

## Cabinet

18 October 2017

### Improved Better Care Fund (iBCF) – Update & MTFP Considerations



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#### Report of Corporate Management Team

**Jane Robinson, Corporate Director of Adult and Health Services**  
**Councillor Lucy Hovvels, Portfolio Lead for Adult and Health Services**

**John Hewitt, Corporate Director of Resources**

**Councillor Alan Napier, Portfolio Holder for Finance**

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#### Purpose

- 1 To provide Cabinet with an update in respect of the Improved Better Care Fund (iBCF) allocations and proposed expenditure plans, as agreed with local Clinical Commissioning Groups (CCG's) and the impact on the Councils Medium Term Financial Planning.

#### Background

- 2 The Better Care Fund (BCF) brings together ring-fenced budgets Clinical Commissioning Groups (CCG's) allocations, the Councils Disabled Facilities Grant (DFG) capital allocations and funding paid direct to the Council for adult social care services.
- 3 The BCF pooled budget totals £45.7million for 2017/18, the majority of which is funded from CCG revenue contributions. The BCF is accounted for through the Council's accounts.
- 4 In the current year, the BCF allocations have been augmented with additional resources – the Improved Better Care Fund (iBCF) – initially announced in the Autumn statement last year and augmented in the March budget. The iBCF allocations are additional monies payable to Councils to support the adult social care budget.
- 5 The iBCF consists of two elements – a planned allocation included in the Local Government Finance Settlement 2017/18 (£2.378million), and additional funding for adult social care announced at Budget 2017 (£13.112million) for 2017/18. Future year allocations for the iBCF have also been published, and projected income streams are set out below:

£m	2017/18	2018/19	2019/20
Initial iBCF Allocation	2.378	13.378	23.078
Additional iBCF Allocation – March Budget 2017	13.112	8.068	3.993
<b>Total iBCF Allocations 17/18 to 19/20</b>	<b>15.490</b>	<b>21.446</b>	<b>27.071</b>

- 6 Available funding for 2020/21 and beyond has not been determined.
- 7 The initial planned iBCF amounts, which increase to c£23million by 2019/20, have already been built into the MTFP to support adult social care-related activity. The additional monies announced at Spring Budget 2017 offer further opportunities to utilise funds to support social care and health priorities, and defer future savings pressures.
- 8 Whilst the additional iBCF allocations were announced in March, the grant conditions were not received until 24 April, 2017 and the detailed BCF planning guidance was not received until July 2017.
- 9 Due to the late notification of these additional funds, received after the Council and the local CCG's had set their 2017/18 budgets, and the delay in receiving the planning guidance, plans have only recently been finalised.
- 10 This has required detailed discussions with our local CCGs. Given the nature of this funding, which is non-recurrent, the following criteria has underpinned our planning:
- Whether the planned investment is one-off or recurrent;
  - Whether the investment generates savings;
  - Whether the investment is preventative and how the impact of this can be measured, including financial impacts within the care system;
  - Whether the investment is capital or revenue;
  - Whether the investment supports MTFP objectives
- 11 In terms of the 2017/18 iBCF additional funding allocations, the proposed investments are outlined below, which will support overall health and social care priorities across County Durham:

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<b>iBCF Planned Spend – 2017/18 Grant Allocation</b>	<b>£'000</b>
<b>Supporting the Market:</b>	
- Residential Care in Reach Service (1:1)	0.750
- Workforce Development in Care Sector	1.500
- Transitional Arrangements – Quality Band Assessment (QBA) Changes	1.500
<b>Prevention:</b>	
- Dementia Care Advisors Contract	0.735
- Social Isolation / Mental Health (AAP Allocations)	1.050
- Income Maximisation - Benefit Take-Up	0.375

<b>iBCF Planned Spend – 2017/18 Grant Allocation</b>	<b>£'000</b>
<b>Alleviate NHS Pressures:</b>	
- Community Based Services Support	4.500
- Enhancing Reablement	1.500
<b>System Support:</b>	
- Deep Dive Reviews	0.084
- Commissioning Resource - Backfill	0.300
- Project Management	0.150
- ICT Resource (Integration)	0.150
- ICT Resource (e-Brokerage)	0.481
- Contingency	0.037
<b>Total</b>	<b>13.112</b>

- 13 In terms of the additional allocations for 2018/19 (c£8m) and 2019/20 (c£4m), these amounts have been built into MTFP (8) and will be utilised to delay adult care-related MTFP savings.

## **Recommendations**

- 14 Cabinet is requested to:
- a. note and agree the proposed spending plans for the 2017/18 additional iBCF allocation, as agreed with the CCG's.
  - b. provide delegated authority to the Corporate Director of Adult and Health Services and Corporate Director of Resources in consultation with relevant Portfolio Holders and NHS/CCG colleagues to implement iBCF spending plans.
  - c. note and agree the use of 2018/19 and 2019/20 additional iBCF allocations to support the MTFP by deferring adult care-related savings pressures.

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## **Appendix 1: Implications**

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### **Finance –**

The Better Care Fund (BCF) is a continuing pooled resource paid to local Clinical Commissioning Groups (CCG's), totalling £45.7m for 2017/18. The BCF is accounted for through the Council's accounts from specified contributions from local CCG's, and also includes the Council's Disabled Facilities Grant (DFG) allocation.

The BCF Plan is subject to an assurance and sign off process via the Department of Health (DoH). Prescribed planning templates are required to be submitted to the DoH as part of this process and BCF plans must be signed off by local Health and Wellbeing Boards.

For 2017/18, additional monies are directly payable to Durham County Council to support the adult social care budget. The Improved Better Care Fund (iBCF) consists of two elements – a planned allocation included in the Local Government Finance Settlement 2017/18 (£2.378m), and additional funding for adult social care announced at Budget 2017 (£13.112m). Overall iBCF allocations increase for 2018/19 and 2019/20.

### **Staffing –**

The application of iBCF funding will have staffing implications, particularly the use of the 2017/18 as outlined in the report. Utilisation of the funds in 2018/19 and 2019/20 will allow MTFP savings within Adults and Health Services, which would otherwise have had staffing implications, to be deferred.

### **Risk –**

The BCF planning guidance references that 2018/19 iBCF allocations may be reviewed if Delayed Transfers of Care (DTC) reduction targets are not met. The guidance references a potential 10% reduction in allocations for future years, which would equate to circa £800,000 in 2018/19 and circa £400,000 in 2019/20. At present, it is not clear whether any reductions will actually be applied, so in terms of Medium Term Financial Planning, it is assumed that initial grant allocations will be honoured. In County Durham, DTC performance is amongst the best in the country, providing a low baseline, therefore, any significant reductions in delayed discharges would be difficult to attain.

iBCF plans need to be included in the BCF planning and monitoring processes, including sign off by DoH. Application of the funding is subject to the Grant Conditions set out in the Improved Better Care Fund (Revenue) Grant Determination (2017/18) No. 31/3064.

**Equality and Diversity / Public Sector Equality Duty –** No specific Equality and Diversity / Public Sector Equality Duty implications at this stage.

**Accommodation–** None

**Crime and Disorder**– None.

**Human Rights**– None.

**Consultation**– CCG's have been fully involved in identifying and agreeing spending plans as set out in this report. These have been factored into the BCF Planning template submitted to the DoH as part of the BCF/iBCF assurance process.

**Procurement**– Any procurement activity required to implement the plans as set out in this report will be in line with DCC policies and procedures.

**Disability Issues**– No specific disability issues identified at this stage.

### **Legal Implications**–

The iBCF funding has been awarded to under section 31 of the Local Government Act 2003 (Improved Better Care Fund (Revenue) Grant Determination (2017/18) No. 31/3064).

The Grant Determination has different grant conditions to the BCF, although iBCF plans still need to be included in the BCF planning and monitoring processes. iBCF grant conditions are set out below:

- (a) Grant paid to a local authority under this determination is to be spent on **adult social care** and used for the purposes of **meeting adult social care needs, reducing pressures on the NHS** - including supporting more people to be discharged from hospital when they are ready - and **stabilising the social care provider market**.
- (b) A recipient local authority must:
  - i. pool the grant funding into the local Better Care Fund, unless the authority has written Ministerial exemption;
  - ii. work with the relevant Clinical Commissioning Group(s) and providers to meet National Condition 4 (Managing Transfers of Care) in the Integration and Better Care Fund Policy Framework and Planning Requirements 2017-19 (see below) ; and
  - iii. provide quarterly reports as required by the Secretary of State.
- (c) The Government has made clear that part of this funding is intended to enable local authorities to quickly provide stability and extra capacity in local care systems. Local authorities are therefore able to spend the grant, including to commission care, subject to the conditions set out in the grant determination, as soon as plans have been locally agreed.