduction in admissions is achieved, payments will be released from the CCGs to the HWB pooled budget quarterly starting in May 2015 and will be based on the number of reduced non-elective admissions. If the local target of 2.5% reduction in admissions is not achieved, national guidance outlines that CCGs, will retain the money proportional to performance and will spend the money in consultation with the HWB. There will three section 75 agreements, and 3 pools budgets (to cover East and North Hertfordshire, Herts Valley and Cambridgeshire and Peterborough CCGs), with any issues relating to targets disaggregated where possible to those areas.
- 6.3. The Hertfordshire BCF pooled funds are made up of monies already committed to contracted services (as opposed to monies from the acute sector predicated on immediate in-year reduction in activity). In the end of failure to meet a 2.5% reduction in admissions, the CCGs have agreed to contribute immediately to the fund an amount exactly equivalent to the non-paid amount.
- 6.4. Under recent guidance, NHS England have recognised that BCF plans should represented ambitious stretch targets yet should reflect the CCG Operational plans to ensure realistic and credible ambitions. The East and North Hertfordshire CCG and

Herts Valleys CCG Operational Plans state a target to reduce admissions by 1.5%, and 3.5% respectively. The BCF and Operational Plans are broadly aligned therefore the Hertfordshire BCF plans cannot be changed under NHS England guidance.

7. Managing the process and the escalation process

- 7.1. Performance management of the BCF will be led by the NHS England and the local government regions, with the joint Better Care Fund Support Team. Collectively, they will monitor progress against the plans and delivery of the national conditions, based on the quarterly monitoring process required above.
- 7.2. Under s.223G of the NHS Act 2006 (as amended most recently by the Care Act 2014), NHS England has the power to set conditions around the payment of the funds to the CCG (the £3.46bn, not the £354m social care capital grant and disabled facilities grant). Every CCG has standard conditions on its BCF funding. Where a condition is not met, s223GA of the NHS Act 2006 enables NHS England to:
- **Withhold the payment**
 - **Recover the payment**
 - **Direct the CCG(s) as to the use** of the designated amount for the purposes relating to service integration or for making payments under the s.256 of the 2006 act.
- 7.3. NHS England is required to consult with DH and DCLG before exercising its powers however there remains a risk that if the payment for performance targets are not met, there could be an impact on the CCG(s) from potential NHS intervention which may in turn affect the CCG(s) ability to contribute to the pooled fund and offset the Pay for Performance funding 'gap'.
- 7.4. These measures are in addition to the recommendations in Section 3 to ensure the HWB are sighted on all operational and financial performance issues, and the requirement that any funding retained by the CCGs as a result of non-performance is spent by the CCGs in consultation with the HWB.

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| Report signed off by | Herts Valley Clinical Commissioning Group (HVCCG) and Health and Community Services Executive-Executive Board East and North Hertfordshire Clinical Commissioning Group (ENHCCG) and Health and Community Services Executive-Executive Board |
| Sponsoring Member/s | HWB Iain MacBeath, Nicola Bell and Lesley Watts |
| Hertfordshire Strategy supported by this report | HWB priorities The Better Care Fund proposals relate to the following Health and Well-being priority areas: <ul style="list-style-type: none"> • Living well with dementia • Enhancing quality of life for people with long term conditions • Supporting Carers to care |
| Needs assessment The Better Care Fund identifies initial priorities for integration based on our understanding of both need in the area and future demographic challenges, which is why the priorities include: | |

- support to frail elderly populations
- Long term conditions
- Dementia
- Stroke Care
- End of life care

As detailed joint commissioning plans for the Better Care Fund develop, further work will be done reviewing the Joint Strategic Needs Assessment to identify areas to prioritise for transformation.

Consultation/public involvement

There has been extensive consultation activity around the Better Care Fund process, with patient groups, statutory bodies, provider organisations and the voluntary and community sector. During February there were 4 Better Care Fund events, run jointly by the CCGs and HCC across the County, with over 240 people attending. The feedback from these events has informed the submission, and will also inform the approaches to delivering the agreed objectives. In addition to these events major NHS providers have been engaged in the development of the submission and will continue to be engaged as plans develop.

Equality and diversity implications

Each project that is delivered as part of the Better Care Fund work will be subject to robust equality impact assessments, to ensure the impact on different groups is understood and where necessary mitigated against.

Acronyms or terms used

| Initials | In full |
|----------|---|
| CCG | Clinical Commissioning Group |
| BCF | Better Care Fund |
| HCC | Hertfordshire County Council |
| HWB | (Hertfordshire)Health and Wellbeing Board |