

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Cabinet
<b>Date:</b>	24 February 2014
<b>Title:</b>	Better Care Fund: The Next Steps
<b>Reference:</b>	5645
<b>Report From:</b>	Chief Executive

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#### 1. Executive Summary

1.1 Members will be aware that in the last spending review the Coalition Government set-up a National Integrated Transfer Fund of almost £4 billion for the development of improved health and social care outcomes. The Integrated Transfer Fund has been renamed the Better Care Fund. In Hampshire the resources in 2014/15 would amount to some £80 million between the five CCGs and the County Council. The purpose of this paper is to update Members on our approach to the Better Care Fund and some key tasks and issues that we should resolve.

#### 2. Better Care Fund Plan

2.1. The Better Care Fund was established to:

*To improve outcomes for the public, provide better value for money, and to be more sustainable, health and social care services must work together to meet individuals' needs. The Government will introduce a £3.8 billion pooled budget for health and social care services, shared between the NHS and local authorities, to deliver better outcomes and greater efficiencies through more integrated services for older and disabled people. The NHS will make available a further £200 million in 2014-15 to accelerate this transformation.*

*Spending Review 2013, HMT*

2.2. The first outline planning document setting down the joint ambitions, programme, plans and key issues was signed off by the Chairman of the Health and Wellbeing Board and the Chief Executive for submission on 14<sup>th</sup> February 2014. The plan has also been approved by all the Hampshire Clinical Commissioning Group Governing Bodies. It was a requirement on all local authorities to submit a joint outline plan that would then be assessed by NHS England and the LGA and feedback given to the relevant organisations

for a further iteration to be submitted by April 4<sup>th</sup> 2014. This is a national process of submission and approval. There are various challenges around the Better Care Fund. This report looks to identify these and propose a course of action.

### 2.3. Financial Risk

The anticipated pooled Government funding to Hampshire related to Better Care is in the order of £80 million per annum of which £75 million is the health component. Within the approved cash limits for Adult Social Care there is already some £20 million passed through via section 256 transfer from the CCGs into Adult Social Care's cash limits, which is known as the Social Care to Benefit Health grant. The remaining £55 million health contribution constitutes spend on existing health and care services. The Budget and more particularly the savings proposals required from Adult Social Care in Transformation to 2015 require a further £20 million to reduce the departmental cash limit as a contribution to our overall savings target of some £93 million. The financial incentive for the County Council is to maximise the relevant contribution that can be drawn down from the fund to support integrated care and meet one of the national requirements of the Better Care Fund which is protecting social care services for adults in Hampshire.

### 2.3 Integrated Care

Notwithstanding the financial risks and benefits, at least as significant is the opportunity that the Better Care Fund and the processes around it provides for improved outcomes for Adult Social Care and Health in Hampshire. The fund will nationally act as a catalyst to review how best to take the integration agenda forward at scale and pace. This is something that the County Council has long wished to do. The development of services around a shared vision for older people and adults with care and support needs, more engagement centred around the user, a focus on earlier intervention and more community based services would all be issues about which the County Council has strongly agreed with in the past. Indeed, one of our corporate objectives remains that people within Hampshire are safe and healthy in the communities that they live.

2.4 To achieve improved outcomes it will be important to recognise the impact of the forthcoming care bill, the importance of sharing data across the system and to have robust financing arrangement which support strong procurement, commissioning, market shaping and delivery for Health and Adult Social Care outcomes. All of this has to be based on sensible evidence and developed alongside the performance criteria and outcomes framework established by the Better Care Fund. In that respect the Better Care Fund is a game changer in terms of Health and Social Care for the future.

## 3. **Next Steps**

3.1. In addition to making the relevant submissions in February and April 2014 a significant dialogue has begun with the Clinical Commissioning Groups (CCGs) that needs to continue beyond to the wider health provider market including acute hospitals and Primary Care.

- 3.2. Beyond that wider engagement, the next step is to develop transition arrangements that provide significant leadership and management associated with the Better Care Fund. On this basis it is proposed to establish transition arrangements that sit between the County Council and the CCGs that have a focus on the required financial analysis, data planning, data sharing and mapping, the framework and infrastructure for managing joint financing and pooled budgets with sufficient capacity to provide momentum and pace to work through these changes, recognising that 2014/15 is a transition year in preparation for 2015/16, by which time the County Council will require to be able to draw down sufficient resources from the fund. It is intended to ring fence a sum of £500k from the Invest to Save Reserve each year for the next three years in anticipation of such transitional costs during 2014/15 which will aim to significantly mitigate the budget strategy risks outlined in paragraph 2.3, recognising that this is a one-off investment which should be consolidated within the funding stream from 2015/16 onwards.
- 3.3. Inevitably the scale of change and the pace at which it is required will require significant adaptation of our own organisation around Adult Social Care and Public Health. It will be important to listen to and to adapt to comment, evidence and transitional arrangements that suggest the Council needs to change how it operates. Inevitably this will lead to organisational change. It is unlikely that these requirements would be at the margins but more likely to be central to the development of how we organise Adult Social Care and Public Health for the future. It will be a reasonable requirement of partners that this issue will not be off limits.
- 3.4. Beyond the County Council's own position to 2015, it is inevitable that a medium term look at the financial position to 2018 would in any event lead to a review of the Council's operating models across its different departments. In particular how well Adult Social Care Services could be organised and delivered within the likely cash limit that will be available by 2018 for Adult Social Care, but as seems more likely Integrated Health and Social Care through the system for people and communities. Focusing on early intervention, avoiding unnecessary cost in the system and moving to lower cost channels and pathways for patients and users, which prevent dependency and demand for longer term, publically funded services integral to this will be more community based facilities. This convergence of requirements from the Better Care Fund and our own financial requirement would suggest that a review of our own organisational arrangements from this connection would be sensible.
- 3.5. At the same time it could be anticipated that the role of the Health and Wellbeing Board will change, perhaps moving from a more strategic dialogue for which it was designed and established into a requirement for greater focus on key themes around integration. At the same time our executive management arrangements have recently evolved around Public Health and Adult Social Care and this could be a helpful enabling step in looking at political leadership in the future. In any event the Leader had asked that there be a review of the Health and Wellbeing Board and the related scrutiny activities, which is planned for Cabinet in April and the Annual General Meeting of the County Council in May.

3.6. Cabinet are asked to approve the direction of travel and the initial arrangements that are being made to organise and develop the opportunities around the Better Care Fund and the wider organisation of Adult Social Care. It is anticipated that Cabinet will be updated in future Transformation reports and a separate report on some of the organisational requirements will be submitted to Employment in Hampshire County Council. It would be important that the Chairman of the Health and Wellbeing Board and the Executive Member for Public Health and Adult Social Care are deeply involved in the development of these arrangements. Suitable reports will be prepared to that effect and Cabinet advised as mentioned above.

#### **4. Recommendation(s)**

4.1. It is recommended that Cabinet approve:

1. The initial and transition arrangements being made for the development and planning around the Better Care Fund and that a further report be provided as part of the Transformation to 2015 update on a regular basis.
2. The ring fencing of £500K in the Invest to Save Reserve for transitional costs related to 2014/15 to lead and manage the Better Care programme.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	no
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	yes
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	yes
Corporate Improvement plan link number (if appropriate):	

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

## **IMPACT ASSESSMENTS:**

### **1. Equalities Impact Assessment:**

1.1. The final Equalities Impact Assessment is under development.

### **2. Impact on Crime and Disorder:**

2.1. N/A

### **3. Climate Change:**

- a) How does what is being proposed impact on our carbon footprint / energy consumption? N/A
  
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts? N/A