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[Department for Levelling Up,
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Policy paper

2023 to 2025 Better Care Fund policy framework

Published 4 April 2023

Applies to England

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Introduction

This policy framework confirms the conditions and funding for the Better Care Fund (BCF) for 2023 to 2025.

Since 2015, the BCF has been crucial in supporting people to live healthy, independent and dignified lives, through joining up health, social care and housing services seamlessly around the person. This vision is underpinned by 2 core objectives, to:

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

The BCF achieves this by requiring integrated care boards (ICBs) and local government to agree a joint plan, owned by the health and wellbeing board (HWB), governed by an agreement under section 75 of the NHS Act (2006). This continues to provide an important framework in bringing local NHS services and local government together to tackle pressures faced across the health and social care system and drive better outcomes for people. 94% of local areas agreed that joint working had improved as a result of the BCF in 2021 to 2022.

The BCF programme underpins key priorities in the NHS Long Term Plan by joining up services in the community and the government's [plan for recovering urgent and emergency care \(UEC\) services](https://www.england.nhs.uk/publication/delivery-plan-for-recovering-urgent-and-emergency-care-services/) (<https://www.england.nhs.uk/publication/delivery-plan-for-recovering-urgent-and-emergency-care-services/>), as well as supporting the delivery of [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>). The BCF facilitates the smooth transition of people out of hospital, reduces the chances of re-admission, and supports people to avoid long term residential care. The BCF is also a vehicle for wider joining up of services across health and local government, such as support for unpaid carers, housing support and public health.

We want local areas to continue to deliver more joined-up care across health and social care, with greater certainty to plan the use of BCF funding over a 2-year cycle. The delivery of the BCF will support 2 key priorities for the health and care system that align with the 2 existing BCF objectives:

- improving overall quality of life for people, and reducing pressure on UEC, acute and social care services through investing in preventative services
- tackling delayed discharge and bringing about sustained improvements in discharge outcomes and wider system flow - these are set out in the 'BCF objectives and priorities for 2023 to 2025' section below

We will support local areas' delivery of the above objectives through additional funding over the 2 years. This includes a 5.66% increase to the NHS minimum contribution into the BCF each year, and an extra £1.6 billion to support hospital discharge. In addition, it is our intention that the £102 million new funding to support adaptations announced in 'Next steps to put People at the Heart of Care' will be disbursed as an additional tranche of the Disabled Facilities Grant (DFG) funding - we will confirm the position in due course. We will also continue to offer bespoke support to help areas deliver these priorities through their BCF plans.

To improve transparency and clarity of BCF spending against BCF objectives, reporting for 2023 to 2025 has also been refreshed to include the collection of activity data, refreshed metrics and updated spending categories.

A summary of funding, national conditions and the planning process is set out in this document, with further detail available in the planning requirements.

BCF objectives and priorities for 2023 to 2025

Objective 1: to enable people to stay well, safe and independent at home for longer

The priorities for health and social care are to improve quality of life and reduce pressure on UEC, acute and social care services.

This will be achieved through various mechanisms, including:

- collaborative working with the voluntary, housing and independent provider sectors
- investment in a range of preventative, community health and housing services
- supporting unpaid carers

Objective 2: to provide people with the right care, at the right place, at the right time.

The priorities for health and social care are to tackle immediate pressures in delayed discharges and demand for hospital attendances and admissions, bringing about sustained improvements in outcomes for people discharged from hospital, and wider system flow.

This will be achieved by embedding strong joint working between the NHS, local government and the voluntary, housing and independent provider sectors.

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.

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
Improved Better Care Fund (iBCF)	2,140	2,140 (TBC)
Disabled Facilities Grant (DFG)	573	573
Discharge funding	600	1,000
Grand total	8,072 (+4.6%)	8,741 (+8.3%)

The flexibility of local areas to pool more funding than the mandatory amounts will remain. In 2022 to 2023, ICBs, local authorities or both contributed a total of £2.8 billion in additional funding in over 100 HWBs. Through BCF planning, where areas are assured that voluntary pooling provides value for money, they may wish to build on their minimum contributions.

NHS minimum contribution to the BCF

Allocations from the NHS minimum contribution for each ICB and HWB are published on the NHS England (NHSE) website.

In order to spend this funding, areas must have their BCF plans approved, by meeting the 4 national conditions set out in BCF national conditions and metrics for 2023 to 2025. We expect BCF plans to be submitted by 28 June 2023 and for plans to be approved by 8 September 2023. More detail is set out in the planning requirements.

As in previous years, the NHS contribution to the BCF will include funding to support the policies introduced under the Care Act 2014, as well as funding previously earmarked for the provision of carers' breaks. This is set out in the planning requirements. In particular, the way services and local areas work in partnership with and support unpaid carers is critical. To drive this, local areas will be asked to provide a brief overview in their narrative plans of how BCF funding is supporting unpaid carers. This supports the government's recent commitments on empowering unpaid carers as set out in the [adult social care reform white paper: People at the Heart of Care](https://www.gov.uk/government/publications/people-at-the-heart-of-care-adult-social-care-reform-white-paper) (<https://www.gov.uk/government/publications/people-at-the-heart-of-care-adult-social-care-reform-white-paper>) and more recently in 'Next steps to put People at the Heart of Care'.

Funding previously earmarked for reablement also remains in the NHS contribution. Local areas should consider how to align their local plans with the ambitions and opportunities to scale up intermediate care, as outlined in the delivery plan for recovering urgent and emergency care services.

The Secretary of State for Health and Social Care has published 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 NHSE under section 223B of the NHS Act 2006 to ringfence £5,059 million to form the NHS contribution to the BCF in 2023 to 2024. That figure includes additional funding for discharge via ICBs (£300 million) in 2023 to 2024 and more detail on this funding is provided in the 'Discharge Fund' section and in the planning requirements. The planning requirements document, which is published by NHSE, contains directions from NHSE to ICBs under section 223GA of the 2006 Act relating to the funding allocated to them, including the conditions that must be met by ICBs relating to the receipt and use of such funding. These conditions ensure that this funding is being spent in accordance with the policy framework.

NHSE will consider taking action, including in accordance with its powers under section 223GA(5) of the NHS Act 2006, in consultation with the Department of Health and Social Care (DHSC) and the Department for Levelling Up, Housing and

Communities (DLUHC), where the national conditions are not met. These considerations do not apply to the amounts paid directly to local authorities from government.

Disabled Facilities Grant (DFG)

Housing adaptations, including those delivered through the DFG, support the BCF objectives by helping towards the costs of making changes to people's homes to enable them to stay well, safe and independent at home for longer.

Funding for the DFG is at least £573 million in 2023 to 2024 and at least £573 million in 2024 to 2025, as set out in the People at the Heart of Care white paper. In addition, Next steps to put People at the Heart of Care announced a further £102 million (£50 million in 2023 to 2024 and £52 million in 2024 to 2025) to fund supplementary services that are agile and help people stay independent, support hospital discharge and make minor adaptations.

It is currently our intention to distribute this as an additional tranche of DFG funding, in order that local housing authorities can use flexibilities already available to them to fund those services. Further information and confirmation of the position will follow in due course.

The DFG funding is paid to local government via a section 31 grant. 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. In line with national condition 2 (implementing BCF policy objective 1: enabling people to stay well, safe and independent at home for longer), we will ask areas to set out in their BCF plans how the DFG is being used strategically to achieve the 2 objectives.

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 of both the core funding and the additional reform funding will be set out in respective DFG grant determination letters, which will be published over the coming months.

The government published updated [guidance for local authorities](https://www.gov.uk/government/publications/disabled-facilities-grant-dfg-delivery-guidance-for-local-authorities-in-england) (<https://www.gov.uk/government/publications/disabled-facilities-grant-dfg-delivery-guidance-for-local-authorities-in-england>) on 28 March 2022 that sets out how they can effectively and efficiently deliver DFG funded adaptations to best serve the needs of local older and disabled people. This guidance highlights how housing authorities can use government funding for the DFG more flexibly under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (RRO).

Local housing authorities should take advantage of these flexibilities to develop and publish a Housing Assistance Policy under the RRO to help people to live independently. Policies can include measures to speed up DFG delivery - for example, a local authority could develop a simplified system to deliver small-scale adaptations more quickly. Policies can also establish schemes to support rapid discharge of people from hospital, or to prevent admission to hospital or residential care.

Improved Better Care Fund (iBCF)

The total allocation of the iBCF in 2023 to 2024 is £2.14 billion. The iBCF grant allocations were confirmed alongside the publication of the final Local Government Finance Settlement on 6 February 2023. Full details are set out in the [grant determination letter](https://www.gov.uk/government/publications/social-care-funding-grant-determination-for-2023-to-2024) (<https://www.gov.uk/government/publications/social-care-funding-grant-determination-for-2023-to-2024>).

As in previous years, a core condition is that the grant is pooled into local areas' BCF plans. This funding does not replace, and must not be offset against, the NHS minimum contribution to adult social care.

The value of the iBCF in 2024 to 2025 is indicative only. Final decisions on the 2024 to 2025 iBCF (including allocations) will be made, and full details published, as part of the 2024 to 2025 Local Government Finance Settlement. For planning purposes, pending those decisions, areas should plan on the basis that allocations will be consistent with the approach taken in 2023 to 2024.

Discharge Fund

The 2022 autumn statement announced that a further £600 million will be distributed in 2023 to 2024 and £1 billion in 2024 to 2025 through the BCF to support safe and timely discharge from hospital to home or an appropriate community setting. This builds on the £500 million injection into the BCF last year to speed the safe discharge of individuals over winter.

In 2023 to 2024, the discharge fund will focus on growing social care capacity in ways that have the greatest possible impact on:

- reducing delayed hospital discharges
- planning services sufficiently far in advance to enable providers to make appropriate workforce capacity plans
- learning from evaluation of the impact of previous discharge funding
- improving collaboration and information sharing across health and social care services

Full details of the 2023 to 2024 Discharge Fund conditions are outlined in the planning requirements.

BCF national conditions and metrics for 2023 to 2025

The national conditions for the BCF in 2023 to 2025 are:

- a jointly agreed plan between local health and social care commissioners, signed off by the HWB
- implementing BCF policy objective 1: enabling people to stay well, safe and independent at home for longer
- implementing BCF policy objective 2: providing the right care, at the right place, at the right time
- maintaining the NHS's contribution to adult social care (in line with the uplift to the NHS minimum contribution to the BCF), and investment in NHS commissioned out of hospital services

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

The local authority and ICBs must agree a plan for their HWB area that includes:

- agreement on use of mandatory BCF funding streams

- an assessment of capacity and demand for intermediate care services
- ambitions for making progress against the national metrics

The plan must be signed off by the HWB.

BCF plans should set out a joined-up approach to integrated, person-centred services including unpaid carers across local health, care, housing and wider public services. They should include arrangements for joint commissioning, and an agreed approach for making progress towards the 2 policy objectives as part of the HWB area's response to national conditions 2 and 3. This should confirm how BCF funding will support this work, and how this will improve performance on the national metrics.

More detailed guidance can be found in the planning requirements.

National condition 2: implementing BCF policy objective 1: enabling people to stay well, safe and independent at home for longer

This national condition requires areas to agree a joint plan to deliver health and social care services that support improved outcomes against the fund's first policy objective.

In meeting the first objective, areas should continue to focus on promoting people's independence in the community and, in particular, addressing the health, social care and housing needs of those who are at risk of reduced independence. This focus should include how integrated provision of health and social care, and support for unpaid carers will contribute to outcomes related to metrics on admission to residential care and avoidable admissions to hospital. Commissioners should agree how services delivered via BCF funding sources will support this objective.

In developing plans, local systems should draw on the High Impact Change Models for [Reducing preventable admissions to hospital and long-term care](https://www.local.gov.uk/our-support/partners-care-and-health/care-and-health-improvement/working-hospitals/reducing-preventable-admissions) (<https://www.local.gov.uk/our-support/partners-care-and-health/care-and-health-improvement/working-hospitals/reducing-preventable-admissions>) and [Improving health and wellbeing through housing](https://www.local.gov.uk/publications/improving-health-and-wellbeing-through-housing-high-impact-change-model) (<https://www.local.gov.uk/publications/improving-health-and-wellbeing-through-housing-high-impact-change-model>).

National condition 3: implementing BCF policy objective 2: providing the right care, at the right place, at the right time

This national condition requires areas to agree a joint plan to deliver health and social care services that support improvement in outcomes against the fund's second policy objective.

In meeting the second objective, areas should continue to focus on making sure that people are discharged to the right place, at the right time, and with the right support that maximises their independence and leads to the best possible sustainable outcomes. This includes continued implementation of the [High Impact Change Model for transfers of care](https://www.local.gov.uk/our-support/partners-care-and-health/care-and-health-improvement/working-hospitals/managing-transfers-of-care/about) (<https://www.local.gov.uk/our-support/partners-care-and-health/care-and-health-improvement/working-hospitals/managing-transfers-of-care/about>), which has been integral to meeting BCF requirements around supporting discharge and guidance on hospital discharge and community support since 2017, and is regularly reviewed. Delivery of this objective will support the [UEC recovery plan](https://www.england.nhs.uk/publication/delivery-plan-for-recovering-urgent-and-emergency-care-services/) (<https://www.england.nhs.uk/publication/delivery-plan-for-recovering-urgent-and-emergency-care-services/>) in ensuring people are not in hospital for longer than necessary and to support system flow through improving joint discharge processes, and scaling up intermediate care and social care services.

Intermediate care capacity and demand plans

As in 2022 to 2023, local areas will be required to agree and submit a plan showing:

- expected demand for intermediate care services (and other short-term care) to help people to remain independent at home (including support aimed at avoiding unnecessary hospital admissions and support following discharge from hospital)
- services to support this recovery (including rehabilitation and reablement)
- expected capacity in the HWB area to meet this demand

The intermediate care capacity and demand plans should cover all intermediate care services (and other short-term care) across the local system. There is no requirement that the BCF should be used to fund all services within the capacity and demand plan. These capacity and demand plans should also complement and build on the capacity and demand sections of UEC returns in the NHS planning returns - mapped to local authority area, as well as wider capacity and demand planning initiatives such as those through the Market Sustainability and Improvement Fund. As is the case with wider BCF plans, it is expected that acute trusts and other providers are involved in the development of these plans. Guidance on this is provided in the BCF planning requirements, and templates can be found on the [Better Care Exchange](https://www.england.nhs.uk/ourwork/part-rel/transformation-fund/better-care-fund/the-better-care-exchange/) (<https://www.england.nhs.uk/ourwork/part-rel/transformation-fund/better-care-fund/the-better-care-exchange/>).

National condition 4: maintaining NHS contribution to adult social care (in line with the uplift to the NHS minimum contribution to the BCF) and investment in NHS commissioned out of hospital services

The 2021 spending review confirmed the NHS minimum contribution to the BCF will rise in actual terms by 5.66% each year from 2022 to 2025. Minimum contributions to social care will also increase by 5.66%. The minimum expectation of spending for

each HWB area is derived by applying the percentage increase in the NHS minimum contribution to the BCF for the area to the 2022 to 2023 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 NHS minimum contribution to the BCF, to ensure the minimum expectations are met, in line with the national condition.

BCF narrative plans should also set out the approach to investing in NHS out of hospital services 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 condition.

Metrics

Beyond the 4 conditions (and grant conditions), areas have flexibility in how the fund is spent across health, care and housing schemes or services, but need to agree ambitions on how this spending will improve performance against the BCF 2023 to 2025 metrics set out below. We have revised the metrics this year to consider a wider range of metrics, which reflect the objectives of the BCF and improvements to data collections over the next 12 months.

A summary of metrics for both years is in the 'BCF metrics for 2023 to 2025' section below. Areas will need to agree ambitions and plans for 2023 to 2024 metrics (with the exception of delays to discharge) as part of BCF plans. Ambitions for 2024 to 2025 will be completed by areas in the final quarter of 2023 to 2024.

The [delivery plan for recovering UEC services](https://www.england.nhs.uk/publication/delivery-plan-for-recovering-urgent-and-emergency-)

<https://www.england.nhs.uk/publication/delivery-plan-for-recovering-urgent-and-emergency->

[care-services/](#)), published in January 2023, sets a deliverable for all trusts to record the discharge ready date for all inpatient stays as part of the commissioning data set from April 2023. This will be used as the basis for recording delays to discharge at local authority level. It will be used to set a discharge performance metric at local authority level from quarter 3 of 2023 to 2024, contingent on further testing and data quality. ICBs, local authorities and trusts should work together in the first 6 months of the year to ensure that the new discharge ready date field is being completed and reviewed. Further guidance, including on setting a metric, will be published ahead of winter 2023.

BCF metrics for 2023 to 2025

Provide people with the right care, at the right place, at the right time

In 2023 to 2024:

- discharge to usual places of residence
- new: discharge metric ahead of winter 2023

In 2024 to 2025:

- discharge to usual places of residence
- new: discharge metric ahead of winter 2023
- new: proportion of people discharged who are still at home after 91 days

Enabling people to stay well, safe and independent for longer

In 2023 to 2024:

- admissions to residential and care homes

- unplanned admissions for ambulatory sensitive chronic conditions
- the proportion of older people who were still at home 91 days after discharge from hospital into reablement or rehabilitation services
- new: emergency hospital admissions due to falls in people over 65

In 2024 to 2025:

- admissions to residential and care homes
- unplanned admissions for ambulatory sensitive chronic conditions
- emergency hospital admissions due to falls in people over 65
- new: outcomes following short-term support to maximise independence

Further detail is set out in the planning requirements.

Planning and assurance of BCF plans for 2023 to 2024 and 2024 to 2025

The planning and assurance process will be set out in the following stages:

Plan development

Plans will be developed locally in HWB areas by the relevant local authority and health commissioners. Plans 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. BCF partners will need to submit a narrative plan and a planning template,

providing details of expenditure from BCF funding sources, capacity and demand, as well as ambitions and delivery plans for BCF metrics, signed off by the HWB.

Assurance and approval

BCF plans will be assured and moderated regionally, as well as calibrated across regions. Following this, plans will be put forward for approval by NHSE, in consultation with DHSC and DLUHC.

Reporting and checkpoints

We will collect spend and activity data on a quarterly basis, and will monitor local performance data on a monthly (or more frequent) basis. During the 2-year cycle, there will be a quarterly reporting process where areas will be required to set out progress on delivering their plans. We will use this data to identify areas that may require support, putting in place necessary support or escalation. More information on support is set out in the next section. Reporting in relation to the Discharge Funding will be confirmed as soon as possible.

Plans for 2023 to 2025

Plans will be required to provide additional information on the activity delivered with BCF funding and estimates of BCF spending as a portion of overall spending on key service areas.

Further information is set out in the BCF planning requirements for 2023 to 2025. The planning requirements are also an annex to the NHS priorities and operational planning guidance for 2023 to 2024.

National BCF support offer

We will provide support to areas in achieving these priorities over the next 2 years, both via Better Care managers, and via the BCF Support Programme delivered by the Local Government Association (LGA) in partnership with the Association of Directors of Adult Social Services (ADASS) and Newton Europe.

The programme will offer a range of bespoke support to local areas. This will be targeted where local performance data indicates issues that particular areas are facing, and also tailored where local areas request support based on a particular need. We will co-ordinate and target BCF support, taking into account wider national support mechanisms, including the urgent and emergency care recovery tiered intervention process, and wider joint DHSC and NHSE processes to support better hospital discharge outcomes.

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