From: Georgia Foster, Cabinet Member for Adult Social Care

Helen Woodland, Corporate Director Adult Social Care and Health

To: **Kent Health and Wellbeing Board** - 30 September 2026

Subject: Better Care Fund

Classification: Unrestricted

Past Pathway of Paper: None

Future Pathway of Paper: None

Electoral Division: All

Summary:

The Better Care Fund (BCF) is a national programme that brings together NHS and local authority funding to support the integration of health and social care. This report provides an update on the new national requirements, the current position in Kent and the proposed governance arrangements for strengthening oversight of BCF expenditure, performance, risk and delivery. It also outlines the work that will be undertaken during 2026/27 to review existing schemes and develop the BCF plan for 2027/28.

Introduction

The Better Care Fund is a national programme in England that brings together NHS and local authority funding through pooled budgets to support the integration of health and social care.

The BCF comprises contributions from local government and integrated care boards, determined through national funding arrangements. Funding is allocated across a range of locally agreed schemes, which must support the BCF national conditions and contribute demonstrably to improved outcomes, integration, productivity and value for money.

BCF plans and expenditure must be developed and agreed jointly by the relevant local authority and integrated care board and approved by the Health and Wellbeing Board.

The BCF has historically supported prevention, hospital discharge and wider system stability. For 2026/27, there is an increased emphasis on integrated neighbourhood health and care, preventing avoidable hospital and long-term care home admissions, reducing discharge delays, and helping people regain and maintain their independence.

Current arrangements in Kent

BCF funding in Kent is held in a pooled budget hosted by Kent County Council (KCC) under a Section 75 Partnership Agreement with NHS Kent and Medway Integrated Care Board (ICB). Each BCF-funded scheme has a designated lead organisation, either KCC or the ICB, which is responsible for managing its delivery, performance and expenditure against the agreed allocation.

The Kent BCF pooled budget for 2026/27 totals £238,857,022. This comprises funding of £153,117,150 from NHS Kent and Medway ICB of which £51,492,794 is dedicated to Adult Social Care.

The funding supports a range of health, social care, housing, voluntary and community sector services. These include prevention, intermediate care and reablement, hospital discharge, support for carers, assistive technology and equipment, housing adaptations, and services that enable people to remain independent at home.

All funding within the current BCF plan is committed to existing services. There is no additional or uncommitted funding available; consequently, any changes to the plan would require existing allocations to be reprioritised or redistributed.

The 2026/27 BCF assurance return was jointly agreed by KCC and NHS Kent and Medway ICB and submitted to the National BCF Team on 19th May 2026. The return was subsequently approved on 29th June 2026.

Historically, BCF planning and approval have progressed through separate KCC and ICB governance processes. Reporting deadlines have not always aligned with scheduled meetings of the Health and Wellbeing Board. Where necessary, time-critical plans have therefore been approved by the Chair under the relevant delegated arrangements.

The repurposed Health and Wellbeing Board provides an opportunity to strengthen collective oversight, improve alignment between partners and establish a more consistent approach to BCF planning, performance and assurance.

Changes to the Better Care Fund for 2026/27

Following publication of the 10 Year Health Plan for England, the Government is reforming the BCF to create a more consistent and effective approach to funding services that need to be planned and delivered jointly.

The 2026/27 framework represents the first stage of this reform. It requires ICBs and local authorities to plan, agree and assure BCF expenditure jointly, working with local partners and continuing to secure approval through Health and Wellbeing Boards.

BCF plans are expected to align more closely with the development of neighbourhood health and care services and with wider local commissioning strategies. This includes strengthening the contribution of intermediate care, reablement and community-based services to preventing avoidable admissions, supporting timely hospital discharge and enabling people to remain independent.

The framework also places greater emphasis on demonstrating the impact of BCF-funded services, improving productivity and securing value for money. Local systems must be able to explain how individual schemes contribute to the agreed objectives and outcomes of the fund.

For 2026/27, local authorities and ICBs are required to agree specific local goals for reducing non-elective hospital admissions among people aged 65 and over and reducing hospital discharge delays. They must also monitor and drive improvement in reablement outcomes and the prevention of avoidable long-term residential and nursing care admissions.

National funding conditions

The 2026/27 BCF framework establishes three national funding conditions.

Integrated and preventative care

KCC and NHS Kent and Medway ICB must maintain a jointly agreed plan that demonstrates how BCF funding supports more integrated and preventative care. The plan must align with relevant neighbourhood health and social care services and explain the contribution made by BCF-funded schemes to intermediate care, prevention, hospital discharge and independence.

Expenditure and grant conditions

KCC and NHS Kent and Medway ICB must comply with the applicable national grant and funding conditions and deliver expenditure in accordance with the approved assurance return. The ICB must maintain the required NHS minimum contribution to adult social care, and the designated NHS and local government contributions must be placed in one or more pooled funds under Section 75 of the NHS Act 2006.

Governance, reporting and engagement

KCC and NHS Kent and Medway ICB must maintain effective joint governance for the BCF. This must include oversight of expenditure, delivery, performance, impact, productivity and value for money, together with action to address areas that are not delivering as planned.

The Council, ICB and Health and Wellbeing Board must also engage with national and regional BCF assurance, reporting, oversight and support arrangements.

Implications for Kent

The new framework requires Kent to demonstrate more clearly how BCF-funded activity contributes to national conditions, local priorities and agreed outcomes. It will no longer be sufficient to rely solely on the historic purpose of a scheme; there must be evidence of its current impact, strategic alignment and value for money.

During 2026/27, KCC and NHS Kent and Medway ICB will undertake a joint review of existing BCF-funded schemes. The review will identify schemes that are delivering demonstrable benefits and consider where further information, improvement or change may be required.

The review will consider each scheme’s contribution to BCF outcomes, measurable impact, financial and operational performance, productivity, value for money and alignment with neighbourhood health and care. It will also consider relevant contractual commitments and the potential effect of any change on service continuity, residents and system partners.

As all current funding is committed, any proposed changes will require the reprioritisation or redistribution of existing resources. Proposals will therefore be considered jointly through the new governance arrangements before being presented through the appropriate KCC, ICB and Health and Wellbeing Board approval routes.

Performance and outcomes

Kent's BCF performance framework will cover the national outcome measures relating to non-elective admissions, hospital discharge, long-term care admissions and reablement.

- Reduce non-elective hospital admissions for people aged 65+.
- Improve discharge performance and reduce delays from hospital.
- Reduce long-term admissions of people aged 65+ into residential and nursing care.
- Improve reablement outcomes, specifically the proportion of people aged 65+ discharged into reablement who remain living independently in the community 12 weeks later

Performance information will be considered alongside delivery and financial information so that the impact and value for money of individual schemes can be assessed. Where performance is not on track, the relevant lead organisation will be required to identify the reasons and present appropriate recovery or improvement action.

Proposed joint governance

Subject to the approval of the revised Section 75 Partnership Agreement (Key Decision **26/00059**) through KCC and ICB governance processes, it is proposed that a new Section 75 Partnership Board will provide joint strategic oversight of the Kent BCF. The Partnership Board will oversee the use of the pooled fund, monitor delivery against the approved plan and consider performance, financial position, risk, impact, productivity and value for money.

A supporting BCF Programme Board will undertake more detailed oversight of individual schemes, coordinate performance and financial reporting, monitor delivery and ensure that issues requiring strategic consideration are escalated to the Partnership Board.

The Health and Wellbeing Board will retain strategic oversight of the BCF. It will receive quarterly reports on performance, finance, delivery and risk and will be asked to approve the annual report and future BCF plans before submission through the relevant national assurance process.

The Section 75 Partnership Board will operate as a joint KCC–ICB body. It will report through the relevant governance arrangements of both organisations, with material issues and proposed changes to expenditure escalated to the appropriate decision-making body.

National and regional oversight

Regional BCF leads will oversee and support local areas through reporting arrangements determined at regional level. Further detail about the frequency and format of regional reporting will be incorporated into Kent's governance and reporting arrangements once confirmed.

The National BCF Team and regional BCF leads may seek assurance or initiate escalation where national conditions have not been met or where there is a material risk to performance or delivery.

The national assurance return for 2026/27 was required in May 2026. Kent will also participate in subsequent regional monitoring and complete any further national reporting required during or at the end of the financial year.

Risks

Failure to comply with the national funding conditions could result in additional regional or national scrutiny, conditions being placed on the use of funding, or escalation through the national BCF arrangements. This risk will be mitigated through the revised Section 75 Partnership Agreement, strengthened joint governance and regular monitoring of compliance.

Performance against the national outcome measures may be affected by wider pressures across the health and care system, including levels of hospital demand, workforce capacity, provider sustainability and the availability of suitable community-based provision. Joint performance monitoring will enable emerging issues to be identified and appropriate improvement action to be agreed.

There is also a risk that some historic schemes may not be able to demonstrate clearly their current contribution to BCF objectives or value for money. The joint scheme review will provide a consistent evidence base for future commissioning and funding decisions.

As all BCF funding is committed, reprioritisation could affect established services, contractual arrangements and system capacity. Any proposed change will therefore require an assessment of financial, legal, operational and equality implications, together with the potential impact on residents and partner organisations.

Financial implications

The Kent BCF pooled budget for 2026/27 totals £238,857,022, all of which is committed to existing schemes. No additional or uncommitted funding is currently available.

The proposed governance arrangements do not in themselves create additional BCF funding. Any future changes to scheme allocations will require existing resources to be reprioritised and will be subject to the relevant financial, legal and governance approvals.

The new arrangements will strengthen oversight of expenditure, financial performance, productivity and value for money. They will also provide a joint process for considering financial pressures, forecast variations and proposals to redistribute resources.

Legal implications

The BCF pooled fund is governed through a Partnership Agreement made under Section 75 of the NHS Act 2006. The agreement is being revised to reflect the proposed joint governance arrangements and the requirements of the 2026/27 national framework.

Future reporting to the Health and Wellbeing Board

The Section 75 Partnership Board will provide quarterly reports to the Health and Wellbeing Board. These will cover performance against agreed outcomes, expenditure and forecast position, delivery, risk, value for money and any corrective action required.

BCF leads will also update the Board on material national and regional developments and their implications for Kent.

An annual BCF report will be presented to the Health and Wellbeing Board for approval before any required submission to the National BCF Team. The 2027/28 BCF plan will be

developed jointly through the new governance arrangements and presented to the Board for approval.

Recommendation

The Health and Wellbeing Board is asked to:

1. Note the changes to the Better Care Fund national policy and planning requirements for 2026/27 and their implications for Kent.

2. Note the submission of Kent's 2026/27 BCF assurance return

3. Note the proposed joint governance arrangements to be established through the revised Section 75 Agreement

4. Note that quarterly Better Care Fund reports will be provided to the Board through the proposed governance structure, with material issues escalated to the Health and Wellbeing Board where appropriate.

5. Note that future Better Care Fund plans and annual reports will be presented to the Health and Wellbeing Board for approval in accordance with national Better Care Fund requirements

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