



# Title of report: Herefordshire's Better Care Plan 2026/27

**Meeting:** Health and Wellbeing Board

**Meeting date:** Monday 13 July 2026

**Report by:** Delivery and Improvement Lead

## Classification

Open

## Decision type

This is not an executive decision

## Wards affected

(All Wards)

## Purpose

To update Health and Wellbeing Board members on Herefordshire's Better Care Fund (BCF) Plan 2026/27 and seek formal Health and Wellbeing Board approval.

## Recommendation(s)

**That:**

- a) **The Herefordshire Better Care Fund 2026/27 Narrative Plan (Appendix 1) and Numerical Template (Appendix 2), submitted to NHS England, be reviewed and retrospectively approved; and**
- b) **the ongoing work to support integrated health and care provision that is funded via the BCF is noted by the board.**

## Alternative options

1. The board could decline to sign off the submission. It is a national requirement that the BCF Plan is signed off by the Health and Wellbeing Board (HWB). The content of the return has already been approved by Hilary Hall, Corporate Director for Community Wellbeing by way of delegated authority and submitted prior to the meeting of the board, in accordance with national deadlines.

2. The HWB does not always align with national deadlines, however this gives the board an opportunity to review and provide feedback.

### Key considerations

3. The Better Care Fund provides a mechanism for joint health, housing and social care planning and commissioning. It brings together ring-fenced budgets from Herefordshire and Worcestershire Integrated Care Board (HWICB) allocations, and funding paid directly to local government.
4. The national BCF team determines national reporting requirements on the overall BCF programme, with quarterly reports being submitted to NHS England (NHSE) and Health and Wellbeing Boards.
5. [The Better Care Fund Policy Framework and Planning Requirements for 2026 - 2027](#) were published on 17 February 2026. Similar to previous years, the Better Care Fund Policy Framework for 2026/27, requires that BCF plans consist of:
  - BCF Narrative Plan (**Appendix 1**)
  - BCF Numerical Template including planned expenditure, confirmation that national conditions are met, ambitions for national metrics and additional contributions to BCF section 75 agreements, revised ambitions and plans for performance against three BCF national metrics based on 2025/26 performance. (**Appendix 2**)
6. The deadline for submission of the updated BCF plan to NHS England was 19 May 2026.
7. BCF 2026/27 marks the first phase of national BCF reform and requires a clearer shift from maintaining existing arrangements to demonstrating impact through integrated, neighbourhood-based delivery. Compared to 2025–26, the focus moves beyond streamlined planning towards stronger alignment with neighbourhood health, clearer outcome goals and increased emphasis on adult social care investment.
8. For Herefordshire, this aligns well with local priorities around supporting people to live independently, strengthening Home First approaches and reducing reliance on hospital and long-term care settings. The 2026/27 framework places greater emphasis on reablement and intermediate care, requiring systems to show how BCF funding improves recovery, limits length of stay and reduces future demand for residential and nursing care.
9. BCF 2026/27 also requires clear progress towards neighbourhood health delivery, including closer alignment of BCF-funded services such as urgent community response, intermediate integrated care and support for people with frailty. While full integration is not required in this first year, systems must demonstrate pragmatic steps linking BCF investment to neighbourhood teams and pathways.
10. Finally, the framework introduces a stronger expectation of increased investment in adult social care, alongside tighter assurance of value for money, outcomes and governance. This reinforces Herefordshire's approach to using BCF as a vehicle for prevention, reablement and early intervention, rather than solely as a mechanism for managing hospital discharge pressures.
11. Assurance will be more focused this year on adherence to national conditions. The numerical return includes high level information on expenditure and impact/goals.
12. For 2026/27, Herefordshire's BCF funding is deliberately structured around three core workstreams that reflect how services operate across the system and where investment has the greatest impact on national metrics.

13. **Discharge, Flow and System Coordination**  
Investment supports safe, timely discharge and system flow through brokerage, liaison, transport, housing support, and coordination functions. This provides operational grip, enabling early planning, consistent decisions, and timely care mobilisation, supported by shared data and oversight.
14. **Intermediate Integrated Care**  
Funding delivers integrated bed- and home-based recovery and reablement pathways. This ensures time-limited, outcome-focused support that maximises independence and reduces length of stay and long-term care demand.
15. **Prevention, Carers and Community Support**  
Investment addresses drivers of avoidable admission through falls services, carers support, safeguarding, DoLS/AMHP capacity, and DFG. Voluntary and Community Sector (VCSE) partners provide preventative, personalised support, strengthening community resilience.
16. This approach enables pooled resources to be targeted at whole-pathway solutions rather than fragmented service responses. It supports the Home First philosophy embedded within the Discharge to Assess (D2A) Operational Framework and strengthens joint accountability for outcomes across acute, community, social care and VCSE partners.
17. Delivery remains dependent on workforce capacity, care market provision, data/digital capability, and system alignment, with risks managed through joint governance.

### Metrics

18. For 2026/27 areas are required to set improvement goals against two headline metrics carried forward from the previous year relating to:
  - non-elective hospital admissions for people aged 65 and over
  - the average length of discharge delay for all acute adult patients, derived from:
    - the proportion of adult patients discharged from acute hospitals on their discharge ready date (DRD)
    - for those adult patients not discharged on their DRD, the average (mean) number of days from the DRD to discharge
19. It is also encouraged to set local goals:
  - Long-term admissions to residential and nursing care homes for people aged 65 and over per 100,000 population;  
and for ICBs and HWBs to monitor and drive improvements for:
  - the proportion of people aged 65 and over who were discharged from hospital into reablement and who remained in the community in the 12 weeks following discharge (as a new BCF metric for 2026/27 and an 'official statistic in development', partners are therefore not expected to set specific goals but may do so).

### Community impact

20. The BCF plan is set within the context of the national programme of transformation and integration of health and social care. The council and HWICB continue to work together to deliver on the key priorities within the plan to achieve savings and improve the delivery of services in order to achieve the priorities of the health and wellbeing strategy in the most cost-effective way.
21. Talk Community brings together community, third sector and statutory services to connect with peers and share ideas and experiences within the local Primary Care Network (PCN) areas;

working with communities to identify and address issues that affect them, increase sustainability of communities by facilitating the development of partnerships and collaborative approaches and helping identify any gaps in provision.

## **Environmental impact**

22. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
23. Whilst this is a report on programme delivery and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the council's Environmental Policy.

## **Equality duty**

24. Due to the potential impact of this plan being low, a full Equality Impact Assessment (EIA) is not required. An EIA Checklist has been completed.
25. The council and HWICB are committed to equality and compliance with the public sector equality duty. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.
26. Whilst this paper is not seeking any project specific decisions, the Plan provides an overview in relation to services funded by the BCF. The BCF programme aims to deliver better outcomes for older and disabled people and supports the council in proactively delivering its equality duty under the Equality Act. This is through improving the health and wellbeing of people in Herefordshire by enabling them to take greater control over their own homes and communities.
27. Commissioned services funded by the BCF take into account the arrangements to assess and consult on how functions impact on protected characteristics. Services are undertaken in a manner which respects individuality of service users, patients etc. Where appropriate, a full EIA is undertaken for separate schemes and services that are within the BCF.

## **Resource implications**

28. The Better Care Fund (BCF) is a national partnership programme between MHCLG, NHSE, LGA and DHSC. Locally, it is a mandatory pooled budget between Herefordshire Council and NHS Herefordshire and Worcestershire ICB, governed by a section 75 agreement.
29. In 2023/24, responsibility for planning and management of the Herefordshire BCF was delegated to One Herefordshire Partnership under a memorandum of understanding between NHS Herefordshire and Worcestershire ICB and Wye Valley NHS Trust.
30. Since 2025/26, delegation under the Memorandum of Understanding (MoU) includes ownership of financial risks and benefits arising from over or under spending within the BCF. This means that the risk-share provisions of the section 75 agreement pertaining to the ICB's responsibility for financial risks and benefits related to the Better Care Fund are delegated to Wye Valley NHS Trust to manage.
31. For 2026/27 the Better Care Fund allocation for Herefordshire represents £31.215mn of capital and revenue funding, all of which is ring-fenced and subject to grant conditions.

32. There are three funding allocations within the Better Care Fund:
- NHS Minimum Contribution- allocation of £20.032mn from DHSC to HWICB, of which £7.548mn must be transferred to Herefordshire Council
  - Disabled Facilities Grant (DFG)- allocation of £2.815mn capital funding from MHCLG to Herefordshire
  - Local Authority Better Care Grant (LABCG)- allocation of £8.368mn from MHCLG to Herefordshire Council

Better Care Fund Financial Plan 2026/27 – Sources of Funding	Source of Funding	2025/26 Total Allocation	2026/27 Growth %	2026/27 Increase in Funding Allocation	2026/27 Allocation
NHS Minimum Contribution (transfer to ASC)		£7,548,385	4.45%	£335,650	£7,884,035
NHS Minimum Contribution (retained by ICB)		£11,899,470	2.09%	£248,489	£12,147,959
<b>Total NHS Minimum Contribution</b>	<b>DHSC</b>	<b>£19,447,855</b>	<b>3.00%</b>	<b>£584,139</b>	<b>£20,031,994</b>
Disabled Facilities Grant 25/26		£3,012,994	0.00%	£0	£3,012,994
<b>Disabled Facilities Grant</b>	<b>MHCLG</b>	<b>£3,012,994</b>	<b>0.00%</b>	<b>£0</b>	<b>£3,012,994</b>
<b>Local Authority Better Care Grant</b>	<b>MHCLG</b>	<b>£8,367,748</b>	<b>0.00%</b>	<b>£0</b>	<b>£8,367,748</b>
BCF Underspend B/fwd		£0		£0	£0
<b>TOTAL BETTER CARE FUND</b>		<b>£30,828,597</b>	<b>1.91%</b>	<b>£584,139</b>	<b>£31,412,736</b>

33. Overall, the BCF funding allocation increased by £0.584mn compared to 2025/26. This is a net uplift of 1.91%
- NHS minimum contribution receives a net increase of 3%, which is lower than the weighted average of the main prevailing inflation rates for the costs of health and social care provision (NLW and CPI).
  - Disabled Facilities Grant and Local Authority Better Care Grant receive no increase for 2026/27, so there are real terms cuts in funding for these elements of the BCF.
34. Partners have applied estimated pay awards, contract uplifts, fee inflation, changes to staffing structures and other known changes to set their budgets for services funded by BCF. The overall impact of these changes is an increase in expenditure budgets of £0.706mn (2.3% increase overall). This is £0.121mn more than the increase in funding allocation (therefore an immediate pressure on the BCF budget).
35. The 2026/27 budgets set by partners do not include funding for overspending of £1.893mn in D2A services in 2025/26. Herefordshire Council budgets do include funding reductions for Hoople Care expenditure being held at budgeted levels (£0.244mn benefit compared to 2025/26 outturn) and Ledbury Intermediate Care Centre (LICU) D2A Premium payment ceasing at 31/03/26 (£0.139mn benefit compared to 2025/26). After the benefit of those reductions, 2025/26 overspending not accounted for in host partner budgets for 2026/27 leads to a total cost pressure of £1.632mn.
36. 2026/27 Plans include several changes to BCF services with a net impact of £0.576mn increase in expenditure:
- FYE of D2A Beds at Bromyard Hospital- £0.414mn increase in expenditure

- Estimated cost of fee uplift on spot purchase not included in budgets- £0.049mn increase in expenditure
  - New D2A Information System- £0.024mn increase in expenditure
  - Trusted Assessor redundancy costs- £0.019mn increase in expenditure
  - D2A Commissioning Officer- £0.035mn increase in expenditure
  - Integrated Care Division Director backfill- £0.035mn increase in expenditure
37. 2026/27 plans also include several mitigations to spending with a net impact of £0.916mn reduction in expenditure:
- D2A Pathway 1 Transformation- £0.286 reduction in expenditure
  - D2A Spot purchase overstays not to be funded by BCF- £0.473mn reduction in expenditure
  - Reduce D2A Length of Stay (LoS) in care home beds to 35 days- £0.158mn reduction in expenditure
38. After these changes there is an overall shortfall in BCF funding of £1.291mn. D2A Strategic Board and Better Care Partnership Board considered 6 options to balance the BCF plan to the available funding and resolved to set a realistic plan for D2A services by reducing the value of each of the block contributions to the costs of long-term placements in Adult Social Care and to the costs of community hospitals by £0.646mn.

## Legal implications

39. The relevant legal provisions for this decision can be found in the council's constitution, [www.herefordshire.gov.uk/constitution](http://www.herefordshire.gov.uk/constitution).
40. The Care Act 2014 amended the NHS Act 2006 to provide the legislative basis for the BCF. It allows for the Mandate to NHS England to include specific requirements to instruct NHS England over the BCF, and NHS England to direct Integrated Care Boards to pool the necessary funding. The council is legally obliged to comply with grant conditions, which have been complied with.
41. Health and Wellbeing Boards are responsible for encouraging integrated working between health and social care commissioners, including partnership arrangements such as pooled budgets, lead commissioning, and integrated provision.
42. Their purpose is to establish collaborative decision making, planning and commissioning across councils and the NHS, informed by the views of patients, people who use services and other partners.
43. Overseeing the deployment of BCF resources locally is a key part of their remit. BCF plans have to be signed off by the Health and Wellbeing Board as well as the HWICB, which represents the NHS side of the equation.
44. Section 75 of the National Health Service Act 2006 contains powers enabling NHS bodies (as defined in section 275 and 276 of the NHS Act 2006) to exercise certain local authority functions and for local authorities to exercise various NHS functions. The parties entered into a Section 75 agreement in exercise of those powers under and pursuant of the NHS Regulations 2000.
45. The Local Authority Better Care Grant is paid directly to the council via a Section 31 grant from the Ministry of Housing, Communities and Local Government (MHCLG). The government has attached a set of conditions to the Section 31 grant to ensure it is included in the BCF at local

level and will be spent on adult social care. The council are legally obliged to comply with the grant conditions set.

## Risk management

46. Monitoring the delivery of the Herefordshire BCF Plan is undertaken by the council, WVT and the HWICB. Risks are managed through the community and wellbeing directorate risk register where necessary.
47. Strategic oversight is exercised by the One Herefordshire Partnership Health and Care Board, the BCF Partnership Board, and the Discharge to Assess (D2A) Strategic Board, which are responsible for setting priorities, approving plans, and holding partners collectively accountable for outcomes. This governance framework ensures that investment through the BCF is consistently aligned with system priorities, such as the Neighbourhood Health agenda, and that decisions are guided by integrated intelligence and performance data.
48. A formal Memorandum of Understanding (MoU) outlines shared principles, roles, financial commitments, and decision-making for pooled BCF resources between partner organisations. It clarifies accountability for delivery, supports transparent financial management, and strengthens joint governance, ensuring collective ownership of national performance and collaborative management of risks and pressures.

Risk / opportunity	Mitigation
Failure to agree a joint plan and meet the national conditions	The Plan has been developed in partnership. Delivery and progress to be monitored on an ongoing basis.
Fail regional/national assurance process	The council, WVT and HWICB have worked through the national guidance and requirements to ensure a robust response, and a comprehensive, detailed plan is submitted.
Failure to achieve national metric ambitions	A robust process for monitoring activity monthly is in place and will be monitored through the BCF Partnership Group.
Overspending, particularly on discharge capacity	The council, WVT and HWICB are working with to revise and improve the service model for Discharge to Assess to be recurrently sustainable.
Increasing demand due to the demography of expected older age population.	Several of the schemes include both areas that support prevention and the urgent care parts of the system to spread the risk. In addition, the council continues to lead on development with communities.

### Assurance Statement:

The strategic and operational risks associated with the delivery of the Better Care Fund have been reviewed and are being managed in accordance with the Council's Risk Management Strategy. Oversight of risk mitigation will continue through the council's and partners' established governance frameworks to ensure that risks are effectively monitored, escalated, and addressed in support of integrated health and social care outcomes.

## Consultees

49. The content of the report has been provided by partners within One Herefordshire Partnership Health and Care Board, the BCF Partnership Board, HWICB, WVT, Hoople Ltd and appropriate internal Herefordshire Council staff.

## Appendices

- Appendix 1 - Herefordshire BCF 2026/27 Narrative Plan  
 Appendix 2 - Herefordshire BCF 2026/27 Numerical Template  
 Appendix 3 - BCF Framework 2026 to 2027

## Background papers

None.

## Glossary of terms, abbreviations and acronyms

<b>AMHP</b>	Approved Mental Health Professionals
<b>BCF</b>	Better Care Fund
<b>HWICB</b>	Herefordshire and Worcestershire Integrated Care Board
<b>HWB</b>	Health and Wellbeing Board
<b>DFG</b>	Disabled Facilities Grant
<b>D2A</b>	Discharge to Assess
<b>DHSC</b>	Department of Health and Social Care
<b>DoLS</b>	Deprivation of Liberty and Safeguarding
<b>DRD</b>	Discharge Ready Date
<b>EIA</b>	Equality Impact Assessment
<b>LoS</b>	Length of Stay
<b>MHCLG</b>	Ministry of Housing, Communities and Local Government
<b>NHSE</b>	NHS England
<b>WVT</b>	Wye Valley Trust
<b>MoU</b>	Memorandum of Understanding
<b>PCN</b>	Primary Care Network
<b>VCSE</b>	Voluntary and Community Sector