



CABINET

Subject Heading:

Approval to enter into a s75 Agreement with the NHS North East London ICB to govern the delivery of the Better Care Fund 2026-2027

Cabinet Member:

Councillor Graham Day, Cabinet Member for Adults and Health

ELT Lead:

Barbara Nicholls, Strategic Director of People

Report Author and contact details:

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Policy context:

The Better Care Fund (BCF) programme supports local systems to successfully deliver the integration of health and social care in a way that supports person-centred care, sustainability and better outcomes for people and carers.

Financial summary:

The Better Care Fund will provide £40,925,371 to be spent on Health and Social Care in 2026 – 2027.

2026-2027	
Disabled Facilities Grant	£2,643,774
NHS Minimum Contribution	£28,988,264
Local Authority Better Care Grant	£8,419,703
Additional LA contribution	£873,730
Additional NHS contribution	£0
Total	£40,925,371

Is this a Key Decision?

(a) Expenditure or saving (including anticipated income) of £500,000 or more

(c) Significant effect on two or more Wards

When should this matter be reviewed? 31st March 2027

Reviewing OSC: People's Overview and Scrutiny Sub Committee

The subject matter of this report deals with the following Council Objectives

People - Supporting our residents to stay safe and well **X**
Place - A great place to live, work and enjoy
Resources - Enabling a resident-focused and resilient Council

SUMMARY

This report seeks approval to enter into a s75 Agreement with the NHS North East London ICB to govern the delivery of the Better Care Fund 2026-2027.

The oversight for this in Havering will be the Health and Wellbeing Board, with delegated authority to the Cabinet Member for Adults and Health and the Strategic Director of People, to undertake monitoring and scrutiny of the operation of the arrangements.

RECOMMENDATIONS

That Cabinet:

1. Agree to enter into a section 75 agreement with NHS North East London ICB, on the terms and conditions outlined in this report, to govern the delivery of the approved Better Care Fund Plan for Havering for the period 2026/2027.
2. Delegate authority to approve the final terms of the proposed section 75 agreement to the Cabinet Member for Adults and Health and the Strategic Director of People.
3. Delegate the function of monitoring the implementation and operation of the Better Care Fund and s75 Agreement to the Cabinet Member for Adults and Health.
4. Delegate authority for all necessary decisions with respect to the implementation and operation of all matters relating to the Better Care Fund and section 75 agreement to the Strategic Director of People.

REPORT DETAIL

This report seeks approval to enter into a s75 Agreement with the NHS North East London ICB to govern the delivery of the Better Care Fund 2026-2027.

Introduction

The Better Care Fund (BCF) is a program established by the UK government to promote the integration of health and social care services. It aims to provide better coordinated and more person-centered care by pooling resources from the National Health Service (NHS) and local government budgets. The initiative is designed to address the challenges posed by an aging population and increasing demand for health and social care services.

Goals of the Better Care Fund

The primary goals of the Better Care Fund are:

- **Alignment with Neighbourhood Health Services:** Integrating BCF-funded services with wider, community-based, and preventative health and care teams.
- **Shift from Sickness to Prevention:** Supporting people to remain independent for longer, preventing the escalation of care needs.
- **Hospital to Home (Discharge):** Improving timely and effective discharge from hospital settings, ensuring people can recover in their own homes.
- **Increased Integration:** Improving joint commissioning of integrated neighbourhood teams and community services.
- **Support for Unpaid Carers:** Ensuring continued support for carers.

Benefits for Residents

The Better Care Fund offers several benefits for residents, including:

- **Coordinated Care:** Residents receive more coordinated care, reducing the need for multiple assessments and ensuring that all their healthcare and social care needs are addressed holistically.
- **Improved Access:** Residents have better access to a range of services, including preventive care, community support, and rehabilitation services, leading to improved health outcomes.
- **Enhanced Resident Experience:** By providing more personalized and integrated care, patients experience a higher quality of service and greater satisfaction with their care.
- **Support for Independent Living:** Residents are supported to live independently in their homes, reducing the need for long-term institutional care.

Benefits for Healthcare Providers

Healthcare providers also benefit from the Better Care Fund in several ways:

- **Resource Optimisation:** By pooling resources and working collaboratively, healthcare providers can optimize the use of available resources and reduce duplication of services.

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- Improved Communication: Enhanced communication and information sharing between health and social care providers leads to better decision-making and more effective care planning.
- Reduced Pressure on Hospitals: By providing better support in the community, the pressure on hospitals is reduced, allowing them to focus on acute and specialist care.
- Professional Development: Health and social care professionals have the opportunity to develop new skills and knowledge through integrated working practices.

Delivering BCF Key Objectives for 2026-27

Objective 1: Delivering Integrated and Preventative Care

Havering will implement plans to:

- Create an environment that supports healthy, independent living, enabling residents to access preventative care early and stay well for longer.
- Organise care around individual needs, with a single point of access and integrated pathways across agencies.
- Use data and shared intelligence to target resources where they have the greatest impact (population health, JSNA-driven priorities).
- Remove organisational barriers, promoting seamless care between health, social care, housing, and wider services.
- Implement a new model of care tailored to rising demand, demographic pressures, and financial constraints.

Objective 2: Compliance with BCF Expenditure & Grant Requirements

Havering will implement plans to:

- Formal pooled funding arrangements between the London Borough of Havering and NHS North East London ICB under Section 75 of the National Health Service Act 2006 will continue to underpin delivery.
- Havering commits to ensuring funding is aligned with strategic priorities, supports intermediate care capacity, and protects social care services that support hospital flow.
- A clear set of BCF schemes has been defined for 2026, each linked to BCF national objectives and local system priorities.

Objective 3: Effective Joint Governance, Reporting & Oversight

Havering will implement plans for:

- Clear joint governance between the Council, ICB, and Health & Wellbeing Board, ensuring transparency, shared accountability, and monitoring of outcomes.
- Routine review of expenditure, performance, and value for money, drawing on best practice and benchmarking to guide improvements.
- Governance arrangements support continuous improvement, ensuring schemes adapt in-year and over time based on learning and performance.

Metrics for 2026-2027

Havering will set goals against four headline metrics:

- Non elective admissions to hospital for people aged 65 and over per 100,000 population
- Average length of discharge delay for all acute adult patients derived from:

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- Proportion of adult patients discharged from acute hospitals on their Discharge Ready Date (DRD)
- For those not discharged on their DRD, the average number of days from DRD to discharge
- Long-term admissions to residential and nursing care homes for people over 65 per 100,000 population
- The proportion of people aged 65 and over who were discharged from hospital into reablement and who remained in the community in the 12 weeks following discharge

Havering will prepare plans showing projected demand and planned capacity for intermediate care services to support independence and avoid unnecessary hospital admissions.

Delivery via Section 75 Agreement

The Better Care Fund is delivered through various mechanisms, including Section 75 agreements, which allow NHS bodies and local authorities to pool budgets and integrate services. In Havering, the BCF is implemented via a Section 75 agreement with NHS North East London ICB.

Key Features of the Section 75 Agreement:

- Pooled Budgets: Resources from the NHS and local authority are combined to create a single budget for health and social care services.
- Joint Commissioning: Health and social care services are jointly commissioned to ensure that they meet the needs of the local population effectively.
- Integrated Service Delivery: Services are delivered in a more coordinated and integrated manner, providing a seamless experience for patients.
- Shared Governance: Governance structures are established to oversee the implementation and management of the integrated services, ensuring accountability and transparency.

Impact of the Section 75 Agreement:

- Enhanced Collaboration: Health and social care organizations work more closely together, fostering a culture of collaboration and shared responsibility.
- Improved Outcomes: The integrated approach leads to better health and social care outcomes for the local population.
- Efficient Service Delivery: Services are delivered more efficiently, reducing costs and improving value for money.
- Community Engagement: The partnership engages with the local community to ensure that services are responsive to their needs and preferences.

The Care Act 2014

The BCF underpins the implementation of the Care Act 2014, from a health integration perspective. A BCF national condition is the protection of social care services. The schemes will help support Care Act principles, as services are developed to be more personalised and person centred across the whole system.

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Section 121 of the Care Act 2014 (Integration of care and support with health services: integration fund) provides for section 75 agreement with regard to expenditure on integration.

Funding Overview

BCF funding consists of mandatory contributions from integrated care boards (ICBs) and local authorities. Local areas can also voluntarily pool additional funding if it represents value for money.

Minimum Contributions

The minimum contributions to the BCF nationally for 2026 to 2027 are as follows:

- Minimum NHS Contribution: £5,791 million
- Local Authority Better Care Fund Grant: £2,640 million
- Disabled Facilities Grant: £723 million

Hospital Discharge Fund

NHS England has made available a hospital discharge fund to support integrated care boards (ICBs) to reduce risk and increase patient safety for patients in hospital beds and those waiting to access them. The previously ring-fenced discharge fund is now consolidated within the BCF, with a focus on reducing discharge delays. The ICB discharge funding is part of the NHS minimum contribution, while local authority discharge funding is included in the Local Authority Better Care Grant.

NHS Minimum Contribution

The NHS minimum contributions to adult social care from the total national amount will increase by 4.4% compared to 2025 to 2026.

Local Authority Better Care Grant

The Local Authority Better Care Grant must be pooled into a section 75 arrangement under the NHS Act 2006 and used according to BCF plans, without offsetting the NHS minimum contribution to adult social care.

Disabled Facilities Grant

The Disabled Facilities Grant supports housing adaptations to help people stay well and independent. The government plans to review and update the allocations formula and the grant maximum per application is currently £30,000.

Haverling Allocation

The 2026 to 2027 Local Authority Better Care Grant, NHS minimum contribution and Discharge Funding for Haverling are as follows:

2026-2027	
Disabled Facilities Grant	£2,643,774
NHS Minimum Contribution	£28,988,164
Local Authority Better Care Grant	£8,419,703
Additional LA contribution	£873,730
Additional NHS contribution	£0
Total	£40,925,371

Conclusion

The Better Care Fund is a pivotal initiative aimed at transforming health and social care services in the UK. By promoting integration and collaboration, it enhances the quality of care, improves patient outcomes, and supports independent living. The implementation of the BCF through a Section 75 agreement exemplifies how local authorities and NHS bodies can work together to create a more effective and efficient care system for the benefit of all.

REASONS AND OPTIONS

Reasons for the decision:

There is a statutory requirement for the BCF funds to be managed via pooled funding arrangements.

Other options considered:

The option of not entering into an agreement would only be feasible if we were not signing up to BCF principles and delivery, which is not a desirable option.

IMPLICATIONS AND RISKS

Financial implications and risks:

The recommendations made in this report do not give rise to any identifiable Financial implications or risks.

Legal implications and risks:

Under Schedule 3 of the Care Act 2014, where it is not considered safe to discharge a hospital patient, without arrangements for meeting the patient's needs for care and support being in place, the NHS body must give the Local Authority (where the patient is ordinarily resident) an assessment notice.

The local authority must then carry out an assessment of the patient's need and, where applicable, the carer's need, with a view to identifying the care and support that is necessary for them to be safely discharged. Adults Social Care and Health therefore seek approval to enter a section 75 agreement to meet such statutory duties.

Under section 75 of the National Health Service Act 2006, local authorities and NHS bodies are enabled to enter into integrated partnership arrangements in relation to the exercise of certain functions of local authorities and the NHS. Section 75 agreements aim to provide a more streamlined service and to pool resources, if such arrangements are likely to lead to an improvement in the way their functions are exercised. It is pursuant to these powers that the section 75 Agreement detailed in this Report is proposed.

Human Resources implications and risks:

The recommendations made in this report do not give rise to any identifiable Human Resources implications or risks.

Equalities implications and risks:

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Havering has a diverse community made up of many different groups and individuals. The council values diversity and believes it essential to understand and include the different contributions, perspectives and experience that people from different backgrounds bring.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the council, when exercising its functions, to have due regard to:

- I. the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- II. the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- III. Foster good relations between those who have protected characteristics and those who do not.

Note: 'protected characteristics' are: age, gender, race and disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

This decision is to ensure that the Council has a section 75 agreement in place to deliver the Better Care Fund.

All identified opportunities for integrated delivery of care and effective integrated commissioning in Havering will be informed by the local population needs identified in the needs assessments and the priorities for health improvement and wellbeing set out in the Health and Well-Being Strategy.

The programme of integration initiatives will enable partner organisations to identify more effective ways of meeting future demographic challenges in the delivery of health and social care services across Havering, such as the significant and growing proportion of older people in the borough and increasing ethnic minority population.

Health and Wellbeing implications and Risks

The recommendations made in this report do not give rise to any identifiable Health and Wellbeing risks. Nonetheless the delivery of the BCF will improve the health and wellbeing outcomes of the population through the improving integrated care and care pathway.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

The recommendations made in this report do not give rise to any identifiable environmental implications or risks.

BACKGROUND PAPERS

None