

Better Care Fund 2014/15 update and 2015/16 plan

Agenda item 12

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|--|--|-------------------------------------|-----|----------------------------|-----|---------|----|---------|----|-----------------------|----|-------------------------|----|--|----|-----------------------------------|----|
| Date | 12 May 2015 | | | | | | | | | | | | | | | | |
| Board Sponsor | Dr. Richard Harling, Director of Adult Services and Health | | | | | | | | | | | | | | | | |
| Author | Frances Martin and Christopher Bird | | | | | | | | | | | | | | | | |
| Relevance of paper | <p>Priorities</p> <table><tr><td>Older people & long term conditions</td><td>Yes</td></tr><tr><td>Mental health & well-being</td><td>Yes</td></tr><tr><td>Obesity</td><td>No</td></tr><tr><td>Alcohol</td><td>No</td></tr><tr><td>Other (specify below)</td><td>No</td></tr></table> <p>Groups of particular interest</p> <table><tr><td>Children & young people</td><td>No</td></tr><tr><td>Communities & groups with poor health outcomes</td><td>No</td></tr><tr><td>People with learning disabilities</td><td>No</td></tr></table> | Older people & long term conditions | Yes | Mental health & well-being | Yes | Obesity | No | Alcohol | No | Other (specify below) | No | Children & young people | No | Communities & groups with poor health outcomes | No | People with learning disabilities | No |
| Older people & long term conditions | Yes | | | | | | | | | | | | | | | | |
| Mental health & well-being | Yes | | | | | | | | | | | | | | | | |
| Obesity | No | | | | | | | | | | | | | | | | |
| Alcohol | No | | | | | | | | | | | | | | | | |
| Other (specify below) | No | | | | | | | | | | | | | | | | |
| Children & young people | No | | | | | | | | | | | | | | | | |
| Communities & groups with poor health outcomes | No | | | | | | | | | | | | | | | | |
| People with learning disabilities | No | | | | | | | | | | | | | | | | |
| Item for | Information and assurance | | | | | | | | | | | | | | | | |
| Recommendation | <ol style="list-style-type: none">1. That the Health and Well-being Board (HWB) is asked to:<ol style="list-style-type: none">a) Note the outturn position of the 2014/15 Better Care Fund (BCF).b) Agree the proposal to reimburse the 2014/15 CCG overspend arising as a result of Systems Resilience Group (SRG) decisions with a reduction in the 2015/16 BCF Winter Pressures allocation.c) Note the finance implications of the recently released BCF operationalisation guidance, including the requirement for the Board to sign off quarterly monitoring reports.d) Approve the proposal that the quarterly BCF returns can be signed off by HWB Chairman rather than full board. | | | | | | | | | | | | | | | | |

e) Approve the proposal to retain 3.5% target in non-elective admissions reduction in the BCF plan.

Background

2. The total budget for the 2014/15 BCF was £10.929m. On 22nd July 2014 it was reported to the Board that the Better Care Fund was forecast to significantly overspend, driven by increased demand for the 'client areas' of Urgent and Unplanned Placements (UUPS), Plaster of Paris placements (PoPs), and Discharge to Assess beds (DtA). An action was agreed to reduce the 2014/15 Winter Pressures BCF budget from £1.2m to £700k, and to earmark the £500k as a contingency should the BCF outturn in an overspent position.
3. The BCF plan for 2015/16 was submitted to NHS England in September 2014 and marked as 'Approved' by NHS England in October. The plan included a breakdown of schemes with budgets totaling £37.193m, and specified a target reduction in non-elective admissions of 3.5%. Subsequent amendments to the plan have gone through the Integrated Commissioning Executive Officers Group (ICEOG) and HWB.

BCF 2014/15

4. The latest Budget Monitoring position reported for the 2014/15 BCF is Period 12 final outturn report. The summary table is attached to this report as Appendix A. Measures put in place since July have greatly improved the BCF financial position from the £700k overspend that was forecast at that time, and at year-end the outturn is a £164k overspend, before the application of the £500k contingency. **Once the contingency is taken into account, the BCF position moves to break-even, with unspent contingency of £336k remaining.**
5. Any unspent contingency in the BCF was to be utilised to fund various items of winter expenditure, incurred by the CCGs. This was discussed at the March 2015 ICEOG. SW CCG have compiled a breakdown of these items, which is attached as Appendix B. The total cost of winter pressures schemes is £1,569k.
6. The budget for Winter Pressures in the BCF is £700k, plus the £336k contingency, giving a total BCF resource for Winter Pressures of £1,036k. meaning that £533k of the winter spend is unfunded. This overspend position has arisen due to SRG commissioning unfunded schemes over winter, such as extra Community Hospital beds, in order to manage capacity and demand issues.

BCF 2015/16

BCF Operationalisation Guidance

7. **As stated in paragraph 6 above, £1,036k is available from the 2014/15 BCF, meaning that £533k requires funding. It is proposed that this is met from reserves, specifically the Well-Connected and Pooled Budget Risk Reserves, and that this is reimbursed from the 2015/16 BCF (paragraph 9)**
8. Since the submission of the BCF plan in 2014, there have been two amendments agreed by Board. To recap, these are:
 - a. The £522k listed in the BCF plan as 'South Worcestershire Practice-based Social Workers' is instead being deployed towards 'SW Palliative Care'.
 - b. The £865k listed in the BCF plan as 'Demographic Pressures in Domiciliary Care' is being used to increase the BCF funding for Resource Centres. This move makes Howbury and The Grange fully-funded by BCF from 2015/16.
 - c. These amendments to the plan were presented to the Board on 3rd March 2015, as part of the S75 report.
9. As a result of the CCG overspend as per paragraph 6; a further amendment to the plan is required in order to reimburse reserves held by WCC for the SRG overspend. **HWB are asked to approve a reduction in the Winter Pressures scheme budget, from £700k down to £167k.** This represents a risk to the CCGs as it reduces the resource for winter in 2015/16. ICEOG will closely monitor expenditure during the year and explore all opportunities to increase flexibility for winter funding.
10. NHSE have released operationalisation guidance for the 2015/16 BCF. The guidance paper and cover letter are attached as Appendices C and D.
11. NHS England can intervene to withhold, recover, or direct the usage of any amount of the revenue portion of the BCF, if the conditions of the BCF are not met. These conditions include (but are not limited to):
 - a. *That the funds are paid by the CCGs into a S75 pooled fund.*
 - b. *That there are expenditure plans for the BCF agreed by the CCGs and LA, and that these plans are agreed by NHS England*
 - c. *The inclusion in the plan, and meeting of any performance targets relating to the BCF schemes*
12. Worcestershire currently meets these conditions for the BCF.
13. The funding flow of the BCF is established in the guidance. A full diagram is attached as Appendix E. It

shows that the capital elements of the BCF (Disabled Facilities Grant and Social Care Capital Grant) will be paid directly to the local authority, whereas the revenue elements flow through the CCGs into the S75.

14. The Disabled Facilities grant is paid to WCC by the DCLG. The grant amount for 2015/16 is £2.358m. WCC then distributes to the District Councils, in amounts already dictated by DCLG. However the County Council must ensure that the grant is being spent in line with grant conditions.
15. The 2015/16 Social Care Capital Grant amount for Worcestershire is £1.328m. This comprises £828k for Social Care capital projects and £500k for capital spend relating to Care Act implementation.
16. The guidance states that the monitoring of delivery, accounting and audit of the BCF should be included in the local S75 agreement.
17. The Board can request regular monitoring information from the CCGs and LA, as well as any partnership groups (e.g. ICEOG).
18. Quarterly and annual reports on the BCF are required by NHS England. These are to be submitted in a standard format on a template provided. **HWB is required to sign off these monitoring reports before submission. The first return is due on 29th May 2015 for the period January to March 2015.**
19. The quarterly returns comprise the income and expenditure position of the BCF, as well as quarterly data on the metrics that were part of the BCF plan, including non-elective admissions. **Given the tight timescales in getting this data ready for the submission deadlines, it is proposed that Chairman have delegated authority for signing off the quarterly returns, and that they are then reported at the next Board meeting.**
20. It is acknowledged in the guidance that the target reduction in non-elective admissions may have changed since the BCF plan was submitted in September. An extract from the current BCF plan, showing the targeted reduction in admissions and the estimated financial value of these admissions (£2.657m) is included as Appendix F.
21. The board has the opportunity to realign the BCF target (currently 3.5%) in consideration of revised baselines,

actual activity in the year to date, and progress with contract negotiations with providers.

22. BCF plans should continue to represent ambitious stretch targets that aim to accelerate progress on reducing non-elective admissions. It is therefore expected that the target included in the BCF plan may be higher than operational planning assumptions. A difference between these does not mean that the BCF target needs to be amended.
23. If the Board wish to amend the target within 2 percentage points of the assumptions made in operational plans, no further central review is required and HWB can amend.
24. However, if the Board wish to amend the target by a greater amount than 2 percentage points, the revised target would be subject to approval by NHS England.
25. There is no reduction in admissions detailed in the 2015/16 contract with Worcestershire Acute Trust (WAT). Therefore the HWB should be aware that there is a 3.5% difference between the BCF target and the contract with the provider.
26. However the contract with WAT is a Payment by Results contract, therefore if BCF schemes are successful in reducing admissions by the 3.5% target or more, the performance-related BCF fund becomes available
27. The Board should also be aware that if the 3.5% reduction in non-elective admissions is not achieved, then the performance-related BCF fund will not be released to the Board to spend on local health initiatives
28. **It is recommended that the 3.5% target in the BCF plan not be changed at this time. The Board are asked to approve this.**

Appendices

Appendix A – BCF Budget Monitoring Outturn Summary

Appendix B – SRG Budget Monitoring Outturn Summary

Appendix C – BCF Operationalisation Guidance Cover Letter

Appendix D – BCF Operationalisation Guidance document

Appendix E - Funding flow diagram for 2015/16 BCF

Appendix F – 3.5% reduction in admissions (extract from 2015/16 BCF plan)