



Improved Better Care Fund Questions and Answers

Dated: 20 July 2017

This Questions and Answers document has been divided into the following topics:

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Grant Purpose and Conditions

1. What is the difference between the BCF and the iBCF?

The BCF is the national programme, through which local areas agree how to spend a local pooled budget in accordance with the programme's national requirements. The pooled budget is made up of CCG funding as well as local government grants, of which one is the Improved Better Care Fund (iBCF).

The iBCF was first announced in the 2015 Spending Review, and is paid as a direct grant to local government, with a condition that it is pooled into the local BCF plan. The iBCF grant allocations were increased in the 2017 Spring Budget.

2. What can councils spend the iBCF on and what is the current information on iBCF spend?

According to the grant determination, the funding can be spent on three purposes:

- Meeting adult social care needs
- Reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready
- Ensuring that the local social care provider market is supported

There is no requirement to spend across all three purposes, or to spend a set proportion on each.

A return requested from CCGs recently to assist in setting trajectories for the DToC ambition in the NHS Mandate suggested that areas are planning to spend across all three purposes, but there is variation from area to area, dependent on priorities and the allocation of other funding to these.

3. Can the iBCF be spent on stabilising the social care provider market?

Yes, this is one of the purposes for the grant, and councils are free to decide if this is the best use of some, or all of the funding. This could be through uplifting fees for providers, or increasing other support, such as recruitment or training.

4. Are councils required to share funding with hospitals to 'free up acute beds' or to give CCGs their 'proportion'?

No, there is no requirement for councils to share the funding with hospitals or CCGs according to the grant conditions. The funding should be spent to further the purposes of the grant (see above).

5. Can the iBCF be spent on adult social care need?

Yes, this is one of the purposes of the grant. The expenditure, however, must meet the test of additionality although this can include reducing planned service cuts or maintaining existing services, as well as on new provision.

6. Can CCGs reduce their minimum contributions to the BCF to balance the additional iBCF funding?

No, the iBCF is additional funding for adult social care. It does not replace, and must not be offset against the NHS minimum contribution to adult social care.

7. Does the money have to be spent on implementing the High Impact Change Model (HIC)?

There is a grant condition that councils must work with their CCG(s) to meet the fourth national condition – to implement the High Impact Change Model for Managing Transfers of Care – but they are not required to spend the grant on this purpose.

The national condition applies to both councils and CCGs, and both are expected to agree how the model's implementation will be funded. This will include other funding streams, some of which may be outside the BCF.

8. Are there other streams of funding that can be used for implementing the HIC model?

As mentioned in the previous question, national condition four applied to both councils and CCGs, and both are expected to agree how the HIC model's implementation will be funded, which can include other funding streams, some of which may be outside the BCF.

9. Can CCGs refuse to agree the BCF plan until the iBCF spend is agreed locally?

The grant determination makes clear the government's ambition to see the funding used quickly, ahead of the formal assurance process for the BCF plan. Any areas experiencing difficulties agreeing how the iBCF is to be used locally can ask for support through the Better Care Adviser support programme, delivered by the [LGA](#).

10. How is the additional iBCF funding announced in the Spring 2017 Budget allocated?

The Government distributed the funding announced at Spring Budget 2017 in such a way as to ensure all councils receive some of the additional funding. The distribution comprises:

- 90 per cent using the method employed to calculate the allocations of the improved Better Care Fund prior to the Budget. Not all councils receive funding

through this method as it is used to equalise the variable benefit of the council tax social care precept.

- 10 per cent of each year's additional funding on the basis of the adult social care relative needs formula. This is a calculation based on a set of indicators that estimates the relative need of spending on adult social care services. The result is a percentage share of any given amount that goes to a specific local authority. All local authorities receive some funding through this method.

For a fuller description of the distribution mechanism please read [the explanatory note](#) on the supplementary funding to the iBCF.

11. Will there be clawback if the iBCF funding is not spent or can areas roll money forward?

The money at the 2017 Spring Budget responded to urgent calls from the sector for additional money, especially this year (2017-18), to address urgent and immediate pressures. Having responded with an additional £2 billion, £1 billion in 2017-18, it is important that Local Authorities make every effort to spend this money in year.

12. Is there a set allocation to be spent on managing discharge/reducing DToC? Does at least some money have to be spent on each of the three purposes?

No. There is no requirement to spend across all three purposes, or to spend a set proportion on each.

13. Does the money have to be spent on social care? Can it be spent on hospital based schemes linked to discharge?

Money must be spent on adult social care, to further the purposes laid out in the Grant Determination.

14. To what extent is this section 31 iBCF grant from DCLG expected to fund health cost pressures, e.g. the national living wage in the context of CHC shared packages of care S117s etc?

We have not set any such expectations. The only thing we expect is that local councils ensure that they comply with the conditions of the grant.

15. Are there any litmus tests of additionality or recognised reference points? E.g. funding Services/pressures that have been met through the councils approved budget setting process.

No. We are interested in the level of activity that this money funds, compared with what the council would otherwise have done this year, without the additional funding.

16. Does the planning requirements include CCG allocations and a prescriptive guidance on CCG contributions for social care i.e. former comprehensive spending review value uprated to current levels?

Yes, the allocations have been published and are included in the planning template for each area. Minimum contributions from CCG to social care will be included in the planning template.

Governance

17. What agreement is required locally to spend the iBCF?

The iBCF grant conditions state: “Local authorities are able to spend the grant, including to commission care, subject to the conditions set out in the grant determination, as soon as plans for spending the grant have been locally agreed with clinical commissioning groups involved in agreeing the Better Care Fund plan.”

The iBCF should be included in a section 75 agreement. This can be an existing agreement, the main BCF agreement, or a specific agreement for the iBCF.

18. Who agrees the use of iBCF and what is the role of the A&E delivery board?

The spending plan for the iBCF must be agreed by the local authority and the CCG(s). This plan must be part of the BCF narrative and spending plan submitted for assurance. Local Trusts should be involved in discussions on the BCF plan overall but are not required to agree plans and cannot veto them.

19. Does iBCF need to be signed off by the Health and Wellbeing Board?

The Health and Wellbeing Board (HWB) will need to sign off the iBCF plan as part of the agreement of the BCF plan as a whole. As above, the iBCF grant can be spent once the plans for its use (in line with the conditions of grant) have been agreed between the LA and the CCGs.

20. Is it necessary for the NHS England regional office to agree the iBCF spending plan?

NHS England regional offices will be involved in the assurance of BCF plans, alongside regional local government colleagues. The iBCF can be spent as soon as the local authority and CCGs agree its use in line with the grant conditions. There is no need for specific NHS England regional sign off for this funding.

21. What forms of agreement are required between the Local Authority and CCG to satisfy the iBCF grant conditions, as to ensure speedy use of the fund, agreement will necessarily precede formal agreement of the BCF plan?

The iBCF funding is governed by the grant conditions set by Ministers. As the conditions require the funding to be pooled, Local Authority and CCG should agree how the iBCF will be used. Once written agreement is reached, the funding can be spent, via a section 75 agreement.

Planning and Assurance

22. Does the delay in the assurance process affect local spending of the iBCF?

No. Councils need only meet the iBCF grant conditions, which are specified in the grant determination letter issued by the Department for Communities and Local Government (DCLG) on 24 April.

Government wants to see the money being spent which is why the grant determination states that: “Local authorities are ... able to spend the grant, including

to commission care, subject to the conditions set out in the grant determination, as soon as plans for spending the grant have been locally agreed with clinical commissioning groups involved in agreeing the Better Care Fund plan.”

23. What is the assurance process for Local Authorities in respect of agreement on how iBCF is used?

Once use of the iBCF is agreed between LAs and CCGs, it can be spent. The main BCF assurance process (which is a joint NHS/local government process) will verify that:

- Use of the iBCF has been agreed by both partners
- The funding has been pooled
- The High Impact change model is being implemented

24. If an area is profiling the spend of the iBCF2 differently to the allocations given, this will show that a carry forward of iBCF is required. Will some working to explain this be sufficient? Will the submission be for the BCF, iBCF1 and iBCF2 elements all together?

The BCF plan for each area will detail the proposed funding for each area for the CCG minimum allocation to the BCF, the iBCF grant and any voluntary contributions. Although the iBCF grant allocations were announced separately and have different profiles, it is a single grant, with a single set of conditions.

Government wants to see the Budget money being spent swiftly on the frontline to achieve impact. See Q12.

25. Is there an expectation that a particular percentage of the iBCF will be spent on DTOC specific projects?

No. This is for local agreement

26. If some money is to be spent on increasing rates paid to some suppliers, how does this get allocated via a s75 agreement?

Our advice is that it is acceptable to have a sum of money from the iBCF in a s75 that is simply allocated for a contribution to care costs within a contract. iBCF money does have to be pooled in a s75, but the money does not have to correspond to a discrete ‘scheme’.

Reporting

27. How does the DCLG quarterly reporting link to BCF?

DCLG quarterly reporting relates to the money announced at Budget. It is not the same as BCF reporting and aims not to duplicate anything that would be collected through the BCF reporting.

The only amendment to this relates to reporting on national condition four; implementation of the High Impact Change Model for managing transfers of care. Once the BCF reporting system for 2017-18 is in operation, DCLG will stop collecting information on this through their quarterly reporting.

28. What are the deadlines for iBCF reporting?

The iBCF template submission deadlines are outlined below:

Q1 – template to be returned by 21 July 2017

Q2 – template to be returned by 20 October 2017

Q3 – template to be returned by 20 January 2018

Q4 – template to be returned by 21 April 2018

29. What is the BCF Nursing Home metric trying to measure, i.e. how many people are being placed in nursing homes or how many people are being averted from going in to nursing homes?

On these specific data requests we are interested in the level of activity which the money funds compared with what the council would otherwise have done this year – without the additional funding. If you wish to provide a narrative alongside these figures, please feel free to do so.

30. The template for the iBCF quarterly monitoring relates only to the additional funding for adult social care announced at Spring Budget 2017, yet the conditions relate to the entire iBCF funding stream. When the quarterly BCF monitoring takes over the collation of data relating to iBCF, will it cover the whole funding stream or request data only on the spring budget 2017 element?

The template and reporting requirements do only cover the Budget funding. We do not expect there to be an overlap with wider BCF monitoring except in relation to national condition four. Once the BCF reporting system for 2017-18 is fully in operation, we will stop collecting information on this through DCLG quarterly reporting.

31. Do the grant conditions [in the teleconference slide deck] apply to both spending review and spring budget money, and do areas need to cover all three points for each year?

The conditions of use apply to both elements of the allocation. The DCLG reporting template for the iBCF applies only to the funding allocation made in the Spring Budget 2017.

32. Overall spend equals funding, however not in each individual year. How should this be shown in the template?

Local planners can decide to move some funding between years if that best meets the purposes of the grant. The planned spend in each financial year should be shown in the planning template. The template will reconcile the spend against different funding sources within each year and you (and assurers) will be able to see the difference in planned spend from allocation.

Reasons for any re-profiling should be set out in the narrative plan so that it is clear in assurance that the entire iBCF allocation is being spent in accordance with the grant conditions across the two years.

33. Will the final template flag up an error that we will need to explain, or if we will have to balance each year?

The iBCF will appear as a separate funding source in the BCF template and the values of the schemes commissioned under iBCF will be totalled alongside other

sources. The Government has been very clear that the funding was allocated to address an urgent need for capacity in social care and expect that the funding will be deployed quickly, with re profiling between financial years avoided wherever possible.

34. Can the iBCF and BCF reporting be aligned?

Once BCF plans are agreed and in place, reporting on the implementation of the High Impact Change Model for managing Transfers of Care and narrative updates on BCF metrics will be collected solely through the BCF returns.

35. Does the iBCF additional money for 2017 need to be reported on in the report to DCLG and the BCF reporting each quarter?

The DCLG reporting template for iBCF funding will continue to collect updates on progress against planned initiatives and schemes and numbers of:

- Home care packages
- Hours of care at home
- Care home placements

36. Does graduation also gives exemption to iBCF quarterly reporting?

Graduated areas will need to report to DCLG on use of the iBCF but this will be kept under review.