

REPORT

To: Joint Executive Management Committee (JEMC)

Date: 11 February 2016

Subject: Finance report - Better Care Fund 2015/16 Period 9 (Dec 2015)

Contact: Richard Tyler richard.tyler@lbbd.gov.uk
 020 8227 5834

1. Scope of report

1.1 This report reflects the forecast position for the Better Care Fund (BCF) as at 31st of December 2015. It also provides an update on the payment schedule.

2. Better Care fund (BCF) – Period 9

2.1 The BCF budget for 2015/16 excluding the 2014/15 carried forward underspend, amounts to £21.299m of which the CCG also receives £7.7m to carry out its various activities. Appendix 1 reflects the detailed breakdown of the schemes. The table below summarises the forecast:

	Better Care Fund (BCF)	2015-16 Net Budget	Forecast Outturn	Projected Overspend / (Underspend)	
		£000	£000	£000	%
1	Community Health and Social Care	9,158	9,158	0	
2	Improved hospital discharge	2,019	1,984	(35)	
3	New model of intermediate care	3,143	3,143	0	
4	Mental Health Support outside hospital	1,096	1,151	55	
5	Integrated Commissioning	220	170	(50)	
6	Support for Family Carers	925	925	0	
7	Care Act Implementation	1,586	1,586	0	
8	Prevention	1,529	1,512	(17)	
9	End of Life Care	105	0	(105)	
10	Equipment & Adaptations	1,171	1,358	187	
11	Dementia Support	347	347	0	
	Total BCF:	21,299	21,334	35	0.2%

2.2 The summary table above reflects a net pressure of £35k at year end. This is a reduction from last period's reported figure of a £117k overspend excluding the performance penalty. The movement has mainly arisen from the reflection of underspends from uncommitted schemes.

2.3 The total pressures amounting to £242k within the fund are as a result of the following:

- i) Equipment & Adaptations - £187k: This overspend is based on current activity data following assessments carried out by the team. This would continue to be monitored closely and the forecast adjusted accordingly
- ii) Mental Health - £55k: This pressure reported within the BCF represents a proportion of the overall forecast overspend of £267k currently reported against the Mental Health budgets held by the Council due to pressures against its placement budgets.

2.4 The pressures are currently being offset by underspends in the plan mainly arising from schemes which have not been committed. The table below reflects the relevant schemes.

Workstream	SC Grant LBBD £000	Reablement CCG £000	Total projected underspend £000
Improved hospital discharge – Workforce Development	25	10	35
Integrated Commissioning – Strengthening User and Carer Voice	50	0	50
End of Life Care – Services and training	90	15	105
Total uncommitted schemes:	165	25	190

Committing any of these schemes at this stage of the financial year could still potentially lead to an underspend position at year end.

2.5 The Prevention workstream is expected to underspend by £17k against the falls prevention scheme funded through Reablement monies as works where commissioned halfway through the financial year.

2.6 In summary the BCF plan reflects an overall net overspend of £35k and the assumption is that any pressures arising would be managed by the responsible commissioning parties. The table below summarises the impact of the net position on both parties i.e.

Net pressure Analysis	LBBD £000	CCG £000	Total £000
Total Pressures	242	0	242
Total Underspends	0	(17)	(17)
Total Uncommitted Schemes	(165)	(25)	(190)
Net Pressure:	77	(42)	35

- 2.7 It should also be noted that there would be a roll forward request at year end for part of the Social Care Capital grant currently a total of £508k. This roll forward would go towards the replacement of the Social Care IT System. At this stage it is likely most of the costs would be incurred in the new financial year 2016-17.

3. BCF Performance Penalty

- 3.1 LBBB and the CCG are responsible for the risk of services it commissions but the risk share for the performance penalties are to be split 50:50.
- 3.2 The performance penalty is currently estimated as £0.710m, if this is not managed within the BCF this would be split between LBBB and the CCG as follows:

Split of BCF penalty - £710k	LBBB	CCG
	£000	£000
Performance Penalty	355.10	355.10
Use of 2014/15 BCF Underspend	(173.50)	(173.50)
Total	181.60	181.60

4. Payment Schedule

- 4.1 Of the £21.299m the host borough (LBBB) is required to draw down the total of £13.055m from the CCG at £1.088m per month. The balance of the funding i.e. £8.244m relates to other funding streams within LBBB. In turn the CCG draws down funds from the host borough a sum of £7.7m to enable it pay its providers at a sum of £642k per month.
- 4.2 To date, 2015/16 funding drawn down from the CCG and payments made to the CCG are as follows:

Monthly BCF drawdown from CCG	Amount	Invoice Raised by LBBB	Paid
April	£1.088m	Yes	Yes
May	£1.088m	Yes	Yes
June	£1.088m	Yes	Yes
July (less penalty)	£0.914m	Yes	Yes
August	£1.088m	Yes	Yes
September	£1.088m	Yes	Yes
October	£0.910m	Yes	Yes
November	£1.088m	Yes	Yes
December	£1.088m	Yes	No
January	£0.910m	Yes	No
February	£1.088m	Yes	No

Payments to the CCG	Amount	Invoice Received from CCG	Paid
April	£0.642m	Yes	Yes
May	£0.642m	Yes	Yes
June	£0.642m	Yes	Yes
July	£0.642m	Yes	Yes
August	£0.642m	Yes	Yes
September	£0.642m	Yes	Yes
October	£0.642m	Yes	Yes
November	£0.642m	Yes	Yes
December	£0.642m	Yes	No
January	£0.642m	Yes	No
February	£0.642m	Yes	No

5. BCF 2016-17 funding allocation

- 5.1 The funding allocation for the grant has recently been released and a summary of the tentative funding available across various streams are as follows:

Funding stream	2016-17 £000	2015-16 £000	Variance increase/ (reduction) £000	% Change
CCG Funding including Reablement	8,922	8,870	52	
Local Authority base funds **	5,100	5,100	0	
Contribution to each LA based on RNF for Social Care	4,257	4,185	72	
Disabled Facilities Grant (DFG)	1,264	672	592	
Social Care Capital grant	0	508	(508)	
New burdens grant**	1,044	773	271	
Public Health grant**	1,191	1,191	0	
Total Estimated BCF allocation	21,778	21,299	479	2.2%

** Final figures to be included in the pool to be confirmed.

- 5.2 Based on the table above the following assumptions have been made which would need to be confirmed:
- Local Authority base funds have been held at 2015-16 levels but contributions made to schemes needs to be reviewed which could potentially lead to increases or reductions in the contributions to the fund.
 - The allocation for the Contribution to each LA based on the Relative needs formula (RNF) funding for Social Care is assumed to be the former Social Care grant.

- iii) The DFG has increased significantly and the assumption is that the Social Care Capital grant has now been subsumed into this funding but further confirmation would be sought.
- iv) The former New Burdens – Care Act grant has increased and has now been included in the Council's base funds from 2016-17. A decision would need to be made by the Local Authority to confirm whether this should remain part of the BCF or whether it would be taken out.
- v) The Public Health grant is assumed to remain at the same level as 2015-16. The overall grant did receive a reduction and further confirmation would be sought to confirm that the allocation to the BCF would not change.

6. Conclusion

- 6.1 The BCF budget is currently projected to overspend by £35k assuming all underspends offsets the current pressures. A decision would need to be made regarding the underspends highlighted in section 2.4 as this would determine the overall outturn position.
- 6.2 There is also a performance penalty charge of £710k at year end reduced by the BCF 2014/15 underspend of £347k to be mitigated because current activity reflects that the target for the non elective admissions has not been achieved.
- 6.3 The tentative allocation for 2016-17 reflects a 2.2% increase to the pool, but discussions need to take place within the Local Authority to finalise the contribution to the pool and JEMC would need to finalise the 2016-17 Plan to be submitted for approval by the Health and Wellbeing Board.