

APPENDIX E



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Better Care Fund planning requirements 2025-26

This publication has been created in partnership with His Majesty's Government.

[Publication \(/publication\)](#)

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Introduction

This guidance outlines the requirements for the planning and delivery of the Better Care Fund (BCF) for 2025-26.

In line with the government's vision for health and care, the [Better Care Fund policy framework](https://www.gov.uk/government/publications/better-care-fund-policy-framework-2025-to-2026) (<https://www.gov.uk/government/publications/better-care-fund-policy-framework-2025-to-2026>) sets out the vision, funding, oversight and support arrangements, focused on 2 overarching objectives for the BCF in 2025-26:

- reform to support the shift from sickness to prevention
- reform to support people living independently and the shift from hospital to home

For the forthcoming year, we are streamlining the planning and reporting process for most health and wellbeing board areas (HWB areas). HWB areas, comprising health and wellbeing boards (HWBs), their local authorities and integrated care boards (ICBs), are responsible for developing and agreeing plans in collaboration with other local partners. They are best placed to assess the required service capacity, balance priorities within the overall objectives of the BCF and integrate BCF-funded service developments with other health and adult social care services.

National partners – NHS England, the Department of Health and Social Care (DHSC) and the Ministry of Housing, Local Government and Communities (MHCLG), supported by the Local Government Association (LGA) as a strategic partner – will shift to be more focused on supporting delivery and ensuring accountability for outcomes and performance. This will include providing enhanced support and oversight in HWB areas that face particular challenges in their performance.

This guidance should be read alongside the policy framework. It should also be read by local partners alongside other material which is available on the BCF FutureNHS workspace – [the Better Care Exchange](https://future.nhs.uk/bettercareexchange/view?objectID=59233040) (<https://future.nhs.uk/bettercareexchange/view?objectID=59233040>) (login required) – including:

- narrative plan, planning templates and accompanying guidance
- metrics handbook
- [NHS 2025/26 priorities and operational planning guidance](https://www.england.nhs.uk/publication/2025-26-priorities-and-operational-planning-guidance/) (<https://www.england.nhs.uk/publication/2025-26-priorities-and-operational-planning-guidance/>)
- [Neighbourhood health guidelines](https://www.england.nhs.uk/long-read/neighbourhood-health-guidelines-2025-26/) (<https://www.england.nhs.uk/long-read/neighbourhood-health-guidelines-2025-26/>)

HWB areas can also use BCF high impact change models available on the Better Care Exchange to support their planning. These include the [LGA managing transfers of care high impact change model \(HICM\)](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>) and

the recently published [Improving the timely and effective discharge of people with dementia and delirium into the community \(https://www.local.gov.uk/our-support/partners-care-and-health/better-care-fund-support-programme-2023-25/high-impact-change\)](https://www.local.gov.uk/our-support/partners-care-and-health/better-care-fund-support-programme-2023-25/high-impact-change).

Further information for local partners on submitting plans will be shared via the Better Care Exchange over the planning period from 28 January 2025 to 31 March 2025, with notification coming out via the Better Care Fund bulletin. This guidance may be updated periodically to address clarifications requested by local partners.

Metrics and goals

As set out in the policy framework, HWBs will be expected to agree goals against 3 headline metrics as part of their planning return:

Headline metrics

1. Emergency admissions to hospital for people aged 65+ per 100,000 population.
2. Average length of discharge delay for all acute adult patients, derived from a combination of:
 - proportion of adult patients discharged from acute hospitals on their discharge ready date (DRD)
 - for those adult patients not discharged on DRD, average number of days from DRD to discharge.
3. Long-term admissions to residential care homes and nursing homes for people aged 65+ per 100,000 population.

NHS England will publish data on emergency admissions to hospital (metric 1) and discharge delays (metric 2) by HWB area in January. Data on long-term admissions to residential care homes and nursing homes (metric 3) will already be available locally, but it is also expected to be available nationally in the spring.

Further details and resources are available to systems on the Better Care Exchange as part of the BCF metrics handbook.

Achieving goals against these metrics will require a whole system approach, involving services funded by the BCF and by non-BCF funds. Goals relating to hospital emergency admissions and discharge should be aligned to relevant ICB planning assumptions. Goals for long-term admissions to residential care homes and nursing homes should be aligned to wider local authority adult social care planning assumptions.

Goals should also reflect underlying changes in demand over the coming year. For example, the goals for maximum levels of emergency admissions to hospital should take into account any expected underlying growth in demand for admissions due to population demographics.

HWB areas may also use supporting indicators to better understand the drivers of their performance against BCF objectives and specific local priorities. We recommend using the 6 indicators set out below.

Further information about these indicators is also set out in the BCF metrics handbook, available on the Better Care Exchange website. HWB areas are also encouraged to use other supporting indicators where helpful. Supporting indicators do not need to form part of the HWB submission.

Supporting indicators

1. Unplanned hospital admissions for chronic ambulatory care sensitive conditions.
2. Emergency hospital admissions due to falls in people over 65.
3. Patients not discharged on their discharge ready date (DRD), and discharged within 1 day, 2 to 3 days, 4 to 6 days, 7 to 13 days, 14 to 20 days, and 21 days or more.
4. Average length of delay by discharge pathway.
5. Hospital discharges to usual place of residence.
6. Outcomes from reablement services.

Planning expectations – meeting national conditions

Planning the use of the BCF is an opportunity for local partners to consider the most productive ways to achieve the national objectives of supporting a shift from sickness to prevention and supporting people to live independently, enabling a shift in care from hospital to home. Planning should draw on local and national learning, such as transfers of care high impact change models and neighbourhood health guidance, to achieve greater impact and value for money.

It is essential that BCF plans are aligned with the wider plans and targets for improving NHS services and adult social care services. ICB and local authority chief executive officers will need to provide signed confirmation that they have agreed to their BCF plans, including the goals for performance against the 3-headline metrics.

As set out in the BCF policy framework, HWBs must ensure their plans meet 4 national conditions. How HWB areas should demonstrate this are set out below.

1. Plans to be jointly agreed

Requirement

Local authorities and ICBs must agree a joint plan, signed off by the HWB, to support the policy objectives of the BCF for 2025 to 2026.

The development of these plans must involve joint working with local NHS trusts, social care providers, voluntary and community service partners and local housing authorities.

These plans must be submitted to BCF national and regional teams and must include locally agreed goals against these 3 headline metrics (see below) and an intermediate care capacity and demand plan.

To demonstrate this Better Care Fund plans should:

- reflect local priorities and service developments that have been developed in partnership across health and care, including local NHS trusts, social care providers, voluntary and community service partners and local housing authorities
- be signed off in accordance with organisational governance processes across the relevant ICB and local authorities
- be signed by the HWB chair, alongside the local authority and ICB chief executives – this accountability must not be delegated

2. Implementing the objectives of the Better Care Fund

Requirement

Local authorities and ICBs must, in their joint HWB plans, show how health and social care services will support improved outcomes against the fund's 2 principal policy objectives:

1. **To support the shift from sickness to prevention** – including timely, proactive and joined-up support for people with more complex health and care needs; use of home adaptations and technology; and support for unpaid carers.
2. **To support people living independently and the shift from hospital to home** – including help prevent avoidable hospital admissions; achieve more timely and effective discharge from acute, community and mental health hospital settings; support people to recover in their own homes (or other usual place of residence); and reduce the proportion of people who need long-term residential or nursing home care.

To demonstrate this Better Care Fund plans should:

- set out a joint system approach for meeting the objectives of the BCF which reflects local learning and national best practice and delivers value for money
- set goals for performance against the 3-headline metrics which align with NHS operational plans and local authority adult social care plans, including intermediate care capacity and demand plans, which should take a therapy-led approach.
- demonstrate a 'Home First' approach and a shift away from avoidable use of long-term residential and nursing home care
- following the consolidation of the previously ring-fenced Discharge Fund, specifically explain why any changes to the use of the funds compared to 2024-25 are expected to enhance urgent and emergency care flow (combined impact of admission avoidance and reducing length of stay and improving discharge)

3. Complying with grant and funding conditions, including maintaining the NHS minimum contribution to adult social care

Requirement

The NHS minimum contribution to adult social care must be met and maintained by the ICB and will be required to increase by at least 3.9% in each HWB area.

Local authorities must comply with the grant conditions of the Local Authority Better Care Grant and of the Disabled Facilities Grant.

HWB plans will also be subject to a minimum expectation of spending on adult social care, which are 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 conditions.

To demonstrate this Better Care Fund plans should:

- set out expenditure against key categories of service provision and the sources of this expenditure from different components of the BCF
- set out how expenditure is in line with funding requirements, including the NHS minimum contribution to adult social care
- place the funding into 1 or more pooled funds under section 75 of the NHS Act 2006 once the plan is approved

4. Complying with oversight and support processes

Requirement

Local areas and HWBs are required to engage with BCF oversight and support processes, which include:

- a regionally led oversight process
- enhanced oversight where there are performance concerns

See sections on [monitoring and reporting and escalation](#) below.

To demonstrate this Better Care Fund plans should:

- confirm that HWBs will engage with the BCF oversight and support process if necessary, including senior officers attending meetings convened by BCF national partners
- demonstrate effective joint system governance is in place to: submit required quarterly reporting, review performance against plan objectives and performance, and change focus and resourcing if necessary to bring delivery back on track

Local priorities and duties

Local partners are best placed to ensure that plans are developed in line with local priorities and ambitions beyond those set out in this national guidance. These include priorities for the use of the Disabled Facilities Grant and to involve unpaid carers.

Local public authorities will also need to ensure that they comply with their wider legal duties when developing and delivering their plans. These include the following duties:

- to have due regard to promoting equality and reducing inequalities, in accordance with the Equality Act 2010 public sector equality duty
- to engage or consult with people affected by the proposals and their carers. For ICBs, this includes their involvement duties under the NHS Act 2006
- for ICBs to have regard to the need to reduce inequalities in access to NHS services and the outcomes achieved by NHS services
- for local authorities and relevant trusts to comply with their duties under part 1 of the Care Act 2014, including their responsibilities towards carers

Health and wellbeing board plan submissions

HWBs will need to submit for assessment:

1. a narrative plan
2. a completed planning template which articulates their goals for the 3-headline metrics in line with the requirements and guidance in the table in [planning expectations section](#) above
3. an intermediate care (including short-term care) capacity and demand plan

Together, these make up a HWB area's submission of its BCF plan.

Plans must be accompanied by **signed confirmation from local authority and ICB chief executives** that they have agreed to their BCF plans, including the goals for performance against headline metrics.

It is recommended that HWB areas publish BCF plans on the local authority and ICB websites. Plans should be published in full, with appropriate redactions, for example, where information is commercially sensitive.

Submissions of plans are due by **31 March 2025 (noon)**.

Narrative plan

Each HWB should submit a narrative plan that sets out:

- the approach to delivering on the objectives of the BCF (national condition 2)
- the approach to joint working and governance, including the joint sign off of plans (national condition 1) and engagement with national oversight and support (national condition 4)

A narrative template has been made available on the Better Care Exchange site and HWB areas can also use their own formats. HWB areas are encouraged to keep plans succinct, reflecting the ambition for a streamlined national sign-off.

Planning template

Each HWB should submit a completed planning template which sets out:

- goals against the BCF headline metrics:
 - (1) emergency admissions to hospital (65+)
 - (2) discharge delays – on a month-by-month basis
 - (3) long-term admissions to residential care homes and nursing homes (65+) – on a quarterly basis
- expenditure from BCF funding sources – using high level categories of spend
- how ICBs will maintain and meet the NHS's minimum contribution to adult social care

Versions with local funding allocations will be sent to HWB areas after user testing – expected to be available soon.

Intermediate care capacity and demand plans

To effectively plan and deliver sufficient and appropriate intermediate care (and other short-term care), including through using BCF funding, HWB areas need to assess demand and capacity for this care in the round. Intermediate care should take a therapy-led approach – with rehabilitation and reablement care overseen by a registered therapist – working in integrated ways across health and social care.

Building on the work in 2024-25, HWBs must therefore agree and submit a plan showing:

- the breakdown of (1) projected demand for both step-up and step-down pathways, and (2) planned capacity, for intermediate care and other short-term care
- a narrative explanation of how these forecasts have been derived and used in wider system planning

Plans should cover intermediate care (and other short-term care) which helps people remain independent at home or their usual place of residence (step-up care) and support their recovery following a stay in hospital (step-down care).

Plans should cover all intermediate care and other short-term care, whether funded by the BCF or from other sources. As with other BCF plans, it is expected that work with acute trusts, the voluntary, community and social enterprise sector and other providers will help inform the development of these plans.

HWB areas can choose whether to use their own plan formats or a national template, which is available on the [Better Care Exchange \(https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.england.nhs.uk%2Fourwork%2Fpart-rel%2Ftransformation-fund%2Fbetter-care-fund%2Fthe-better-care-](https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.england.nhs.uk%2Fourwork%2Fpart-rel%2Ftransformation-fund%2Fbetter-care-fund%2Fthe-better-care-)

[exchange%2F&data=05%7C02%7CRobert.Peaty%40dhsc.gov.uk%7C221e719a4522466df74b08dd07d4dff5%7C61278c309](https://www.england.nhs.uk/publication/better-care-fund-minimum-nhs-contributions-from-integrated-care-boards/)
 HWB areas are encouraged to use the flexibility in the process to tailor capacity and demand plans to local needs and use capacity and demand planning operationally and dynamically throughout the year.

Further information on implementing intermediate care capacity and demand plans is available on the Better Care Exchange.

Funding for 2025-26

The BCF policy framework outlines both local government and NHS funding for 2025-26. Details are available through:

- [BCF NHS minimum spend allocation – available within BCF planning template](https://www.england.nhs.uk/publication/better-care-fund-minimum-nhs-contributions-from-integrated-care-boards/) (<https://www.england.nhs.uk/publication/better-care-fund-minimum-nhs-contributions-from-integrated-care-boards/>)
- [Local Authority Better Care Grant](https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2025-to-2026) (<https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2025-to-2026>)
- [Disabled Facilities Grant \(DFG\) allocations for 2025-26](https://future.nhs.uk/bettercareexchange/view?objectId=233382469) (<https://future.nhs.uk/bettercareexchange/view?objectId=233382469>) (accessed via the Better Care Exchange)

Once a HWB's submission is agreed and approved, the funding must be placed into 1 or more pooled funds under section 75 of the NHS Act 2006. ICBs and local authorities can agree to pool additional funds where they are assured that voluntary pooling provides value for money. These additional contributions are not subject to the conditions of the BCF but should be recorded in the planning template.

Monitoring and reporting

It is expected that local areas have effective governance and processes to monitor progress and identify opportunities for improvement.

Quarterly reporting to national partners will commence from quarter 1 in 2025-26, using a template available to local HWB areas via the Better Care Exchange. These reports will need to be signed off by HWB chairs ahead of submission. Reporting will be streamlined from previous years and include:

- a short narrative on progress against metrics
- spend to date
- where planned expenditure has changed, a summary of important changes and confirmation that these have been agreed by local partners and continue to meet national conditions

A full end-of-year report will also be required to account for spend and this report will also be required to include a comparison with the intermediate care demand and capacity plan.

Local performance data on the 3 headline metrics will be available nationally on a monthly basis (for hospital emergency admissions and discharge delays) or quarterly basis (for long-term admissions to residential care homes and nursing homes) for use by local and national partners.

Better care managers in each of the 7 NHS regions will continue to work with stakeholders and partners to gather and share learning and coordinate support.

Sign-off of health and wellbeing board plans

Better care managers will lead reviews of HWB submissions against the national conditions for each region, with input from other teams in NHS England, other national partners and local government representatives.

Better care managers will support a collaborative and proactive approach developing plans during January, February and March. This will include reaching out to areas that may face the greatest challenges to successful delivery in order to discuss potential issues and provide support as early as possible.

HWBs will be expected to **send a draft headline submission by 3 March 2025** to the national Better Care Fund team and regional better care managers to provide an opportunity for discussion and feedback ahead of formal submission.

The formal review of plans will commence following the final submission of plans on 31 March and will finish in May 2025.

When reviewing plans, better care managers may ask HWB areas for additional information and work with HWB areas to ensure that a plan meets the national conditions. These may be HWB areas where there are greater risks to delivery or plans are less well developed. Some HWB areas that face particular challenges may receive [enhanced support and oversight](#) at the planning and assurance stage.

As in previous years, final approval for the use of the NHS minimum contribution will be obtained from the NHS England Executive team, drawing on regional recommendations.

There are 3 potential outcomes of the review process:

- approved
- approved with local conditions – where a local action plan to meet national conditions is required and has been developed through the assurance process
- not approved – where national conditions are not met, and further work is required on the plan. This will often lead to enhanced support and oversight

Approval letters will set out the conditions for approval.

Enhanced support and oversight

The BCF policy framework sets out a process of enhanced support and oversight for those HWB areas that face particular challenges.

This may apply either during the planning process or during the year should regional or national partners consider that a local area would benefit from targeted support.

The reason for enhanced support and oversight may include, but not be limited to:

- current performance against headline metrics (2024-25) – and therefore risks to performance in 2025-26
- the identification of significant risks through the assurance process
- failure of HWB areas to agree a plan
- not meeting BCF national conditions across the 2025-26 delivery cycle

Applying enhanced support and oversight will be a matter of judgement by national partners, working with regional better care managers, the national BCF team and partners such as the LGA. It will be supported by an expert group that includes NHS and local authority colleagues with expertise in integrated care and system flow, building on the current Discharge Support and Oversight Group (DSOG) but with a wider remit. The elements of enhanced support and oversight may include:

- a diagnostic phase
- expert advice from and ongoing engagement with the expert group
- replanning, including reviewing local priorities and use of funding
- provision of support through the BCF support programme. This is subject to funding for 2025-26 being agreed

Escalation

Following enhanced oversight and support, if a HWB area does not meet a national condition or there is a material risk that they will not do so, national partners may initiate an escalation process.

Escalation would include:

Notification of escalation

Any escalation will result in systems being notified in a formal letter, setting out the reasons for escalation and the required next steps.

Escalation panel will meet with HWB area leaders and system partners

An escalation panel will be convened by the national BCF team. It will be chaired by 1 or more of the national partners (DHSC, MHCLG and NHS England) with a LGA representative and senior representation from HWB areas (HWB chair, accountable officers from the relevant ICB(s) and the chief executive from the local council may be required to attend).

Requirement to improve notice and action plan

The panel may decide to issue a 'requirement to improve notice' and require the HWB area to take particular steps, such as submitting an action plan to address concerns within a given timescale (usually 28 days).

Consideration of further action

If it is found at the escalation meeting that agreement is not possible, or that the concerns are sufficiently serious, or any actions set out in a requirement to improve notice are not carried out to the panel's satisfaction, then intervention options will be considered.

Intervention could include:

- agreement that the escalation panel will work with the local parties to agree a plan that meets national conditions
- appointment of an independent expert to make recommendations on specific issues and support the development of a revised plan that meets the national conditions
- appointment of an advisor to develop a revised plan, where the escalation panel does not have confidence that the area can deliver a plan that meets national conditions
- national partners working with HWB areas on a plan to make specified improvements within a specified period, including where necessary, amending schemes or redirecting resources to schemes that are likely to have greater impact

The escalation process may lead to NHS England exercising its powers of direction under section 223G/223GA/223GB of the NHS Act 2006, in consultation with DHSC and MHCLG, and may lead to government exercising powers under section 31 of the Local Government Act 2003.

Key dates

The timescales for system planning, submission of HWB plans and assurance are set out below:

Date	Publication/key milestone
30 January 2025	Better Care Fund planning requirements published <ul style="list-style-type: none"> • submission guidance, metrics handbook and headline frequently asked questions available on Better Care Exchanges • planning template HWB submission templates available to systems on Better Care Exchange. • HWB areas allocations available on Better Care Exchange
3 February 2025 onwards	Webinar series to support local planning – full details to be shared via BCF bulletin and Better Care Exchange.
Week commencing 27 January 2025	Functional template issued followed functional testing.
February	Proactive and supportive discussions with HWB areas or groups of areas at risk of facing higher challenge to successful delivery.
3 March 2025	Draft headline HWB submissions to be made to regional better care managers for feedback and discussion.
31 March 2025 (noon)	Full HWB submission to be made to the national Better Care Fund team and regional better care managers.

May	Outcome letters to HWB areas.
30 September 2025	Section 75 agreements must be in place across HWB areas.

Legal framework

This guidance reflects the following legal framework.

The Better Care Fund is operated by the Department of Health and Social Care, the Ministry for Housing, Communities and Local Government and NHS England, under section 223GA of the 2006 Act. These planning requirements set out the national conditions that apply to funding that is made available by NHS England to local authorities and ICBs for the BCF and supporting guidance.

Under section 223GA of the 2006 Act, if an ICB does not comply with any of those national conditions then NHS England may:

- withhold payment of the NHS minimum contribution to the relevant ICBs
- recover payment of the NHS minimum contribution from the relevant ICBs, where the funding has already been released
- direct the relevant ICB as to the use of the NHS minimum contribution for purposes related to service integration or making payments towards community services

Further local conditions may be applied in accordance with the escalation process set out above. Breach of any local conditions may also lead to NHS England taking the steps above. This guidance is also an annex to the NHS operational and contracting guidance for 2025-26.

Grants to local government (Local Authority Better Care Grant and Disabled Facilities Grant) will be paid to local government under section 31 of the Local Government Act 2003, with a condition that they are pooled into local Better Care Fund plans. Both the Local Authority Better Care Grant and Disabled Facilities Grant must be spent in accordance with an approved joint BCF plan, developed in keeping with the Better Care Fund policy framework and planning requirements. If a local authority does not comply with any of the conditions set out within the individual grant determinations, then the government may:

- reduce, suspend or withhold grant payments
- by notification in writing to the authority, require the repayment of the whole or any part of the grant

Contact us

For any queries about this publication, please email the [BCF team \(mailto:england.bettercarefundteam@nhs.net\)](mailto:england.bettercarefundteam@nhs.net).

Further information on the Better Care Fund is available on the [NHS England website \(https://www.england.nhs.uk/ourwork/part-rel/transformation-fund/better-care-fund/\)](https://www.england.nhs.uk/ourwork/part-rel/transformation-fund/better-care-fund/).

For more information and regular updates on the Better Care Fund, sign up to our monthly bulletin and the Better Care Exchange by emailing the [Better Care Exchange \(mailto:England.bettercareexchange@nhs.net\)](mailto:England.bettercareexchange@nhs.net).

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