CCN Briefing: Integration & Better Care Fund/ Next Steps on NHS Five Year Forward View

Introduction

The Department of Health published the *2017-19 Integration and Better Care Fund Policy Framework* on Friday 31 March. On the same day NHS England published *Next Steps on the NHS Five Year Forward View*.

These documents form the basis for health and social care integration over the next two years. The development of separate Health and Social Care Integration Plans, announced in the 2015 Spending Review, will no longer be required. Instead, local areas must set out how they expect to progress to further integration by 2020 in their Better Care Fund (BCF) 17-19 returns.

This briefing provides a summary of the key implications for health and social care integration of these documents for counties, along with CCN's response to the key policy announcements contained within them.

Summary of CCN Reaction

- CCN support Government's commitment to deliver integrated health and social care services, not only to deliver efficiencies in the medium to long-term, but most importantly to improve the experience the outcomes of people accessing services.

- The grant conditions attached to the new Improved Better Care Fund (iBCF) are explicit that the additional funding must only be used for the purposes of meeting adult social care needs, including contributing to the stabilisation of local care markets. Whilst the funding will allow CCN member councils to deliver services that will by proxy help ease NHS pressures, such as delayed discharges, the funding is not a panacea to free-up the 3000 acute hospital beds that NHS England have a set out to deliver.

- Government and NHS England have set a clear priority to reduce the level of delayed transfers of care nationally. In county areas, in particular two-tier areas, people awaiting community equipment and adaptions are the biggest contributing factor to delays attributed to social care. Given the differentiation in performance between two-tier areas and other local authority types, CCN feel that Government should consider reviewing how the Disabled Facilities Grant can be best utilised to ensure that it delivers on local and national health and social care priorities in order to improve outcomes for residents.

- CCN are concerned that the timetable for expressions of interest for BCF graduation coincides with the county elections. As such, this may limit opportunities for senior politicians to work with local Health and Wellbeing Board colleagues on a potential expression of interest submission.

- CCN support the shift in emphasis to Sustainability and Transformation 'Partnerships' as close working between public sector partners is imperative if true health and social care integration is going to be delivered. However, we are concerned that the requirement to establish STP Boards only stipulates that local government representatives should be included 'wherever appropriate'.

- CCN are concerned at the lack of detail within the *Next Steps on NHS Five Year Forward View* about the role of local authorities in integrated Accountable Care Systems.

Integration and Better Care Fund Policy Framework

The BCF will be increased to a mandated minimum of £5.128 billion for 2017-18 and £5.617 billion in 2018-19.The local flexibility to pool more than the mandatory amount will remain.

In 2017-18 the BCF will consist of the following elements:

£1.115bn- New Improved BCF Grant

New grant allocation to local authorities to fund adult social care as announced in the 2015 Spending Review and Spring Budget 2017. The new iBCF grant will be paid directly to local authorities via a Section 31 grant from the Department for Communities and Local Government (DCLG).

Government will attach a set of conditions to grant, the final conditions will be issued in April. However, a draft was been shared with areas in March, in summary these are:

- Grant must be used only for the purposes of meeting adult social care needs; reducing pressures on the NHS, including reducing delayed discharges; and ensuring that the local social care provider market is supported.
- Provide quarterly reports as required by the Secretary of State.
- Local authorities will be required to confirm that spending of the BCF money provided at Spending Review 2015 and Spring Budget 2017 will be additional to prior plans for social care spending, via a Section 151 Officer letter.

The funding is intended to support councils to continue to focus on core services, including help in covering the costs of the National Living Wage, maintaining social care services which could not otherwise be maintained and investing in new services.

CCN Response:

CCN welcomed the announcement of an additional £2bn for adult social care in the Spring Budget. This funding is a recognition of the immediate social care pressures facing local government.

The grant conditions attached to this funding are explicit in stating that the additional funding must only be used for the purposes of meeting adult social care needs, including contributing to the stabilisation of local care markets and supporting the NHS is addressing pressures such as delayed discharges. This despite a recent letter sent by the chief officers of NHS England and NHS Improvement calling for local NHS leaders to urgently engage with local authorities in order to ensure that this funding is used to free-up in the region of 2000-3000 acute hospital beds.

CCN member councils will of course work closely with NHS colleagues and other key partners to determine how to best invest the additional funding announced in the Spring Budget to address the most acute local pressures.

It is also important that we recognise simply increasing local care market provision may not be a panacea for addressing delayed discharge attributed to social care. For example, there is a need to address long-standing systematic issues, such as the fragmentation of responsibility between a number of local authorities and agencies. However, these may not be able to be easily addressed in the short-term. This is why the Social Care Green Paper must seek to address such issues and deliver the conditions for a sustainable health and social care system in the long-term.

£431m- Disabled Facilities Grant (DFG)

In two-tier areas decisions around the use of the DFG funding will need to be made with the direct involvement of both tiers working jointly to support integration ambitions. DFG funding allocated by Government should be passed down by the county to the districts (in full, unless jointly agreed to do otherwise) to enable them to continue to meet their statutory duty to provide adaptations and in line with these plans; as set out in the DFG Grant Determination Letter due to be issued by DCLG in April 2017.

CCN Response:

Government and NHS England have a clear focus on reducing the levels of delayed transfers of care (DToC) attributed to adult social care, despite these only making up one third of DToCs nationally.

The main contributing factor for delayed days in CCN member authorities are people awaiting community equipment and adaptions, the majority of which are delivered through the DfG. This issue is most prominent in two-tier areas where there is a split between the county council responsibilities for adult social care and the delivery of community equipment and adaptions which are the responsibility of district councils.

In county council areas the delay in the installation of community equipment and adaptions on average contributed to 59% of delayed transfers attributed to social care, whereas in county unitary areas these contribute to an average of 23% of delays.

There is a stark difference in the contributing factors for delayed transfers of care between county areas and the average for all upper-tier areas, where there is a relatively even balance between all factors, including awaiting residential and nursing placements.

The recent CLG committee report on adult social care recommended that Government should review the operation of DfG. Given the differentiation in performance highlighted above, CCN agree that Government should consider undertaking this review. This will ensure that community equipment and adaptions are delivered in the most efficient and effective manner to meet health and social care priorities and to improve outcomes for residents.

£3.582 billion- mandated ring-fence within NHS England allocations to Clinical Commissioning Groups (CCG) to establish the BCF.

In 2017-19, NHS England will require that BCF plans demonstrate how the area will meet the following national conditions:

- Plans to be jointly agreed;
- NHS contribution to adult social care is maintained in line with inflation;
- Agreement to invest in NHS commissioned out-of-hospital services, which may include 7 day services and adult social care; and
- Managing Transfers of Care

NHS England will also set the following requirements, which local areas will need to meet to access the CCG elements of the funding:

- A requirement that the BCF is transferred into one or more pooled funds established under section 75 of the NHS Act 2006; and

- A requirement that Health and Wellbeing Boards (HWB) jointly agree plans for how the money will be spent, with plans signed-off by the relevant local authority and CCGs.

As in 2016-17, plans will be developed locally in each HWB area by the relevant local authority and CCGs.

BCF Graduation

The Government's Spending Review 2015 set out that "areas will be able to graduate from the existing BCF programme management once they can demonstrate that they have moved beyond its requirements, meeting the government's key criteria for devolution."

Summary of process:

- The graduation process will be tested with a 6-10 areas in the first instance. These areas can apply for 'earned autonomy' from the BCF programme management. Subsequent waves of areas will have the opportunity to graduate over the course of this spending review period.

- Graduation will lead to reduced planning and reporting requirements and greater local freedoms to develop agreements. This will include a bespoke support offer for areas that graduate, in addition to them no longer being required to submit BCF plans and quarterly reports.

- Graduation proposals should be made, at minimum, across an entire HWB geography, but could be aligned to STP footprints or devolution deal sites, as long as all relevant HWBs included in the proposal are supportive.

- Expressions of Interest, which demonstrate how local organisations meet the eligibility criteria, should be made by 28th April 2017. All applications will be assessed by the selection panel, with results communicated by 10th May 2017. Graduation workshops will run in May and June, with graduation panels taking place in early-to-mid July.

CCN Response:

CCN welcome the introduction of the BCF graduation process as a means to achieve greater autonomy over local health and social care decisions.

We would urge Government and NHS England to provide an update on the expectations and timetable for local areas to achieve graduation from the BCF once the first wave of areas has been finalised.

CCN are concerned that the timetable for expressions of interest for BCF graduation coincides with the county elections. As such, this may limit opportunities for senior politicians to work with local Health and Wellbeing Board colleagues on a potential expression of interest submission.

Next Steps on the NHS Five Year Forward View

Sustainability and Transformation Partnerships

From April 2017 all NHS organisations will have to form part of a Sustainability and Transformation Partnership, an evolution from the Sustainability and Transformation Plan.

These STPs will be required to form an STP board drawn from constituent organisations and including appropriate non-executive participation, partners from general practice, and in local government wherever appropriate.

STPS will be able to propose an adjustment to their geographical boundaries where appropriate by local bodies in agreement with NHS England. Such proposals should seek to more accurately align the STP reflect patient flows and/or the commissioning of specialised services.

NHS England will publish metrics at STP level that will align with NHS Improvement's Single Oversight Framework for NHS provider trusts and NHS England's annual CCG Improvement and Assessment Framework, which will be published in July 2017.

As STPs move from proposals to more concrete plans, they will be expected to involve local people.

CCN Response:

CCN support the shift in emphasis to 'partnerships' as close working between public sector partners is imperative if true health and social care integration is going to be delivered.

We are concerned that the requirement to establish STP Boards only stipulates that local government representatives should be included 'wherever appropriate'. If true health and social integration is to be delivered, then it is important that this is a requirement and not optional.

CCN has previously set out concerns that there has been significant inconsistency in the level of involvement of CCN member councils in the development of their local STPs, including the footprints. This was further substantiated by CCN's survey of county directors of ASC, undertaken in October 2016, which showed that 42% of respondents felt that their authority was only partially involved in the development of their STP.

As the Local Government Association (LGA) has stated, the *Next Steps* document does not set out a specific role for councillors of Health and Wellbeing Boards in STPs. HWBs were established in order to counter the democratic deficit in local NHS structures and introduce greater transparency to decision making. Therefore, the introduction of STPs has the potential to be regressive unless there is local authority involvement and clear, transparent and accountable governance structures.

The updated BCF guidance clearly sets out the requirement for local areas to stipulate how they expect to progress integration by 2020 in their BCF returns.

BCF plans cover Health and Wellbeing Board geographies, the majority of which are aligned to upper-tier local authority boundaries. In a number of county areas there are two or more STPs in operation, some of which transcend local authority boundaries and do not align with the area covered by the local BCF plan. Given the complexity of the existing health and social care

landscape in county areas, in particular two-tier areas, introducing additional fragmentation only serves to blur the lines of accountability and service delivery further.

The BCF graduation process, although welcome, could potentially muddy the water further as some areas may see their local areas, based upon their HWB geography, graduate from BCF programme management. This could result in a circumstance where some parts of STP areas that transcend county boundaries have greater flexibilities than the remaining geography.

The policy is also inequitable for county areas that are covered by a number of STPs, as these STPs that should be working towards delivering the type of integrated services advocated by the BCF could not apply for graduation as a result of covering a proportion, but not all, of the HWB geography.

If Government wish to achieve its ambitious target of delivering integrated health and social care by 2020 then it is imperative that existing STP geographies are revisited as a matter of urgency, something recommended in the recent CLG committee report on adult social care.[1] Greater co-terminosity will facilitate the more efficient and effective delivery of the integration of health and social care in order to deliver place-based services.

Accountable Care Systems (ACSs)

ACSs will be an 'evolved' version of an STP, or groups of organisations within an STP sub-area, that are working as a locally integrated health system**.** They are systems in which NHS organisations (both commissioners and providers), often in partnership with local authorities, choose to take on clear collective responsibility for resources and population health.

ASCs will be expected to agree collective performance and financial targets. They will also have to demonstrate how vertical (between primary and acute care) and horizontal (between hospitals) integration will operate, with an emphasis on incorporating mental health and community-based services.

Once established, ASCs will have more control and freedom over the total operations of the health system in their area. In return, An ASC will get:

- Delegation of primary care commissioned services
- Devolved transformation funding; and
- A simpler regulatory framework with NHS England and NHS Improvement acting jointly.

Candidates for ACS status are expected to include successful vanguards, 'devolution' areas, and STPs that have been working towards the ACS goal. Candidates for ACSs are likely to include Northumberland, Nottinghamshire (early focus on Greater Nottingham and the southern part of the STP) and Dorset.

In time some ACSs may lead to the establishment of an accountable care organisation. This is where the commissioners in that area have a contract with a single organisation for the great majority of health and care services and for population health in the area.

CCN support Government's commitment to deliver integrated health and social care services, not only to deliver efficiencies in the medium to long-term, but most importantly to improve the experience and outcomes of people accessing services.

[1] Adult Social Care, Communities and Local Government Committee, House of Commons, 27 March 2017

CCN Response:

The NHS Delivery Plan sets out a path whereby ACSs can progress to become single organisations, Accountable Care Organisations. In line with the LGA, CCN are concerned that there is a lack of consideration within the document of how to include adult social care and other council services in an integrated system, including how local authority governance operates in a system that includes its services.

CCN member councils have a proven track record in delivering high quality, efficient and effective public services. It is vital that ACSs do not overlook the importance of local authorities in delivering place-based services focused on the service-user to improve their outcomes in the most appropriate setting. If local authorities, in particular adult social care, are overlooked then true integration will not be achieved in the ambitious manner previously set out by Government.

The *Next Steps* document highlights the need for community engagement on decisions to alter local services. Speaking to and engaging with residents is at the heart of the leadership role that Councillors representing CCN member councils play locally on a regular basis. If the value of this role is overlooked then this may be at the detriment to delivering truly accountable care systems.

Next Steps- CCN Work

- Hold a seminar for Leaders, lead members of social care and Directors of Adult Social Care on health and social care integration, focusing on best practice and developing solutions.

- CCN will make the case to Government that strong local government leadership is required to drive efficient and effective Sustainability and Transformation Partnerships that produce truly integrated health and social care services. This work will include highlighting good practice and exploring opportunities to commission new insights.

- Develop a wider detailed evidence base to highlight the demand-led pressures facing social care and the performance of county authorities, including on issues such as delayed discharges and an updated analysis on county care markets.

- Undertake further detailed research and analysis on alterative service delivery models (ASDMs) and Accountable Care Organisations, including the merging and integration of CCGs and primary care commissioning, and the implications/role for county authorities.

- Actively engage with the Government's Adult Social Care Green Paper in order to set out key county positions on financial and demand pressures, integration, prevention and sustainable funding.