



# Cabinet report

Date	<b>8 SEPTEMBER 2022</b>
Title	<b>BETTER CARE FUNDING UPDATE 2022/23</b>
Report of	<b>CABINET MEMBER FOR ADULT SOCIAL CARE and PUBLIC HEALTH</b>

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## EXECUTIVE SUMMARY

1. The Better Care Fund (BCF) programme supports local systems to successfully deliver integration of health and social care in a way that supports person-centred care and support, and better outcomes for people and carers. The requirements of the BCF are set by NHS England and include requirements for pooled/aligned workstreams and budget within section 75 agreement.
2. This report sets out the arrangements for the BCF plan for 2022/23 between the Isle of Wight Council and Hampshire and Isle of Wight Integrated Care Board (ICB). It details the proposal for completion of the 2022/23 plan, which once completed and approved by NHS England will be incorporated into the local section 75 agreement.
3. A delay in the publication of the requirements for the 2022/23 BCF plan has prevented earlier submission of the plan for Cabinet's consideration. To align with the national submission deadlines a virtual sign off will be required by the Health and Wellbeing Board (HWB).
4. The Cabinet is asked to consider the information provided in this report and to agree the recommendations made

## 5. RECOMMENDATION

### The Cabinet

- i) consider and support the continuation of Better Care Fund arrangements and plan for 2022/23.
- ii) delegate authority to Director of Adult Social Care and Housing Needs to agree a deed of variation to the current section 75 agreement incorporating the BCF plan for 2022/23 in consultation with the Cabinet Member for Adult Social Care, Public Health and Housing Needs.

## BACKGROUND

6. The BCF is a national initiative intended to deliver integration between health and social care in order to improve outcomes for residents. It is the mechanism that is being used by Government to implement the integration duty under the 2014 Care Act, and 2022/23 plan is the eighth year and builds on the achievements of the seven previous plans. The success of BCF in developing relationships across health and social care has assisted in the local response to the Covid-19 pandemic.
7. The current schemes within the BCF plan have been in place since April 2017 as detailed below:
  - a) Locality/Community Model (Nursing, Crisis Response and Falls etc.)
  - b) Hospital to Home (Home Care and Residential Care, Single Point of Access, Personal Assistants, Winter Pressures spend)
  - c) Carers Support
  - d) Community and Voluntary Sector (Early help and Intervention etc.)
  - e) Support for Providers (Raising Standards)
  - f) Promoting Independence (Disabilities Facilities Grant, Equipment including Assistive Technology etc.)
  - g) Rehabilitation, Reablement and Recovery (Integrated Discharge Team, Single Point of Access Referral Service – SPARRCS, Rehabilitation Bedded Care, Reablement etc.)
  - h) Integrated Mental Health Provision (Woodlands and Mental Health (MH) Grants)
  - i) Learning Disabilities (Westminster House)
  - j) Continuing Healthcare
  - k) Care Act Infrastructure (Maintenance of Adult Social Care provision etc.)
8. The BCF plan has been stable since 2018/19 in terms of the workstreams it contains, and the funding attached both by the Council and ICB to those workstreams. The only significant changes have been the:
  - a) Inclusion of Continuing Health Care (CHC) and Funded Nursing Care (FNC) provision and
  - b) Inclusion and subsequent removal of additional Hospital Discharge Scheme funding in line with the national directives during 2021/22. However, the NHS England letter dated 28<sup>th</sup> March 2022 outlines the expectation that local systems will continue to make best use of existing resources, to support safe and effective discharges within local priorities. This should build on existing joint arrangements and best practice and be agreed locally.
9. Senior staff from the Council and ICB are engaged in the development of the 2022/23 plan and review of the governance process. During this year, the governance process will be reviewed and aligned with the refresh of what has been the Isle of Wight Integrated Care Partnership (ICP) that in future will be known as the Isle of Wight Health and Care Partnership and the new Integrated Care System (ICS). It will also reflect the cessation of the NHS Hampshire, Southampton and Isle of Wight CCG and NHS Portsmouth CCG with subsequent development of Integrated Care Board for Hampshire and Isle of Wight, as of 1<sup>st</sup> July 2022 in accordance with the Health and Care Act 2022.
10. To inform the development of the BCF plan for 22/23 and subsequent years the schemes were reviewed to identify effectiveness and alignment with the NHS Long Term Plan and the Council's Care Close to Home Strategy.

11. The three areas under review are:
  - a) Early Help and Prevention (covering all voluntary sector funded Better Care Fund services) – this piece of work has been completed and a newly commissioned service ‘Living Well, Early Help’ provided by Aspire is in place.
  - b) Rehabilitation, Reablement and Recovery (Regaining Independence) – a review of services has been initiated by the Community Transformation Board, a full review including discharge pathways, onward care intervention team. This is in progress and forms part of the Community Transformation programme with additional oversight through the System Resilience Group.
  - c) Refresh of the other Better Care Fund Schemes and associated funding – a desktop review has been completed of these schemes including effectiveness against the BCF metrics and value for money.
12. The review of these three areas has informed the plan for 2022/23. Considering the benefits that have been seen during the pandemic and new integrated ways of working the schemes mentioned above have been realigned into four themes:
  - i) Integrated Early Help and Prevention
  - ii) Integrated Discharge and Admission Avoidance
  - iii) Integrated Community Support
  - iv) Integrated Mental Health and Learning Disability Support
13. In line with the planning guidance, the section 75 agreement will need to be agreed between the Council and the ICB. A deed of variation to the existing legal agreement would be drawn up to reflect the required changes. The section 75 agreement will provide clarity around the transfer of the ICB minimum mandated contribution to Adult Social Care and the agreed schemes on which that will be spent.
14. The total value of the 2022/23 BCF is £50,891,097.
15. Mandatory inclusion in the BCF includes:
  - a) ICB contribution to ASC (uplifted by 5.7% for 2022/23) to be used for social care and out of hospital spend £13,223,950.
  - b) Disability Facilities Grant (DFG) £2,272,039.
  - c) Improved BCF (iBCF) and Winter Pressures Funding £6,180,112
16. The NHS funded Hospital discharge Scheme will no longer be available for 2022/23.
17. The remainder is non-mandatory and accounts for £29,214,996 of the fund.
18. The Isle of Wight BCF operates more as an aligned budget than a pooled budget.

### National BCF Planning Requirements

19. For 2022/23 BCF plan will consist of a narrative plan, intermediate care capacity and demand plan and BCF planning template which will include:
- a) Planned expenditure from various BCF sources
  - b) Confirmation that national conditions of the fund are met, as well as specific conditions attached to individual funding streams
  - c) Ambitions and plans for performance against BCF national metrics
  - d) Any additional contributions to BCF section 75 agreement.

20. The four national conditions for 2022/23, which BCF plans must meet are:

1	A jointly agreed plan between local health and social care commissioners and signed off by health and wellbeing board
2	NHS contribution to adult social care to be maintained in line with the uplift to ICB minimum contribution
3	Invest in NHS commissioned out of hospital services
4	Implementing the BCF policy objectives

21. The narrative plan will need to set out the system’s approach to delivery and describe how the approach to integration in the BCF aligns with wider plans in order to:
- a) Continue to implement a joined-up approach to integrated, person-centred services across health, care, housing, and wider public services locally
  - b) Support people to remain independent at home
  - c) Jointly improve outcomes for people discharged from hospital
  - d) Reduce the percentage of hospital inpatients who have been in hospital for more than 14 and 21 days
  - e) Enable a ‘Home First’ policy

### National Approval of agreed BCF plan

22. All systems are required to submit their BCF plan by 26<sup>th</sup> September 2022.
23. Assurance of the final plans will be led by Better Care Managers (BCMs) with input from NHS England and local government representatives. It will be a single stage exercise based on a set of key lines of enquiry (KLOEs). Recommendations for approval will be signed off by NHS regional directors – this will include confirmation that local government representatives were involved in assurance and agree the recommendations.
24. On approval of the plan, NHS England as the accountable body for the ICB minimum contribution to the fund, will write to areas to confirm that the ICB minimum funding can be released.

### Strategic Context

25. The Isle of Wight BCF plan underpinned by section 75 agreement is a key system initiative dating back to its inception in 2014 revised for 2017/19 and rolled forward into 2019/20 and 2020/21 by deed of variation.

OFFICIAL – SENSITIVE

26. The BCF plan and section 75 needs to be considered within the context of the refreshed Isle of Wight Health and Care Plan to drive system transformation, financial savings and efficiencies. The section 75 agreement will remain in place as the financial and contractual vehicle between the ICB and Local Authority and supports the development of an integrated health and care partnership.
27. 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.
28. It brings together ring-fenced ICB allocations, and funding directly to local government, including iBCF, DFG and winter pressures alongside locally identified budgets into pooled budget arrangements.
29. The BCF plan aligns with a number of strategic plans including the:
  - a) The Isle of Wight Health and Wellbeing strategy
  - b) The Isle of Wight Health and Care Plan
  - c) The ASC Care Close to Home strategy (CCH) which also aligns with the Council's Corporate Plan. The BCF provides a vehicle for delivery of CCH 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.
  - d) The Isle of Wight ICB partnership delivery plan
  - e) The System Winter Resilience Plan
  - f) The Independent Living Strategy
  - g) Dementia Strategy
  - h) NHS Long Term Plan
30. The refresh of the BCF schemes is further supported by seven agreed IWHCP Board, priority transformation projects:
  - a) Frailty
  - b) Dementia
  - c) Hospital Discharge and Regaining Independence
  - d) Virtual ward and virtual care pathways
  - e) Integrated care home support
  - f) Urgent community response
  - g) Population health management and localities

CONSULTATION

31. The BCF planning template and associated section 75 agreement is developed and updated by the ICB and Council, robust processes are in place to ensure that the submission is reflective of input and consultation from officers across the Council and ICB.
32. As part of the review process an extensive engagement process has been undertaken with service leads and wider stakeholders, which will inform the development of the plan. Providers including the voluntary and community sector and IOW NHS Trust have been engaged to lead on review of specific services and

shape new service models. e.g., Early Help and Prevention Service, Reablement and Rehabilitation service.

33. The oversight of the BCF plan and section 75 for Isle of Wight is in collaboration between the ICB and Council commissioners. This is overseen by both the Managing Director of the ICB – IW and the Director of Adult Social Care and Housing Needs, IW Council. Proposals to use the BCF monies must be submitted to both the IW Health and Care Partnership and then via the Health and Wellbeing Board for formal sign off and approval. This is in addition to the sovereign organisations' internal governance routes (e.g., ICB Board and Council's Cabinet). Monitoring of BCF spend is provided through quarterly monitoring reports.

#### FINANCIAL / BUDGET IMPLICATIONS

34. The total value of the Better Care Fund in 2022/23 is £50,891,097. The value is made up of both mandated and discretionary funding contributions from both the ICB of £39,549,329 and the Council £11,341,768 (what each contribute).
35. From this allocation, services are then agreed in line with the BCF guidance and funding transferred to either the ICB or Council based on who commissions the service. The table below shows the schemes within the BCF plan and whether the money has been transferred to provide the services and contractual payment commitments against each of the four identified themes:

Themes	BCF FUNDING ALLOCATED TO EACH PARTNER 2022/23		
	ICB £'000	IWC £'000	Total £'000
1 Integrated Early Help & Prevention	78	957	<b>1035</b>
2 Integrated Discharge & Admission Avoidance	6498	9431	<b>15929</b>
3 Integrated Community Support	22,829	7169	<b>29,998</b>
4 Integrated Mental Health & Learning Disability Services	2,737	1,192	<b>3,929</b>
<b>Total BCF funding shared between ICB/IWC to fund scheme contracts</b>	<b>32,142</b>	<b>18,749</b>	<b>50,891</b>
<b>Percentage of share</b>	<b>63%</b>	<b>37%</b>	<b>100%</b>

*Note: table shows the BCF funds pooled together (£50,891,097) and how much of this is then allocated to each organisation to undertake the commissioning activities it is responsible for.*

36. The BCF template that will be submitted includes a summary of the expected income and expenditure that will form the basis of the Section 75 finances. It outlines the quantum of financial resource included on a scheme-by-scheme basis, including reference to both the mandated ICB contribution, mandated Council elements and additional local investments and pooled funds.

37. The ICB has approved the Isle of Wight local planning approach and are satisfied that all mandatory contributions have been refreshed and uplifted in line with the national technical guidance.
38. The section 75 agreement sets out the arrangements for financial risk sharing between the ICB and the Council should the aligned budget over spend or underspend. The current provision of the section 75 agreement provide that each organisation is responsible for overspend/underspend relating to its own functions. Therefore the BCF does not increase the financial risk to either organisation.

### LEGAL IMPLICATIONS

39. The BCF Policy Framework set out by the Department of Health and Social Care (DHSC) and the Department for Levelling Up, Housing and Communities provides the mechanisms for joint health, social care, 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.
40. The BCF is mentioned 13 times in the NHS White Paper “Integration and Innovation” (February 2021) mainly in the context of:
  - a). changes to the legal functioning of the BCF (standalone from the NHS Mandate) and
  - b). 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.
41. The general legal implications are that national policy sets out the BCF requirements that the council and ICB are required to work within. The way this is achieved is by the IW BCF Section 75 agreement. The document sets out the legal basis, governance (BCF S75 Board via Integrated Care Board (ICP) now Health Care Partnership Board, to Health and Wellbeing Board); Key Performance Indicators and reporting; and schemes descriptions/service specifications etc.
42. Although required to review and revise the Section 75 agreement around the agreed priorities, it is not necessary to create a complete re-write of the Section 75 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 ICB and council should the pooled budget overspend or underspend;
  - It will clarify the transfer of the ICB minimum mandated contribution to Adult Social Care and the agreed way in which that will be spent;
  - It will seek to simplify the Section 75 Agreement to reflect new governance and aspirations based on emerging Health Care Partnership 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 Section 75 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.

EQUALITY AND DIVERSITY

43. 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.
44. The review of the BCF schemes will include equality impact assessments. These will determine how a service promotes equality and diversity to ensure legal compliance in how the services we provide and the decisions we make meet the needs of our local community under our equality and diversity duties.

OPTIONS

45. Options 1 – To give approval for consideration and supporting the continuation of Better Care Fund arrangements and plan in place for 2022/23;
- delegating authority to Director of Ault Social Care and Housing Needs to agree a deed of variation to the current section 75 agreement incorporating the BCF plan for 22/23 in consultation with the Cabinet Member for Adult Social Care, Public Health and Housing Needs.
46. Options 2 – To not give approval for consideration and supporting the continuation of Better Care Fund arrangements and plan in place for 2022/23;
- delegating authority to Director of Ault Social Care and Housing Needs to agree a deed of variation to the current section 75 agreement incorporating the BCF plan for 22/23 in consultation with the Cabinet Member for Adult Social Care, Public Health and Housing Needs.

RISK MANAGEMENT

47. There is significant risk to both the IW Council, ICB and the wider system if the BCF plan for 2022/23 **is not agreed** and subsequently approved by regulators.

No.	Risk	Risk	Mitigation
1	Should the system not agree and fail to submit its plan by 26 <sup>th</sup> September, Isle of Wight system will not receive additional funding earmarked for local systems to support ASC. In particular, the Improved Better Care Fund (iBCF) and Disabled Facilities Grant (DFG) continue to be paid to local authorities on the condition that they	A	<ul style="list-style-type: none"> <li>Cabinet to support and approve the proposals for BCF plan 2022/23 before the formal sign off by the Health and Wellbeing Board.</li> <li>Cabinet to approve delegated authority for</li> </ul>



	are pooled locally into the BCF and spent on specific purposes set out in the grant determinations and conditions. The worst-case scenario could see mandatory funding withheld from the system.		signing of section 75 agreement.
2	<p>Failure to submit presents a significant reputational risk to the ICB, LA, HWB and wider system. In particular, the BCF planning guidance forms part of the core NHS Operational Planning and Contracting Guidance. ICBs are therefore required to have regard to this guidance by section 14Z11 of the NHS Act 2006.</p> <p>With a view to the wider system; having published a single system Health and Care Plan, that includes a single control total, failing to submit the BCF plan will likely result in external scrutiny from National regulators and further scrutiny of system plans and agreements to develop ICP arrangements.</p>	A	<ul style="list-style-type: none"> <li>• Fortnightly planning meetings in place with representatives from the ICB and IWC.</li> <li>• Plan in place for meeting all the required deadlines including final submission on 26<sup>th</sup> September.</li> <li>• As the set deadline does not allow for sign off by HWB at a meeting virtual HWB sign-off process prior to the final deadline is proposed.</li> <li>• Financial contributions have been agreed by the finance leads in line with policy guidelines.</li> </ul>
3	Failure to agree financial contributions within the BCF plan may result in the requirement to undertake a significant BCF and S75 refresh placing additional resource strain upon the system.	A	
4	<p>HWB governance arrangements and decision making does not support effective BCF development and delivery.</p> <p>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.</p>	A	<ul style="list-style-type: none"> <li>• HWB to agree BCF management and decision-making infrastructure as part of the Health and Care Plan implementation.</li> <li>• To engage with the local BCM for guidance prior to final submission.</li> <li>• To have cross-organisational contribution and review of the plan prior to submission.</li> </ul>

<p>In the event of national escalation, under the NHS Act 2006 NHS England does have the ability to direct the use of ICB funds where an area fails to meet the BCF conditions.</p> <p>The escalation panel may also make recommendation that an area should amend plans that relate to spending of the DFG, Winter pressures or IBCF- however this money is not subject to NHS E powers. However, if there is not agreement and a plan cannot be agreed Departments can recover grant payments or withhold future funding.</p>		
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48. In addition to the risk associated with failing to agree the plan, the scale of system financial challenge threatens BCF development and delivery. The ICB and the Council continue to review current budgets to ensure BCF schemes are aligned to sustainability plan priorities.

EVALUATION

49. The proposed way forward has been carefully considered with senior staff of both the Council and the ICB. 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 submission which is due by 26<sup>th</sup> September prior to virtual sign off by the HWB. It enables continuation of significant funding for Adult Social Care and Health services on the island.

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