

HEALTH AND WELLBEING BOARD COMMISSIONING SUB-COMMITTEE – 14TH JULY 2015

Title of paper:	Better Care Fund Quarter 1 Budget Monitoring Report	
Director(s)/ Corporate Director(s):	Geoff Walker, Director of Finance and Chief Finance Officer Alison Michalska, Corporate Director for Children and Adults	Wards affected: All
Report author(s) and contact details:	Darren Revill darren.revill@nottinghamcity.gov.uk	
Other colleagues who have provided input:	Andrew James, Team Leader – Legal Services	
Date of consultation with Portfolio Holder(s) (if relevant)		
Total value of the decision	Up to £0.861m	
Relevant Council Plan Strategic Priority:		
Cutting unemployment by a quarter		<input type="checkbox"/>
Cut crime and anti-social behaviour		<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City		<input type="checkbox"/>
Your neighbourhood as clean as the City Centre		<input type="checkbox"/>
Help keep your energy bills down		<input type="checkbox"/>
Good access to public transport		<input type="checkbox"/>
Nottingham has a good mix of housing		<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs		<input type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events		<input type="checkbox"/>
Support early intervention activities		<input type="checkbox"/>
Deliver effective, value for money services to our citizens		<input checked="" type="checkbox"/>
Relevant Health and Wellbeing Strategy Priority:		
Healthy Nottingham: Preventing alcohol misuse		<input type="checkbox"/>
Integrated care: Supporting older people		<input checked="" type="checkbox"/>
Early Intervention: Improving Mental Health		<input type="checkbox"/>
Changing culture and systems: Priority Families		<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users and contribution to improving health & wellbeing and reducing inequalities): This paper presents the Qtr1 Better Care Fund Monitoring Report, requests approval for the realignment and reallocation of funds and management of the pay for performance element of the fund.		
Recommendation(s):		
1	To approve the realignment of NHS Nottingham City Clinical Commissioning Group (CCG) schemes to reflect 2015/16 finalised contract values as detailed in 2.6 below.	
2	To approve the allocation of £0.176m released from Recommendation 1 above to fund Ramsay Wait Beds in 2015/16.	

3	Note the projected position of the Better Care Fund (BCF) Pooled Budget as at Quarter 1 of 2015/16 as per Table 2 .
4	To approve the use of underspends in 2015/16 to meet the non-achievement of the Pay for Performance element of funding within the BCF in accordance with the Section 75 Partnership Agreement.
	How will these recommendations champion mental health and wellbeing in line with the Health and Wellbeing Board aspiration to give equal value to mental health and physical health ('parity of esteem'):

1. REASONS FOR RECOMMENDATIONS

- 1.1 The change in contract values for schemes commissioned by the CCG in 2015/16 will enable the realignment of the Better Care Fund budget to give more robust budget monitoring and inform further decision making on the use of funds for integrated working initiatives.
- 1.2 Ramsay wait beds are currently being used to support discharges from NUH to free up capacity until further care arrangements can be put in place. This proposal supports the Better Care Fund objectives and performance metrics.
- 1.3 Quarterly budget monitoring information will be provided to Sub-Committee to enable the formal monitoring of the 2015/16 Better Care Fund budget.
- 1.4 To agree how the funding linked to the Pay for Performance element of the Better Care Fund is managed within 2015/16.

2. BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The Nottingham City Better Care Fund Plan was approved by the Health & Wellbeing Board on 25 February 2014. The plan was subsequently revised in accordance with NHS England requirements and approved on 29 October 2014.
- 2.2 It is a requirement (under s.223GA of the NHS Act 2006, as amended by the Care Act 2014) that the CCG and Council establish a pooled fund to support the integration of health and social care to achieve the national conditions and local objectives; the Better Care Fund.
- 2.3 The Section 75 (S75) Better Care Fund Partnership Agreement details the governance arrangements, funding allocations for schemes aligning to the Better Care Fund Plan that have been agreed by NHS England and risk sharing arrangements for the pay for performance related element.
- 2.4 At a national level, in 2015/16 the funding comprises;
 - £3.46bn that will pass through NHS England to CCG's.
 - £134m Adult Social Care Capital Grant from the Department of Health to Local Authorities.
 - £220m Disabled Facilities Grant from the Department for Communities and Local Government.

2.5 The funding of the Better Care Fund for Nottingham City as included in the S75 Partnership Agreement is detailed in **Table 1** below.

TABLE 1 – 2015/16 NOTTINGHAM BCF FUNDING	
Better Care Fund	Total £000
CCG	
CCG Baseline (Minimum Contribution)	21,421
Other CCG Allocation	1,832
Sub-Total	23,253
City Council	
Disabled Facilities Grant	1,013
Social Care Capital Grant	863
Social Care Contribution	716
Sub-Total	2,592
Grand Total	25,845

2.6 **Table 2** below shows the first quarterly budget monitoring report for the 2015/16 Better Care Fund following the pooling of funds under S75 arrangements. Information is represented at an area of spend level of detail and the forecast includes the impact of recommendations 1, 2 and 4.

TABLE 2 - NOTTINGHAM CITY BETTER CARE FUND MONITORING REPORT (QUARTER 1)			
Area of Spend	2015/16 (£000)		
	Original S75 Annual Budget	Annual Forecast	Forecast Variance
Access & Navigation	1,610	1,583	(27)
Assistive Technology	1,185	1,185	0
Carers	1,352	1,410	58
Co-ordinated Care	8,381	7,146	(1,235)
Capital Grants	1,876	1,876	0
Independence Pathway	11,281	11,244	(37)
Programme Costs	160	166	6
Total	25,845	24,610	(1,235)
Non Achievement Element of Qtr1 Pay for Performance (reflecting proposal to meet this cost from BCF underspends)	(140)		
Current level of forecast BCF Underspend	25,705	24,610	(1,095)
Estimated Provision for Pay for Performance element (Q2 to Q4)	(545)		
Revised BCF Forecast Underspend	25,160	24,610	(550)

2.7 The current forecast underspend of £1.235m as shown in Table 2 above is due to the 7 day working allocation. Proposals to agree the services this work stream supports will be subject to a further report to Committee for approval.

2.8 Finalisation of contracts with service providers has resulted in changes in values to the figures included in the BCF plan and Section 75 Agreement. **Table 3** below shows the changes to the CCG schemes at an 'area of spend' level.

TABLE 3 - CHANGE IN CONTRACT VALUES				
Area of Spend	Original S75 Agreement Value	Finalised Contract Value	Variance	Reason for Variance
	£000	£000	£000	
Access & Navigation	1,321	1,294	(27)	Citycare SLA finalised
Assistive Technology	400	400	0	
Carers	629	687	58	Increase in cost of Carers Respite and Headway Services
Co-ordinated Care	2,470	2,470	0	
Independence Pathway	7,491	7,278	(213)	Citycare SLA finalised
Programme Costs	160	166	6	Salary uplift
TOTAL	12,471	12,295	(176)	

2.9 The net impact of these changes is a reduction in budget requirement of £0.176m. The proposal in this report is to reinvest this funding in 2015/16 to contribute towards the Ramsay wait beds, supporting the discharge of citizens from hospital until further care arrangements are in place to provide support in the community.

2.10 NHS England operational guidance states that for the Pay for Performance related element of the fund, CCG's may only release the full value of this funding into the pool if the non-elective admissions target is met. If the target is not met, a proportionate amount will be transferred to the pooled fund and the balance retained by the CCG.

2.11 Provisions within the S75 Agreement (Schedule 3 – Risk Share and Overspends) for treatment of the Pay for Performance related element of the Better Care Fund give 2 options:

- 1) To make additional contributions to the pooled fund in equal proportions of an amount required to meet the Payment for Performance shortfall.
- 2) Virement from an underspend within the pooled fund.

2.12 Recommendation 4 proposes in line with 2.11 above that the 2015/16 Payment for Performance shortfall is met from pooled fund underspends. The value to date and maximum requirement this decision represents is:

- Quarter 1 value (based on Q4 2014/15 Performance) £0.140m
- Quarter 2 to 4 assuming target is not met £0.545m
- Total Maximum Value £0.685m

It should be noted that the value attributable to Quarter 2 to 4 may range between £0 and £0.545m. Updates on the performance related element will be provided through future budget monitoring reporting.

3. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 The payment for performance shortfall in 2015/16 under provisions of the S75 Partnership Agreement could be funded through the partners making additional contributions from their own resources. As both partners are already contributing more than the specified minimum amount to the Better Care Fund and there being slippage within the 7 day working initiative, the preferred option is to meet any shortfall in 2015/16 from underspends

4. FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

4.1 Table 4 below summarises the value of this decision.

TABLE 4 - VALUE OF DECISION SUMMARY		
Proposal		Cost £000
Allocation of funding to the Ramsay Waits Beds (from re-aligned CCG contractual values)		176
Allocation of 2015/16 underspends to meet Pay for Performance shortfall	Up to	685
Total	Up to	861

4.2 Other financial implications are detailed in the body of this report.

4.3 Use of further Better Care Fund underspends in 2015/16 will be subject to further appropriate approvals.

5. LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES AND, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

5.1 This report does not raise any significant legal issues.

6. EQUALITY IMPACT ASSESSMENT

Has the equality impact been assessed?

Not needed (report does not contain proposals or financial decisions)

No

x

7. **LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION**

8. **PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

NHS England Publications Gateway Reference 03001 – Better Care Fund: Guidance for the Operationalisation of the BCF in 2015-16