

Cheshire East Council

Cabinet

Date of Meeting: 8th March 2016

Report of: Brenda Smith

Subject/Title: Better Care Fund 2016/17

Portfolio Holder: Adult Care and Integration

1. Report Summary

- 1.1 The purpose of this report is to provide Cabinet with an update on the proposals for the implementation and delivery of the Cheshire East Better Care Fund (BCF) in 2016/17.
- 1.2 The report requests Cabinet support for the Council to continue the 2015/16 arrangements and enter into two s75 Partnership Agreements from 1st April 2016 until 31st March 2017 with local health partners (namely Eastern Cheshire CCG and South Cheshire CCG) with the option to continue for a further period of one year, subject to there being a national requirement to operate the BCF as a s75 pooled budget agreement.
- 1.3 The report requests support for authority to be delegated to the Director of Adult Social Care and Independent Living to make decisions and agreements on behalf of the Council in relation to the commissioning of schemes funded by the BCF. These decisions will be made via the BCF Governance Group.

2. Recommendation

- 2.1 It is recommended that Cabinet:
 - a. Approves the Council to continue the 2015/16 arrangements and enter into two s75 Partnership Agreements from 1st April 2016 until 31st March 2017 with local health partners (namely Eastern Cheshire CCG and South Cheshire CCG) with the option to continue for a further period of one year provided that there is a national requirement to operate the BCF as a s75 pooled budget agreement.
 - b. Approves delegated authority to the Director of Adult Social Care and Independent Living to make decisions and agreements on behalf of the Council in relation to the commissioning of schemes funded by the BCF. This delegated authority is subject to consultation with the Director of Children's Services should Young Carers be agreed as a joint work area for 2016/17.

- c. Acknowledges that the continuation of the two s75 arrangements is proposed to reflect the local integrated care system programmes (Caring Together being led by Eastern Cheshire CCG and Connecting Care being led by South Cheshire CCG);
- d. Approves the proposal that the Council enters into a pooled budget for 2016/17 that goes beyond the required minimum budget.
- e. Approves the BCF Governance Group to be responsible for reviewing the delivery of the agreement.

Reasons for Recommendation

- 3.1 The BCF plans and allocations have been developed on the Cheshire East Health and Wellbeing Board basis, as required. In 2015/16, the pooled budget for Cheshire East was £23.9m, and consisted of Local Authority Capital funding of £1.8m, South Cheshire CCG funding of £10.5m and Eastern Cheshire CCG Funding of £11.6m. This was the minimum required pool nationally.
- 3.2 In 2016/17, the minimum required pool is £24,236,470 and consists of Local Authority Capital funding of £1,637,640, South Cheshire CCG funding of £10.705m and Eastern Cheshire CCG funding of £11.894m.
- 3.3 However, due to the combination of factors, including the national direction of travel and improvements in trusting meaningful working relationships, there is an appetite across partners to have a 2016/17 pooled budget that goes beyond the minimum required. The financial implications of this are still being finalised but it is expected to be within the region of £27m.
- 3.4 The proposed areas of work to bring within the pooled budget for 2016/17, in addition to those already in for 2015/16, are shown in the table below and overleaf in 3.4.1, along with the rationale for the inclusion. Financial values for each of these work areas are currently being worked up, both for Cheshire East Council, and for the health and social care system as a whole (i.e. including CCG spend).

3.4.1

Work Area	Rationale
Whole of integrated teams and STAIRRS/ transitional care staffing where it is not already included.	15/16 arrangement of having part of integrated teams staffing budget in pooled budget is meaningless in reality. This approach demonstrates a more meaningful commitment to a joint commissioning approach across the partners.
All spend on carers including young carers to be brought in	Joint carer's strategy has been agreed across partners and implementation plan is being finalised.

Work Area	Rationale
Cheshire Care Record	Much of BCF work via schemes and to meet national conditions is dependent upon the Cheshire Care Record. All partners already working together on this.
Mental health reablement	Other reablement services are already within the pooled budget so this would provide alignment across work areas.
Alcohol services	These are being recommissioned as part of a wider public health integrated service so discussions needed regarding bringing in whole service or not as would not wish to include part of a service. Awaiting Director of Public Health view on this proposal
Community Equipment Services to be brought in and possibly profiled with Disabled Facilities Grant (DFG), universal outreach and assistive technology (AT)	Other schemes, such as DFG, universal outreach and AT are already in BCF. Bringing them all together under the pooled budget is more reflective of the patient / service user's experience. This approach will support further development of closer working across the schemes to provide a pathway approach rather than numerous "gateways". This approach should also promote more preventative interventions.

3.5 The initial Cheshire East BCF plan for 2016/17 was originally supposed to be submitted to NHS England on 8th February 2016 together with CCG operational plans. However, delays in the release of the template along with a lack of timely co-ordination with the announcements regarding Local Authority grant settlements has led to this deadline being moved to those shown below:

- 2 March:** Local areas to submit the completed BCF Planning Return template to your local NHS England teams detailing the technical elements of the planning requirements, including funding contributions, a scheme level spending plan, national metric plans, and any local risk sharing agreement.
- 21 March:** First submission of full narrative plans for Better Care alongside a second submission of the BCF Planning Return template.
- 25 April:** Final submission, once formally signed off by the Health and Wellbeing Board.

3.6 Full approval by NHS England of the plans for 2016/17 is expected to be based on the following conditions:

- A s75 pooled budget agreement is used as the mechanism to deliver the approved BCF plan.

- Health and Wellbeing Boards jointly agree plans for how money will be spent, with plans signed off by the local authority and Clinical Commissioning Groups
 - Areas will allocate funding to NHS-commissioned out of hospital services, which may include a wide range of services including social care.
 - Social care services are maintained
 - Agreement for the delivery of 7-day working across health and social care
 - Improved data sharing between health and social care based on the NHS number
 - Joint approaches to assessment and care planning, and that where integrated packages of care are funded, that there is an accountable professional
 - Agreement on the consequential impact of the changes on the providers that are predicted to be substantially affected by the plans
 - Agreement on a local action plan to reduce delayed transfers of care
- 3.7 It is a statutory requirement for a s75 pooled budget and associated partnership agreement to have been in place to support the delivery of the BCF from 1st April 2015, and for this to be continued into 2016/17. The pooled budget arrangement is fundamental to the smooth delivery and implementation of the BCF plan, in particular ensuring that the level of both financial and non financial risk that partners could be exposed to is managed appropriately.
- 3.8 In 2015/16, the Cheshire East Health and Wellbeing Board endorsed progressing with two separate s75 pooled budget agreements locally, to support the delivery of the Better Care Fund plan and to be aligned with the respective health integration programmes Caring Together (Eastern Cheshire Clinical Commissioning Group) and Connecting Care (South Cheshire Clinical Commissioning Group). Cheshire East Council entered into two separate s75 agreements with Eastern Cheshire Clinical Commissioning Group (CCG) and with South Cheshire Clinical Commissioning Group. It is proposed that this arrangement continues into 2016/17. The Cheshire East Better Care Fund plan has been developed with health partners and is aligned with local health and social care transformation programmes.
- 3.9 Cheshire East Council is a core partner of the partnership arrangements and Cabinet approval is required to enter into the s75 partnership arrangements. The BCF s75 agreements for 2015/16 have been reviewed for 2016/17 by the BCF Governance Group and respective partners are now considering the revised s75 agreements.
- 3.10 The governance arrangements supporting the s75 Better Care Fund pooled budget arrangement are fundamental to the smooth delivery of the expected changes and ensuring the level of risk both financial and non-financial the council, partner organisations and providers are exposed to. The s75 pooled budget partnership agreements provide an overview of the current governance arrangements.
- 3.11 Policy Guidance regarding the BCF for 2016/17 describes the need for areas to develop Sustainability and Transformation Plans to 2020 by June 2016.

These plans will need to describe how fully integrated health and social care systems will be achieved by 2020. Partners recognise that the BCF s75 pooled budget is a vehicle by which this can be achieved. However a significant rate of pace and change will be required to get from the minimum required to a fully integrated system. Areas that do go beyond the minimum requirements in 2016/17 are expected to have more autonomy in choosing the method by which their integrated system is achieved and in managing this integration process.

4. Other Options Considered

- 4.1 The requirement to have a s75 agreement and BCF is mandatory.
- 4.2 Other options considered included to maintain a minimum financial pool and to enter a larger pool.
- 4.3 The option to maintain a minimum pool has not been recommended as it does not demonstrate progress in the direction of a fully integrated Health and Social Care system by 2020 as required nationally.

5. Background

- 5.1 The BCF is a nationally driven initiative being overseen by the Department of Health and is a key part of Public Sector Reform supporting the integration of Health and Social Care. The BCF enters its second year in 2016/17 with a national pooling of £3.9billion (an increase from £3.8 billion in 2015/16) from a variety of existing funding sources within the health and social care system and will be utilised to further develop closer integration across health and social care. The BCF is a pooled budget held between Local Authorities and Clinical Commissioning Groups (CCG's) via a legal section 75 (s75) partnership agreement.

6. Wards Affected and Local Ward Members

- 6.1 All wards.

7. Implications of Recommendation

7.1 Policy Implications

- 7.1.1 Health and Social Care integration is a key element of public sector reform. The Better Care Fund develops these joint initiatives further during 2016/17.
- 7.1.2 Elements of the Better Care Fund funding are linked to the implementation of the Social Care Act, in particular carers, safeguarding boards and maintaining eligibility criteria.

7.2 Legal Implications

- 7.2.1 S141 of the Care Act 2014 provides for the Better Care Fund Pooled Funds to be held under and governed by an overarching s75 National Health Service Act 2006 Partnership Agreement.
- 7.2.2 Pursuant to Section 75 of the National Health Service Act 2006 and the NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000 (the “Regulations”), NHS bodies and local authorities can enter into partnership arrangements for the exercise of specified functions. The regulations define the nature of the partnership arrangements. They provide for the establishment of a fund made up of contributions from the partners out of which payments may be made towards expenditure incurred in the exercise of their functions; for the exercise by NHS bodies of local authority functions and for the exercise by local authorities of NHS functions; and require the partners to set out the terms of the arrangements in writing. The specific objectives for implementing Section 75 Agreements are:
 - 7.2.2.1 To facilitate a co-ordinated network of health and social care services, allowing flexibility to fill any gaps in provision;
 - 7.2.2.2 To ensure the best use of resources by reducing duplication (across organisations) and achieving greater economies of scale; and
 - 7.2.2.3 To enable service providers to be more responsive to the needs and views of users, without distortion by separate funding streams for different service inputs.
- 7.2.3 In 2015/2016 Cheshire East Council entered into two separate s75 agreements, one with each CCG operating within the Cheshire East Borough footprint. In accordance with those agreements (and the statutory requirement to hold BCF pooled funds under a s75 agreement), during January 2016 a review was commenced into the continuation of the agreements for a further period of one year with the option to review and continue with those agreements for a further one year period.
- 7.2.4 As set out in paragraph 3.4, Policy Guidance regarding the BCF for 2016/17 describes the need for areas to develop Sustainability and Transformation Plans to 2020 by June 2016, which plans will need to describe how fully integrated health and social care systems will be achieved by 2020. Partners have recognised that the BCF s75 pooled budget is a vehicle by which this can be achieved and are considering amendments to the agreements which reflect this ambition both in terms of going beyond the minimum financial requirements in 2016/17 and of committing to designing and articulating how integration is to be achieved and managed.
- 7.2.5 During 2015/16 the governance of the BCF pooled fund arrangements has been developed and the BCF Governance Group now makes

decisions, which has been taken into account within the amendments to the agreements.

7.3 Financial Implications

- 7.3.1 In 2016/17, the minimum required pool is £24,236,470 and consists of Local Authority Capital funding of £1,637,470, South Cheshire CCG funding of £10.705m and Eastern Cheshire CCG funding of £11.894m.
- 7.3.2 The local health and social care economy will work together to deliver better care arrangements for its population, seeking to keep individuals within the community, avoiding hospital/residential nursing care.
- 7.3.3 Following the agreement to operate two section 75 agreements within the Cheshire East area, the respective Clinical Commissioning Groups and Council are responsible for producing the pooled budget's accounts and audit in respect of those elements of the budget which they receive directly from government. This arrangement reduces the number of transactions across organisations and provides the opportunity for the pooled budgets to be aligned to the local health and social care transformation programmes. The organisations host the budget in line with the agreed plans of all partners and the funding would be used explicitly for the agreed areas of spending identified in the plan. The Council takes responsibility for the collation and consolidation of standardised financial and reporting information for the Cheshire East Health and Wellbeing board.
- 7.3.4 The risk sharing arrangements for over and underspends is directly linked to each scheme specification and the lead commissioning organisation will be responsible for the budget management of the pooled fund allocated to the each individual scheme. The risks of overspends for the schemes included in the BCF plan are currently limited to the funding contribution. A variation schedule has been included in the partnership agreement to provide the lead commissioner with the escalation process to raise issues and concerns.

7.4 Human Resources Implications

- 7.4.1 None

7.5 Equality Implications

- 7.5.1 The recommendations will most likely benefit over 65's and people living in disadvantaged areas more than other parts of the population.

7.6 Rural Community Implications

- 7.6.1 None.

7.7 Public Health Implications

- 7.7.1 The recommendations will have a positive impact on populations experiencing the greatest inequities in health and social care, e.g. those aged 65 years and above, and those with lower incomes / living in disadvantaged areas.

8 Risk Management

- 8.1 The Better Care Fund plan includes a risk register and each lead commissioner is responsible for maintaining a risk register. The risk register is monitored by the BCF Governance Group
- 8.2 The corporate risk registers for the respective organisations incorporate significant risks relating to BCF. Links to the Cheshire East Risk Strategy, which cabinet received on 9th February 2016, will be explored.
- 8.3 The most significant risks in the plan are as follows:
- Risk that a sufficient reduction in patient flows will not be achieved, thus preventing MCHFT and ECHT from removing capacity and costs in line with the plans.
 - Risk that adequate planning for increased level of need amongst residents due to forecasted demographic changes, welfare reform and Care Act will lead to under-resourced services.
 - Risk that failure of preventative services to achieve outcome improvements by the end of the BCF will lead to the double-running of costs in acute setting.
 - Risk that failure to deliver integrated IT systems within agreed timescales will lead to delays in achieving national conditions for BCF and delays in providing fully integrated care for the population.
- 8.4 These risks are being managed, and will continue to be managed, as part of the delivery of the Better Care Fund plan.

9 Background Papers

- 9.1 The background papers relating to this report can be inspected by contacting:
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10 Contact Information

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