

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	7 September 2017
<b>Subject:</b>	Use of the Social Care Grant/Improved Better Care Fund		
<b>Report of:</b>	Director of Social Care and Health	<b>Wards Affected:</b>	All wards
<b>Portfolio:</b>	Cabinet Member - Adult Social Care		
<b>Is this a Key Decision:</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

### Summary:

The purpose of this report is to advise the Cabinet of the additional Social Care Funding /Improved Better Care Fund (iBCF) which has been made available to Sefton under the Better Care Fund programme and to seek approval of the recommendations for its utilisation.

### Recommendations:

Cabinet is recommended to note the contents of the report and having given full consideration to all of the information provided, approve the following:

- 1) Note the objectives and conditions for the usage of the iBCF grant.
- 2) Approve the proposals for the utilisation of the grant as set out in Paragraph 6.5 of this report.
- 3) With respect to the usage of the grant for care sector fees, approve the following;
  - a. Allocation of £2.1m from the Adult Social Care Grant to provide additional funding for fee increases.
  - b. The proposed Domiciliary Care fee for 2017/18.
  - c. Reaffirm the delegated authority to make any decisions regarding the setting of the remaining fees and of all ASC fees in future years to the Cabinet Member – Adult Social Care, in conjunction with the Head of Adult Social Care and the Head of Corporate Resources, with the proviso that such decisions are made within the resources available in the MTFP (including any additional allocation made by Cabinet as a result of this report) pending the outcome of consultation with Providers.
  - d. Authorise officers to conduct further work on potential mitigations which could reduce the overall budgetary impact of fee increases and to report back to Cabinet on any proposed changes.
- 4) Note that further work will need to be done to make timely plans for when the grant ends for elements where funding requirements remain.
- 5) Authorise officers to commence a procurement exercise to seek a suitable partner to deliver the Quality Assurance Service and delegate the decision to award the contract, following the procurement exercise, to the Cabinet Member - Adult Social Care.

**Reasons for the Recommendations:**

To ensure that the usage of the grant complies with the grant conditions and objectives, and to enable the Council to set fees payable for Adult Social Care services in accordance with the requirements of legislation and statutory guidance.

**Alternative Options Considered and Rejected: (including any Risk Implications)**

None

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

There are no additional revenue costs associated with the recommendations as they relate to the usage of a specific grant.

**(B) Capital Costs**

There are no additional capital costs associated with the implementation of the recommendation to this report.

**Implications of the Proposals:**

<b>Resource Implications (Financial, IT, Staffing and Assets):</b>
<b>Legal Implications:</b>
<b>Equality Implications:</b> There are no equality implications.

**Contribution to the Council’s Core Purpose:**

<b>Protect the most vulnerable:</b> Targeting Funding to packages of care for people with Eligible unmet need
<b>Facilitate confident and resilient communities:</b> Spend against transformation programmes
<b>Commission, broker and provide core services:</b> Activities to sustain the Social Care Market
<b>Place – leadership and influencer:</b> Spend against Quality Assurance
<b>Drivers of change and reform:</b> Spend against transformation programmes
<b>Facilitate sustainable economic prosperity:</b> Spend on National Living Wage and fees to Care Sector
<b>Greater income for social investment:</b> -
<b>Cleaner Greener</b> -

## **What consultations have taken place on the proposals and when?**

### **(A) Internal Consultations**

The Head of Corporate Resources (FD4784/17) and Head of Regulation and Compliance (LD.4068/17) have been consulted and any comments have been incorporated into the report.

### **(B) External Consultations**

External consultation has taken place with the local Clinical Commissioning Groups (CCG's) regarding the usage of the grant.

Consultation has also taken place with Adult Social Care providers regarding fee increases.

### **Implementation Date for the Decision**

Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting

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### **Appendices:**

There are no appendices to this report

### **Background Papers:**

There are no background papers available for inspection.

## **1. Introduction**

- 1.1 On 8th March 2017 the Chancellor announced additional funding to Adult Social Care, known as the Improved Better Care Fund (iBCF).
- 1.2 This report outlines the detailed Planning Guidance that has been subsequently published for the iBCF and outlines Sefton's proposals to utilise the Grant against the conditions set.

## **2. The iBCF Grant**

- 2.1 The new grant is worth £2bn nationally over the next three years, it will be paid to Local Authorities with social care responsibilities. This funding will be additional to the existing Better Care Fund allocations.
- 2.2 The grant conditions for the iBCF require councils to include this additional grant funding in their local BCF Plan, and it is intended to enable areas to; take immediate action to fund care packages for more people, support social care providers, and relieve pressure on the NHS locally by implementing best practice set out in the "High Impact Change Model" for managing Delayed Transfers of Care.

2.3 The iBCF total is £13,453,893 for Sefton allocated over a three year period as follows;

<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>
£6,945,798	£4,352,060	£2,156,035

2.4 The funding will be paid direct to Local Authorities from 2017-18 and decisions on how the funding should be spent require the agreement of the Clinical Commissioning Groups and approval by the Health and Well Being Board.

### **3. iBCF Planning Guidance and Policy Framework**

3.1 The Guidance sets out the story of integration of health, social care and other public services, and provides an overview of related policy initiatives and legislation.

3.2 It is intended for use by those responsible for delivering the Better Care Fund at a local level (such as clinical commissioning groups, Councils, Health and Wellbeing Boards) and NHS England.

3.3 It includes the policy framework for the implementation of the statutory Better Care Fund in 2017 to 2019, which was first announced in the Government's Spending Review of 2013 and established in the Care Act 2014.

3.4 It also sets out our proposals for going beyond the Fund towards further integration by 2020.

3.5 The Policy Framework issued in March 2017 was articulated as a joint Department of Health and Department of Communities and Local Government approach. In the later weeks leading up to the publication of the Technical Guidance there was a fracture between the DOH and DCLG and as such the joint approach was departed from.

3.6 Specifically the iBCF Grant conditions require that it may only be used for the purpose of:

- (i) Meeting adult social care needs.
- (ii) Reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready.
- (iii) Ensuring that the local social care provider market is supported.

3.7 A recipient local authority must:

- i) Pool the grant funding into the local Better Care Fund,
- ii) Work with the relevant Clinical Commissioning Group(s) and providers to meet conditions around delayed discharges from hospital.
- iii) Provide quarterly reports as required by the Secretary of State.
- iv) Utilise the "8 High Impact Changes" to support NHS systems in respect of Delayed Transfers of Care (DTC).

3.8 The funding is intended to enable local authorities to quickly provide stability and extra capacity in local care systems. Local authorities are therefore able to spend the grant, including to commission care, subject to the conditions set out in the

grant determination as soon as plans for spending the grant have been locally agreed with clinical commissioning groups.

- 3.9 The plan to spend the iBCF only needs to be agreed by the relevant Council, CCGs and the Health and Wellbeing Board. However the planning guidance encourages local planners to involve the local A+E Delivery Board in planning a whole-systems approach to implementing the “High Impact Change Model” for Managing Transfers for Care.
- 3.10 In June the iBCF was presented to the A&E Executive Delivery Board for Southport & North Mersey. This Board has been established in order to strategically support the development and delivery of urgent and emergency care services within Southport & North Mersey. The aim of the working group is to ensure that a whole system approach is adopted in order to deliver the various patient pathway developments across health and social care services. The primary focus of the group is to ensure patients requiring emergency and urgent care will receive it in the most appropriate manner and settings.
- 3.11 There is no requirement to spend across all three purposes as set out in 3.6, or to spend a set proportion on each.
- 3.12 Whilst the non-recurrent 3 year grant is welcomed there are some risks, in particular the increasing pressures on the NHS and care market and it will be essential that the Council minimises any long- term commitments knowing that the funding will not be available beyond April 2020.

#### **4. Our Local Delayed Transfers of Care Position**

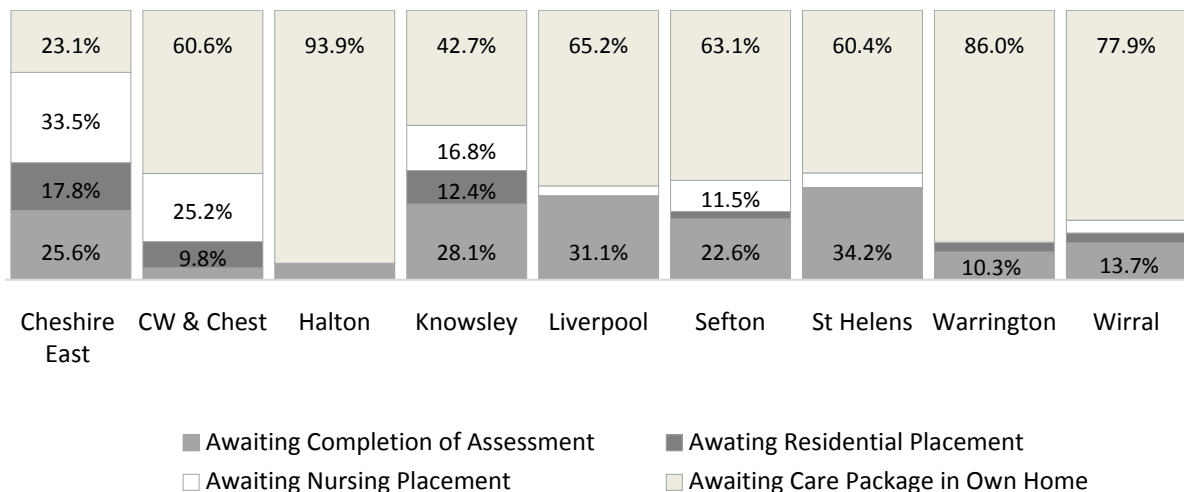
- 4.1 As stated above one of the main drivers for receiving the funding is to avoid delayed transfers of care (DTC) which are attributable to adult social care. As you can see from the tables 1 and 2 whilst there are some DTC they are relatively small in Sefton and much smaller than the majority of Councils within the North West. In part this is attributed to the significant investment which the Council and the two CCGs make in intermediate care, reablement services and responsive social work service within the Hospital as well as many other factors within the system.
- 4.2 The main pressures within the system relate to assessment, domiciliary care packages and care home placements. The latter is often related to the quality and availability of provision. This has been compounded recently with a number of care home closures across the Borough and in other Council areas where Care homes border our own area.
- 4.3 Sefton’s performance relating to these issues is summarised in the tables. Table 1 shows the rate of delayed bed days per 10,000 population in the quarter period. The NHS publishes data on individuals delayed, and also the total bed days for those individuals. The data in this report was for delays attributable to Adult Social Care only. Table 2 shows the breakdown of delays in the Acute Trust Setting by reason of delay for the period of 2016/17. Table 3 shows the breakdown of delays in the Non Acute Trust Setting by reason of delay for the period of 2016/17.

#### **Table 1**

<b>Delayed Transfers of Care by Local Authority</b> (standardised rate per 10,000 the lower the figure the better)			
<b>Local Authority</b>	<b>Q1 2016/17</b>	<b>Q2 2016/17</b>	<b>Q3 2016/17</b>
Cheshire East	53.5	60.5	59.3
Cheshire West and Chester	34.7	41.9	58.3
Halton	9.4	7.1	49.4
Knowsley	9.8	3.2	16.3
Liverpool	55.8	62.2	42.8
<b>Sefton</b>	<b>24.4</b>	<b>33.2</b>	<b>25.8</b>
St. Helens	6.9	13.4	7.3
Warrington	11.3	8.1	11.9
Wirral	8.5	13.2	12
Bolton	37.2	52.3	62.9
Bury	31.3	43.7	74.8
Manchester	63.3	77.3	65.8
Oldham	5.6	17.1	32.8
Rochdale	1.5	10.8	17.9
Salford	6.7	10.8	57.6
Stockport	47	95.9	128.9
Tameside	96.4	137.3	136
Trafford	114.2	111.1	152.6
Wigan	18.5	17.3	29.1
Blackburn with Darwen	39.2	69.1	64.4
Blackpool	46.4	43	47.2
Cumbria	157.7	176.3	189
Lancashire	23.7	34.1	36.9

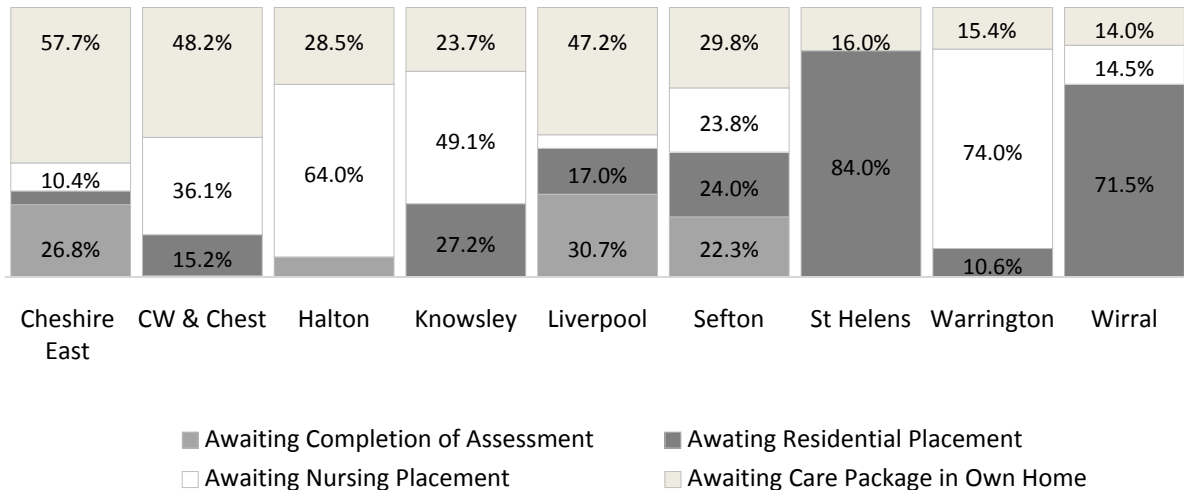
**Table 2**

**BREAKDOWN OF ACUTE DELAYS IN CHESHIRE & MERSEYSIDE (2016/17)**



**Table 3**

**BREAKDOWN OF NON ACUTE DELAYS IN CHESHIRE & MERSEY. (2016/17)**



**5. Reaching Agreement**

- 5.1 In constructing the proposals there have been a number of activities that have taken place.
- 5.2 Officers have been using the Integrated Governance structures and the associated meetings to draw up proposals for comment. This has led to partners clarifying areas of spend and also some minor alterations of the proposals.
- 5.3 In terms of agreement on the use of the grant with the two CCGs, the CCGs, have through the Accountable Officer confirmed agreement on the use of the Grant. This is a grant condition.
- 5.4 Whilst the plan to spend the grant does not need to be approved by the A&E Delivery Board in early June we presented the proposals on the use of the iBCF to the A&E Delivery Board.
- 5.5 Officers will also seek to bring the plan to the Health and Wellbeing Board at the earliest opportunity, unfortunately the sequence and cycle of Council Committee and Boards dates has been a challenge alongside the NHS and LGA ask to spend the money as quickly as possible.

**6. Sefton`s Grant Utilisation Proposals**

- 6.1 The additional funding is a welcome and important step in making Adult Social Care sustainable. However Sefton is forecasting Adult Social Care budget pressures of at least **£25M** by 2020. The pressures, in the main, relate to three areas; the introduction of the National Living Wage, the increase in the average age of the population, which means that new demand for Adult Social Care services will continue to be created and the complexity of the service users requiring support. These three long-term and permanent pressures in Adult Social Care will not be solved through this extra one-off funding.

- 6.2 For the reasons identified above, it is important to avoid using this funding to address permanent spending pressures when deciding how to allocate this new non-recurrent grant allocation. In addition it should not be used to deflect the savings proposals agreed by Council on 2nd March 2017 as part of the transformation programme contained within the Medium Term Financial plan.
- 6.3 The transformation savings reflect the required service improvement and redesign needed to support and deliver the transformation programme, therefore there would be no benefit to revising them. However iBCF grant may be of assistance to speed up the transformation programme. Table 3 shows the proposals to spend against a number of distinct but related areas.
- 6.4 The Council will need to review the implications of the investments made with the iBCF funding in future years, particularly the fees uplifts, as this is non-recurrent funding until 2020 and additional long-term commitments will need to be reflected in the Council’s budget setting process for 2020/21.
- 6.5 The following table outlines the proposals for the utilisation of the grant. More detailed information on the proposals is included later on in this report.

Areas of spend	Grant/iBCF “Three Purposes”	Outcomes we expect	Value of Grant by Year		
			£m 6.945 17/18	£m 4.352 18/19	£m 2.156 19/20
A. Increase in Fees to the Care Sector	Meeting adult social care needs. Reducing pressures on the NHS – including supporting more people to be discharged from hospital when they are ready. Ensure that the local care provider market is supported.	Market stability / market stimulation.	2.100	2.100	2.000



<p>B. i) Quality Assurance Team ii) Activities to sustain the Social Care Market</p>	<p>Meeting adult social care needs. Reducing pressures on the NHS – including supporting more people to be discharged from hospital when they are ready. Ensuring that the local care provider market is supported</p>	<p>Increase the number of citizens who live in a care home where the care is rated as “good” or “outstanding”.</p> <p>To remodel services, promote outcome based approaches, increase the usage of Assistive Technology and ensure market sustainability.</p>	<p>i) 0.210 ii) 0.300</p>	<p>0.250 -</p>	<p>- -</p>
<p>C i) Public Service Reform ii) Work across a number of Councils to identify “High Cost” care and explore joint commissioning and provision</p>	<p>Meeting adult social care needs. Reducing pressures on the NHS – including supporting more people to be discharged from hospital when they are ready. Ensuring that the local care provider market is supported</p>	<p>An increase in the number of people with a support plan that has been created following a new resource allocation.</p>	<p>i) 0.600 ii) 0.500</p>	<p>- 0.300</p>	<p>- -</p>
<p>D. Reablement</p>	<p>Meeting adult social care needs. Reducing pressures on the NHS – including supporting more people to be discharged from hospital when they are ready. Ensuring that the local care provider market is supported</p>	<p>Increase the number of people who access reablement and reduce the number of people who have an increase in the care hours that they receive.</p>	<p>0.300</p>	<p>0.200</p>	<p>0.156</p>
<p>E. Discharge to Assess and Trusted Assessors*</p> <p>*Providers having the ability to change packages of care within a tolerance to speed up discharges and avoid hospital</p>	<p>Meeting adult social care needs. Reducing pressures on the NHS – including supporting</p>	<p>Increase the number of trusted assessors in place and therefore less people delayed in discharge by reason of an assessment</p> <p>Increase the number of</p>	<p>0.135</p>	<p>-</p>	<p>-</p>

admissions.	more people to be discharged from hospital when they are ready. Ensuring that the local care provider market is supported	commissioned services who employ trusted assessors. and therefore less people delayed in discharge by reason of an assessment			
F. Fund new packages of care	Meeting adult social care needs. Reducing pressures on the NHS – including supporting more people to be discharged from hospital when they are ready. Ensuring that the local care provider market is supported	Maintain a proportionate level of support to people to enable them to remain independent.	2.800	1.502	-
<b>TOTAL</b>			<b>6.945</b>	<b>4.352</b>	<b>2.156</b>

## 7. Fees and Market Sustainability

### 7.1 Fees (Area of spend A)

7.2 In setting the budget, the Council included £1.9m within the *Medium Term Financial Plan* (MTFP) for Adult Social Care fee increases and also delegated decisions regarding the setting of fees to the Cabinet Member – Adult Social Care, in conjunction with the Head of Adult Social Care and the Head of Corporate Resources, with the proviso that such decisions are made within the resources available in the MTFP.

7.3 The funding was allocated in order to reflect additional cost pressures faced by contracted Providers, such as National Living Wage increases, changes to payments for Sleep-in services and other pressures such as pension auto-enrolment of staff. The Council has also committed to supporting the aims of the Ethical Care Charter, which relates to the Domiciliary Care sector and requires fee levels to reflect factors such as paying staff for travel time.

7.4 When setting fee levels, the Council must take into account the legitimate current and future costs faced by Providers and the factors that affect them. In order to better understand the cost pressures faced by Providers, an external organisation was commissioned to conduct a Market Oversight exercise of the Residential & Nursing, Domiciliary Care and Supported Living sectors.

7.5 This work is near completion and the organisation appointed has proposed revised fee rates for 2017/18-2019/20. The work identifies that fee increases are required in order to ensure legitimate cost pressures are accounted for, to ensure market stability and therefore sufficient capacity to meet needs. The Sefton care market has experienced capacity issues and Provider withdrawals.

7.6 The Market Oversight Exercise has preliminary recommended;

- For Domiciliary Care services a rate increase of 6.38%, increasing the hourly rate from £13.00 to £13.83. The increased fee rate will assist with implementing stages 1 and 2 of the Ethical Care Charter and supporting wider aims such as reducing delayed discharges from Hospital via maintaining market capacity. The proposed rate has been benchmarked and is deemed to be comparable to rates paid in neighbouring Local Authorities. Consultation has commenced with the four commissioned providers on this basis.
- For Residential and Nursing care homes, fee increases between 4.5% and 10%, dependent upon the category of care provided. Should approval be given by Cabinet to allocate the additional £2.1m of the Adult Social Care Grant to fund fee increases, further work will be conducted analysing the implications of the fee increases against Adult Social Care strategic priorities and consultation with Providers will then commence on proposals with a view to making a formal decision.
- Further proposed fee increases in the region of 5-6% in 2018/19 and 2019/20 financial years for both the Domiciliary Care and Residential & Nursing care home sectors.

7.8 An analysis of the budgetary implications of the proposed fee increases has been conducted and the overall budgetary impact is in the region of £4m, £2.1m above the amount allocated within the MTFP and outside the scope of the delegated authority referred to above. As a result decisions on fees have been delayed to allow this matter to be referred back to Cabinet for further consideration.

7.9 In summary, the increases proposed by the organisation appointed to undertake the Market Oversight exercise represent the following additional annual expenditure;

<b>Sector</b>	<b>Anticipated 2017/18 Annual Budgetary Increase (£)</b>
Residential Placements	2,211,023
Nursing Placements	662,200
Domiciliary Care	630,639
Supported Accommodation	321,588
Community Support	67,521
Personal Assistants (Direct Payments)	286,000
<b>Total Gross</b>	<b>4,178,971</b>

- 7.10 A number of assumptions have been identified to reduce the overall impact of the proposed fees. Further work is taking place on mitigations, including potential revision of existing Adult Social Care policies, subject to appropriate consultation. This includes potential changes to rates paid for personal assistants and the introduction of Asset Based Servicer User assessments. The implementation of revised service models (such as the new Domiciliary Care model) will seek to reduce the overall expenditure through an enabling approach. These will seek to minimise additional budgetary pressures beyond the 3 year grant period.
- 7.12 The Council has consulted with Providers in respect of its proposals in relation to Domiciliary Care Fees and details of this consultation, together with feedback received from Providers, is included at Appendix 1 to this report to enable Members to give due consideration to this in making their decision.
- 7.13 With respect to fee increases, Cabinet is therefore asked to;
1. Approve the allocation of £2.1m from the Adult Social Care Grant to provide additional funding for fee increases.
  2. Agree the proposed Domiciliary Care fee for 2017/18.
  3. Reaffirm the delegated authority to make any decisions regarding the setting of the remaining fees and of all ASC fees in future years to the Cabinet Member – Adult Social Care, in conjunction with the Head of Adult Social Care and the Head of Corporate Resources, with the proviso that such decisions are made within the resources available in the MTFP (including any additional allocation made by Cabinet as a result of this report) pending the outcome of consultation with Providers.
  4. Authorise officers to conduct further work on potential mitigations which could reduce the overall budgetary impact of fee increases and to report back to Cabinet on any proposed changes.

## **8. Quality Assurance Team (Area of spend Bi)**

- 8.1 Currently Sefton has 35 homes that rated by CQC as “Requires improvement” and 4 that are rated as “Inadequate”. These homes represent over a third of the Sefton care home market. Over the last eighteen months there have been 8 home closures and 2 Domiciliary Care organisations withdrawing from their contracts. In addition Sefton has experienced a number of problems with sourcing care placements/packages in the market, including restricted capacity within care providers (particularly domiciliary care), care home closures, and care home placement suspensions arising from “Requires Improvement” or “Inadequate” CQC Ratings. This has led to pressures in Hospitals relating to patient choice, bed delays and costs to the NHS when patients are medically fit for discharge. Providers report a number of contributory factors, including workforce in short supply, increased regulator demands and cost pressures (particularly relating to staff costs).
- 8.2 The commissioning of a ‘*Quality Assurance Team*’ to work with Providers, particularly Care Homes will drive up quality and improvements in CQC Ratings,

thereby avoiding loss of that capacity within the market. The team would be procured from the external market, in order to secure a suitably qualified organisation who specialises in managing failing care homes and can work with Providers by offering management intervention, peer support and business advice. The team would support Providers for a period of 1 to 6 months depending upon needs. A criterion is to be developed to identify the selection of homes and also would include a financial contribution from the Provider toward the intervention and assessment of ongoing commitment to ensure improvements were sustained. The team would dovetail into existing monitoring and compliance work conducted by Sefton and Health, but would provide added value through offering a more hands-on intervention into the day-to-day running of care homes, thus ensuring their viability and sustainability.

## **9. Conclusions**

- 9.1 The proposals outlined have been formulated in order to ensure that they meet the purposes of the grant and seek to support its aims. The proposals have been formulated in partnership with Health and reflect the fact that the funding is non-recurrent.
- 9.2 Cabinet is asked to approve the recommendations detailed in the report and take into account that further reports will be submitted, if required, once more definitive proposals for mitigations have been formulated.