

**Manchester Health and Wellbeing Board
Report for Information**

Report to: Manchester Health and Wellbeing Board – 8 June 2016

Subject: One Team Pooled Budget and BCF 2016/17

Report of: City Treasurer (Manchester City Council) and Chief Financial Officer (North, South and Central Clinical Commissioning Groups)

Summary

The Health and Wellbeing Board received a report at its meeting on 9th March 2016 updating on BCF Planning Requirements 2016/17 and proposing a further extension of the pool budget to support the development of “One Team”.

Within the paper the Health and Wellbeing Board gave delegated authority to the Joint Commissioning Director, Health and Social Care, to approve and submit the BCF submission in April 2016 on behalf of the Health and Wellbeing Board, which has now taken place.

The purpose of this report is to provide the Health and Wellbeing Board with an overview of the template submitted for the expanded pooled Better Care Fund 2016/17.

This report sets out:

- the scope of the health and social care budgets included in the expanded pooled fund;
- summary of the financial scope of the 2016/17 Pooled Budget; and
- the next steps for the financial risk management principles, to further develop the approach to pooling budgets and to update the partnership agreement.

Recommendations

The Board is asked to note the report.

Board Priority(s) Addressed:

Health and Wellbeing Strategy priority	Summary of contribution to the strategy
Getting the youngest people in our communities off to the best start	
Educating, informing and involving the community in improving their own health and wellbeing	
Moving more health provision into the community	The pooled budget will enable the system to understand how resources will move from acute provision to support the delivery of place based care in community settings
Providing the best treatment we can to people in the right place at the right time	The 'One Team' specification is a key element of the draft Locality Plan which aims to support the delivery of the Health and Wellbeing Strategy.
Turning round the lives of troubled families	
Improving people's mental health and wellbeing	
Bringing people into employment and leading productive lives	
Enabling older people to keep well and live independently in their community	

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

One Team Pooled Budget and BCF Planning Requirements 2016/17 - Health and Wellbeing Board 9th March 2016

Better Care Fund Planning Requirements for 2016/17 (Technical Guidance Annex 4)
- Department of Health and the Department for Communities and Local Government
Better Care Fund: Policy Framework - Department of Health and the Department for
Communities and Local Government

Pooled Budget 2016/17 - Health and Wellbeing Board 13th January 2016

Health and Social Care Locality Plan - Health and Wellbeing Board 11th November
2015

Integrated Community Health and Care Services Pooling Budgets - Health and
Wellbeing Board 16th September 2015

Section 75 Pooled Budget Agreement for the Better Care Fund - Health and
Wellbeing Board 25th March 2015

1. Introduction and Background

1.1. Delivery of the Manchester Locality Plan is underpinned by:

- implementation of an integrated commissioning function;
- delivery of a single hospital service; and
- delivery of integrated health and social care services via the One Team approach.

1.2. Commissioning partners have plans in place to implement the proposals for the scope of phase one of One Team from 1 April 2016. A key enabler to delivery of the City's 'One Team' aspiration is the proposed expansion of the existing pooled fund beyond the initially mandated sums relating to the Better Care Fund (BCF).

1.3. The Health and Wellbeing Board (HWB) received a report at the meeting on 9th March 2016 outlining a proposal to expand the pooled fund on a phased basis, the requirement to strengthen governance arrangements and update the Partnership Agreement for 1 April 2016, and the key financial settlement announcements for the City Council and Clinical Commissioning Groups (CCGs). The paper reiterated:

- the details of the current pooled fund, the rationale for pooling and the overarching principle that it should be seen as an enabler to support transformational change, through joint prioritisation of resources in a single integrated commissioning environment, taking a 'whole economy' perspective;
- that in principle, the CCGs and City Council have agreed an aspiration to pool budgets totalling indicative sums of £378m over the medium term, including £168m from the City Council and £210m from the CCGs;
- for 2016/17, the expansion of the pooled fund should commence aligned to 'Phase One' of the 'One Team' specification from 1 April 2016;
- the fundamental ambition behind pooling of resources is to support transformational change; and
- future financial arrangements will support integration and be very different from previous experience, in particular:
 - access to the GM transformation fund, together with pooled resources, will enable investment in the initial phase of implementing new care models for the future. The extent of investment will be proportionate to the risk involved. The stronger the evidence attached to the new care models, the higher the level of investment will be;
 - investment into the new care models will be tracked in terms of impact on activity levels in the acute sector and in residential care in particular. That evidence will in turn be used to justify reduced spending on those

services. The reduced spending will be captured and transferred to replace the temporary investment monies and to support the scaling up of the new care models, i.e. funding will flow around the system; and

- A transition will happen over a four year period so that existing business as usual models of care are gradually replaced with the new integrated models of care.

1.4. It is acknowledged that shifting the One Team ‘case for change’ from aspiration to reality will take time, relying upon the development of business cases and cost benefit analyses (CBAs) describing the range of implications of the newly developed ‘Target Operating Models’.

1.5. For clarity, and in line with previous exclusions, no hospital based budgets are currently included within the scope of the pool from 1 April 2016, pending further work on the design of care models, assessment of related financial implications, and consultation with providers.

2. Financial Scope of 2016/17 Pooled Budget

2.1. The pooled fund for 2016/17 will comprise two key elements:

- 1) BCF mandated sums; and
- 2) Budgets meeting the definition of ‘Phase 1’ of One Team.

BCF

2.2. In summary, the BCF of £44.332m has been set nationally including:

RESOURCES	CCGs Total £000s	Council Total £000s	Total BCF £000s
Health - CCG minimum mandated sums	26,156		26,156
Health - Transfer of Care Bill funding to MCC	-1,533	1,533	0
Health - NHS Allocation for social care protection	12,430		12,430
Health - Transfer NHS social care allocation to MCC	-12,430	12,430	0
Local Authority - Disabled facilities capital grant		5,746	5,746
Total	24,623	19,709	44,332

Phase 1 - One Team

2.3. In line with previous papers and the ‘start simple’ philosophy, services and related budgets within scope are limited to NHS community health and adult social care for phase one in 2016/17, aligned to the following areas:

- Adult community health (through ‘Neighbourhood Teams’)
- Community assessment and support service (integrated intermediate care and reablement).

Scope of health budgets

- 2.4. Budgets falling within the above definitions and the following supporting criteria are proposed to be included in 2016/17:
- i. all services and budgets supported through the BCF;
 - ii. adult services transferred to secondary care acute NHS provider trusts (excluding Manchester Mental Health and Social Care Trust) from 1 April 2010 through the 'Transforming Community Services' programme (as currently commissioned).
- 2.5. For clarity purposes, none of the following service budgets are included within the scope of Phase 1 at this stage:
- All acute secondary and mental health hospital services (even if related to the scope of 'Urgent Care First Response') whether provided through the NHS or private sector.
 - Community mental health.
 - Medicines management and prescribing costs.
 - Primary care (see 2.6 below).
 - Continuing healthcare and funded nursing care.
 - Voluntary sector grants / other non-NHS provision.
 - Learning disabilities.
 - Budgets relating to running costs (or similar, e.g. estates costs) of the CCGs.
- 2.6. Primary care services are included only to the extent that such providers are involved in the supply of services commissioned through the BCF, e.g. locally commissioned services for neighbourhood teams. Those services that are considered within the scope of medical primary care services delivery (core, additional and enhanced) are explicitly excluded. Similarly, all CCG 'other' primary care related expenditure is excluded, e.g. Out of Hours, locally commissioned services.

Scope of social care budgets

- 2.7. Budgets falling within Phase 1 of One Team which are proposed to be included in 2016/17:
- i. Adult social workers
 - ii. Primary Assessment Teams
 - iii. Reablement
 - iv. Assistive Technology
 - v. Care Act Funding
 - vi. Transfer of health funding for social care protection
 - vii. Disabled Facilities Grant
- 2.8. For clarity purposes, none of the following service budgets are included within the scope of Phase 1 at this stage:

- Citywide services
- Adults safeguarding
- Residential and Nursing / Extra Care
- Homecare
- Learning Disability
- Mental Health
- Public Health
- Running costs / overheads

Summary – Health and Care Pooled Budget 2016/17

- 2.9. The combined health and care draft budgets proposed for the pool for 2016/17, based upon draft opening 2016/17 financial planning assumptions and the above criteria, are summarised below:

Service Description	CCGs £000s	Council £000s	Total £000s
Adult NHS Community Health and Adult Social Care (including NHS Social Care and Care Act funding)	58,874	6,004	64,878
Community Assessment and Support	9,797	2,124	11,921
Non-elective risk reserve	3,248		3,248
Sub-total	71,919	8,128	80,047
Social care transfer (note 1)	-12,430	12,430	0
Care act transfer	-1,533	1,533	0
Disabled Facilities Capital grant		5,746	5,746
Total pooled fund	57,956	27,837	85,793
Non-recurrent reserve	3,500		3,500
Total funding	61,456	27,837	89,293

Note 1 – BCF conditions require this funding to be allocated to protecting social care services.

- 2.10. Subsequent phases of integration will expand upon the inclusion criteria and scope of services in line with the implementation of the locality and commissioning strategy.

3. Financial Risk Sharing Principles

- 3.1. In view of the work still to be completed in respect of the One Team CBA and supporting business case(s), it is proposed to retain the existing risk management arrangements detailed within the 2015/16 Section 75 Agreement. It is anticipated that revised risk share arrangements will be in place for 2017/18, subject to review of this work and consultation.
- 3.2. Each Partner will remain individually accountable for the governance, financial performance, cash and contract management of its own commissioned services, as defined within the scope of Phase 1 - One Team, whilst aligned to the pool. This will enable better transparency and understanding of health and

care budgets relating to Manchester's One Team transformation programme. The City Council will continue to host the pooled fund.

- 3.3. The Partners' boards support the expansion of pooled budgets for One Team, explicitly with the understanding that no changes will be made to baseline services, budgets, contracts or agreements until such time that the One Team business case(s), demonstrating the rationale for change and benefits to be derived, have been approved by respective organisations and consulted upon with providers. This is considered a key principle underpinning the expansion of the Manchester pooled budget in 2016/17.
- 3.4. As integration plans develop however, it is acknowledged that alternative arrangements are likely to evolve, e.g. increasing the proportion of provider payments linked to delivery of specified outcomes, rather than inputs. Such reforms will require a longer lead in to design, consult upon and negotiate into contractual terms and conditions and therefore, unlikely to be ready until mid-2016/17 or later.
- 3.5. The Joint Commissioning Board will review and provide the challenge on the pooled fund, including those metrics specific to the national BCF requirements and the overarching outcomes and performance framework for the One Team commissioning specification.

4. Summary

- 4.1. The BCF 2016/17 totals £85.8m with a non recurrent reserve of £3.5m;
- 4.2. Note the work is underway to update the Partnership Agreement;
- 4.3. Note the work is underway to develop the financial risk management principles and arrangements in relation to the pooled fund for a further twelve months.
- 4.4. Further develop the approach to pooling budgets including embedding new governance arrangements, scoping the range of related acute hospital activity linked to One Team, and the development of joint financial planning and risk management arrangements for 2017/18.