

HEALTH AND WELLBEING BOARD

5 July 2017

Title:	Integration and Better Care Fund Plan 2017/19 Update		
Report of the Strategic Director for Service Development and Integration			
Open Report		For Decision	
Wards Affected: None		Key Decision: Yes	
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Sponsor: Anne Bristow, Strategic Director for Service Development and Integration, LBBD			
Summary <p>This report outlines the development of the 2017-19 Integration and Better Care Fund (BCF) Plan in Barking and Dagenham, Havering and Redbridge (BHR), and seeks delegated authority to approve the completed plan.</p> <p>The Integration and Better Care Fund is a joint Department of Health (DoH), Department for Communities and Local Government (DCLG), NHS England and Local Government Association (LGA) programme spanning local government and the NHS, which seeks to address mounting budgetary and demand pressures through health and social care integration, ultimately aiming to allow people to manage their own health and wellbeing, and live independently in their own communities for as long as possible.</p> <p>While final policy guidance is yet to be released, and is subject to continued delay, a preferred approach has been identified by the local authorities, utilising tools provided by the Local Government association, and discussions are ongoing with the relevant Clinical Commissioning Groups (CCGs) and other partners, in order to finalise the 2017-19 Plan for this region. The Plan will seek to build on the work of the 2015-17 Plan, and increase the resource and scope available for true integration, transformation and innovation across our local health and social care economy.</p> <p>The Government have also clarified that monies awarded to local government through the social care grant, whilst subject to specific conditions, will need to be managed through the BCF pool.</p>			
Recommendation(s) <p>The Health and Wellbeing Board is recommended to:</p> <ul style="list-style-type: none">(i) Note and discuss the content of this report, and in particular, the approach to the development of the 2017-19 BHR Integration and Better Care Fund Plan;(ii) Delegate authority to approve the final 2017-19 Integration and Better Care Fund Plan to the Strategic Director for Service Development and Integration, in			

consultation with the Cabinet Member for Social Care and Health Integration, the Accountable Officer for the BHR Clinical Commissioning Groups and the Director of Law and Governance;

- (iii) Note that further steps in the development of the Plan beyond Year 1 will receive the full consideration of the Board and key stakeholders; and
- (iv) Agree that developments are reported back to the Board and that further approval be sought prior to Year 2 of the 2017-19 Plan.

Reason(s)

It is a requirement that the Plan be approved by each Health and Wellbeing Board, or the authority delegated and utilised as such, prior to its submission to NHS England.

1. Introduction and Background

- 1.1 The population of Barking and Dagenham, and the wider BHR region, is growing rapidly. Between 2001 and 2011 LBBD's population rose from 164,000 to 186,000, and is projected to reach 275,000 by 2037. As well as growth, our population is becoming more complex and our health and wellbeing needs are intensifying and diversifying. For example, recent research by the University of Liverpool and University College London suggests a likely 25 per cent increase in the number of people requiring care in the UK between 2015 and 2025, a pattern we can expect to see mirrored in Barking and Dagenham.
- 1.2 This is placing increasing strain on already pressured budgets across health and social care services. Despite NHS budgets having been protected during the programme of public sector austerity followed by the past three national Governments, funding for the NHS is failing to keep up with both demand and economic growth. Between 2015/16 and 2020/21 funding increases will average 0.7 per cent a year in real terms, compared to the long-term average of approximately 4.0 per cent a year since the NHS was established. Despite the extra £2bn for adult social care announced in the 2017 Budget, to be incorporated into this BCF Plan, funding of the social care sector is facing similarly severe pressure. This pressure is manifesting with an increasing difficulty to provide safe, secure and high-quality services. For example, 75 care home businesses across the UK were declared insolvent in 2016.
- 1.3 The residents of Barking and Dagenham already live with a range of poor health and wellbeing outcomes and inequalities. The healthy life expectancy in Barking and Dagenham is 60 for men and 59 for women, compared to the London averages of 64. Obesity – especially among children – smoking, alcohol and drug abuse, a lack of healthy food options and regular activity are particular problems for Barking and Dagenham, and contribute to our already-high health and social care needs.
- 1.4 The severity of this crisis make efforts to design innovative and sustainable services which transform and integrate the health and care sectors more important than ever. Organisations across the country are approaching service integration and transformation in a variety of ways, at different levels, and with differing outcomes.

2. The Better Care Fund (BCF)

- 2.1 One such attempt to progress towards health and social care integration has been the BCF, a joint DoH, DCLG, LGA and NHS England programme spanning local government and the NHS in the various regions of the country. The BCF, announced by the Government in the 2013 spending round, seeks to encourage integration by requiring CCGs and local authorities to enter into pooled budgetary arrangements and agree an integrated spending plan, in line with the vision of the NHS Five Year Forward View. The Better Care Fund has for 2017-19 been renamed the Integration and Better Care Fund to more fully reflect this emphasis.
- 2.2 It is intended that integrated and closer working relationships between the health and care sectors, supported by the integration and BCF, will allow health and wellbeing outcomes to be the focus of services, rather than bureaucratic process, for the benefit of the people, communities and health and care systems.

3. Governance

- 3.1 The intricacies of the governance through which the BCF will be implemented will be confirmed during year 1 of the 2017-19 Plan, and detailed in the update brought to the Board prior to year 2. However it is proposed that the BCF Plan be developed and implemented by the recently established Joint Commissioning Board, which in turn is accountable to the Integrated Care Partnership Board and the Health and Wellbeing Board. This would ensure that the Plan is responsive to local need, and remains accountable to each Health and Wellbeing Board across the BHR region.
- 3.2 The current governance arrangements including the Joint Commissioning Board, Integrated Care Partnership and Health and Wellbeing Board is outlined in Appendix C.

4. The 2015-17 Plan

- 4.1 While it is recognised that the 2015-17 BCF Plan was successfully implemented, and some valuable integration work has been undertaken, along with performance improvement in key metrics, analysis of the first BCF Plan has made apparent a number of issues of consideration when designing the 2017-19 Plan:
 - The range and depth of innovation made possible by BCF has been restricted by the extent to which pooled resources have been locked into pre-existing services and schemes. With tight budget constraints innovation has mostly arisen through utilisation of areas of underspend and 'carry forward'; relatively small areas of BCF spend, leading to less substantial integration and modest innovation.
 - The first Plan and policy guidance brought a focus on metrics which are monitored with little or no consequence, due to the removal of risk share.
 - Local areas are inevitably limited in the level of traction they are able to achieve on overarching services across BHR.

- There has been undue scrutiny on activity falling within the Protection of Social Care (PoSC) funds within joint management discussions, despite no policy requirement to breakdown PoSC in this fashion.
- Despite being conceptually permissible within our Section 75 Agreements, there has been an inability to re-target contractually significant commitments to fully match BCF needs.
- The national conditions of the BCF are not always clearly being met by activity described in the current plan.
- Prevention is not as prominent within the current plan as it should, most importantly in helping to reduce and prevent demand for social care and health services. For example, the importance of the role of public health and of local authorities in prevention should be increased.

5. The 2017-19 Plan

- 5.1 Policy guidance for the 2017-19 BCF Plans is yet to be released, however the DoH and DCLG have published a policy framework and some supporting information, outlining some of the changes that will be made in the Fund's application and implementation.
- 5.2 The main change to the framework for the forthcoming Plan will be the inclusion of significant amounts of local authority social care grant funding, announced at the 2015 spending review and the 2017 Budget. However, these new funds will include conditions to ensure it has the expected impact on the frontline of social care.
- 5.3 To streamline the planning and performance process, the number of national conditions attached to BCF have been reduced from 8 to 4, and the requirements regarding the social care national condition are to be detailed more clearly.
- 5.4 The 4 remaining conditions are:
- Plans must be jointly agreed
 - The NHS contribution to adult social care must be maintained in line with inflation
 - There must be an agreement to invest in NHS-commissioned out-of-hospital services
 - There must be plans to manage transfers of care
- 5.5 There are further conditions from NHS England on the CCG elements of funding:
- A requirement that the BCF is transferred into one or more pooled funds established under Section 75 of the NHS Act 2006
 - A requirement that Health and Wellbeing Boards jointly agree plans for how the money will be spent, with plans signed-off by the relevant local authorities and CCGs

The Improved Better Care Fund (iBCF)

- 5.6 The Government's Spending Review in 2015 announced new funds for the BCF to the value of £105m for 2017-18, £825m for 2018-19, and £1.5bn for 2019-20. The 2017 Spring Budget subsequently increased this to £1.15bn for 2017-18, £1.499bn

for 2018-19, and £1.837bn for 2019-20. The Government will require that this additional iBCF funding for adult social care be pooled into the BCF in each region. This funding does not replace, and must not be offset against the NHS minimum contribution to adult social care.

5.7 The new iBCF grant will be paid directly to local authorities via a Section 31 grant with a set of conditions, summarised as:

- It may be used only for the purpose of meeting adult social care needs; reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready; and ensuring that the local social care provider market is supported.
- The recipient authority must pool the grant funding into the local BCF – unless with written ministerial exemption – and it must work with the relevant CCGs and providers to meet the national condition regarding managing transfers of care.
- It is to be used to quickly provide stability and extra capacity in local care systems. Whilst we recognise that the grant is non-recurring which may militate against establishing on-going commitments, such as those of fee increases, without planning to meet the on-going financial costs. It is also the case that the social care grant allocation merely goes part way to replace the loss of funding local authorities have seen in the last few years.

5.8 The national funding for the 2017-19 Plan can be summarised as such:

BCF funding contribution (£bn)	2017-18	2018-19
Minimum NHS (CCGs) contribution	£3.582bn	£3.65bn
Disabled Facilities Grant (capital funding for adaptations to houses)	£0.431bn	£0.468bn
New grant allocation for adult social care (iBCF)	£1.115bn	£1.499bn
Total	£5.128bn	£5.617bn

6. Proposed Approach for the 2017-19 BHR BCF Plan

6.1 The BHR BCF Plan is currently under development. However, due to the deadlines for the submission of local Plans to NHS England, the Board is asked to note, discuss and approve the approach being taken to the development of the shared BHR Plan, and delegate authority for final approval to the Deputy Chief Executive & Strategic Director for Service Development and Integration. However, developments will be brought to the Board, and further approval will be sought from the Board, prior to year 2 of the Plan.

6.2 In particular, a series of principles and proposals have guided the drafting of this agreement.

6.3 Protection of Social Care to be applied into the Councils' base budget, to better protect against services being stopped or reduced with severe consequences for the local health system.

- 6.4 The creation of an Intermediate Care Tier, funded by both the CCGs and the local authorities. It is proposed that the CCGs fund the majority if not the whole of the Community Health budget into the BCF, in order to meet the requirement for community spend. The local authorities to fund the Reablement, plus any other relevant spend, such as Help not Hospitals. Though all such decisions will be subject to the necessary governance of each partner organisation. Intermediate Care proposals are due for consideration by the Joint Commissioning Board on the 30th June but intermediate care would become an overarching BHR wide scheme within the BCF.
- 6.5 In light of the vision of the BHR Integrated Care Partnership, as well as the likely 'graduation' principles attached to the 2017-19 Plan, there is merit in reviewing the depth to which the BCF Plan might be joined across BHR's Health and Wellbeing Boards. Due to the delay in the publication of the policy guidance, and the likely speed with which the Plans will be required to be submitted, it is unlikely that there is sufficient time available to fully unite the 3 plans in 2017-18. However, a staged approach would allow the detail of a joint Plan to be formed during 2017-18, and implemented in 2018-19. This staged approach would also allow plans to be structured to ensure that the 'protection of social care' element of funding is still funded directly, and the remaining pool is used to support a more integrated Plan.
- 6.6 Under this staged approach, revised governance arrangements would be devised and implemented during 2017-18 across the BHR system, leading to an overarching pool of funding for substantive integration initiatives during 2018-19. This will be achieved by, in 2017-18, agreeing common commissioning and provision interests between the Boroughs, lead commissioning opportunities for these mutual interests with consequent delegations, and a single or separate Section 75 agreement(s).

7. Financial Breakdown

- 7.1 The allocations which have been made available for the Integration and BCF Pool in the next two years comprise of the following funding streams:

Integration & BCF funding streams	2017-18	2018-19
Local Authority funding	£000	£000
LA Minimum contribution:		
Disabled Facilities grant (DFG):	1,391	1,391
Improved BCF allocation (iBCF):	1,044	4,910
Additional funding for ASC	4,385	2,616
LA Other contributions:		
Base Budgets:	1,523	1,523
Total LA funding	8,343	10,440
CCG funding		
CCG Minimum contribution:	13,415	13,670
Total BCF pool	21,758	24,110

- 7.2 The Local Authority would receive the minimum contributions, i.e. the DFG, iBCF and the additional funding for social care, directly from the DCLG. Currently the Council is the host of these funds, therefore the rest of the funds, excluding the LBBB base funds, would be drawn down via the CCG.

8. Conclusion

- 8.1 The Integration and Better Care Fund – if devised and implemented effectively – is capable of enabling substantial and transformative integration in the health and social care sectors, much needed if services are to continue to meet the needs of a growing and increasingly in-need population.
- 8.2 To ensure that the 2017-19 Plan is implemented to its fullest potential a staged approach will be followed, in which year 1 will be spent revising governance arrangements and agreeing areas of mutual commissioning interest and consequent commissioning leads. Year 2 will use an overarching, freed and flexible pooled budget to follow these joint commissioning plans, in order to integrate sustainable health and social care services in Barking and Dagenham, Havering and Redbridge. This iterative approach will enable full engagement with stakeholders and learning from steps achieved through year 1.
- 8.3 Our approach to the delivery of a shared plan across BHR both recognises the benefits and opportunities this will bring and that with this ambition, comes a level of challenge, not least, the encompassing of BHR wide delivery with the retention of local priorities and flavours that each area brings.

9. Mandatory Implications

Joint Strategic Needs Assessment (JSNA)

- 9.1 The JSNA analyses the health and wellbeing needs of the residents of Barking and Dagenham. It highlights the critical importance of safe, high-quality and sustainable health and care services, in order to keep people healthy, happy and independent for as long as possible. Therefore, the JSNA outlines the urgent need for the successful implementation of the BCF, and with it the delivery of the necessary service integration.

Health and Wellbeing Strategy

- 9.2 A priority area of the Health and Wellbeing Strategy is the 'improvement and integration of services'. In particular, the Strategy describes the Better Care Fund as 'an opportunity for much improved integration of services to ensure smooth and effective linkage of health and social care solutions'.

Integration

- 9.3 The purpose of the BCF is to encourage the integration of health and social care services through the requirement that local authorities and CCGs pool budgets and mutually agree plans for integrated services and initiatives.

Financial Implications (completed by: Katherine Heffernan, Group Finance Manager)

- 9.4 The new Integration BCF which brings together health and social care funding and requires the Local Authority and the CCG to agree a two-year plan from 2017 -19 to align with the NHS's planning timetables thereby developing more co-ordinated and sustainable services which should result in efficient use of resources.
- 9.5 The total pooled fund for the two financial years are £21.758m in 2017-18 and £24.110m in 2018-19 respectively. At this stage details of spend against the plan in the two financial years are yet to be finalised.
- 9.6 The Local Authority's minimum contribution which includes the iBCF and the additional ASC grant, has specific grant conditions attached and quarterly reports on spend progress are to be submitted. The Disabled Facilities grant also has conditions attached and requires a signed declaration from the Chief Executive or the Chief Internal Auditor. All documents would be submitted to the Department for Communities & Local Government (DCLG).
- 9.7 The Council is currently the host for this funding, therefore monthly financial updates on spend against the agreed plan will continue to be submitted to the Joint Executive Management Committee and quarterly returns on performance to NHS England.
- 9.8 The Local Authority would need to ensure that the grant funds are spent in line with the specific conditions to ensure that the funding is not clawed back and future years funding reduced or suspended.

Legal Implications (completed by Dr. Paul Field, Senior Corporate Lawyer, LBBB)

- 9.9 Due to the urgency to meet the deadlines for the submission of local Plans to NHS England and to ensure the best outcome this Reports proposed approach for the 2017-19 BHR BCF Plan is to seek the Boards approval to delegate authority to approve the final 2017-19 integration and BCF Plan to the Deputy Chief Executive & Strategic Director for Service Development and Integration, LBBB, in consultation with the Director of Law and Governance, and the Cabinet Member for Social Care and Health Integration and Chair of this Board.
- 9.10 This delegation is qualified in the report by the recognition that further steps in the development of the Plan beyond year 1 will receive the full consideration of the Board and key stakeholders will continue to play their full part.

Risk Management

- 9.11 Risks have been managed by requiring the Plan to be brought back to the Board prior to Year 2 of the 2017-19 Plan.

Public Background Papers Used in the Preparation of the Report: None

List of Appendices:

Appendix A	Policy Framework
Appendix B	LGA BCF Frequently Asked Questions
Appendix C	Current Governance Arrangements