

LINCOLNSHIRE HEALTH AND WELLBEING BOARD

Open Report on behalf of Glen Garrod, Executive Director of Adult Care & Community Wellbeing on behalf of the Joint Commissioning Board

Report to	Lincolnshire Health and Wellbeing Board
Date:	6 December 2016
Subject:	Better Care Fund (BCF) 2016/17 and 2017/18

Summary:

This report provides the Lincolnshire Health and Wellbeing Board with an update on Lincolnshire's plans for the BCF Narrative Plan and Planning Template for 2017/18 and 2018/19. Also included as Appendix A is a performance update which provides the Board with information on performance against the key BCF metrics for the first six months of 2016/17. Appendix B provides an update describing a proposal for improved use of Disabled Facilities Grant funding agreed with the seven District/City Councils.

Actions:

The Health and Wellbeing Board is asked to consider and agree the following proposals:-

1. HWB delegate to the Executive Director of Adult Care and Community Wellbeing, in consultation with the Chair of the Health and Wellbeing Board, the responsibility to submit the BCF Plans for 2017/18 – 2018/19.
2. HWB note that JCB is likely to recommend that the Protection of Adult Care Services should be at the minimum amount identified in the Planning Guidance due to be issued on 7 December 2016, and that the Council are likely to accept this minimum amount (all subject to any material requirements in the national guidance).
3. HWB defer to the A&E Delivery Board target setting and note that 'stretch targets' will be set for both 2017/18 and 2018/19, notably with respect to Non-elective Admissions (NEA) and Delayed Transfers of Care (DTCOC).
4. It is proposed that the HWB agree that the DFG paper (see Appendix B) prepared

by the Interim Director of Public Health should provide a steer on the way forward to address DFGs for 2017/18 – 2018/19.

5. It is proposed that the HWB agree that there is currently a level of informal consensus that Lincolnshire should make an application to be a pilot 'graduation site'
6. It is proposed that the HWB do not progress any work in developing a contingency sum in the next BCF submission. (Subject to any material requirements in the national guidance).

Background

The Lincolnshire Better Care Fund totals £196.5m in 2016/17 of which £53.8m is the national allocation. Lincolnshire's fund is the fourth largest in the country and this does help us to have some influence at national level. In addition to the £53.8m, there are pooled budgets for Learning Disabilities, CAMHS and Community Equipment plus 'aligned' Mental Health funds from the same organisations. For 2016/17 both Non Elective Admissions and delayed transfers of care are a priority, primarily because both nationally and locally NEAs and DTOC have increased and are causing additional financial pressures particularly to NHS partners.

Section 75s

The overall BCF now comprises:-

S75 agreement	£m
Proactive Care	46.3
Community Equipment	5.8
CAMHS	5.4
Specialist Services	63.7
Mental Health	5.6
Corporate (see note 1 below)	4.0
	130.8
Mental Health (LCC aligned budget)	63.0
16/17 BCF Plan	193.8
LCHC Community Beds (see below)	2.7
Total	196.5

(Note 1 – the £4m comprises £3m for the Risk Contingency and £1m for LHAC).

LCHS Community Beds

In addition to the approved BCF programme, during the summer of 2016 Lincolnshire Community Health Service (LCHS) and Adult Care worked together to block purchase a number of care home beds to support Lincolnshire residents.

The work was led by Adult Care with a Section 75 'pool' agreement under pinning the work,

which was used to bring the money from both organisations into one place to purchase the beds. The pool fund has an annual value of £2.72m and the block contract has been awarded for 3 years, with the ability to extend it for up to a further two years.

The number of beds that have been secured is 85 beds; these are spread across the county and are 'nursing' and 'residential'. The beds will be used as 'step up' hospital avoidance and 'step down' hospital discharge capacity, and should support better utilisation of the beds in the local hospitals, acute and non-acute. As with other NHS organisations, LCC continues to work with LCHS to deliver integrated service delivery.

LCC will 'manage' the contracts with the care home providers, including overseeing the quality monitoring.

Performance

Appendix A is a performance update which provides the Board with information on performance against the key BCF metrics for the first six months of 2016/17. On the key national performance targets there is still a need for improvement, with the key targets showing:-

- Non-elective admissions – the local target is for a 2.7% reduction in NEAs and in the first six months a reduction of 1.6% has been achieved. The South CCG has over-achieved against the target, the West and East have both achieved reductions, and the South West CCG has seen a significant increase.
- Permanent admissions to residential and nursing care – the target reduction in new admissions has not been achieved as the service has seen an increase in new admissions; though the September numbers show a considerable improvement. The increase is however being partially offset by the increased attrition rates being experienced within Adult Care particularly in Adult Frailty.
- Delayed Transfers of Care – the target is not being achieved. The targeted performance assumes further improvements during the year and it is difficult to see these targets being achieved. It is likely that the BCF planning in 2017/18 will require a stronger focus on DTOC as nationally the weaknesses in this area are a key element of health service overspending.
- Nationally performance is worsening in key targeted areas, notably NEA and DTOC. See tables below:-

Period	Total Emergency Admissions via A&E	Other Emergency Admissions (i.e. not via A&E)	Total Emergency Admissions
Sep-11	297,295	113,466	410,761
Sep-12	308,242	113,536	421,778
Sep-13	311,081	116,697	427,779
Sep-14	327,392	118,734	446,126
Sep-15	338,081	126,114	464,195
Sep-16	350,191	125,877	476,068

Date	NHS	Social Care	Both	Total	% DTOC attributable to social care
Sep-16	113,354	67,594	15,298	196,246	34.4%
Sep-15	91,492	45,570	10,676	147,738	30.8%
Sep-14	93,123	35,664	9,480	138,267	25.8%
Sep-13	80,536	31,606	6,722	118,864	26.6%
Sep-12	74,838	32,518	6,908	114,264	28.5%
Sep-11	72,291	36,948	7,955	117,194	31.5%

- The performance locally suggests we are improving against a national deterioration on NEAs, though our local target is not being met. For DTOC there are 33 local systems that have been identified for Ministerial intervention where DTOCs are above 8%. Lincolnshire is not on that list and again – at least for Adult Care local performance suggests we are improving, not deteriorating.
- The DTOC comparison for Adult Care is 22% against a national figure of 34.4%. Overall delays in Lincolnshire, whilst a challenge, are not following the national level of deterioration. It is also important to note that nationally NEAs and DTOC for September 2016 are the worst ever reported and worsening.

Finance

For 2015/16 a £3.6m Risk Contingency was established to address the financial impact of not achieving the NEA target. £3m of the contingency is joint BCF funding including £600k having come from the BCF Capital Allocation which has a DFG focus.

The Risk Contingency fund can be used to:-

1. Address NEA under-performance and it is likely that much of the funding will be required for this purpose.
2. Support new investment in BCF target areas should 1 above not be required.
3. Leave within the Contingency. The CCG Chief Finance Officers appear to favour this approach, once any liability under the NEA arrangements has been met.

It is currently assumed all BCF spend for 2016/17 is on budget and certainly that the £16.825m plus one-off £300k 'Protection of Adult Care Funding' is fully committed.

We are currently assuming there will be no Pay-for-Performance requirements in 2017/18. It should though be recalled that the 2016/17 requirements only became apparent late (February/March 2017) in the planning cycle and caused significant difficulties to the funding arrangements for 2016/17. For 2017/18 and 2018/19, the BCF funding package is also expected to include a new source of funding.

Looking forward, nationally an additional £105m is anticipated to be made available to upper-tier councils through the BCF in 2017/18, and £825m in 2018/19. For Lincolnshire the indicative sums are annual increases of:

- 2017/18 - a further £2.1m
- 2018/19 - a further £12.1m
- 2019/20 - a further £10.9m, making the BCF £25.1m greater than in 2016/17

Whilst these sums are expected to come to the County Council via a Section 31, direct from Government, it is also anticipated that they will need to be included in the pooled fund arrangements and therefore agreed within the total BCF fund.

Protection for Adult Care Services (PACS)

Whilst there was no national planning guidance around the funding to be provided within BCF plans for the 'Protection for Adult Care Services', 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 locally agreed 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 agreed £16.825m, an extra £300k has been made available for PACS from BCF underspends in 2015/16.

It is estimated that the minimum sum required to be made available by Lincolnshire CCGs will be £15.9m for 2017/18, some £925k less than the 2016/17 allocation. Also that the CCGs financial difficulties will make it difficult for them to provide more than the statutory minimum amount for 2017/18 – 2018/19. The CCGs will be informed during December of the minimum amount they should allocate to this for 2017/18, and presumably 2018/19. To address the £0.925m potential shortfall in 2017/18 we are currently reviewing schemes funded with the £16.825m available this year, to see what level of funding is required in 2017/18 and what the service impact would be if lower levels of funding is available.

Planning for 2017/18 – 2018/19

NHS Operational Planning and Contracting Guidance 2017 – 2019 were issued in October. There are two references to the BCF within the guidance:

- *CCGs and Upper Tier Councils will need to agree a joint plan to deliver the requirements of the BCF for 2017/18 and 2018/19 via the Health and Wellbeing Board. The plan should build on the 2016/17 BCF plan, taking account of what has worked well in meeting the objectives of the fund, and what has not. CCGs will be advised of the minimum amount that they are required to pool as part of their notification of their wider allocation. BCF funding should explicitly support reductions in unplanned admissions and delayed transfers of care. Further guidance will be provided later in the autumn.*
- *Health and Social Care integration – Overall 2020 goals: - achieve better integration of Health and Social Care in every area of the country, with significant improvements in performance against integration metrics within the new CCG improvement and assessment framework. Areas will graduate from the BCF programme management once they can demonstrate they have moved beyond its requirements, meeting the Government's key criteria for devolution.*

The BCF Planning Guidance, Planning Return Template and BCF Allocations for 2017/18 - 2018/19 has been delayed. We do not now expect to receive this guidance until at least 7 December 2016. We have though some level of insight into what the guidance is likely to contain:-

- A required two year BCF plan 2017/18 – 2018/19.
- CCG minimum amount for the Protection of Adult Care Services to be notified, presumably for both years.
- Funding will need to explicitly support reductions in NEAs and DTOC.

- Graduation from the BCF – the Government is proposing to establish (up to 10) 'graduation pilots'.

Graduation – this is the Government's latest phrase for moving local areas from the BCF to the full integration of health and social care. The benefits of being a 'graduation pilot' are still being determined nationally. Discussions are taking place about whether Lincolnshire should bid, and the likelihood of being selected if we do.

Timetable for BCF Plans

Whilst the Government's planning timelines for the refresh of the BCF have been delayed, we do however have a firm indication of key dates and the issues which require addressing within the refresh of the BCF Narrative Plan and accompanying documents.

Key dates within this include:

BCF Planning Requirements; Planning Return template, BCF Allocations published	7 December 2016
Submissions from places that wish to graduate	20 December 2016
First BCF submission from HWB (agreed by CCGs and LCC) to consist of: <ul style="list-style-type: none"> • Draft narrative • High level BCF planning return 	12 January 2017
Assurance of CCG Operating Plans and BCF plans	12-26 January 2017
Moderation and cross regional moderation	
Second submission following assurance and feedback, to consist of: <ul style="list-style-type: none"> • Revised BCF planning return • Revised Narrative plan 	10 February 2017
Assurance status of draft plans confirmed	24 February 2017
Cross regional moderation exercise	W/C 27 February 2017
Final BCF plans submitted, having been signed off by Health and Wellbeing Boards	31 March 2017
All S75 agreements to be signed and in place	30 May 2017

Key Challenges

The Health and Wellbeing Board is asked particularly to consider:

- The implications of the timetable for developing BCF plans (financial and performance) for 2017/18 and 2018/19.

The timetable requires the submission of a two year plan, providing a Narrative Plan and Planning Templates covering finance and performance information, and moving all relevant S75s to a two year cycle. As shown above the first submission is required by 12 January 2017 with a final submission by 10 February 2017, and requires the agreement of the 4 CCGs, the County Council and the HWB. The CCG Boards may, as for 2016/17, decide to delegate approval of the Plan to Chief Officers and this would certainly help retain flexibility in progressing along the timeline. The County Council will need to give consideration to the

same issue as will the HWB.

It is therefore proposed that the HWB delegate to the Executive Director of Adult Care and Community Wellbeing, in consultation with the Chair of the Health and Wellbeing Board, the responsibility to submit the BCF Plans for 2017/18 – 2018/19.

- Agreeing the funding for 'the Protection of Adult Care Services' both as an overall sum and at a detail level of which schemes should be funded. It is anticipated that the announcement of BCF allocations around 7 December will include a specific and clear reference to the minimum amount each CCG should make for 'the Protection of Adult Care Services'. It is still envisaged that this will be an inflationary uplift to 2016/17 figures and hence be circa £15.9m. It is interesting to note how such funding has been used nationally when compared to Lincolnshire (see table below)

BCF 2016/17 Spend		Nationally	East Midlands	Lincolnshire
Capital spending (e.g. DFG not Care Act)	(£m)	22%	22%	22%
Care Act Duties (including Capital spending)	(£m)	8%	8%	9%
For new or additional adult care services	(£m)	7%	5%	11%
To avoid cost in existing adult care services	(£m)	55%	57%	38%
To cover adult care demographic pressures	(£m)	8%	8%	20%
Total Protection of Adult Care	(£m)	100%	100%	100%

- The January 2017 submission requires a 'High level planning return'. This requires consideration of:

Which schemes to fund in 2017/18 (and 2018/19?) and how much to fund each scheme. This is across the entirety of the BCF funding and hence includes CCG schemes as well as schemes within the Protection of Adult Care

- The performance targets for NEA/DTOC, residential accommodation, etc. and/or any other key performance targets required.
- A narrative to refresh the existing BCF Plan in those key areas requiring a refresh.
- The additional funding for Adult Social Care paid directly between Government and upper-tier Councils will also need to fulfil certain obligations. Either to mitigate cuts in social care develops new services and/or address demographic pressures. (Cf. table above).

To aid the review of the BCF Plan, all BCF funded schemes within the £196.5m pooled budget will be speedily reviewed.

It is proposed that the HWB note that JCB is likely to recommend that the Protection of Adult Care Services should be at the minimum amount identified in the Planning Guidance due to be issued on 7 December, and that the Council are likely to accept this minimum amount (all subject to any material requirements in the national guidance).

As noted earlier in the paper, performance is not as strong across all key performance metrics as was set out in the targets for 2016/17. HWB should discuss what can be done to improve performance and whether renewed targeting of investments is required. The alternative is to defer to the A&E Delivery Board (AEDB) and seek assurances from that quarter. It would then be for AEDB to propose targets and services as part of the BCF plan.

Targets for 2017/18 and 2018/19 need to be established with the planning timeline and must be realistic but to include 'Stretch'.

It is proposed that the HWB defer to A&E Board target setting and note that 'Stretch targets' will be set for both 2017/18 and 2018/19.

The eight Lincolnshire local authorities have developed and agreed an approach to managing and reforming the DFG system in Lincolnshire over the two years of the 'new' BCF. This outline agreement was presented to the Joint Commissioning Board on 22 November, in the form of the paper at Appendix B, and agreed as a set of principles and targets.

Some of the approaches and targets set out in the paper are challenging and will now be pass-ported into a Memorandum of Understanding, with milestones, that can be managed by the relevant authorities and performance managed at JCB.

This agreement is a significant step forward in enabling us to integrate housing need into the pathways of support for vulnerable people and make more locally focused use of the resources available to us.

It is proposed that the HWB agree that the DFG paper (see Appendix B) prepared by the Interim Director of Public Health should provide a steer on the way forward to address DFGs for 2017/18 – 2018/19.

The concept of 'graduation' and graduation pilots' is detailed on page 5 of the paper. The indications are that submissions from areas that wish to graduate will be required by 20 December 2016, and that only a small number (up to ten) will be selected for 2017/18. Criteria for selection is likely to include:

- Commitment of the Health and Wellbeing Board.
- Strong local leadership, with an agreed vision for health and social care integration by 2020, and clear links to wider health and local government strategies.
- CCGs involved are not currently subject to legal directions on finance or performance.
- There is a clear commitment to continue to maintain social care spending and the level of NHS commissioned out-of-hospital services at levels above the minimum required through the BCF, through the pooling of budgets or similarly robust financial arrangements.

The Joint Commissioning Board (JCB) will begin the process of drafting a 'graduation plan'. This provides an opportunity to create a local narrative that brings together the LHAC, STP and BCF programmes with additional information that can evidence further progress towards integration. (NB. It should be noted that this will probably have the greatest relevance in Joint Commissioning, Children's and older people service areas). The JCB will agree the mechanism and lead team to produce such a plan in draft.

It is proposed that the HWB agree that there is currently a level of informal consensus that Lincolnshire should make an application to be a pilot 'graduation site'.

Within the financial section on page 4 of the paper the Risk Contingency re NEAs is

discussed. The draft guidance appears to indicate that there will be no statutory or regulatory requirement for a Risk Contingency in future years. Establishing a contingency comes at the expense of putting investment now, into areas that require investment to enable performance in key areas to be improved.

It is proposed that the HWB do not progress any work in developing a contingency in the next BCF submission (subject to any material requirements in the national guidance).

Conclusion

There is a considerable amount of work to be undertaken to ensure Lincolnshire is able to submit an agreed BCF Plan within anticipated timescales. Although requirements for the next two years are being reduced there is the added complication of graduation plans and, heightened interest in DFGs. Accordingly a core team will be needed to manage the process and that Glen Garrod will remain as SRO and David Laws continues to support BCF work with Emma Scarth hosting and co-ordinating performance data. CCGs have agreed to support the development of the Plans with lead officers including Gary James, Sarah Furley and Carol Cottingham.

Consultation

Not applicable

Appendices

These are listed below and attached at the back of the report	
Appendix A	BCF Performance Report to 30 September 2016
Appendix B	Appendix B – DFG paper prepared by the Interim Director of Public Health

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 David Laws, BCF and Financial Special Projects Manager, who can be contacted on 01522 554091 or David.Laws@lincolnshire.gov.uk.

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