Integration and Improvement
Better Care Fund

Andrew Webster
Director – Integrated Care
Local Government Association
Challenge

Between 2010 and 2030, England’s population is forecast to age rapidly.

Those aged 65 and over are projected to grow at over four times the rate of those aged under 65.

The number of very old people (those aged over 85) is projected to double.

The number of people with multiple long-term conditions will increase from 1.9 million in 2008 to 2.9 million people in 2018.

Tight local government settlement in 2015/16

(2.3% reduction in overall local government spending). Looking ahead, the LGA estimates (2012) that spending on adult social care will pass 45% of council budgets by 2019/20 leading to a £4bn gap over the next Parliament.

NHS spending

On assumptions of flat funding going forward and services continuing to be delivered in the same way as now, would result in a funding gap which could grow to £30 billion between 2013/14 to 2020/21.
Benefits

- Coordinated approach
- Better use of resources
- Organised around users
- Services 7 days a week
- Bring skills together around the user
- Reduction in need to go to hospital
- Better outcomes for users
NHS and social care services are now caring for **people with increasingly complex needs** and multiple conditions.

There is consensus that to respond to this care should be organised around the person who needs it, and that person’s care team should work together to keep them better for longer.

The Better Care Fund is one of the most concrete steps ever towards making this change happen everywhere. This is the start and pooled budgets are here to stay.

Plans have been approved in almost all areas and the task now is to ensure that all are as strong as possible to kick start the change we need from next April.

As ever with system transformation – success depends on the people who are leading it to make it happen locally – people taking bold steps to move away from their old ways.

The BCF has accelerated and made happen conversations that have never happened before about joint working across agencies.

Now we want this to happen everywhere and **we are committed to support local areas to achieve this**. Local Government and NHS leaders have a crucial part to play.

It is challenging, and will undoubtedly get harder before it gets easier – but we have seen in small pockets the immense value of the prize for patients, users, families, carers and staff.
## Details of the Fund

The June 2013 SR set out the following:

<table>
<thead>
<tr>
<th></th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>An additional £200m transfer from the NHS to social care, in addition to the £900m transfer already planned</td>
<td>£3.8bn pooled budget to be deployed locally on health and social care through pooled budget arrangements</td>
<td></td>
</tr>
</tbody>
</table>

In 2015/16 the BCF will be created from the following:

- £1.9bn NHS funding

- £1.9bn based on existing funding in 2014/15 that is allocated across the health and wider care system. Composed of:
  - £130m Carers’ Breaks funding
  - £300m CCG reablement funding
  - £354m capital funding (including c.£220m of Disabled Facilities Grant)
  - £1.1bn existing transfer from health to social care of which £135m is for Care Act Costs in 2015/16
## Conditions on the Fund

| The £3.8bn pooled budget will only be released to local areas with agreed plans for how it will be used | **Content of the plans**  
In general, the content of the plans will be locally agreed, but there will be some nationally mandated elements. These will include:  
- plans to be jointly agreed;  
- protection for social care services (not spending);  
- As part of agreed local plans, 7 day working in health and social care to support patients being discharged and prevent unnecessary admissions at weekends, aligned to;  
- better data sharing between health and social care, based on the NHS number ensure a joint approach to assessments and care planning;  
- ensure that, where funding is used for integrated packages of care, there will be an accountable professional;  
- risk-sharing principles and contingency plans if targets are not met – including redeployment of the funding if local agreement is not reached; and  
- agreement on the consequential impact of changes in the acute sector. |
|---|---|
| **£1bn of the funding will be linked to outcomes achieved** | **Payment for performance**  
Payment will be based on achieving an agreed reduction in emergency hospital admissions. To have full discretion over deployment of funding, local areas will need to meet their planned outcomes. Where emergency admissions are reduced by less than 3.5% localities must allocate the balance of the £1bn to NHS Commissioned services to reduce hospital admissions. |
Full picture of current approval statuses

Currently there are 120 areas fully approved and 4 approved with support. 21 areas remain subject to conditions and 5 areas remain not approved pending the outcome of wave 3.

<table>
<thead>
<tr>
<th>Phase 1 results: October ’14</th>
<th>Wave 1: 28 Nov – 12 Dec</th>
<th>Wave 2: 12 Dec – 9 Jan</th>
<th>Wave 3: 09 Jan – 03 Feb</th>
<th>Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approved</td>
<td>6</td>
<td>99</td>
<td>120</td>
<td>99 formally approved plans following wave 1</td>
</tr>
<tr>
<td>Approved with support</td>
<td>91</td>
<td>3</td>
<td>6</td>
<td>120 formally approved plans following wave 2</td>
</tr>
<tr>
<td>Approved with conditions</td>
<td>48</td>
<td>5</td>
<td>18</td>
<td>30 remaining plans will seek full approval during wave 3</td>
</tr>
<tr>
<td>Not Approved</td>
<td>5</td>
<td>3</td>
<td>1</td>
<td>Wave 3 results to BCF Prog. Board on 03 Feb</td>
</tr>
</tbody>
</table>

Formally approved plans following wave 1,wave 2, and wave 3.

NCAR results to BCF Prog. Board on 03 Feb.
Expenditure from the fund

How the £5.3bn fund is being spent (£000s)

- Acute: 2,067,714
- Mental Health: 181,008
- Community Health: 317,043
- Continuing Care: 744,337
- Primary Care: 1,656,815
- Social Care: 89,054
- Other: 202,614
Have any key features of the fund changed?

- **The overall size** of the fund is **£5.3bn** – *this has fallen by £4.7m, but this is not significant on the headline size of fund*

- **Expenditure** from the fund has shifted towards Social Care and Community Health, reflecting Hertfordshire’s re-categorisation of ~£200m of “Other expenditure”:

<table>
<thead>
<tr>
<th>Category</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acute</td>
<td>-£3.7m</td>
</tr>
<tr>
<td>Mental Health</td>
<td>-£3m</td>
</tr>
<tr>
<td>Community Health</td>
<td>+£76m</td>
</tr>
<tr>
<td>Continuing Care</td>
<td>-£0.7m</td>
</tr>
<tr>
<td>Primary Care</td>
<td>+£0.4m</td>
</tr>
<tr>
<td>Social Care</td>
<td>+£132m</td>
</tr>
<tr>
<td>Other</td>
<td>-£204m</td>
</tr>
</tbody>
</table>

- **Non-elective reductions** have fallen by 2397 stays. HWBs are now planning to reduce non-elective admissions by 160,765 or 3% (*down by 0.07%*)

- **Delayed transfers of care reductions** have fallen slightly 3026 days. HWBs are now planning to save 97,936 days or 7.2% (*down by 0.3%*)

- **Reductions in residential admissions** have fallen from 1,948 to 1,851 (*ie 97 more patients will be admitted into residential care than in the September plans*).

- **Reablement** has improved with **46 more people** a year will remain at home within 3 months of discharge compared to the September plans. This is driven by primarily by Cumbria
Five things we’re learning from “better care”

**Catalyst** – accelerates in many places, can distract more established arrangements - **serious shared intent**

**Plan for all** - needs more involvement and commitment from hospitals and GPs – **serious shared endeavour**

**Money matters** - save to spend means that the risks come first and the benefits later – **shared risk management**

**Overcoming barriers** – most places are confident about enablers – **shared services becoming business as usual**

**Time is of the essence** - deadline has brought focus, delivery needs sustained effort over years - **needs 5 yr commitment**
Wider policy context

- Care Act Implementation
- Five Year Forward View
- Health and Care Integration Pioneers
What next?

• Will need a clear policy on existing funding going forward into 2016/7
• Metrics and conditions could be amended
• Options for next parliament unlikely to be informed by evaluation of 2015/6
• BCF could be part of a bigger programme of integration and joint budgets
• Important decisions on social care arrive very early in next parliament