

BOARD PAPER - NHS ENGLAND

Title: Integration – The Better Care Fund

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Purpose of paper:

- To provide assurance to the Board on the implementation of the Better Care Fund, within the context of the wider range of activities associated with NHS England's duty to promote integration.

Key issues and recommendations:

This paper sets out details of the work being undertaken in association with NHS England's duty to promote integration and build a modern system of integrated care and support. It focuses in particular on the programme of support for the local integration pioneers; the strategy planning process; and the implementation of the Better Care Fund.

Actions required by Board Members:

To receive assurance that:

- the arrangements for implementing the Better Care Fund are rigorous, and will support the development of better integrated health and care services, while mitigating the risks to existing services and the appropriate use of NHS resources;
- the arrangements to support to the integration pioneers will promote the development and spread of innovative new approaches for health and social care services to work together to provide better support at home and earlier treatment in the community to prevent people needing emergency; and
- the strategic planning process will underpin the development of robust local five-year strategies which will include the development of a modern model of integrated care.

Integration – The Better Care Fund

Introduction

1. The purpose of this paper is to provide assurance to the Board on the implementation of the Better Care Fund, within the context of the wider range of activities associated with NHS England's duty to promote integration.

Background

2. Closer integration of health and social care services is a key priority for NHS England, which has a statutory duty to promote integration. The definition, of integrated care, co-developed by National Voices, puts the individual, around whom services should be coordinated, at the centre:

“I can plan my care with people who work together to understand me and my carer(s), allowing me control, and bringing together services to achieve the outcomes important to me.”

3. People are living longer, healthier lives than ever before but this progress brings challenges. People may be living for longer, but often they are living with several complex, long term conditions and they need integrated advice, support and care, co-ordinated around their personal needs.
4. The health and care system is under more pressure than ever before. The current models for health and care services will be unsustainable in the context of reducing social care budgets and no real increase in NHS budgets, at a time when demand for services and costs are increasing. Indeed the NHS faces a potential funding gap of around £30bn by 2020/21 if nothing were to change. Major change is required to respond to the challenges of an ageing population, to respond to failures in the quality of services such as those seen at Mid Staffordshire and Winterbourne View, and to make that sure that taxpayers get the best value when the public finances are under pressure.
5. Without a radically different approach to providing services, they will get worse, costs to taxpayers will rise, and those who suffer the most will be people who could otherwise lead more independent lives. This means building a system of integrated care for every person in England, with care and support built around the needs of individuals and their carers and families, getting the most out of every penny spent.

Integration Activities

6. There are four broad elements to the work associated with NHS England's duty to promote integration and build a modern system of integrated care and support:
 - support for the local integration pioneers programme;
 - the strategy planning process;
 - the Better Care Fund; and

- a wider programme of integrated care and support activities, in collaboration with other national partners.

Local Integration Pioneers

7. In May 2013, the Minister of State for Care Services, Norman Lamb MP, together with NHS England and national partner organisations, announced the pioneers programme, inviting local areas to demonstrate the use of ambitious and innovative approaches to deliver person-centred, co-ordinated care and support. Following a rigorous selection process 14 of the most innovative and committed localities around the country were selected to become pioneers. The aim is to make health and social care services work together to provide better support at home and earlier treatment in the community to prevent people needing emergency care in hospital or care homes.
8. From January 2014, NHS England took lead responsibility for the arrangements for supporting pioneers to deliver their service changes, working closely with NHS IQ. The support programme has been framed around six objectives, to:
 - i. establish the profile of the pioneer programme, and its progress and impact;
 - ii. provide access to UK and international expertise;
 - iii. provide access to shared learning across the 14 pioneers;
 - iv. provide access to "unblocking experts" through the sponsorship of senior officials;
 - v. help pioneers navigate national systems and provide advice; and
 - vi. distil lessons from pioneer experience and influence the broader development of strategy.
9. Geoff Alltimes, a senior leader with experience in both the health and social care sectors, has recently been seconded from the Local Government Association (LGA) to the role of senior responsible officer for the pioneers programme.

Strategic Planning

10. NHS England launched its strategy process with *A Call to Action* in summer 2013. The first phase of this process culminated in the publication in December of the planning guidance *Everyone Counts*, which identified that any high quality, sustainable health and care system in England will have the following six characteristics in five years:
 - citizens are fully included in all aspects of service design and change and patients are fully empowered in their own care. This will involve actions to ensure that patients' views are heard, that changes in technology and the digital revolution are harnessed to deliver better care, and a greater focus on transparency and data sharing;
 - wider primary care, provided at scale. This will require the transformation of primary care services, enabling general practice to work at greater scale and in closer collaboration with other health and care organisations;

- a modern model of integrated care. This will mean care is co-ordinated around the needs of individual patients, tailored for vulnerable and older people;
 - access to the highest quality urgent and emergency care. Patients will be treated as close to home as possible, supported by networks, with major specialised services offered in between 40 and 70 major emergency centres, supported by other emergency centres and urgent care facilities;
 - a step-change in the productivity of elective care. Access to elective services must be designed and managed to remove error, maximise quality, and achieve a major step-change in productivity. Elective care centres will deliver high quality treatment, treating adequate numbers to be expert, and with the most modern equipment available; and
 - specialised services concentrated in centres of excellence. This could lead to a concentration of expertise in some 15 to 30 centres for most aspects of specialised care. Academic Health Science Networks will play an important role as the focus for many of these.
11. The priorities for the next phase of the strategy programme are to make sure that the products of the *Call to Action* process work are actively shaping local five-year plans and strategies; and to support innovators in the NHS to move at pace, to share learning and to inform wider system development.
 12. NHS England will identify and work with leading edge health systems across the country to implement at pace the six characteristics we have identified. This will help to develop the real time "proof of concept" for the six characteristics, and identify early blockages and problems to be solved. For the characteristic of a modern model of integrated care this will also require close working with the integration pioneers programme.

The Better Care Fund

13. In June 2013, the Government announced that £3.8 billion worth of funding would be pooled by local health and social care services from 2015/16 to ensure closer integration. This money, known as the Better Care Fund, provides an opportunity to improve the lives of some of the most vulnerable people in our society, giving them control, placing them at the centre of their own care and support, and, in doing so, providing them with a better service and better quality of life. It encompasses a substantial level of funding to help local areas manage pressures and improve long term sustainability. The Fund will be an important enabler to take the integration agenda forward at scale and pace, acting as a significant catalyst for change.
14. NHS England has worked in partnership with the LGA, and with the Department of Health and the Department for Communities and Local Government, to develop the requirements of the Fund and to ensure its effective implementation.

Subject to Parliamentary approval, the Care Bill will introduce a new statutory framework to underpin the requirements of the Fund.

15. The Fund is not 'new' money. It will be created from £1.9bn based on existing funding in 2014/15 that is allocated across the health and wider care system¹, and a further £1.9bn of NHS funding. The Fund 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.
16. In 2015/16 the £3.8bn will be allocated to local areas, where it will be put into pooled budgets under formal joint governance arrangements between Clinical Commissioning Groups (CCGs) and councils. A number of conditions have been set by ministers for accessing the Fund. It will be allocated on the basis that robust local plans are developed, which must:
 - be jointly agreed by councils and CCGs, and signed off by Health and Wellbeing Boards;
 - provide protection for social care services (not spending);
 - support the development of seven-day services in health and social care;
 - facilitate better data sharing between health and social care;
 - ensure that for integrated care packages of care there is an accountable professional;
 - include risk-sharing and contingency plans in the event that targets are not met; and
 - demonstrate agreement on the consequential impact of changes on the NHS acute care sector.
17. In developing their plans, CCGs, councils and providers 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.
18. Ministers have required that £1bn of the £3.8bn should be linked to achieving outcomes. Half of the £1bn will be released in April 2015. £250m of this will depend on progress against the 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.
19. Ministers, stakeholder organisations and people in local areas will wish to be assured that the Fund is being used for its intended purpose, and that the local plans credibly set out how improved outcomes and wellbeing for people will be achieved. The most important element of assurance for plans is the requirement

¹Comprising:

- £130m Carers' Break funding
- £300m CCG re-ablement funding
- £354m capital funding (including £220m Disabled Facilities Grant)
- £1.1bn existing transfer from health to adult social care.

for them to be signed-off by the Health and Wellbeing Board. The Health and Wellbeing Board is best placed to decide whether the plans are the best for the locality, engaging with local people and bringing a sector-led approach to the process. The plans will also go through an assurance process involving NHS England and the LGA to assure Ministers.

20. Ministers have considered whether local areas which fail to achieve the levels of ambition set out in their plan should have their performance-related funding withdrawn, to be reallocated elsewhere. However, given the scale and complexity of the challenge of developing plans for the first time, they have agreed that such a sanction will not be applied in 2015/16.
21. If an area fails to deliver the required levels of ambition set out in its plan, it may be required to produce a recovery plan. If a recovery plan cannot be agreed locally, NHS England will direct how the performance related portion of the Fund should be used by the local organisations, in line with the aims and conditions of the Fund. Ministers will have the opportunity to give the final sign-off recovery plans and any directions given by NHS England on the use of funds in cases where it has not been possible to agree a recovery plan.

Risks and Mitigation

22. While the Better Care Fund undoubtedly provides an opportunity to improve services and outcomes for patients and service users, it also presents a number of risks which require careful management. These include:
 - The impact on existing NHS services
 - The appropriate use of NHS funds
23. Because the Better Care Fund is not new money, much of it will have to be re-invested from existing NHS services. The Fund will support the development of social care and community health services which prevent unnecessary emergency admissions to hospital, support discharge from hospital, and allow people to live more independently in the community. It is estimated that the costs of emergency activity in the acute hospital sector will need to be reduced by around 15%. NHS commissioners will bear a significant financial risk if the local changes are not successful in reducing demand for hospital care.
24. To minimise this risk the planning guidance for the Fund has emphasised the requirement for existing service providers to be involved in and to support the local plan for re-shaping services, and to take out the capacity associated with services that are no longer required. The process for assuring local plans includes an emphasis on testing the alignment between commissioner and provider plans. This will involve a joint process with Monitor, the NHS Trust Development Authority and the LGA.
25. The chief executive of NHS England remains accountable to Parliament for the appropriate use of the NHS resources which make up the greater part of the Better Care Fund. In view of this NHS England will need to be assured that Health and Wellbeing Boards have robust governance arrangements in place to

inform the decisions they make in approving local plans. Guidance has been given to Health and Wellbeing Boards to assure themselves that the plan prepared by their council and constituent CCGs meets the national conditions set by ministers and will deliver tangible benefits for their local population, linked to the Joint Strategic Needs Assessment and Joint Health and Wellbeing Strategy.

26. Arrangements are being developed to secure appropriate assurance from Health and Wellbeing Boards and the statutory bodies which are party to the Better Care Fund plan that the governance arrangements and financial controls for their pooled budget are adequate.

Conclusion

27. The Better Care Fund is a catalyst with the potential to accelerate the transformation of health and care services, and drive real improvements in outcomes for patients and service users. The plans that local areas are developing to implement the Fund must be aligned to the five year visions for the future pattern of services that CCGs are developing. It can reinforce and accelerate progress towards achieving the first four of the six characteristics of high quality, sustainable local health systems in five years' time. Alongside these opportunities the Fund also introduces real risks, both financial and activity related, that will require careful management.

Recommendation

28. Members of the Board are requested to receive assurance that:
 - the arrangements for implementing the Better Care Fund are rigorous, and will support the development of better integrated health and care services, while mitigating the risks to existing services and the appropriate use of NHS resources;
 - the arrangements to support to the integration pioneers will promote the development and spread of innovative new approaches for health and social care services to work together to provide better support at home and earlier treatment in the community to prevent people needing emergency; and
 - the strategic planning process will underpin the development of robust local five-year strategies which will include the development of a modern model of integrated care.

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