

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO CABINET

Date 2nd April 2013

1. **REPORT TITLE** **Better Care Fund Submission**
- Submitted by:** **Head of Business Improvement, Central Services & Partnerships
– Mark Bailey**
- Portfolio:** **Communication, Policy & Partnerships**
- Ward(s) affected:** **All**

Purpose of the Report

To inform Members of the proposals set out as part of the development of the Better Care Fund (BCF) across Staffordshire and within Newcastle. These proposals include the transfer of the Disabled Facilities Grant funding into the BCF from April 2015. The report asks Cabinet to approve the draft BCF plan for Staffordshire (submitted on 14th February 2014) and also to note that NULBC will have the opportunity to be part of a Partnership Agreement which will determine the future governance arrangements around the BCF and also take decisions over how the BCF will be invested. A final submission of the BCF Plan for Staffordshire will be made on 4th April 2014.

Recommendations

- a) **That the Cabinet notes the contents of the report**

- b) **That Cabinet endorses the draft Better Care Fund Plan submission up to the end of 2015/16 (see Appendix A), whilst reserving the right to review this endorsement at the end of 2015/16, pending a wholesale review of Disabled Facilities Grant (DFG) funding to NULBC after 2015/16**

- c) **That Cabinet delegates authority to the Leader of the Council to agree and sign off the BCF submission on behalf of the Council**

Reasons

The Better Care Fund (BCF) aims to provide people with better integrated care and support in Staffordshire. The Fund has been created from a range of different existing budgets and from April 2015, the existing Disabled Facilities Grant (DFG) budget – which is currently provided directly to district/borough councils – will be allocated to the BCF, although the statutory duty will remain with district/borough councils.

The report requests that Cabinet endorse the Plan (Appendix A) and delegates the Leader of the Council to agree and sign the Plan on behalf of the Council. The BCF focuses on preventative work and that the scope of the BCF may expand over time, creating opportunities for district/borough councils in areas such as leisure/culture; housing; community safety; and environmental health.

Having said that, the present concern is obviously on ensuring that DFG funding is maintained and it has been confirmed that the DFG element of the BCF will be allocated back to district/borough councils for 2015/16. Agreement from NULBC to the BCF submission is predicated on the agreement that the funding position is reviewed before the end of 2015/16 with regard to DFG, and assurances sought on post-2015/16 funding for DFG from central government (Department of Health and Department for Communities and Local Government) and Staffordshire County Council and before NULBC commits to the BCF beyond 2015/16.

1. **Background**

- 1.1 The Better Care Fund (BCF) was previously known as the Integrated Transformation Fund and was announced nationally in June 2013 with the aim of providing people with better integrated care and support.
- 1.2 The Fund itself will be created from several existing budgets, with funding provided on behalf of district/borough councils from the Disabled Facilities Grant (DFG) (currently provided to district/borough councils in the form of a direct grant).
- 1.3 From April 2015, the DFG will be allocated to the BCF, although the statutory duty to provide DFGs will remain with district/borough councils.
- 1.4 It appears that NHS England will want these funds to be hosted by a Clinical Commissioning Group (North Staffordshire CCG in the case of Newcastle-under-Lyme) rather than by a local authority.
- 1.5 The allocation to Staffordshire from the national BCF pot will be £56.1m in 2015/16 (£3.8m of which will be the DFG component).
- 1.6 The BCF is focused on preventative work such as reablement, support for carers and services to allow disabled people to live independently. DFG, and the help it provides to people within the home, is a part of this.
- 1.7 The first draft of the Better Care Fund Plan for Staffordshire was submitted on 14th February 2014, following consultation with the Health and Well Being Board for Staffordshire and others. The Plan itself includes all district/borough councils as parties to the Plan; reflects the focus on prevention in the Staffordshire Health and Well Being Strategy (and also the local version of the Strategy in Newcastle under Lyme) around prevention; refers to the role of district/borough councils in engaging with providers and communities; and acknowledges the positive contribution of DFGs in preventing falls and other key areas of work.

2. **Issues and Areas for Consideration**

- 2.1 The BCF Plan is limited in terms of its references to the role of district/borough councils – there are few references to them beyond those listed above. Having said that, it seems likely that the scope of the funding channelled into the BCF nationally will expand over time and may provide opportunities for district/borough councils to promote the needs of the local communities in the borough and also input into the preventative agenda via a number of council services (e.g. leisure/culture; economic development; housing; community safety; and environmental health).
- 2.2 The issue of DFG funding is one of concern to councils such as NULBC (who will still have a legal duty to deliver adaptations where certain criteria are met). A letter was issued, therefore, in December 2013 from the Departments of Health and Communities and Local Government stating that the DFG element of BCF for 2015/16 must be allocated back to the relevant housing and strategic housing authorities. NULBC, in this report, is proposing to sign up to the BCF until the end of 2015/16 and will reserve the right to sign up to a longer term agreement based on a clear steer around future DFG funding beyond 2015/16. NULBC requests that a review is carried out around DFG funding during 2015/16 by a combination of the Departments of Health and Communities & Local Government with full involvement from Staffordshire CC and the district/borough councils in Staffordshire (including NULBC).
- 2.3 In terms of future working, it is likely that a Partnership Agreement (covering section 75 of the NHS Act allowing the NHS and local authorities to pool budgets) will be needed to underpin the governance and management of the BCF.

- 2.4 District/borough councils will not be obliged to sign up to the s75 Agreement and will be able to receive funding from the BCF without such an agreement in place, but not to do so could exclude NULBC from discussions on future allocations of funding and it may be difficult for additional funding to be invested from the BCF into NULBC work and also into the DFGs as a preventative activity.
- 2.5 The new s75 agreement will be developed during 2014 with a view to going live in April 2015 and a decision from NULBC is likely to be required sometime during the autumn of 2014.
- 2.6 The overall approach as articulated by the BCF process is to move resources away from acute services to preventative approaches by preventing crises and increasing peoples' independence and resilience. This is articulated in the 'Living Well in Staffordshire 2013-2018' document as produced by the Health and Well Being Board and also in the NULBC Health and Well Being Strategy.
3. **Options**
- Option A – that Cabinet support the proposals set out in this report, to endorse the BCF Plan (Appendix A) and delegate the Leader of the Council to agree and sign up to the Plan on behalf of the Council (Recommended)
 - Option B – that Cabinet does not support the proposals in the report, thereby potentially losing the opportunity for NULBC to play an active role in terms of the Plan's current components (and thereby creating a risk around DFG funding) and also the future development of the BCF (Not recommended)
4. **Proposal**
- 4.1 It is proposed Cabinet consider the report and agree to the proposals set out to endorse the attached BCF Plan for Staffordshire.
- 4.2 Cabinet are also asked to delegate the Leader of the Council to agree and sign up to the submission on behalf of the Council.
- 4.3 The report also sets out some of the future issues around the BCF and Cabinet can be reassured that these developments will continue to be monitored closely by the Council.
5. **Reasons for Preferred Solution**
- 5.1 The BCF is a key part of the delivery of a wider preventative agenda across Staffordshire and, as such, ties in closely with the approach set out in the NULBC Health and Well Being Strategy. The BCF also allows for future development of opportunities for NULBC to play a key role in delivering health improvements and also easing the pressure on resources through the delivery of a number of its key services. The Plan also sets out the position currently with regard to DFG.
6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**
- 6.1 The Strategy has potential to help deliver key outcomes across all the priorities of the Borough Council.
7. **Legal and Statutory Implications**
- 7.1 NULBC is a party to the BCF Plan and is asked to sign the document to agree to its contents and ambitions. Future work will be required about the role of the Council in relation to s75 Agreements as part of the NHS Act.

8. **Equality Impact Assessment**

- 8.1 An Equality Impact Assessment will be developed, especially around the future of DFGs and also the potential for future NULBC input into the BCF. Any service redesign that may come about due to changes to DFGs or a focus on more preventative approaches would need to be subject to equality analysis.

9. **Financial and Resource Implications**

- 9.1 Under current arrangements, DFGs are funded through a combination of government grant received from DCLG and in house capital resources.
- 9.2 The 2014/15 budget for DFGs is £864,000, of which £514,000 is to be funded from external grant and £350,000 from Borough Council resources (New Homes Bonus). This is committed and demand for DFGs may be increasing as a consequence of demographic change.
- 9.3 From April 2015, funding for DFGs will be in part routed via the BCF. The amount allocated from the BCF for DFGs will be £654,000 to which the Council may decide to add further funds from the Housing Capital Programme, as it has done in previous years, should demand warrant this.
- 9.4 Given that district/borough councils will continue to have a statutory duty to deliver DFGs, it will be important that the DFG funding continues to be allocated to local housing authorities.
- 9.5 Special conditions will be added to the Conditions of Grant Usage (s31 of the Local Government Act 2003) which stipulate that upper tier local authorities/CCGs must ensure they cascade the DFG allocation to district/borough council level in a timely manner which can be spent within a year.
- 9.6 Having said that, there are no guarantees about the future level of funding that government makes available for DFGs. This report, therefore, requests that a review of the position regarding DFGs in Staffordshire is undertaken during 2015/16 and that this is done prior to any further sign off by councils such as NULBC. To this end, NULBC is proposing to sign up to the BCF up until the end of 2015/16 in the first instance.
- 9.7 Only government grant contribution to DFGs will be included in the BCF Plan, and the Plan makes no reference to or assumptions about the capital spend on DFGs which is funded by the in-house resources of each district/borough council. It is recognised that capital funding is under pressure and that the NULBC Housing Capital Programme is reviewed and revised annually.

10. **Major Risks**

- 10.1 The major risks within the proposal include: -

- Funding for DFGs reduce whilst the statutory duty is maintained – this position needs to be reviewed during 2015/16 as set out in this report
- Demand for DFGs continues to increase without commensurate increases in funding
- The future opportunities for NULBC and other districts/boroughs are not realised
- The expected outcomes and outputs from this work are not realised, including reductions in acute spend

Risk profiles have been developed for each of these risks, including control measures.

11. **Sustainability and Climate Change Implications**
 11.1 Current levels of spending on health and social care are unsustainable and require a radical shift in investment to keep people living safely in their home as long as possible and ensure continued delivery of acute services to those really in need.
12. **Key Decision Information**
 12.1 This item is included in the Forward Plan
13. **Earlier Cabinet/Committee Resolutions**
 None
14. **List of Appendices**
 Appendix A – Staffordshire Better Care Fund (First Draft Submission)
15. **Background Papers**
 15.1 Held in the Business Improvement, Central Services and Partnerships offices and including Health & Well Being agendas; background papers on integrated commissioning and the Joint Strategic Needs Assessment (JSNA)
16. **Management Sign-Off**
Each of the designated boxes need to be signed off and dated before going to Executive Director/Corporate Service Manager for sign off.

	Signed	Dated
Financial Implications Discussed and Agreed <i>Lead Officer – Dave Roberts</i>		
Risk Implications Discussed and Agreed <i>Lead Officer – Mark Bailey</i>		
Legal Implications Discussed and Agreed <i>Lead Officer – Mark Bailey</i>		
Equalities Implications Discussed and Agreed <i>Lead Officer – Mark Bailey</i>		
Sustainability and Climate Change Implications Discussed and Agreed <i>Lead Officer – Mike O'Connor</i>		
Report Agreed by: Executive Director/ Head of Service		