

REPORT TO: Executive Board

DATE: 19 September 2019

REPORTING OFFICER: Strategic Director, People

PORTFOLIO: Children, Education & Social Care

SUBJECT: Complex Care Pooled Budget

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

1.1 To provide to the Executive Board and update on the Complex Care pooled budget and present options for the future delivery of complex care.

2.0 RECOMMENDATION: That the Executive Board

- 1) **Considers the contents of the report, and**
- 2) **Consider and agree the recommended option.**

3.0 SUPPORTING INFORMATION

3.1 Halton Local Authority has had a pool budget with Halton CCG (arranged under section 75 of the Health Act) since 2002. In 2013 the pool budget was expanded to include community care budget (HBC), Continuing Health Care (CHC), FNC (funded nursing care) (HCCG) and Joint Funded packages. This arrangement was working well, and pressures within these budgets were managed effectively as a system. We were able to do this, by ensuring that appropriate budgets were allocated and jointly ensured value for money was achieved. The Social Work team and CHC team worked as an integrated team with the focus being on the individual service users, and the provision of safe and effective care.

3.2 Some people with long term complex health needs qualify for non-chargeable care arranged and funded solely by the NHS. This is known as NHS continuing healthcare (CHC). CHC can be provided in a variety of settings outside hospital, such as a person's own home or in a care home. To be eligible for CHC a person must be assessed by a multidisciplinary team of health and social care professionals which will look at all their care needs and relate them to a set of criteria:

- What help they need
- The nature of their needs and presenting condition
- How complex your needs are
- How intense your needs can be
- How unpredictable they are, including any risks to your health if the right

care is not provided at the right time.

- 3.3 During the past 2 years considerable pressures have been placed onto the pool. In the main this was in relation to an overspend position on Continuing health Care. To exacerbate this problem in 2018/19 the CCG identified a saving against the CHC element of the pooled budget of £2.153m, there was a lack of clarity from the CCG on how this efficiency target was to be achieved.
- 3.4 Evidence suggests this was in the main to be achieved by reviewing the eligibility criteria, and hence a reduction in the numbers of individuals supported with CHC funding. This effectively means the bed cost for the care package is no longer funded by CHC but by the council budget, so there is no saving to the pool as a whole. The CCG did not achieve this savings target in full, but did allocate some additional budget to the pool; in addition to this the shortfall was made up from other elements of funding within the pooled budget. This included the Better Care Fund allocation; however this has had the effect of the system being unable to deliver of Better Care Fund targets for example development of out of hospital services.
- 3.5 The impact on the pooled budget of these changes are that the reduction in the number of people assessed as eligible for CHC is reducing, this is resulting in an increase in the numbers of people who need support from the Local Authority budgets. In addition, although we are seeing a reduction in the number of people eligible, there continues to be financial pressures on the CHC element of the pooled budget, which is resulting in a continued overspend on the pooled budget, which is currently a shared risk for the Local Authority.
- 3.6 There continues to be significant financial pressures on CHC nationally and locally. NHS England have recently updated the CHC Framework, which reflects an element of financial recovery. The reality of this for local authorities is that the reduction in the number of people deemed eligible for CHC results in an increase in the numbers that the Local authority must fund.
- 3.7 In previous years Halton CCG performance has placed the organisation as an outlier by NHS England, in relation to: number of people on CHC who were reviewed were low, the 28 day timescales for completing an assessment was not achieved, and high numbers of CHC cases being agreed and with high comparative spend on CHC; however, this does not appear to be reflected in the current position, in fact the opposite appears to be true.
- 3.8 The impact on the Local Authority budget from these changes, has resulted in a £300k reduction in CCG spend and a corresponding increase in LA spend, this shift continues to increase on a monthly basis.
- 3.9 The tables below illustrate the developing picture over the last three years of CHC eligibility determinations:
 - In 2017/18 we seen an increase in review activity, which resulted in an increase in numbers of people assessed as no longer eligible for CHC.

(These costs are then picked up by the Local Authority)

- Most notable is the reduction in the number of CHC assessments completed between 2016 and 2018, along with a corresponding decrease in the number of people found eligible in that year. (These costs are then picked up by the Local Authority)

2016/17

	Total	Eligible	Not eligible	Deferred
New CHC	98	59	28	7
Reviews	38	34	2	2
Fast track	58	58		

2017/18

	Total	Eligible	Not eligible	Deferred
New CHC	108	63	28	17
Reviews	150	134	11	5
Fast track	60	60		

2018/19

	Total	Eligible	Not eligible	Deferred
New CHC	65	31	28	6
Reviews	85	66	14	5
Fast track	52	52		

- 3.10 In coming to a decision about CHC Eligibility, the National Framework for continuing health care and CCG regulations give CCG's full autonomy over CHC eligibility decisions; however, the CCG must have regard to the legal limits of social care provision as defined in the Care Act 2014. If a person is assessed as not eligible for NHS continuing Health Care then the Social Worker involved in the process must consider whether the person is then eligible for Social Care support, taking into account the legal limits of social care, at this point a decision may be made to jointly fund the care package when the person still has some health needs.

4.0 OPTIONS

It is clear that changes to the local working arrangements, national direction and increased demand in CHC mean the Local Authority should review and consider options for the future operation of the complex care pooled budget. Set out below are three options, all of which have their benefits and disadvantages but none will resolve the financial pressures but some do provide the opportunity to define and clarify the roles responsibilities for CHC without compromising other aspects of the pooled budget. Option 2 presents the most balanced option between improved clarity between operational roles and responsibilities and managing the financial impact for the LA.

4.1 **Option 1 Continue with existing arrangements** The current pooled budget arrangements will continue. If operated effectively, this option would ensure the future management of complex care within the community as a fully integrated system.

However, with the current changes proposed within the CCG, this arrangement is becoming more and more difficult, and most importantly the negative effect on the finance within the pool are preventing further developments in community services.

Benefits

- Services operate around the person, rather than focussed on organisational boundaries.
- The service user is at the centre, and any disputes in relation to funding are addressed as a secondary with the provision of safe effective care as a priority.
- To continue with the solid inter-professional relationships with the social workers and nurse assessors, who are co-located and use the same IT systems.
- The knowledge and expertise of the Social Work teams is reliant on the joint approach.
- We currently do not have any formal disputes around eligibility- as the pooled arrangement covers across both organisations.
- Social workers and nurse assessor's work jointly to case manage individuals- which is particularly beneficial to individuals with complex needs.

Risks

- The current level of overspend on the pool is unsustainable, in the main due to the CHC position.
- The Local Authority will continue to share the risk in relation to the CCG overspend/underfunding of the CHC element of the budget.
- The IBCF allocation is reducing year on year and will no longer be available to use against additional costs for packages of care
- The recent changes to the CHC team, have resulted in the team being transferred to Warrington- which has a negative impact on the integrated arrangements, and will be difficult to continue with the current arrangements.
- The knowledge and expertise of the Social Work teams is reliant on the joint approach.
- The continual changing environment within CCGs is a risk to the joint approach currently required for the pool to operate effectively
- Financial pressures will continue, this will have a negative impact on other service developments.
- Increased workload pressures for the social work teams and some back office functions for example finance and performance.

- 4.2 **Option 2 To separate out the CHC and community care budget elements, from the pooled budget** Each organisation will be responsible for delivering their own duties against these areas of work. If agreed this will require a number of changes to the current ways of working, including transfer of care management responsibilities, contract management, performance management, IT documentation and budget responsibilities.

The Joint funded arrangements (including section 117 and FNC) would continue to be managed within the pooled budget, with joint contracts and case management arrangements (managed through HBC). All jointly funded packages will be on a 50/50 basis, and that any current joint funded packages that are not 50/50 will be considered to move to this arrangement (8 cases). A joint panel will be established to ensure that decision making is fair, accurate and agreed by both partners.

The revised pooled budget will include:

- Better Care Fund (BCF) (Currently under review)
- Improved Better Care Fund (IBCF)
- Disabled Facility Grant
- Winter pressure funding (LA/CCG)
- Equipment services
- Intermediate Care Services
- LA/CCG joint funded packages
- Section 117 joint funded packages
- Funded Nursing Care

Benefits

- CHC eligibility decisions and how this impacts on the Local Authority will be clearer
- The CCG will be solely responsible for the overspend/underfunding of the CHC element of the budget.
- As a system we have a number of individuals who have disputed Continuing Health Care eligibility, this is resulting in a fair level of debt for the Local Authority (as individuals refuse to pay for care until the CHC process has been completed). The revised approach, and joint CHC team with Warrington should speed up decision making for the CCG and hence reduce some of the associated levels of debt for the Local Authority.
- A dispute policy will be developed to ensure that this approach is managed jointly with full engagement and consultation with the Local Authority.
- It will also give us the opportunity to renew and improve our focus on working as partners in those cases where we have joint responsibilities, to ensure best value and improved service user outcomes.

- A revised section 117 policy is currently being drafted, and will provide an enhanced framework for the management of 117 cases as a partnership.
- The CCG have identified a number of staff who are dedicated to Halton, this team will be aligned with the Halton Care Management Teams to ensure effective communication and joint working opportunities, the option of flexible/agile working for the Continuing Healthcare team needs to be considered
- A single contract for providers will be in place, managed through the Local Authority.

Risks

- As the Continuing Health Care team will no longer be co-located with the Halton Social workers, the current joint approach will no longer be viable. The Halton Continuing Healthcare Team will be located in Warrington, working as a joint team with Warrington CCG. This will enable the Clinical Commissioning group to work more efficiently and effectively across Warrington and Halton footprints, but will potentially reduce the opportunities to work in partnership across the CCG and Local Authority.
- The teams will need to focus on ensuring continued and improved partnership working.
- There will be a need to enhance the CHC specialist support within the Social Work Teams.
- There is a potential financial risk to the pooled budget if either partner does not provide sufficient budget to meet the costs of joint packages of care. It is essential that both partners commit to providing sufficient budget to fund the Joint packages and Funded Nursing Care- this will require both parties to realign the current budget allocated to this area, this will be monitored closely over the next six months.

4.3 **Option 3 To operate only the statutory requirements of the pooled budget.**

All complex care funding will be taken out of the pooled arrangement, this includes section 117, and joint funded packages and Funded Nursing Care.

The pooled budget will only include those areas of funding we are required to pool:

- Better Care Fund (BCF) (Currently under review)
- Improved Better Care Fund (IBCF)
- Disabled Facility Grant
- Winter pressure funding (LA/CCG)

Benefits

- Clear requirements on the aims of the pooled budget and clarity of vision.
- The arrangements to jointly fund community care services will be jointly agreed and endorsed by the Health and Well-Being Board
- There is no risk of overspends in other areas being offset with the funding available in the pool.
- Opportunity to develop community services is enhanced.

- The CCG will be solely responsible for the overspend/underfunding of the CHC element of the budget.

Risks

- The potential for disputes is increased, in particular agreements on joint funded packages of care.
- An individual will have two contracts for one placement in a care setting- leading to duplication.
- It would be more difficult to agree 50/50 packages of care, and may result in a backward step and increasing discussions on if the package is mainly health or social care.
- May delay funding agreements and hence care arrangements being in place in a timely way.
- Providers will have two contracts, two monitoring and quality assurance processes, which will not only have an impact on providers but increases the risk of communication errors, in particular on quality concerns.

5.0 POLICY IMPLICATIONS

- 5.1 The direction of travel within the policy context is to move towards more integrated working with pooled budgets, however, the Local Authority continue to have a duty to provide services for adults in the Borough who are eligible for services from Adult Social Care. This includes a duty to manage the provider market and continue to deliver good quality care.

6.0 FINANCIAL IMPLICATIONS

- 6.1 The financial implications are detailed within this report, however, there is a high level of risk to adult social care budgets within the current arrangements.

7.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

7.1 Children & Young People in Halton

None identified

7.2 Employment, Learning & Skills in Halton

None identified

7.3 A Healthy Halton

The provision of safe and effective Adult Social Care is essential to this priority.

7.4 A Safer Halton

None identified

7.5 Halton's Urban Renewal

None identified

8.0 RISK ANALYSIS

8.1 Dependant on the recommended option, work will need to be completed to ensure that any risks are mitigated:

- The Joint Working Agreement will need to be reviewed to reflect the changes.
- Consideration of the organisation of the social work teams, for example in other areas the CHC element of the social work teams operates as a dedicated team, ensuring the social workers in the team become experts in continuing health care and are able to contribute to the assessment on an equal footing with the nurse assessors.

9.0 EQUALITY AND DIVERSITY ISSUES

9.1 None identified.

10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None.