

# Westminster Health & Wellbeing Board

<b>Date:</b>	1 October 2015
<b>Classification:</b>	General Release  Update paper for information
<b>Title:</b>	Better Care Fund Update
<b>Report of:</b>	Westminster City Council and Central and West London Clinical Commissioning Groups
<b>Wards Involved:</b>	All
<b>Policy Context:</b>	Health and Social Care Integration
<b>Financial Summary:</b>	As has been reported to Health and Wellbeing Board members separately, this report updates on expected benefits arising from the Better Care Fund. Based on experience of delivery since the publication of the draft and final Better Care Fund plans in April and September 2014, this paper formalises a re-profiling of expected savings arising from the Better Care Fund amounting to £2.489M in future years. The changes arise from continued work to deliver the Better Care Fund, some 18 months after the initial plan and associated financial modelling was delivered.
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## **1. Executive Summary**

- 1.1 This paper is the regular update requested by the Health and Wellbeing Board on progress with the delivery of the Better Care Fund (BCF). Following discussions with Better Care Fund Board members and finance managers, it formalises a carry forward of updated savings expectations into 2015/16 and 2016/17 based on experience so far in delivering the plan. In summary, a small reduction in the savings/benefits due as a result of the delivery of the plan amounting to £2.489m is expected. These relate to reductions in expected benefits arising from residential and nursing placements and s.75 agreements.

## **2. Key Matters for the Board**

- 2.1 The Health and Wellbeing Board is asked to note that:
- a. Work continues to take place on integrating care, using the Better Care Fund plan agreed and submitted in September 2014 as our joint plan,
  - b. Further work to validate savings has been undertaken in the light of our activities and experience over the past year,
  - c. Some re-profiling of benefits reflecting changes in officer expectations as to what can be delivered under the original BCF schemes is set out in this document and appendix 1,
  - d. Officers are working on a range of options to make further savings through integration and joint commissioning and the Health and Wellbeing Board will continue to be updated as this work progresses.

## **3. Background**

- 3.1 The BCF is a single pooled budget for health and social care services to work more closely in local areas, based on a plan agreed between the NHS and local authorities. It is a national initiative to improve health and social care outcomes and cost-effectiveness, with an emphasis on more care at and near home.
- 3.2 Our July 2015 report to Health and Wellbeing Board members included an update on our progress against the six national conditions specified as a set of expectations for BCF implementation and an overview of how progress with local plans would be reported nationally.
- 3.3 Since July 2015, we have further developed the Community Independence Service (CIS) model and health and care organisations are working together to

achieve full rollout. Preparation for staff change is well advanced and a consultation on future working arrangements and roles will commence as soon as 2016-17 funding for the service is agreed between the parties. Commissioners are developing an approach to evaluate CIS achievements in 2015-16 and options for further developing the service, very much set in the context of the wider direction of travel for the NHS and local authorities.

#### **4. Update on Benefits**

- 4.1 In August 2015 the CCG and local authorities' Joint Executive Team (JET) presented an update on BCF benefits to the Better Care Fund Board. This included a summary of our current assumptions in the BCF plan for each of the four groups of schemes (labelled A-D), based on the detailed analysis and design completed in the past year since submission of the plan. This update followed a number of earlier discussions with the Board in March 2015 and July 2015.
- 4.2 Our detailed work over the past year has resulted in some re-profiling of benefits, reflecting changes in the level of savings that officers now expect to deliver under the original scheme headings. The overall outcome of this on savings is summarised in section 5, and a more detailed financial performance summary is included as Appendix 1 of this report.
- 4.3 Officers across the Clinical Commissioning Groups and the Councils are now investigating opportunities and options to take the original aspirations set out in the BCF to the next level. These include working with health service partners to develop a clearer future model of integration and what this could deliver. Options being considered include the potential for:
- co-commissioning
  - more joint working with primary care
  - a geographical focus (reflected in our patch based work and localities) and,
  - integrated enablement.

Alongside this, officers are looking at opportunities to draw more clearly on the benefits that the North West London NHS collaboration can drive locally as well as in joint commissioning opportunities in mental health and placements. A further update on proposals as they develop will be provided to future Health and Wellbeing Board meetings.

## **5. Financial Implications**

- 5.1 The BCF plan identified financial benefits in 2015-16 total £12.477M from the four groups of schemes. Following re-profiling of benefits, the Better Care Fund Board was advised of a reduction in expected benefits of £2.489M identifiable at this stage in the financial year. The reduction in benefits attributable to Westminster is £0.474M; the reduction in benefits attributable to Central London Clinical Commissioning Group is £0.270M.
- 5.2 The BCF update on financial benefits submitted to the Better Care Fund Board is included as Appendix 1 of this report.

**If you have any queries about this Report or wish to inspect any of the  
Background Papers please contact:**

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### **APPENDICES:**

Appendix 1: Report to Better Care Fund Board on 27 July 2015 entitled Update on Expected Better Care Fund benefits

### **BACKGROUND PAPERS:**

Parts 1 and 2 of the original Better Care Fund plan submissions dated April and September 2014



# Appendix 1

Better Care Fund Update to Better Care Fund Board on 27 July 2015

Update on expected Better Care Fund benefits

## 1. Purpose of Paper

This paper provides further clarification of the financial benefits associated with the BCF plan, following discussion of a previous version of the update at the BCF Board meeting on 6<sup>th</sup> July.

## 2. Background

The BCF plan identified financial benefits in 2015/16 totalling £12.477m from four of its constituent schemes. At its March meeting, the BCF Board was updated on changes to benefits expectations as a consequence of additional analysis since plan submission. This paper provides a further update and flags a current savings gap of £2.489m, summarised in Table 1 below.

Further details of benefits assumptions by scheme are provided in Section 3, and by scheme and organisation in Appendix A.

**Table 1: Changes in BCF Savings Expectations by Scheme and in Total**

		£000s	Sum	Commentary
<b>Original BCF Savings Expectations</b>				
a	A1 Community Independence Service	8,020		Adjustments to financial model have resulted in £83k benefits reduction against BCF plan total. Benefits tracking by lead providers is in progress and will inform review of assumptions later in
b	A2 Community Neuro Rehabilitation	1,417		The service will not be operational until 2016/17 so original plan savings (health only) of £1,417k will not be realised, <i>but as this is offset by later spend it is not a gap in 15/16 savings</i>
c	C1 Review of Nursing and Care Home Contracting	1,200		Genuine efficiencies still being sought but scale of opportunities in 15/16 less than anticipated and, where savings have been identified, there is overlap with the Contract Efficiencies Programme
d	C2 Jointly Commissioned Services	1,840		Savings have been identified but there remains a shortfall, and there is overlap with Contract Efficiencies. Community services savings will not be achieved in year
e	<b>Total of Savings in BCF Plan</b>	<b>12,477</b>	<b>a+b+c+d</b>	Health/ASC split: CCGs £7,235k; LAs £5,242k
f	<b>BCF Plan Savings Without Neuro Rehab</b>	<b>11,060</b>	<b>e-b</b>	Neuro rehab is a net reduction of £1,417k as later costs offset 15/16 benefits expectations
<b>Current BCF Savings Expectations</b>				
g	A1 Community Independence Service	7,937		Original expectation of £8,020k less £83k
h	C1 Review of Nursing and Care Home Contracting	0		Savings attributed to Contract Efficiencies not BCF
i	C2 Jointly Commissioned Services	634		Original expectation of £1,840k less £1,206k
j	<b>Total of Current Savings Expectations</b>	<b>8,571</b>	<b>g+h+i</b>	Health/ASC split: CCGs £5,001k; LAs £3,570k
	<b>Savings Gap</b>	<b>2,489</b>	<b>f-j</b>	Health/ASC split: CCGs £817k; LAs £1,672k

### **3. Current Financial Benefits Assumptions by Scheme**

#### ***Community Independence Service (CIS)***

A significant component of the benefits assumptions in the BCF plan is associated with the integrated CIS. Benefits expectations are underpinned by detailed modelling, based on a range of data inputs from existing services as well as future assumptions. Verification of the model was still being undertaken when the BCF plan was completed, and some improvements were made subsequently to address inconsistencies across the boroughs. The consequence of these changes is a reduction in anticipated benefits of £83k, to a revised total of £7.937m.

There will be further adjustments as actual data becomes available to compare with modelling outputs. A process for monthly progress tracking has been developed, with data collection and reporting by the CIS lead providers for health and social care. It is still too early to confirm or revise savings assumptions based on actual performance, but this will develop as the year progresses. At present, therefore, the savings assumptions associated with the CIS scheme remain at the level of the revised model outputs, £7.937m.

#### ***Neuro Rehabilitation***

Access to improved data led to significant re-scoping of this CCG-led scheme, which is now predicated on the benefits for patients and future reductions in Delayed Transfers of Care, rather than the additional value of savings in 2015/16. Procurement timescales mean that the new service is not now expected to be operational until the start of 2016/17, so costs and benefits associated with the scheme will not accrue in 2015/16.

At present, therefore, there are no savings assumptions associated with the neuro rehab scheme in 2015/16. However, as this was a cost pressure, absence of benefits is offset by absence of costs.

#### ***Review of Nursing and Residential Care Home Contracting***

The financial benefits expected from review of nursing and residential care home contracting were based on bringing 25% of higher cost placements into line with lower cost placements. It was also expected that working towards an integrated team across health and social care would generate economies of scale, help to

shape market costs, remove duplication of activity, and generate process and resource efficiencies.

The March update paper noted that there may be detrimental quality and safety consequences if providers are too challenged financially by price reduction; and also that subsequent review of integrated commissioning arrangements elsewhere had not indicated significant cost reduction.

In addition, some savings anticipated from more integrated commissioning of nursing and care home placements overlap with the scheme looking at joint commissioning, as placement costs are included in Section 75 arrangements. There is overlap, too, with the Contract Efficiencies Programme in the Medium-Term Financial Strategies of the three local authorities, which also targets reduction in nursing and care home placement costs.

It is expected that where there is duplication (for which the current expectation is £0.825m), the savings identified will be attributed to the Contract Efficiencies Programme rather than the BCF. Work is continuing to review what is possible, but where there is a shortfall in savings identified and/or duplication there is a need to determine whether any further savings can be achieved through the original BCF schemes; or through different schemes that can create efficiencies from greater integration between health and social care; or via other means across the LAs and CCGs (recognising that shortfall in savings potential varies across the six organisations).

At present, therefore, no savings are assumed from the review of nursing and residential care home contracting in 2015/16, and the basis for the £1.200m savings included in LA and CCG plans is being re-assessed.

### ***Review of Joint Commissioning and Pooled Budgets***

Benefits from efficiencies in joint commissioning and existing pooled budget arrangements were expected via savings from client group contracts of £1.385m (based on 1.25% of current spend) and efficiencies from existing community services of £0.455m (based on a 2% saving in the CLCH contract). This gave a total savings expectation for this scheme of £1.840m. Existing pooled budget arrangements have been reviewed in client groups by finance and commissioning



teams from both health and social care. Against the overall savings target from client group contracts of £1.385m, savings opportunities of £1.102m have been identified. However, £0.468m of this is expected to be a further double count against the Contract Efficiencies Programme. An open book review is being progressed with CLCH to assess community services savings opportunities, but in year savings against the contract are not now expected.

At present, therefore, the savings assumptions associated with review of joint commissioning and pooled budgets in 2015/16 is £0.634m. Opportunities to realise the remaining £1.205m in LA and CCG plans will be reviewed.

#### 4. Summary of Savings Gap

The savings gap identified comprises the elements set out in Table 2 below. It is important to note that the gap excludes neuro rehab because the costs of new capacity will not be incurred in 2015/16, offsetting the benefits loss.

**Table 2: Savings Gap Elements**

	£000s
CIS modelling adjustment	83
Savings identified but double counted with Contract Efficiencies Programme	1,292
Unidentified nursing and residential savings	376
Unidentified client group savings	283
Unidentified savings in CLCH contract	455
<b>Total</b>	<b>2,489</b>

#### 5. Recommendation

The BCF Board is asked to note the changes identified to date in financial benefits assumptions and the currently expected gap against plan of £2.489m; to note work in progress to review ongoing CIS performance; to note the need to review other potential opportunities to bridge the savings gap envisaged in Group C schemes; and to expect a further update in the autumn.

**If you have any queries about this report please contact:**

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## APPENDIX A – SUMMARY OF BENEFITS BY ORGANISATION

		Benefits by Organisation (£k)						
		All	H&F CCG	WL CCG	CL CCG	LBHF	RBKC	WCC
<b>Benefits in BCF Plan</b>								
A1: Community Independence Service	8,020	1,442	1,258	1,844	815	918	1,743	
A2: Neuro Rehabilitation	1,417	418	442	557	0	0	0	
C1: Transforming Nursing & Care Home Contracting	1,200	149	79	148	247	203	374	
C2: Review of Jointly Commissioned Services	1,840	301	254	343	568	238	136	
<b>BCF Plan Total</b>	<b>12,477</b>	<b>2,310</b>	<b>2,033</b>	<b>2,892</b>	<b>1,630</b>	<b>1,359</b>	<b>2,253</b>	
<b>Current Expectations</b>								
A1: Community Independence Service	7,937	1,442	1,258	1,844	815	918	1,660	
A2: Neuro Rehabilitation	0	0	0	0	0	0	0	
C1: Transforming Nursing & Care Home Contracting	0	0	0	0	0	0	0	
C2: Review of Jointly Commissioned Services	634	89	147	221	0	48	129	
<b>Total of Current Expectations</b>	<b>8,571</b>	<b>1,531</b>	<b>1,405</b>	<b>2,065</b>	<b>815</b>	<b>966</b>	<b>1,789</b>	
<b>Group A Update</b>								
A1: CIS	Savings Target in BCF Plan	8,020	1,442	1,258	1,844	815	918	1,743
	Revised Modelling	7,937	1,442	1,258	1,844	815	918	1,660
	Current Gap	83	0	0	0	0	0	83
	<b>A1 Savings Total</b>	<b>7,937</b>	<b>1,442</b>	<b>1,258</b>	<b>1,844</b>	<b>815</b>	<b>918</b>	<b>1,660</b>
A2: Neuro Rehab*	Savings Target in BCF Plan	1,417	418	442	557	0	0	0
	Target Offset by Later Cost	1,417	418	442	557	0	0	0
	Current Gap	0	0	0	0	0	0	0
	<b>A2 Savings Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Group C Update</b>								
C1: Transforming Nursing & Care Home Contracting	Savings Target in BCF Plan	1,200	149	79	148	247	203	374
	Progress Against Target	824	0	0	0	247	203	374
	Double Count	824	0	0	0	247	203	374
	Current Gap	1,200	149	79	148	247	203	374
	<b>C1 Savings Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
C2: Review of Jointly Commissioned Services	Savings Target in BCF Plan	1,840	301	254	343	568	238	136
	Client Group Savings	1,385	145	105	193	568	238	136
	CLCH Savings	455	156	150	149	0	0	0
	Progress Against Target	1,102	175	147	295	68	214	203
	Client Group Savings	1,102	175	147	295	68	214	203
	CLCH Savings	0	0	0	0	0	0	0
	Double Count	468	86	0	74	68	166	74
	Current Gap	1,206	212	107	122	568	190	7
<b>C2 Savings Total</b>	<b>634</b>	<b>89</b>	<b>147</b>	<b>221</b>	<b>0</b>	<b>48</b>	<b>129</b>	
<b>BCF Savings Gap by Organisation (Group A + Group C)</b>		<b>2,489</b>	<b>361</b>	<b>186</b>	<b>270</b>	<b>815</b>	<b>393</b>	<b>464</b>

\* Note: cost of additional neuro rehab capacity will not be incurred in 2015/16 which offsets benefits loss, so neuro rehab is not included in the savings gap