

## 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	<b>Lincolnshire Health and Wellbeing Board</b>
Date:	<b>20 June 2017</b>
Subject:	<b>Better Care Fund (BCF) 2016/17 and 2017/18</b>

### Summary:

This report provides the Lincolnshire Health and Wellbeing Board with an update on Lincolnshire's BCF plans including an update on the graduation bid, the additional funding announced by the Chancellor in March 2017, and performance issues both for 2016/17 and the requirements for 2017/18 performance reporting. The paper includes:-

- Appendix A is an LGA/ADASS letter dated 22 March 2017 to top tier council chief executives and directors of adult social services discussing the additional BCF funding
- Appendix B is an NHS letter dated 25 April 2017 to A&E Delivery Board Chairs describing the role of the A&E Board within BCF planning and monitoring
- Appendix C is a performance update which provides the Board with information on performance against the key BCF metrics for the 2016/17 financial year
- Appendix D is a copy of the Memorandum of Understanding to be signed by District/City Councils as part of the DFG transfer 2017/18

### Actions Required:

It is proposed that the Health and Wellbeing Board:-

- discuss the paper on BCF performance (Appendix C) for the 2016/17 financial year and note the performance achieved;
- note that given the performance achieved on Non-Elective Admissions in 2016/17 that the £3m Risk Contingency established for this financial year was fully utilised by the CCGs in meeting the extra cost to ULHT;
- note the submission of the Graduation Plan and Lincolnshire's progress at being shortlisted for graduation; and
- note the delays to the timetable for the submission of the BCF Plan and associated BCF Planning Templates, and that an update on these will be presented to the next meeting of the Board.

## **1. Background**

The Lincolnshire Better Care Fund for 2016/17 was £196.5m of which £53.8m was the national allocation. Lincolnshire's fund is one of the 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 (NEA) and delayed transfers of care (DTC) were a priority, primarily because both nationally and locally NEAs and DTC have increased and are causing additional financial pressures particularly to NHS partners.

The funding for 2017/18 has increased and the financial section of the paper outlines the major movements. At the same time as the funding has increased, the requirement to ensure that the funding has a positive impact on performance (again particularly in the areas of NEA and DTC) has also increased given nationally a deteriorating position. The performance section of the paper provides more information on this.

### **BCF 2017/18 and 2018/19**

We have been waiting since December 2016 for final Planning Guidance for 2017/18 and 2018/19. The Guidance is still being held within NHSE as part of the ongoing discussions about health and social care service delivery and its funding. More latterly the general election has impacted on the production of the guidance and it is now expected that the new Ministers at the Department of Health and DCLG will issue the guidance shortly after their appointment. This will enable discussions to take place with key stakeholders and plans to be prepared.

Not surprisingly, given the above, the overall BCF planning timetable has also been delayed and we have not been informed of any of the key deadline dates or when they will be announced. A new simplistic Planning Template has been issued and we are recommended to complete this rather than the 'free-style' version adopted in the original and 2016/17 plans. Work has commenced on this.

What we are seeing, is all areas undertaking wide engagement on the BCF plans, with a message from NHSE that 'Local authorities and CCGs should also be engaging with other partners, including acute trusts, housing authorities and care providers to agree joint approaches to their BCF plan. This should include consideration of the spending and implementation of the Spring Budget 2017 increase in the Improved Better Care Fund (the £2 Billion).'

It is expected that we will have approximately four to six weeks after the national guidance is issued to prepare the BCF Narrative Plan and the associated Planning Templates.

### **Graduation**

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, though proposed benefits include a reduction in bureaucracy and the need to report to (and be reviewed by) central government.

The Expression of Interest (EoI) for Graduation from the BCF has been submitted within a revised deadline date of 19 May. No decisions will be taken on the pilots to be approved until the new Government is formed, hence we will not know if we are a Graduation pilot until late June at the earliest.

Latest news is that the :-

- Process will involve all partner departments scoring the submitted forms against the criteria set out in the policy framework w/c 22nd May. Moderation will be carried out w/c 29/5 and the Integration Partnership Board (IPB) will need to approve the recommended areas – around 6-10 areas expected.
- Selected areas will be informed as soon as possible after the Election.
- Selected areas will then be involved in a workshop to further develop their proposals and then attend a panel with the IPB for peer challenge.
- A Memorandum of Understanding will be developed regarding graduation for the successful areas and benefits will include no quarterly returns and no further creation of BCF plans.
- Areas not selected from the initial expressions will be supported to graduate in the next wave, expected to be by the end of 2017. Future graduation will be in a planned way, using criteria but not EOIs.

It is being indicated that the Government is proposing to establish (up to 10) 'graduation pilots' and informal soundings indicate that Lincolnshire is now on a national short list of areas under consideration for graduation.

### **BCF Additional Funding 2017/18 to 2019/20**

The Government has committed in both the November 2015 budget and in the Spring 2017 budget to put additional funding into Social Care. The 2015 funding was earmarked for the years 2017/18 - 2019/20 (at that point the last three years of the Parliament) and was termed Improved BCF (iBCF). This funding was back-loaded with the greatest sums to be received in 2019/20.

The Spring Budget 2017 introduced the Supplementary iBCF funding with £2bn being allocated nationally for the three years 2017/18- 2019/20 with over £1bn allocated for 2017/18. The funding comes direct from DCLG to Councils to LCC as a S31 grant, though with a requirement that it is included in the Lincolnshire BCF pooled budget. The additional income is summarised in the following table.

	2017/18	2018/19	2019/20
	£	£	£
iBCF	2,105,730	14,249,039	25,120,225
iBCF Supplementary Funding	15,265,596	9,608,577	4,761,288

This is clearly a significant increase to the BCF funding and to the funding of Adult Care. Attached as Appendix A and Appendix B are letters from the LGA/ADASS and NHSE respectively giving views on how the additional funding should be utilised. The Government has made clear that the funding is to address three priority areas:-

- Pressures within Adult Care
- Market Stabilisation
- DTOC and improvements to performance in this and related areas.

The council has been working closely with health colleagues, and plans for the use of the additional funding will be included in the BCF Narrative Plan. We are though being encouraged by central government to begin investing the funding as quickly as possible, especially so that improvements in DTOC and NEA performance can be delivered before this coming winter.

In addition to revenue funding, Lincolnshire also receives a capital grant specifically for Disabled Facilities Grants (DFGs). The amount received for 2017/18 is £5.291m and the funding will be passported to the 7 District Councils by 30 June 2017. A separate paper on the HWB agenda addresses DFGs in much greater detail. A copy of the Memorandum of Understanding which the District/City Councils are expected to agree is attached as Appendix D.

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

Within the BCF funding received by the CCGs (circa £54.7m for 2017/18) is a sum for the 'Protection for Adult Care Services'. The amounts received by LCC have been £20m and £16.825m in the last two years.

It had been estimated that using national formulae and based on the minimum sum required for 2015/16 plus annual inflation increases, the minimum sum for 2017/18 would have been circa £15.9m and this sum was agreed by the 4 CCGs, by LCC and the HWB. It was understood within the discussions that the CCGs ongoing financial difficulties will make it difficult for them to provide more than the statutory minimum amount for 2017/18 – 2018/19 and that NHSE would be looking for them to justify any additional investment above the minimum.

In discussions on graduation and the BCF Narrative Plan with regional and national NHSE leads we now understand that the minimum sum will be the 2016/17 sum plus an inflationary provision. Discussions are taking place between LCC and CCG officers to clarify any implications, though both parties have agreed to approve whatever the minimum sum is finally set at.

### **BCF Performance 2016/17**

Appendix C is a performance update which provides the Board with information on performance against the key BCF metrics for the whole of 2016/17 with a special focus on performance in the final quarter (ie January – March 2017). It shows:-

- Non Elective Admissions (NEAs) - The BCF plan committed CCGs to a 2.7% reduction in the HWB Plan figures in each quarter of the year. A total of 20,299 admissions were made during Q4, which is 1722 more than the original CCG plans. The level of activity is 11% higher compared to the same period last year. The measure has been marked as not achieved for this month. Only the South CCG have consistently experienced monthly admission rates lower than the HWB Planned reduction, saving 29 admissions in the area this quarter; a 0.8% reduction. All CCGs except the South saw an increase in admissions against plan within Q4.
- Residential Admissions - Within 2016 - 17 there have been 1031 permanent admissions to care homes for older people, which is 49 more than planned for the year. From December the data for this measure has been taken from our finance system, due to the introduction of Mosaic which replaces AIS as the adult care case management system within LCC. The figures provided for this measure are provisional, pending the submission of the statutory SALT return. Overall the number of admissions remains higher than target. This appears to have been caused by discharge pressures in hospitals and an increase in the level of support people are requiring in the community. Work has been undertaken to quality assure the placements and the indication is that we are dealing with a higher level of acuity and therefore the placements are fully justified. We are experiencing a higher level of demand for services generally and a similar proportion of people are being

admitted to care homes as in previous years. Over the 2 previous years, the ratio of people in residential care to community has remained static (1:2) suggesting we are consistently placing people as appropriate.

- Reablement - The data shows that for 75.4% of the of hospital discharges between October and December into reablement services, the service user was still at home 91 days after discharge. The number of discharges into reablement services has fallen from 958 reported in March 16 to 668 reported for the same period this year. Comparing CCG performance, only the South CCG achieved the 80% target, with the East CCG just falling below with 79.8%. Within Lincolnshire, the East CCG has the highest number of hospital discharges resulting in reablement services, followed by the West, and with the South West having the lowest.
- Delayed Transfers of Care (DTC) - There were a total of 8,341 delayed days for patients in Q4, 916 higher than the target of 7,425 days. The trend throughout the year is quite linear and consistent compared to 2015/16 where delayed days showed a more pronounced increase throughout the year. The proportion of non-acute delays has continued to fall and is now 35% of total delayed days. Social Care delays account for 23%, higher than figures reported throughout Q3, but lower than reported in January (25%). NHS delays account for 71% of delayed days, up from January, but lower than the figures reported in Q3. In terms of delay reasons, 68% of delayed days relate to waiting for further non-acute care, residential or packages in the person's home. The proportion of delays attributed to these reasons is broadly consistent with Q3. As mentioned in previous reports this year, housing delays are higher than usual and the proportion of delays attributed housing has increased steadily throughout the year, peaking within Q3 and now dropping to 4% of delay reasons.

### **Finance 2016/17**

A £3.6m Risk Contingency (of which £3m is joint BCF funding) was established for 2016/17 to address the financial impact of not achieving the NEA target.

The outturn NEA performance shown above and in Appendix C indicates that the entire contingency established for the 2016/17 financial year was fully utilised by the CCGs in meeting the extra cost to ULHT.

As previously reported and approved at an earlier meeting of this Board we are making no allowances for Pay-for-Performance requirements in 2017/18. Discussions are focused on over-arching risk management arrangements rather than a risk contingency.

### **Performance 2017/18**

Alongside the various exhortations that we consult widely on BCF Plan and performance metrics, A&E Delivery Boards Chairs have been sent a letter (see Appendix B) by Jim Heys, NHSE Locality Director emphasising the need for active engagement of the A&E Delivery Board in the BCF planning process particularly around the new National Condition 4 – Managing Transfers of Care. Consideration is taking place on how best to involve the A&E Board in future discussions on the BCF and they have asked that they receive an update on BCF performance metrics at their monthly meeting. The Board has officer representation both from Adult Care and also from the CCG community.

Discussions continue as to whether (or not) to consider whether there should be stretch targets particularly around NEAs and DTC. The thinking on this is whether the additional

BCF funding should lead Lincolnshire health and social care to expect further improvements in performance in these areas, beyond what is already shown in CCG Operational Plans. This subject needs ongoing discussion to ensure we are comfortable with the targets for NEA and DTOC that are to be included in the BCF Plan.

## 2. Conclusions

The ongoing delays to the issuing of final BCF guidance and more recently the period of purdah prior to the General Election have led to delays in the finalisation and approval processes to the BCF plans for 2017 - 2019. We have however continued to use this period to develop our plans, and consult and communicate them.

Both the BCF Narrative Plan and the related Planning Templates are likely to be required to be submitted to NHSE around the end of July 2017. We should also by then have heard whether Lincolnshire has been chosen to be a Graduation pilot, and be clearer on the resulting implications.

## 3. Consultation

Not applicable

## 4. Appendices

These are listed below and attached at the back of the report.	
Appendix A	LGA/ADASS letter dated 22 March 2017 to top tier council chief executives and directors of adult social services
Appendix B	NHS letter dated 25 April 2017 to A&E Delivery Board Chairs
Appendix C	BCF Performance Report to 31 December 2016
Appendix D	Memorandum of Understanding (DFG)

## 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 David Laws, BCF and Financial Special Projects Manager, who can be contacted on 01522 554091 or [david.laws@lincolnshire.gov.uk](mailto:david.laws@lincolnshire.gov.uk) .