REPORT TO: Cheshire East Health and Wellbeing Board:

Date of Meeting: Tuesday 27 January 2015

Report of: Lorraine Butcher

Title: Update on the Better Care Fund (BCF)

1.0 Report Summary:

1.1 This Report has been jointly developed by Officers from across both the Cheshire West and Chester, and Cheshire East Health and Wellbeing Boards, with the intention being that the issues raised will be discussed at both meetings.

1.2 Due to a number of issues emerging from both respective BCF submissions, there are some matters which will have an impact across the pan-Cheshire geography. Therefore, it is essential that consistent information is presented to both bodies.

1.3 The purpose of this report is to provide an update on the latest developments regarding the Better Care Fund, and enable discussion and debate on the proposed way forwards for the governance, delivery and monitoring of the schemes associated.

1.4 Both, the Cheshire East, and Cheshire West and Chester BCF plans were submitted to the Department of Health on 19 September. Following the national assurance process both plans were rated as 'Approved with Support'.

1.5 Since the last meeting of the Health and Wellbeing Board, both plans have been upgraded to 'Approved' following dialogue with the Local Area Team, and the submission of an Action Plan.

1.6 The next area of focus is the implementation and delivery of the plans and how this is incorporated into the existing health and social care transformation programmes along with meeting the national reporting expectations. This includes getting into place the required Section 75 agreements (as covered in Appendix One).

2.0 Recommendations:

2.1 These papers are structured to inform Health and Wellbeing Board Members regarding:

a) **Approval of Plans:** Both Health and Wellbeing Boards received letters from Dame Barbara Hakin on 22 December, informing us that our BCF plans had been 'approved'.
This included the statement that: *"We are confident that there are no areas of high risk in your plan and as such you should progress with your plans for implementation."*

b) **Update in National Context:** A number of areas that have submitted large amounts of additional pooling, have revised plans to reflect their minimum allocation (e.g. Dorset moving from over £300million to £60million).

The Planning Process was also reviewed by the Public Accounts Committee (Chaired by Margaret Hodge). This meeting was attended by Simon Stevens, Bob Kerslake, Jon Rouse and others to discuss the process to-date on BCF planning. This included specific lines of enquiry relating to: use of consultants, achievability of 3.5% reduction, and the lack of upfront investment to support plans.

2.2 Beyond the information noted above, these papers have been structured to enable an appropriate discussion and decision making regarding the following issues:

a) **Section 75 Development:** The approval of both BCF plans is subject to an appropriate S75 agreement being put in place. There are a number of options that exist for the approach to this with a range of merits for each. This information is covered in full in the supporting document Appendix 1.0.

b) **Ambition of 3.5% Admission Target:** In the letter of approval received by both Health and Wellbeing Boards, there was a paragraph included by Barbara Hakin that related to the potential to 'revisit' the ambition relating to non-elected admissions, and partners need to be mindful of the potential impact of this target in 2015/16. (Further information in section 8.2).

c) **Wider / Joint Governance of BCF:** Given the potential links between BCF proposals across Cheshire, there is a need to note the Governance arrangements relating to the three transformation programme Boards, and the respective organisation bodies. This also requires input regarding any potential relationship with the Pioneer Panel.

d) **Potential need for a pan-Cheshire group/ BCF Management Group:** The alignment of plans / development of S75 agreements is currently being progressed through informal or existing meetings. It may be required that a dedicated group is established to own these issues.

e) **Contracting approach for 2015/16:** There needs to be due consideration given to the contracting approach for 2015/16 in-light of these new arrangements.

3.0 Reasons for Recommendation(s):

3.1 There is a need for clarity regarding the management, oversight, and delivery of the BCF schemes, and these issues require cross-partner discussion and agreement before full arrangements can be put in place.

3.2 Nationally there is significant focus on the impact of the BCF particularly on the impact on reducing non elective admissions (as established at 3.5%). Locally,

there is an expectation that BCF schemes will be implemented and operational from April 2015.

3.3 Furthermore, the need to clarify partner's positions on the structure of S75 agreements, and the level of ambition regarding non-elective admissions has illustrated the challenges presented by existing governance arrangements, especially in relation to any potential to operationalise BCF proposals on a pan-Cheshire basis.

4.0 Policy Implications:

4.1 The integration of Health and Social Care services is a key area of public sector reform, and has been subject to significant press-coverage and academic analysis. The Better Care Fund as launched through the Comprehensive Spending Review of 2013 formalises joint initiatives throughout 2015/2016.

4.2 There is significant cross-party support for the integration of services amongst national political parties. However, there is little clarity regarding the medium- term commitment to the Better Care Fund as a process post April 2016. This creates a number of risks to the plans already developed by areas, whilst also presenting an opportunity for areas to significantly shape their own longer-term proposals.

4.3 However, significant elements of the BCF are linked with the implication of the Social Care Act and other areas of long-term statute. This includes specific issues relating to eligibility criteria, and safeguarding boards.

5.0 Financial Implications

5.1 The BCF has a total value of £23.8million for Cheshire East partners; the equivalent figure for the Cheshire West and Chester Health and Wellbeing Board is £24.3million. Within these financial envelopes funding has been allocated to individual schemes and areas as agreed within our final submissions.

5.2 Finance officers from across both Health and Wellbeing Boards have met on a number of occasions to progress the work, and this information is covered in more detail in Appendix One. However, there remain fundamental questions regarding the following financial issues:

a) How many S75 agreements will be put in place?
b) Who will host each of the pooled-budgets?
c) The time period covering the pooled-budgets?
d) Risk sharing agreements relating to the non-delivery of schemes?
e) Framework for the monitoring, delivery and reporting of schemes?

5.3 It is the aim of all partner organisations to limit exposure to the risk of financial pressures as part of the delivery of the BCF and robust financial management and monitoring will be essential. Therefore, and in-line with the guidance issued to date, it is being recommended that each of the schemes funded through the BCF will be underpinned by a specific S75 agreement (a Tier-Two Agreement).

6.0 Legal Implications:

6.1 The BCF is a nationally mandated process for Health and Wellbeing Boards to comply. The next phase of implementation requires the development of a S75 agreement (National Health Service Act 2006 Partnership Agreement) to support any pooled budget arrangements.

6.2 The BCF also incorporates some statutory duties relating to the Social Care Act, in particular; Carer's Assessments, Information and Advice, and the eligibility criteria of local residents.

7.0 Risks:

7.1 Both BCF plans included risk-registers. Dependent upon the geography on which S75 agreements are operationalised, there will be a need to further align or distinguish these registers.

7.2 There is a need to refresh this risk-register, both in-light of the further development of the schemes contained within the BCF, but to also reflect the current context of services, and existing performance levels.

7.3 Finally, a decision needs to be made regarding the reporting of exceptions against these issues.

8.0 Area's for Discussion and Decisions Required:

8.1 Governance and Commissioning Arrangements:

The planning process associated with the BCF has been valuable in strengthening relationships across health and social care, leading to constructive challenge, widespread sharing of information, and significant amounts of collective planning. The process has also exposed some opportunities to clarify commissioning and governance arrangements to ensure that services are developed to support the local community.

Consideration needs to be given to how BCF governance is either incorporated into existing governance arrangements or amendments are made to ensure that governance arrangements exist for BCF. The role of both Health and Wellbeing Boards should also be considered as part of any discussion about governance arrangements as the recently released CIPFA, 'Pooled Budgets for the BCF' guidance advises considering operating the pooled budget through a sub-committee of the HWB.

All partners are mindful that there is risk that a poor alignment of governance and commissioning arrangements would lead to both gaps in service provision and inconsistent quality. Furthermore, there is an inverse risk that poor alignment will result in significant duplication and repetition of information and reports to boards.

8.2 Section S75 Development: (Covered in Appendix One):

8.3 Potential to Revisit the 3.5% Non-Elected Admissions Target:

In the letter of approval received by both Health and Wellbeing Boards, there was a paragraph included by Barbara Hakin that related to the potential to 'revisit' the ambition relating to non-elected admissions:

"We recognise that some areas may want to revisit their ambitions for the level of reduction of non-elective admissions, in light of their experience of actual performance over the winter, and as they become more confident of the 2014/15 outturn, and firm-up their plans to inform the 2015/16 contracting round. Any such review should include appropriate involvement from local authorities and be approved by HWBs. NHS England will assess the extent to which any proposed change has been locally agreed in line with BCF requirements, as well as the risk to delivery of the ambition, as part of its assurance of CCGs' operational plans."

Further information contained within this letter provids more clarity regarding the full value of the element of the fund linked to non-elected admissions being paid over to the CCGs at the start of the financial year, only to be released in full upon the achievement of results. Moreover, if this target is not achieved the CCG(s) may release only part into to pool that is proportionate to the completion of the target. Any part of the funding that is 'held-back' or not released into the local BCF pool must be dealt with in-line with NHS England requirements.

In addition it must also be noted that within the 'Supplementary information for commissioner planning 2015/16' from NHS England

'Through the review CCGs will need to be confident, together with Councils and providers, that they have translated their initial ambition to firm and deliverable planning assumptions on which NHS acute capacity provision can be safely based'

This creates a significant challenge to partners as the current level of performance is above the baseline included within the BCF. Therefore, there is a need to ensure that there is a collective view across partners to ensure that any revision of ambition reflects this guidance.

8.4 Implementation and Delivery:

There are approximately 9 weeks or 45 working days until the BCF is officially in operation on 1 April 2015.

The oversight of the development of the BCF plan has been undertaken within each Authority through existing structures, for example the Joint Commissioning Leadership Team in Cheshire East and the BCF Working Group in Cheshire West and Chester. In the coming weeks the implementation of plans has to pick-up pace, therefore requiring light-touch decisions, advice and guidance on a regular basis. Whilst much of this is linked directly to activity that is already underway as part of the respective transformation programmes, there will be ongoing issues requiring input.

8.5 There are on-going discussions relating to the governance and reporting structures in relation to the Better Care Fund. The arrangements relating to project management and routes of escalation for issues need to be identified.

Clearly as relationships mature and difficulties arise due to culture and organisational priorities, the development of these structures and implementation of schemes will identify a number of issues which will need to be resolved.

9.0 Access to information

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