Cabinet

Report Subject	**The Better Care Fund Implementation**
Meeting date	15th October 2014
Cabinet Portfolio	Cllr Nicola Greene, Portfolio Holder Education & Children Services
Corporate Lead	Jane Portman, Executive Director, Adults and Children
Service Director	Andy Sharp, Service Director, Adult Social Care
Status	Public
Classification Key Decision Impacts on Key Policy Framework	For information No No
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Executive summary	In December 2013 Ministers announced the release of guidance related to the implementation of *"The Better Care Fund" – BCF*. The stated aim of the BCF is to ensure health and social care services work together and to give local authorities greater control over the way in which resources are spent at a local level. At a national level the BCF was designed to provide £3.8 billion to local services to give the elderly and vulnerable an improved health and social system. A core element of the BCF was the stated intention to transfer resources directly from acute health services to adult social care in order to support more people at home, reduce delays in discharge from hospital and to prevent avoidable admissions. Based upon the original guidance produced to support the implementation of the BCF the Dorset Clinical Commissioning Group (CCG) expressed an aspiration that up to £9.2M would be available to local authorities across the Dorset area for the "protection of adult social care", with £2.3M of this to be passed to Bournemouth Borough Council to support the delivery of Adult Social Care Services. This was in addition to the funding the Council already receives from the CCG for this purpose through a section 256 agreement. Funding to support the implementation of the Care Act was also to be passed to the Council via the CCG. Nationally there has been a delay in the implementation of

	the BCF due to concerns raised by Ministers in respect of impact upon acute hospital services. Following discussions between the Department of Health and the Department for Communities and Local Government, revised guidance and templates for the implementation of the BCF were published in the summer. The core changes through the revisions to the guidance are that: • Every Health & Wellbeing Board was asked to re-submit their Better Care Fund Plan by the 19th September. • The pay and performance element of the BCF will solely be linked to the ability of an area to reduce avoidable emergency admissions to the acute sector by at least 3.5%. • The requirement to protect Adult Social Care services has been amended resulting in a reduction in the resource available to be directly transferred to local authorities. The CCG now advise that the Council should plan on funding of £1.25M in addition to Section 256 monies and Care Act funding. For Bournemouth, this is £1.05M less than expected from the original Better Care Fund guidance.
Recommendations	**1. Cabinet notes the change in requirements related to the "Better Care Fund" and the financial implications for Bournemouth.** **2. Cabinet note that the Governments changes to funding arrangements will create additional pressures for the Council as £1.05M less than anticipated will be available for the protection of Adult Social Care Budgets as part of the BCF. This pressure will therefore have to be addressed through the Council's MTFP.**
Reasons for recommendations	1. To ensure that Cabinet are fully briefed in relation to the implications of the changes to the requirements and expectations of the Better Care Fund. 2. To ensure that the financial implications of the changes to the Better Care Fund are fully understood and reflected as part of the budget setting process.

Background detail

1. In December 2013 Ministers announced the release of guidance related to the implementation of *"The Better Care Fund" – BCF*. The stated aim of the BCF is to ensure health and social care services work together and to give local authorities greater control over the way in which resources are spent at a local level. At a national level the BCF was designed to provide £3.8 billion to local services to give the elderly and vulnerable an improved health and social system.

2. A core element of the BCF was the stated intention to transfer resources directly from acute health services to adult social care in order to support more people at home, reduce delays in discharge from hospital and to prevent avoidable admissions.

3. Based upon the original guidance produced to support the implementation of the BCF there was an aspiration that £9.2M of Dorset CCG funding would be available to local authorities across the Dorset area for the "protection of adult social care", with £2.3M being passed to Bournemouth Borough Council to support the delivery of Adult Social Care Services. Although this additional resource has not been built into the Medium Term Financial Plan – MTFP it had been anticipated that this funding would be received and offset some of the critical pressures being faced by Adult Social Care Services through increased demand and demography changes.

4. In addition to the anticipated initial transfer of resources there is a further reward element to the BCF which was originally based upon the delivery of improvement against a range of measures. These initial measures were a mix of those related to the delivery of social care services and hospital services however in the revised guidance the reward is now only linked to reductions in hospital admissions for which we have limited influence. In addition, it has become clear that this is not new money but the Government's estimate of the resource that could be freed up from existing services if the performance target is met.

5. The reward element of the BCF is now based solely on the delivery of improved performance in relation to a single indicator, this being the number of emergency admissions to hospital. As a minimum a 3.5% reduction in the number of admissions is required. This would constitute a significant shift in the direction of travel for performance in this area as emergency admissions continue to increase. In addition as the local authority has a limited ability to influence the delivery of a target of this nature there is an increased risk in the ability to attain the reward funding compared to the original BCF model which was based on a basket of six measures, two of which were directly controlled by local authorities with a third being of shared responsibility between health and social care. The

potential reward grant is £14.3M. If achieved, the Health and Well Being Boards will be requested to consider options for investment in Health and Social Care services.

6. In the Pan Dorset area strong links between health and social care already exist and there is significant work taking place as part of "Better Together" to ensure the transformation of the health and social care system to better meet the needs and requirements of residents and to deliver efficiencies to meet the financial challenges faced by the sector. The BCF has been seen as a core element of the approach to supporting the transformation of the approach to the delivery of services and an effective lever to shift resources from the acute health sector to those community based services which support people in their own homes.

7. In response to the original requirements of the BCF agencies across the health and social care sector worked to develop a delivery and implementation plan which would ensure the effective transfer of resources and stimulate transformation in service delivery. As part of the anticipated approach to the implementation of the BCF local authorities identified mechanisms whereby the additional resources to be made available through transfer from the acute could be targeted to protect adult social care services and deliver greater community based support.

8. As reported to the Health & Wellbeing Board on the 11th June 2014, concerns around the implementation and application of the BCF emerged at a national level following the submission of delivery plans by local areas. The key issues raised by Ministers related to the performance assumptions underpinning plans submitted for the use of resources on a national basis. NHS England stated that they were concerned that the assumed savings in relation to reduced hospital activity from the investment in community based services would not be achieved. They further expressed concern that this would result in Clinical Commissioning Groups (CCGs) being unable to maintain appropriate funding for the acute sector whilst investing in BCF initiatives.

9. Following Ministerial discussions the Secretary of State for Heath announced changes to the arrangements for the BCF, the key elements of the changes being:

   - Every Health & Wellbeing Board was asked to re-submit their Better Care Fund Plan by the 19th September.

   - The pay and performance element of the BCF will solely be linked to the ability of an area to reduce emergency admissions by at least 3.5% to the acute sector. As a result of this change the local authority has a limited ability to influence the outcome of

performance against the only measure used to assess success resulting in the release of reward funding.

- The requirement to protect adult social care services, over and above existing Section 256 and new Care Act funding, has been amended resulting in the potential loss of the resource to be directly transferred to local authorities. For Dorset the loss is £4.5M, for Bournemouth this amounts to £1.05M.

10. Local Government significant concerns around the changes have been relayed to Ministers by the Association of Directors of Adult Social Services - ADASS, especially in relation to the reduction in resources available locally to protect adult social care services and focus upon preventative initiatives. In real terms the national change in direction at a local level places an immediate additional pressure onto adult social care budgets. This is a significant financial issue which will need to be addressed through the medium term financial planning.

11. The Executive Director for Adult and Children's Services has written to local Members of Parliament outlining the risks associated with the changes to the BCF and the financial impact upon services to support vulnerable adults in Bournemouth.

12. Negotiations continue between Executive Directors from Dorset, Poole and Bournemouth with the Clinical Commissioning Group in order to continue to seek an improved position in relation to the transfer of resources from health to social care. This remains a priority action for the Council in order to mitigate the substantial financial pressure the change in national policy has created.

Summary of financial/resource implications

13. The Better Care Fund represents a sizeable investment for the local partner agencies especially local authorities and CCG. Partners will need to ensure the changes are effective in order to secure future performance related funding. This will also impact on service providers.

14. The re-submission has resulted in a considerable loss in the resources available to protect adult social care in Bournemouth of £1.05M.

Summary of legal implications

15. There are no specific legal implications related to the content of this report.

Summary of human resources implications

16. There are no specific HR implications related to the content of this report.

Summary of environmental impact

17. There are no specific environmental implications related to the content of this report.

Summary of equalities and diversity impact

18. An overall EqIA has been completed for the final Business Plan in relation to the Transformation Challenge of which the Better Care Fund and associated delivery plans are a part. As the programme is implemented, full EqIAs will be carried out for proposed changes to policy or service delivery.

Summary of risk assessment

19. The risk assessment schedules in both the Better Care Fund template and the Better Together Business Plan highlight risks and identify mitigating actions. There are high risks within the assessment which reflect the level of investment and limitations of a single agency to control the outcomes.

Background papers

20. Better Together and Better Care Fund reports to the Health & Wellbeing Board on:

- 18 September 2013
- 18 December 2013
- 5 February 2014
- 5 March 2014
- 11 June 2014
- 10 September 2014
- Better Care Fund submission pro-formas see weblink below:

http://www.bournemouth.gov.uk/CouncilDemocracy/Councillors/CouncillorCommitteeMeeting/Cabinet/2014/10/15/Reports/The-Better-Care-Fund-Implementation-Background-Papers.pdf

Appendices

None