

LINCOLNSHIRE HEALTH AND WELLBEING BOARD

Open Report on behalf of
Glen Garrod, Director of Adult Care

Report to	Lincolnshire Health and Wellbeing Board
Date:	11 September 2014
Subject:	Better Care Fund Final Re-submission

Summary:

The value of the Better Care Fund (BCF) in Lincolnshire in 2014/15 is £15.4m. In 2015/16 the value of the fund will reach £53.3m. This incorporates an allocation (£2m) to help underwrite the costs of implementing both the Care Act from 2015, and the 'Dilnot Reforms' (how people will be charged for adult social services for which they are eligible). It also includes a capital element (£4.9m) for IT investment (to support Care Act implementation and, Disabled Facilities Grant (DFG) funding to be passported to District/City Councils. The value of the DFG element is £3.1m. It is important to note that the majority of BCF funding in 2015/16 is from existing spend in health and social care and as such is NOT new money.

There is no clarity about the longevity of the BCF and what the financial envelope and expectations will be in 2016/17. The expectation is that following the national elections in May 2015 further guidance will be provided.

As with the previous BCF submission in April 2014 a group of officers including senior representatives from each of the four CCGs and their Chief Finance Officers has been meeting during July, August and September with senior officers in Adult Care, finance and an LHAC representative to produce this revised submission. It is important to note that this version contains gaps which are still in production. Most notably Part 1 Section 5 **Risks and Contingency** and Annex 2 - **Provider Commentary** (ULHT). The remaining document (Part 1, 2 and Scheme Descriptions) is largely complete with some final iteration yet to be provided.

The areas of risk most noteworthy refer to the risk associated with non-achievement of the 'pay-for-performance' metric which is a 3.5% reduction in non-elective admissions during the calendar year 2015 and, the more general financial pressures in both health and social

care systems as far as the funds identified for pooling are concerned. Further explanation of these will be provided at the Health and Wellbeing Board along with how they are beginning to be addressed.

The Executive of Lincolnshire County Council also received and endorsed an earlier version of the attached BCF re-submission on 2 September.

Actions Required:

1. Members are asked to note and comment on the content of the attached BCF final submission: Part 1 and Part 2 (Appendix B).
2. Delegate to the BCF Task Group any final iterations between today's meeting and 19 September 2014.
3. Agree the document as attached for submission on 19 September 2014.

1. Background

The approach taken in Lincolnshire to obtain consensus regarding the use of the Better Care Fund (BCF) in 2015/16 followed a route laid down by Government which was intended to see local submissions signed-off by Ministers in June 2014. The submission document (BCF Part 1 and 2) was approved by the Health and Wellbeing Board on 25 March 2014 (Appendix A) along with the agreed allocations in 2014/15 which were also detailed for the Health and Wellbeing Board on 10 December 2013.

The policy direction nationally for 2015/16 was changed however, in direct consequence of NHS concerns related to the allocation of funding (notably the NHS element of the £3.8bn) and whether this would deliver improvements and efficiencies required, notably in the acute sector. Subsequently, CCGs were contacted direct by NHS England on 4 June requiring them to resubmit their 2 year plans, by 27 June, in light of concerns raised.

This meant that Ministers were not prepared to sign off BCF submissions in June and announcements were made to the effect that new BCF submissions would be required and a new deadline established. Revised guidance was issued on 25 July and the indicative deadline for resubmission of the BCF has been changed several times. On 28 July the Government advised Health and Wellbeing Boards that they were required to re-approve and re-submit BCF documents against a substantially changed BCF template by 19 September. The new deadline is expected to coincide with Ministers' need to sign off agreed submissions by early October 2014.

The new template was finally issued 4 August. This new document which has been further amended (eg to Part 2) shifts the emphasis from pooled budget arrangements towards service developments that will deliver a substantial reduction in emergency (non-elective) admissions at acute hospital sites. The 'pay-for-performance' element which was originally part of the BCF, was withdrawn, and then re-introduced but only in relation to the performance expectations around emergency admissions.

It is worthy of note that both the Local Government Association (LGA) and the Association of Directors of Adult Social Services (ADASS) have voiced their "opposition" regarding the national policy changes to the BCF and, the reorientation of the pay-for-performance element towards emergency admissions and the acute NHS sector.

The performance measure has also changed from 'avoidable' emergency admissions to emergency admissions. This materially increased the challenge for health and social care communities. In addition the new BCF template requires a section to be completed by the Chief Executive (CEO) of the local Acute Trust to say they recognise and agree the expectations and performance targets set out in the BCF submission. In Lincolnshire this presents its own particular set of challenges. Whilst the Acute Trust CEO is required to complete a section of the BCF it is the four CCGs and the County Council that remain the signatories along with the Chair of the Health and Wellbeing Board.

There are considerably greater risks to this revised approach. Not least of these is that failure to achieve the desired performance against emergency admissions (a 3.5% reduction in 2015/16) runs the risk of up to £3.7m (very worst case scenario) of the £48m for Lincolnshire potentially being redirected towards the acute sector. This would reduce the ability of the BCF to support Adult Care, deliver against the requirements of the Care Act and, support (invest) in the shift of care from acute to primary/community as envisaged in Lincolnshire Health and Care (LHAC).

This adds to the existing risks to the BCF on non- delivery of real reductions in the spend on acute hospital care along with further efficiencies from community providers since CCGs require that in order to balance the impact of the BCF that real savings of £9m were generated principally from acute care. This makes real reductions in the spend (at ULHT principally) a requirement as early as 2015/16 if we are to deliver the shared agenda.

Notwithstanding the above as with the previous BCF submission the 'early implementers' are unchanged: Neighbourhood Teams, Intermediate Care, 7 day working and 'Wellbeing'/prevention remain vitally important and form a strong link with the wider LHAC programme. These have been added to so, for example with schemes for Carers and Children with mental health needs so that there are now 7 detailed scheme descriptions in Annex 2 to Part 1. The financial components and their allocation have also not changed as detailed in the original BCF submission in April 2014.

The deadline for BCF submissions is 19 September and, given the timetabling of Health and Wellbeing Board meetings this was the only available option for sign-off if Lincolnshire was to meet the prescribed deadline.

The report has also been presented to the Executive of the County Council on 2 September following receipt of legal advice that this was a necessary precursor to the Health & Wellbeing Board.

2. Conclusion

As was stated in the original BCF submission this final BCF re-submission seeks to represent the combined and shared ambition across the health and social care community in Lincolnshire. The consequence of this BCF is that shared and improved performance, an extensive level of pooled budget and significant service integration will follow commensurate with the intentions of LHAC.

The effect of national policy changes has caused some additional requirements which shift some of the focus of the BCF towards admission avoidance and, commentary on the BCF re-submission by the CEO of the Acute NHS Trust (ULHT). There are additional risks in this approach given the re-introduced pay-for-performance element and, the level of financial risk at two levels:

1. Failure to meet the admission avoidance metric required could mean up to £3.7m of the BCF is removed from existing plans and potentially redirected to acute sector pressures.
2. Failure to meet the £9m savings target which is the gap between the level of pooled budget available and the current spend by the end of 2015/16 will also require consensus on how this specific risk will be managed across health and care organisations.

Governance of the BCF is currently expected to be through the Health and Wellbeing Board, and the Joint Commissioning Board. The connection to the LHAC Programme Board will also need to be maintained.

3. Consultation

Key aspects of the BCF are subsumed within the LHAC programme. During Phase 1 of LHAC a degree of consultation took place with representative bodies from the health and social care community and those representing groups of service users and the wider public. Phase 2 – the design phase - of LHAC has provided more extensive consultation during Summer 2014. There has also been a senior consultant from LHAC on the group helping with the BCF re-submission.

It has not been possible to consult widely and in public specifically addressing this BCF re-submission. This is due to the national policy changes as detailed in this report, the timetabling and the level of prescription.

The detail below identifies which fora have/will be utilised in progressing this BCF re-submission:

10 July:	BCF Task Group
22 July:	Joint Commissioning Board
5 August:	BCF Task Group
6 August:	Corporate Management Board (CMB) – LCC
19 August:	Joint Commissioning Board (CMB and 4 CCGs)
20 August:	CMB
2 September:	Executive – LCC
2/3 September:	BCF Task Group
3 September:	Corporate Management Board (CMB) – LCC
3 September:	BCF Task Group
11 September:	Health & Wellbeing Board
19 September:	SUBMISSION DEADLINE

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	Lincolnshire BCF first submission - April 2014
Appendix B	Lincolnshire BCF revised re-submission - September 2014

5. Background Papers

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

This report was written by Glen Garrod who can be contacted on 01522-550808 or Glen.garrod@lincolnshire.gov.uk .