Norfolk Health and Wellbeing Board

Date: **Wednesday 10th September 2014**

Time: **9.30am**

Venue: **Green Room, Archive Centre, County Hall**

SUPPLEMENTARY
A g e n d a

4. **Norfolk Better Care Fund – final submission**
Report of the Director of Community Services, NCC, and representatives of each of the CCGs

- Norfolk Better Care Fund Final Plan – resubmission September 2014

Harold Bodmer/ Catherine Underwood/ CCGs representatives

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Report to Norfolk Health and Wellbeing Board

September 2014

Item 4

The Norfolk Better Care Fund – resubmission of the plan

Cover Sheet

What is the role of the HWBB in relation to this paper?

The Health and Wellbeing Board is required to approve a Better Care Fund plan for Norfolk. The Board approved a plan in April, but subsequent national guidance has required further revisions to the plan and a resubmission by 19th September.

This paper sets out the changes in guidance, progress on resubmission and notes that the Council and CCGs have not yet been able to clarify how the BCF fund will be apportioned.

Key questions for discussion

Does the Board have any further questions about preparation of the Norfolk Better Care Fund plan?

Actions/Decisions needed

1. The Board is asked to note the positive progress on developing the resubmission of the Better Care Fund plan for Norfolk and the issues which remain outstanding.

2. The Board is asked to delegate the authority to approve the Better Care Fund plan for Norfolk to the Chair and Vice Chairs of the Board.

Report to Norfolk Health and Wellbeing Board

September 2014
Item 4

The Norfolk Better Care Fund– update on resubmission of the plan

Report of the
Director of Community Services, Norfolk County Council
Chief Officer of NHS Great Yarmouth and Waveney Clinical Commissioning Group
Chief Officer of NHS North Norfolk Clinical Commissioning Group
Chief Officer of NHS Norwich Clinical Commissioning Group
Chief Officer of NHS South Norfolk Clinical Commissioning Group
Chief Officer of NHS West Norfolk Clinical Commissioning Group

Summary

In July 2014, the Health and Wellbeing Board received an update on the Norfolk Better Care Fund plan which noted that the final formal approval of plans was to be subject to further assurance processes and that therefore no plans had been approved. The report noted that guidance on the new requirements was still awaited.

Later in July, the guidance was received, setting out adjustments to the Better Care Fund requirements, primarily to ensure sufficient focus on hospital admission avoidance and to address the financial risks of failing to achieve the anticipated reduction in acute admissions.

Health and Wellbeing Boards have been required to make a revised submission of their plan by 19th September.

This report sets out the renewed requirements and the implications for the Norfolk plan. The CCGs and Council retain their strong commitment to the plan and to the schemes contained within it. They have been able to respond as required to the new guidance and have further refined the original plan to this effect.

In the past week, a new issue has emerged following an NHS England local area team (LAT) review of the progress on plans. The CCGs have been asked to review the risk that the proposed funding in the Better Care Fund poses to them and to consider whether the level of protection of social care which is proposed will pose unacceptable risk to the CCG budgets. In addition, the LAT has proposed that Norfolk may wish to reconsider the target for admission reduction due to an underlying trend of increasing unplanned admissions which most CCGs are experiencing.

Because of this there is a need to do some further work together and the final resubmission is not available for the Board. There has been new guidance and support available and the Norfolk team has taken advantage of this to further strengthen the plans. The CCGs and County Council will focus on seeking to resolve the funding position over the next week in order to be able to propose a plan for the Board's approval in short order. The Board is asked to delegate approval to the Chair and Vice Chairs.

Action required: The Board is asked to note the positive progress on developing the resubmission of the Better Care Fund plan for Norfolk and the issues which remain outstanding.

The Board is asked to delegate the authority to approve the Better Care Fund plan for Norfolk to the Chair and Vice Chairs of the Board.

1. Background

1.1 At the meeting of the 1st[h] April 2014, the Health and Wellbeing Board approved the Norfolk Better Care Fund (BCF) plan. The Board paper is available at the following link.

1.2 The plan was sent to NHS England as required, for assurance to be undertaken. However this process was not completed due to a review of the programme at national level.

2. The changes to the Better Care Fund

2.1 On 17th July a letter was sent to Chairs of Health and Wellbeing Boards setting out a number of changes to the fund and subsequent further assurance requirements. See appendix 1.

The letter reiterated the commitment of the Department of Health and Department for Communities and Local Government to integrating health and social care services to achieve sustainability and quality, and to the BCF programme itself. It noted that the BCF plans must demonstrate how they would reduce unplanned hospital admissions and protect social care. However it indicated that changes were needed to the scheme.

This led to a revised set of BCF templates being released in late July 2014, with a new final submission date of 19th September 2014. The new submissions did not require a reworking of the substance of Norfolk's approaches and schemes, but greater clarity is required around the alignment of the BCF plans to wider plans and policies, such as how BCF schemes will work alongside primary care, and additional evidence of robust finance and activity analytical modelling underpinning approaches. In addition, a greater focus is placed on demonstrating the engagement with acute providers and agreement on the impact of plans (which include the national planning assumption that there would be a planned level of reduction in total emergency admissions in the region of 3.5% in 2015/16).

The key material changes are:

a) Pay for performance and risk sharing:
   - A need to ensure that plans provide assurance that they will reduce unplanned hospital admissions.
   - Health and Wellbeing Boards to determine a realistic but ambitious target for reducing admissions, with a guideline reduction of at least 3.5%.

- The setting aside of a proportion of the funding to be available for CCGs to meet the costs of acute care if the target is not met.
- Earmarking the remaining proportion of the performance fund for NHS commissioned services.
- Reduction of emergency admissions becomes the sole measure by which the performance payment is determined.

b) Plan improvement and assurance:
   - A revised template requiring additional finance information on metrics, planned spend and benefits.

c) Establishment of a national Better Care Fund programme team.

3. Implication of the changes to performance funding for Norfolk

The Better Care Fund plan for Norfolk which the Board approved in April was recognised as a high quality plan. The key change in the revised BCF guidance relates to the approach to the payment for performance element of the programme. Finance officers of the CCGs and County Council have been working together to analyse and plan for the impact of these changes.

For Norfolk the performance element which will need to fund acute care if the targets are not met is £4.7m. As this is calculated at a higher rate per admission than the marginal rate which most CCGs in fact pay, this payment may prove to be greater than is needed. Partners have agreed that if this is not required to meet the cost of failing to meet the target to reduce the admission, it will return to the BCF.

4. Key risks in the system

In working through the BCF process, the partners have been committed to the principle of understanding and addressing the risks across the health and care system in order to ensure the best joint approach to integration and sustainability. Key risks include:

4.1 Hospital admissions:

The sole performance measure with a financial impact in the BCF is now the reduction of unplanned admissions. This is recognised to carry a number of risks. Unplanned admissions to hospital have been rising significantly across most of the country and this is largely reflected in Norfolk. Great Yarmouth and Waveney has seen a reduction in emergency admissions over the past twelve months, but in the rest of the county admissions are continuing to increase.

Unplanned admissions

	Q1 13/14	Q1 14/15	Difference	%Difference
North Norfolk	4106	4254	148	4%
Norwich	4830	5049	219	5%
South Norfolk	5073	5336	264	5%
West Norfolk	4836	5230	393	8%
GtY&W	2792	2447	-345	-12%
NORFOLK	21637	22316	679	3%

(excluding NCH&C Data)

Where unplanned admissions are reduced, this may not lead to reduced activity in the acute hospital as it may simply enable planned admissions to take place in a timely manner. Reduced activity and cost cannot be assumed in the acute services.

4.2 NHS financial pressures:

CCGs have QIPP (Quality, Innovation, Productivity and Prevention) programmes which require transformation and efficiency to address the commissioning financial pressures which result from the inflationary and demand increases in health services.

NHS providers have CIP (Cost Improvement Programmes) to deliver which also address efficiency and savings requirements. NHS providers may also be impacted by the QIPP programmes.

4.3 Local Authority budget reductions:

Local authorities have faced substantial cuts in their grant over the past years, with Norfolk County Council having 26% reductions of its grant to date.

The Putting People First programme set out how these reductions would be managed during 2014-17 in Norfolk. BCF funding to protect social care of £15m represents about half of the funding reduction faced by social care in 15/16 but the equivalent amount will need to be realised as a saving outside of the BCF. There are plans in place to deliver these additional social care savings.

4.4 Protection of social care:

The BCF has always recognised the funding reductions in social care and has required that plans ensure the protection of social care (not budgets). The partners recognise that failure to adequately protect social care will not only impact on individual wellbeing, but will impact on the health care system and in particular hospital activity and they remain committed to the protection of social care.

4.5 Workforce capacity:

The health service workforce capacity is under pressure nationally and Norfolk is no exception. Any difficulties in securing medical and clinical capacity will impact on the delivery of these service ambitions.

There is a wide programme of activity to address these issues in Norfolk but as a national issue this is likely to remain a risk.

4.6 Delivery of complex change:

The Better Care Fund is recognised to represent an ambitious programme of transformation, and the results will not be achieved without radical change. This poses a challenge in implementation.

In each CCG area, an integration board or implementation group has been formed, each with engagement of key stakeholders including providers. A programme group is established which will monitor and report the overall Norfolk Better Care Fund. Workforce development activity is also planned.

4.7 Implementation of the Care Act

The Care Act consolidates historical legislation which governs social care and provides a revised framework for accessing care. Key impacts are wider entitlement to assessment of needs for people funding their own care, wider entitlements for carers to assessment and services, alongside the cap on care costs which means a significant number of people will be entitled to funded care rather than being required to fund it themselves. It will also require local authorities to provide a 'care account' which keeps track of the amount individuals have spent on their care to allow them to identify when they have reached the cap.

There is national and local work underway to scope the implications of these changes and concern that the current financial support put against implementation is substantially insufficient.

The Council and CCGs are developing robust contingency planning and risk sharing arrangements in preparation for presentation of the BCF plan to the Board for approval.

5. The BCF funding position for Norfolk

The fund which is required to be included in the BCF for Norfolk is £56.38m, with allocations against CCG areas broken down as follows:

	£'m
West Norfolk CCG	11.443
South Norfolk CCG	14.020
Norwich CCG	12.245
North Norfolk CCG	11.553
Great Yarmouth & Waveney CCG	7.120
Norfolk BCF total (revenue)	**56.381**
Norfolk capital allocation	6.08
Norfolk BCF total 2015/16	**62.404**

5.1 Responding to the revised guidance

The Norfolk Better Care Fund programme group has co-ordinated the work to provide a revised plan for submission by 19th September as required. This has seen further refinement of the plan which the Health and Wellbeing Board approved rather than changing the initial proposals. All partners remain committed to plans and approaches originally submitted. This work has involved considerable detailed analysis, planning and modelling of impact and robust contingency planning and risk sharing arrangements being progressed positively. It increases the readiness and confidence as we move forwards. Indeed, preparation for and implementation of change has been progressing alongside this.

5.2 Recent developments about finances

Within the last week however a concern has been raised through the Local Area Team (LAT) about the financial risk to CCGs of BCF plans, in particular in relation to any protection of social care. The LAT has responsibility for authorising the CCG budgets and notes that CCGs will need to demonstrate that they are not exposing themselves to unreasonable risk through the BCF by allocating too much of the fund for the protection of social care. The LAT also recommended that, given the underlying trend of increased admissions, the CCGs remodel the 3.5% guideline reduction to reduce the target accordingly.

However, the partners recognise that not only does the protection of social care services remain a national condition of the fund (which the Health and Wellbeing Board will need to assure itself of) but also that the sustainability of health services and particularly hospital admissions and discharge depend on adequate social care services.

There is a funding pressure within the BCF, as Local Authorities are facing budget reductions and CCGs are required to contribute funds to the BCF which are largely already committed into services. The solution posited by the BCF programme is that if transformed health and care systems can reduce hospital admissions, then resources will be released to achieve a sustainable system. However, as outlined in section 4.1 above, there are a number of risks to the delivery of this outcome.

The Norfolk team has made good use of further technical guidance and support seminars which have been made available during the last week to assist in refining the plans. The Better Care Fund programme has made available through the Local Government Association bespoke support to Norfolk. At the time of writing this report the partners are intending to seek to resolve this urgently between themselves but will access the support if this is not achieved.

6. Conclusion

The preparation of the Better Care Fund re-submission has been progressing well. However, recent highlighting of the requirement to ensure the risk to CCGs is appropriate has called the Norfolk partners to review the allocation of resources and the securing of plans to mitigate the risk. The partners are liaising closely with the Local Government Association and NHS England for guidance and clarification.

It is hoped that these issues can be clarified swiftly in order that the Norfolk Better Care Fund can be finalised and approved within the deadline of 19th September.

7. Action required:

The Board is asked to note the positive progress on developing the resubmission of the Better Care Fund plan for Norfolk and the issues which remain outstanding.

The Board is asked to delegate the authority to approve the Better Care Fund plan for Norfolk to the Chair and Vice Chairs of the Board.

8. List of Appendices:

Appendix 1:
Letter to Health and Wellbeing Board chairs from Jon Rouse Director General Social Care Department of Health and Helen Edwards, Director General Localism at Department for Communities and Local Government 14 July 2014

Appendix 2:
Extract from HM Government letter dated 9 August 2013 to show origin of national figures

Officer Contact

If you have any questions about matters contained in this paper please get in touch with:

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Appendix 1:

Department of Health

Department for Communities and Local Government

Dear Health and Wellbeing Board Chair

11 July 2014

BETTER CARE FUND

Thank you for the progress you have made so far with your preparations to implement the Better Care Fund. We know that local plans contain a clear commitment to ensure more people receive joined-up, personalised care closer to home. This letter sets out how you will continue to be supported to get the plans ready for implementation from April 2015. Following the recent announcement on the Better Care Fund, we also want to tell you about some changes we are making to further develop the programme.

We remain convinced that the shift to integrated care is the right way to deliver a sustainable health and social care system that can provide better quality care and improve outcomes for individuals. That is the way we can preserve people's dignity by enabling them to stay in their own homes, and to receive care and support when and where they want and need it. That is why the Government remains fully committed to the Better Care Fund and are clear that pooled health and care budgets will be an enduring feature of future settlements.

The Better Care Fund is deliberately ambitious. The majority of local draft plans submitted in April showed that same ambition. We recognise the scale of the task of transforming local services and the plans show how significant progress has been made in bringing together organisations and moving to a new and more collective way of working. We were particularly pleased to learn that most of the plans were addressing key conditions such as a commitment to seven day working, better sharing of information and protection of social care services.

We know that we need to shift as quickly as possible from improving and assuring the plans to letting local areas get on with delivery. However, we believe there is more to do over the next few months to ensure a strong first year.

Pay for Performance and Risk Sharing

First, as announced earlier in the month we are finalising arrangements for the pay for performance element of the fund and, as part of that, putting in place a clear framework for local risk sharing.

We know that unplanned admissions are by far the biggest driver of cost in the health service that the Better Care Fund can affect. We need the plans to demonstrate clearly how they will reduce emergency admissions, as a clear indicator of the effectiveness of local health and care services in working better together to support people's health and independence in the community.

We are therefore asking each Health and Wellbeing Board to propose their own performance pot based on their level of ambition for reducing emergency admissions – with a guideline reduction of at least 3.5 per cent. A proportion of your current performance allocation (i.e. your area's share of the national £1bn performance element of the fund) will be paid for delivery of this target. That proportion will depend on the level of ambition of your target. Where local areas do not achieve their targets the money not released will be available to the CCGs, principally to pay for the unbudgeted acute activity.

The balance of your area's current performance allocation (i.e. the amount not set against the target for reduced admissions) will be available upfront to areas and not dependent on performance. Under the new framework, it will need to be spent on out-of hospital NHS commissioned services, as agreed locally by Health and Wellbeing Boards.

In reality we know of course that a lot of the investment from the Fund will be in joint services. We welcome that and will find a simple way to account for that investment.

This change will mean that while it is likely that local authorities will continue to receive the large majority of the Better Care Fund, the NHS will have the assurance that plans will include a strong focus on reducing pressures arising from unplanned admissions.

This change also means that, because of its importance in terms of driving wider savings, reductions in unplanned admissions will now be the sole indicator underpinning the pay for performance element of the BCF. Performance against the other existing metrics will no longer be linked to payment. However, we will still want to see evidence of strong local ambition against them as part of the assurance of plans.

Plan Improvement and Assurance

Second, certain aspects of local plans need to be strengthened to ensure we are ready to deliver from April 2015. NHS England and the LGA will shortly be issuing guidance on what a good final plan should look like. NHS England will also be publishing exemplar plans from a small number of areas to help the process.

In addition, NHS England will issue a revised plan template which will request additional financial data around metrics, planned spend and projected savings. They will also provide further detailed guidance on the revised pay for performance and risk sharing arrangements.

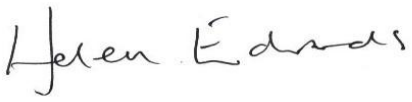
We expect that areas will be asked to submit revised plans and any further information at the end of the summer. NHS England, supported by the LGA, will also set out the assurance and moderation process. Where localities need support to complete their plans NHS England, supported by the LGA, will discuss how best to provide this.

The plans will be further reviewed by DCLG Permanent Secretary Sir Bob Kerslake and NHS Chief Executive Simon Stevens in the autumn prior to submission to Ministers to ensure they are ambitious enough to achieve improvements in care and that every area is on track to begin in April next year.

Better Care Fund Programme Team

Third, in order to drive this through at pace an expanded joint Better Care Fund programme team has been established, working across Whitehall, local government and the NHS. Dame Barbara Hakin, National Director: Commissioning Operations, NHS England, will take on overall responsibility for delivery through this team. The expanded team is headed by Andrew Ridley as the new BCF Programme Director. A key priority for the new team will be ensuring that, given the fast-moving nature of the programme, you are kept fully up to date and provided with the support you need to deliver effective plans and move into implementation. Andrew will be writing to you shortly to outline his plans for doing this, and to begin a regular programme of communication with local areas.

We recognise that in order to make integrated services a reality, you have achieved a lot already over a short space of time. We would like to thank you again for your hard work, and to reiterate that the Government remains absolutely committed to making the Better Care Fund and integrated services a success. We know that you share our ambition to transform local services for the benefit of all who use them.



JON ROUSE **HELEN EDWARDS**

Appendix 2:

Extract from HM Government letter dated 9 August 2013

The care and support Spending Round settlement

£1.9bn of existing funding that will already be allocated across the health and social care system to support integration in 2014/15

£1.53bn revenue funding:-

£1.1bn – continuation of the 2014/15 NHS transfer. Over the course of the 2010 Spending Review period, the NHS has transferred money to support care and support with a health benefit. Previously, it was intended that this would amount to £900m in 2014/15 – this Spending Round has announced a further £200m to help local authorities prepare for the implementation of the Integration Transformation Fund and make early progress on priorities in 2015/16, this £1.1bn will be put into the pooled budgets.

£300m – reablement funding. Reablement funding is currently identified within CCG

Allocations. In 2015/16, this money will be placed within the pooled budgets.

£130m – Carers break funding. Funding for carers breaks is provided by the NHS. This money will form a part of the pooled budget.

£354m capital funding:-

£134m – Community Capacity Grant. The Department of Health's capital grant for care and

Support will form a part of the pooled budget in 2015/16. Of this, £50m is to fund the changes in IT systems necessary for integration and funding reform.

c.£220m – Disabled Facilities Grant. This will be put into the pooled budget. More work needs to be done on how this will work in practice, given that this is currently also allocated to lower tier councils.

£1.9bn additional NHS funding

In addition to the existing funding streams outlined above, the NHS will contribute a further £1.9bn to the Integration Transformation Fund.