

Supplementary funding to the improved Better Care Fund

1. At the 2017-18 Budget announcement a total of £2.021 was announced as supplementary funding to the improved Better Care Fund (iBCF). This is to be distributed as £1.01 billion in 2017-18, £674 million in 2018-19 and £337 million in 2019-20.
2. Recognising that all local authorities face pressure on the provision of adult social care, in each year 10% of the total supplementary funding is allocated by the Relative Needs Formula used for the 2017-18 Adult Social Care Support Grant (“the RNF methodology”).
3. In each year the remaining 90% of the supplementary funding is added to the existing iBCF funding and the total allocated using the iBCF methodology. Namely:
 - i. It is assumed that all local authorities use the full ASC precept flexibility in all years as was calculated in December 2015 and published with the Local Government Finance Settlement 2016-17, which was 2% in all years.
 - ii. The sum of the England total of this calculation of potential ASC precept and the England total of additional funding (iBCF funding and supplementary iBCF funding) is considered for the distribution of the improved Better Care Fund. The sum of these two elements (social care precept and total iBCF funding) is notionally distributed across local authorities so that the combined amount follows the adult social care RNF.
 - iii. The first stage of calculating the iBCF allocation is the amount by which this RNF share of total available resources exceeds a local authority’s potential receipts from the ASC precept.
 - iv. A minority of local authorities¹ are already able to raise an amount of ASC precept exceeding their hypothetical RNF allocation of the total funding available for adult social care calculated in (ii). This would lead to a negative figure in (iii). These local authorities receive no share of the iBCF distribution of the additional funding.
 - v. To reflect this change in the total resources available, the figures calculated in (iii) are scaled down for the remainder of the local authorities.
4. As an exemplification for 2017-18:
 - vi. The supplementary funding to the iBCF is £1.01 billion.
 - vii. Each local authority will receive their share of 10% of this distributed by RNF.
 - viii. The total iBCF for 2017-18 was £105 million. 90% of the supplementary funding (£909 million) is added to this £105 million for a total of £1.014 billion. This amount is distributed using the iBCF methodology.

¹ One in 2017-18 and 2018-19 (Wokingham) and two in 2019-20 (Wokingham and Richmond upon Thames).

- ix. Each local authority therefore receives the sum of their figures calculated in (vii) and (viii).