

HEALTH AND WELLBEING BOARD: July 17 2014

REPORT OF DIRECTOR OF HEALTH AND CARE INTEGRATION

Purpose of report

1. The purpose of this report is to update the Health and Wellbeing Board about four key areas:
 - a. Government announcements made on July 5, 2014 which change the national policy implementation arrangements for the Better Care Fund;
 - b. The requirement for all areas to resubmit their BCF plans in response to these changes;
 - c. Our local response and next steps;
 - d. Highlights of our progress to date in implementing the BCF plan as approved in April (please also refer to further details in the performance assurance report later in the agenda).

Policy Framework and Previous Decisions

2. National guidance was originally issued in December 2013 and January 2014, which required all Health and Wellbeing Boards to approve and submit a local Better Care Fund Plan by April 4th 2014.
3. BCF plans had to demonstrate the support of all partners including acute providers, meet a number of national conditions number, and provide a baseline and trajectory against 5 national and 1 local metric against which the performance of the plan would be measured.
4. 2014/15 is the preparatory year for the BCF. The full implementation of the developments within the plan and the financial allocations associated with these developments do not come into effect until 2015/16. For Leicestershire our BCF plan assumes a pooled budget of £38m.
5. Appendix 1 shows the current breakdown of the BCF schemes and spending plan across both financial years.

Background

6. During April and May regional and national assurance has been taking place to assess the 151 BCF plans against all the national requirements.
7. During this period there have been a series of discussions between NHSE and Local Government, including ministerial level meetings between the Department of Health

and the Department of Communities and Local Government to discuss the levels of assurance BCF plans provide at this early stage, in particular with respect to

- a. The ability of plans to demonstrate evidence based schemes to reduce avoidable emergency admissions to a sufficient level of ambition;
 - b. The involvement of acute providers in approving local plans.
8. At the time of the BCF submissions in April the BCF performance and financial regime did not entail any funds being held back centrally on the basis of performance.
 9. However there was a clear expectation that a local contingency/risk pool would need to operate (to be set out within the section 75 agreement for each BCF) with effect from 2015/16.
 10. If performance against the metrics did not reach the locally agreed thresholds, funds from this risk pool would be used to mitigate the financial consequences between partners.
 11. There was also an expectation that if local areas were falling short of their trajectories additional support and oversight from NHSE and Local Government would be in place, where necessary, to assist with getting plans back on track.
 12. Leicestershire's BCF plan submission on April 4th set out the level of contingency partners agreed for the financial plan, and the Integration Executive is leading the work needed to develop the section 75 agreement and supporting risk sharing agreement.
 13. During June 2014 it became apparent that all local areas would shortly be asked to resubmit their BCF plans with additional evidence and assurance.
 14. At the time of writing this report 15 areas have already been notified to resubmit their plans in the first cohort by July 9. They have been issued with revised submission templates for this purpose. Leicestershire is not in this cohort. We understand further guidance is imminent for the remainder of the areas and that we may be asked to make this resubmission by August 1st.
 15. On July 5, 2014 an announcement was made by the Department of Health setting out some fundamental changes to the BCF planning arrangements which we will need to take account of in our resubmission. Appendix 2 provides a copy of the announcement.
 16. We anticipate the further guidance for submitting plans will cover the implications of these changes in more detail.
 17. There are three immediate main areas of change/concern to note in taking forward our local response, all of which are subject to further clarification and guidance.
 - a. There is now a very high emphasis on the avoidable emergency admissions metric – this is could mean:
 - i. A change to the overall number of metrics against which the plan will be measured;

- ii. A change to the level of ambition for the avoidable emergency admissions metric (a minimum level of 3.5% reduction in 2015/16 is indicated in the announcement);
 - iii. A change to the underpinning definition of the avoidable emergency admissions metric;
 - iv. A greater level of risk for Leicestershire in achieving the performance levels within the BCF plan;
 - v. A more centralised and regular upward reporting requirement than anticipated;
 - vi. BCF plans become focused wholly on reducing avoidable emergency admissions within one financial year, and fail to implement medium term integration and prevention schemes, which are key to a sustainable change in shifting care outside of hospital.
- b. Pay for performance has been introduced – this could mean:
- i. A proportion of the funds will be held back centrally and allocated incrementally based on performance achieved, with effect from 2015/16;
 - ii. A reduction in the overall monies available in the Leicestershire BCF plan if we cannot achieve the level of performance for the avoidable emergency admissions metrics;
 - iii. A much greater level of central scrutiny, control and upward reporting in this performance regime;
 - iv. The potential loss of a locally flexible risk pooling arrangement, depending on how the centralised system works.
- c. A requirement that a proportion of the funds allocated from 2015/16 are spent on NHS provision outside of acute hospital settings – this could mean:
- i. Less flexibility in implementing integrated care market solutions (esp. for non-nhs provider solutions)
 - ii. Adjustments may be needed to BCF plans if the threshold for expenditure on non-acute NHS providers is not considered adequate to meet the guidance.

18. The above changes, and risks they represent, could jeopardise the progress already being made between partners in Leicestershire and across the wider LLR footprint as we set out our plans to transform health and care over the next 5 years, with the 3 local BCF plans as a key enabler to the medium term vision.

19. It could lead to increased tensions between local government and NHS partners both nationally and locally due to the high level of emphasis being placed on NHS finances/activity, which could be seen to be detracting from other aspects of the vision for integration, affecting the overall balance of BCF plans for the future, and placing additional risks on Local Authority adult social care budgets in particular

20. It is therefore essential that we jointly assess the local implications of the above changes, work together on assessing the risks and mitigations, and agree any adjustments needed to our BCF plan together, so that we can:-

- a. Continue our good progress in developing integrated care and support for local citizens;
- b. Provide a consistent message as a partnership about our intentions;
- c. Resubmit our BCF plan in line with the national requirements.

Proposals/Options

21. The work to digest the guidance and resubmit our BCF plan in line with the national timetable will be led by the Integration Executive.
22. Should the national timetable extend beyond August 1st we will consider the feasibility/timing of an additional H&WB Board meeting ahead of submission and confirm these arrangements as soon as possible.
23. The Director of Health and Care Integration convened an operational meeting on 9th July with representatives from CCGs and local government across LLR to consider implications collectively and provide assurance that preparations and various analyses are already underway for the resubmission, using the materials issued to the first cohort of 15 areas, on the basis that these materials may be very similar for the remainder of the country.
24. A strategic level meeting between Leicestershire County Council, the two CCGs, University Hospitals of Leicester and Leicestershire Partnership Trust was also convened by the Director of Health and Care Integration on 9th July to provide executive level direction and leadership to the next steps.
25. Specific actions taken/in progress during the next 2-3 weeks include:
 - a. Preparation of joint statements and media lines
 - b. Assessing the feasibility and risks associated with the 3.5% emergency admissions threshold, including quantifying the financial risks;
 - c. Analysing our current and future spend on NHS providers outside of the acute setting;
 - d. More detailed analysis by BCF scheme (this work was already in progress) against each of the BCF metrics) to give additional assurance on impact by scheme;
 - e. Recommending any adjustments to the plan;
 - f. Populating the revised submission templates;
 - g. Digesting the additional guidance when available.
26. A further policy announcement was made by Simon Stevens, the Chief Executive of NHSE, on 9 July relating to personal budgets. This also has implications for the integration and the BCF and a copy is given at Appendix 3 for information. Where possible, a verbal update can be given at the meeting.
27. In terms of the progress made to date on implementing the developments within the BCF plan for 2014-15, a fuller report is made on these in the performance paper later in this agenda. Two power point slides have also been attached at Appendix 4 by way of summary.

Consultation/Patient and Public Involvement

28. We will continue to engage with Local Healthwatch via the Integration Executive, however the timescales for resubmission are likely to prevent wider engagement.

Resource Implications

29. The changes to the national arrangements for the BCF could lead to a reduction in the funds available within the Leicestershire BCF, depending on the pay per performance guidance which has not yet been published.

Timetable for Decisions

30. In the absence of firm guidance, we are currently planning for a resubmission by August 1, 2014.

Conclusions/Recommendations

31. The Health and Wellbeing Board is asked to:
- a. Consider and discuss the implications of the changes outlined in the report;
 - b. Approve the next steps/actions as set out in paragraphs 21 – 25 of the report;
 - c. Provide joint leadership and support in directing the work of the Integration Executive over the next period of BCF resubmission.

Background papers

Leicestershire BCF Plan (submitted April 4, 2014)

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List of Appendices

Appendix 1 – BCF spending plan summary

Appendix 2 – Department of Health Announcement 5 July 2014

Appendix 3 – Simon Stevens announcement on personal budgets 9 July 2014

Appendix 4 – 2014/15 BCF implementation update slides

Equalities and Human Rights and Partnership working Implications

The changes now proposed by Central Government could undermine partnership working and delay progress towards integration of health and social care services, which given the pressures on the public purse, could impact adversely on those with long term conditions and disabilities who are more reliant on such services. Paragraphs 17-20 of the report highlight the issues and risks associated.