

## **BCF and iBCF – Frequently Asked Questions**

The LGA is committed to ensuring that our member councils are kept up to date with information and advice. We shared the current draft planning guidance and supporting documentation in April and ADASS also shared it with their members. Better care managers have copies also.

This document sets out answers to the most frequently asked questions we have received in relation to planning and delivering the Better Care Fund (BCF) for 2017-19 and is intended to support councils in local discussions and joint working with partners. The answers given represent the most accurate and up to date information we have at the time of writing [16 May 2017].

### **Policy and planning guidance**

#### *1. When will the BCF planning guidance be published?*

There is no agreed date for publication of the planning guidance for the BCF for 2017-19. The LGA continues to work with NHS England to agree the final guidance and get it published as soon as possible. We recognise how frustrating the delay is for councils and CCGs, and have shared the latest draft version of the document on 28 April to help local planners progress their plans. Please note this version is draft and may be subject to change in the final version – it represents current expectations.

#### *2. What is the status of the BCF Policy Framework without the planning guidance?*

The [Integration and BCF Policy Framework for 2017-19](#) was published by the government on 31 March. This provides the policy basis for the BCF and, combined with the NHS Mandate for 2017/18, provides the basis for planning and implementing the BCF nationally and locally. The planning guidance – formally called Planning Requirements – provides the detailed operational information to support the implementation of this policy framework, but does not supplant it. Until the planning guidance is published, the most detailed advice to local areas is contained in the policy framework.

### **BCF assurance process**

#### *3. What is happening to the assurance process?*

The BCF assurance process cannot be initiated until the planning guidance is published by NHS England. This is because NHS England uses the process to approve the CCG minimum contribution to the fund, and so the process will not begin until NHS England has signed off the guidance.

#### *4. What should local areas do in absence of published guidance?*

In the absence of published planning guidance, local leaders are encouraged to use the draft planning guidance and supporting documentation to support local discussions. The policy framework sets the objectives for the BCF, and the draft guidance gives an indication of current expectations for planning and assurance. Local areas are encouraged to work together to ensure vital services continue and local priorities are implemented, while being mindful that CCGs must seek approval from NHS England (through the assurance process) before they can spend the ring-fenced BCF funding.

The Better Care Adviser support programme, provided by the LGA on behalf of the Better Care Support Team, is available to support these local discussions, particularly where there are any

disagreements about the national conditions or programme requirements. The LGA will also continue to advocate at a national level for the removal of obstacles, so please make us aware of any issues.

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

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

1. Grant paid to a local authority under this determination may be used only for the purposes of meeting adult social care needs; reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready; and ensuring that the local social care provider market is supported.
2. A recipient local authority must:
  - a. Pool the grant funding into the local Better Care Fund, unless the authority has written ministerial exemption
  - b. Work with the relevant clinical commissioning group and providers to meet National Condition 4 (Managing Transfers of Care) in the Integration and Better Care Fund Policy Framework and Planning Requirements 2017-19; and
  - c. Provide quarterly reports as required by the Secretary of State
3. The government has made clear that part of this funding is intended to enable local authorities to quickly provide stability and extra capacity in local care systems. Local authorities are therefore 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 last condition clearly sets out the government's ambition to see the funding spent quickly. DCLG plans to use the BCF assurance process to check these conditions have been met, but this is not the same as being subject to the assurance process. DCLG could, for example, choose another approach, such as writing to councils directly asking for assurance.

6. *Does the BCF plan need to be approved by the local A+E delivery board?*

The BCF plan need only be agreed by the relevant health and wellbeing board, council and CCG(s), in line with the first national condition of the fund. The current draft of planning guidance encourages local planners to involve the local A+E Delivery Board in planning a whole-systems approach to implementing the [High Impact Change Model for Managing Transfers for Care](#).

### Spending the iBCF

7. *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 iBCF. The iBCF was first announced in the 2015 Spending Review, and was increased in the 2017 Spring Budget.

	2017/18 £m	2018/19 £m	2019/20 £m

iBCF funding as per 2015 Spending Review	105	825	1,500
iBCF funding as per 2017 Spring Budget	1,010	674	337
Total iBCF funding	1,115	1,499	1,837

8. *What agreement is required locally to spend the iBCF?*

As outlined in the answer to question 5, 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.”

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

According to the grant conditions, the funding grant 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. The current feedback the LGA is receiving suggests many councils are using the funding to address short-term pressures and reduce planned service reductions. Some councils report it is impossible to fund long-term commitments, such as increasing payments to social care providers, because the funding is short term and reducing year on year.

10. *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 this is the best use of some or all of the funding. Uplifting fees to providers is difficult, however, given the short-term nature of the funding. Some are looking to increase other support, such as through recruitment or training. Providers note challenges in planning year to year also.

11. *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, although they may decide that is the most effective use of the funding. There is no requirement, however, to do so. The NHS ambition to see some of the funding spent “freeing up to 2,000 to 3,000 acute beds” is set out in the NHS document Next Steps for the Five Year Forward View. It is not included as a requirement in the BCF Policy Framework.

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

Yes, this is one of the purposes of the grant, and councils are free to decide this is the best use of some or all of the funding. 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.

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

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

*14. Does the money need to be spent on implementing the High Impact Change Model?*

No. There is a grant condition that councils must work with their CCG(s) to implement 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.

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

The grant conditions make 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.

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

The Government is distributing the funding in such a way so as to ensure all councils receive some of the additional funding. The distribution comprises:

- 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.
- 90 per cent using the method employed to calculate the allocations of the improved Better Care Fund (BCF) 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.

For a fuller description of the distribution mechanism please read our [technical FAQ](#) on the additional funding for adult social care.

### **Agreeing and implementing a local BCF plan**

*17. Can councils and CCGs spend the BCF if the local plan has not been approved?*

CCGs need NHS England approval before they can spend the ring-fenced funding. For the local government grants, councils need only to demonstrate that they have complied with the conditions of the disabled facilities grant (DFG) and iBCF. There are no restrictions on CCGs or councils agreeing local priorities or working together to jointly commissioning local services using other funding sources. In terms of the BCF, CCGs and councils can minimise the financial risks by ensuring that there is clear agreement and that the spending plans are consistent with the Policy Framework and draft guidance. BCF plans will have to comply with the final planning guidance, once it is published. If plans are subsequently not approved in the assurance process, it may be necessary to make changes in year, but NHS England powers of direction in relation to the CCG spend can be used only in a proportionate fashion.

*18. How can I work out what the allocations in the BCF pooled budget?*

The different funding streams can be identified as follows:

- CCG minimum allocation: to calculate an approximation, apply an uplift for inflation of 1.79% for 2017/18 and 1.9% for 2018/19 to the local allocation for 2016/17; this is available at <https://www.england.nhs.uk/wp-content/uploads/2016/02/bcf-allocations-1617.xlsx>. This approximation would also apply to the NHS commissioned out-of-hospital ringfenced spend
- Social Care maintenance from CCG minimum: to calculate an approximation, apply an uplift for inflation of 1.79% to the local allocation for 2016/17 (and another 1.9% for 2018/19); this figure is found in the final planning template submitted to NHS England; the draft planning guidance provides a mechanism for areas to challenge the published figure if they think it is wrong
- Improved BCF grant: the allocations are available at <https://www.gov.uk/government/publications/the-allocations-of-the-additional-funding-for-adult-social-care>
- DFG: the allocations are specified in the grant determination letter, which was distributed by the Department for Communities and Local Government to local authorities on 20 April 2017

*19. Is there support available to help agree local priorities and plans?*

Yes, the Better Care Adviser support programme, delivered by the LGA, is designed to support areas to agree compliant plans, accelerate implementation of BCF or wider integration plans, or strengthen leadership. Further information is available here: <http://www.local.gov.uk/our-support/our-improvement-offer/care-and-health-improvement/integration-and-better-care-fund/better-care-support-offer>

**Meeting the national conditions**

*20. What are the national conditions for 2017-19?*

The Integration and BCF Policy Framework sets out four national conditions:

1. Plans to be jointly agreed
2. NHS contribution to adult social care is maintained in line with inflation
3. Agreement to invest in NHS commissioned out of hospital services
4. Managing transfers of care

The policy framework also states: “The removal of some national conditions from 2016-17 does not reflect a downgrading of the importance of these policies and we expect them to underpin local BCF plans. For example, all areas should be working to embed 7-day services across the health and care system. Shared information, interoperable IT and joint care assessments are critical enablers to deliver integrated services – therefore, we expect every area to continue taking action to build on the progress made in the last two years.”

*21. Do local areas need to implement the High Impact Change Model?*

Yes, implementing this model is a new national condition (number 4 – Managing transfers of care), as set out in the Integration and BCF Policy Framework (see also question 15 above). The condition applies to CCGs and councils. The draft guidance currently sets the expectation that all areas should agree a joint approach to funding and implementing these changes, building on existing successful

local practice and tailored to local circumstance. Where all parties in an area have agreed to a variation on the model or not to implement one of the changes (for example if an existing, successful, approach would be duplicated by elements of the eight change model), their BCF plan should briefly explain the rationale for this and provide assurance that a comprehensive approach to managing transfers of care and meeting performance metrics in the BCF plan is in place.

*22. Do local areas need to implement a trusted assessor model?*

Yes, the High Impact Change Model includes trusted assessor approaches as a key change. There are many definitions of ‘trusted assessors’ and no one model will suit all. NHS England is developing, with input from the LGA and ADASS, a guidance note to help local areas. The draft guidance also lists other guides which provide advice and examples of good practice.

## **Graduation**

*23. Is the BCF graduation process going ahead?*

Yes, the process was launched in the Integration and Policy Framework. The Better Care Support Team recently announced an extension to the timeline in the policy framework, to take account of the general election. The new deadline for submitting an expression of interest is 19 May.

## **Reporting and metrics**

*24. What quarterly reporting will be required on iBCF?*

The LGA is in discussion with government about these requirements. We have consistently argued against any increase in the reporting burden. Our response to the Spring Budget announcement called for any measures to assess councils’ performance to be “proportionate and efficient and local government must be part of the design”.

*25. What is happening with the CQC reviews and national DTOC visits?*

The Department of Health will identify 20 areas for CQC to review, which will include at least three high-performing areas. The reviews are likely to start in July, and around 12 should be completed by December. CQC is committed to focusing on whole-system issues, not just social care. CQC is keen to engage LGA in devising the methodology for the reviews and in identifying people to work with them, to ensure the review teams include front line social care expertise. While the LGA does not support mandatory reviews, we are committing to influencing the CQC reviews, emphasising the benefits of a sector-led approach, and encouraging CQC to engage early and openly the areas selected. We also wish to highlight overlaps with similar work, including the NHS England national DTOC visits which are entering a second phase.