



Policy paper

# **2021 to 2022 Better Care Fund policy framework**

Updated 1 October 2021

## **Contents**

Introduction

Funding

BCF national conditions and metrics for 2021 to 2022

Planning and assurance of BCF plans for 2021 to 2022

The BCF review



© Crown copyright 2021

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit [nationalarchives.gov.uk/doc/open-government-licence/version/3](https://nationalarchives.gov.uk/doc/open-government-licence/version/3) or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gov.uk](mailto:psi@nationalarchives.gov.uk).

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at <https://www.gov.uk/government/publications/better-care-fund-policy-framework-2021-to-2022/2021-to-2022-better-care-fund-policy-framework>

## Introduction

The government is committed to person-centred integrated care, with health, social care, housing and other public services working together to provide better joined up care. Enabling people to live healthy, fulfilled, independent and longer lives will require these services to work ever more closely together towards common aims. The response to the coronavirus (COVID-19) pandemic appears to have accelerated the pace of collaboration across many systems and the government is keen to maintain momentum and build upon positive changes.

The Better Care Fund (BCF) is one of the government's national vehicles for driving health and social care integration. It requires clinical commissioning groups (CCGs) and local government to agree a joint plan, owned by the Health and Wellbeing Board (HWPB). These are joint plans for using pooled budgets to support integration, governed by an agreement under section 75 of the NHS Act (2006).

The response to the COVID-19 pandemic has demonstrated how joint approaches to the wellbeing of people, between health, social care and the wider public sector can be effective even in the most difficult circumstances.

Given the ongoing pressures in systems, there will be minimal change to the BCF in 2021 to 2022. The 2021 to 2022 Better Care Fund policy framework aims to build on progress during the COVID-19 pandemic, strengthening the integration of commissioning and delivery of services and delivering person-centred care, as well as continuing to support system recovery from the pandemic.

The continued focus on improving how and when people are discharged from hospital is described below.

The non-elective admissions metric is being replaced by a metric on avoidable admissions. This reflects better the focus of joint health and social care work to support people to live independently in their own home and prevent avoidable stays in hospital. Wider work on the metrics for the BCF programme will continue in 2021 to 2022 to take into account improvements to data collection and to allow better alignment to national initiatives such as the Ageing Well programme.

We will undertake a full planning round in 2021 to 2022 with areas required to formally agree BCF plans and fulfil national accountability requirements. The 2021 to 2022 BCF planning requirements (<https://www.england.nhs.uk/publication/better-care-fund-planning-requirements-2021-22/>) sets out further details of the national planning and assurance processes.

## Funding

This policy framework confirms the conditions and funding for the BCF in 2021 to 2022.

**Table 1: minimum contributions to the BCF in 2021 to 2022**

BCF funding contributions	2021 to 2022 (£ million)
Minimum NHS (CCG) contribution	4,263
Improved Better Care Fund (iBCF)	2,077
Disabled Facilities Grant (DFG)	573
<b>Total</b>	<b>6,913</b>

## **NHS CCG minimum contribution to the BCF**

The National Health Service Act 2006 ('the NHS Act') gives NHS England the powers to attach conditions to the amount that is part of CCG allocations.

NHS England will consider conditions (including those that allow for recovery of funding), in consultation with the Department of Health and Social Care and the Ministry of Housing, Communities and Local Government where the national conditions are not met. These powers do not apply to the amounts paid directly to local authorities from government. The expectation remains that, in any decisions around BCF plans and funding, ministers from both departments will be consulted.

The government is keeping under review further support for the COVID-19 response and recovery, including funding for the hospital discharge policy. We expect initial BCF plans to be submitted by September. Final BCF spending plans for the second half of the year should take into account future funding decisions relating to the hospital discharge policy. Plans will need to continue to meet the conditions of the fund.

The flexibility of local areas to pool more than the mandatory amount will remain.

As in previous years, the NHS contribution to the BCF will still include funding to support the implementation of the Care Act 2014, which will be set out via the Local Authority Social Services Letter.

Funding previously earmarked for reablement and for the provision of carers' breaks also remains in the NHS contribution.

## **Disabled Facilities Grant (DFG)**

Funding for the DFG in 2021 to 2022 is £573 million. This was paid to local government via a section 31 grant in May 2021. The DFG capital grant must be spent in accordance with an approved joint BCF plan, developed in keeping with this policy framework and the planning requirements.

As in previous years, in 2-tier areas, decisions around the use of the DFG funding will need to be made with the direct involvement of both tiers of local government (county and district councils) working jointly to support integration ambitions. Full details were set out in the DFG grant determination letter.

## **Improved Better Care Fund (iBCF) funding**

The total allocation of the iBCF in 2021 to 2022 is £2.077 billion. The iBCF grant was paid to local government via a section 31 grant in May 2021. This funding does not replace, and must not be offset against, the NHS minimum contribution to adult social care.

## **BCF national conditions and metrics for 2021 to 2022**

The national conditions for the BCF in 2021 to 2022 are:

1. a jointly agreed plan between local health and social care commissioners, signed off by the HWB
2. NHS contribution to adult social care to be maintained in line with the uplift to CCG minimum contribution
3. invest in NHS-commissioned out-of-hospital services
4. a plan for improving outcomes for people being discharged from hospital

## **National condition 1: a jointly agreed plan between local health and social care commissioners and signed off by the HWB.**

The local authority and CCGs must agree a plan for their local authority area that includes agreement on use of mandatory BCF funding streams. The plan must be signed off by the HWB.

BCF plans should set out a joined-up approach to integrated, person-centred services across local health, care, housing and wider public services. They should include arrangements for joint commissioning, and an agreed approach for embedding the current discharge policy in relation to how BCF funding will support this.

## **National condition 2: NHS contribution to adult social care to be maintained in line with the uplift to CCG minimum contribution**

The 2020 spending round confirmed the CCG contribution to the BCF will rise in actual terms by 5.3% to £4,263 billion. Minimum contributions to social care will also increase by 5.3%. The minimum expectation of spending for each HWB area is derived by applying the percentage increase in the CCG contribution to the BCF for the area to the 2020 to 2021 minimum social care maintenance figure for the HWB.

These minimum expectations will be published alongside the BCF planning requirements. HWBs should review spending on social care, funded by the CCG contribution to the BCF, to ensure the minimum expectations are met, in line with the national condition.

## **National condition 3: invest in NHS commissioned out-of-hospital services**

BCF narrative plans should set out the approach to delivering this aim locally, and how health and local authority partners will work together to deliver it.

Expenditure plans should show the schemes that are being commissioned from BCF funding sources to support this objective.

## **National condition 4: plan for improving outcomes for people being discharged from hospital**

This national condition requires areas to agree a joint plan to deliver health and social care services that support improvement in outcomes for people being discharged from hospital, including the implementation of the hospital discharge policy, and continued implementation of the High Impact Change Model for Managing Transfers of Care.<sup>[footnote 1]</sup>

Reporting of Delayed Transfers of Care was suspended in March 2020 and replaced with a situation report that reflects the revised hospital discharge policy. This data is currently only available nationally in an aggregated form at acute trust level. In 2021 to 2022, performance on discharge at a HWB footprint will be monitored using data collected from hospital systems through the NHS Secondary Uses Service (SUS), and used to inform support offers to systems.

The joint BCF plan should focus on improvements in the key metrics below:

1. reducing length of stay in hospital, measured through the percentage of hospital inpatients who have been in hospital for longer than 14 and 21 days
2. improving the proportion of people discharged home using data on discharge to their usual place of residence

Further details on measuring discharge will be set out in the **BCF** planning requirements. Health and social care partners should continue to use the daily situation report data (using the published discharge information for 2021 to 2022) to understand progress in implementing effective discharge, and work with acute hospitals to identify information at local authority level and ensure discharge reporting is integrated into electronic patient records.

## Metrics

Beyond this, areas have flexibility in how the fund is spent over health, care and housing schemes or services, but need to agree ambitions on how this spending will improve performance against the following **BCF** 2021 to 2022 metrics:

- Discharge Indicator Set (set out above)
- avoidable admissions to hospital
- admissions to residential and care homes
- effectiveness of reablement

Plans under national condition 4 (discharge) should describe how **HWB** partners will work with providers to improve outcomes for a range of discharge measures, covering both reductions in the time someone remains in hospital, and effective decision making and integrated community services to maximise a person's independence once they leave hospital.

Systems will be asked to set expectations for reductions in avoidable admissions (classified as the rate of emergency admissions for ambulatory sensitive conditions) and for metrics related to discharge from quarter 3.

Further details will be set out in the planning requirements.

## Planning and assurance of **BCF** plans for 2021 to 2022

Plans will be developed locally in **HWB** areas by the relevant local authority and **CCGs**. Areas should look to align with other strategic documents such as plans for integrated care systems, and with wider programmes such as Ageing Well. **BCF** partnerships will need to submit a planning template, signed off by the **HWB**, that briefly sets out key changes to the **BCF** since 2020 to 2021, taking the COVID-19 pandemic into consideration. Plans will be assured and moderated regionally. There will be one round of assurance after which, plans deemed compliant by assurers at regional level will be put forward for approval. Further information will be set out in the **BCF** planning requirements for 2021 to 2022.

As the accountable body for the NHS element of the **BCF**, NHS England will focus its oversight on approval and permission to spend from the **CCG** ringfenced contribution particularly on plans linked to condition 4, having consulted the respective Secretaries of State for Health and Social Care and Housing, Communities and Local Government.

Local authorities are legally obliged to comply with section 31 grant conditions.

## The **BCF** review

In 2018, and as part of the NHS Long Term Plan, the government committed to a review of the functioning and structure of the **BCF** to make sure it supported the integration of health and social care. The review included extensive stakeholder engagement and a review of evidence of the fund's performance, to better understand how the **BCF** impacted integration and to seek views on the future direction of the fund.

The review concluded that:

- the B.C.F. as a mandated pooled budget scheme has been effective in encouraging and incentivising areas to work together more effectively, with 93% of areas saying that the B.C.F. had improved joint working in their locality
- feedback from local areas suggested an imbalance between the NHS and local government influence, and that the mixed objectives and lack of effective measurements of integration had led to some confusion over aims of the B.C.F.

The review recommendations included that:

- a fund should continue, as any attempt to remove or dismantle it would be a clear backward step on integration
- the NHS contribution to social care from the fund should be maintained
- there should be more clarity around the fund's policy aims and objectives. This is likely to be explored over the course of 2021 to 2022 with a view to incorporating changes in future years

The response to the COVID-19 pandemic has demonstrated how joint approaches between health, social care and the wider public sector, can help to improve the wellbeing of people even in the most difficult of circumstances. The government is keen to ensure those positive changes are built upon while also recognising that areas are at different stages of their journey towards better joint working.

While the B.C.F. in 2021 to 2022 remains largely unchanged from previous years, to support ongoing response and recovery to COVID-19, the government recognises that upcoming changes on the horizon, such as the proposals set out in the Health and Care Bill, will likely impact longer-term system thinking and planning. The government will work with stakeholders to ensure future B.C.F. arrangements support the proposals in the Health and Care Bill, outcomes from the Spending Review and explore with NHS England options to introduce incentives linked to improved discharge outcomes in each area, supporting local accountability for outcomes.

Future iterations of the B.C.F. may require local areas to consider their response to upcoming changes as part of their strategic planning. This could take the form of:

- setting out an approach to integrated or joint commissioning, including developing a shared view of demand and capacity
- plans to help prevent the need for long-term services and to keep people out of hospital and independent in their own homes for as long as possible
- plans on how to stimulate the market, approaches to workforce management and development of asset based and community approaches to pricing to support delivery of quality and value in a sustainable market
- consideration of the guidance in:
  - the joint Local Government Association (LGA) and NHS Clinical Commissioners guide to Integrated Commissioning for Better Outcomes (<https://www.local.gov.uk/icbo>)
  - the Institute of Public Care's guidance on place-based market shaping (<https://ipc.brookes.ac.uk/docs/market-shaping/Place-based%20Market%20Shaping%20-%20co-ordinating%20health%20and%20social%20care.pdf>) (produced in consultation with government, the LGA, the Association of Directors of Adult Social Services (ADASS) and the Care Provider Alliance)
  - the conclusions in the Care Quality Commission's Beyond Barriers report ([https://www.cqc.org.uk/sites/default/files/20180702\\_beyond\\_barriers.pdf](https://www.cqc.org.uk/sites/default/files/20180702_beyond_barriers.pdf))



Local areas are not required to set out this detail in their 2021 to 2022 BCF plan, but may wish to do so in preparing the ground for greater integration and future BCF plans.

---

1. This replaces the national condition from the 2019 to 2020 policy framework related to hospital discharge that required systems to set out detailed plans to reduce the rate of delayed transfers of care and make progress towards centrally set expectations for Delayed Transfers of Care.
- 
- 

## **OGL**

All content is available under the Open Government Licence v3.0, except where otherwise stated

© Crown copyright