



Department  
of Health



Department for  
Communities and  
Local Government

# 2016/17 Better Care Fund

## Policy Framework

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# 2016/17 Better Care Fund

## Policy Framework

**Prepared by the Department of Health and the Department for Communities and Local Government**

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# Background

## The Better Care Fund 2016/17 Policy Framework

The Better Care Fund is the biggest ever financial incentive for the integration of health and social care. It requires Clinical Commissioning Groups and local authorities in every single area to pool budgets and to agree an integrated spending plan for how they will use their Better Care Fund allocation. In 2015-16, the Government committed £3.8 billion to the Better Care Fund with many local areas contributing an additional £1.5 billion, taking the total spending power of the Better Care Fund to £5.3 billion.

Current health and care approaches have evolved to respond reactively to changes in an individual's health or ability to look after themselves, and they often do not meet people's expectations for person-centred co-ordinated care. Greater integration is seen as a potential way to use resources more efficiently, in particular by reducing avoidable hospital admissions and facilitating early discharge.

We recognise that local areas are at different points in their integration journey and in supporting them to achieve their ambitions for integrated care, we will need to prioritise progress on known barriers to change to ensure the key factors associated with successful integration are embedded and shared across the system. The Better Care Fund and other drivers of integrated care such as New Care Models pave the way for greater integration of health and social care services.

In 2016-17, the Better Care Fund will be increased to a mandated minimum of £3.9 billion to be deployed locally on health and social care through pooled budget arrangements between local authorities and Clinical Commissioning Groups. The local flexibility to pool more than the mandatory amount will remain. 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. In looking ahead to 2016-17, it is important that Better Care Fund plans are aligned to other programmes of work including the new models of care as set out in the NHS Five Year Forward View and delivery of 7-day services.

This document sets out the policy framework for the implementation of the fund in 2016-17, as agreed across the Department of Health, Department for Communities and Local Government, Local Government Association, Association of Directors of Adult Social Services, and NHS England. In developing this policy framework, the strong feedback from local areas of the need to reduce the burden and bureaucracy in the operation of the Better Care Fund has been taken on board, and we have streamlined and simplified the planning and assurance of the Better Care Fund in 2016-17, including removing the £1 billion payment for performance framework.

In place of the performance fund are two new national conditions, requiring local areas to fund NHS commissioned out-of-hospital services and to develop a clear, focused action plan for managing delayed transfers of care (DTC), including locally agreed targets. The conditions are designed to tackle the high levels of DTC across the health and care system, and to

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ensure continued investment in NHS commissioned out-of-hospital services, which may include a wide range of services including social care.

Further detailed guidance will be issued by NHS England, working with the partners above, on developing Better Care Fund plans for 2016-17. The guidance will form the Better Care Fund section of the NHS technical planning guidance, which will be available on NHS England's website. Local areas are asked to refer to and follow this guidance.

## **Beyond the 2016-17 Better Care Fund**

The Spending Review sets out an ambitious plan so that by 2020 health and social care are integrated across the country. Every part of the country must have a plan for this in 2017, implemented by 2020. Areas will be able to graduate from the existing Better Care Fund programme management once they can demonstrate that they have moved beyond its requirements. Further details will be set out shortly in guidance.

# 1. The Statutory and Financial Basis of the Better Care Fund

The Care Act 2014 amended the NHS Act 2006 to provide the legislative basis for the Better Care Fund. It allows for the mandate to NHS England to include specific requirements relating to the establishment and use of an integration fund.

Under the mandate to NHS England for 2016-17, NHS England is required to ring-fence £3.519 billion within its overall allocation to Clinical Commissioning Groups to establish the Better Care Fund. The remainder of the £3.9 billion fund will be made up of the £394 million Disabled Facilities Grant, which is paid directly from the Government to local authorities.

Of the £3.519 billion Better Care Fund allocation to Clinical Commissioning Groups, £2.519 billion of that allocation will be available upfront to Health and Wellbeing Boards to be spent in accordance with the local Better Care Fund plan. The remaining £1 billion of Clinical Commissioning Group Better Care Fund allocation will be subject to a new national condition.

NHS England and the Government will allocate the Better Care Fund to local areas based on a framework agreed with Ministers. For 2016-17, the allocation will be based on a mixture of the existing Clinical Commissioning Group allocations formula, the social care formula, and a specific distribution formula for the Disabled Facilities Grant element of the Better Care Fund.

Within the Better Care Fund allocation to Clinical Commissioning Groups is £138m to support the implementation of the Care Act 2014 and other policies (£135m in 2015-16). Funding previously earmarked for reablement (over £300m) and for the provision of carers' breaks (over £130m) also remains in the allocation. Further information on this can be found in the Better Care Fund Planning Requirements.

Individual allocations of the Better Care Fund for 2016-17 to local areas and the detailed formulae used will be published on NHS England's website in early January.

## 2. Conditions of Access to the Better Care Fund

The amended NHS Act 2006 gives NHS England the powers to attach conditions to the payment of the Better Care Fund. In 2016-17, NHS England will set the following conditions, which local areas will need to meet to access the funding:

- A requirement that the Better Care Fund is transferred into one or more pooled funds established under section 75 of the NHS Act 2006
- A requirement that Health and Wellbeing Boards jointly agree plans for how the money will be spent, with plans signed-off by the relevant local authority and Clinical Commissioning Group(s)
- A requirement that plans are approved by NHS England in consultation with DH and DCLG (as set out in section 3 below)
- A requirement that a proportion of the areas allocation will be subject to a new condition around NHS commissioned out of hospital services, which may include a wide range of services including social care.

NHS England will also require that Better Care Fund plans demonstrate how the area will meet the following national conditions:

- Plans to be jointly agreed;
- Maintain provision of social care services;
- 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;
- Better data sharing between health and social care, based on the NHS number;
- 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;
- Agreement on the consequential impact of the changes on the providers that are predicted to be substantially affected by the plans;
- Agreement to invest in NHS commissioned out-of-hospital services, which may include a wide range of services including social care;
- Agreement on local action plan to reduce delayed transfers of care.

Detailed definitions of these national conditions are set out at Annex A.

## Conditions of Access to the Better Care Fund

Under the amended NHS Act 2006, NHS England has the ability to withhold, recover or direct the use of funding where conditions attached to the Better Care Fund are not met. The Act makes provision at section 223GA(7) for the mandate to NHS England to include a requirement that NHS England consult Ministers before exercising these powers. The 2016-17 mandate to NHS England confirms that NHS England will be required to consult Ministers before using these powers.

NHS England's power to set conditions on the Better Care Fund applies to the £3.519bn that is part of Clinical Commissioning Group allocations. For the £394m paid directly to local government, the Government will attach appropriate conditions to the funding to ensure it is included in the Better Care Fund at local level. As set out in Better Care Fund technical guidance, for 2016-17 authorities in two-tier areas will have to allocate Disabled Facilities Grant funding to their respective housing authorities from the pooled budget to enable them to continue to meet their statutory duty to provide adaptations to the homes of disabled people.

### 3. The Assurance and Approval of the Local Better Care Fund Plans

Local Better Care Fund plans will be developed in line with the agreed guidance, templates and support materials issued by NHS England and the Local Government Association. For 2016-17, we have set out a more streamlined process that is better integrated into the business-as-usual planning processes for Health and Wellbeing Boards, Clinical Commissioning Groups and local authorities.

The first stage of the overall assurance of plans will be local sign-off by the relevant Health and Wellbeing Board, local authority and Clinical Commissioning Group(s). In line with the NHS operational planning assurance process, plans will then be subject to regional moderation and assurance. The key aspects of the process for the planning, assurance and approval of Better Care Fund plans are:

- Brief narrative plans will be developed locally and submitted to regional teams through a short high level template, setting out the overall aims of the plan and how it will meet the national conditions
- A reduced amount of finance and activity information relating to local Better Care Fund plans will be collected alongside Clinical Commissioning Group operational planning returns to submitted to NHS England, to ensure consistency and alignment
- Better Care Managers will work with NHS England Directors of Commissioning Operations teams to ensure they have the knowledge and capacity required to review and assure Better Care Fund plans. To support this local government regional leads for the Better Care Fund (LGA lead CEOs and ADASS chairs) or their representatives will be part of the moderation process at a regional level (supported with additional resource to contribute to both assurance and moderation)
- There may be flexibility permitted for devolution sites to submit plans over a larger footprint if appropriate
- An assessment will then be made of the risk to delivery of the plan due to local context and challenges, using information from NHS England, the Trust Development Agency, Monitor and local government
- These judgements on 'plan quality' and 'risks to delivery' will contribute to the placing of plans into three categories – 'Approved', 'Approved with support', 'Not approved'.

A diagram of the above assurance and approval process is included in Annex B. The full details will be set out in the Better Care Fund section of the NHS technical planning guidance, which will be available on NHS England's website.

## The Assurance and Approval of the Local Better Care Fund Plans

Assurance and judgements on potential support needs through the planning process will be 'risk-based' (based on a planning readiness self-assessment pooled with other system level intelligence) with the level of assurance of an area's plan being proportionate to the perceived level of risk in a system. Recommendations of approval for Better Care Fund plans for high risk areas will be made by the regional moderation process but those decisions will be quality assured by the Integration Partnership Board (which is a senior programme leadership board comprising DH, DCLG, NHS England, Local Government Association and the Association of Directors of Adult Social Services). Final decisions on approval will be made by NHS England, based on the advice of the moderation and assurance process, in accordance with the legal framework set out in section 223 GA of the NHS Act 2006.

Where plans are not initially approved, or are approved with support, NHS England will implement a programme of support to help areas to achieve approval (and / or meet relevant conditions) ahead of April 2016.

NHS England has the ability to direct use of the fund where an area fails to meet one of the Better Care Fund conditions. This includes the requirement to develop a plan approved by NHS England and Ministers. If a local plan cannot be agreed, any proposal to direct use of the fund will be subject to consultation with DH and DCLG (as required under the 2016-17 mandate to NHS England).

## 4. National Performance Metrics

Under the 2015-16 Better Care Fund policy framework, local areas were asked to set targets against the following five key metrics:

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

In the interests of stability and consistency, areas will be expected to maintain the progress made in 2015-16. The detailed definitions of these metrics are set out in the Better Care Fund section of the NHS technical planning guidance.

## 5. Implementation 2016-17

The implementation of local Better Care Fund plans will formally begin from 1 April 2016. As part of its wider planning process, NHS England will require local areas to produce a multi-year strategic plan, showing how local services will get from where they are now to where the Five Year Forward View requires them to be by 2020. This will set out the actions and specific deliverables that NHS England will take forward to deliver the objectives set out in the multi-year mandate to NHS England – including those relating to the integration of health and social care and the continuation of the Better Care Fund.

In implementing the Better Care Fund in 2016-17, NHS England will continue to:

- Provide support to local areas to ensure effective implementation of agreed plans;
- Work with partners to identify and remove barriers to service integration;
- Promote and communicate the benefits of health and social care integration;
- Monitor the ongoing success of the Better Care Fund – including delivery against key national performance metrics;
- Prepare as necessary for the continuation of the Better Care Fund over the next Parliament.

# Annex A: Detailed Definitions of National Conditions

CONDITION	DEFINITION
Plans to be jointly agreed	<p>The Better Care Fund Plan, covering a minimum of the pooled fund specified in the Spending Review, and potentially extending to the totality of the health and care spend in the Health and Wellbeing Board area, should be signed off by the Health and Wellbeing Board itself, and by the constituent Councils and Clinical Commissioning Groups.</p> <p>In agreeing the plan, Clinical Commissioning Groups and local authorities should engage with health and social care providers likely to be affected by the use of the fund in order to achieve the best outcomes for local people. Furthermore, there should be joint agreement across commissioners and providers as to how the Better Care Fund will contribute to a longer term strategic plan. This should include an assessment of future capacity and workforce requirements across the system. The implications for local providers should be set out clearly for Health and Wellbeing Boards so that their agreement for the deployment of the fund includes recognition of the service change consequences. The Disabled Facilities Grant (DFG) will again be allocated through the Better Care Fund. Local housing authority representatives should therefore be involved in developing and agreeing the plan, in order to ensure a joined-up approach to improving outcomes across health, social care and housing.</p>
Maintain provision of social care services	<p>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.</p> <p>The definition of support should be agreed locally. As a minimum, it should maintain in real terms the level of protection as provided through the mandated minimum element of local Better Care Fund agreements of 2015-16. This reflects the real terms increase in the Better Care Fund.</p> <p>In setting the level of protection for social care localities should be mindful to ensure that any change does not destabilise the local social and health care system as a whole. This will be assessed compared to 2015-16 figures through the regional assurance process.</p> <p>It should also be consistent with 2012 Department of Health guidance to NHS England on the funding transfer from the NHS to social care in 2013-14:</p> <p><a href="https://www.gov.uk/government/uploads/system/uploads/attac">https://www.gov.uk/government/uploads/system/uploads/attac</a></p>

	<p><a href="https://www.england.nhs.uk/wp-content/uploads/2013/12/clinical-standards1.pdf">hment_data/file/213223/Funding-transfer-from-the-NHS-to-social-care-in-2013-14.pdf"</a></p>
<p>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.</p>	<p>Local areas are asked to confirm how their plans will provide 7-day services (throughout the week, including weekends) across community, primary, mental health, and social care in order:</p> <ul style="list-style-type: none"> <li>• To prevent unnecessary non-elective admissions (physical and mental health) through provision of an agreed level of infrastructure across out of hospital services 7 days a week;</li> <li>• To support the timely discharge of patients, from acute physical and mental health settings, on every day of the week, where it is clinically appropriate to do so, avoiding unnecessary delayed discharges of care. If they are not able to provide such plans, they must explain why.</li> </ul> <p>The 10 clinical standards developed by the NHS Services, Seven Days a Week Forum represent, as a whole, best practice for quality care on every day of the week and provide a useful reference for commissioners (<a href="https://www.england.nhs.uk/wp-content/uploads/2013/12/clinical-standards1.pdf">https://www.england.nhs.uk/wp-content/uploads/2013/12/clinical-standards1.pdf</a>).</p> <p>By 2020 all hospital in-patients admitted through urgent and emergency routes in England will have access to services which comply with at least 4 of these standards on every day of the week, namely Standards 2, 5, 6 and 8. For the Better Care Fund, particular consideration should be given to whether progress is being made against Standard 9. This standard highlights the role of support services in the provision of the next steps in a person’s care pathway following admission to hospital, as determined by the daily consultant-led review, and the importance of effective relationships between medical and other health and social care teams.</p>
<p>Better data sharing between health and social care, based on the NHS number</p>	<p>The appropriate and lawful sharing of data in the best interests of people who use care and support is essential to the provision of safe, seamless care. The use of the NHS number as a consistent identifier is an important element of this, as is progress towards systems and processes that allow the safe and timely sharing of information. It is also vital that the right cultures, behaviours and leadership are demonstrated locally, fostering a culture of secure, lawful and appropriate sharing of data to support better care. Local areas should:</p> <ul style="list-style-type: none"> <li>• confirm that they are using the NHS Number as the consistent identifier for health and care services, and if they are not, when they plan to;</li> <li>• confirm that they are pursuing interoperable Application Programming Interfaces (APIs) (i.e. systems that speak to each other) with the necessary</li> </ul>

	<p>security and controls (<a href="https://www.england.nhs.uk/wp-content/uploads/2014/05/open-api-policy.pdf">https://www.england.nhs.uk/wp-content/uploads/2014/05/open-api-policy.pdf</a>; and</p> <ul style="list-style-type: none"> <li>ensure they have the appropriate Information Governance controls in place for information sharing in line with the revised Caldicott principles and guidance made available by the Information Governance Alliance (IGA), and if not, when they plan for it to be in place.</li> <li>ensure that people have clarity about how data about them is used, who may have access and how they can exercise their legal rights. In line with the recommendations from the National Data Guardian review.</li> </ul> <p>The Information Governance Alliance (IGA) is a group of national health and care organisations (including the Department of Health, NHS England, Public Health England and the Health and Social Care Information Centre) working together to provide a joined up and consistent approach to information governance and provide access to a central repository guidance on data access issues for the health and care system. See - <a href="http://systems.hscic.gov.uk/infogov/iga">http://systems.hscic.gov.uk/infogov/iga</a></p>
<p>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</p>	<p>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. Dementia services will be a particularly important priority for better integrated health and social care services, supported by care coordinators, for example dementia advisors.</p>
<p>Agreement on the consequential impact of the changes on the providers that are predicted to be substantially affected by the plans</p>	<p>The impact of local plans should be agreed with relevant health and social care providers. Assurance will also be sought on public and patient and service user engagement in this planning, as well as plans for political buy-in. This should complement the planning guidance issued to NHS organisations</p> <p>There is agreement that there is much more to be done to ensure mental and physical health are considered equal and better integrated with one another, as well as with other services such as social care. Plans should therefore give due regard to this.</p>
<p>Agreement to invest in NHS commissioned out of hospital services, which may include a wide range of services including social care</p>	<p>Local areas should agree how they will use their share of the £1 billion that had previously been used to create the payment for performance fund.</p> <p>This should be achieved in one of the following ways:</p> <ul style="list-style-type: none"> <li>To fund NHS commissioned out-of-hospital services, which may include a wide range of services including social care, as part of their agreed Better</li> </ul>

	<p>Care Fund plan; or</p> <ul style="list-style-type: none"> <li>Local areas can choose to put an appropriate 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, which may include a wide range of services including social care (local areas should seek, as a minimum, to maintain provision of NHS commissioned out of hospital services in a manner consistent with 15-16);</li> </ul> <p>This condition replaces the Payment for Performance scheme included in the 2015-16 Better Care Fund framework.</p>
<p>Agreement on local action plan to reduce delayed transfers of care (DTOC)</p>	<p>Given the unacceptable high levels of DTOC currently, the Government is exploring what further action should be taken to address the issue.</p> <p>As part of this work, under the Better Care Fund, each local area is to develop a local action plan for managing DTOC, including a locally agreed target.</p> <p>All local areas need to establish their own stretching local DTOC target - agreed between the CCG, Local Authority and relevant acute and community trusts. This target should be reflected in CCG operational plans. The metric for the target should be the same as the national performance metric (average delayed transfers of care (delayed days) per 100,000 population (attributable to either NHS, social care or both) per month.</p> <p>As part of this plan, we want local areas to consider the use of local risk sharing agreements with respect to DTOC, with clear reference to existing guidance and flexibilities. This will be particularly relevant in areas where levels of DTOC are high and rising.</p> <p>In agreeing the plan, Clinical Commissioning Groups and local authorities should engage with the relevant acute and community trusts and be able to demonstrate that the plan has been agreed with the providers given the need for close joint working on the DTOC issue.</p> <p>We would expect plans to:</p> <ul style="list-style-type: none"> <li>Set out clear lines of responsibility, accountabilities, and measures of assurance and monitoring;</li> <li>Take account of national guidance, particularly the NHS High Impact Interventions for Urgent and Emergency Care, the NHS England Monthly Delayed Transfers of Care Situation Reports Definition and Guidance, and</li> </ul>

	<p>best practice with regards to reducing DTOC from LGA and ADASS;</p> <ul style="list-style-type: none"><li>• Demonstrate how activities across the whole patient pathway can support improved patient flow and DTOC performance, specifically around admissions avoidance;</li><li>• Demonstrate consideration to how all available community capacity within local geographies can be effectively utilised to support safe and effective discharge, with a shared approach to monitoring this capacity;</li><li>• 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;</li><li>• Demonstrate engagement with the independent and voluntary sector providers.</li></ul>
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# Annex B: Assurance and Approval of Better Care Fund Plans

