


<p style="text-align: center;"><b>Health and Wellbeing Board</b> 6<sup>th</sup> February 2014</p>	 <p style="text-align: right;">Tower Hamlets <b>Health and Wellbeing Board</b></p>
<p><b>Report of the London Borough of Tower Hamlets</b></p>	<p><b>Classification:</b> Unrestricted</p>
<p><b>AHWB -Section 256 Funding 2013-14</b></p>	

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## EXECUTIVE SUMMARY

- 1.1 The National Health Service (NHS) Operating Framework and the Local Authority (LA) Grant Settlements in 2011/12 and 2012/13 included funding transfers to be made from the NHS to LAs to support social care. Funding is generally made available under the three funding streams of Social Care, Reablement and Winter Pressures and is transferred from the NHS to LAs under Section 256 of the *National Health Service Act 2006*.
- 1.2 In previous years, the Department of Health (DH) transferred this funding to LA's through local Primary Care Trusts. The funding conditions require that it should be spent on agreed social care priorities that also result in health care benefits.
- 1.3 Earlier this year the Government announced the allocations for 2013/14 and it has been confirmed that Tower Hamlets will receive £5.243m through the social care element. Specific allocations for Reablement and Winter Pressures are in the process of being finalised.
- 1.4 New directions issues by DH state that this year the transfer of funding from the NHS to local authorities is the responsibility of NHS England and spending plans need to be agreed locally with Clinical Commissioning Groups (CCGs) and the area team of NHS England. Local Health and Well-Being Boards (HWB) are expected to approve local proposals for funding, which is a pre-condition to NHS England signing a funding agreement.
- 1.5 This report outlines the funding available to London Borough of Tower Hamlets (LBTH) in 2013/14 and the proposals that have been agreed with the local CCG on how this should be spent by the local authority to support local health outcomes.

## RECOMMENDATIONS

The Health and Wellbeing Board is Recommended to:

2.1 Note the requirements of the transfer from NHS England to LBTH.

2.2 Approve spending plans for the 2013/14 allocation as agreed between Tower Hamlets CCG and London Borough of Tower Hamlets, as detailed in Appendix 1.

## **1. REASONS FOR THE DECISIONS**

1.1 Spending plans will need to be submitted to NHS England and a 'Memorandum of Agreement' to secure drawdown of funding will need to be put in place.

1.2 The plans for 2013/14 have had to be progressed on the basis of agreements between the Authority and the CCG, so the Health and Wellbeing Board agreement formalises approval for the overall plan.

1.3 A formal plan allows a report monitoring progress to be produced for the Health and Wellbeing Board Quarterly.

## **2. ALTERNATIVE OPTIONS**

2.1 Not to agree the plan and to ask for it to be resubmitted.

## **3. DETAILS OF REPORT**

### Introduction

3.1 The Governments Comprehensive Spending Review in 2010 announced a number of new funding streams which were designed to support social care activities which also have a health service benefit.

3.2 This report outlines the funding available to LBTH in 2013/14 and the proposals that have been agreed with the local CCG on how this should be spent by the local authority to support local health outcomes.

3.3 It is worth noting that up to now there has not been any restriction on unspent funds being carried forward from one financial year to the next. Therefore the spending plans include some lines that are badged as "three year programmes" on the basis that the total funding allocations have been packaged together from carried forward underspends from previous financial years and the 2013/14 allocation to commit to programmes over a three year period to maximise benefit for the health and social care economy over a longer period.

## **SECTION 256 ALLOCATIONS - 2013/14**

### Allocation

- 3.4 On 19 December 2012 the government announced total 2013/14 funding allocations for social care (£859m), winter pressures (£25m) and reablement (£300m). The winter pressures and reablement elements have now been incorporated into CCG base budgets and we are still awaiting confirmation from the CCG with regards how much LBTH is likely to receive. The social care element has been passed to NHS England, previously known as the NHS Commissioning Board, and LBTH has been allocated £5.243m from the national allocation.

**Table 1: 2013/14 Allocations**

	Social Care £M	Reablement £M	Winter Pressures £M	Total £M
Allocation 2013/14	5.243	TBC	TBC	5.243
<b>Planned expenditure</b>	<b>(5,243)</b>	<b>TBC</b>	<b>TBC</b>	<b>(5,243)</b>

### Spending Plan Agreed

- 3.5 On the 17th June 2013, following discussions, a spending plan was agreed with the CCG and these are detailed in **Appendix 1**. It was agreed that a proportion of this new allocation would continue to fund commitments already made using previous funding received and these commitments include the support for effective learning disability transitions, the three year contract for the new autism service, additional funding to increase use of assistive technology, managing demand from demographic pressures and austerity as well as continued support for integration projects.
- 3.6 There are also a number of new projects agreed and these are mainly designed to increase social work capacity to speed up annual reviews and continue to ensure clients are receiving appropriate support, improve response times, maintain a high level service to a growing number of clients as well as ensure an effective brokerage service and support for clients receiving direct payments.
- 3.7 In the main, the funding is being used to fund short term projects designed to meet the conditions of the grant detailed below. This is in order to minimise the impact on council budgets should the funding cease. However, at least £1.4m of the funding has been earmarked for 'managing growth and demand'. This effectively contributes towards the cost of care packages and should funding cease will create a growth pressure on council budgets that will need to be funded.
- 3.8 The process for governing the use of this funding is regulated through various Directions, Conditions and Guidance issued by NHS England and these are explained below.

### Directions

- 3.9 The Directions governing the payment of section 256 funding (*Department of Health Guidance on Funding Transfer*) state that the payments must be made: (A) in respect of functions or activity which would have a beneficial effect on:

- (i) the health of any individuals; or
  - (ii) the exercise of functions, or the provision of health services, as part of the health service in England.
- (B) in order to support new or existing services or programmes to transform such services only if the services or programmes:
- (i) are, or would be, of benefit to the wider health and care system in the area of the local authority;
  - (ii) provide, or would provide, beneficial outcomes for persons using the services in question; and
  - (iii) in the case of existing services or programmes, would be terminated or reduced as a result of financial considerations by the local authority, if the payment was not made.
- 3.10 In making payments in accordance with these Directions, the NHS England is to have regard to the commitment in the White Paper "*Caring for our Future; reforming care and support*" published July 2012 to the effect that payments under section 256 may be used to cover the revenue costs to local authorities in the relevant financial year of the commitments in that White Paper.
- 3.11 Beyond the directions, the DoH wants to allow flexibility for local areas to determine how this investment in adult social care services is best used. In line with their responsibilities under the *Health and Social Care Act 2012*, NHS England is required to ensure that LAs, NHS England, and the local CCG have regard to the Joint Strategic Needs Assessment (JSNA) for their local population, and existing commissioning plans for both health and social care, in how the funding is used.
- 3.12 Further, each LA must be able to demonstrate to the NHS England how the payments will improve services provided in the exercise of social care functions and the outcomes that are expected to be achieved for the users of those services.
- 3.13 Finally, for the purpose of ensuring that the conditions specified in the Directions are met, NHS England must make arrangements for each LA to provide it with information as to how the payments made in accordance with these Directions are being used by that LA.

### Conditions

- 3.14 The grant conditions (*The NCB (Conditions Relating to Payments by NHS Bodies to LAs) Directions 2013*) state that before making a payment under section 256, NHS England or a CCG must be satisfied that the payment:
- is likely to secure a more effective use of public funds than the deployment of an equivalent amount on the direct provision of NHS services or the commissioning of certain health services by the local CCG (sections 3(1), 3A and 3B of the *NHS Act 2006*); and
  - is used so as to secure the most efficient and effective use of the amount paid.
- 3.15 On the 19<sup>th</sup> June 2013 (**Appendix 2**) and 18<sup>th</sup> July 2013, NHS England (**Appendix 3**) issued further information regarding the arrangements for the section 256 funding transfer in London, in accordance with paragraph 5.6 above.

- 3.16 The letter states that:
- Plans for the use of the funding should have due regard to the findings of the local Joint Strategic Needs Assessment. The CCG's commissioning plans and the LAs plans for social care;
  - Spending plans should be jointly agreed with the local CCG and discussed with other relevant partners at the local HWB, as part of their wider discussions on the use of the total health and care resources in the area.
  - Local HWBs will be expected to approve local proposals for the use of funding. This is stated as a precondition to NHS England signing a funding agreement.
  - NHS England must ensure that it has access to timely information via HWBs on how the funding is being used locally against the programme of adult social care expenditure and the local plan.
- 3.17 NHS England will require expenditure plans by local authority to be categorised into the following service areas as agreed with the Department of Health:

**Service Areas- 'Purchase of social care'**

- Community equipment and adaptations
- Telecare
- Integrated crisis and rapid response services
- Maintaining eligibility criteria
- Re-ablement services
- Bed-based intermediate care services
- Early supported hospital discharge schemes
- Mental health services
- Other preventative services
- Other social care (please specify)

**4 COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1. This is a financial report identifying how £5.243m of Section 256 funding for 2013/14 is planned to be spent. These plans have been discussed in detail over recent months by the Authority and the CCG. Having agreed the spending plans, through this report, the Authority and the CCG are seeking formal endorsement of the plans to comply with NHS England requirements.
- 4.2. Spending has started on these projects and the framework for monitoring these projects and reporting on them regularly has been set up in Education Social Care and Wellbeing Directorate.
- 4.3. **Appendix 1** identifies, project by project, how the funding will be applied and it is expected that this will be spent over three financial years as per the table below.

**Table 2: Profile of planned 2013/14 S256 allocation**

Financial Year	Planned spend £'000
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2013/14	2,367
2014/15	2,626
2015/16	250
<b>Total</b>	<b>5,243</b>

- 4.4. For completeness, the Memorandum of Agreement in **Appendix 4** includes the brought forward S256 funding from previous years of £4.493m (which includes Social Care, Reablement and Winter Pressures). Again, these projects are underway and are being managed through the same framework as the 2013/14 projects.

## **5. LEGAL COMMENTS**

- 5.1. Under section 256 of the National Health Service Act 2006 the NHS Board or a clinical commissioning group may make payments to a local authority in connection with any of the authority's functions which have an effect on the health of any individuals or are connected with or affected by NHS functions.
- 5.2. A detailed process following directions from the Secretary of State has given the responsibility of transferring funding to NHS England with spending plans to be agreed locally with the clinical commissioning groups and the area team of NHS England. The Health & Well-being Board must approve funding proposals as a pre-condition to NHS England completing a funding agreement. This report seeks approval to the spending plan agree with the clinical commissioning group to enable the process to be finalised.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

- 6.1. Section 256 funding is being used to provide the listed social care services which have been commissioned after taking into consideration the findings of the JSNA; which analyses the health and social care needs of the Tower Hamlets population across all of the protected characteristics as well socio-economic determinants.

## **7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

- 7.1 N/A

## **8. RISK MANAGEMENT IMPLICATIONS**

- 8.1 Appendix 1 includes a column setting out the risks/exit strategies attached to each project.
- 8.2 The biggest risk to Adult Social Care is the potential loss in the future of the additional £1,416k we have earmarked to fund the cost of care packages in 2013-14. S256 funds this on the basis that delays or blockages in the ability of local authorities to fund social care is key in avoiding adverse impact on the NHS (for example in being able to ensure timely discharging from hospital and prevention of admission to hospital). This funding is in the context of all local authorities facing overall significant reductions in funding and the demographic growth in the older population.

**9. CRIME AND DISORDER REDUCTION IMPLICATIONS**

9.1 N/A

**10. EFFICIENCY STATEMENT**

10.1 The section 256 funds are being used to provide Adult Social Care services in the most efficient and cost effective manner. This has been agreed between the Tower Hamlets CCG and the London Borough of Tower Hamlets.

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**Appendices and Background Documents**

**Appendices**

- Appendix 1 – Spending Plans for 2013/14 Allocations
- Appendix 2 – NHS England Guidance on Funding Transfer (19th June 2013)
- Appendix 3 – NHS England Guidance on Funding Transfer (18th July 2013)
- Appendix 4 - Section 256 Memorandum of Agreement

**Background Documents**

None