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Policy paper

Addendum to the 2023 to 2025 Better Care Fund policy framework and planning requirements

Updated 28 March 2024

Applies to England

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Introduction

The Better Care Fund (BCF) policy framework and planning requirements for 2023 to 2025 set out the 2 core objectives for the BCF over these 2 years:

- to enable people to stay well, safe and independent at home for longer
- to provide people with the right care in the right place at the right time

As local areas implement their BCF plans for 2024 to 2025, meeting these objectives should continue to be the central focus.

As the flagship health and social care integration fund, joint working and agreement at system and place level is an important feature of the BCF. Local authorities and integrated care boards (ICBs) should continue to work together to develop and implement their plans with local partners. Partnership working is important to planning and delivering services that make the most effective use of pooled funding to deliver the objectives above.

To support this, like last year, local areas must agree capacity and demand plans for intermediate and short-term care. Good capacity and demand planning is vital in:

- understanding projected population needs
- planning services to meet those needs
- identifying any potential gaps between capacity and demand

This will help to ensure that individuals have timely access to services, prevent avoidable hospital admissions and receive the right support in the community.

As outlined in the [2023 to 2025 planning requirements](https://www.england.nhs.uk/publication/better-care-fund-planning-requirements-2023-25/) (<https://www.england.nhs.uk/publication/better-care-fund-planning-requirements-2023-25/>), the BCF policy objectives apply to the provision of support for people with physical,

mental health and learning disability and autism. All should be considered on an equal footing to physical health as plans are updated for 2024 to 2025.

Local areas should ensure they have sufficiently clear and cogent plans for how BCF funded services will deliver the core BCF objectives, support progress against the BCF metrics and drive improvements in value for money.

Local areas should take account of other resources that will support them to develop and implement their plans, including the:

- [Intermediate care framework for rehabilitation, reablement and recovery following hospital discharge](https://www.england.nhs.uk/publication/intermediate-care-framework-for-rehabilitation-reablement-and-recovery-following-hospital-discharge/) (<https://www.england.nhs.uk/publication/intermediate-care-framework-for-rehabilitation-reablement-and-recovery-following-hospital-discharge/>)
- [Hospital discharge and community support guidance](https://www.gov.uk/government/publications/hospital-discharge-and-community-support-guidance) (<https://www.gov.uk/government/publications/hospital-discharge-and-community-support-guidance>)
- [proactive care guidance](https://www.england.nhs.uk/long-read/proactive-care-providing-care-and-support-for-people-living-at-home-with-moderate-or-severe-frailty/) (<https://www.england.nhs.uk/long-read/proactive-care-providing-care-and-support-for-people-living-at-home-with-moderate-or-severe-frailty/>)

Purpose of this document

This is an addendum to the [BCF policy framework](https://www.gov.uk/government/publications/better-care-fund-policy-framework-2023-to-2025) (<https://www.gov.uk/government/publications/better-care-fund-policy-framework-2023-to-2025>) and BCF planning requirements which set out the important objectives, conditions and funding for the BCF for 2023 to 2025.

We expect local areas to continue to deliver the core objectives of the BCF in line with their 2023 to 2025 BCF plans submitted, assured and approved in 2023.

This document sets out arrangements for updating BCF plans for 2024 to 2025 and confirms the:

- allocations for all mandatory funding contributions
- BCF metrics for 2024 to 2025, including the process for setting metric ambitions
- requirements for intermediate care capacity and demand planning
- requirements for updating BCF plans and their assurance

The policy framework and planning requirements remain the primary documents. This addendum provides the information needed to finalise BCF plans for 2024 to 2025. It also confirms the overarching approach to the Discharge Fund for 2024 to 2025. More detailed information on the Discharge Fund will be published shortly.

Funding

Details for the minimum contributions to the BCF for 2023 to 2025 are set out below. This includes the additional £1.6 billion funding for supporting hospital discharge.

Local authority allocations for the improved Better Care Fund (iBCF) and for the Discharge Fund were published as part of the [Final local government finance settlement for 2024 to 2025 \(https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2024-to-2025\)](https://www.gov.uk/government/collections/final-local-government-finance-settlement-england-2024-to-2025) on 5 February 2024. Changes from the policy framework and planning requirements are outlined below. ICBs and local authorities can contribute further funding through voluntary contributions as outlined in the policy framework.

Table 1: minimum contributions to the BCF in 2023 to 2024 and 2024 to 2025

BCF funding contributions	2023 to 2024 (£m)	2024 to 2025 (£m)
Minimum NHS contribution	4,759	5,029
iBCF	2,140	2,140
Disabled Facilities Grant (DFG)	573	625
Additional DFG funding	50	0 (note)
Discharge Fund	600	1,000
Total	8,122 (+5.2%)	8,794 (+8.3%)

Note: the additional DFG investment for 2024 to 2025 has been incorporated into the main DFG allocation for this year.

NHS minimum contribution to the BCF

In March 2023, the Secretary of State for Health and Social Care issued the [National Health Service \(Expenditure on Service Integration\) Directions 2023](https://www.gov.uk/government/publications/national-health-service-expenditure-on-service-integration-directions) (<https://www.gov.uk/government/publications/national-health-service-expenditure-on-service-integration-directions>) to NHS England under section 223B of the NHS Act 2006 to ringfence £5,059 million to form the minimum NHS contribution to the BCF in 2023 to 2024. This figure included the additional funding for discharge via ICBs (£300 million).

We intend to issue new directions for 2024 to 2025 to ringfence the £5,529 million to form the minimum NHS contribution to the BCF for 2024 to 2025. This figure will include the additional funding for discharge via ICBs (£500 million).

There will be no substantive changes to the scope of the directions for this year. The directions will be published ahead of the new financial year.

Improved Better Care Fund

As announced in the provisional local government finance settlement, the allocation for the iBCF for 2024 to 2025 is £2,140 million. The government does not plan to make any significant changes to the purpose of this fund, with full details to be set out in the grant determination letter which will be issued and published in due course.

Disabled Facilities Grant

In [Next steps to put People at the Heart of Care](https://www.gov.uk/government/publications/adult-social-care-system-reform-next-steps-to-put-people-at-the-heart-of-care) (<https://www.gov.uk/government/publications/adult-social-care-system-reform-next-steps-to-put-people-at-the-heart-of-care>), we announced an additional £102 million investment over 2 years for minor adaptations to support people to remain independent at home, and to return home promptly after a hospital stay. In September we disbursed that funding (£50 million for 2023 to 2024) as an additional payment through the DFG.

For 2024 to 2025 our intention is to make a single round of payments to local systems that will combine this additional funding (£52 million) with the core DFG disbursement (£573 million), so that the total DFG allocation will be £625 million.

We are intending that these payments will be made in around May 2024 (as has been the case in previous years) and that the grant conditions will remain unchanged. The local authority allocation will be pre-populated in the planning template.

Discharge Fund

We have confirmed individual ICB and local authority allocations for the Discharge Fund in NHS ICB allocations and in the provisional local government finance settlement. As in 2023 to 2024, the Discharge Fund is intended to enable ICBs and local authorities to go further in reducing discharge delays and improving outcomes for people by increasing access to short-term packages of social care, reablement, rehabilitation and other support, where it is needed to support timely and effective discharge.

The full conditions for the Discharge Fund for 2024 to 2025 will be confirmed shortly. ICBs and local authorities should continue to plan how they intend to use this funding, alongside wider local investment in discharge services, to meet projected needs and minimise discharge delays. Reporting requirements will be confirmed as part of the conditions for the funding.

In doing this, local areas should take account of their learning from the 2022 to 2023 and 2023 to 2024 Discharge Funds including the [evaluation of the 2022 to 2023 Discharge Fund \(https://www.gov.uk/government/publications/rapid-evaluation-hospital-discharge-funding-2022-to-2023\)](https://www.gov.uk/government/publications/rapid-evaluation-hospital-discharge-funding-2022-to-2023) published on 11 December 2023.

Local areas should also consider the Hospital discharge and community support guidance and the refreshed version of the [High Impact Change Model \(https://www.local.gov.uk/our-support/partners-care-and-health/better-care-fund/managing-transfers\)](https://www.local.gov.uk/our-support/partners-care-and-health/better-care-fund/managing-transfers) for managing transfers of care.

ICBs must agree with relevant local authorities the final distribution of their Discharge Fund allocation to individual health and wellbeing boards (HWBs). These HWB shares must cover the entire ICB allocation and be pooled into the respective HWB's BCF section 75 arrangements. This distribution must be agreed by 22 April 2024 and sent to better care managers (BCMs) and the national BCF team (england.bettercarefundteam@nhs.net). A template for confirming the final agreed HWB distributions will be made available on the Better Care Exchange.

BCF metrics for 2024 to 2025

Within the 4 national conditions (and grant conditions), local areas have flexibility in how the BCF is spent across health, care and housing schemes or services, but they need to agree ambitions for how this spending will improve performance against the BCF metrics.

The 2023 to 2025 policy framework and planning requirements set out a number of revised metrics for 2024 to 2025, which reflected the objectives of the BCF and expected changes to data collections. We are taking a staggered approach to the introduction of some of these metrics into the BCF given the recent changes to data collections.

For 2024 to 2025, local areas will be asked to set ambitions against the metrics below.

BCF metrics requiring a local ambition for 2024 to 2025

Objective: provide people with the right care in the right place at the right time

Metrics:

- discharge to usual place of residence
- proportion of people discharged who are still at home after 91 days (see 'Changes to BCF metrics and collection methods' for approach below)

Objective: enable people to stay well, safe and independent for longer

Metrics:

- unplanned admission for ambulatory sensitive chronic conditions
- emergency hospital admissions due to falls in people over 65
- admission to long-term residential care for people over 65 (see 'Changes to BCF metrics and collection methods' for approach below)

Changes to BCF metrics and collection methods

The 2 metrics currently derived from the adult social care Short and Long Term (SALT) return will be discontinued following the cessation of the SALT return after 2023 to 2024.

NHS England has published [guidance for local authorities on deriving existing SALT and adult social care outcomes framework \(ASCOF\) measures from client level data \(CLD\)](https://digital.nhs.uk/data-and-information/data-collections-and-data-sets/data-sets/adult-social-care-client-level-data/central-transformation-principles) (<https://digital.nhs.uk/data-and-information/data-collections-and-data-sets/data-sets/adult-social-care-client-level-data/central-transformation-principles>), including the existing BCF metric on long term admissions to residential care for people aged 65 and over. For 2024 to 2025, areas should set an ambition for this metric based on available data.

We will undertake further analysis nationally around differences between SALT returns and CLD submitted in 2023 to 2024 and provide guidance about what those differences show to guide consideration of progress against the metric for quarterly and end of year reporting for 2024 to 2025. If there are significant differences between the data sets, it may be decided that ambitions can be resubmitted once the new data flows are better understood.

In terms of the metric on percentage of people aged 65 and over still at home 91 days after discharge from hospital to reablement or rehabilitation, there will be no equivalent data collected through CLD. The proposal is therefore to introduce a new metric based on the proportion of people discharged from hospital who are still at home after 91 days. This metric is currently in development and we will provide further guidance and advice about setting ambitions for this metric later on in 2024 to 2025. In the meantime, systems should ensure plans continue to help drive improvements in the outcomes to be measured by this new metric.

Other BCF metrics that should be used to support improvements in outcomes

Although there is not enough data on which to base formal ambitions for the metrics below, when available, local areas should use the following metrics over the course of the year to help drive improved outcomes from BCF investments.

Local areas must continue to improve the flow and quality of data to support the continued development of these metrics. For the length of delay metrics outlined below, NHS England's data liaison service is providing support to areas with compliance or reporting issues. Dependent on wider decisions in the spending review, we intend to adopt these metrics fully into the BCF in future years once there is sufficient historic data.

Objective: provide people with the right care in the right place at the right time

Metrics:

- length of delay: proportion of patients discharged on same date as discharge ready date (DRD)
- length of delay: proportions of delayed discharges 1, 2 to 3, 4 to 6, 7 to 13, 14 to 20 and 21 or more days after DRD
- length of delay: average number of days from DRD to date of discharge

Objective: enable people to stay well, safe and independent for longer

Metric: outcomes following short-term support to maximise independence (CLD data)

Approach to intermediate care capacity and demand planning for 2024 to 2025

Joined-up planning for adult social care services and NHS services is essential to ensuring integrated services that best meet people's needs. ICBs and local authorities are expected to use the BCF planning process to help align NHS and adult social care plans through a joined-up approach to:

- NHS operational planning
- urgent and emergency care (UEC) capacity and demand planning
- local authority capacity and demand planning for adult social care for people with ongoing care needs through the Market Sustainability and Improvement Fund (MSIF)

The planning template will provide further detail around the assumptions and steps local areas should take to join up planning. The NHS planning guidance states that systems should consider the capacity set out in BCF in working up their UEC demand and capacity plans and to align estimates for intermediate care across the 2 plans.

Building on learning from 2023 to 2024, we have worked with the NHS and local authorities to develop updated guidance and templates for capacity and demand planning for intermediate care for 2024 to 2025. We will continue to ask for capacity and demand for discharge and community settings. Detailed guidance on changes will be included in the planning template, but important changes to the approach for 2024 to 2025 will include:

- asking local areas to include estimates around spot purchasing
- merging reablement and rehabilitation pathways to improve accuracy of reporting
- providing greater clarity on pathway definitions and available data sources

Local areas will be required to provide capacity and demand actuals as part of end of year reporting for 2023 to 2024 and 2024 to 2025 to help establish a baseline for future year planning exercises.

Ahead of winter (in quarter 2 2024 to 2025 reporting), local areas will also be required to provide capacity and demand actuals and to indicate any resulting changes to their capacity and demand plans.

As stated in the 2023 to 2025 BCF planning requirements, intermediate care for people discharged from mental health, learning disability and autism inpatient services should be included in intermediate care capacity and demand plans. For 2024 to 2025, demand and capacity planning information will be published alongside wider BCF planning information.

Local areas will be required to submit capacity and demand plans for intermediate care as part of their updated BCF planning template on 10 June 2024.

Support to improve the quality of capacity and demand planning is available through the BCF support programme. Local areas requiring additional support should speak to their BCM in the first instance.

Planning and assurance of BCF plans in 2024 to 2025

Two-year BCF plans have already been assured and approved for 2023 to 2025. For 2024 to 2025 we therefore will be assuring only the updates to the plans. The planning and assurance process for 2024 to 2025 has been designed to be proportionate to the updates required and will follow the process below.

Alignment with NHS and local authority planning

Local areas should ensure that their BCF plans correspond, where relevant, to related ICB and local authority health and care service plans, including NHS operational plans.

Further information in the template sets out common approaches and guidance on sharing data sources, assumptions and definitions. This will support areas to align capacity and demand plans for intermediate care (in BCF returns) and UEC flow (in NHS operational plans).

Update to plans

Final Discharge Fund plans, ambitions for metrics and intermediate care capacity and demand plans are required for 2024 to 2025. Where local areas consider it necessary to provide a wider update to existing 2-year plans, this will need to remain in line with the existing BCF policy framework and planning requirements and this addendum. Expenditure must be agreed for all funding sources and be in line with any conditions attached to that source.

Updates of the required elements for 2024 to 2025 must be agreed by the ICB (in accordance with ICB governance rules) and the local authority chief executive, prior to being signed off by the HWB. Local areas will need to submit a 2024 to 2025 planning template with these updates by 10 June 2024. Any wider updates to spend plans should also be included. Local areas must review their Discharge Fund spend plans ahead of 2024 to 2025. The template, which will be available on the Better Care Exchange, allows areas to identify where spending lines have stayed the same and where they have changed.

Assurance and approval of updates

There will be a proportionate regional assurance process to approve updates to plans for 2024 to 2025. This will ensure that elements of the plans that were not confirmed in 2023 to 2024 are robust. The process will confirm that the Discharge Fund spending is in line with conditions and confirmed allocations for 2024 to 2025 and that metric ambitions are appropriate and stretching. It will also consider the plan in relation to impact and value for money.

The assurance process will consider whether intermediate care capacity and demand plans for 2024 to 2025 articulate sufficiently clear and cogent plans for matching

planned capacity to projected demand, alongside confirming that BCF planning and wider NHS planning are aligned locally.

Revised key lines of enquiry (KLOEs) will be used to support this process and will be included in the BCF template. With plans submitted by 10 June 2024, we expect the assurance process to have concluded by 31 July 2024.

Table 2: assurance timetable

Assurance milestone	Date
Scrutiny of BCF plans by regional assurers, assurance panel meetings and regional moderation	10 June 2024 to 15 July 2024
Regionally moderated assurance outcomes sent to BCF team	15 July 2024
Cross-regional calibration	Mid-July 2024 (date to be confirmed)
Commence issuing of approvals letters giving formal permission to spend (NHS minimum)	31 July 2024
All section 75 agreements to be signed and in place	30 September 2024

Reporting and checkpoints

Quarterly BCF reporting will continue in 2024 to 2025, with areas required to set out progress on delivering their plans. This will include the collection of spend and activity

data, which will be reviewed alongside other local performance data. This process will enable local areas and national BCF partners to identify good practice, identify areas for improvement and, where necessary, arrange improvement support.

Arrangements for Discharge Fund reporting in 2024 to 2025 will be confirmed in due course.

Detailed templates and guidance will be provided following engagement with local areas on reporting proposals.

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