Lincolnshire COUNTY COUNCIL
Working for a better future

LINCOLNSHIRE HEALTH AND WELLBEING BOARD

Open Report on behalf of Glen Garrod, Executive Director of Adult Social Services on behalf of the BCF Task Group and the Joint Commissioning Board

Report to	**Lincolnshire Health and Wellbeing Board**
Date:	**22 March 2016**
Subject:	**The Lincolnshire Better Care Fund (BCF) Submission 2016/17**

Summary:

Members will note that the BCF for 2015/16 reached a total pooled fund of £197.3m (national allocation £53.4m), which made Lincolnshire one of only 6 local health and social care systems in the country in achieving such a high level of 'integration'. Additionally, the BCF level of protection in 2015/16 for adult social care provided £20m, significantly above the £15.4m required.

The Chancellors Comprehensive Spending Review announcements in November 2015 described the future of the BCF and extended the BCF from a one year programme to one that would last for the duration of the parliament – up to 2020. The BCF was also linked to 'Integration Plans' for the first time. Integration Plans are required for all local systems by March 2017. If an integration plan is agreed then a BCF plan will not be needed and, the substantial growth in the BCF from 2017 to 2020 by a further £1.5bn will be allocated through upper tier-authorities. So, failure to produce an integration plan runs the risk of a significant financial penalty.

Non-elective admissions (NEA) were a priority for 2015/16 against which a pay for performance element was required. For 2016/17 both NEAs and delayed transfers of care (DTOC) are now a priority. This is primarily because both nationally and locally NEA and DTOC have increased and is now an additional financial pressure on NHS partners. Whilst no pay for performance element exists in the new BCF guidance it is nonetheless considered necessary to hold some contingency should anticipated performance improvement not be achieved.

Actions Required:

1. Note the changes to the BCF national guidance and content for BCF submissions 2016/17;
2. Support the creation of a contingency sum of £3m as part of the pooled fund arrangements to help manage NEA and DTOC;
3. Support a 'level of protection' for Adult Social Services for 2016/17 of £16.825m;
4. Note the priority attached to delivering improved NEA and DTOC in 2016/17; Health and Wellbeing Board identifies a suitable forum for regular oversight of the performance against these two activities;
5. Support the proposal that allocation for DFGs for 2016/17 should reflect the allocation in 2015/16 ie. no growth;
6. support the use of part of the DFG element of the BCF to support the development of a Preventative Housing Strategy;
7. support a one-off investment from part of the DFG element of the BCF in the MOSAIC ICT platform to ensure the Council's contribution towards meeting the National Conditions for both the BCF and integration are met;
8. Support the provision from part of the DFG element of the BCF of a `one-off' contribution to the contingency sum indicated in paragraph 2 above.
9. Agree to update 3 Section 75s agreements (that will otherwise end) to support the continuation of the BCF into 2016/17: namely the 'Partnership Framework Agreement', 'Proactive Care' and 'Corporate'.
10. Agree to delegate to the Chair of the Health and Wellbeing Board any final decisions related to the BCF submission for 2016/17 that may be required in advance of a formal meeting of the Board subject to any such request having been previously agreed by the 5 formal partners (4 CCGs, Lincolnshire County Council) to the submission.

1. Background

By way of a recap the 2015/16 BCF included the following elements:

- £54.3m national allocation
- £20m 'protection for adult social services' (national minimum £15.4m)
- £2.97m Disabled Facilities Grant – pass-ported to District/City Councils
- £197.3m total pooled amount
- A Partnership Framework Agreement covering 5 Section 75 agreements and 2 'aligned budgets' (See Appendix A)
- A pay for performance requirement against an NEA target of a 3.5% reduction during the calendar year 2015 spread over 4 quarters
- A £1m risk against 10 areas of performance in adult care – as part of the £20m above.

- A contingency to help manage risk, of which £3.75m underwrites failure to deliver the NEA targets

The BCF Guidance 2016/17

With the Chancellors announcement in November 2015 the BCF became a longer term national programme leading to anticipated integration between health and social care by 2020 (Nb. integration plans by March 2017). Guidance and planning templates to support BCF submissions for 2016/17 were due to be published prior to Christmas 2015. However, they were not produced until February 23. The guidance is attached as Appendix B.

In summary the guidance identifies a number of requirements but does not include a pay for performance element – this has been removed. A number of requirements relate to continuing to protect adult social care, securing services for carers and those needing advocacy (notably mental health advocacy), re-ablement services and ongoing support for the Care Act are also referred to. There is also guidance (and subsequent clarifications published by the LGA) related to DFG allocations which grew substantially between 2015/16 and 2016/17.

Additionally, and perhaps most significantly the guidance provides a high profile to Non-Elective Admissions and Delayed Transfer of Care (DTOC). This is primarily due to the fact that nationally, and locally non-elective admissions have not reduced to meet the target set in 2015 and, delayed transfers of care have been growing both locally and nationally. Twice in the guidance the phrase 'can't count the money twice' is used and reinforces the need for NHS colleagues to ensure that if NEA and DTOC performance does not improve then there is sufficient funding to cover the increased costs that arise in consequence. As such the guidance in effect creates a need for a risk share/ contingency which, in Lincolnshire is considered to need to be £3.0m. Agreement has been reached between officers of the County Council and CCGs as to how this can be constructed and Appendix C (to follow) contains a draft revised Schedule 3 to the Partnership 'Framework Agreement' detailing the agreement reached.

CCGs have already identified a target in their Operating Plans for NEAs in 2016/17 of a 2% reduction. The System Resilience Group under the Chairmanship of Gary James, Chief Officer Lincolnshire East CCG is working on a recommended performance requirement for DTOCs. These two areas of performance will become a very high priority for the Joint Commissioning Board in the coming 12 months.

Whilst this paper concentrates upon the performance and financial elements related to the BCF the outcomes for individual patients is an important component to bear in mind. Inappropriate or unnecessary A&E attendances, delayed transfers from hospital are all typically bad for those people affected in terms of clinical outcomes and potential for regaining independence.

Protecting Adult Social Services

In 2015/16 the minimum national requirement for protecting adult social services in Lincolnshire equated to £15.4m. At the time NHS colleagues were able to offer a higher level of protection and agreed to do so and in 2015/16 the level of protection equalled £20m which, nationally was considered 'a very good settlement'.

However, during 2015/16 NHS financial pressures have grown and in Lincolnshire have created a particularly fragile NHS community. At the same time NEA and DTOC figures have deteriorated which represents a further financial risk to the NHS locally.

Additionally, during Autumn/Winter 2015 all schemes funded by the BCF were reviewed against a national template. This review enabled a number of schemes to be tested for effect and, those that represented 'programme costs' to be reviewed and scaled back. The consequence of these reviews overseen by the Joint Commissioning Board was to reduce the ongoing financial cost within the BCF. As such the level of 'protection' required also diminished, at the same time the County Council agreed to support adult care with additional funding.

The net effect of all the above has meant that the level of protection afforded by the BCF reduces to a figure of £16.825m.

Disabled Facilities Grant Funding

In addition and as part of the BCF planning process for 2016/17 more attention has been given to DFGs than was the case in 2015/16. It had been assumed that capital allocations would be very similar to 2015/16 when there was £2.97m available for DFGs and £1.9m for Adult Care as a capital sum to support Care Act implementation. The details for 2016/17 that were issued week commencing 8 February provided a surprise, with the entire capital allocation seemingly being made available for DFGs. The figures, publically available on the DCLG website for Lincolnshire show DFGs of £4.884m (not £2.97m) as follows:-

District Council	**2016/17**
	£000
Boston	446
East Lindsey	1,459
Lincoln	586
North Kesteven	627
South Holland	540
South Kesteven	671
West Lindsey	555
Total	4,884

The apparent growth in DFG funding comes at the expense of Care Act monies and Adult Care capital funding. The LGA feedback to DoH is that communication on the DFG/Capital changes has been poor. The National BCF Programme Team response has been that it will be down to local areas to agree how to commit this resource and it does not have to be exclusively on DFGs, it could be other capital that supports health and wellbeing in the local place. Subsequent 'clarifications' posted by the LGA have confirmed this extra flexibility.

Earlier conversations about the recommended approach with the seven District/City Councils took place prior to this additional information concerning DFG 'growth'. The subsequent national guidance makes it clear that *"…the DFG will be allocated through the BCF …..to take a joined-up approach to improving outcomes across health, social care and housing".*

Meetings with District/City senior officers and Chief Executives (see Appendix D) have indicated a level of support for an approach as follows:

i) the allocation for DFGs for 2016/17 should reflect the allocation in 2015/16 ie. no growth and,
ii) To facilitate the development of a Preventative Housing Strategy
iii) To support a one-off investment in the MOSAIC ICT platform to ensure the Council's contribution towards meeting the National Conditions for both the BCF and integration are met.
iv) Provide a `one-off' contribution to the contingency sum indicated above.

The Chancellor announced year on year growth to DFGs until the end of the decade. It is estimated that by 2020 the value of DFGs in Lincolnshire funded via the BCF could approximate £7m per annum. As such a more strategic approach to meeting future need for suitable housing recommends itself. All of the above proposals commit DFG allocations for 2016/17 only and as such presents a level of motivation for all partners in working towards a preventative housing strategy that can be in place for 2017/18.

The Assurance Process

This is one further area in which the BCF for 2016/17 differs to that in 2015/16. Where previously the assurance process was managed nationally, for 2016/17 Regional Panels will provide the necessary assurance that BCF submissions meet national requirements and are fit for purpose.

The Regional Panels are constituted of 3 people for each of the nine regions. They are the relevant NHS England Director of Commissioning Operations, the Regional LGA Chief Executive lead for health and care and the Regional ADASS Chair.

Regional panels will 'assure' local plan submissions twice. The first level of assurance concerns the metrics and financial details in a standardised 'Planning Template'. This occurred on 3 March for the East Midlands. The next level is scheduled for 23 March when a further iteration of the Planning Template is provided with a 'Narrative Plan' (to follow) which should be a much shorter and updated edition of that which was provided for the BCF submissions in 2015/16.

Should plans be considered 'high risk' national resources will be called upon to work with local systems that are struggling to meet the requirements.

The Timeline

This has changed repeatedly as delays to the guidance were repeated. As Members will note, they are very, very short timescales. (See Appendix E for details).

Contractual Arrangements

Of the 5 Section 75s detailed in Appendix A the following were one year arrangements and expire on 31 March 2016:-

- Partnership Framework Agreement
- Proactive Care Section 75 Agreement

- Corporate Section 75 Agreement

Although the Partnership Framework Agreement can be extended by notice given prior to 31 March 2016, the delay in receipt of the BCF Guidance and the fact that the final submission is yet to be made means that a new Partnership Framework Agreement will be needed.

Something therefore needs to be done with these Agreements as part of the 2016/17 BCF submission. The rest continue in force in accordance with their terms and do not require action as part of the BCF although they are subject to their own ongoing change control processes.

It is not considered that these Agreements need to be in place prior to the BCF submission being finalised and there is good reason why they would follow on from the BCF submission. As this is not yet finalised it is not possible to report on the final form of these Agreements. This will become clearer as the submission is worked on and it is intended to seek approval for these documents in a near final form at CCG Boards in late March and the Council's Executive on 5 April 2016. None of the Agreements is considered to require extensive revision and the most important changes are referred to below.

The Partnership Framework Agreement contains the general terms governing the relationship between the parties in terms of identifying opportunities for and managing the risks of entering into partnership arrangements. The main provision in the Agreement is Schedule 3 containing the risk sharing arrangements and a draft of a revised version of that Schedule is attached at Appendix C (to follow) as referred to earlier in this Report.

The Corporate section 75 created a pooled contingency fund drawn from monies set aside and underspends on a number of the section 75 Agreements. This pooled fund will be needed again in 2016/17 but it will reflect the revised risk sharing arrangements. In particular in 2016/17 underspends will not be put in a corporate contingency fund but managed within the relevant section 75 Agreement. In 2015/16 the Corporate Section 75 also contained monies for LHAC programmes.

The Proactive Care Section 75 Agreement will be amended to reflect the outcome of the review of programmes and to amend the financial provisions.

2. Conclusion

The Better Care Fund is now an established national programme for the country intended to run at least until 2020. The BCF is increasingly being used to further integration ambitions with a requirement to have an agreed integration plan by March 2017 and delivery by 2020. Success on this journey will secure improved outcomes and remove the requirement to produce a BCF for 2017/18 and facilitate the allocation of additional sums between 2017 and 2020.

In developing the BCF submission for 2016/17 the timeline has become condensed to a matter of weeks due to the delay in producing the national guidance. Negotiations are still underway framed by an increasingly difficult financial environment for both the Council and NHS colleagues.

3. Consultation

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Pooled Funding Arrangements
Appendix B	BCF National Guidance 2016/17
Appendix C	Draft Schedule 3 to the Partnership Framework Agreement (to follow)
Appendix D	Letter to District/City CEOs
Appendix E	BCF Regional Assurance Process

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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