

Governing Body Public Meeting

Date of Governing Body meeting: 29 January 2015
 Agenda Item No: Item 11.5

TITLE OF REPORT	Better Care Fund – Outcome of Assurance Process and Setting Up the Pooled Fund
PURPOSE OF REPORT:	<ul style="list-style-type: none"> To report the outcome of the assurance process over the September submission of the plan for the Better Care Fund, and actions required in response. To report on the requirements associated with establishing a pooled fund for the Better Care Fund from April 2015.
KEY POINTS:	<p>The outcome of the assurance process for Walsall was <i>Approved With Conditions</i> and there were two conditions to be addressed in time for a resubmission on 12 December 2014. The report describes the conditions and our response.</p> <p>Clarity is needed on the financial arrangements; the procurement requirements; and the governance requirements needed to establish a pooled fund for the Better Care Fund.</p>
RECOMMENDATION TO THE COMMITTEE:	That the Governing Body considers the options for hosting the pooled fund for the Better Care Fund and agrees the position to be adopted by the CCG in partnership working with the Council.
COMMITTEE ACTION REQUIRED:	Assurance
REPORT WRITTEN BY:	Andy Rust, Head of Joint Commissioning

REPORT PRESENTED BY:	Salma Ali
REPORT SIGNED OFF BY:	Salma Ali- Accountable Officer
The CCG has a duty to promote the NHS Constitution.	
Please indicate which principles of the NHS Constitution this report supports	
The NHS provides a comprehensive service available to all	√
Access to NHS services is based on clinical need, not an individual's ability to pay	√
The NHS aspires to the highest standards of excellence and professionalism	√
The NHS aspires to put patients at the heart of everything it does	√
The NHS works across organizational boundaries and in partnership with other organisations in the interest of patients, local communities and the wider population	√
The NHS is committed to providing best value for taxpayers' money and the most effective, fair and sustainable use of finite resources	√
The NHS is accountable to the public, communities and patients that it serves.	√

Positive general duties - Equality Act 2010	
The CCG is committed to fulfilling its duty under the Equality Act 2010 and to ensure its commissioned services are non-discriminatory. This report is intended to support delivery of our duty to have a continuing positive impact on equality and diversity The CCG will work with providers, communities of interest and service users to ensure that any issues relating to equality of service within this report have been identified and addressed	
Please indicate if there have been any equality of service issues identified in this report	No

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Better Care Fund – Outcome of Assurance Process and Setting Up the Pooled Fund

1.0 PURPOSE

- 1.1 To report the outcome of the assurance process over the September submission of the plan for the Better Care Fund, and actions required in response.
- 1.2 To report on the requirements associated with establishing a pooled fund for the Better Care Fund from April 2015.

2.0 RECOMMENDATIONS

- 2.1 That the Governing Body considers the options for hosting the pooled fund for the Better Care Fund and agrees the position to be adopted by the CCG in partnership working with the Council.

3.0 ASSURANCE PROCESS

- 3.1 The outcome of the assurance process for Walsall was *Approved With Conditions* and there were two conditions to be addressed in time for a resubmission on 12 December 2014:
 - Clarification of the arrangements for GP case management of people aged over 75 years who are at risk of an avoidable emergency hospital admission. NHS England is seeking assurance that the local scheme is not the same as the national scheme. The Local Enhanced Service Agreement has set a target that by the end of the current financial year, 50% of all over 75's on the practice list will have had an individual care review which includes a medication review (this is excluded from the National Enhanced Service Agreement). As a result, each patient will have an individual care plan which will be reviewed regularly dependent upon individual patient need.
 - NHS England sought clarification of the rationale for setting a lower target in 2015/16 of 3.2% reduction in emergency admissions for people from Walsall, compared to the national guidance figure of 3.5%. In summary,

Walsall Healthcare NHS Trust, as a provider, experienced an 8.4% increase in this area of activity from 2012-13 to 2103-14, compared to the national average rate of 5%. Although the current rate of increase has reduced, there is a still a net increase of 2% in 2014/15 compared to 2013/14, so a target reduction of 3.2% in 2015 compared to 2014 will require an actual reduction of 5.2%. Further time is needed before the schemes currently being implemented (i.e. GP and Community case management as described above) which form the substance of Walsall's BCF plan will impact on the rate of admission and so a 3.2% target has been set for 2015. The aim is to be able to set a more ambitious target for 2016.

4.0 ESTABLISHING A POOLED FUND

- 4.1 Walsall has been operating a Section 75 (National Health Act 2006) pooled fund arrangement in partnership with the CCG (previously the PCT) since 2009 and so is well placed to establish arrangements for a pooled fund for the Better Care Fund. Clarity is needed on the financial arrangements; the procurement requirements; and the governance requirements. Comments on each of these are as follows:

Financial Arrangements

- 4.2 The current Section 75 agreement is based on a principle of 'simultaneous financial responsibility' whereby the Head of the Joint Commissioning Unit is simultaneously responsible for budgets within both the Council and the CCG and the members of the JCU have a dual role across both health and social care systems. This would have been a suitable arrangement for the BCF, but the guidance makes clear (Para 20) that all of the funding (circa £24 million per annum in 2015/16) must be hosted by one or other of the agencies.
- 4.3 The contributions to the pooled fund will be circa £21.5 million by the CCG and £2.5 million by Walsall Council. Approximately £10 million of the CCG contribution to the pooled fund is a direct contribution to the Council budget for SC&I services and does not transfer as a delegated responsibility. The remainder of the CCG funding is current expenditure that forms part of block contracts between the CCG and NHS providers, with other providers such as care homes, or for primary care services.
- 4.4 Experience to date shows that the nature of the Council's dual role as both commissioner and provider has meant that the commissioning of services provided by the Council hasn't developed to the point where there are clear and transparent contractual and performance monitoring arrangements in place for these services. This has partly been due to difficulties with Council data systems which are by now being addressed and should largely be overcome by the end of 2015/16. The redesign of re-ablement services and the continuing work on integration of multi-disciplinary health and social care teams will also largely have been completed by the end of 2015/16. Therefore, the CCG may decide to take a view that there is a need for a further year of development of commissioning/contracting of in-house Council

services funded by the BCF in 2015/16 before agreeing for the Council to host the pooled fund.

- 4.5 Should it be agreed that the Council will host the pooled fund for the BCF then there will need to be both a Section 75 agreement for funding that transfers as a delegated responsibility, and a Section 25 agreement for funding that transfers as a direct contribution to the Council budget. This can be arranged under a broader set of terms and conditions and principles for partnership working, and this will equally need to incorporate the other pooled fund for learning disability services and other funding transfers between the CCG and the Council.
- 4.6 Should it be agreed that the CCG will host the pooled fund for the BCF then there will need to be agreement about how the £2.5 million Council contribution to the pooled fund transfers to the CCG and then what accountability mechanisms should be applied to this funding. The simplest arrangement may be for the funding to transfer back again, but there would need to be a governance route for this, (e.g. Joint Commissioning Committee). Further guidance is being sought on whether this funding would need to be transferred to the CCG as part of a single pooled fund or could simply remain in the Council.
- 4.7 The current Section 75 agreement does incorporate a pooled fund for learning disability services (circa £32 million per annum) which is hosted by Walsall Council. The CCG contributes just under one third of the funding for this arrangement, and the Council is acting on behalf of the CCG when it commissions services as a delegated responsibility. The current Section 75 agreement also covers transfers of funding for Free Nursing Care (FNC) and Continuing Health Care (CHC) and joint commissioning of mental health services.
- 4.8 Legal advice has been sought on the future legal joint arrangements for pooled funds and transfers.
- 4.9 Whichever agency hosts the pooled fund for the BCF, there will be additional work on financial management and thought will need to be given as to required capacity for this. This may be based upon a principle of joint working between the current finance teams rather than specific joint appointments of finance staff.

Procurement and Contract Management

- 4.10 Regardless of the hosting arrangements for the pooled fund, there will also be additional work on procurement and contract management. One example of this is that there are currently no formal contracts or service specifications for Council provided services which will be funded by the BCF (e.g. re-ablement service, and some elements of assessment and care management).

4.11 Joint work is currently underway to map the current contractual arrangements for services that will become funded under the BCF. Current contract arrangements can be classified under three main headings:

- Services contracted as part of an NHS block contract between the CCG and NHS Providers (e.g. Walsall Healthcare Trust);
- Services commissioned under more commercial contracts with the independent sector (e.g. the joint framework contract with care homes, or service level agreements with registered social landlords or voluntary agencies);
- Services provided as in-house Council services.

4.12 The Council Procurement Team and the CCG Contracts Team are already working closely together on these contractual arrangements linked closely to the Joint Commissioning Unit. The two teams are also working closely on the contractual arrangements for Public Health funding that have become part of collaborative contractual arrangements between the Council and the CCG, and some aspects of children's services.

4.13 The CCG is currently funding one post in the Council Procurement Team to provide procurement and contract management support to joint commissioning arrangements.

Governance Arrangements

4.14 The JCC reports to the Health and Well Being Board (HWBB). There is an outstanding issue of whether providers are to be invited to join the HWBB (e.g. Walsall Healthcare Trust). If so, then the JCC would not be able to report to the HWBB on commissioning matters. This is currently under review.

5.0 IMPLEMENTATION OF THE BETTER CARE FUND

5.1 Our plan for action is focused primarily upon 2015/16 and made up of a number of elements of community based change schemes and programmes that we have consolidated under eight main headings:

1	Integration of Community Services
2	Transitional Care Pathways
3	Assistive Technology
4	Dementia Care Services
5	Mental Health Services
6	Support to Carers
7	Long Term Social Care – Community and Residential
8	Voluntary and Community Sector Impact on Hospital Flows

5.2 For each of these there is an identified operational lead manager and a lead commissioner, and they are implementing plans which when brought together

make up the plan for the Better Care Fund. A workshop for the Better Care Fund work-stream leads is being held in December to clarify the requirements of managing their work-streams, and to ensure a consistent and co-ordinated approach across the work-streams.

- 5.3 Much of the work that is underway was being implemented as part of broader plans and strategies within Walsall CCG (i.e. 2 year Operating plan and 5 year Strategic Plan) and Walsall Council, and are incorporated in to the Health and Well Being Strategy. Further work over the coming months will strengthen the links between these plans and work-streams for 2015/2016.

6.0 CONCLUSION

- 6.1 The funding that has been incorporated in to the Better Care Fund was not new funding, and so there are prior arrangements for the governance, financial management and procurement/contract monitoring of this expenditure, largely based upon current joint commissioning arrangements between the Council and the CCG. These arrangements need to be jointly reviewed to reach agreement on hosting the pooled fund; the associated financial and procurement infrastructure; and to confirm the governance arrangements.
- 6.2 The Joint Commissioning Committee will continue to examine these issues and take recommendations to the Health and Well Being Board.

*Report Author:
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January 2015*