Report No.
CS 17072

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker:	**EXECUTIVE** **COUNCIL**
Date:	**Wednesday 30 November 2016** **Monday 12 December 2016**
Decision Type:	Non-Urgent Executive Key
Title:	**DRAW DOWN OF SECTION 75 FUNDING FOR THE DEVELOPMENT AND IMPLEMENTATION OF THE BROMLEY OUT OF HOSPITAL STRATEGY**
Contact Officer:	Mark Cheung, Chief Finance Officer, Bromley Clinical Commissioning Group Mark.cheung@nhs.net Tel 01689 866104 Peter Turner, Director of Finance, London Borough of Bromley Peter.turner@bromley.gov.uk Tel 020 8313 4338 Lorna Blackwood, Director, Health Integration Programme Lorna.blackwood@bromley.gov.uk Tel 020 8313 4799
Chief Officer:	Peter Turner, Director of Finance, London Borough of Bromley Lorna Blackwood, Director, Health Integration Programme
Ward:	(All Wards);

1. Reason for report

1.1 This paper sets out a request from Bromley Clinical Commissioning Group (BCCG) to drawdown £7m over the two financial years, 2016/17 and 2017/18 from the Council's earmarked reserve (monies relate to an agreement under Section 75 of the NHS Act 2006). This will provide non-recurrent investment into the development of the Bromley out of hospital programme. The development of the programme will make a significant contribution to the recurrent savings programme of over £24.713m over those two respective years to enable BCCG to continue to meet its financial targets.

1.2 Bromley CCG has met its financial and savings targets over the last three years since its inception and, with the release of the monies, is forecast to do so again in 2016/17. However with the significant reductions in income over the next two years, the CCG and the NHS as a whole now faces its most significant financial challenge to date and a requirement to make major savings to maintain its ability to meets its financial targets going forward. The development and delivery of the CCG QIPP (Quality, Innovation, Productivity and Prevention) savings programme is monitored through the internal CCG governance process as well as externally on a monthly basis by NHS England.

1.3 A key part of delivering the savings targets is the continued development of the BCCG out of hospital strategy through the implementation of the Integrated Care Networks (ICNs) in Bromley. Work is progressing at pace on phase one of the strategy, introducing two new

pathways in pro-active care and frailty. Governance structures are in place which include both Bromley CCG and the London Borough of Bromley as commissioners and all major providers in Bromley. Providers in Bromley have all signed up to the Memorandum of Understanding which sets out key principles and objectives as well as setting metrics aligned to the CCG QIPP savings programme and Better Care Fund (BCF) targets.

1.4 Metrics and performance information will need to be provided to measure the impact on all parts of the health and social care economy in Bromley. It is essential to understand the impact the development of the networks on other areas of the health and social care system. This may be impact in terms of additional costs and capacity required in areas including primary and community care and also social care. This may also impact in respect of changes to working practices of the various parts of the system. The monitoring of the results will allow commissioners to re-design the system so that appropriate mechanisms are in place to shift funding into the most appropriate area or effect changes to mitigate any potential increases in cost.

1.5 In order to ensure the accelerated implementation of the programme, one off investment is requested by Bromley CCG to cover non-recurrent costs of implementation, pump-priming investment and double running costs in the community and acute sector during the implementation period. Funding was set aside by Bromley CCG into the section 75 to cover such costs. Executive are requested to recommend to Council the release of £7m from the earmarked reserve to meet Bromley CCG's funding requirements.

---

2. RECOMMENDATION(S)

2.1 Executive is requested to recommend to Council the release of £7m from earmarked reserves (Section 75 agreement monies) over two financial years (2016/17 and 2017/18) to provide the funding requested by Bromley Clinical Commissioning Group (see 3.2).

2.2. Subject to the approval by the Executive, Council is requested to approve the release of £7m from earmarked reserves (Section 75 agreement monies) over two financial years (2016/17 and 2017/18) to provide the funding requested by Bromley Clinical Commissioning Group.

Impact on Vulnerable Adults and Children

1. Summary of Impact: The proposal in this report supports the Council and Bromley CCG priority to enhance the quality of life for all people in the borough with care and support needs, including children.

Corporate Policy

1. Policy Status: Existing Policy:
2. BBB Priority: Supporting Independence:

Financial

1. Cost of proposal: Estimated Cost: £7m over two years – 2016/17 and 2017/18
2. Ongoing costs: Non-Recurring Cost:
3. Budget head/performance centre: Central contingency
4. Total current budget for this head: £12.153m is included in the Council's earmarked reserves
5. Source of funding: Integrated Care and Health s75 funds

Personnel

1. Number of staff (current and additional): N/A
2. If from existing staff resources, number of staff hours:

Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
2. Call-in: Applicable Not Applicable: Further Details

Procurement

1. Summary of Procurement Implications: N/A

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Whole population of Bromley

---

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

Introduction

3.1 Bromley CCG is seeking approval for the non-recurrent drawdown of funds from the Integrated Care and Health Programme s75 funds held jointly between Bromley CCG and the London Borough of Bromley which are included in the Council's earmarked reserves.

3.2 The total requirement for which approval is sought is a drawdown of £7m over the two financial years 2016/17 and 2017/18 - £3.5m for each year. The fund currently stands at £12.153m and the balance remaining after drawdown would be £5.153m.

3.13 With the scale of challenge the CCG is facing, there is an urgent need for the CCG to significantly accelerate its key strategies to deliver not only transactional savings, but transformational changes that will deliver real reductions in the acute hospital activity. The table below provides the indicative areas where potential savings have been identified.

3.16 This is clearly a challenging target and the CCG will need to ensure that robust arrangements are in place in the delivery and monitoring of the savings schemes. The CCG already has a Project Management Office (PMO) in place to monitor the progress of schemes and identify risks of under-delivery which will report to the CCG Integrated Governance Committee on a monthly basis. The programme is ambitious but required, otherwise to do nothing would result in the recurrent budget gap increasing and any remedial action would take time to implement. This investment will progress and accelerate work that has already been set in motion.

3.17 The acceleration of the out of hospital strategy is essential to ensure not only that savings targets can be met in 2017/18 onwards on a recurrent basis, but also in meeting many other targets set for Bromley CCG and the London Borough of Bromley through the BCF performance measures, in particular reductions in emergency admissions and delayed transfers of care.

***3.19 The work on the Bromley CCG out of hospital transformation programme has progressed significantly since the publication of the strategy in September 2015 and phase one has already been accelerated in the first six months of 2016/17. All local providers, both NHS and non-NHS have signed up to the Memorandum of Understanding (MOU) to support the implementation of ICNs in Bromley. The providers are Bromley Healthcare, King's College Hospitals NHS Foundation Trust, Bromley Third Sector Enterprise, Oxleas NHS Foundation Trust, St Christopher's and the Bromley GP Alliance.

3.20 The MOU establishes a robust governance structure that reports through to both Bromley CCG and the London Borough of Bromley as local commissioners. Currently the London Borough of Bromley attend as non-voting members of the Boards. The ICN Board brings together senior leaders from all commissioning and provider organisations to drive forward the out of hospital agenda and meet the key principles, objectives and outcomes set out in the MOU. The key elements include:

- Key principles for ICN development, including requiring all parts of the system to work collaboratively, ensuring quality and value for money.
- A set of metrics to measure steps towards mobilisation during the first half of 2016/17 (achieved).
- A set of metrics that will monitor the outcomes of service developments required by providers following mobilisation in October 2016.
- The governance structure for monitoring adherence to MOU

- Access to transformation funding to support implementation and establishment of new roles/services

3.21 Fundamental for 2016/17 and 2017/18 is the establishment of key performance metrics which align to the Bromley CCG QIPP savings programme and BCF targets as set out in the table below. Full details of the metrics contained in the MOU are provided in Appendix 1.

MEASURE	MONITORING FREQUENCY	TARGET (ANNUAL)
Reduction in emergency admissions (acute and mental health)	Monthly	825 fewer admissions per year
Reduction in DTOCs (relating to the participating Providers)	Monthly	19.50% reduction in DTOCs
Reduction in A&E attendances	Monthly	825 fewer attendances per year
Delivery of planned reduction in emergency readmissions	Monthly	*TBC*

3.22 These metrics and associated performance will continually be developed and monitored through implementation. In particular it will be important to measure the impact of the development of the networks on other areas of the health and social care system. This may be the impact in terms of additional costs and capacity required in other areas including primary and community care and also social care. This may also impact in respect of changes to working practices of the various parts of the system. The monitoring of the results will allow commissioners to re-design the system so appropriate mechanisms are in place to shift funding into the most appropriate area or effect changes to mitigate any potential increases in cost. This may include looking at roles and responsibilities of staff and pooling of budgets and risk.

3.23 Included in the MOU is non-recurrent transformation and performance funding to pump prime investment in the development of the care pathways to deliver these QIPP savings. Signatories to the MOU are very clear that this funding is non-recurrent and that continued funding of the pathways must be funded in the future from recurrent savings achieved through the implementation of the ICN schemes.

3.24 Through the MOU providers in Bromley have worked together to develop proposals on the implementation of the first two pathways as part of phase one which started in Autumn 2016. These are:

- Pro-active care – supporting people with long-term conditions or complex health and social care needs;
- Frailty pathway – specialist support for non-acute elderly care.

3.25 Proposals have been agreed and appointment to roles has already started to ensure immediate delivery towards the MOU metrics and contribution to the CCG QIPP savings over the two years. Initial multi-disciplinary team (MDT) meetings have already been held as part of the pro-active care pathway and evaluations completed.

3.26 Joint working with all parties is continuing in the development of the frailty pathway with Kings in conjunction with the establishment of the step up / down facility at Orpington Hospital.

3.27 Progress on these and other workstreams against key metrics and information requirements takes place on a monthly basis by the Integrated Care Networks (ICN) Steering Group, attended by both Bromley CCG and the London Borough of Bromley.

3.28 Bromley CCG recognises that the implementation of the ICN models may have an impact on the social care costs of the Council. It is clear that this cannot be done in isolation and joint working with the Council is essential for the model to be successful and to develop mechanisms with the goal of shifting resources around the system to achieve a balance of fair funding in the overall health and social care economy. The impact of the ICNs and other transformation activity will need to be closely monitored with action taken quickly if pressures start to materialise in the social care system.

3.29 Building on existing pooled arrangements and sharing budgets and risk may provide potential mechanisms to mitigate the risks around this - for example, through increasing the capacity of the third sector from additional investment from Better Care Fund and the development of the role of the care navigators to steer patients to alternative services available. Information is being collected within the ICNs and at the front door of social care to enable patients to be tracked through the system and the specific impact to be determined.

Sustainability and Transformation Plan

3.30 The Sustainability and Transformation Plan (STP) in South East London, which includes six CCGs and the main health providers, sets out the scale of the financial challenge over the next five years. The increasing demands and costs of a growing population living longer with more long term conditions will outstrip any increases in funding resulting in a financial gap of £934M in five years' time. The plan acknowledges the financial challenges facing local authorities with both budget cuts and increasing costs impacting on social care going forward but does not address those specific issues.

3.31 The STP sets out five key priorities by which the health gap can be closed

- Developing consistent and high quality community based care (CBC) and prevention;
- Improving quality and reducing variation across both physical and mental health;
- Reducing cost through provider collaboration;
- Developing sustainable specialised services;
- Changing how we work together to deliver the transformation required.

3.32 Locally in Bromley, the first priority of developing CBC is being delivered through the out of hospital strategy and the development of the three Integrated Care Networks (ICNs) which will focus on population health and wellbeing, supporting people to manage their conditions and increasing prevention and early intervention. Doing this through the actions identified earlier will mitigate the forecast increases in acute and secondary care and deliver the shift in activity and significantly contribute to the savings required to balance the CCG budgets going forward.

3.33 Continued and further detailed engagement of London Borough of Bromley on the South East London STP will be required on two levels. On a South East London basis on the wider implications of the proposed changes on area such as changes to planned care. This should be achieved and further developed through existing governance structures with representation on the overall leadership as well as through the joint scrutiny committees. It is also essential to continue the engagement at a local level through Bromley CCG to work with partners on the implementation of the local models set out in the STP and understanding of the impact on the health and social care economy as a whole.

Non Recurrent Funding Requirement

3.34 In order to develop the out of hospital strategy and deliver the recurrent savings required to balance the CCG budget, non-recurrent investment will be required to accelerate the changes required. Bromley CCG have requested the £7m one-off funding for 2016/17 and 2017/18 to be utilised as invest to save, establishing the programme required deliver recurrent savings of almost £24.713m over those two years. As set out above, Bromley CCG is on track to meet its forecast overall target of £8.6m, in 2016/17, though reserves and budget reductions have been required to offset some slippage in some of the scheme. The target for 2017/18 is £16.113m, - an indicative breakdown of proposals totalling £16.865m are shown above in para 3.13.

3.35 For 2016/17, the focus has been on establishing and funding the new models as set out in the MOU with a commitment of £1.5m to cover costs and performance of the phase one schemes for the pro-active and frailty pathways. These costs are split into £1m investment with a £0.5m performance-related payment upon the demonstration of achieving the savings identified in the MOU. Providers are expected to work collaboratively to develop business cases within the parameters of the MOU and be able to demonstrate how this will impact on the performance metrics.

3.36 While these pathways are being developed, cover will be required for double running costs in both community services and acute sector, estimated to be around £1.5m, until these pathways are fully operational and to cover any slippage in the timetable. The continued development costs of this programme and other programmes identified in the QIPP programme will require non-recurrent investment of £0.5m. This includes non-recurrent costs such as set up costs and licences, as well as staff capacity to deliver the programmes.

3.37 For 2017/18, the ability to pump prime investment becomes more challenging with reduction in CCG funding and increasing cost pressures in the NHS. Currently estimates for required funding are assumed in a similar profile as 2016/17, with £1.5m required to cover investment costs of the development of further care pathways and £2m required to cover double running and other additional costs in the community and acute sector while the programmes are established.

3.38 The funding requirements identified are consistent with the original objectives of the fund, when with the previous ProMISE programme objectives now being delivered through the development of the ICNs in Bromley. It is essential that the impact on social care is monitored closely through the ICN Steering Group and Board, through agreed metrics and performance information with rediversion of funding, where required, being considered.

4. IMPACT ON VULNERABLE ADULTS AND CHILDREN

4.1 The proposal in this report supports the Council and Bromley CCG priority to enhance the quality of life for all people in the borough with care and support needs, including children.

5. POLICY IMPLICATIONS

5.1 The proposal supports the Council's priority to support independence.

6. FINANCIAL IMPLICATIONS

6.1 The Council has received various contributions from Bromley CCG totalling £13.695m over a period of years as part of a Section 75 agreement with drawdown to date totalling £1.542m resulting in a net balance of £12.153m remaining in the Council's earmarked reserves. After the proposed £7m drawdown, the remaining balance on the fund will be £5.153m.

6.2 The Council has benefited from investment income through treasury management whilst retaining these sums.

6.3 Bromley CCG will undertake the monitoring of their expenditure and progress in QIPP savings through existing Bromley CCG financial governance arrangements.

6.3 Should the drawdown not be made available, Bromley CCG have advised that they will be unable to fully deliver their QIPP savings programme and consequently not meet their financial targets. Bromley CCG have advised that the potential impact of this, as seen in other parts of the NHS, is that the CCG will lose its green financial assurance rating and potentially be placed into formal turnaround. This would involve the development of a comprehensive turnaround plan, to be assured by external consultants, and frequent reporting to NHS England.

6.4 Bromley CCG have also advised that failure to deliver their financial targets could have a negative impact on meeting the joint delivery of BCF targets.

6.5 This report refers to the Sustainability and Transformation Plan (para. 3.30 to 3.33) which identifies significant savings in the health sector but does not address, at this stage, the impact on social care and the associated cost implications. It is essential that there is continued and further detailed engagement from the health sector to determine the full implications and to seek the rediversion of resources where required.

7. LEGAL IMPLICATIONS

7.1 The previous section 256 fund was transferred into an over-arching pooled budget fund under section 75 of the NHS Act 2006. The fund is specifically identified as an earmarked fund within the section 75.

7.2 The MOU signed by all the main providers in Bromley is an over-arching agreement which is in addition to existing contracts held between Bromley commissioners and providers.

Non-Applicable Sections:	Personnel implications Procurement implications
Background Documents: (Access via Contact Officer)	[Title of document and date]

Appendix 1 – Integrated Care Networks Memorandum of Understanding – Performance Metrics

Key Outcome Indicators

The following outcome indicators are the key metrics linked to the Performance Fund.

Payment of the Performance Fund is dependent on the joint achievement of these metrics by the Providers.

Reduction in emergency admissions (acute and mental health)	Monthly	825 fewer admissions per year
Reduction in Delayed Transfers of Care – DTOCs - (relating to the participating Providers)	Monthly	19.50% reduction in DTOCs
Reduction in A&E attendances	Monthly	825 fewer attendances per year
Delivery of planned reduction in emergency readmissions	Monthly	***TBC***

Where required these metrics can be broken down to a more granular level, for example age group (i.e. over 65s) or specific conditions (i.e. COPD, heart failure, UTIs, long term conditions etc.).

Additional Outcome Indicators

The following are a set of additional health and care outcome indicators focused on quality and efficiency that are expected to improve as a result of the implementation of the ICN model of care, but are not linked to the payment of the Performance Fund.

- Number of readmissions within 30 days of previous admission (acute and mental health)
- Number of visits made by the crisis response team
- Number of people able to die in their preferred place of residence
- Percentage of people still at home 91 days after discharge from hospital into rehabilitation and reablement
- Outpatient activity in over 65s
- Dementia diagnosis rates
- % of heart failure and COPD patients receiving an annual review
- Number of people with an emergency admission to hospital due to a long term condition.
- Number of readmissions due to condition within 30 days of discharge from the same condition (i.e. UTIs, LTCs, falls etc.).
- Number of emergency / unplanned / crisis admissions to care or residential homes.
- Percentage of over 65s who received rehabilitation / reablement services after admission.
- Improved patient experience (using the patient engagement survey).

All of these Additional Outcome Indicators will be monitored and reviewed on a monthly basis.

It is expected that as part of signing up to this MOU that the Providers should demonstrate they are working collaboratively to deliver improved health and care to the population of Bromley.

KPIs supporting the delivery of the ICN principles

The following KPIs are not linked to the Performance Fund allocations, but will be used as means of promoting discussions around how the implementation of the ICN model of care is changing ways of working, and in particular how providers are working together to meet the Key Outcome Indicators:

- Average number of emergency admissions per person per week.
- Reduction in duplication of diagnostic tests by health and care professionals.
- Percentage of records shared by providers
- Proportion of people identified for integrated case management who have a written integrated care and support plan (that has also been shared with the individual).
- Number of people stepped down from integrated case management as their health and care needs have stabilised.
- Number of Multi-Disciplinary Team ("**MDT**") meetings taking place with all required health and care representatives in attendance.
- Number of referrals to social prescribing / self-management.
- Number of services accessible seven (7) days a week.

All of these Additional Outcome Indicators will be monitored and reviewed on a monthly basis.