

TITLE	Better Care Fund: Changes to the National Guidance
FOR CONSIDERATION BY	Health and Wellbeing Board on 14 August 2014
WARD	None Specific
DIRECTOR	Stuart Rowbotham, Director of Health and Wellbeing

OUTCOME / BENEFITS TO THE COMMUNITY

To provide an update to Health & Wellbeing Board members on some important changes to the national guidance and performance measures for the transfer of funds under the Better Care Fund (BCF).

To inform the Board of the impact the changes may have on local planning.

To arrange for sign off of the revised plan.

RECOMMENDATION

That the Health and Wellbeing Board

- 1) note the policy changes to the Better Care Fund;
- 2) consider the request from the ADASS President to share the potential impact of the changes to Wokingham social care budgets, once these are fully understood;
- 3) holds an extraordinary meeting on 11 September 2014 to sign off the revised plan to meet the timetable of submission of plans by 19 September.

Background

Changes to the Better Care Fund

Health & Wellbeing Board members will be aware that there has been a delay in signing off national plans because of NHS England's concerns that savings from reduced hospital activity will not be sufficient to cover their contribution to the BCF in 2015/6, putting overall NHS finances at risk.

These concerns were raised by NHS England with Ministers. The Secretary of State for Health has responded by announcing some important changes to the BCF, two of which are critical.

1. The pay for performance element will be linked solely to reducing total emergency admissions to hospitals in 2015/6.

Health and Well Being Boards will be invited to:

- agree a target reduction in emergency admissions: it is anticipated that this will be in the region of 3.5% from the level that would otherwise have been anticipated in

2015/6 and;

- agree the savings that would accrue from such a reduction.

For Wokingham the target reduction of 3.5% would be extremely challenging as it is one of the best performing CCGs for emergency admissions. It is hoped that there may be some flexibility in the target for already higher performing areas.

At the LGA Annual Conference, Simon Stevens, Chief Executive of NHS England, emphasised that whilst there will be no “preferred provider” the balance of the pay for the performance element will have to be spent on NHS commissioned services, which can include Section 75 agreements with local authorities (this relates to Section 75 of the Health Act, which enables pooled budgets and joint commissioning between health and social care).

In effect, of the £1.9bn NHS contribution to the BCF in 2015/6, £1bn must either come from reduced emergency admissions, or be spent by the NHS. In a worst case scenario this means that the additional resources to protect social care and promote integration in 2015/6 have been halved.

2. Every Health and Well Being Board will be asked to resubmit their BCF Plan, and this will be subject to a revised assurance process. A national programme office has been set up to assure BCF planning. The planned fast track for a number of plans will continue and the fast track areas will test the revised template to ensure that it is fit for purpose.

Wokingham was originally part of the ‘fast track’ programme which demands a revised plan to be agreed by 29th August, but, along with West Berkshire, decided to step back from the programme to allow for more time to consider the changes required to achieve the new performance measure.

Revised plans for all areas are to be signed off by Health and Wellbeing Boards by 19th September 2014.

Local government concerns

ADASS (Association of Directors of Adult Social Services) are very concerned by these changes and have made strong representations to Ministers. In a letter to the ADASS membership (15th July 2014), the ADASS President, David Pearson, states:

‘We have made it very clear that we do not agree with the changes. We believe that the revisions to the BCF undermine the core purpose of promoting locally led integrated care. Furthermore, they reduce the resources available locally to protect social care and prevention initiatives and will mean that councils will have to revise its expected funding for social care and prevention in 2015/6 leading to reductions in spending and services.

It is absolutely vital that all Health and Wellbeing Boards review and revise their BCF Plans. Many were already anxious about affordability and deliverability. We request that you provide us with information on the impact of the revisions to the BCF on local budgets for social care. In particular, the amount within budgets that will no longer be available to social care and prevention.

We have worked with NHS England and government officials to explore how the risks

associated with the changes could be mitigated. These discussions, which have involved senior officers and elected members from the LGA and councils, have looked at strengthening the existing plans and amending the proposed pay for performance regime that governs £1 billion of the £3.8bn total fund. We remain hopeful that the revised guidance and templates will provide sufficient local flexibility to invest in services that CCGs and Health and Wellbeing Boards agree will make the biggest difference locally.'

Wokingham's Better Care Fund Plan

Wokingham's allocation of Better Care Fund could be up to £8.04 million, depending on performance.

Work is now underway to analyse the impact of the changes on the local plan which was signed off by the Health & Wellbeing Board in April 2014. The targets are being reviewed within the context of the wider Berkshire West health and social care economy in consultation with the NHS England Area Office.

If the current performance measures were known at the beginning of the process, the local plan may have been differently focussed. It is important therefore that plan is adjusted to ensure that Wokingham can have the best opportunity to achieve the performance related funds.

A draft revised plan will be submitted for approval to the Health & Wellbeing Board by the beginning of September.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	Financial consequences to be analysed as outlined in the report	Financial consequences to be analysed as outlined in the report	Revenue
Next Financial Year (Year 2)	Financial consequences to be analysed as outlined in the report	Financial consequences to be analysed as outlined in the report	Revenue
Following Financial Year (Year 3)	Financial consequences to be analysed as outlined in the report	Financial consequences to be analysed as outlined in the report	Revenue

Other financial information relevant to the Recommendation/Decision
N/A

Cross-Council Implications

Reasons for considering the report in Part 2
N/A

List of Background Papers
BCF Guidance cover letter to H&WB Boards 25 July 2014 (Appendix 1)

Contact Teresa Bell	Service Wokingham Better Care Fund Programme Manager
Telephone No 0118 9746833	Email Teresa.bell@wokingham.gov.uk
Date 4 August 2014	Version No. 1



To: Health and Well-Being Board Chairs
CC:
LA Chief Executives
NHS England Regional Directors,
NHS England Area Team Directors,
CCG Accountable Officers
CCG Clinical Leads

25 July 2014

Dear colleagues,

Revised Better Care Fund guidance and planning

I am writing to you today to provide you with new guidance and templates for revised Better Care Fund (BCF) plans.

Having now been in post three weeks, I am under no illusions about the size of the task ahead for all of us in making both the BCF and Integrated Care a reality. This is one of the most ambitious programmes in the history of the NHS and Local Government. And it is of critical importance. In order to improve the lives of those we work for and serve - whether we are in a local authority, the NHS, a social care provider or another organisation - it is critical that we come together and work as one in order to place people and their well-being at the centre of all that we do. I recognise the amount of work that many of you have already undertaken to make this happen. We now need to take the next step, and ensure this ambitious vision is built on a solid foundation.

As you will already be aware, there have been some changes to the policy framework underpinning the BCF. This letter highlights the key policy changes to the BCF, and confirms the process for revising and resubmitting BCF plans in light of the recent changes. It should be read in conjunction with the following attached documents:

1. Revised BCF planning guidance
2. Revised technical guidance
3. Two revised planning templates (an excel template; and a word template, both of which need completing)

What has changed?

The revised BCF planning guidance and technical guidance documents set out what has changed in more detail. In summary, the previous £1bn Payment for Performance framework has been revised so that the proportion of the £1bn that is now linked to performance is dependent solely on an area's scale of ambition in setting a planned level of reduction in total emergency admissions (i.e. general and acute non-elective activity). The national planning assumption is that this will be in the region of a 3.5% reduction against the baseline detailed in the technical guidance. If this is achieved, it would equate to a national payment for performance pool of c.£300m. The remaining c.£700m would be available up front in 2015/16 to be invested in NHS commissioned out-of-hospital services. The detail of this will be subject to local agreement, as set out in the planning guidance.

In acknowledgement of the additional work that may be required in some areas to revise and develop their plans, an extended planning timetable has been agreed, with plans to be resubmitted by midday on 19 September.

Previously submitted plans

A number of strong plans were submitted in April. These contained many excellent examples of innovative, integrated care. However, there were also some aspects in many plans that require further development: more evidence of sufficient provider engagement and agreement on the impact of plans; greater clarity around the alignment of the BCF plan to wider plans and policies, such as how BCF schemes will align with and work alongside primary care; and more evidence of robust finance and activity analytical modelling underpinning plans.

To encourage greater provider engagement, a crucial change to the revised BCF planning process is a requirement for projected non-elective activity data to be shared with local acute providers. In response these providers will need to submit their commentary in response to those figures to confirm the extent to which they agree with the projections, and set out that those assumptions are built into their own two year plans.

Support for strengthening plans

Support for Councils and CCGs will be available over the summer period ahead of the resubmission deadline of 19 September. This will be two-tiered: general support that will be available to all; and more bespoke support for areas that require further assistance. Please discuss what you believe your support needs are with your Area Team and Local Government region, who will be working with the central programme team to coordinate support.

The revised planning guidance sets out what 'good' looks like. A small number of worked examples of plans will also be made available, which may be useful reference tools in developing your own plan.

Assurance of plans

Area Teams and Local Government regional leads will be working closely with HWBs during the summer to ensure areas get the support they need to strengthen their plans. They will provide regular updates to the central team (at the checkpoints set out in the accompanying planning guidance) on progress locally during this period so that we can offer support if needed.

Once plans have been submitted, there will be an intensive two-week desktop review of plans, focused on:

1. Overall review of narrative of plan
2. Analytical review of data, trends and targets
3. Financial review of calculations and financial projections

The combination of the feedback from Area Team and Local Government regional peers, and the outcome of the desktop review, will form the basis of the assurance process ahead of plans being recommended to Simon Stevens, Sir Bob Kerslake and Ministers for sign-off.

Section 256 Payments

We have received a number of enquiries about the final portion of this year's section 256 payment. I am delighted to tell you that this will be released in the next few weeks to all those areas that submitted BCF plans in April. Further information about this will be sent out shortly.

I am aware the need for revised BCF plans will mean more work for areas in further developing plans to be resubmitted. But I believe that we need to grasp the opportunity that the BCF affords us; and that further development of the plans is necessary to do so. I am very grateful for your patience as we develop this challenging and ambitious programme and I look forward to working with you all in the coming months.

If you have any queries, please discuss with your Area Team and Local Government regional contacts. Alternatively, please email bettercarefund@dh.gsi.gov.uk. I would be grateful if you could cascade and share the guidance with colleagues in local Government, local NHS and others as necessary.

Yours sincerely,



Andrew Ridley
Better Care Fund Programme Director