

## Health and Wellbeing Board (HWB) Paper

### 1. Reference Information

Paper tracking information	
<b>Title:</b>	Better Care Fund (BCF) Review
<b>HWBS Priority - 1, 2 and/or 3:</b>	1, 2 and 3
<b>Outcome(s)/System Capability:</b>	Empowered and Thriving Communities Clear Governance Programme Management Equality, Diversity and Inclusion incl. digital Data Insights and Evidence Integrated Care
<b>Priority populations:</b>	All
<b>Civic level, service based and/or community led interventions:</b>	All
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<b>Board Sponsor(s):</b>	Liz Bruce - Executive Director, Adult Social Care and Integrated Commissioning
<b>HWB meeting date:</b>	15 June 2022
<b>Related HWB papers:</b>	N/A
<b>Annexes/Appendices:</b>	Annex 1 - BCF Review (Full report) Annex 2 - BCF Annual Return Annex 3 - Internal Audit Report, Better Care Fund, 2021/22

### 2. Executive summary

In December 2021 it was agreed to undertake a review of the current Better Care Fund (BCF) programme in order to:

- Review the strategic purpose: are we spending the full BCF amount (~£100m) on the programmes, interventions and services that will make the most difference to the people of Surrey (in the context of national requirements of the programme)?
- Review each item of spend to identify opportunities to reallocate funding, including opportunities to stop or reduce spend, or transfer programmes into 'Business as Usual'

- Develop a strategic framework for allocating future funding, subject to grant conditions.

This review was led by Jon Lillistone (Assistant Director of Commissioning, Adult Social Care) with input from each of the seven Local Joint Commissioning Groups (LJCGs) that currently oversee local allocations of funding, and CCG and SCC Finance leads.

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### **3. Recommendations**

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The Health and Wellbeing Board is asked to agree the recommendations from the review:

- The BCF programme continues in a 'steady state' for FY22/23.
- That we review the governance across each of the Local Joint Commissioning Committees with the aim of creating a common governance framework between the places.
- That BCF spend is brought into the scope of the 'Prevention Spend Mapping' exercise currently being undertaken across the system.
- That the analysis from this exercise is used to inform a recommendation on the direction of travel to be taken from FY2023/24.
- This new direction of travel will be presented to ICS exec in Q3 22/23.
- The new direction of travel includes a commitment to longer-term funding arrangements where appropriate (rather than 1-year contracts). This decision acknowledges that the BCF is likely to continue with 1 year planning frameworks but that longer-term funding arrangements are likely to result in better value for money.
- That the new direction of travel includes a commitment to use the BCF to address health inequalities, in line with national guidance and the refreshed HWB strategy, which has a strong focus on health inequalities and priority populations.
- To note the end of year report submission for 2021/22.

### **4. Reason for Recommendations**

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- The BCF is a significant amount of money (circa £110m) therefore it is important for the system to achieve maximum impact and outcomes for investment.
- The initial review identified key themes on which further work is needed
- Initial engagement with representatives from local joint commissioning

groups suggests a broad consensus that the current approach to allocation for the scheme is working well to allow for local innovation and to develop solutions tailored to local need. Any change to this could pose risk to schemes that are working well. At a system level, we could do more to support local initiatives through:

- Setting system-wide expectations and ambitions regarding outcomes.
- Providing support to evidence impact and outcomes of schemes.
- Providing formal mechanisms to support sharing of good practice and reporting impacts and outcomes.

## 5. Detail

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### Review Methodology

Interviews were undertaken with each of the Local Joint Commissioning Group chairs in advance of two workshops with ASC and NHS representatives from the LCJGs. In addition, SCC finance undertook some high-level analysis of BCF spend across the seven places. Parallel to this review, SCC have also conducted an internal audit of the BCF programme. The purpose of this audit was to provide assurance that controls are in place to meet the following objectives:

- There are plans in place to ensure BCF spend outcomes align with the LJCGs, Surrey-wide and national priorities;
- A robust governance structure is in place to support good practice across the county; and
- There are effective reporting arrangements in place that promote and enable the sharing of good practice.

The recommendations of this audit are included alongside the other findings of the review.

### Findings

#### Interview themes and issues

The following themes, issues and questions emerged from the 1-1 interviews:

#### System wide priorities & local flexibility & allocations

- LCJG stakeholders are to keep delegation of BCF at place level as it is one of the most flexible partnership budgets and money will be best utilised if local places can utilise monies as they see fit for their populations.
- The right balance between the national BCF agenda, system priorities and local autonomy could be exercised through clear system wide priorities that aligned at place.
- Allocation of BCF money on any other formula than per capita, for e.g. inequalities, could set an unwanted precedent for future decision-making within and between systems and places.

- Recognition that current per capita allocations might need updating, but will need to manage carefully if this results in significant reduction in any one place.

## Accountability & evidence

- Collective accountability of how we spend money is important and we should commit to evidence how we have used resources and the impact they have had.
- We need to collectively hold each other accountable that BCF money is being used to best effect and therefore need to be more robust in evidencing outcomes.

## Impact of year-on-year planning

- The year-on-year approach we have taken to funding BCF programmes limits the impact of these programmes, particularly with regards to recruitment. Although this has been driven by the national BCF planning cycle. It is possible to make longer term commitments at risk. This happens in some schemes on an ad-hoc basis (i.e. Community Equipment Service) but we should consider formalising this process across the fund.
- The BCF doesn't just fund schemes, it funds posts and recurrent people that give us delivery capacity – some places treat it as a recurrent fund and therefore do make long term investments in people. - to commit to recruiting good people we need to be able to offer permanent roles.

## Underspend

- Surrey has often had BCF underspends. This is in part due to national planning processes, but this has been exacerbated during the pandemic.
- While underspends can create capacity for testing new ideas and proof of concept schemes, ideally spend should be fully utilised on the population. That underspend is routine within Surrey's BCF indicates that we are not spending BCF money as efficiently or effectively as we could.

## **Workshop 1**

These themes and issues were used to shape the first workshop discussion, in which participants were asked:

- Are we spending our money on the right things?
- What things must we deliver?
- What would we like to deliver?
- Are there obvious areas in which we should stop spending, spend less or spend more?

## **Discussion themes**

### Hospital Discharge

- Hospital discharge will always be an area of focus in national guidance
- BCF is likely to be the only dedicated funding stream
- There are likely to significant budget pressures with Discharge to Assess, so it

will be important to ensure sufficient BCF funding is available.

## Local vs system-wide decision-making

- Some LCJGs use BCF for innovative grant funding. This sits best at a local level.
- BCF is the only joint funding source that enables local collaborative/partnership innovation.
- Reducing the amount available locally (i.e., undertaking more Surrey-wide commissioning) will limit innovation at place.

## Core funding

- In Adult Social Care, a lot of BCF money is used as core funding. Any withdrawal of these funds would put programmes at risk unless other funding sources could be identified.
- In some places, BCF monies underpin long-established and highly effective system working. Identifying alternate sources of funding would be challenging.

## Districts and Boroughs

- Districts and Boroughs are important partners and their local intelligence can add significant value when the relationships are working effectively.

## **Spend analysis**

- For all areas, Community Equipment Services are on of the highest categories of spend.
- Areas with larger scheme budgets invest in a greater number of schemes
- North West Surrey invests in relatively fewer schemes and invests a relatively higher % of spend on acute services
- Most areas have a mix of 2-3 large schemes and a larger number of smaller funded schemes.

## **Workshop 2**

The agenda for the second workshop included:

- Review of segmented spend analysis
- Allocation methodology
- Peer learning exercise

## **Discussion themes:**

### Allocation, inputs, outputs and outcomes

- To date, the approach in Surrey has focused too much on allocation and inputs instead of outputs and outcomes.
- A statement of ambition on inequalities as an output or outcome from schemes would have more impact than adjusting allocations based on deprivation or similar criteria.

- A top-down approach to determining what is allocated to system vs place would stifle local innovation. Historically, places have worked well together where it makes sense to do so. Setting system wide ambitions re. outputs and outcomes will naturally lead to places coming together to achieve those ambitions where it makes sense to do so.
- Much local variance in spend can be explained by differences in the local context, particularly with regard to community services and hospice funding. Each place uses the BCF to supplement community services differently, because of the different community contracts in each place.
- Any changes to local allocations would require places to find alternate funding which could have significant system impacts.

### Peer learning

- There are opportunities to learn from each other to establish best practice as to how we identify, evidence and track outcomes.

### Resource

- Any detailed review of the BCF would require significant input from local stakeholders, and this will not be work that can be undertaken quickly.

### Audit findings

- All LJCGs receive regular updates on progress but reporting arrangements are inconsistent. While uniformity of approach could be counter-productive, greater consistency could promote better understanding of schemes at place and county level. If reporting on county-wide schemes included more place-level detail, this would be more informative to local decision-making.
- There are currently no formal mechanisms in place for LJCGs to share practice across the county, although ad-hoc arrangements exist at place and between places through individual relationships.

## **6. Challenges**

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- Ongoing system pressures around funding.
- Workforce challenges.
- Social care funding reforms.
- Post pandemic adjustments.
- Risk of BCF funding being withdrawn.

## **7. Timescale and delivery plan**

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30 May: Formulated a project plan for next steps as detailed below.

June, July, August: Further consultation with LJCGs and formulation of 'New Direction of Travel' plan with timescales.

Autumn: Provide and update to the HWB.

## 8. What communications and engagement has happened/needs to happen?

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In undertaking this review, Jonathan Lillistone met with members of each LJCG separately, then held two workshops, as detailed in the main report.

The report has already been submitted to ICS exec and Commissioning Collaborative meetings.

The implementation of the recommendations will happen through continuing consultation with the LJCGs and the Twin Track team.

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## 9. Next steps

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- Use the Surrey County Council twin track work and prevention spend mapping exercise to further analyse local spend.
  - Develop governance arrangements to clarify decision-making and support system wide approaches to outcome measurement and sharing best practice.
  - Develop a proposal for Discharge to Assess funding for consideration by LJCGs.
  - Develop a proposal for VCSE Alliance funding for consideration by LJCGs.
  - In the Autumn, set out a direction of travel for the programme to take effect from 23/24.
  - The new direction of travel will include a commitment to longer-term funding arrangements where appropriate (rather than 1-year contracts). This decision acknowledges that the BCF is likely to continue with 1 year planning frameworks but that longer-term funding arrangements are likely to result in better value for money.
  - The new direction of travel will include a commitment to use the BCF to address health inequalities, in line with national guidance.
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