



Report of the Director of Adult Social Services

Report to the Executive Board

Date: 5th March 2014

Subject: Better Care Fund: Implications for Leeds City Council

Are specific electoral Wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of Ward(s):		
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

Summary of main issues

1. On 20 December 2013, Central Government issued guidance for the Better Care Fund, a £3.8bn single pooled budget "to ensure a transformation in integrated health and social care". This figure equates to a fund of circa £55m locally (approximately £51m from Health, £4m from Leeds City Council).
2. The guidance states that, in order to access this funding, local BCF plans must be developed jointly between CCGs and the local authority before being signed off by the relevant Health and Wellbeing Boards. National timescales to develop BCF plans are incredibly tight; whilst it has been possible to address some of the potential significant implications for Leeds City Council, the detail of some issues is yet to be worked through. This paper highlights where greater clarity is required and that a further paper on the BCF will be brought to Executive Board in October 2014 to provide this clarity.
3. In particular, there is a growing expectation that local areas will contribute more than the minimum required nationally into the pooled BCF budget, which could have significant implications for the Council's governance, budget setting and accounting arrangements in the future.

4. The Department of Health have made it clear that the BCF is not new money and that the creation of the fund will require over £2bn (nationally) in savings to be made on existing spending on acute care in order to invest more in preventive community services. The pooled fund will largely compromise existing revenue allocation to Social Care and Clinical Commissioning Groups (CCGs) and in addition, existing capital allocations in relation to Adult Social Care and Disabled Facilities Grant.
5. Draft plans have been developed in Leeds which seek to maximize the potential to address the financial challenge facing the whole health and care system whilst recognising that much of this funding is already committed to delivering existing programmes of work. The schemes of activity which will be delivered through the Better Care Fund are framed via three key themes which articulate delivery of the outcomes of the Leeds Joint Health and Wellbeing Strategy, in particular the commitment to “Increase the number of people supported to live safely in their own homes”:
 - Reducing the need for people to go into hospital or residential care
 - Helping people to leave hospital quickly
 - Supporting people to stay out of hospital or residential care
6. Equally, schemes have been selected for their “invest to save” potential, and the BCF, with continued leadership and commitment of partners, has potential to help achieve Leeds’ ambition of a high quality and sustainable health and social care system over the next five years.

Recommendations

Executive Board is asked to:

- Note that national Government launched the detailed guidance for the Better Care Fund on 20 December, with a requirement for local authorities to develop a joint plan with the relevant CCGs; and requiring its sign off by the local Health and Wellbeing Board.
- Note that there are a number of potentially significant implications for Leeds City Council governance, budgeting and accounting arrangements arising from the requirements to establish a Better Care Fund but given the tight national timescales at play, detail of these is still to be worked through. The Deputy Director of Adult Social Care will continue to lead on the BCF on behalf of Leeds Council and will bring a further report to Executive Board in October 2014, which will advise the Board on the detail of outstanding governance, budgeting and accounting issues.
- Note that the first draft of the Leeds BCF was signed off by the Health and Wellbeing Board on 12 February as required by national Government and that a final version will be signed off and submitted by 4 April:

Note that this first draft was signed off by the Director of Adult Social Services, in consultation with the relevant Executive Lead Councillors, on behalf of Leeds City Council and that the final version of the BCF plan will also be signed off by the Director of Adult Social Services, in consultation with the relevant Executive Lead Councillors, on behalf of the Council.

- Notwithstanding the above, note the progress on the BCF to date:

Leeds has established 2014/15 as a shadow year of the Better Care Fund through putting in place “pump-priming” arrangements ahead the first official BCF year in 2015/16.

The schemes for the BCF proposed as per the draft submission at Appendix A

Whilst national Government has included the Disabilities Facilities Grant within the Better Care Fund proposals, in Leeds, this will not affect the overall budget for housing as it will be passported directly back to Director of Environment and Housing (the local Housing authority) to determine expenditure.

1. Purpose of this report

- 1.1. The purpose of this report is to: inform the Executive Board about the national requirements to develop a plan for the Better Care Fund (BCF) - final guidance for which was released on 20 December 2013; set out potentially significant implications for Leeds City Council governance, budgeting and accounting arrangements, pave the way for a subsequent report offering more detail on implications for the BCF in October 2014 and highlight the role the BCF can play in bringing together partners to address the financial challenge facing the entire health and social care system in Leeds.

2. Background information

- 2.1. The BCF has been established by central government within the broader context of the financial challenges facing the health and social care system both nationally and locally, including unprecedented reductions in local authority funding. The BCF combines £3.8 billion of existing health and social care funding into one pooled fund aimed at transforming health and social care services.
- 2.2. However, it is important to note that no new money is available, and that the creation of the BCF will require over £2bn (nationally) in savings to be made on existing spending on acute care in order to invest more in preventive community based services. As such, the BCF does not in itself address the financial challenges that are faced by local authorities and clinical commissioning groups.
- 2.3. It is the case that confusion has been created nationally, since the BCF allocations have been counted in both local authority spending power calculations and NHS Departmental Expenditure Limits. Presenting the fund in this way has served therefore to significantly underestimate the published % decrease of local authority spending power in 2015/16 as it is now clear that this money is not available for transfer to Local Authorities for determination of spending.
- 2.4. In 2015/16, the full BCF fund will be available and plans for expenditure have been jointly agreed through the Health and Wellbeing Board. Again, it appears that for this year monies available to LCC will be unaffected; however, it is currently anticipated that any efficiencies realised through the proposed schemes will go back into the BCF to be invested across the system rather than be made available to individual organisations. The details of the section 75 agreement that will govern the arrangements for the operation of the BCF have not yet been completed.
- 2.5. Since the Comprehensive Spending Review in 2010 (CSR2010), additional monies have been provided annually to Social Care by the Department of Health via NHS England. In 2013/14, this amounted to £11.9m for Leeds, and this has thus far been transferred on the basis – agreed with local CCGs – of supporting adult social services that benefit health. In 2015/16, this £11.9m of existing funding will become part of the £55m within the Better Care Fund for Leeds. Therefore, other than the oversight of the Health and Wellbeing Board, in practical terms, arguably little has changed from a standard section 75 agreement. What has changed is that national BCF arrangements require that a number of conditions and performance targets be met through the use of the fund, thereby limiting local discretion over what the fund is used for.

- 2.6. There is already a strong history of successfully delivering outcomes through pooled budgets within the Leeds health and care system (Learning Disabilities, Joint Mental Health Partnership, Community Equipment Service, Integrated Health and Social Care Teams, Leeds Care Record and other section 75 / 256 agreements). Recent examples of what can be achieved through working together to collectively spend city resources include the South Leeds Independence Centre and the Assistive Technology Hub.
- 2.7. Leeds has an excellent record of integrating health and social care, and is one of only 14 Integration Pioneers nationally. As such, the city has been in a strong position to develop a joint plan for the BCF locally. A great deal of work has been undertaken by colleagues across the health and social care system in a short space of time to ensure that a quality plan can be developed within extremely tight national timescales. Leeds' existing commitment to working together and joining up services around the needs of people, not organisations, has stood the city in good stead.

3. Main issues

This section sets out key aspects of the national guidance in relation to potential significant implications for Leeds City Council. Given the tight timescales imposed nationally, it is not possible to offer clarity about every aspect of the guidance, but issues yet to be resolved are noted.

The full guidance can be found on the LGA website:
http://www.local.gov.uk/home/-/journal_content/56/10180/4096799/ARTICLE.

3.1 Budgeting and accounting arrangements for the BCF

How is the funding of the BCF put together?

National government has determined the make-up of the BCF. The total value of the Leeds BCF is estimated to be £54,925million in 2015/16, and is broken down as follows:

Disabilities Facilities Grant	£2,958,000
Social Care Capital Grant	£1,844,000
NHS Leeds North CCG	£12,665,000
NHS Leeds South & East CCG	£17,351,000
NHS Leeds West CCG	£20,105,000

- 3.1.1 With regard to the Disabled Facilities Grant, Executive Board members are asked to note that whilst it has been included within the BCF, the delegation for the expenditure of the grant will remain with the Director of Environments and Housing to be spent in the usual way

- 3.1.2 Both the local and national aim of the Better Care Fund is to spend money wisely in such a way that improves quality of life for local people through joined up health and care services. The figure of circa £55m is the minimum required amount that will go into Leeds' BCF. In line with Leeds' ambition to create a high quality and sustainable health and social care system through spending our collective resources wisely (see diagram of "Leeds £ plan on a page" at appendix B), there is an expectation to go beyond this minimum figure.
- 3.1.3 As such, in future, Executive Board may be invited to choose to take a local decision, along with Health partners, to add more money into the BCF and delegate specific responsibility for the oversight of this additional expenditure to the Health and Wellbeing Board. More detail will be provided in the report proposed for October 2014.

Will any conditions or limitations be applied to the funding?

- 3.1.4 It is a national requirement that BCF plans must offer assurance (through the narrative part of the template) that the following five "national conditions" can be met:
- Protection for social care services (not spending);
 - As part of agreed local plans, 7 day services in health and social care to support patients being discharged and prevent unnecessary admissions at weekends;
 - Better data sharing between health and social care, based on the NHS number;
 - Ensure a joint approach to assessments and care planning and ensure that, where funding is used for integrated packages of care, there will be an accountable professional, and
 - Agreement on the consequential impact of changes in the acute sector.
- 3.1.5 National government has selected five measures to be used by all areas to demonstrate progress towards better integrated health and social care services. National metrics for the Fund are as follows:
- Admissions to residential and care homes;
 - Effectiveness of reablement;
 - Delayed transfers of care;
 - Avoidable emergency admissions; and
 - Patient / service user experience.
- 3.1.6 Additionally, all areas are required to select a local indicator. Leeds has chosen "Estimated diagnosis rate for people with dementia". These measures were initially subject to "payment-by-performance". However, Ministers recently reviewed this position, at least for 2015/16 and instead, areas which do not succeed in meeting their targets will enter a process of peer review by NHS England and local government experts to advise on recovery plans.

Potential significant implications in relation to funding, budgeting and accounting arrangements still to be worked through and addressed in the October 2014 paper:

- 3.1.7 How will the LCC budget setting and budget management process be affected by the Better Care Fund?

This is particularly relevant in establishing how locally the BCF is to be used to 'Protect Social Care Services (not spending)', a national condition of the BCF for local determination. Whilst some guidance around maintaining eligibility criteria and preparation for the Care Bill has been received, there is currently no national guidance on the expectations on local authorities in determining levels of social care resource in light of the further significant Council funding reductions and the Better Care Fund arrangements. The working assumption in Leeds is that the BCF, together with the wider Health and Social Care Transformation plans, is designed to meet the financial challenge being faced by the whole health and social care system. Clearly, the Council's social care budgets form a significant part of the 'Leeds £' in this regard.

- 3.1.8 How will the BCF funds be identified in the budget? Will there be any implications for the Accounts? Are there any implications for Audit?

The answers to these questions will largely depend on which organisation is designated as the Pool Fund Holder, which is still to be resolved. It is assumed at this stage that the Pool will be administered under either a section 75 or section 256 agreement as is the case with existing pooled funds. Initial advice suggests that there may be VAT implications dependent upon which organisation holds the pooled fund and by which organisation the money is spent.

3.2 Governance arrangements for the BCF

Who will agree the Better Care Fund Plan?

- 3.2.1 It is a national requirement that Health and Wellbeing Boards sign off the Better Care Fund plan, which will have been jointly developed by CCGs and the local authority. The Leeds Health and Wellbeing Board is a council committee set up under the Health and Social Care Act 2012. The Council is represented on the Board by Elected Members and by the Directors of Adult Social Care, Children's Services and Public Health. Also represented on the Board are the three Clinical Commissioning Groups, Leeds HealthWatch, NHS England and the Third Sector.

How, and by whom, will decisions be made to deliver the Better Care Fund Plan?

- 3.2.2 It is proposed that the Integrated Commissioning Executive (the executive arm of the Health and Wellbeing Board), oversees the delivery of the BCF plan. Arrangements for programme management are still to be confirmed. At this stage, it is anticipated that individual spending decisions falling out of the BCF plan will be undertaken through existing officer delegations, e.g. the Director of Adult Social Services.

Potential significant implications in relation to governance arrangements still to be worked through and addressed in the October 2014 paper:

- 3.2.3 The Health and Wellbeing Board is established primarily as an advisory committee – do the national requirements of the Better Care Fund alter this in anyway?

Advice has been sought from Legal Services who have advised that signing off the BCF is within the remit of the Health and Wellbeing Board's current Terms of Reference. Interestingly, the national assurance process for the BCF raises the issue of whether the Terms of Reference for Health and Wellbeing Boards having been reviewed, highlighting that whatever national government intentions are for the BCF, they are unclear as to whether the relevant functions can be exercised under their current powers.

- 3.2.4 What on-going involvement will the Health and Wellbeing and Adult Social Care Scrutiny Board have in the BCF? Are any constitutional amendments needed to facilitate the new arrangements?

Whilst the above Scrutiny Board have received an update on the progress of the BCF development, under the Council's current constitution, where the Health & Wellbeing Board has been established as an Advisory Committee, there is currently no provision for Health & Wellbeing Board reports to be subject to call-in.

3.3 Schemes proposed within the BCF

- 3.3.1 The schemes of activity which will be delivered through the Better Care Fund are framed via three key themes. These themes articulate delivery of the outcomes of the Leeds Joint Health and Wellbeing Strategy, in particular the commitment to “Increase the number of people supported to live safely in their own homes”:

- Reducing the need for people to go into hospital or residential care
- Helping people to leave hospital quickly
- Supporting people to stay out of hospital or residential care

- 3.3.2 In order to manage the BCF locally, the total fund has been divided into schemes that represent existing and well-established jointly commissioned and/or jointly provided services through recurrent funding and schemes that provide further “invest to save” opportunities through use of non-recurrent funding.

- 3.3.3 Full details of all the schemes in the draft BCF can be found in the “supplementary information” section. Narrative on how the schemes will meet the national conditions is set out in “part 1” of the BCF first draft submission, both at Appendix A.

4. Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Engagement with key stakeholders to develop the schemes proposed within the BCF, including provider organisations is a national requirement. It has been carried out via existing groups and boards associated with the integration and transformation, as set out on the second page of the narrative part of the BCF submission

(appendix A). It should be noted that whilst the nationally set government timeline has not permitted a comprehensive formal consultation with the public, all efforts have been made to engage with the principal representative bodies in the city, most notably Healthwatch, to 'sense check' our first draft proposals. Clearly, as a member of the Health and Wellbeing Board, Healthwatch will continue to play a key role in ensuring close public engagement in the oversight of the BCF.

- 4.1.2 In relation to the implications of the BCF for Leeds City Council, engagement has taken place with relevant Executive Members, members of the Health and Wellbeing Board, colleagues in Legal Services and colleagues in Governance Services. These discussions will continue and outcomes will be fed into the BCF update report which will be brought to Executive Board in October 2014.
- 4.1.3 It is anticipated that a fuller consultation process with people in Leeds on the BCF itself will take place later in 2014 once the plans have been signed off and in order to shape and develop the delivery of the high level schemes. This will include all elected members.
- 4.1.4 We are committed to the pursuit of evidence informed activity, this means that over the whole anticipated life of this programme (5 years), we will closely monitor evidence of what works best for people, locally, nationally and internationally and seek to flexibly configure our programme in response. This is entirely in keeping with the approach adopted to gain Pioneer status.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An Equality, Diversity, Cohesion and Integration Screening was carried out on the recommendations in this report and is attached as Appendix C. Further screening will be carried out on the proposals within the BCF as they are developed.

4.3 Council Policies and City Priorities

- 4.3.1 The Better Care Fund represents a real opportunity to impact on health and social care outcomes across all age groups and help the Council achieve its ambition of becoming the Best City for Health and Wellbeing. Whilst integration is implicit across all five outcomes of the Leeds Joint Health and Wellbeing Strategy, the BCF will, in particular, impact on the commitment to "Increase the number of people supported to live safely in their own homes".
- 4.3.2 In terms of Council initiatives, the proposed schemes of the BCF will contribute to the Council's business plan in several ways, such as helping to deliver the Better Lives programme and supporting the Council to become more efficient and enterprising. It will also continue to provide health and social care services with the opportunity to enter into a new social contract with the people of Leeds.
- 4.3.3 Continuing to go 'further and faster' on the journey to integration through the BCF (and using this alongside Leeds' Integration Pioneer status) will enable the city to better share money, information and staff. This will permit a more flexible and proactive way of working.

4.3.4 Finally, the city's Pioneer status affords the opportunity to be flexible with how the nationally prescribed BCF is used and developed in Leeds, realising the ability to make a difference locally.

4.4 Resources and value for money

4.4.1 Given the nature of this report, implications for resources and value for money have, on the whole, been covered in section 3. However, it is worth noting that a main condition of the BCF is to support the protection of adult social care services. As such, any future decisions in relation to the amount of funding released for the BCF will need to be aligned with the overall LCC budget strategy.

4.4.2 The purpose of the BCF is to "invest to save" and, locally, to enable the city to achieve its vision of a high quality and sustainable health and social care system. It is imperative that the £55m is spent wisely in order to deliver as much value as possible and there is a strong commitment from leaders in the city to work together to do this. Health colleagues recognise the significant financial pressure LCC is under, both now and in the future, and that a key part of solving the whole system challenge will be supporting Adult Social Care and Children's Services.

4.5 Legal Implications, Access to Information and Call In

4.5.1 As has been outlined in the main body of this report, there may be legal implications in relation to the BCF. The BCF update report, proposed for October 2014, will provide further detail.

4.6 Risk Management

4.6.1 Risks associated with the BCF plan are set out in section 4 of the draft submission (Appendix A).

4.6.2 Significant risks include:

- Potential unintended – and negative – consequences of any proposals as a result of the complex nature of the Health & Social Care system and its interdependencies.
- Destabilising the system in the short term as a result of releasing expenditure from existing commitments within the limited pump priming resource and failing to deliver the savings required over the longer-term.
- Leeds may suffer reputational damage if the city fails to deliver the outcomes detailed, especially as there is a public perception that the BCF represents new money and will deliver additional services.

4.6.3 Risks and issues associated with proposals will also need to be identified and managed.

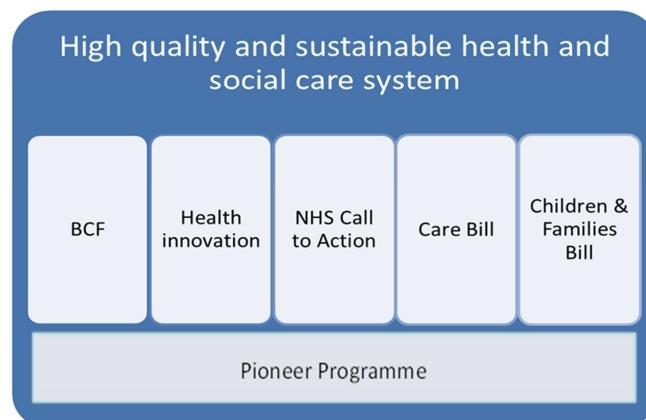
4.6.4 Whilst the "payment-by-performance" element of the BCF has been withdrawn for the time being, there is no guarantee that monies will not be withheld beyond 2015/16.

5. Conclusions

- 5.1 This report has outlined the progress to date on and potential implications for Leeds City Council with regard to the national Better Care Fund. Given the time-scales at play, further detail of the implications will be covered in an update paper to the Board in October 2014.

Continuing to develop the BCF, given the very tight timescales and complex picture of the health and social care landscape in Leeds, will remain a significant challenge. The continued support and commitment of key leaders in the city to deliver a robust set of plans, that can deliver the right outcomes for the people in Leeds as well as meet the requirements of the BCF, will be crucial in the months leading up to the final submission on 4 April 2014 and beyond.

It is important to note that work on transforming the health and care system will not stop once the BCF has been submitted. Partners across the health and social care system need to keep in mind that the BCF is a means to an end, rather than an end in itself and that proposals will continue to be developed in order to address the financial challenge through the Transformation Board and the Integrated Commissioning Executive.



Finally, the BCF should be considered alongside other national and local initiatives that Leeds City Council and its partners are leading on, such as the Care Bill, work on Health innovation and the Pioneer programme as per the diagram overleaf. Together, these drivers present an opportunity to further articulate and refine steps to deliver the Leeds' ambition for a sustainable and high quality health and social care system, in the current context of significant financial challenge, and ultimately to deliver outcomes for the Joint Health and Wellbeing Strategy.

6. Recommendations

Executive Board is asked to:

- Note that national Government launched the detailed guidance for the Better Care Fund on 20 December, with a requirement for local authorities to develop a joint

plan with the relevant CCGs; and requiring its sign off by the local Health and Well-being Board.

- Note that there are a number of potentially significant implications for Leeds City Council governance, budgeting and accounting arrangements arising from the requirements to establish a Better Care Fund but given the tight national timescales at play, detail of these is still to be worked through. The Deputy Director of Adult Social Care will continue to lead on the BCF on behalf of Leeds Council and will bring a further report to Executive Board in October 2014, which will advise the Board on the detail of outstanding governance, budgeting and accounting issues.
- Note that the first draft of the Leeds BCF was signed off by the Health and Well-being Board on 12 February as required by national Government and that a final version will be signed off and submitted by 4 April:

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7. **Background documents¹**

None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.