



To: Health and Well-Being Board Chairs
CC:
LA Chief Executives
NHS England Regional Directors,
NHS England Area Team Directors,
CCG Accountable Officers
CCG Clinical Leads

25 July 2014

Dear colleagues,

Revised Better Care Fund guidance and planning

I am writing to you today to provide you with new guidance and templates for revised Better Care Fund (BCF) plans.

Having now been in post three weeks, I am under no illusions about the size of the task ahead for all of us in making both the BCF and Integrated Care a reality. This is one of the most ambitious programmes in the history of the NHS and Local Government. And it is of critical importance. In order to improve the lives of those we work for and serve - whether we are in a local authority, the NHS, a social care provider or another organisation - it is critical that we come together and work as one in order to place people and their well-being at the centre of all that we do. I recognise the amount of work that many of you have already undertaken to make this happen. We now need to take the next step, and ensure this ambitious vision is built on a solid foundation.

As you will already be aware, there have been some changes to the policy framework underpinning the BCF. This letter highlights the key policy changes to the BCF, and confirms the process for revising and resubmitting BCF plans in light of the recent changes. It should be read in conjunction with the following attached documents:

1. Revised BCF planning guidance
2. Revised technical guidance
3. Two revised planning templates (an excel template; and a word template, both of which need completing)

What has changed?

The revised BCF planning guidance and technical guidance documents set out what has changed in more detail. In summary, the previous £1bn Payment for Performance framework has been revised so that the proportion of the £1bn that is now linked to performance is dependent solely on an area's scale of ambition in setting a planned level of reduction in total emergency admissions (i.e. general and acute non-elective activity). The national planning assumption is that this will be in the region of a 3.5% reduction against the baseline detailed in the technical guidance. If this is achieved, it would equate to a national payment for performance pool of c.£300m. The remaining c.£700m would be available up front in 2015/16 to be invested in NHS commissioned out-of-hospital services. The detail of this will be subject to local agreement, as set out in the planning guidance.

In acknowledgement of the additional work that may be required in some areas to revise and develop their plans, an extended planning timetable has been agreed, with plans to be resubmitted by midday on 19 September.

Previously submitted plans

A number of strong plans were submitted in April. These contained many excellent examples of innovative, integrated care. However, there were also some aspects in many plans that require further development: more evidence of sufficient provider engagement and agreement on the impact of plans; greater clarity around the alignment of the BCF plan to wider plans and policies, such as how BCF schemes will align with and work alongside primary care; and more evidence of robust finance and activity analytical modelling underpinning plans.

To encourage greater provider engagement, a crucial change to the revised BCF planning process is a requirement for projected non-elective activity data to be shared with local acute providers. In response these providers will need to submit their commentary in response to those figures to confirm the extent to which they agree with the projections, and set out that those assumptions are built into their own two year plans.

Support for strengthening plans

Support for Councils and CCGs will be available over the summer period ahead of the resubmission deadline of 19 September. This will be two-tiered: general support that will be available to all; and more bespoke support for areas that require further assistance. Please discuss what you believe your support needs are with your Area Team and Local Government region, who will be working with the central programme team to coordinate support.

The revised planning guidance sets out what 'good' looks like. A small number of worked examples of plans will also be made available, which may be useful reference tools in developing your own plan.

Assurance of plans

Area Teams and Local Government regional leads will be working closely with HWBs during the summer to ensure areas get the support they need to strengthen their plans. They will provide regular updates to the central team (at the checkpoints set out in the accompanying planning guidance) on progress locally during this period so that we can offer support if needed.

Once plans have been submitted, there will be an intensive two-week desktop review of plans, focused on:

1. Overall review of narrative of plan
2. Analytical review of data, trends and targets
3. Financial review of calculations and financial projections

The combination of the feedback from Area Team and Local Government regional peers, and the outcome of the desktop review, will form the basis of the assurance process ahead of plans being recommended to Simon Stevens, Sir Bob Kerslake and Ministers for sign-off.

Section 256 Payments

We have received a number of enquiries about the final portion of this year's section 256 payment. I am delighted to tell you that this will be released in the next few weeks to all those areas that submitted BCF plans in April. Further information about this will be sent out shortly.

I am aware the need for revised BCF plans will mean more work for areas in further developing plans to be resubmitted. But I believe that we need to grasp the opportunity that the BCF affords us; and that further development of the plans is necessary to do so. I am very grateful for your patience as we develop this challenging and ambitious programme and I look forward to working with you all in the coming months.

If you have any queries, please discuss with your Area Team and Local Government regional contacts. Alternatively, please email bettercarefund@dh.gsi.gov.uk. I would be grateful if you could cascade and share the guidance with colleagues in local Government, local NHS and others as necessary.

Yours sincerely,

Andrew Ridley
Better Care Fund Programme Director