

LINCOLNSHIRE HEALTH & WELLBEING BOARD

Open Report on behalf of Glen Garrod, Executive Director of Adult Care and Community Wellbeing

Report to	Lincolnshire Health and Wellbeing Board
Date:	11 December 2018
Subject:	Better Care Fund Scheme Review

Summary:

This report provides the Lincolnshire Health and Wellbeing Board (HWB) with an update on Lincolnshire's BCF plan for 2018/19 including proposed revisions to allocations made in the original plan and a description of the next steps required in implementing those changes.

The plans were originally presented to the Joint Executive Team earlier in the summer with approval of the plan given by relevant senior officer of the Lincolnshire CCG's in November.

Actions Required:

That the Board review the proposed changes and provide a recommendation for the changes to be approved at the next available Health and Wellbeing Board

1. Background

The original planning template describing the Lincolnshire Better Care Fund (BCF) plan totals for 2017-2019 was submitted in September 2017 and approved without any conditions to the original plan on 31st October 2017.

The total value of the BCF within the original plan was £226m for 2017/18 and £235m for 2018/19. Those values were revised prior to the end of the 2017/18 financial year with the BCF totalling £222m and £230m respectively.

An updated BCF operating guidance was published on 18th July 2018 which set out:

- An updated accountability structure and funding flow diagrams reflecting recent changes to relevant government departments

- Funding conditions which have now reduced from eight to four
- Refreshed Metric Plans for 2018-19
- Confirmation of the combined quarterly reporting process for BCF and IBCF funds
- Updated support, intervention and escalation processes.

The guidance also allowed systems to review existing plans in the second year of the two year agreement, giving systems the opportunity to make changes where necessary.

Lincolnshire County Council (LCC) and the Lincolnshire CCG's took this opportunity to review the Lincolnshire BCF plans existing plans for 2018/19 and make amendments to reflect any further clarification received along with any changes in local priorities and investment strategies.

The proposed changes are highlighted in Appendix A which provides an analysis of:

- The existing plan for the period 2017-2020
- A revised plan for the period 2018-2020
- A summary of the funding allocated against the three national priorities for the Improved Better Care Fund (iBCF), those being
 - a) Meeting Adult Social Care Need
 - b) Reducing Pressures on the NHS
 - c) Stabilising the Social Care Market

Whilst the existing BCF Plan is due to expire on 31st March 2019, it is anticipated that future planning guidance for BCF plans for 2019/20 will be broadly similar to existing plans and colleagues from the regional BCF support team have suggested that 2018/19 BCF plans will simply be allowed to roll over into 2019/20. That being the case appendix A also includes projected allocations for 2019/20 on the basis that Lincolnshire's existing plans and priorities will remain unchanged.

2. Revised BCF Analysis

The main purpose for the revision of 2018/19 plan is to reflect any further national clarification received and changes in local priorities and investment strategies. In addition to this the revision affords us with the opportunity to review the existing plan, reduce the number of schemes by consolidation and adjust the value of some of the schemes to reflect the actual cost incurred in prior years where this varies from the original plan.

The details below are organised in order of the differing funding streams that have been allocated to the BCF over recent years, these being:

- Mandated CCG BCF Contribution for the Protection of Adult Care Services (BCF)
- Improved Better Care Fund (iBCF)
- Supplementary Improved Better Care Fund (Supplementary iBCF)
- CCG/LCC Allocations prior to BCF

The changes describe below should be read alongside Appendix A.

Changes to the Mandated CCG BCF Contribution

The original plan assumed inflationary changes between years 2017/18, 2018/19 and 2019/20 were 1.8% and 1.7% respectively. Inflationary increases for 2018/19 were published in July 2017 confirming an increase of 1.9%. This has now been reflected in the revised 2018/19 plan with the same percentage (1.9%) also applied in 2019/20 estimates. This has the effect of increasing the official minimum contribution towards the protection of Adult Care that CCGs have to contribute and is illustrated below.

	Original		Revised	
2017/18	2018/19	2019/20	2018/19	2019/20
£ 17,130,000	£ 17,438,340	£ 17,734,792	£ 17,455,470	£ 17,787,125

However it should be noted that the net contribution to the Council for the Protection of Adult Care was reduced from £17.130m to £15.900m to reflect the additional funding received from CCGs for Learning Disability Services at the time. This was reflected in a separate S76 agreement between CCG's and LCC for the difference to be passed back to CCG's.

It is anticipated that this arrangement will continue over the next two years; however projected totals will need to be amended to reflect the change in inflation, although the changes described below are not material.

POAC	2017/18	Original		Revised	
		2018/19	2019/20	2018/19	2019/20
BCF POAC	£ 17,130,000	£ 17,438,340	£ 17,734,792	£ 17,455,470	£ 17,787,125
CCG POAC	£ 15,900,000	£ 16,186,200	£ 16,461,365	£ 16,202,100	£ 16,509,940
S76 Value	£ 1,230,000	£ 1,252,140	£ 1,273,427	£ 1,253,370	£ 1,277,185

In addition the total values of other schemes which are funded via this route will also change to reflect the change in inflation; these being:

- Reablement
- Community Integrated Reablement Service and Agency Staffing
- 7 Day Working

Protection of Adult Care BCF – Provider of Last Resort/Care Act

It is proposed that allocations originally earmarked for Care Act and Provider of Last resort be used to fund the increases in residential costs following rate negotiations. This has the effect of ensuring the Council meets its on-going Care Act obligation of Market Shaping by promoting quality services, including through workforce development and remuneration and ensuring appropriately resourced care and support. The scheme will also be renamed "Residential Market Rates".

Protection of Adult Care BCF – Adult Frailty Demographic Growth

Totals have changed to reflect the additional inflation and the scheme will be renamed "AF<C Historic Demographic Growth" reflecting that the original investment has been incorporated into the Council's base budget.

Protection of Adult Care BCF – Specialist Adults Demographic Growth/Pooled Fund Section 75

These schemes have been consolidated as they fund the same S75 agreement for Learning Disabilities. Totals have also changed to reflect the additional inflation. The scheme will be renamed "LD S75 Historic Pooled Fund Investment" again reflecting that the original investment has been incorporated into the Council's base budget.

Protection of Adult Care BCF – Mental Illness Prevention Fund

Historically this scheme was entirely funded via Protection of Adult Care funding (POAC), with the amounts split between POAC and iBCF in 2017/18. It is proposed that the scheme is funded via iBCF in its entirety for 2018/19 and 2019/20.

Changes to iBCF and Supplementary iBCF

Total funding for both tranches of income are illustrated below

	2017/18	2018/19	2019/20
iBCF	£ 2,105,730	£ 14,249,038	£ 25,770,902
Supplementary iBCF Funding	£ 15,265,596	£ 9,608,578	£ 4,110,611
Total	£ 17,371,326	£ 23,857,616	£ 29,881,513

For the purposes of the original plan schemes were allocated to specific funding tranches over the three year cycle, however it was recognised that as one funding source reduces over time and another increases this becomes problematic. As a result it is proposed that for the purposes of planning and reporting the funding is consolidated and schemes are amended to reflect this consolidation. This has the effect of significantly reducing the number schemes funded by both income streams over the three years from 42 to 22.

iBCF – AFLTC Inflation & NLW/Demographic Growth

These schemes have been consolidated as they fund the same area of service with the scheme renamed "AFLTC Inflation & Demographic Growth". There have been no changes in the value of both schemes combined for 2018/19; however the combined 2018/19 value has been reduced from £11.241m to £11.106m to ensure that the total BCF requirement is in line with total 19/20 BCF allocation.

iBCF – Market Stabilisation Homecare/Residential Care/Direct Payments

Market Stabilisation funds for Homecare, Residential and DP (AFLTC) have been consolidated with the level of funding for homecare and residential care being maintained at 2017/18 levels as there is no inflationary impact. A proportion of the allocation for Direct Payments has been split between homecare and residential care as there has been no impact in this area. The scheme will be renamed "Market Stabilisation"

iBCF – Staffing

The allocation for additional front line staff has been reduced to £1.300m from £1.500m following discussion with Assistant Director for Adult Frailties and Long Term Conditions to better reflect the likely outcome of the ongoing recruitment process. This then reduces to £1m in 2019/20.

iBCF – SAS Inflation & NLW/Demographic Growth

These schemes have been consolidated as they fund the same area of service with the scheme renamed "SAS Inflation & Demographic Growth". There have been no changes in the value of both schemes combined for 2018/19 or 2019/20.

iBCF – SAS Market Stabilisation Direct Payments

The Market Stabilisation fund for Learning Disability Direct Payment has been redirected to cover additional costs to cover CCG Continuing Healthcare Cost up to a maximum of £0.700m as requested by the Executive Director of Adult Care and Community Wellbeing. The scheme has been renamed "CCG CHC Pressures"

iBCF – Nursing Associates

Funding for this scheme has been extended for 2018/19 only.

iBCF - Programme Support Costs

Support costs are better aligned to reflect the actual cost incurred of managing the Better Care Fund in its entirety. Costs are reduced in 2019/20 reflecting the primary use of iBCF as means of funding base costs and Market stabilisation costs.

Changes LCC/CCG Existing Allocations

These relate to schemes and agreements that further enhance integration between LCC & CCGs but were in place prior to the current BCF arrangements but have been included within the original planning template documentation.

These schemes are subject to their own separate governance arrangements however any changes between 2017/18 and 2018/19 are restricted to changes in the level of funding.

Schemes that have seen a change in agreed contributions are as follow:

- Learning Disability Section 75 Agreement
- Mental Health S75 Agreement (LCC/LPFT)
- Mental Health (CCG/LPFT)
- Transitional Beds S75 Agreement (LCC/LCHS)

Financial Impact of Changes

The financial impacts of the changes described are illustrated below:

- An amount of iBCF funding totalling £0.384m has been made available in 2018/19 with a proposal to allocate this funding to CCG's to help meet the increasing cost of Learning Disability Continuing Healthcare cases.
- The value of BCF schemes in 2019/20 is now balanced against the funding used to deliver them; this was previously oversubscribed by £1.000m.
- 2018/19 BCF total has increased to £232.123m (from £229.059m)
- 2019/20 BCF total has increased to £238.917m (from £235.379m)

3. Next Steps

On the assumption that the proposed amendments are accepted by the HWB further work will be required to ensure that changes are properly reflected in the BCF plan.

The first obligation was to confirm the proposed changes to the regional Better Care Support Team (BCST) by 24th August 2018, however recognising that this deadline was unlikely to be met the revised guidance allows for confirmation of the proposed plans to be provided by the deadline and approval by the relevant HWB to be given retrospectively.

Having consulted the BCST on the proposed changes, it was agreed that that confirmation of the changes can be communicated by way of a letter to the BCST with no requirement to resubmit plans. Therefore a letter was issued to BCST confirming the changes ahead of 24th August 2018 deadline (Appendix B). This was confirmed to the HWB in September 2018.

It has also been agreed by the Joint Executive Team that there is no requirement to amend any of the original BCF S75 agreements as they allow for minor changes in the plan, so long as they are communicated to the relevant governing bodies.

4. Conclusion

This report provides the HWB with an update on Lincolnshire's BCF plan for 2018/19. Including proposed revisions to allocations made in the original plan and a description of the next steps required implementing those changes.

An amount of iBCF funding totalling £0.384m is now available in 2018/19 to be allocated to any additional single year schemes.

The value of BCF schemes in 2019/20 is now balanced against the funding used to deliver them; this was previously oversubscribed by £1.000m.

2018/19 BCF total has increased to £232.123m (from £229.059m) and the 2019/20 BCF total has increased to £238.917m (from £235.379m).

The total number of schemes included within the analysis has reduced from 67 to 40. HWB are asked to review the proposed changes and provide a recommendation for the changes to be approved at the next available HWB meeting.

5. Appendices

These are listed below and attached at the back of the report	
Appendix A	Proposed BCF & iBCF Analysis 18-19
Appendix B	Lincolnshire Letter to BCST – August 2018

6. 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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