Leicestershire County Council

CABINET – 10 MARCH 2017

BETTER CARE FUND PLAN 2017/18 – 2018/19

REPORT OF THE DIRECTOR OF HEALTH AND CARE INTEGRATION

PART A

Purpose of the Report

1. The purpose of this report is to advise the Cabinet of the refresh of the Leicestershire Better Care Fund (BCF) Plan for 2017/18 – 2018/19. The Health and Wellbeing Board, on 16 March, will be asked to approve the BCF Plan for later submission to NHS England, in line with the national timetable, and to agree that the rolling BCF Section 75 Agreement and associated governance arrangements for the BCF pooled budget continue into 2017/18.

Recommendation

2. It is recommended that:

   a) The preparations and governance arrangements for the approval and submission of Leicestershire's Better Care Fund Plan for 2017/18 – 2018/19 be noted;

   b) That the continuation of the rolling Better Care Fund Section 75 Agreement, and associated governance arrangements be noted.

Reasons for Recommendation

3. National BCF Guidance requires all local areas to refresh BCF plans in partnership, and in line with the BCF Policy Framework and Technical Guidance, seek approval from their Health and Wellbeing Board, prior to submission of the BCF plan to NHS England.

Timetable for Decision (including Scrutiny)

4. A report on progress with the refresh of the BCF will be considered by the Health Overview and Scrutiny Committee on 1 March 2017 and any comments will be reported to the Cabinet.

5. The final submission will be considered by the respective Boards of the two county Clinical Commissioning Groups on 14 March 2017. It will then be submitted to the Health and Wellbeing Board for approval on 16 March 2017.

6. At the time of writing this report, the BCF policy framework and technical guidance for 2017/18 is still awaited, having been delayed nationally since November 2016. If necessary, arrangements will be made by the Health and Wellbeing Board for approval of the submission to NHS England in-between meetings, which can be delegated to the Chief Executive.

Policy Framework and Previous Decisions

7. The BCF policy framework was introduced by the Government in 2014, with the first year of BCF plan delivery being 2015/16. The Cabinet in February 2014 authorised the Health and Wellbeing Board to approve the BCF Plan and plans arising from its use.

8. The BCF policy framework was refreshed for 2016/17 and published by NHS England in January 2016. On 9 May 2016, the Cabinet received a report confirming that the 2016/17 BCF Plan had been approved by all partners and submitted to NHS England.

9. A further report on the Leicestershire BCF was made to the Cabinet in June 2016, which focused on the implications of local arrangements for Disabled Facilities Grant allocations.

10. The Leicestershire Health and Wellbeing Board received a presentation and report on the work in progress to refresh the BCF Plan for 2017/18 – 2018/19 at its meeting on 5 January 2017.

Resource Implications

11. The Better Care Fund Spending Plan totals £40.4m in 2017/18, subject to confirmation of local authority allocations in March, compared with £39.1m 2016/17.

12. At the time of writing this report Clinical Commissioning Group (CCG) BCF allocations for 2017/18 – 2018/19 have been confirmed, but local authority budgetary allocations are expected on the 8th March, which we anticipate will include confirmation of the Disabled Facilities Grants allocations. The table below provides an overview of the BCF allocations as at 24 February.

		2016/17 £000	2017/18 £000	2018/19 £000
Minimum NHS Ring-fenced from CCG Allocation (included in CCG Operational Plans 2017-19)	ELRCCG	15,559	15,832	16,129
	WLCCG	20,477	20,844	21,240
Total CCG Allocation		**36,036**	**36,676**	**37,369**
Disabled Facilities Grant*		3,067	3,067	3,067
LCC Disabled Facilities Grant Uplift			663	
LCC Miscellaneous			52	53
Total BCF		**39,103**	**40,458**	**40,489**

**currently based on 2016/17 levels*

13. The CCGs will consider at their respective Board meetings on 14 March 2017 the potential inclusion of an additional service line, (along with its associated budget) into the BCF from 2017/18 onwards. This is concerned with including phase two of the Intensive Community Support Service, but is subject to CCG Board approvals.

14. The Better Care Fund is operated as a pooled budget under section 75 of the NHS Act 2006. The Leicestershire BCF section 75 agreement is a rolling agreement originally approved by the Cabinet in July 2014. Assurance will be required locally and nationally that the BCF section 75 has been extended for a further 12 months and plans are in place, via the Integration Executive (an officer group), to undertake this work in the usual way between April and June 2017.

15. More detail on the funding position for the 2017/18 – 2018/19 BCF, including key financial risks is given in Part B of this report, below.

16. The Director of Corporate Resources has been consulted on this report.

Circulation under the Local Issues Alert Procedure

None.

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PART B

Background

17. The purpose of the BCF is to transform and improve the integration of local health and care services, in particular to reduce the dependency on acute hospital services, in favour of providing more integrated community based support.

18. The strategic framework is set by BCF national policy requirements, BCF national conditions, BCF metrics, CCG commissioning intentions, and key local authority duties with respect to integration and the Care Act.

19. Locally, the introduction of the Leicester, Leicestershire and Rutland (LLR) Sustainability and Transformation Plan (STP) essentially reframes priorities and financial plans across the LLR health and care economy.

20. Keeping people out of statutory and acute provision wherever possible, sustaining adult social care within new models of care locally, ensuring there is a cohesive plan for data integration at population and care planning levels, implementing seven day services, improving hospital discharge and developing an infrastructure and platform for joint commissioning remain high priorities within the integration agenda nationally and locally.

21. A high-level summary of the draft BCF plan is attached at Appendix A, indicating the BCF service lines and financial assumptions as at 24 February 2017.

BCF National Conditions and Metrics

22. The current BCF policy framework and existing BCF technical guidance from 2016/17 indicate that a local BCF plan must demonstrate how it will deliver against the following national conditions:-

    a. Delivery against five national BCF metrics and a locally selected metric;
    b. How a proportion of the fund will protect adult social care services;
    c. How data sharing and data integration is being progressed using the NHS number *(the NHS number is the unique identifier for each individual which is used on all NHS records);*
    d. How an accountable lead professional is designated for care planning/care co-ordination;
    e. Delivery of Care Act requirements;
    f. How a proportion of the fund will be used to commission care outside of hospital;
    g. How seven day services will be supported by the plan;
    h. That the impact on emergency admissions activity has been agreed with acute providers;

i. That there is a locally agreed proactive plan to improve delayed transfers of care from hospital;

j. That Disabled Facilities Grant (DFG) allocations within the BCF will be used to support integrated housing solutions including the delivery of major adaptations in the home; and

k. Approval of the BCF plan by all partners, being assured via the local Health and Wellbeing Board.

23. It should be noted that these conditions could be subject to change, once the final technical guidance is published for 2017/18. It is believed that the forthcoming national BCF guidance may reduce the number of national conditions from eight to possibly three or four, with quarterly reporting to NHS England required, as in previous years. However local areas will still be expected to provide evidence of plans and progress towards those other elements of integration policy which previously were listed as BCF national conditions.

24. It is anticipated, and reflected in the draft Leicestershire BCF plan, that the following metrics will all continue to be nationally required:

   - Reducing the number of total emergency admissions;
   - Effectiveness of reablement at 91 days;
   - Improving delayed transfers of care;
   - Reducing permanent admissions to care and nursing homes.

25. Preparatory work to refresh the BCF outcome metrics has taken place during January and February 2017. Aside from the BCF guidance, there are a number of other interdependencies for this work, including:

   - STP activity assumptions
   - CCG operating plan assumptions for 2017/18 – 2018/19;
   - BCF plan refresh progress for 2017/18 – 2018/19;
   - Impact of the implementation of new models of care in LLR.

26. Those emergency admissions which are planned to be avoided via services funded by the BCF will be clearly defined and being fully aligned to CCG operating plan targets for 2017/18, the wider LLR activity assumptions within the STP, and the new model of urgent care which comes into effect on 1 April 2017.

27. Preparatory work on refreshing the BCF metrics so far has identified draft baseline data and trajectories for 2017/18 for each of the national BCF metrics. These will be reviewed in the BCF Plan being submitted to the Health and Wellbeing Board on 16 March, and are subject to the technical guidance, when published.

BCF Submission

28. The national BCF plan submission to NHS England is expected to comprise the following components:

- A narrative document setting out how the local plan will deliver health and care integration. Specifically with respect to each of the BCF national conditions and metrics, the plan must demonstrate how this will be achieved and measured. A draft of this narrative is already well underway and will be included in the reports to the CCG Boards and the Health and Wellbeing Board in March.
- A technical submission, using an excel template to be provided by NHS England. This will include a breakdown of the BCF spending plan and supporting financial analysis, baseline and trajectories for each of the metrics, assurance against each national condition.
- Assurance that the local plan has been developed by engagement with a wide range of partners and approved by these partners, including ultimately by the Health and Wellbeing Board.

Key Actions Arising from the BCF Plan Refresh

29. Over the last three months, the Leicestershire Integration Programme Operational Group, a subgroup of the Integration Executive which has representation from commissioners and providers across health and care, has led the work to refresh the BCF Plan and produce a final draft of the associated spending plan attached as Appendix A to this report. The spending plan is subject to final BCF allocations being confirmed, and any further implications from the national guidance.

30. A number of service areas have been identified for further work during 2017/18 and these will be added to the Integration Executive workplan, which will also be submitted to the Health and Wellbeing Board in March.

31. During 2017/18, the work plan will include the roll-out of the new Lightbulb Housing Service across Leicestershire, which is planned to take place between April and October 2017.

32. Each District Council is in the process of receiving the Lightbulb Business Case through their respective governance routes, with the approvals process due to be completed by the end of March 2017.

33. Through the process to refresh the Better Care Fund, discussions have taken place with District Council Chief Executives and Section 151 Officers about the treatment of Disabled Facilities Grant Allocations from 2017/18.

34. Forecasting information from each District Council has been applied to the BCF financial plan, which is subject to final confirmation once the national DFG allocations and supporting BCF guidance have been published for 2017/18. (see paragraph 44 below).

35. District Council Chief Executives have expressed a range of views on how this should be approached in 2017/18, and these discussions have included how DFG allocations are permitted to be used strategically within the BCF policy framework to support the integration of health, care and housing.

36. It is clear from feedback received from District Council Chief Executives to date that if DFG allocations are to be considered for wider purposes within the BCF, this would be by local agreement in the relevant District, targeted to local population outcomes.

37. Wide ranging engagement across all partners has been undertaken to refresh the BCF Plan as shown in Appendix B.

38. Appendix B includes the engagement undertaken with District Council Chief Executives, with a further meeting scheduled on March 9,' 2017. This meeting will focus on the overall outcomes within the BCF and the refresh as a whole, as the previous engagement sessions with District Chief Executives and Section 151 Officers (since October 2017) have been focused on DFG forecasting and the treatment of allocations.

39. Findings from service user engagement activities across the health and care economy have also been used to inform the BCF refresh, a selection of which are listed below:

- Service user metrics have been analysed to assess improvements in the experience of local people using integrated care and support across settings of care in Leicestershire, including the quality of life score in the Adult Social Care Outcome Framework, support for people with Long Term Conditions via the GP survey, and experience of coordination of care and support on discharge from CQC surveys;
- A Better Care Together customer insight survey undertaken in 2015/16 focused on the views and experiences of carers;
- Engagement with service users undertaken for the introduction of the “Help To Live At Home” domiciliary care services, used to shape the outcomes and service model;
- Engagement with service users across eight BCF schemes as part of the evaluation conducted with Loughborough University and Healthwatch, focused particularly on admissions avoidance;
- Engagement and customer insight analysis undertaken for the Lightbulb Housing Project which informed the service model;
- Engagement with service users on integrating customer services points of access across health and care, used to inform the future options and solutions for an LLR-wide operating model;
- Engagement undertaken by Leicestershire Healthwatch, reported bi-monthly to the Leicestershire Health and Wellbeing Board, with thematic analysis on areas such as mental health, primary care access, urgent care and hospital discharge;

- Findings and recommendations from local authority scrutiny committees and scrutiny panels; and
- Feedback from LLR engagement events for Better Care Together and the STP.

Resource Implications

40. Per the announcements made in the 2015 Comprehensive Spending Review, Local Authorities were expected to benefit from improved BCF allocations (iBCF) from 2017/18 onwards, however the amount received per area depends on the ability of the council to raise funding from the social care precept.

41. As a result, Leicestershire does not receive any additional iBCF funding in 2017/18, and reduced levels in later years. It is anticipated that £5.6m of iBCF additional funding will be available via Local Authority allocations in 2018/19.

42. The County Council included a 2% social care precept in 2016/17 and budget plans include proposals to introduce a maximum further 6% over the next three financial years.

43. There is considerable financial pressure on the BCF spending plan for 2017/18, caused primarily by two key issues:-

    1) The social care capital grant being removed from the BCF in 2016/17 and replaced with an unfunded uplift in DFG allocations.

    2) The requirement from the two county CCGs that up to £2m of savings should be in the BCF plan in 2017/18, to support the significant financial risks affecting NHS commissioners in 2017/18.

44. The current BCF Plan has regard to a number of national conditions which affect the overall financial position. It is expected that these conditions will continue in 2017/18. Specific activities have been completed to locally agree arrangements for two of the national conditions and the associated spending plan. These are set out below:-

    - **Maintenance of Social Care Expenditure** – a working session with senior representatives from the Adults and Communities Department was held on 1st November to review financial assumptions for the Adult Social Care investments within the plan. The 2017/18 BCF Plan assumes the same level of Adult Social Care protection as in 2016/17 (£17m). This will be reviewed following the release of the national guidance. It is expected that the overall social care spend will need to increase at least in line with inflation.

    - **Disabled Facilities Grant (DFG)** – it is expected that funding allocations for major adaptations in the home will continue to be routed via the BCF to district councils in line with current national policy. Work with district council Chief Executives and Finance Leads, has been undertaken to forecast DFG demand across Leicestershire to inform the position. As a result of this, DFG allocations totalling £2.85m have been included in the Plan from 2017/18. This will be reviewed once the local authority allocations for 2017/8 and the national BCF guidance are published.

45. It should be noted that the majority of the BCF Plan is attributed to core NHS and local authority services, with some components dating back to historic pooled budget arrangements from 2011/12 onwards. BCF services therefore feature in existing core commissioner NHS and local authority contracts, so where service changes are proposed these need to be factored into activities led by CCG commissioning/contracting leads or local authority lead commissioners.

46. Any proposed changes will need to be incorporated into contracts, and any decommissioning/re-commissioning activities are subject to usual processes and governance (e.g. consultation, lead times, notice periods, procurement decisions, etc.)

47. A number of key commissioning assumptions have informed the refresh, highlighting the interdependencies between the BCF plan and the LLR-wide redesign associated with the LLR STP -

- BCF funding for urgent care is being transposed into the new model of urgent care service being commissioned by CCGs from April 2017.
- Investments associated with core discharge support services operating across University Hospitals Leicester and Leicestershire Partnership Trust and social care are essential to support system flow and improve performance on discharge delays. Current investments/services are already subject to ongoing redesign for 2017/18 linked to the STP Home First workstream, so these components have been ring fenced in the financial refresh for this purpose.
- The existing local rehabilitation and reablement services which are funded via the BCF will also be reviewed through the new STP Home First workstream in 2017/18.
- The existing case management services in both CCGs (“integrated care” in the East Leicestershire and Rutland CCG and “proactive care” in the West Leicestershire CCG) are assumed as core components of the future Integrated Locality Teams development in LLR.

Background Papers

Better Care Fund Policy Framework 2016-17 - http://ow.ly/74k9309bePG

Report to the Health and Wellbeing Board Report on 5 May 2016 ‘Better Care Fund Plan Final Submission and Assurance’ - http://ow.ly/ahgj309bf47

Report to the Cabinet on 17 June 2016 ‘Disabled Facilities Grant/BCF report’
http://politics.leics.gov.uk/documents/s120067/supplementary%20BCF%20Plan%20DFG%20report.pdf

Report to the Health and Wellbeing Board on 15 September 2016 'BCF/Disabled Facilities Grants' http://politics.leics.gov.uk/documents/s122300/DFG%20Report.pdf

Report to the Cabinet on 16 September 2016 'BCF/Disabled Facilities Grants' http://politics.leics.gov.uk/documents/s122380/BCF%20DFG%20Report.pdf

Report to the Health and Wellbeing Board on 5 January 2017 'Better Care Fund Refresh 2017/18' - http://ow.ly/30DZ309bfTt

Leicester, Leicestershire and Rutland Sustainability and Transformation Plan - http://www.bettercareleicester.nhs.uk/Easysiteweb/getresource.axd?AssetID=47665

Appendices

Appendix A – Draft Leicestershire BCF Service/Finance Plan (as at 20 February 2017)
Appendix B – BCF Refresh Engagement and Governance Planner

Relevant Impact Assessments

Equality and Human Rights Implications

48. Developments within the BCF Plan are subject to an equality impact assessment and the evidence base supporting the BCF Plan has been tested with respect to Leicestershire Joint Strategic Needs Assessment. An equalities and human rights impact assessment has been undertaken which is provided at - http://ow.ly/1sgC309cJUu . The assessment concluded that the impact of the BCF is neutral and therefore a full assessment was not required.

49. This document is undergoing annual review by Leicestershire County Council's (Adults and Communities Department) Equalities Group on 14 March 2017 and any revisions arising from this will be reflected in the final BCF Plan submission to NHS England.

Partnership Working and associated issues

50. The delivery of the BCF Plan and the governance of the associated pooled budget are managed in partnership through the collaboration of commissioners and providers in Leicestershire.

51. Day-to-day oversight of delivery is undertaken by the Integration Executive, an officer subgroup of the Health and Wellbeing Board.

52. The delivery of the Leicestershire BCF ensures that a number of key integrated services are in place and contributing to the system wide changes being implemented through the LLR STP, the five-year plan to transform health and care across Leicester, Leicestershire and Rutland. This programme of work is called Better Care Together and has resulted in the publication of the LLR Sustainability and Transformation Plan. http://ow.ly/lPsP309cK2D

53. Key risks affecting the refreshed BCF Plan at this stage are characterised as a combination of:

- Overall LLR system level risks (service, financial and transformational), per the LLR STP, and
- Specific risks affecting the Leicestershire BCF plan/pooled budget (arising from both the LLR system level risks and the national policy position for the BCF).

54. The following is a summary of Key Risks associated with the BCF refresh as at February 2017 -

a) Impact of the 2017/18 financial position across the health and care economy – risk that partners are forced to address immediate/short term system pressures versus investing in medium term solutions/ transformation, e.g. per the STP priorities.

b) Lack of financial headroom within the Leicestershire BCF Plan, including lack of reserves and contingencies from 2017/18 onwards.

c) Increased significant risks in CCG financial plans from 2017/18 onwards.

d) Ongoing urgent care pressures, including a deterioration in Delayed Transfers of Care (DTOC) performance in 2016/17.

e) As mentioned previously, at the time of writing this report, the national BCF guidance has not yet been published. There are three key areas of risk that need further clarification via this guidance, namely -

   i. Whether a risk pool is required for emergency admissions performance. (Initial feedback indicates that this will be required only if the BCF is expected to deliver a reduction in emergency admissions beyond CCG operating plan assumptions).

   ii. Whether any increase in local authority allocations into the BCF will be announced/ available, based on the previous 2015 Comprehensive Spending Review announcements and intentions. If so, it is likely these would be linked to either DFG and/or Adult Social Care budgets.

   iii. Any DFG allocations pressures into the Leicestershire BCF arising from the local authority allocations and/or BCF technical guidance (expected in late February 2017).

f) Reliance on the delivery of further in-year savings from service review and redesign across a number of BCF service lines in order to deliver a more sustainable medium term financial plan.

g) A number of these BCF service lines are subject to work lead by STP workstreams during 2017/18, with key milestones and quantifiable impact in some areas still to be confirmed.

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