BRIEFING NOTE **Agenda Item no. 5**

TO: **Social Care and Inclusion Scrutiny and Performance Panel**

DATE: **20 February 2014**

Better Care Fund

1 Purpose

1.1 To update Scrutiny Panel on the development of the Better Care Fund in Walsall (previously known as the Integration Transformation Fund).

2 Background and Summary

2.1. Joint letters from NHS England and the Local Government Association (LGA) were issued on the 17 October and 4 November that set out the Government intentions for the implementation of an Integration Transformation Fund (ITF) and the requirements on local health and social care systems to plan for a higher level of integration as part of a five year strategy.

2.2. The development of a plan for increased integration of health and social care in Walsall is being overseen by Walsall Health and Social Care Integration Board, reporting to the Health and Well Being Board. In order for the health and social care economy in Walsall to be financially sustainable in the period up to March 2016 and beyond, it will need to reduce the number of people aged over 75 years who are being admitted to hospital in an emergency, and reduce the number of people who are receiving social care packages or entering care homes.

2.3. The national guidance was issued on 20 December 2013, and the deadline for submitting the Better Care Plan to NHS England is 14 February 2014.

2.4. The first step in developing the local Better Care Plan is to establish the baseline of services that are currently contributing to the delivery of the key targets for the Better Care Fund so that the funding for these services is included in the Better Care Fund. By 2015/16 this will be £21.771 million and the allocation of this funding is set out in the paper. £19,342 million of this is taken from CCG mainstream allocation.

2.5. There are requirements to meet six national conditions; to establish baselines for six performance indicators and improvement targets; develop a joint risk register; and conduct stakeholder engagement and workforce planning.

3. Better Care Fund in Walsall

3.1 Vision for integrated Health and Social Care

3.1.1 The vision for integrated health and social care in Walsall was first set out in the Pioneer Bid that Walsall Health and Well-being Board submitted to the Department of Health in June 2013 which stated as follows:

3.1.2 The two objectives of our vision are:

- Keep people at home as long as possible
- Swift return home following episode of bedded care

3.1.3 To keep people at home as long as possible we will create an integrated team comprising the competences of primary care, acute, mental health, secondary and social care to combine with a range of other skills from other partners. This team will utilise tools such as the single point of access and risk stratifying patients using a range of health and social care data sets to understand the individual needs of people and provide the services which enable them to stay at home.

3.1.4 To deliver our first objective, there are three components of our new model of service:

- a Single Point of Access for health and social care
- co-ordinated locality teams
- pragmatic use of risk stratification

3.1.5 The second component of the new model of service, that of swiftly and safely transferring people back to their own homes following an acute episode of care, requires a coherent and efficient team, comprising skills of hospital discharge and social care, linking with the wider, co-ordinated locality teams, to agree with people the packages of care they most need at home. Through the Single Point of Access, there will be a menu of packages of services ranging from at the most intense, hospital based intermediate care beds through to at the least intense, 'reablement ' which is available within 24 hours of request and provided for a specified duration of days e.g. four days.

3.1.6 This represents the vision for the development of integrated services in Walsall. The vision has been subsequently developed into three main immediate priorities:

- The development of a proposal to establish a single Intermediate Care Service across health and social care in Walsall
- The use of risk stratification tools to assist health and care to identify those older people (aged over 75) who are most at risk of requiring intensive care and support
- A project to better co-ordinate the activity between health professionals and managers and staff in Nursing Homes to better manage these older people's health care needs

3.2 Development of the Better Care Plan

3.2.1 The “Better Care Fund” represents the Government’s policy to increase integration of health and social care for older people. It asks local councils and Clinical Commissioning Groups to work together to achieve improved outcomes for older people in a way that will reduce the longer-term financial pressures on both health and adult social care. In order to achieve these objectives the Government has required that the NHS and the Local Council pool their budgets to create “the better care fund”. The money in the pooled budget will then be used by partners (in the NHS and the Local Authority) to deliver the objectives laid down.

3.2.2 It is worth noting that the majority of the funding that makes up the Better Care Fund (BCF) will be made up of funding that is already in the system and so is not new or additional funding.

3.2.3 The development of the Better Care Plan provides an opportunity to accelerate the work in Walsall on integration, but in doing so raises a number of risks and challenges to the future viability of the system.

3.2.4 In the Government Policy there is a focus on a reduction of emergency admissions to the acute hospital for older people over the age of 75. There is a target for a 15% reduction of admissions from this group for 2015/16. This appears to be an ambitious target and is particularly challenging as admissions have been rising over recent years. The evidence suggests that many of those who are currently being presented at the acute hospital have more complex conditions and are more likely to require an admission.

3.2.5 The supposition is that through reducing emergency admissions the resources that are saved are those that can be used to build up community health services and to ensure that the reductions in adult social care spend from the council has a limited impact on the population. This supposition needs rigorous testing and clarification of the benefits for people of Walsall from the required remodelling of services. The precise timescale remains unclear, and the CCG, WHT and Walsall Council will work up an activity forecasting and funding model for this reduction.

3.2.6 The implementation plan for the Better Care Fund will be based upon the following six work-streams:

- The development of the Adult Social Care operating model with reablement at its heart. To further develop this through the examination of an integrated intermediate care service across health and social care;
- Remodelling community health services with adult social care in order to better manage older people with longer term conditions (to reduce admissions to institutional care). To introduce a risk stratification approach where tools are used to help identify those older people most at risk of needing care or support and to ensure that the right interventions are available to them at the right time. To help older people manage their own conditions as much as they are able. To better use telecare and telehealth to assist with this programme;

- To continue to focus on speedy hospital discharges with improved outcomes for customers (including reduced use of unnecessary intensive care or emergency re-admissions);
- To ensure the continued use of both step-down beds (on discharge) and step-up beds (to avoid admission) – in order to achieve this there will be a need to redesign and re-commission some of the current bed based intermediate care services such as the Swift Ward;
- To continue to explore the models of care that will help to keep older people well in their own homes;
- To focus on the admissions and re-admissions of older people in nursing (and residential) care homes to ensure that staff in those establishments are supported to help older people avoid unnecessary admissions or re-admissions.

3.3 Better Care Fund Allocations for Walsall

3.3.1 The total of Better Care Funding for Walsall was confirmed by the Department of Health in guidance issued on 20 December 2013. By 2015/16 the Better Care Fund is to be made up of three main elements as follows:

£1.632 million for Disabled Facilities Grant
£797,000 referred to as "Social Care Capital Grant"
£19.342 million from NHS England calculated from CCG allocations formula.

3.3.2 The guidance on the use of this funding is as follows:

> The requirements for the use of the funds transferred from the NHS to local authorities in 2014/15 remain consistent with the guidance[1] from the Department of Health (DH) to NHS England on 19 December 2012 on the funding transfer from NHS to social care in 2013/14. In line with this:
>
> *"The funding must be used to support adult social care services in each local authority, which also has a health benefit. However, beyond this broad condition we want to provide flexibility for local areas to determine how this investment in social care services is best used.*
>
> *A condition of the transfer is that the local authority agrees with its local health partners how the funding is best used within social care, and the outcomes expected from this investment. Health and wellbeing boards will be the natural place for discussions between NHS England, clinical commissioning groups and councils on how the funding should be spent, as part of their wider discussions on the use of their total health and care resources.*
>
> *In line with our responsibilities under the Health and Social Care Act, an additional condition of the transfer is that councils and clinical commissioning groups have regard to the Joint Strategic Needs Assessment for their local population, and existing commissioning plans for both health and social care, in how the funding is used.*

A further condition of the transfer is that local authorities councils and clinical commissioning groups demonstrate how the funding transfer will make a positive difference to social care services, and outcomes for service users, compared to service plans in the absence of the funding transfer"

3.4 Funding Streams

3.4.1 **Disabled Facilities Grant (£1.632 million):** the guidance states that "The DFG has been included in the Fund so that the provision of adaptations can be incorporated in the strategic consideration and planning of investment to improve outcomes for service users. DFG will be paid to upper-tier authorities in 2015/16". It is therefore recommended that the current level of expenditure on DFG's is maintained during 2014/15 and 2015/16.

3.4.2 **Social Care Capital Grant (£797,000):** the guidance states that "DH and the Department for Communities and Local Government (DCLG) will also use Section 31 of the Local Government Act 2003 to ensure that DH Adult Social Care capital grants (£134m) will reach local areas as part of the Fund. Relevant conditions will be attached to these grants so that they are used in pooled budgets for the purposes of the Fund. DH, DCLG and the Treasury will work together in early 2014 to develop the terms and conditions of these grants". Guidance also states that "£50m of the capital funding has been earmarked for the capital costs (including IT) associated with transition to the capped cost system, which will be implemented in April 2016".

3.4.3 **NHS England Allocation (£19.342):** The remainder of the Fund has been allocated on the basis of the NHS allocations formula for Clinical Commissioning Groups. The guidance states that "Funding will be routed through NHS England to protect the overall level of health spending and ensure a process that works coherently with wider NHS funding arrangements. DH will use the Mandate for 2015/16 to instruct NHS England to ring-fence its contribution to the Fund and to ensure this is deployed in specified amounts at local level for use in pooled budgets by CCGs and local authorities. It will be for local areas to decide how to spend their allocations on health and social care services through their joint plan."

3.5 Funding in 2014/15

3.5.1 A proportion of the funding which will be part of the Better Care Fund in 2015/16 is already in the system in 2014/15 and this has been agreed at the Vulnerable Adults Executive Board as follows:

Table 1: Allocations in 2014/15 to become part of the Better Care Fund in 2015/16.

Expenditure	2014/15 Allocation (£)
Services required in the reablemement pathway for people with dementia and frail elderly	300,000
Integrated Community Equipment Service	877,538
Short term assessment, reablement and response service	2,075,628

Expenditure (Cont'd)	2014/15 Allocation (£)
Development of Intermediate Care service	500,000
OT posts to support Intermediate Care Service	250,000
Bed Based Reablement (Hollybank)	774,919
Integrated Discharge Team	569,418
Co-ordination of Personal Health Budgets pilot scheme	21,840
Short Term Residential Placements and Reablement Care Packages	1,193,000
Swift Unit at The Manor Hospital	1,800,000
Total Spend	**8,362,343**

3.6 Funding in 2015/16

3.6.1 In 2015/16 further funding is added to make up the total amount to £21,771 million. The allocation of the funding in 2015/16 has been agreed at the Vulnerable Adults Executive Board as shown in the following table:

Table 2: Allocation of the Better Care Fund in 2015/16.

Expenditure	2015/16 Allocation (£)
FUNDING CARRIED FORWARD FROM 2014/15	
Services required in the reablemement pathway for people with dementia and frail elderly	300,000
Integrated Community Equipment Service (Council Allocation)	877,538
Short term assessment, reablement and response service	2,075,628
Development of Intermediate Care service	500,000
OT posts to support Intermediate Care Service	250,000
Bed Based Reablement (Hollybank)	774,919
Integrated Discharge Team	569,418
Co-ordination of Personal Health Budgets pilot scheme	21,840
Short Term Care Home Placements - Reablement Care Packages	1,193,000
Swift Unit at The Manor Hospital	1,800,000
Sub Total	**8,362,843**
ADDITIONAL FUNDING TO BE INCLUDED IN 2015/16	
Intermediate Care Services and Community Health Services within service level agreement with Walsall Healthcare Trust	3,515,000
Services within service level agreement with Dudley Walsall Mental Health Trust (e.g Memory Clinic)	919,000
Stroke Care Pathway	605,000
Intermediate Care Services directly funded by CCG (e.g. care home beds; Frail Elderly Pathway; Hollybank House)	1,912,000
Community Equipment Service (CCG Allocation)	601,000
Independent Living Centre (CCG Allocation)	72,000
Support for Older People and Disabled People via Third Sector	96,000
Sub Total	**7,720,000**
Expenditure (cont'd)	**2015/16 Allocation (£)**

Support to Carers Funding to Protect Social Care Services	450,000 2,810,000
Sub Total	**3,260,000**
Disabled Facilities Grant	1,632,000
Social Care Capital Grant	797,000
Sub Total	**2,429,000**
TOTAL	**21,771,843**

3.6.2 **Support to Carers:** the guidance states that "Local plans should set out the level of resource that will be dedicated to carer-specific support, including carers' breaks, and identify how the chosen methods for supporting carers will help to meet key outcomes (e.g. reducing delayed transfers of care)". Locally in Walsall this funding amounts to £450k and this is currently allocated to short term breaks for children and families and transferred to the Children's Directorate of Walsall Council. This use of the funding is not in line with the national guidance for the Better Care Fund. The ASC&I Directorate currently spends around £600k on support to carers in a way which does impact upon the targets set out above. There is therefore a need to consider whether this funding should become part of the Better Care Fund instead.

Action: Review current spend pattern on support for carers between CCG and ASC&I in Walsall Council;

3.6.3 **Funding to Protect Social Care Services (£2.810 million):** One of the six national conditions for the Better Care Fund is that local areas must include an explanation of how local adult social care services will be protected within their plans (see below). One of the risks identified in the joint risk register is that the pace of the integration of health and social care services will not be fast enough to reduce the older people commissioning budget of ASC&I to remain within budget during 2015/16.

3.6.4 There is also a risk that other performance targets will not be met to the extent that some of the Better Care Funding will be held back under the Payment For Performance arrangements (see next section). Better Care Plans must include contingency plans for additional demand on health and social care services if the local integration schemes do not deliver the anticipated reduction in demand.

3.6.5 It is proposed that this element of the Better Care Fund should be used for this purpose.

Action: Further work is needed to establish how much of this element of the funding should be allocated in advance in order to achieve projected reduction in demand against how much is held back as a contingency for not achieving the anticipated reduction and having to pay for higher than anticipated levels of emergency admissions to hospital or residential care placements.

3.6.6 The Integration Board highlighted the need for the funding allocations to be seen as indicative and subject to further work and probable changes. It also recognised that there are other current work streams in place that will have a strong co-dependence with the work on the Better Care Fund and thus a need for a high level of co-ordination.

3.7 Payment for Performance

3.7.1 In the guidance issued in December 2013, the government indicated that £1bn of the £3.8bn would be linked to achieving outcomes, and Ministers agreed the basis on which this payment-for-performance element of the Fund will operate. Half of the £1bn will be released in April 2015. £250m of this will depend on progress against four of the six national conditions and the other £250m will relate to performance against a number of national and locally determined metrics during 2014/15. The remainder (£500m) will be released in October 2015 and will relate to further progress against the national and locally determined metrics.

3.8 Integration of Health and Social Care

3.8.1 Walsall's Better Care Plan will initially aim to develop the integration of health and social care services in Walsall over the two year period 2014/15 and 2015/16 from the current shape of service provision to the vision set out in the work on integration that is being reported separately and in parallel to the Integration Board.

3.8.2 The plan must form part of the 5 year strategic plan being developed as required by the Clinical Commissioning Group, and should be in line with Walsall Councils medium term planning process.

3.8.3 The plan must meet six conditions which have been set nationally. These are set out below with proposed responses for our local plan in Walsall:

Six National Conditions

National Condition	Proposed Response in Local Better Care Plan
Plans to be jointly agreed	Reference Integration Board and HWBB
Protection for social care services (not spending)	Definition to be agreed locally. This should be based upon the conditions required for implementation of the ASC&I Directorate MTFP.
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	Report progress to date and plans for expansion of community health services and therapy
Better data sharing between health and social care, based on the NHS number	Report on proposed work on data sharing and analysis that has been agreed with the Commissioning Support Unit. This will cross reference case records in social care with

	NHS patient data in Walsall Healthcare Trust, DWMHT, and primary care to identify those individuals with the highest level of take up of service across the whole system. This will subsequently further inform the process of risk stratification.
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	Reference plans for integration via development of community based multi-disciplinary health and social care teams based upon current community health services locality structure.
Agreement on the consequential impact of changes in the acute sector	Guidance states that " Local areas should identify, provider-by-provider, what the impact will be in their local area, including if the impact goes beyond the acute sector. Assurance will also be sought on public and patient and service user engagement in this planning, as well as plans for political buy-in. Ministers have indicated that, in line with the Mandate requirements on achieving parity of esteem for mental health, plans must not have a negative impact on the level and quality of mental health services.

Action: Further work is needed to develop Walsall's responses to meeting the six national conditions based upon the above comments.

3.9 Performance Measures

3.9.1 The guidance states that the national metrics underpinning the Better Care Fund will be:

- admissions to residential and care homes;
- effectiveness of reablement;
- delayed transfers of care;
- avoidable emergency admissions; and
- patient / service user experience.

3.9.2 The measures are the best available but do have shortcomings. Local plans will need to ensure that they are applied sensitively and do not adversely affect decisions on the care of individual patients and service users.

3.9.3 Further technical guidance will be provided on the national metrics, including the detailed definition, the source of the data underpinning the metric, the reporting schedule and advice on the statistical significance of ambitions for improvement.

3.10 Selection of One Local Performance Metric

3.10.1 In addition to the five national metrics, local areas should choose one additional indicator that will contribute to the payment-for-performance element of the Fund. In choosing this indicator, it must be possible to establish a baseline of performance in 2014/15.

3.10.2 A menu of possible local metrics selected from the NHS, Adult Social Care and Public Health Outcomes Frameworks is set out in the table below:

NHS Outcomes Framework	Proportion of people feeling supported to manage their (long term) condition Estimated diagnosis rate for people with dementia Proportion of patients with fragility fractures recovering to their previous levels of mobility / walking ability at 30 / 120 days
Adult Social Care Outcomes Framework	Social care-related quality of life Proportion of adults in contact with secondary mental health services living independently with or without support Carer-reported quality of life
Public Health Outcomes Framework	Proportion of adult social care users who have as much social contact as they would like Proportion of adults classified as “inactive” Injuries due to falls in people aged 65 and over

3.10.3 Local areas must either select one of the metrics from this menu, or agree a local alternative. The guidance sets out the requirements of any alternative indicator selected locally. Each metric will be of equal value for the payment for performance element of the Fund.

Recommendation: It is recommended that the most appropriate local indicator chosen for Walsall should be the Estimated Diagnosis Rate for People with Dementia.

3.10.4 This is to ensure that mental health is appropriately addressed as part of Walsall’s Better Care Fund. It is also on the basis that Walsall’s current rate of around 43% is below the national average and so gives room for improvement and has increased steadily from 37% during the last two years in line with the Walsall Joint Commissioning Strategy for Dementia.

3.11 Establishing Improvement Targets

3.11.1 Local areas should set an appropriate level of ambition for improvement against each of the national indicators, and the locally determined indicator. In signing off local plans, Health and Wellbeing Boards should be mindful of the link to the levels of ambition on outcomes that CCGs have been asked to set as part of their wider strategic and operational plans. Both the effectiveness of reablement and avoidable emergency admissions outcomes metrics are consistent with national metrics for the Fund, and so Health and Wellbeing Boards will need to ensure consistency between the CCG levels of ambitions and the Fund plans.

3.11.2 In agreeing specific levels of ambition for the metrics, Health and Wellbeing Boards should be mindful of a number of factors, such as:

- having a clear baseline against which to compare future performance;
- understanding the long-run trend to ensure that the target does not purely reward improved performance consistent with trend increase;
- ensuring that any seasonality in the performance is taken in to account; and
- ensuring that the target is achievable, yet challenging enough to incentivise an improvement in integration and improved outcomes for users.

3.11.3 In agreeing levels of ambition, Health and Wellbeing Boards should also consider the level required for a statistically significant improvement. It would not be appropriate for the level of ambition to be set such that it rewards a small improvement that is purely an artefact of variation in the underlying dataset.

Recommendation: That improvement targets for two key performance measures are agreed as follows:

- **A 15% reduction in emergency admissions of people over 75 years by the end of March 2016 on a baseline established at January 2014 (in line with Government announcement for this metric); and**
- **A reduction in expenditure on social care packages and residential placements for older people by Walsall Council by the end of March 2016.**

Action: Further work is needed to establish the baselines for the 6 performance indicators and proposed levels of improvement against these baselines in the period to March 2016.

3.12 Joint Risk Register

3.12.1 Local areas should provide an agreed shared risk register. This should include an agreed approach to risk sharing and mitigation covering, as a minimum, the impact on existing NHS and social care delivery and the steps that will be taken if activity volumes do not change as planned (for example, if emergency admissions or nursing home admissions increase).

Action: Further work is needed to set out a joint risk register for the Better Care Fund

3.13 Stakeholder Engagement

3.13.1 CCGs and councils must engage from the outset with all providers, both NHS and social care (and also providers of housing and other related services), likely to be affected by the use of the fund in order to achieve the best outcomes for local people. The plans must clearly set out how this engagement has taken place. Providers, CCGs and councils must develop a shared view of the future shape of services, the impact of the Fund on existing models of service delivery, and how the transition from these models to the future shape of services will be made.

It is therefore recommended that the two NHS Trusts (Walsall Healthcare Trust and Dudley and Walsall Mental Health Trust) that make up the constituent membership of the Integration Board are also able to indicate their agreement to the Better Care Fund Plan prior to its submission on 14 February 2014.

3.14 Workforce Planning

3.14.1 The plan should include an assessment of future capacity and workforce requirements across the system. It will be important to work closely with Local Education and Training Boards and the market shaping functions of councils, as well as with providers themselves, on the workforce implications to ensure that there is a consistent approach to workforce planning for both providers and commissioners.

Action: Further work is needed to develop a workforce plan for health and social care working closely with providers.

4 Conclusion

4.1. Considerable progress has been achieved in a short timescale to establish the vision for integration of health and social care services and to identify the funding streams that will make up the Better Care Fund in Walsall.

4.2. Emergency admissions to hospital in the first 8 months of this financial year have increased by nearly 10% compared to the same period last year, and so achieving a national target to reduce emergency admissions to hospital by 15% will be a considerable challenge whilst managing a significant reduction in adult social care expenditure over the same period.

4.3. The challenge will be to support older people to retain their independence, health and well being with support at the local community level thus reducing the prevalence of visits to hospital and the need for ongoing social care services.

4.4. The size of this challenge is not to be underestimated and it will require effective joint management of a sophisticated programme of work between the Council and the local health community to succeed.

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