

## LINCOLNSHIRE HEALTH AND WELLBEING BOARD

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

Report to	<b>Lincolnshire Health and Wellbeing Board</b>
Date:	<b>27 September 2016</b>
Subject:	<b>The Lincolnshire Better Care Fund (BCF) 2016/17</b>

### **Summary:**

This report provides the Health and Wellbeing Board with an update on Lincolnshire's Better Care Fund (BCF) 2016/17.

### **Actions:**

The Board is asked to consider and comment on the information contained in this report.

### **Background**

The Lincolnshire Better Care Fund totals £193.8m in 2016/17 of which £53.8m is the national allocation. The remaining sums are pooled budgets into the fund from Lincolnshire County Council and the four Lincolnshire CCG's, plus 'aligned' Mental Health funds from the same organisations. For 2016/17 both Non Elective Admissions (NEA) and delayed transfers of care (DTC) are a priority primarily because both nationally and locally NEA and DTC have increased and are causing additional financial pressures particularly to NHS partners.

Nationally, approval to BCF Plans has been a time consuming task, although it is pleasing to report that the Lincolnshire Plan was approved by the prescribed deadline on 5 July 2016 (Appendix A). The key difficulty many areas have experienced is providing assurance around the Protection of Adult Services. This was not an issue for the Lincolnshire bid. The Lincolnshire Plan was discussed at the 22 March 2016 meeting of the Board and subsequently approved by the Chair of the Board under delegated powers.

### **Performance**

A performance report is attached as Appendix B. On the key national performance targets there is still a need for improvement, with the key targets showing:-

- Non-elective admissions – officially recorded as 'showing improvement but not achieved'.
- Permanent admissions to residential and nursing care – not achieved

- Delayed Transfers of Care – not achieved

A more detailed analysis identifies that in 2016/17 Quarter 1 there have been some promising signs of improvement, although more time is needed to determine if the funded BCF's schemes and other investments are proving fruitful.

Nationally there has been an upward trend in the number of patients unnecessarily delayed in hospital and the same with the associated days. In Lincolnshire patient flow appeared to be recovering slightly in April, but by the end of the first quarter delayed days were 1% higher than the target. In the first quarter, the NHS are responsible for 67% of total delayed days, Social Care for 24%, and the remaining 9% of delayed days are down to both the NHS and Social Care. The most common delay reasons are waiting for care packages in a care home, in the community and waiting for further non-acute care. Previously, awaiting an assessment was a common reason but this has reduced by half since the last quarter of 2015/16. Historically, acute care constituted two thirds of delays, but more recently non-acute delays have been on the increase, to the point where they are approaching half of total delays. A £3.6m Risk Contingency has been established to address the financial impact of not achieving the NEA target and at the September meeting of the JCB, initial consideration will be given to any application of the contingency.

There have been 260 Residential and nursing home placements in the first quarter against a target of 246 placements. There clearly are pressures in this area but it is still hoped that the annual target of 982 placements can be achieved.

Performance is reported on a monthly basis to the Joint Commissioning Board and on a regular basis to the appropriate Delivery Board, with the A&E Delivery Board (previously the System Resilience Group) and ProActive Care Board in particular, receiving regular updates on the key performance indicators.

The quarterly 2016 BCF data collection national template was submitted to NHS England earlier this month. In addition to the weaknesses in performance detailed above other areas where full compliance is unclear includes:-

- Agreement for the delivery of 7-day services across health and social care to prevent unnecessary non-elective admissions to acute settings and to facilitate transfer to alternative care settings when clinically appropriate
- Are support services, both in the hospital and in primary, community and mental health settings available seven days a week to ensure that the next steps in the patient's care pathway, as determined by the daily consultant-led review, can be taken (Standard 9)?
- Is there a Digital Integrated Care Record pilot currently underway in your Health and Wellbeing Board area?
- Are integrated care teams (any team comprising both health and social care staff) in place and operating in the **non-acute** setting?
- Are integrated care teams (any team comprising both health and social care staff) in place and operating in the **acute** setting?

## Finance

One of the main recommendations from a recent CCG internal audit of the BCF was for improved reporting of BCF finances and performance to the CCG Governing Boards. Accordingly the finance officers from the 5 co-signatories to the BCF now meet regularly to discuss and review BCF and related S75 financial and performance issues. The group

met in August and will continue on a monthly basis. It will assist with the review of BCF expenditure and also the reporting of such expenditure to the respective Governing Bodies.

A new finance template has been agreed as the reporting tool on BCF investment. This template will be used to report expenditure to the JCB, to the respective Delivery Boards and onwards to individual CCG Boards.

### **Section 75s**

Three of the S75 agreements agreed in 2015/16 were one year arrangements and so expired on 31 March 2016. These were:-

- Partnership Framework Agreement
- Proactive Care Section 75 Agreement
- Corporate Section 75 Agreement.

All have been refreshed for 2016/17 and signed-off by JCB at its meeting in time for the due date of 30 June 2016. None of the agreements were considered to require extensive revision and the most important changes are referred to below.

The **Proactive Care Section 75 Agreement** was considered at the Proactive Care Board on 14 May 2016. A small group of Board members had volunteered to work with David Coleman from Legal Services to review and refresh the Section 75 in advance of the meeting. The key issues for review within this agreement were:-

- Confirmation of the main BCF national targets around NEA and DTOC The DFG funding arrangements to be in place for 2016/17
- Impact of non-achievement of the NEA and the need to establish a Risk Contingency

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 terms of the Partnership Framework Agreement for 2015/16 were reproduced in the new Agreement for 2016/17. The main substantive provision is the risk sharing arrangements and this was amended to reflect the different risks in 2016/17.

The **Corporate Section 75** creates a pooled contingency fund drawn from monies set aside and underspends on a number of the Section 75 Agreements. In 2015/16 the Corporate Section 75 also contained monies for LHAC programmes and this continues to be the case, although the amount of that funding will be reduced and comprises the underspend on the 2015/16 allocation.

The remaining S75s e.g. ICES, Specialist Services and CAMHS S75s, continue in force in accordance with their terms although they are subject to their own ongoing change control processes. In addition the JCB as part of its overall BCF governance arrangements has asked for an update report on each of these S75s this calendar year. The ICES S75 was reviewed at the JCB in August and Specialist Services and CAMHS are due to be reviewed at the November and December meetings respectively.

### **Risk Registers**

There are a variety of Risk Registers covering the BCF arrangements. The format of these was reviewed at the July 2016 JCB with a recommendation that each register should:-

- focus on high level and key risks
- Better describe the mitigations in place and proposed, against each risk identified
- Show a 'post-mitigation score for each risk

The registers are to be reviewed at the respective Delivery Board on at least a quarterly basis and also presented quarterly to the JCB

### **Disabled Facilities Grants and Housing for Independence**

Lincolnshire received £4.884m BCF capital funding in 2016/17. £2.97m of this has been distributed to the District Council's in accordance with the approved BCF Plan. The remaining sum has been allocated to Mosaic development (£1m), the Risk Contingency (£0.6m), with the remaining £314k to the Housing for Independence project.

The various DCLG regulations on the use of DFG funding for 2016/17 is open to interpretation, and we are currently in discussion with one District Council about the funding provided in 2016/17. Essentially the district is unhappy with its allocation and is challenging the interpretation of the guidance. The outcome to those discussions may result in a need to come back to the funding partners for a further decision.

There are ongoing discussions between commissioners and the District Councils about the Housing for Independence Project. Initial scoping of the work includes:

- Understanding the unmet and forthcoming need for housing for independence
- Develop a new model for providing housing adaptations across the health, social care and housing system that links into potential changes to therapy services.
- Potential to incorporate housing need into assessment of health and social care need, developing new pathways for defined groups and areas that are not based on adaptation alone.
- Explore partnership with the private sector as well as with the social sector.
- Agree the estate that is required and work collaboratively to deliver it, probably gathering evidence of need for this as other work streams progress.
- Improve knowledge of different parts of the system in all practitioners and improve collaboration.

The project can deliver a range of positive housing and non-housing related outcomes, with key benefits for service users and the commissioners of both health and social care services.

As was announced in the Comprehensive Spending Review in November 2015 it is expected that additional capital funding will be made available by the Government in future years, with a year on year expansion to around £7m per annum by 2019/20.

### **Protection for Adult Care Services (PACS)**

Nationally significant debate and discussion has taken place over the summer about the money allocated to for the 'Protection for Adult Care Services (PACS)'. Narrative Plans have **not** been given national approval unless they included a minimum 1.5% uplift to the

minimum figure for PACS nationally identified for 2015/16. In Lincolnshire the submitted BCF Narrative Plan showed a sum of £16.825m available in 2016/17, some £1.15m above the nationally prescribed minimum. This helped Lincolnshire's Narrative Plan to be one of the earlier plans approved. In addition to the £16.825m, an extra £300k has been made available for PACS from underspends in 2015/16.

The schemes within PACS are subject to the same scrutiny and review as all other BCF schemes.

### **Risk Contingency**

The Risk Contingency has been established at £3.6m for 2016/17. This sum is built from:-

- The remaining contingency at 31 March 2016
- Underspending of the BCF in 2015/16, particularly the Learning Disability S75
- An element of the DFG funding

The contingency is due to be reviewed at the JCB (earlier in the day than this meeting) on 27 September 2016. The key discussions will focus on:-

- Due to any under-performance against the NEA target is there a requirement to release funding into the health community to compensate for the resulting additional costs incurred
- Is there any overspending (or under-spending) on BCF schemes and how should any such overspending (or under-spending) be addressed
- Should any of the remaining Risk Contingency be utilised against any new requirements identified since April 2016

### **Programme of Reviews for the remainder of 2016/17**

Key areas for review in the latter half of 2016/17 include:-

- Quarterly review at the JCB of the Risk Contingency, key performance targets and financial monitoring
- Performance and financial monitoring at the Delivery Boards
- Submission to National BCF Team of quarterly BCF returns
- Review of DFG investments and the delivery of outcomes by the District Councils
- Progress on the development of the Housing for Independence project

### **Planning for 2017/18**

There are early indications that the BCF will continue into 2017/18 and possibly beyond. Earlier assumptions that Integration Plans may replace the BCF by March 2017 appear to be not sufficiently advanced to fully replace the BCF at a national level for the coming financial year.

It appears that the Department of Health (DH) would prefer to link BCF planning with their own overall health planning cycle for 2017/18 and that they wish this to be undertaken earlier in the annual round than in recent years.. There could be an announcement on this by the DoH during September, and if so the Board will be advised verbally at the meeting.

Current thinking is that we may be required to submit draft BCF plans for 2017/18 and possibly 2018/19 (a 2 year cycle)) by December with final plans to be approved by February 2017. To produce the planning documents within this timeframe will mean bringing forward a number of activities e.g. review of 2016/17 investments and which schemes to fund in 2017/18, discussions on the BCF and Housing for Independence, the sum for the Protection of Adult Care Services, Risk Contingency considerations and any

P4P requirements, etc.

**Overview and going forward** Gaining early national approval to Lincolnshire's BCF Plan has been helpful both locally and nationally. It demonstrates the success of collaborative working between health and social care commissioners, and that the plans are recognised as 'fit for purpose'.

Performance delivery against key national targets has in the first quarter not been as strong as would have been hoped. This applies to each of the three key targets around NEA, DTOC and residential admissions. In each of these areas there is some ground for optimism, but until improved performance is consistently delivered there will be ongoing concerns and additional expenditure being incurred.

Assuming the BCF continues into 2017/18, there will be additional work required in the coming months and this will need to commence very soon. Key tasks are likely to include:-

- Ensuring adequate and effective conversations take place between commissioners, providers, District Councils and other interested parties
- Developing a refreshed BCF Narrative Plan
- Establishing targets for key national and local objectives in 2017/18
- Reviewing 2016/17 investment plans to determine which revenue schemes to continue with into the 2017/18 financial year
- Agreeing the funding for 'the Protection of Adult Care Services'
- Determining whether a Risk Contingency is required in 2017/18 and where the funding to build the reserve is to come from
- Resolving funding issues specifically on DFG investments and the Housing for Independence project

## Appendices

These are listed below and attached at the back of the report
Appendix A - NHS England approval letter 5 <sup>th</sup> July 2016
Appendix B – BCF first quarterly performance report

This report was written by David Laws, BCF and Financial Special Projects Manager, who can be contacted on 01522 554091 or david.laws@lincolnshire.gov.uk

## Appendix A

NHS England  
Skipton House  
80 London Road  
London,  
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E-mail: Andrew.ridley1@nhs.net

To: *(by email)*

Councillor Sue Woolley, Chair of Lincolnshire  
Health & Wellbeing Board  
Tony McArdle, Chief Executive, Lincolnshire  
County Council  
Glen Garrod, Director of Adult Social Services,  
Lincolnshire Council  
Gary James, Accountable Officer, East  
Lincolnshire Clinical Commissioning Group  
Sunil Hindocha, Accountable Officer, West  
Lincolnshire Clinical Commissioning Group  
Allan Kitt, Accountable Officer, South West  
Lincolnshire Clinical Commissioning Group

5 July 2016

Dear colleagues

### **BETTER CARE FUND 2016-17**

Thank you for submitting your Better Care Fund (BCF) plan for regional assurance. We know that the BCF has again presented challenges in preparing plans at pace and we are grateful for your commitment in providing your agreed plan. As you will be aware the Spending Review in November 2015, reaffirmed the Government's commitment to the integration of health and social care and the continuation of the BCF itself.

I am delighted to let you know that, following the regional assurance process, your plan has been classified as '**Approved**'. Essentially, your plan meets all requirements and the focus should now be on delivery.

Your BCF funding can therefore now be released subject to the funding being used in accordance with your final approved plan, which has demonstrated compliance with the conditions set out in the BCF policy framework for 2016-17 and the BCF planning guidance for 2016-17, and which include the funding being transferred into pooled funds under a section 75 agreement.

These conditions have been imposed through NHS England's powers under sections 223G and 223GA of the NHS Act 2006 (as amended by the Care Act 2014). These sections allow NHS England to make payment of the BCF funding subject to conditions. If the conditions are not complied with, NHS England is able to withhold or recover funding, or direct the CCGs in your Health and Wellbeing Board area as to the use of the funding.

You should now progress with your plans for implementation. Ongoing support and oversight with your BCF plan will be led by your local Better Care Manager.

Once again, thank you for your work and best wishes with implementation and delivery.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A Ridley', with a long, sweeping tail that loops back under the name.

Andrew Ridley  
Regional Director, South of England, and SRO for the Better Care Fund

**NHS England**

Copy (by email) to:

Trish Thompson, Director Operations and Delivery,  
NHS England – Midlands & East  
Anthony Kealy, Programme Director, Better Care Support Team