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Representing independent care providers

The Better Care Fund: briefing for members

1. Aims

The aim for the Better Care Fund (BCF) continues to be a reduction in delayed discharges to care (DTOC) and to facilitate health and social care integration. In the recently published Policy Framework, the aims of the fund were stated as: 'to use resources more efficiently, in particular by reducing avoidable hospital admissions and facilitating early discharge.' In the previous Policy Framework, local areas were asked to set targets against the below five key metrics:

- Admissions to residential and care homes
- Effectiveness of reablement
- Delayed transfers of care
- Patient / service user experience
- A locally-proposed metric

There seems to be little possibility for a change of direction between 2016-2020: 'In the interests of stability and consistency, areas will be expected to maintain the progress made in 2015-16.'

2. Timeline and planning

The formal start for the implementation of local BCF plans is 1st April 2016. Approval of written plans by NHS England Directors of Commissioning Operations will be aided by a 'Better Care Manager'. CCGs and local authorities in every area are to pool budgets and to agree a spending plan for how they will use their BCF allocation.

2016 begins the planning period for 2017-2020 BCF spending, which will result in local 'multi-year strategic plans', decided between local authorities and CCGs. These are to be completed and approved by 2017 for full implementation from 2020. From 2020, local areas will 'graduate' to full autonomy of their BCF spending *if* local authorities and CCGs are meeting their commitments as set out in the NHS Five Year Forward View.

3. The distribution of the fund: 2015/16, 2016/17 and 2017-2020

In 2015-16, the Government put £3.8 billion into the Better Care Fund: 'NHS England is required to ring-fence £3.519 billion within its CCG allocation to create the BCF. Of the £3.519 billion BCF allocation to CCGs: £2.519 billion will be available 'upfront' to Health and Wellbeing Boards, to be spent 'in accordance with the local Better Care Fund plan.'

The allocation for 2016/17 brings the BCF money up to £3.9 billion. The outstanding amount, making up the £3.9 billion, comes from the £394 million Disabled Facilities Grant, which is paid directly from Government to local authorities. From 2016/17, the remaining £1 billion of CCG Better Care Fund allocation will be subject to two new national conditions. The Government is yet to announce the conditions for local government spending of the Disabled Facilities Grant.

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From 2017-18, the government will make funding available to local authorities worth £1.5 billion by 2019-20, to be included in the BCF. This additional £1.5bn committed to the BCF for will not be available until 2017 and in this way, the BCF money was back-loaded in the Spending Review announcement.

Year	Amount	Total	Composition	Distribution	Conditions
2015/16	£3.8 billion	£3.8 billion	NHS England is required to ring-fence £3.519 billion within its CCG allocation to create the BCF.	Of the £3.519 billion BCF allocation to CCGs: £2.519 billion will be available 'upfront' to Health and Wellbeing Boards, to be spent 'in accordance with the local Better Care Fund plan'.	• The Better Care Fund is transferred into one or more pooled funds established • Plans for how the money will be spent = jointly agreed NHS England also required that BCF plans demonstrate how the area will meet national conditions agreed in the 2013 Spending Review: • Protection for social care services (not spending) • 7-day services in health and social care to support patients being discharged and prevent unnecessary admissions at weekends • Better data sharing between health and social care, based on the NHS number • A joint approach to assessments and care planning • Agreement on the consequential impact of changes in the acute sector. AND: *In 2015-16 there was also a £1 billion "payment for performance framework".*
2016/17	£0.1 billion	£3.9 billion	The allocation for 2016/17 brings the existing BCF money to a minimum of £3.9 billion with £394 million from the Disabled Facilities Grant.	The £394 million Disabled Facilities Grant is paid directly from the Government to local authorities. £1 billion of the CCG Better Care Fund allocation will be subject to two new national conditions.	As above, AND: *2 new conditions replacing the £1 billion "payment for performance framework": Agreement to invest in NHS commissioned out-of-hospital services, which may include a wide range of services including social care; AND Agreement on local action plan to reduce delayed transfers of care.* *AND:* *The Government is yet to announce the conditions for local government spending of the Disabled Facilities Grant: The Government will attach 'appropriate conditions to the funding to ensure it is included in the Better Care Fund at local level.'*

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2017 - 2020	£1.5 billion	£5.4 billion	From 2017-18, the government will make funding available to local authorities, worth £1.5 billion by 2019-20, to be included in the Better Care Fund.	As yet unknown.	There is little possibility for a change of direction in 2017-2020: 'In the interests of stability and consistency, areas will be expected to maintain the progress made in 2015-16.'

4. The detailed conditions of the fund for 2016/17, and *what the conditions mean for social care*

The existing conditions for the fund are:

- Plans to be jointly agreed;

  There is a requirement for joint agreement between commissioners and providers as to how the Better Care Fund will contribute to a long term strategic plan. This should include an assessment of future capacity and workforce requirements across the system.

- Maintain provision of social care services;

  Local areas must include an explanation of how local adult social care services will continue to be supported within their plans in a manner consistent with 2015-16.

- Agreement for the delivery of 7-day services across health and social care to prevent unnecessary non-elective (physical and mental health) admissions to acute settings and to facilitate transfer to alternative care settings when clinically appropriate;

  In the Policy Framework, this includes: 'and the importance of effective relationships between medical and other health and social care teams.'

- Better data sharing between health and social care, based on the NHS number;

  It looks like social care providers will have to start using NHS numbers to identify and share information about service users.

- Ensure a joint approach to assessments and care planning and ensure that, where funding is used for integrated packages of care, there will be an accountable professional;

  This is particularly relevant for Dementia care: 'Local areas should identify which proportion of their population will be receiving case management and named care coordinator, and which proportions will be receiving self-management help - following the principles of person-centred care planning.'

- Agreement on the consequential impact of the changes on the providers that are predicted to be substantially affected by the plans;

  CCGs will have to consult with providers: 'the impact of local plans should be agreed with relevant health and social care providers.'

The £1 billion "payment for performance framework" will be replaced by two new national conditions. The conditions are:

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- Agreement to invest in NHS commissioned out-of-hospital services, which may include a wide range of services including social care;

  Either to fund NHS commissioned out-of-hospital services, which may include social care, or Local areas can choose to put a proportion of their share of the £1bn 'into a local risk-sharing agreement as part of contingency planning in the event of excess activity, with the balance spent on NHS commissioned out-of-hospital services.' This may well be social care.

- Agreement on local action plan to reduce delayed transfers of care;

  'All local areas need to establish their own stretching local DTOC target' to be agreed between the CCG, local authority and relevant acute and community trusts. There would be a requirement for local risk sharing agreements that 'demonstrate consideration to how all available community capacity' and 'demonstrate how CCGs and Local Authorities are working collaboratively to support sustainable local provider markets, build the right capacity for the needs of the local population, and support the health and care workforce - ideally through joint commissioning and workforce strategies…' and 'demonstrate engagement with the independent and voluntary sector providers.'

The conditions are aimed to reduce DTOC and to 'ensure continued investment in NHS commissioned out-of-hospital services, which may include a wide range of services including social care.'

5. The redistribution of the 2% social care precept from 2017

The other mechanism for social care funding announced in the 2015 Spending Review was the 2% social care precept: councils will be able to raise council taxes by a maximum of 2% year-on-year, to be ring-fenced for social care. This is an optional precept and it has been subject to much criticism, focused on the inequality of its distribution. Wealthier areas, which take a larger proportion of their income from council taxes, will be significantly better off under these plans, while poorer areas (where demand for social care is generally higher) will suffer.

In response to this criticism, the Government has subsequently explained that the BCF will be used to redistribute funding. The proposed methodology is set out below. It is complex: we must still establish which part of the BCF the money for re-distribution will come from. We envisage that further guidance will be released in due course.

1. *"We (Department of Health) calculate the additional funding available to spend on adult social care at a national level, combining the 2% council tax flexibility for adult social care and the additional funding for the improved Better Care Fund.*
2. *We then calculate the share of that national amount which each authority with responsibility for social care would receive if it were distributed according to the 2013 adult social care relative needs formula.*
3. *We then calculate how much each authority with responsibility for social care could raise from the additional 2% council tax flexibility for adult social care.*
4. *The additional funding for the improved Better Care Fund is then allocated in such a way that, when combined with the money which could be raised from the council tax flexibility, each council would receive its share of the combined national amount as calculated in step 2 above.*
5. *These allocations are adjusted so that, where an authority could receive more from the additional council tax flexibility for social care than its share of the national amount calculated in step (ii), its allocation for the improved Better Care Fund is set to zero rather than a notional negative figure.*
6. *The remainder of the allocations are then reduced proportionately, so that the combined totals sum to the national total for additional funding available to spend on adult social care, as calculated in step (i)."*

For further information, contact:
Saskia Goldman
sgoldman@careengland.org.uk

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