

Meeting:	Cabinet
Meeting date:	4 May 2017
Title of report:	Allocations for the additional funding for adult social care
Report by:	Cabinet member health and wellbeing

Classification

Open

Key decision

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function to which the decision relates and because it is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the county.

Notice has been served in accordance with Part 3, Section 10 (General Exception) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) Regulations 2012.

Wards affected

Countywide

Purpose

To approve the principles for the spend of additional social care funding announced in the spring budget 2017 to allow for expenditure to begin promptly within the timescales required by the grant conditions.

Recommendations

THAT:

- (a) the following principles be adopted to guide the allocation and prioritisation of the additional funding of £7,311,000 over three years (2017/18 to 2019/20):**
- To support market development and sustainability for social care providers in Herefordshire
 - To support short term health initiatives that demonstrate future benefit to residents, and across the health and social care system

- To integrate services through joint pathways and not building functions and services silos
 - To utilise a pilot approach to new initiatives to enable the evidence of benefits and learn from what works in practice
 - To invest in systems to identify and track individuals to demonstrate the evidence of need and outcomes
 - To invest in initiatives that prevent or delay the need for formal care and prevent hospital admission
 - To invest in technology enabled care to support the care workforce challenge across the health and social care system;
- (b) the director for adults and wellbeing, following consultation with the cabinet member for health and wellbeing and the section 151 officer, be authorised to determine the detailed allocation of the funding having regard to these principles and any national conditions associated with the funding; and**
- (c) in exercising the authority referenced in recommendation b above, the director for adults and wellbeing report to cabinet in the quarterly corporate performance reports, how the funding has been allocated and the outcomes achieved from its use.**

Alternative options

- 1 The decision making for the funding could align to the revised better care fund (BCF) planning, however the funding was announced in the spring budget 2017 to help stabilise the care market and support hospital discharge. One of the grant conditions, as located at appendix one, is that the additional funding for each year is spent in full within that financial year. Since the largest amount of funding falls within the 2017/18 year, which has already started, approval is required to allow the spend to happen quickly. In addition, the BCF guidance has been significantly delayed therefore to ensure maximum benefit is achieved from the funding early determination of its use is recommended.
- 2 The decision making authority could be reviewed annually. This is not recommended as it would add a further level of bureaucracy. The recommendations ensure timely and efficient decision making while maintaining continued transparency and accountability through the quarterly performance reporting process.

Reasons for recommendations

- 3 The spring budget 2017 recognised that adult social care services are under significant pressure nationally; one expression of this being the increased number of patients whose discharge from hospital has been delayed while they wait for a social care placement. As a consequence, the chancellor announced an additional £2 billion for councils to spend on adult social care over the next three years (2017/18 to 2019/20). Of this, the allocation for Herefordshire is £7.3 million.
- 4 The grant conditions set jointly by the Department of Health (DH) and the Department for Communities and Local Government (DCLG) state that the funding is to be paid to councils and used for the purposes of meeting adult social care needs, reducing pressure on the NHS – including supporting more people to be discharged from hospital when they are ready and stabilising the social care provider market. It has been made clear that the funding is intended to enable councils to quickly provide

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stability and extra capacity in local care systems. This may include meeting the cost of pressures that go beyond the original approved budget for adult social care, or avoiding the need for planned cost savings, where these might have a negative impact on demand for NHS care.

- 5 The recommendations take account of the grant conditions and requirements to support the market as soon as possible, therefore delegated authority is sought to allow for immediate expenditure once detailed scoping has been completed in consultation with key stakeholders and partners.

Key considerations

- 6 The government's spending review in 2015 announced new money for the better care fund (BCF) which increases to £1.8bn across England by 2019/20. For Herefordshire it represents additional funding of £2.2m in 2018/19 which increases to £4.46m in 2019/20.
- 7 The additional money (£2bn nationally) announced in the spring budget 2017, of which Herefordshire will receive £3.57m in 2017/18, which reduces to £2.5m in 2018/19 with a further reduction to £1.2m in 2019/20. This funding together with the BCF money from 2015 have been badged as the Improved Better Care Fund (iBCF) funding for adult social care in 2017-19 to be pooled into the local BCF plan. The funding does not replace, and must not be offset against, the NHS minimum contribution to the protection of adult social care that is already included within the BCF. For Herefordshire, this was £5.0m in 2016/17.
- 8 The spring budget 2017 additional money will be paid directly to the council via a grant from the Department for Communities and Local Government.
- 9 The funding is to provide support to the local social care market; the council must work with Herefordshire Clinical Commissioning Group (HCCG) and providers to meet the National Condition within the BCF to manage transfers of care and support hospital discharge.
- 10 Use of the additional funding must be agreed by the Clinical Commissioning Group and the Local Accident & Emergency Delivery Board, but is not subject to national NHS approval (required for current BCF plans). It should be noted that the final decision on the use of the funding falls to the council, but our decision should be based on plans that have the support of the NHS locally.
- 11 To enable the funding to be spent quickly and to ensure greatest impact and improvements, the government has made clear that councils are 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. This will therefore be some months sooner than the point at which the BCF plan receives national NHS approval.
- 12 The projects will be agreed in collaboration with health partners using the high impact change model, outlined in appendix two, which supports the system-wide improvements and reductions in transfers of care. The change model will enable new interventions to be considered and assessment of how current systems are working.
- 13 The principles within this report align to the high impact change model by providing a framework and enables focus on key areas to allow for the greatest impact to meet the needs of Herefordshire residents.
- 14 The projects will be agreed by the director for adults and wellbeing through a business case that will demonstrate the risk, expected benefits and outcomes to be achieved, and where applicable, procurements will be undertaken in accordance with the council's contract procedure rules.

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- 15 To ensure continued transparency the quarterly corporate performance reports to cabinet will include a summary of how the funding has been allocated and the outcomes achieved from its use. Additionally the funding and milestones for the delivery of the agreed initiatives will be monitored through robust contract management to ensure that these are delivering the outcomes agreed. This will be reported to the health and wellbeing board through the BCF quarterly monitoring.

Community impact

- 16 One of the principles seeking agreement is the investment in prevention and keeping people out of hospital and in their communities. This will be achieved through linking the formal elements of care with the more informal support available within communities.
- 17 In scoping the details of the funding, insights from Understanding Herefordshire, the joint strategic needs assessment for the county, will be used in order to further understand the current and future population trends as well as the real and predicted changes in use of unplanned care and those being supported through primary care and social care services.
- 18 The principles for the funding ensure that individuals' outcomes are improved through supporting the sustainability of services and investing in initiatives that will enhance people's lives and will align to the Herefordshire health and wellbeing strategy, which underlines how Herefordshire aims to be a vibrant county where good health and wellbeing is matched with a strong and growing economy and the vision for the council's adults and wellbeing directorate - *'All adults in Herefordshire live healthy, happy and independent lives within their local communities, for as long as possible with support when they need it.'*

Equality duty

- 19 The council is committed to equality and diversity using the Public Sector Equality Duty (Equality Act 2010) to eliminate unlawful discrimination, advance equality of opportunity and foster good relations.
- 20 The equality duty covers the following nine groups with protected characteristics: age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
- 21 An equality impact assessment will be completed as part of the development of the spend schemes.

Financial implications

- 22 This funding is made available to councils on a reducing basis over the next three years, and is in addition to improved BCF funding announced in the 2015 comprehensive spending review (CSR).
- 23 For Herefordshire the spring budget funding allocations are as follows:

2017/18 £'000	2018/19 £'000	2019/20 £'000
3,573	2,496	1,242

- 24 The current expectation is that there will be no residual additional funding by 2020/21. When taken together with the 2015 CSR funding announcement we anticipate that

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£4.46m of the funding will be available at the end of the CSR period leaving £2.85m as non recurrent funding as shown below. There is no certainty for funding post April 2020.

	Budget Funds		iBCF		Combined Funds	
	Value £k	Inc (dec)	Value £k	Inc (dec)	Value £k	Inc (dec)
2017/18	3,573	3,573	0	0	3,573	3,573
2018/19	2,496	(1,077)	2,225	2,225	4,721	1,148
2019/20	1,242	(1,254)	4,461	2,236	5,703	2,130
2020/21	0	(1,242)	4,461	0	4,461	(260)
Total Non Rec	7,311					
Available NR	2,850					

Legal implications

- 25 The Care Act amended the NHS Act to provide the legislative basis for the Better Care Fund, which brings together health and social care funding. The spring budget 2017 provided that the improved Better Care Fund (iBCF) funding for adult social care in 2017-9 will be pooled into the local Better Care Fund. The new iBCF is paid directly to the council via a Section 31 grant from the DCLG. The Government has attached a set of conditions to the Section 31 grant to ensure it is included in the BCF at local level and will be spent on adult social care. The council are legally obliged to comply with the grant conditions as specified in the appendix to this report.
- 26 In summary the grant conditions state that the funding should 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.

Risk management

- 27 If the recommendations described in the report are not approved this will delay the commencement of the expenditure, which would put the full in year expenditure at risk and reduce the improved outcomes for service users.
- 28 There is a risk that if the funding has not been spent in year then DCLG may clawback any underspend at year end, which would reduce the impact and outcomes achieved.

Consultees

- 29 Herefordshire Clinical Commissioning Group, Wye Valley NHS Trust, 2gether Foundation Trust, Taurus Healthcare and the Care Home Association have been consulted on the principles and will be part of the development of the plans.

Appendices

Appendix 1 – Grant funding conditions

Appendix 2 – High Impact Change Model

Background papers

- None identified.