

## LINCOLNSHIRE HEALTH AND WELLBEING BOARD

Open Report on behalf of Glen Garrod, Director of Adult Social Services

Report to	<b>Lincolnshire Health and Wellbeing Board</b>
Date:	<b>29 September 2015</b>
Subject:	<b>Better Care Fund Update</b>

### Summary:

Further to the Lincolnshire BCF submission on 9 January and the required financial 'envelope' submitted on 31 March 2015, this report details both national and local developments since March, and the second quarter performance report (April to June 2015), which was submitted to NHS England on 28 August following sign off by the Health and Wellbeing Board Chair Cllr Sue Woolley.

### Actions Required:

Note and comment on this report and the attached quarterly performance report.

### 1. Background

Members of the Health and Wellbeing Board will recall that the BCF submission was made to the Government on 9 January 2015. In February we were notified that the submission had been approved. The "delivery vehicle" for transfer of the national funding to Lincolnshire is a Section 75 Agreement. This was signed off by the County Council, the four CCGs and the Chair of Health and Wellbeing Board.

The minimum value of the BCF in 2015/16 is £53.2m (£48.4m revenue and £4.8m capital) though Members will note that the level of pooling is actually £197m. This fact alone determines the nature of the agreement, in this case a framework agreement, and the number of separate elements that make up the whole. This means the BCF in Lincolnshire is made up of five Section 75 agreements and two aligned budgets.

It is important to recall that the BCF is for 2015/16 only and does not represent new money. A most pressing area of concern in securing agreement has, and continues to be, the level of financial risk that pertains to the BCF and the savings expected in an already stretched health and social care economy.

Integration between health and care has a high national profile and it would seem this is set to continue with the BCF funding mechanism, although the precise details surrounding the future of the BCF are yet to be determined. At the time of writing no information was available of future plans for the BCF though all indications are that the Government intends the BCF to continue to be a primary driver for local integration between health and social care into 2016/17.

## **Financial Risk**

The BCF pooling itself represents a financial risk because the amount available in 2015/16 is less than that spent in 2014/15. As such, service developments and commissioning activity alongside the programme overseen by LHAC is a combined attempt to reduce this financial risk.

The overall financial risk was mitigated by a 'reserve' for 2015/16 only of £5.35m held within the 'Corporate' Section 75. Members of the Board will recall that the majority of this - £3.75m - was to mitigate the risk of underperformance against the 'pay for performance' element in the BCF (non-elective activity) as required nationally.

In addition and as a part of the negotiations between the partners (four CCGs and the County Council (LCC)) to secure an agreed pooled budget the CCGs commissioned Mills and Reeve to advise them. One outcome of this work was that an additional financial risk was introduced related to the £20m agreed for the 'protection' of adult social care.

The net effect is that LCC agreed to a 'pay for performance' arrangement covering £1m out of the £20m. This provided the CCGs with a more 'balanced' level of financial risk across the health and social care community. The details of what performance is required to secure the £1m are included in Appendix A.

In summary, there are three levels of financial risk, notwithstanding the overall financial position for health and social care in Lincolnshire:

- a. The consequences on NHS partners as a direct result of the national requirements in the BCF and the £20m allocated to protect Adult Care.
- b. The failure to achieve a 3.5% reduction in non-elective admissions in any or all of the four quarters and,
- c. The £1m financial risk to Adult Care of not achieving the pay for performance element agreed with the CCGs.

## **Performance**

The performance report attached as Appendix A provides the second quarter analysis for both the BCF Metrics (national requirement) AND the £1m pay for performance requirement on Adult Care (local requirement) which monitors the impact of social care activity on reducing pressures on the NHS.

## **BCF metrics (national) commentary**

1. For the three out of the six national measures reportable in this period, one is ahead of target, and two are below. Three measures cannot be calculated until later in the year when the data is available.
2. Despite achieving an encouraging 4.1% reduction in non-elective admissions last quarter (compared to the same quarter from the previous year), the data provided by the NHS for this quarter shows a slight increase in admissions compared to the same period in the previous year. Unfortunately this means that the 3.5% reduction per quarter has not been achieved (see Appendix A and B). However, since the estimate of the adult population has increased this year, the level of admissions in the quarter represents fewer admissions per 100,000 population, which is arguably a better result. The financial penalty attributable to non-delivery in this quarter is approximately £930k. This sum is of course fully provided for as part of the £5.35m reserve, and we need to be clear on the picture for the entire calendar year before fully understanding the financial position.
3. This trend is consistent with the increase in the number of reported bed days patients have been delayed in a hospital bed. This increase can be attributed to a general increase in hospital activity, in particular in non-acute care, and delays caused by arranging clinical and social care assessments and care packages. The proportion of delayed discharges attributable to social care has increased from 14% in 2014/15 to 17% from April to June 2015.
4. The number of older adults admitted permanently to residential and nursing care is ahead of target, with 83 placements fewer than the target.

#### **Performance Matrix: Pay for Performance (local) commentary**

- a. In relation to the ten measures agreed with the CCGs, five are ahead of target and five are below the target.
- b. Each of the ten measures has an allocation of £100,000 and stretch targets have been agreed with the CCGs, and financial penalties are incurred on a sliding scale depending on the deviation from the target. At the end of the first quarter of monitoring, overall performance translates to an estimated protection of £520,000 out of £1m.
- c. For the measures below the target, the issues relate to the reablement and home support market, which are both going through transitional phases following recent commissioning activity to award contracts to new providers. The current pressures should lessen as the year progresses, and towards the end of the year, capacity should be fully utilised with good outcomes experienced by all. Just to give some reassurance, there is still time and work already in play that will ensure that more of the £1m will be secured by the end of the year.

It is not possible to draw any positive conclusions about the effect of service developments in LHAC and the BCF projects that generated the results. Continued effort is being made to more clearly attribute improvement.

## **2. Conclusion**

The BCF represents a major experiment across the health and social care community in developing a shared agenda, integration at a greater level than seen hitherto and, is a reflection of national policy. The second quarter's results for the calendar year 2015 have not mirrored the first quarter's successes, most notably in the single pay for performance element. The Joint Commissioning Board will be working hard to find solutions to address areas of underperformance.

Further reports will be presented to the Health and Wellbeing Board at its next formal meeting when the next (3<sup>rd</sup>) quarter performance can be considered.

### **3. Consultation**

N/A

### **4. Appendices**

These are listed below and attached at the back of the report	
Appendix A	Better Care Fund Performance Report – April to June 2015
Appendix B	Better Care Fund Submission Template – August 2015

### **5. Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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