

Executive Summary

This report concerns the establishment of the Better Care Fund pooled fund to promote integrated care and support services. The pooled fund will be operated in line with the conditions set out in a Section 75 agreement between NHS Thurrock Clinical Commissioning Group and Thurrock Council.

Approval for the Better Care Fund Plan for Thurrock for 2015/16 has now been received from the Department of Health. Accordingly Board is asked to approve the Section 75 agreement (attached as Appendix 1) which will enable the pooled fund to be established.

The Thurrock Council's Cabinet accepted a recommendation to approve the agreement at its meeting on 11/03/15. Following approval by both bodies the agreement can then be signed and sealed by the parties and contracts for the delivery of the health and social care services commissioned from the fund can be entered into by the Council as host partner.

To give effect to the intention in the Section 75 Agreement that the Council will act as host commissioner for the community health care services to be provided under the Better Care Fund.

It should also be noted that Section 75 agreement contains details of the budgets that the Partners have agreed to set in relation to services where the Council is the Provider, or as a contribution to other services commissioned by the Council.

The pooled fund will be overseen by an Integrated Commissioning Executive of officers from the Council and CCG which will receive regular reports on expenditure, quality and activity. The Executive will report on the performance of the fund to the Health and Well-Being Board, as well as Cabinet and the Board of the CCG.

1. Recommendation(s)

The Board is asked to:

- 1.1. approve the Better Care Fund Section 75 Agreement between NHS Thurrock CCG and Thurrock Council;**

2. Introduction and Background

- 2.1 The Better Care Fund Plan for Thurrock was submitted on 4 April 2014 in line with the requirements of the Department of Health. However, revised guidance for the Fund which contained key policy changes was issued by the Department on 25 July 2014. In particular the Payment for Performance framework was now to be solely dependent on achieving a planned reduction in total emergency admissions. The national planning assumption is that this will be in the region of a 3.5% reduction.
- 2.2 A revised Plan, now focussed on achieving the reduction in emergency admissions (as well as a number of other national “must dos”), was approved by the Health and Well-Being Board on 11 September and submitted to the Department of Health on 19 September. On 29 October 2014 the CCG and the Chair of the Health and Well-Being Board received a letter which stated that the Department of Health had determined that Thurrock’s Better Care Fund Plan was “Approved Subject to Conditions”. The Department of Health’s conditions related to certain narrative and financial aspects of the plan. In line with advice from advisors from the Department, a further revised plan was submitted on 28 November. On 21 January 2015 Dame Barbara Hakin, National Director Commissioning Operations NHS England, wrote to the Board advising that the resubmitted plan has been classified as “**Approved**”.
- 2.3 Dame Barbara’s letter also advised that the Better Care Fund will be made available to the Board subject to the following standard conditions:
- “The Fund being used in accordance with your final approved plan and through a section 75 agreement;
 - The full value of the element of the Fund linked to non-elective admissions reduction target will be paid over to CCGs at the start of the financial year. However, CCGs may only release the full value of this funding into the pool if the admissions reduction target is met as detailed in the BCF Technical Guidance¹. If the target is not met, the CCG(s) may only release into the pool a part of that funding proportionate to the partial achievement of the target. Any part of this funding that is not released into the pool due to the target not being met must be dealt with in accordance with NHS England requirements. Full details are set out in the BCF Technical Guidance”
- 2.4 This report outlines the terms of the Section 75 agreement (attached as Appendix 1) and the arrangements for commissioning services from the pooled fund. The services to be commissioned include a number of community health care services provided by North East London NHS Foundation Trust (NELFT), South Essex Partnership University NHS Foundation Trust (SEPT).
- 2.5 It should also be noted that the Better Care Fund Plan (which forms Schedule 6 to Appendix 1 – the Section 75 agreement) also contains a number of budgets that the Council and CCG have agree to set in relation to services where the Council is the Provider, or where the pooled fund will make a contribution to a budget from which

¹ <http://www.england.nhs.uk/wp-content/uploads/2014/08/bcf-technical-guidance-v2.pdf>

the Council has already commissioned a provider (for example external purchasing of residential care).

3. Issues, Options and Analysis of Options

The value of the Better Care Fund

3.1 As reported in September, the Better Care Fund Plan for Thurrock will establish a pooled fund of £18,019,336 made up of a £14,766,142 contribution from the CCG and a £3,253,194 contribution from the Council.

The focus of the Better Care Fund for Thurrock

3.2 The initial focus for Thurrock's Better Care Fund is on adults aged 65 and over who are most at risk of hospital admission or residential home admission. The schemes chosen for the Fund reflect this focus and the rationale for this is set out in the Case for Change section of the Plan. The aim is to have a single pooled fund across health and social care for all older people's services by April 2017. In line with the Care Act guidance on 'preventing, reducing or delaying needs', our aim is to develop integrated approaches that target 'individuals who have an increased risk of developing needs, where the provision of services, resources or facilities may help slow down any further deterioration or prevent other needs from developing'; and to develop integrated approaches aimed at 'minimising the effect of disability or deterioration of people with established health conditions, complex care and support needs or caring responsibilities'. These themes run throughout our Better Care Fund Schemes.

The investment in Schemes for 2015/16

3.3 In terms of investment, the fund will be used to commission 7 schemes which combined will enable us to transform our service and support to the population aged 65 and over:

- Locality Service Integration - £4,551,113
- Frailty Model - £4,378,980
- Intermediate Care - £5,035,665
- Prevention and Early Intervention - £1,964,509
- Disabled Facilities Grant and Social Care Capital Grant - £845,000
- Care Act Implementation - £522,000
- Payment for Performance - £722,069

Full details of each of the Schemes are contained in the Better Care Fund Plan (see Annexes 1-7 of the Plan in Schedule 8 of Appendix 1). It should be noted that contract negotiations have yet to be concluded and so the contract values shown in the Section 75 agreement are provisional.

The National Conditions to be met

3.4 As noted in previous reports, the Better Care Fund is to be established, and a reduction in total emergency admissions achieved, within existing Council and NHS funding – there is no new money. In addition to the challenge of driving through significant change in our health and social care system there are a set of national

“must dos”, including 7 day working, better data sharing, an accountable professional for people over 75, and protection for adult social care services.

The costs of implementing the Care Act 2014

3.5 Further, it was announced as part of the Spending Round that the Better Care Fund would include £135m of revenue funding for costs to councils resulting from Care Act implementation in 2015/16. Again, this is not new money but in line with national guidance, £522,000 has been set aside in the local pooled fund for this purpose.

Payment for Performance

3.6 While the initial focus of the Better Care Fund when it was launched in August 2013 was on integration, the revised guidance places a specific requirement for a minimum target reduction in total emergency admissions. The guidance makes it clear this should be 3.5% for all Health and Wellbeing Board areas, unless an area can make a credible case as to why it should be lower. Thurrock has accepted this challenging target (amounting to some £722,000 locally). In order to manage the risk of under-performance, the Council and CCG propose that funds related to the performance element will only be paid by the CCG into the pooled fund in relation to the performance achieved. Commitments related to the performance element will likewise only be made following confirmation of performance against the target.

Overspends/ Underspends in the Better Care Fund

3.7. The issue of treatment of overspends has been examined and, with a view to limiting the risk to the CCG and Council, expenditure in each scheme within the pooled fund will be monitored closely, and any virement between schemes will be subject to approval by both parties. Further, it is proposed that any expenditure over and above the value of the fund should fall to the Council or the CCG depending on whether the expenditure is incurred on social care functions or health related functions. The arrangements for monitoring expenditure and managing any overspend in an individual scheme are set out in detail in the Section 75 Agreement. Any underspends at the year-end will stay within the Pooled Fund as a restricted reserve – unless otherwise agreed by both parties.

Governance arrangements

3.8 As is the case with most areas, the Council will host the pooled fund on behalf of the parties to the Section 75 agreement. The management of the pooled fund will require regular oversight by both parties and accordingly an Integrated Commissioning Executive comprising officers of the CCG and Council has been established – this Executive will report directly into the Health and Well-Being Board. A Pooled Fund Manager will also be appointed to provide regular reports, (including an Annual Review) to the Executive which will provide strategic direction on the individual schemes and manage risks. The Pooled Fund Manager will also prepare reports for the Health and Well-Being Board, Cabinet and the Board of the CCG.

Contracting arrangements

3.9 The Council as host of the pooled fund will need to enter into contracts with third party providers, and service level agreements for services the Council itself provides, and to make payments for these from the fund from April 2015. For the first year the Council will become a party alongside the CCG for those contracts where the CCG already has an existing arrangement: NELFT; SEPT. This will allow for more

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effective integrated commissioning and establish a single, joint contract management framework. It is proposed that the standard NHS contract is used for these services with the Council becoming an equal commissioning partner.

Performance Framework

3.10 A new health and social care performance scorecard has been agreed for the Better Care Fund. The primary aim of the scorecard will be to monitor the BCF core measures and related health, social care and public health measures contained within local strategies. It will also ensure a clear alignment with national outcomes frameworks. The scorecard will provide a regular update to the Thurrock Integrated Commissioning Executive and Council the CCG Board on the performance of the Fund and related priorities. It is also proposed that the report be presented to the Health and Well-Being Board to enable a line of sight into health and social care performance.

Management or risks

3.11 A Risk Register for the Better Care Fund has been established and a Project Group comprising senior officers from the CCG and the Council is meeting monthly to actively manage the risks identified. The Project Group reports to the Integrated Commissioning Executive so that linkages with the implementation of the Care Act, and QIPP and corporate efficiency initiatives are also actively managed.

4. Reasons for Recommendation

4.1 The “Approved” status of the Better care Fund Plan now permits the Council and the CCG to enter into a Section 75 agreement to administer the pooled fund from April 2015 and, as host partner, the Council is now in a position to enter into contracts and other arrangements to deliver the Better Care Fund services.