

REPORT FOR: Harrow HWBB

Date of Meeting: 19 March 2014

Subject: NHS Funding Transfer 2013/14 & 2014/15
and Better Care Fund 2015/16

Responsible Officer: Paul Najsarek, Interim Head of Paid
Service and Corporate Director,
Community Health & Wellbeing
Rob Larkman, Chief Officer, NHS Harrow
CCG

Exempt: No

Enclosures: Appendix 1 – NHS England Funding
Transfer Submission 2013/14
Appendix 2 – Section 256 agreement for
the 2013/14 & 2014/15 agreed NHS
Funding Transfers
Appendix 3 – Better Care Funding
Template 2014/15 & 2015/16

Section 1 – Summary and Recommendations

Decision report:

This report sets out the agreed 2013/14 and 2014/15 funding transfers from NHS England to Social Care, together with the agreed funding from the Better Care Fund [BCF] for 2015/16.

Recommendations:

The Health & Wellbeing Board ("HWBB") is requested to:

1. Note the agreed funding arrangements for 2013/14 and the previously agreed funding arrangements for 2014/15 as set out in the report and as reflected in the NHS submission (Appendix 1) and supported by the s.256 agreement (Appendix 2).
2. Approve the conditional funding arrangements for 2015/16 as set out in the report and the BCF Plan (Appendix 3), which are subject to:
 - a) the efficiencies to be realised to fund the schemes within the financial BCF envelope.
 - b) the conditions attached to the benefits and risk share associated with the efficiencies
3. Agree the submission of the BCF plan to NHSE on 4th April as detailed in appendix 3 for 2014/15 and 2015/16.
4. Note that a section 75 pooled budget will be required prior to the 1st April 2015.

Section 2 – Background

NHS allocations have been made to the Council since 2011/12 to fund social care services. From 2011/12 to 2012/13 payments were made to Harrow from the then Harrow PCT following agreement around the funding for social care.

Following organisational changes in the structure of the health service (the demise of the PCTs and the commencement of Clinical Commissioning Groups (CCGs)), the funding transfer from the NHS to social care for 2013/14 and 2014/15 will be carried out by the NHS Commissioning Board and the payments made via an agreement under Section 256 of the 2006 NHS Act. The Board will enter into an agreement with each local authority, once certain conditions are satisfied.

From April 2015, the fund will be allocated to local areas where it will be put into pooled budgets under joint governance between CCGs and local authorities, supported by section 75 arrangements.

The use of these funds must be agreed between CCGs and local authorities. 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, the Department wants to provide flexibility for local areas to determine how this investment in social care services is best used.

Current Position**2013/14**

The Department of Health announced the 2013/14 allocation of £3,471,178 (nationally £859m) in its letter of 19 December 2012. The HWBB on 3rd October 2013 received a

verbal report on the latest position in relation to the 2013/14 funding transfer as agreement had not been reached on how the funding should be allocated. It was resolved officers from both the Council and Harrow CCG continue to conclude discussions for the s256 agreement by 11th October 2013 and if agreement was not reached by 31st October 2013, guidance would be sought from other parties such as the LGA and NHS England.

At the end of November 2013 agreement was reached and the priority service areas agreed as:

| | Agreed 2013/14 |
|--|---------------------------|
| | £000 |
| 1. Maintaining Social Care Eligibility [LA] | 2,971 |
| 2. Integrated Crisis & Rapid Response Services [CCG] | 500 |
| Total Revenue Funding | 3,471 |

The HWBB is asked to

- Note the agreed funding arrangements for 2013/14 as set out in the report and as reflected in the NHS submission (Appendix 1) and supported by the s.256 agreement (Appendix 2).

2014/15

NHS England announced in June 2013 the funding transfer of £900m to fund social care in 2014-15 together with additional investment of £200m. The allocation for Harrow of £4.445m was confirmed in the CCG allocations announced by NHS England in December 2013.

At the HWBB meeting in October, the Chair urged that funding arrangements for 2014/15 be resolved earlier and that both parties work together for the benefit of Harrow residents. In this respect agreement was reached in December 2013 and at its meeting on 9th January 2014, the HWBB received a report which set out the funding transfer for 2014/15. The Board agreed the priority service areas as detailed below.

| | Agreed 2014/15 |
|---|---------------------------|
| | £000 |
| 1. Maintaining Social Care Eligibility [LA] | 3,300 |
| 2. Maintaining Discharge Performance [LA] | 260 |
| 3. STARRS [CCG] | 500 |
| 4. Intermediate Care [CCG] | 385 |
| Total Revenue Funding | 4,445 |

The HWBB is asked to:

- Note the previously agreed funding arrangements for 2014/15 as set out in the report and as reflected in the NHS submission (Appendix 1) and supported by the s.256 agreement (Appendix 2).

2015/16

The allocation for Harrow of £14.373m was confirmed in the CCG allocations announced by NHS England in December 2013. However, as the transfer of this funding into the BCF resulted in pressures for the health and social care economy of £3m it was not possible to report an agreed position to the HWBB at its meeting in January, although a draft position (detailed below) was noted.

| | Jan HWBB | Joint Exec 12 th March |
|--|----------------|--------------------------------------|
| | 2015/16 | 2015/16 |
| | £000 | £000 |
| 1. Maintaining Social Care Eligibility [LA] | 3,300 | 3,300 |
| 2. Maintaining Discharge Performance [LA] | 260 | 260 |
| 3. STARRS [CCG] | 4,600 | 4,600 |
| 4. Reablement [LA] | 1,340 | 1,340 |
| 5. Carers [CCG/LA] | 826 | 826 |
| 6. Intermediate Care [CCG/LA] | 1,477 | 1,477 |
| 7. Social Care reform [LA] | 545 | 545 |
| 8. Integrate Care Pilot/Transformation Initiatives [CCG] | 835 | 2,446 |
| 9. Whole Systems Integrated Care Initiatives [CCG] | 0 | 1,358 |
| 10.CCG Efficiencies | 0 | (2,969) |
| Total Revenue Funding | 13,183 | 13,183 |
| Capital Funding [including DFG] | 1,190 | 1,190 |
| Total BCF Funding | 14,373 | 14,373 |

Since the last HWBB, officers of both organisations have been in dialogue to reach an agreed position. At its meeting on 12th March, the joint executive group discussed options proposed by the Council which sought to reduce the CCG expenditure by £3m in a full year from 1st April 2015 to enable the funding of the BCF (as detailed above) by reducing expenditure elsewhere within CCG budgets. The above investments and the efficiency partnership proposals (outside of the BCF) detailed below, make savings across the health and social care economy and the mix of these, together with the BCF, mean that Harrow CCG can deliver its financial targets.

The options discussed, and subsequently agreed, are detailed below and will require the CCG to lead on these projects during 2014/15 to deliver for 1st April 2015:

- Access to West London Alliance framework – to enable the CCG to benefit from the lower framework prices afforded to the Council. A desktop exercise identified potential opportunities ranging from £1.5 to £3.5m.
- In Case of Emergency [ICE] – a project led by the Council to support service users in their homes to avoid hospital admissions. A cohort of 25 service users has evidenced savings of £250k during 2013/14 for the CCG. This evidence would suggest that it is possible to scale up and to potentially deliver savings of up to £1m in 2015/16 as a one off basis, funded by ICP. This would result in a programme of 4 cohorts of 25 service users.

- Integrated Care Pilot [ICP] – it is considered reasonable to expect benefits in the region of £500k in 2015/16 in relation to wider integration schemes

It has not been possible given the limited information available to clarify the potential benefits with certainty prior to the HWBB meeting. However, as these savings are not required to be realised until April 2015, the intention is to pilot during 2014/15 to ensure the appropriate level of savings ahead of the beginning of the 2015/16 financial year to mitigate the CCG financial pressures.

Given the risks associated with realising these efficiencies, the CCG and Council have agreed a 50:50 benefits and risk share. The BCF funding agreement between the CCG and the Council is conditional upon the CCG and the Council entering into this benefits and risk share agreement which will be subject to the conditions below and will be reflected in a written agreement between the CCG and the Council.

- That all historic matters which the CCG has referred to as being open to it to pursue through litigation, such as the existing s47 disputed cases, are no longer pursued by the CCG. This will not include matters which arise after the date of the BCF agreement
- That the 50:50 split applies to the BCF funding only and does not create a precedent for any other joint ventures or arrangements
- That the ICE arrangement funding is limited to a one-off saving in 2015/16
- That the CCG must dedicate appropriate resources and take a proactive lead to realise the identified savings and that both the CCG and the Council must take all reasonably practicable and commercially reasonable steps to realise any savings that either of them enables the other party to make under the arrangements.
- That any savings delivered in 2014/15 (ahead of the requirement for full year effect savings to be delivered in 2015/16) will be split on a 50:50 basis in line with the agreement

The efficiencies will be monitored by the lead officer group and reported as appropriate to the joint executive. In the event that efficiencies are delivered ahead of schedule in 2014/15, benefits will be shared on a 50/50 basis as agreed and from 2015/16 any savings above the £3m will be considered as part of the funding considerations in later years particularly to ensure that the national condition to protect social care services can be delivered. The arrangements associated with these proposals will be reflected in the relevant legal documents supporting this partnership working.

In the event that these conditions are not met, the BCF will no longer be agreed and escalation to NHSE would be required.

The HWBB is asked to:

- Approve the funding arrangements for 2015/16 as set out in the report and the BCF Plan (Appendix 3), to include:
 - the efficiencies to be realised to fund the schemes within the financial BCF envelope.
 - the conditions attached to the benefits and risk share associated with the efficiencies

- Agree the submission of the BCF plan to NHSE on 4th April as detailed in appendix 3 for 2014/15 and 2015/16.
- Note that a section 75 pooled budget will be required prior to the 1st April 2015.

Legal Implications

2013/14 and 2014/15

The Department of Health has issued Directions setting out conditions relating to payments from NHS Bodies to Local Authorities in these circumstances. Under these Directions the NHS body making payment is required to prepare a Memorandum of Agreement in a specified format. The Council and CCG's agreement on allocation was submitted to NHS England (Appendix 1) and has been accepted. The Council has not yet been asked to sign a Memorandum of Agreement. However, it appears that authorities have been preparing their own agreements and therefore a draft agreement has been prepared and is set out at Appendix 2.

2015/16 – Better Care Fund Plan

It is a condition of funding that the Plan must be signed off by the Health and Wellbeing Board.

Financial Implications

Both organisations face significant financial challenges over the next three to five financial years. As a result the process to agree the allocation of funding attempts to mitigate the revenue pressures that exist for both organisations, whilst being mindful of the expectations of the implementation of the BCF.

In setting its budget for 2013/14 the Council had assumed additional income of £500k associated with Health. It is expected that in reaching the negotiated settlement of £0.5m, this can be funded within existing budget and provisions. For the CCG, this additional income was not assumed in the financial plan and as a result assists in managing the overall financial pressure, part of which is attributed to the STARRS service.

The agreed Council budget for 2014/15 is balanced and assumes the NHS Funding Transfer of £3.560m is transferred to the Council with the balance of £0.885m allocated to the CCG as assumed within the CCG budget for 2014/15.

The 2015/16 agreed position will be reflected in the draft Council budget to be reported in December 2014 as appropriate.

Both organisations have agreed in principle, financial contributions (not to exceed £100k) to commission support to enable the delivery of the £3m efficiencies during 2014/15.

Risk Management Implications

The joint plans have been developed based on a number of principles that ensure the risks to both organisations are mitigated as far as possible. Work continues to align the plans around the different planning timescales for both organisations.

Equalities implications

The NHS Funding Transfer and BCF is a new approach to funding integrated services and delivers efficiencies which reduces the risk of cuts in services which would affect the vulnerable residents of Harrow.

Corporate Priorities

This report updates the Board about NHS transfers including the Better Care Fund which contributes to the priority of a fairer services for residents of Harrow.

Section 3 - Statutory Officer Clearance

| | | |
|-----------------------|-------------------------------------|---|
| Name: Donna Edwards | <input checked="" type="checkbox"/> | on behalf of the Chief Financial Officer |
| Date: 19.03.14 | | |
| Name: Caroline Eccles | <input checked="" type="checkbox"/> | on behalf of the Monitoring Officer |
| Date: 19.03.14 | | |

Section 4 - Contact Details and Background Papers

Contact: Donna Edwards, Finance Business Partner, Community Health & Wellbeing & Jonathan Price, Assistant Director Adult Social Services.

Background Papers:

- NHS England Gateway Reference 0018568 "Funding transfer from the NHS to social care in 2013/14 – what to expect"
- NHS England Gateway Reference 00211 "Spending Round: Health Settlement 2015-16"
- The National Health Service (Conditions Relating to Payments by NHS Bodies to Local Authorities) Directions 2013

If appropriate, does the report include the following considerations?

| | | |
|----|----------------------|----------|
| 1. | Consultation | YES / NO |
| 2. | Corporate Priorities | YES / NO |

Funding Transfer from NHS England to Social Care - 2013/14

Suggested Submission Template

| | |
|---|------------------------------|
| Local Authority | Harrow |
| CCG | NHS Harrow CCG |
| Scheme Name | S256 2013/14 transfer |
| Date agreed at Health and Well-Being Board: | 04/12/2013 |
| Date submitted to NHSE (London): | 04/12/2013 |
| Total value of funding transfer: | £3,471,178.00 |

Rationale:

As per the National Health Service (Conditions Relating to Payments by NHS Bodies to Local Authorities) Directions 2013, Please provide information on how the section 256 transfer will secure more health gain and improved patient outcomes than an equivalent expenditure of money on the National Health Service?

The funding transfer for 2013/14 will improve patient outcomes through the following:

- Maintaining eligibility criteria in supporting existing services and social care pressures as in previous years. This relates to impacts of ageing population and increasing pressures of young people with complex needs coming through transition.
- Integrated crisis and rapid response services by increasing investment into Harrow CCGs STARRS intermediate care services to support admission avoidance

Description:

Please provide an overview of the scheme and relationship to the JSNA, CCG commissioning plan and Local Authority's plan for social care

The Joint Commissioning Intentions for Harrow 2013-2014, adopted by the Health & Wellbeing Board and supporting six local priority areas have been agreed:

1. Services for Older People
2. Dementia Strategy
3. Childrens Services
4. Autism Strategy
5. Services for Carers
6. Safeguarding Adults

Outcomes and evidence of benefit:

Please provide details of the expected outcomes and benefits of the scheme and how these will be measured to ensure the purposes described in the rationale and description of the scheme have been secured.

The funding transfer will enable the needs of FACs eligible service users to be met within the challenging financial envelope, improving the customer journey from Adult Social Care to Health. The service supports maintaining the current improvements in Delayed Transfers of Care (supporting timely placements following hospital visits) and schemes to avoid hospital admissions in the first instance.

Relationship to national outcome frameworks:

Please provide information on how the scheme is expected to contribute to local delivery against the national outcome frameworks selecting which domains are addressed in the tables below

By maintaining eligibility criteria for the growing needs of local residents and supporting admission avoidance schemes, this aims to support all of the below domains

Domains of the Adult and Social Care Outcomes Framework - please select the domains relevant to your scheme

| | |
|---|--|
| 1. Enhancing quality of life for people with care and support needs | <input checked="" type="checkbox"/> =IF(H28=TRUE, "relevant", "not-relevant") |
| 2. Delaying and reducing the need for care and support | <input checked="" type="checkbox"/> |
| 3. Ensuring that people have a positive experience of care and support | <input checked="" type="checkbox"/> |
| 4. safeguarding adults whose circumstances make them vulnerable and protecting them from avoidable harm | <input checked="" type="checkbox"/> |

Domains of the NHS Outcomes Framework - Please select the domains relevant to your scheme

| | |
|--|-------------------------------------|
| 1. Preventing people from dying prematurely | <input checked="" type="checkbox"/> |
| 2. Enhancing the quality of life for people with long term conditions | <input checked="" type="checkbox"/> |
| 3. Helping people to recovery from periods of illness or following injury | <input checked="" type="checkbox"/> |
| 4. Ensuring that people have a positive experience of care; and | <input checked="" type="checkbox"/> |
| 5. Treating and caring for people in safe environment; and protecting them from avoidable harm | <input checked="" type="checkbox"/> |

Governance:

Please provide details of the arrangements are in place for oversight and governance for the progress and outcomes of the scheme

The delivery and impact of this s256 transfer will be monitored by the Health and wellbeing Joint Executive which meets monthly and outputs reported to the Health and Wellbeing Board which meets bi-monthly

Finance:

Please provide a full breakdown of your expenditure plans categorised into the following services areas - An outline template for this is provided in the "financial breakdown" worksheet.

| Service Areas- 'Purchase of social care' | Subjective code | Planned Expenditure |
|---|-----------------|---------------------|
| Community equipment and adaptations | 52131015 | 0 |
| Telecare | 52131016 | 0 |
| Integrated crisis and rapid response services | 52131017 | £500,000 |
| Maintaining eligibility criteria | 52131018 | £2,971,178 |
| Re-ablement services | 52131019 | 0 |
| Bed-based intermediate care services | 52131020 | 0 |
| Early supported hospital discharge schemes | 52131021 | 0 |
| Mental health services | 52131022 | 0 |
| Other preventative services | 52131023 | 0 |
| Other social care | 52131024 | 0 |
| Total Expenditure | | 3471178 |
| Notified Allocation | | £3,471,178 |
| Variation | | £0.00 |

Variance against notified allocation.

Expenditure should match notified allocation if not please included any information on variation within the box below.

N/A


Related documentation

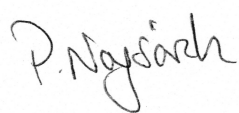
Please include information/links to any related documents such as the full project plan for the scheme.

N/A

Authorisation and Sign Off

| | |
|--|----------------------|
| Signed on behalf of the board/Clinical Commissioning group | Electronic Signature |
|--|----------------------|

| | | |
|-----------------|-------------------------|--|
| By | Javina Sehgal |  |
| Position | Chief Operating Officer | |
| date | 04/12/2013 | |

| Signed on behalf of the Local Authority | | Electronic Signature |
|---|--|--|
| By | Paul Najsarek |  |
| Position | Corporate Director, Community Health and Wellbeing | |
| date | 04/12/2013 | |

Memorandum of agreement

Section 256 transfer

Reference number:

Title of Scheme: NHS transfer to London Borough of Harrow 2013/14 & 2014/15

1. How will the section 256 or 257 transfer secure more health gain than an equivalent expenditure of money on the National Health Service?

The funding transfer will improve patient outcomes through the following:

- Maintaining eligibility criteria in supporting existing services and social care pressures as in previous years. This relates to impacts of ageing population and increasing pressures of young people with complex needs coming through transition, allowing people to be supported in the community via local authority support.
- Integrated crisis and rapid response services by increasing investment into Harrow CCGs STARRS intermediate care services to support admission avoidance
- Maintaining discharge performance - supporting resource in the care management teams to assist the through put of patients and step down facilities to avoid hospital delays.
- bed based intermediate care (CCG)

2. Description of scheme (in the case of revenue transfers, please specify the services for which money is being transferred).

| Service Areas- 'Purchase of social care' | Planned Expenditure 2013/14 | Planned Expenditure 2014/15 |
|---|-----------------------------|-----------------------------|
| Integrated crisis and rapid response services | £500,000 | £500,000 |
| Maintaining eligibility criteria | £2,971,178 | £3,300,000 |
| Maintaining discharge performance | 0 | £260,000 |
| Bed-based intermediate care services | 0 | £385,000 |
| Total | £3,471,178 | £4,445,000 |

Financial details (and timescales)

3. Total amount of money to be transferred and amount in each year (if this subsequently changes, the memorandum must be amended and re-signed).

| Year(s) | Revenue Amount |
|---------|----------------|
| 2013/14 | £3,471,178 |
| 2014/15 | £4,445,000 |

4. Please state the evidence you will use to indicate that the purposes described at questions 1 and 2 have been secured.

The delivery and impact of this s256 transfer will be monitored by the Health and wellbeing Joint Executive which meets monthly and outputs reported to the Health and Wellbeing Board which meets bi-monthly

Signed : for NHS England

..... Position

..... Date

Signed : For London Borough of Harrow

..... Position

..... Date