

Social Care Services Board

16 March 2017

Better Care Fund (BCF)

Purpose of report:

To update the Board on the current position of the Better Care Fund (BCF) and on future BCF allocations.

Introduction

1. The Better Care Fund (BCF) is a programme spanning both the NHS and local government. It creates a local single pooled budget to incentivise the NHS and local government to work more closely together around people, placing their wellbeing as the focus of health and care services.
2. The first BCF funding stream was announced by the Government in the June 2013 spending round, to ensure a transformation in integrated health and social care. 2016/17 is the second year of the BCF.
3. As with 2015/16, the legal framework for the Better Care Fund requires that in each area the Fund is transferred into one or more pooled budgets (established under Section 75 of the NHS Act 2006) and that plans are approved by NHS England in consultation with the Department of Health and the Department for Communities and Local Government.
4. A second BCF funding stream was announced in the 2017/18 provisional settlement. This funding stream is called the Improved BCF and is in addition to the existing BCF funding stream.
5. Over the last 2 years, relationships between the County Council and the Health Clinical Commissioning Groups (CCGs) has improved, with a greater understanding of partner roles and responsibilities, service commissioning and delivery complexities, and operational and financial risk.

Better Care Fund 2016/17 (existing funding stream)

6. The total 2016/17 BCF budget for Surrey is £73m (£66m revenue plus £7m capital). A summary of the BCF is presented in Annex 1.
7. An agreed contribution of £25m protects the delivery of Adult Social Care services including non-statutory activities and demographic pressures. A further contribution of £2.6m funds the additional revenue costs arising from the implementation of the Care Act and £2.5m funds the continuance of existing carers support. In total, £30.1m (46% of the total BCF revenue) is funding the protection of Adult Social Care and Carers.

8. £18.6m of Surrey's BCF revenue (28%) is used by the Health Clinical Commissioning Groups (CCGs) to part fund the contracts they have with Community Health Providers for services such as the provision of district nurses or rapid response teams to assess and treat people in the community and avoid hospital admissions.
9. The remainder of Surrey's BCF revenue (£17.5m) funds the continuing investment in Health and Social Care. This is split £9.3m for Adult Social Care managed services and £8.2m for CCG managed services.
10. The 2016/17 BCF capital budget is £6.9m and is passed directly to Surrey's District and Borough Councils in the form of the Disabled Facilities Grant (DFG).
11. Annex 2 provides a more detailed breakdown of the 2016/17 BCF budget. The table shows the total amount of BCF allocated to fund each service split across the main section 75 pooled fund expenditure categories listed in Annex 1.
12. The Council receives £39.4m of the total £66.2m of BCF revenue funding towards the cost of delivering a range of services managed by Adult Social Care and Public Health.

Better Care Fund 2017/18 (existing funding stream)

13. The BCF planning guidance and policy framework for the 2017/18 BCF has not yet been published. However, NHS England have indicated the same level of funding to protect adult social care services and our overall assumption is that the total funding will at least remain the same as this year. The existing BCF is moving from one year funding to two year funding (2017/18 to 2018/19).
14. Local Joint Commissioning Groups (LJCGs) have started planning on this basis and NHS England have indicated the potential to review and update plans during the two year funding period as long as the plans continue to meet the national conditions, which will be set out in the guidance and policy framework.

Improved Better Care Fund (new and additional funding stream)
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15. The provisional settlement confirmed the continuation of the existing BCF and additional BCF funding worth £1.5 billion nationally by 2019/20.
16. Using the current Core Spending power methodology to distribute government funding, Surrey County Council will receive nothing until 2019/20, and then only £1.5 million (0.1% of the national total).
17. If this additional BCF funding were to be distributed on the Government's previous Relative Needs Formula, Surrey would receive £25m, significantly more than the Council will actually receive.

Conclusions:

18. Surrey's 2016/17 BCF is £73m. Surrey County Council receives £30.1m for the protection of Adult Social Care and Carers and a further £9.3m for Adult Social Care managed services.
19. Although NHS England have not published the guidance and policy framework for 2017/18 BCF yet, our overall assumption is that the total funding will at least remain the same as this year and that the same level of funding will be received to protect adult social care services.
20. Surrey will only receive £1.5m in 2019/20 from the additional improved BCF national fund. This would have been £25m if the relative needs formula had been used to allocate the fund.

Recommendations:

21. That the Board continue to monitor the financial position of the Better Care Fund as part of regular service budget updates to the Performance and Finance sub group.

Next steps:

22. The Board is invited to consider how it will scrutinise the implementation of the BCF in 2017/18 and the delivery of the local action plans.

Report contact: Sian Ferrison, Transformation and Development Manager, Finance

Contact details: 020 8541 9868

Sources/background papers:

- Surrey's 2016/17 Better Care Fund Plan and Financial Monitoring Report
- NHS England, Local Government Association (LGA) and Department for Communities and Local Government (DCLG) websites

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