



## Healthier Communities Select Committee

### **Report title: Strategic Review of the Better Care Fund and Improved Better Care Fund**

**Date:** 25 February 2021

**Key decision:** No

**Class:** Part 1

**Ward(s) affected:** All

**Contributors:** Executive Director for Community Services, Executive Director for Corporate Resources, Director of System Transformation

### **Outline and recommendations**

The purpose of this report is to provide the Healthier Communities Select Committee with an update on the strategic review of the Better Care Fund (BCF). The report outlines the steps which have been taken by the Council and South East London CCG (the CCG) to identify potentially uncommitted budgets within the BCF for 2021/22, which could be reallocated to support proposals to generate identifiable and measurable savings (invest to save) in other budgets across the health and care system. A similar piece of work is planned to identify potentially uncommitted budgets within the IBCF.

Members of the Healthier Communities Select Committee are recommended to note and comment on activity to date and planned next steps.

### **Timeline of engagement and decision-making**

**26 February 2020** – Budget report to Council

**10 June 2020** – Council's response to COVID-19 – financial update report to M&C

**9 July 2020** – First 2020/21 financial monitoring report to M&C

**7 October 2020** – Financial stabilisation and medium term budget update report to M&C

**11 November 2020** – Round 1 Cuts proposals report to HCSC

**9 December 2020** – Round 1 Cuts proposals report to M&C

**13 January 2021** – Round 2 Cuts proposals report to HCSC

**3 February 2021** – Round 2 Cuts proposals report to M&C

## 1. Summary

- 1.1. This report sets out the background and the action that has been taken to date to review the Better Care Fund (BCF) and the Improved Better Care Fund (IBCF). The review aims to identify BCF/IBCF funding which can be released from existing schemes/activity and redirected to areas which would in turn reduce spend in other areas across the health and care system. This report updates members of the Healthier Communities Select Committee on the action taken to date and planned next steps.

## 2. Recommendation

- 2.1. Members of the Healthier Communities Select Committee are recommended to note and comment on activity to date and next steps to review the BCF and IBCF.

## 3. Policy Context

- 3.1. The Council's Corporate Strategy 2018-2022 outlines the Council's vision to deliver for residents over the next four years and includes the following priority relevant to this item: 1. Delivering and defending: health, social care and support - Ensuring everyone receives the health, mental health, social care and support services they need.
- 3.2. The Better Care Fund is a joint health and social care integration fund managed by the Council and the CCG. The strategic framework is set out in the national BCF policy framework and planning guidance.
- 3.3. The Better Care Fund also supports the delivery of the NHS Long Term Plan.

## 4. Background

- 4.1. The overview of the Section 75 Agreement for the Better Care Fund and the management of BCF/IBCF expenditure plan are held by the Section 75 Agreement Management Group whose membership is drawn from representatives of the Council and the CCG. Back in 2019/20, the Section 75 Agreement Management Group agreed that there should be a review of the BCF/IBCF schemes prior to the production of the 2020/21 BCF/IBCF plan. The review was agreed to ensure that the schemes supported the integration and transformation of health and care and continued to reflect the priorities of the Lewisham Health and Care Partnership.
- 4.2. The review and development of the 20/21 plan were however postponed as Health and Wellbeing Boards were advised that BCF policy and planning requirements would not be published during the initial response to the COVID-19 pandemic. In the meantime HWBs were advised to prioritise continuity of provision, social care capacity and system resilience and to continue to focus spend on locally agreed priorities pending further guidance. It was therefore agreed that the BCF spend for 20/21 would continue to support the 19/20 schemes that had been previously agreed. On 3 December 2020, the Government advised that BCF plans would not need to be submitted to NHS England and NHS Improvement for approval in 2020/21.
- 4.3. The previously planned review of the BCF/IBCF has now been resumed. The review will now inform the development of the 21/22 BCF/IBCF plan and deliver the commitment made to the Council's Mayor and Cabinet to review the BCF/IBCF. The review aims to identify BCF/IBCF funding which can be released from existing schemes/activity and redirected to areas which would reduce spend in other areas across the health and care system.

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## 5. The BCF Plan 2021/22

- 5.1. As in previous years, all Health and Wellbeing Boards in England will be required to agree a plan for the use of pooled funding to support integrated health and care services. Pooled funding includes the Disabled Facilities Grant which provides housing adaptations and related support, and the Winter Pressures Grant to encourage proactive, joint planning ahead of winter and to minimise seasonal pressures. Both the Disabled Facilities Grant and the Winter Pressures Grant are paid to the Council and pooled into the BCF/IBCF.
- 5.2. In its policy statement published on 3 December 2020, the Government confirmed that the national conditions in 2021/22 will continue to set a minimum contribution to support social care from the NHS, to support the health and wellbeing of people with care needs and reduce the need for more acute care.
- 5.3. The 2021/22 plan will cover one financial year and will be an evolution of the activity funded through the BCF in 2019/20 and 2020/21. The Policy Framework and Planning Guidance are due to be published imminently.
- 5.4. Subject to the outcome of the review, it is anticipated that the Council and the CCG will continue to fund activity in the following areas:
- Prevention and Early Action
  - Community based care
  - Enhanced Care and Support to reduce avoidable admissions to hospital and facilitate timely discharge from hospital
  - Estates and Digital
- 5.5. In determining the expenditure against planned activity for 21/22, the s75 Group will review the activity that has been funded through the BCF/IBCF since April 2020 and the impact that has had on health and wellbeing outcomes. During the Covid pandemic for example, the BCF has continued to fund the voluntary and community sector to provide vital support to communities; to fund the continued development of the population health management system which has been used to identify cohorts in support of the COVID-19 vaccination programme; and has continued to fund activity which supports timely discharge from hospital to home or into an appropriate care setting.

## 6. BCF and IBCF 2019/20 Budget Values

- 6.1. For context, the table below provides a financial summary of the respective pooled budget financial values under review, based on 2019/20 planned source and application of funds.

	CCG £000	Local Authority £000	Total £000
<b>Source of Funds</b>	<b>22,056</b>	<b>16,615</b>	<b>38,671</b>
<b>Application of Funds:</b>			
Adult Social Care – contribution to Lewisham Council	9,113		9,113

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Other recharges from Lewisham Council	939		939
Funding of NHS contracts	8,061		8,061
Primary Care	1,170		1,170
Other BCF Commitments	2,773		2,773
DFG		1,339	1,339
Winter Pressures Grant		1,368	1,368
Additional LA Contribution		774	774
IBCF		13,134	13,134
<b>Total Application of Funds</b>	<b>22,056</b>	<b>16,615</b>	<b>38,671</b>

6.2. In terms of prioritisation for areas of review this table establishes that including the adult social care contribution made by the CCG to Lewisham Council, and other recharges incurred, the Council is expending £26,667k (69% of the total pooled budget). Of the remaining £12,004k spent by the CCG, £9,231k (77%) is historically committed mainly into NHS contracts with a lesser amount incurred on primary care.

## 7. Financial Position of CCG in 2021/22

7.1. In terms of the BCF, the CCG has historically reported in its statutory accounts that the pooled budget has been fully spent in line with the budgeted allocation, including utilisation of the contingency fund. This record underlines a historically challenging financial environment for the CCG and forms a backdrop against which identification of uncommitted budgets is a very significant challenge.

7.2. The advent of the COVID-19 pandemic in 2020/21 saw the suspension of normal financial planning routines undertaken by the NHS which were substituted with a temporary financial regime for 2020/21. This regime will be rolled forward into 2021/22 for at least the first quarter and possibly beyond. Further financial planning guidance is awaited by the CCG, but it is anticipated that 2021/22 will be a challenging financial year for the CCG, and therefore in turn this financial outlook presents significant challenges in identifying uncommitted expenditure in 2021/22 and in consideration of opportunities for realignment of expenditure committed within CCG budget lines.

## 8. Action on review to date

8.1. Through S75 Agreement Management Group, the Council and the CCG have been considering current commitments against the BCF and IBCF with a view to identifying potentially uncommitted budget going into 2021/22. The purpose in doing so is to:

- Identify potential opportunities for realignment of existing expenditure within the funds, in line with national conditions and metrics and which support the Lewisham

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Health and Care Partnership priorities (see Annex A) as set out in the Recovery Plan; and

- Where opportunities for realignment of expenditure can be identified, to develop proposals for the budget to be utilised in a more effective way so as to deliver savings against other existing budget lines for Lewisham Borough Council and the CCG, both of which are parties to the pooled budget arrangements.
- 8.2. Any realignment of expenditure will also need to meet any national conditions and metrics set out by NHS England for the BCF/IBCF 21/22 plan.
  - 8.3. In reviewing the BCF/IBCF, the S75 Group has also agreed that any realignment of expenditure must support proposals which generate identifiable and measureable savings (invest to save), and not simply to switch the source of funding for existing expenditure from other core budgets outside of the funds, into the pooled budgets to absorb any uncommitted budget identified.
  - 8.4. The S75 Group has stated that it expects proposals developed for realigning expenditure to take the form of a business case demonstrating how savings are to be generated, define milestones and measures of achievement, be subject to joint consideration through the S75 Agreement Management Group and, where necessary, seek approval through the CCG's and Council's governance arrangements.
  - 8.5. Early work that has been done has identified £500k of unallocated inflation from the 20/21 budget that is used to support social care services and can thus release an equivalent sum from the ASC budget to contribute towards the agreed £1m budget reduction next year.

## 9. Next Steps

- 9.1. Officers in the Council and the CCG will continue to work through all expenditure lines within the BCF to identify potential areas where funding can be reinvested to support activity which would reduce expenditure elsewhere. A similar piece of work will be undertaken in relation to the IBCF to identify where potential opportunities exist within those budgets.
- 9.2. As part of this work, inflationary uplifts are being reviewed to ensure a prudent level of inflation, if needed, is being applied.
- 9.3. The CCG is at a relatively early stage in its financial planning for 2021/22 as a consequence of the pandemic, but will endeavour to continue to keep under review any flexibility there may be as regards commitments from the BCF in 2021/22.
- 9.4. Any investment proposals for realignment of BCF or IBCF funding will be supported by business cases where necessary, evidencing savings to be achieved. Proposals will be considered by the s75 group and be subject to financial governance in each organisation as appropriate.

## 10. Financial implications

- 10.1. There are no direct financial implications arising from the implementation of the recommendations in this report however those undertaking the review are mindful of the significant financial pressures faced by local authorities and the NHS. In undertaking the review, officers will seek to ensure that the BCF/IBCF budget is utilised in the most effective way so as to deliver value for money and where possible savings against other existing budget lines for Lewisham Borough Council and the CCG, both of whom are parties to the pooled budget arrangements.

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## **11. Legal implications**

- 11.1. There are no direct legal implications arising from the implementation of the recommendations in this report. However members will wish to note that the governance of the BCF is set out in the associated s75 Agreement. The draft 21/22 BCF plan and associated expenditure will be presented and agreed by members of the s75 Board and subsequently approved by the Council and the CCG. Once agreed, the BCF plan will be presented for sign off by the Health and Wellbeing Board.

## **12. Equalities implications**

- 12.1. The Equality Act 2010 brought together all previous equality legislation in England, Scotland and Wales. The Act included a new public sector equality duty, replacing the separate duties relating to race, disability and gender equality. The duty came into force on 6 April 2011. It covers the following nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 12.2. The Council must, in the exercise of its functions, have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
  - advance equality of opportunity between people who share a protected characteristic and those who do not.
  - foster good relations between people who share a protected characteristic and those who do not.
- 12.3. Tackling inequalities in health is one of the overarching purposes of integration. Each new or existing service funded by the BCF or IBCF must have regard to the need to reduce inequalities in access to health and care and health and wellbeing outcomes.

## **13. Climate change and environmental implications**

- 13.1. There are no specific climate change or environmental implications arising from this report or its recommendations.

## **14. Crime and disorder implications**

- 14.1. There are no specific crime and disorder implications arising from this report or its recommendations.

## **15. Health and wellbeing implications**

- 15.1. The health and wellbeing implications of the review are outlined in the body of this report.

## **16. Background papers**

- 16.1. None

## **17. Report author and contact**

Tom Brown, Director of Community Services, Lewisham Council  
Sarah Wainer, Director of System Transformation, SEL CCG

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## Annex A: Lewisham Health and Care Partnership Recovery Plan Priorities

### Addressing Inequalities

addressing inequalities and disparities in risks and outcomes, including a specific focus on our BAME communities and staff.

<p><b>Care Homes</b></p> <p>supporting care homes locally including co-ordinated support and safeguarding of all residents and staff</p>	<p><b>Prevention</b></p> <p>restarting services reduced or put on hold during lockdown with a focus on addressing inequalities</p>	<p><b>Planned Care</b></p> <p>including proactive immunisations, cancer screening, Long Term Conditions support and management, postnatal and health checks</p>	<p><b>Building Community Resilience</b></p> <p>recognising individual strength, knowledge and skills to ensure people have more control and a greater voice</p>	<p><b>Children, Young People &amp; Families</b></p> <p>catch-up immunisations, screening and weight management, mental health support and support to schools</p>
<p><b>Frailty</b></p> <p>understanding and mapping mild, moderate and severe frailty, links to other conditions, and how best to provide more responsive care</p>	<p><b>Diabetes</b></p> <p>including patients with undiagnosed diabetes, at risk of developing diabetes and with gestational diabetes</p>	<p><b>Respiratory</b></p> <p>integrated respiratory community hubs, review of Lung Education Exercise Programme (LEEP), and implementation of multi-disciplinary working for respiratory patients</p>	<p><b>Mental Health</b></p> <p>Front Door &amp; Rapid Crisis Response, Community Support, Rehabilitation &amp; Complex Care, including addressing inequalities and improving outcomes for BAME communities</p>	<p>Implementation of the i-Thrive model across early help and emotional health services to develop a common language and enable better access to services, creating improved family resilience</p>

### Safeguarding our communities and those who support them

mitigating and managing the risks of a “second surge” of Covid-19 in Lewisham, including Test and Trace, Shielding, “Covid-19 Secure” services

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