

# Cabinet report

Date **14 OCTOBER 2021**

Title **BETTER CARE FUNDING UPDATE 2021/22 and 2022/23**

Report of **CABINET MEMBER FOR ADULT SOCIAL CARE, PUBLIC HEALTH AND HOUSING NEEDS**

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## EXECUTIVE SUMMARY

1. This report provides an update to Cabinet on the review and direction of travel of the current Better Care Fund (BCF) Section 75 Agreement; national direction and principles for management of 2021-22 BCF; and development of 2022-23 BCF.
2. The final BCF submission will be presented to the Health and Wellbeing Board 28 October 2021 for approval (statutory sign off process) before the final submission is made to the National BCF team as required by 11 November 2021.
3. This report is provided to Cabinet to ensure that the Councils senior leadership is not only aware of the position with this critical funding stream towards health and social schemes but is also able to confirm their support or otherwise for the current direction of travel.
4. The council's cabinet is asked to consider the information provided in this report and is asked to agree the recommendation made.

## RECOMMENDATION

5.

Option 1 – namely: To note the proposals and provide approval for:

- i. Key areas for review in 2021-22
- ii. How the BCF allocated funds are intended to be managed by senior staff of both the council and Hampshire, Southampton and Isle of Wight Clinical Commissioning Group (CCG) to develop and report the BCF scheme and the schemes for 2021/2022 and 2022/23.
- iii. Agree issue of Deed for Variation for 2021-22 and develop a revised Better Care Fund S75 Agreement with revised schemes for 2022-23

## BACKGROUND

6. The current BCF has been in place since April 2017 and is based around the following schemes:
  - a) Locality/Community Model (nursing, crisis response and falls etc).
  - b) Hospital to Home (Home and Residential Care, Single Point of Access, Personal Assistants etc., Winter Pressures spend)
  - c) Carers Support
  - d) Community Voluntary Sector (Early Help and Intervention etc)
  - e) Support for Providers (Raising Standards)
  - f) Promoting Independence (Disabilities Facilities Grant, Equipment inc. Assistive Technology, etc.)
  - g) Rehabilitation, Reablement and Recovery (Integrated Discharge Team (SPARRCS), Rehab. bedded care, Reablement etc.)
  - h) Integrated Mental Health Provision (Woodlands and Mental Health (MH) Grants)
  - i) Learning Disabilities (Westminster House)
  - j) Continuing Healthcare including Hospital Discharge Scheme (HDS)
  - k) Care Act Infrastructure (Maintenance of ASC provision etc.)
7. Since 2018/2019 the BCF has been stable in terms of the workstreams it contains, and the funding attached by both the council and the CCG to those workstreams. The only significant change has been the inclusion of both the Continuing Health Care (CHC) provision and Funded Nursing Care (FNC) following the integration of the CCG team with the councils Adult Social Care and Housing Needs Department in January 2019.
8. Senior staff of both the council and the CCG are engaged in both the development and reporting for the BCF scheme under the current governance process applied. The schemes for 2021/2022 continue to be in development as central government has, to date, not released the guidance for this financial year (at time of drafting report it is expected the Planning Template return and guidance will be received 17 September 2021). It is anticipated for this financial year the following activities will be required:
  - The governance process for the BCF will be reviewed and aligned with the refresh of the Integrated Care Partnership (ICP) and the new Integrated Care System (ICS) also reflecting the now merged CCG for Hampshire, Southampton and the Isle of Wight.
  - Between September 2021 and March 2022, the current BCF schemes will be reviewed to identify effectiveness and value for money. This will inform decision around which schemes stop, carry on or are changed
  - On receipt of the national guidance for the BCF, the Section 75 Agreement to govern the BCF for 2021/2022 will be developed in partnership by the council and the CCG in terms of deeds of variation. The Section 75 Agreement will provide clarity around the transfer of the CCG minimum mandated contribution to Adult Social Care and the agreed way in which that will be spent. It is accepted that the contribution will be transferred without

deduction or expectation that it will be recharged against CCG service deliverables.

9. The total value of the 2020-21 BCF was £52,400,000.
10. Mandatory inclusion in the BCF includes:
  - CCG contribution to Adult Social Care (ASC) (uplifted by 5.3 per cent for 2021-22) to be used for social care and out of hospital spend
  - ASC Disability Facilities Grant
  - ASC Improved BCF (iBCF) and Winter Pressures Funding
11. The remainder is non-mandatory (except NHS funded Hospital Discharge Scheme (new in 2020-21) and accounted for £32.4m of the fund. CCG contribution overall is c.£42m and ASC c.£10m. on 2020-21.
12. The IW BCF operates more as an aligned budget than a pooled budget.
13. There are three proposed areas for BCF review in 2021-22:
  - a) **Early Help and Prevention** (including all voluntary sector funded Better Care Fund services) – agreed by Integrated Care Board, the council is leading and is due to report by October 2021 to action agreed outcomes in 2021-22 including revised scheme and associated budget for 2022-23 Better Care Fund.
  - b) **Rehabilitation, Reablement and Recovery (Regaining Independence)** – a bedded care review has been initiated by the Community Oversight Group; a full review of Rehabilitation, Reablement and Recovery, including discharge pathways, Integrated Discharge Team (IDT), Onward Care Intervention Team etc., is proposed. To action agreed outcomes in 2021-22 including revised scheme and associated budget for 2022-23 Better Care Fund. (This will incorporate a review of the SPARCCS (Single Point of Access Service) and Enhanced Professional Service scheme lines and a re-specification within the context of Hospital Discharge Service and Integrated Discharge Team to support allocation and Local Authority agreement of the associated funding from the NHS Adult Social Care Mandatory Contribution.)
  - c) **Refresh of the other Better Care Fund Schemes and associated funding – revised Framework for Isle of Wight delivery of effective integrated services at locality (Integrated Care Partnership) level by 2022-23** – Undertake a structured review of the Better Care Fund Section 75 agreement framework, scope, metrics/Key Performance Indicators and funding opportunities, based on agreed Integrated Care Partnership over-arching principles and IW Health and Care Plan refresh. This is intended to potentially reduce the number of individual Schemes (11) to reflect the updated models of integrated practice being agreed/consolidated; e.g. with key over-arching schemes such as Discharge and Community Integration, Voluntary Sector Offer, Integrated Mental Health and Learning Disabilities, and Continuing Healthcare.

## STRATEGIC CONTEXT

14. The IW BCF Section 75 (S75) is a large and complex document dating back to its inception 2013, revised for 2017-19 with the iBCF, which has been rolled forward in 2019/20 and 2020/21 by Deed of Variation. The document sets out the legal basis, governance (BCF S75 Board via Integrated Care Board (ICP), to Health and Wellbeing Board), Key Performance Indicators and reporting, Schemes descriptions/service specifications etc.
15. Many written Schemes and associated service specifications are out of date in terms of reflecting up to date practice; particularly affected by rate of change over the past year and governmental directives. Many Schemes now overlap in terms of integration. There is opportunity to simplify the S75 Agreement to reflect new governance and aspirations based on emerging ICP place principles, priorities, and fit with both NHS Integrated Care Systems and Local Government direction of travel.
16. The BCF Plan and S75 needs to be considered within the context of the Isle of Wight Health and Care Plan and emerging council Corporate Plan to drive system transformation, financial savings and efficiencies while being focused on local people and local delivery. And the S75 agreement will remain in place as the financial and contractual vehicle between the CCG and Local Authority and supports the development of an integrated health and care partnership and refresh of the Islands Health and Care Plan.
17. The framework for the BCF derives from the government's mandate to the NHS, issued under Section 13A of the NHS Act 2006. The BCF provides a mechanism to promote and strengthen integration of health, social care and housing planning and commissioning. And in this context the use of pooled funding arrangements remains consistent with the development of Integrated Care Systems/Partnerships (ICS/ICP).
18. It brings together ring fenced CCG allocations, and funding paid directly to local government, including IBCF, Disabled Facilities Grant and winter pressures alongside locally identified budgets into pooled budget arrangements.
19. The BCF Plan aligns with a number of strategic plans including:
  - The IOW Health and Wellbeing Strategy – in particular the BCF aligns with the Living Well and Aging Well domains.
  - The IOW Health and Care Plan – the BCF aligns with the focus on prevention, integration and care close to home
  - The ASC Care Closer to Home Strategy (CCtH) -which also aligns to the Councils corporate plan. The BCF provides a vehicle for delivery of CCtH core delivery and enabling pillars including: promoting wellbeing, improving wellbeing and protecting wellbeing as well as integration and partnerships and commissioning for value and impact.
  - The HIOW Partnership of CCGs Delivery Plan
  - The System Winter Resilience Plan
  - The Extra Care Strategy
  - The Disabled Facilities Grant Plan
20. In addition, it should be noted that any proposals under a revised Health and Social Care Bill may impact on the Better Care Fund, and councils and CCG staff will address any impact once it is known.

## CONSULTATION

21. The BCF planning template and associated Section 75 agreement is developed and updated by the CCG and council. Wider stakeholders including ICP partners, have been involved in the development of the Health and Care Plan and BCF planning.
22. This paper has been discussed with the Cabinet Member for Adult Social Care, Public Health and Housing Need, the Leader of the Council (both of whom are members of the ICP), and the Chair of the Policy and Scrutiny Committee for health and social care.

## FINANCIAL / BUDGET IMPLICATIONS

23. For 2021/22 and 2022/23 Finance leads in the Council and CCG will work jointly with BCF scheme leads to review all funding allocations. The approach and detail will be worked up and agreed through the System Finance Group. This will also provide focus in ensuring any queries in relation to the level of mandated contribution by the CCG are resolved.
24. The total value of the Better Care Fund in 2021/22 is £52,794,044. This value is made up of both mandated and discretionary funding contributions from both the CCG of £42,004,343 and the council £10,789,701.
25. From this allocation, services are then agreed in line with the BCF guidance and funding transferred to either the CCG or council based on who commissions the service. The table below shows the schemes within the BCF and where the money has been transferred to provide the services and contractual payment commitments against each of the identified schemes:

Scheme	BCF FUNDING ALLOCATED TO EACH PARTNER		
	CCG £'000	IWC £'000	Total £'000
1) Locality / Community Model	7,621	67	<b>7,688</b>
2) Hospital to Home	69	1,261	<b>1,330</b>
3) Carers	0	577	<b>577</b>
4) Voluntary Community Sector	0	863	<b>863</b>
5) Provider Sector	0	80	<b>80</b>
6) Promoting Independence	44	3,250	<b>3,295</b>
7) Rehabilitation, Reablement and Recovery	5,004	5,612	<b>10,617</b>
8) Regaining Independence - Hospital Discharge Scheme	0	4,317	<b>4,317</b>

9) Integrated Mental Health Provision	2,246	147	<b>2,393</b>
10) Learning Disability Services	0	1,070	<b>1,070</b>
11) Continuing Health Care and Funded Nursing Care	15,573	0	<b>15,573</b>
12) Care Act and Infrastructure	0	4,991	<b>4,991</b>
<b>Total BCF funding shared between CCG/IWC to fund scheme contracts</b>	<b>30,558</b>	<b>22,236</b>	<b>52,794</b>
	<b>58%</b>	<b>42%</b>	<b>100%</b>

*\* Hospital Discharge Schemes are still under review and subject to change following government decision on any ongoing funding.*

26. The above figures include an uplift of 5.3 per cent compared to 2020-21.

## LEGAL IMPLICATIONS

27. The BCF Policy Framework set out by the Department of Health and Social Care (DHSC) and the Ministry of Housing, Communities and Local Government (MHCLG) provides the mechanisms for joint health, social care, and housing, planning and commissioning of integrated care to support independence (including reducing admissions to care homes), avoid hospital admissions and delays at discharge to appropriate care.
28. The BCF is mentioned 13 times in the NHS White Paper “Integration and Innovation” (February 2021) mainly in the context of:
- changes to the legal functioning of the BCF (standalone from the NHS Mandate) and
  - re-invigoration of place-based structures for NHS/Adult Social Care (ASC) integration (Health and Wellbeing Boards (HWB) and BCF/S75 arrangements), as a mechanism for agreeing priorities, particularly local mental health, community and primary care services integrated care pathways.
29. The BCF is mentioned in the Health and Care Bill due to be set before Parliament in the Autumn, including new powers of the Secretary of State to direct NHS Act Section 75s (delegations) outside the Mandate.
30. The IW BCF S75 is a large and complex legal arrangement dating back to its inception 2013, revised for 2017-2019 with the iBCF, which has been rolled forward in 2019/2020 and 2020/2021 by Deed of Variation. The document sets out the legal basis, governance (BCF S75 Board via Integrated Care Board (ICP), to Health and Wellbeing Board); Key Performance Indicators and reporting; and schemes descriptions/service specifications etc. There is opportunity to simplify the S75 Agreement to reflect new governance and aspirations based on local place-based partnerships principles, priorities, and fit with both NHS ICS and Local Government direction of travel.

31. Although required to review and revise the S75 agreement around the agreed priorities, it is not necessary to create a complete re-write of the S75 document every year to form a new agreement. In considering revisions:
- It will be reviewed to reflect any specific changes and will maintain the financial risk sharing between the CCG and council should the pooled budget overspend or underspend;
  - It will clarify the transfer of the CCG minimum mandated contribution to Adult Social Care and the agreed way in which that will be spent;
  - It will seek to simplify the S75 Agreement to reflect new governance and aspirations based on emerging ICP place principles, priorities, and fit with both NHS Integrated Care Systems and Local Government direction of travel.
  - It continues to maintain the spirit of the original S75 rather than seeking to start a new agreement that would take considerable time and resource to produce a very large agreement document from scratch with little change to the needs of the agreement.
32. The NHS England BCF Programme is managed regionally with an allocated regional manager. The Isle of Wight is part of the BCF Forum to ensure exchange of NHS England guidance and information is obtained.
33. The oversight of the BCF S75 for the Island is in collaboration between the IW CCG and council commissioners. This is overseen by both the Managing Director of the IW CCG and Assistant Director for Commissioning (IWC). Proposals to use the BCF funds must be submitted to both the ICP and then in turn via the HWB for formal sign off and approval. This is in addition to the sovereign organisations internal governance routes (e.g. CCG Partnership Board and councils Cabinet). Monitoring of BCF spend is provided via a quarterly monitoring reports for S75 aligned budget use.

#### National Approval of agreed plans

34. The BCF plan will be approved by NHS England following joint NHS and Local Government regional assurance process against a set of guidance principals in the BCF planning guidance submission return.
35. In summary:
- BCF planning submissions are due by 11 November 2021
  - Scrutiny of plans by regional assurers and regional moderation
  - Cross regional assurance and advice to NHSE BCF Board
  - Approval letters issued
36. There is regional accountability to ensure that all conditions and requirements are met. Region provides plan approval recommendations to national partners. Following submission they will provide constructive check and challenge to the local system and will advise remedial actions wherever the local plans do not meet expected requirements and also where the plan is compliant but there is scope to improve.
37. Where there are concerns over the submission, performance or compliance with BCF requirements, the Better Care Fund Support team (BCST) and Better Care Manager (BCM) will take action that could range from informal support, advice and guidance; moving through formalized support and formal regional meetings; up to formal escalation panels that involve NHS England and LGA. In the event of any intervention the BCM will track progress against the agreed actions.

38. In the event of national escalation, under the NHS Act 2006, NHS England does have the ability to direct the use of CCG funds where an area fails to meet the BCF conditions.
39. The escalation panel may also make recommendation that an area should amend plans that relate to spending of the DFG, Winter Pressures or IBCF, but this money is not subject to NHSE powers. However if there is not agreement and a plan cannot be agreed Departments can recover grant payments or withhold future funding.

## EQUALITY AND DIVERSITY

40. The council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
41. Any schemes that are reviewed under the BCF funding proposals may require the necessary equality impact assessment to be reviewed. These will each determine how a service promotes equality and diversity to ensure legal compliance in how the services we provide and the decisions that we make meet the needs of our local community under our equality and diversity duties.

## OPTIONS

42. Option 1 – To note the proposals and provide approval for:
  - i. Key areas for review in 2021-22
  - ii. How the BCF allocated funds are intended to be managed by senior staff of both the council and Hampshire, Southampton and Isle of Wight Clinical Commissioning Group (CCG) to develop and report the BCF scheme and the schemes for 2021/2022 and 2022/23.
  - iii. Agree issue of Deed for Variation for 2021-22 and develop a revised Better Care Fund S75 Agreement with revised schemes for 2022-23
43. Option 2 – To note the proposals and not provide approval for:
  - i. Key areas for review in 2021-22
  - ii. How the BCF allocated funds are intended to be managed by senior staff of both the council and Hampshire, Southampton and Isle of Wight Clinical Commissioning Group (CCG) to develop and report the BCF scheme and the schemes for 2021/2022 and 2022/23.
  - iii. Agree issue of Deed for Variation for 2021-22 and develop a revised Better Care Fund S75 Agreement with revised schemes for 2022-23.

## RISK MANAGEMENT

44. There is significant risk to both the IOW Council, the CCG and the wider system in the event that BCF Plans and submission for future years are not agreed and subsequently approved by regulators. This risk is mitigated by thorough and early planning together with good governance. It is essential that the required reporting framework is adhered to.
45. The action being taken is to note and approve how the BCF allocated funds are intended to be managed and reviewed. In approving this approach there is no risk as it ensures that the council and CCG complies with its legal responsibilities to submit its BCF plans for approval by the national bodies.

## EVALUATION

46. The proposed way forward has been carefully considered with senior staff of both the council and the CCG. Having considered the above, it is felt that option 1 is preferred, as it maintains the requirement to agree and prepare to sign off and submit BCF planning submissions which are due by 11 November 2021, following approval by the Health and Wellbeing Board on 28 October 2021.

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