

AGENDA ITEM: 7 Pages 21 – 28

Meeting	Cabinet Resources Committee
Date	2 March 2011
Subject	Transfer of social care allocations from NHS Barnet to Barnet Council
Report of	Cabinet Member for Adults
Summary	<p>This paper sets out for approval the plans developed by NHS Barnet and the Council's Adult Social Services Directorate for the deployment of the social care allocations for Barnet through the NHS. Section 256 of the NHS Act 2006 enables NHS Barnet to transfer to the Council the social care allocations in connection with its health functions. The social care allocations must be spent against a plan agreed across health and social care to develop a financially sustainable health and social care economy and develop a connected approach to commissioning and service delivery. This approach to managing financial allocations supports the One Barnet Strategy.</p>

Officer Contributors	Alison Kemp, Associate Director (Partnerships and Planning)
Status (public or exempt)	Public
Wards affected	All
Enclosures	Appendix – Proposed Areas for Investment of Allocations
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in	Not applicable

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1. RECOMMENDATION

- 1.1 That the transfer of social care allocations from NHS Barnet to the Council as set out in paragraph 9.4 for the period 1 January 2011 to 31 March 2012 pursuant to Section 256 of the NHS 2006 Act be approved.**
- 1.2 That the allocations be ring fenced for social care in line with national guidance to be managed by the Health and Well-Being Board (HWBB).**
- 1.3 That it be noted that there are allocations relating to the 2010/11 financial year (£967,000) and for 2011/12 (£3.9m) and 2012/13 (£3.7m – est.).**
- 1.4 That monies relating to the financial year 2010/11, identified specifically for the management of winter pressures, be carried forward within the Adult Social Services Directorate budget to mitigate risks relating to the Medium Term Financial Strategy that can not be delivered due to significant winter pressures experienced in 2010/11.**
- 1.5 That the criteria proposed to prioritise investment of the social care allocations and the areas that are likely to receive investment, as set out in the appendix to this report be approved with further detailed expenditure plans to be agreed through the shadow Health and Well-Being Board by May 2011.**

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet, 14 February 2011 – agreed partnership working for Health in Barnet that proposed to delegate responsibility for the social care allocation through the NHS to the shadow HWBB.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 These proposals are in line with the Barnet Sustainable Community Strategy priority objective of Healthy and Independent Living with its focus on ensuring access to health and social care services and maximising the independence of those most in need of support. The Health and Well-Being board will be the lead partnership body for this priority objective in order to ensure connected and integrated approaches across the public sector partners to commissioning and service delivery.
- 3.2 The proposals also support the corporate plan priority of 'Better Services with Less Money' as the resource will be deployed in a way which supports the achievement of the Medium Term Financial Strategy for Adult Social Services and ensures that there is targeted investment to support the achievement of the NHS Barnet Quality, Improvement, Productivity and Prevention Plan (QIPP). The QIPP focuses on improving quality and shifting healthcare from hospital to community through development of strengthened primary care and community services. The QIPP forms the strategic plan for the local NHS to achieve financial sustainability.

4. RISK MANAGEMENT ISSUES

- 4.1 These allocations represent a significant opportunity at a time when the public sector has experienced significant reductions or constraints on budgets. It is therefore imperative that these monies are transferred to local authorities but are invested in such a way that mitigate risks within the system and where possible generate opportunities to drive efficiencies across adult social care.

- 4.2 The level of social care allocations through the NHS are intended to recognise that reductions to Local Authority budgets are front loaded, impacting most significantly in 2011/12. The level of allocation in subsequent years reduces. It is therefore essential to invest in areas that will deliver additional long term savings within health and social care as opposed to investing in provision which would have to reduce year on year. It is noted that the level of investment in enablement (NHS funding over the same period) increases over the financial years.
- 4.3 If NHS Barnet fail to agree to the transfer of the social care allocations this would pose a significant risk to the Council. In order to mitigate this risk a paper has been presented to the NHS Barnet Board on 3 February 2011 setting out the requirements within the Operating Framework and the responsibilities of the NHS in relation to these allocations. A further control action was taken presenting a follow up report to the NHS Barnet Board on 28 February 2011 setting out the proposed investment plan as detailed in the appendix to this report.
- 4.4 There is a risk that the enablement allocation which can be used for health and social care priorities is deployed by NHS Barnet and North Central London sector to meet health priorities only. It is proposed that this risk is mitigated through the expenditure plans for this allocation being agreed through the HWBB.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 The investments must comply with appropriate equalities and diversity issues. All business cases linked to the expenditure plan for sign off through the HWBB will need to clearly identify equality and diversity considerations and how they address local needs as identified through the Barnet Joint Strategic Needs Assessment.
- 5.2 Consideration will also need to be given to potential impact of any proposals on the protected groups pursuant to the Equality Act 2010. This general duty requires public authorities, in the exercise of their functions to have “due regard” to the need to: (a) eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Act; (b) advance equality of opportunity between different groups; and (c) foster good relations between different groups. Equalities analysis will be completed within the context of the partnership with Health and be addressed through the HWBB.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

- 6.1 The NHS Operating Framework sets out how this new funding should be managed: *‘PCTs will need to transfer this funding to local authorities to invest in social care services to benefit health, and to improve overall health gain. Transfers will need to be made via an agreement under Section 256 of the 2006 NHS Act.*

PCTs will need to work together with local authorities to agree jointly on appropriate areas for social care investment, and the outcomes expected from this investment. This could include current services such as Telecare, community directed prevention (including falls prevention), community equipment and adaptations, and crisis response services. The Department would expect these decisions to take into account the Joint Strategic Needs Assessment for their local population, and the existing commissioning plans for both health and social care. PCTs should work with local authorities to achieve these outcomes in a transparent and efficient manner, with local authorities keeping PCTs informed of progress using appropriate local mechanisms’.

- 6.2 For the avoidance of doubt a letter from Ruth Carnell, Chief Executive of NHS London, sent on the 21 January 2011, clearly states that these allocations should be passed through in full to Local Authorities under section 256 arrangements. These arrangements should be agreed with Local Authorities before the end of February 2011 and payments transferred at the earliest possible opportunity.
- 6.3 The investment must be agreed by finance and demonstrate appropriate value for money across social care and health. The allocation will support the delivery of the £8.9m saving plan across adult social care budgets in 2011/12. The NHS Barnet Board agreed in principle to the transfer based on an investment plan that demonstrates measurable outcomes for health and social care (both quality and finance).
- 6.4 It is recognised that the delivery of this programme of work may require additional commissioning and other resource. It is proposed that this capacity must be funded from within these allocations.
- 6.5 The commitments proposed in this report will be contained within the funds available as set out in paragraph 9.4.

7. LEGAL ISSUES

- 7.1 The NHS Act 2006 provides a legal framework enabling NHS bodies and local authorities to work together through delegation of functions, grant arrangements and flexibilities such as pooled budgets.
- 7.2 Section 256 of the NHS Act 2006 is the enabling power for a PCT to make payments to a local authority towards expenditure incurred or to be incurred by the authority on community services. This would enable NHS Barnet to transfer to the council the social care allocations in connection with its health functions.

8. CONSTITUTIONAL POWERS

- 8.1 The Council's constitution in Part 3, Responsibility for Functions, paragraph 3.6 states the terms of reference of the Cabinet Resources Committee including capital and revenue finance.

9. BACKGROUND INFORMATION

- 9.1 There is a clear direction of travel in the current vision and policy, set out nationally, to ensure that the NHS provides support for social care during a time of significant change within the public sector. This support is related to a series of financial allocations with an agreed purpose and objectives. The table below summarises the additional funding provided to all PCTs in England in 2010/11 – 2012/13 to support social care services and deliver a benefit to the health and social care system:

Purpose	2010/11 (£m)	2011/12 (£m)	2012/13 (£m)	How funding should be spent
Development of post-discharge and re-ablement services (Enablement)	70	150	300	Development of re-ablement capacity. Opportunity to consider transfer or pooling of resources. Local discretion regarding the proportional spends on the NHS and social care.

Purpose	2010/11 (£m)	2011/12 (£m)	2012/13 (£m)	How funding should be spent
Support to social care services	162	648	622	Funding must be transferred to local authorities, to spend on social care services which also benefit health based on an agreed plan.

9.2 An additional allocation was announced of £400m for carers' breaks over the period 2011-2015. This allocation is specifically to provide breaks for carers and should be pooled alongside similar local authority resources. The Barnet level of allocation, the business case for investment and any agreement to transfer this resource are not considered in this paper. However, a joint approach to the management of this allocation is being developed for consideration by the Health and Well-Being Board.

9.3 The allocations set out are intended to increase the connection between health and social care, improve outcomes and deliver efficiencies against shared agendas.

9.4 The level of financial allocation for Barnet is set out below. The NHS Barnet allocation will be transferred to the London Borough of Barnet by way of a section 256 agreement.

NHS funding for social care allocation			
	2010/11	2011/12	2012/13
	£m	£m	£m
National Allocation	162.000	648.000	622.000
London Allocation	24.611	98.363	Not yet set
NHS Barnet Allocation	0.967	3.888	3.726 (est.)

9.5 The financial allocation for re-ablement services across health and social care for the Council is set out below.

Enablement Allocation			
	2010/11	2011/12	2012/13
	£m	£m	£m
National Allocation	70.000	150.000	300.000
London Allocation	10.686	92.043	Not yet set
NHS Barnet Allocation	0.421	0.980 (est)	1.961 (est)

9.6 There is an opportunity to consider the two types of allocation together in terms of ensuring that the investment offers the greatest opportunity to impact on the lives of residents in line with the Council's corporate priority to deliver better services with less money. This is also in line with the One Barnet. However, the Cabinet Resources Committee must be clear that NHS funding for social care can only be spent on social care services, whilst the enablement allocation can be spent on services that can legally be purchased/provided by health or social care. NHS Barnet and the Council are currently considering whether to formally transfer the enablement money via a section 75 arrangement or to retain the enablement money within the NHS.

9.7 A set of criteria for supporting decision making in relation to the investment of the allocations is set out below and has been applied to both enablement and social care allocations. It is proposed that any investment must satisfy the following:

- Off set current cost pressures within adult social care experienced due to changes in the local health offer;

- Mitigate the impact of agreed reductions in adult social care budgets;
- Provide an opportunity to deliver overall efficiencies within the health and social care sectors and drive up quality;
- Provide an opportunity to specifically manage hospital readmissions and the associated costs that often transfer to social care post discharge; and
- Provide an opportunity to support people living within their own homes or identified home environment to the benefit of the community.

9.8 These criteria clearly support the London Borough of Barnet Medium Term Financial Strategy (MTFS) and the Quality Innovation Prevention and Productivity plan (QIPP) being developed by NHS Barnet and the NHS North Central London sector team to deliver savings within health. Specific MTFS and QIPP priorities include:

- Income through the fairer access policy (MTFS);
- Improved efficiencies (MTFS/QIPP);
- Reduced provider spend (MTFS/QIPP);
- Improved targeting of services (MTFS/QIPP); and
- Delivering care closer to home (QIPP).

9.9 The proposed areas for investment are set out in the appendix to this report. This table includes but separates the two allocations (social care and enablement) across 2010/11 and 2011/12. Planning for 2012/13 will commence in the next financial year.

9.10 The Operating Framework also refers to the development of Health and Wellbeing Boards as “the key vehicle for councils to carry out their statutory responsibilities to lead on integrated working and commissioning across the NHS, public health and social care in collaboration with local agencies” (paragraphs 2.20-2.22). Consequently it is being proposed that the expenditure plan and associated business cases through the delegations agreed by Cabinet and the NHS Barnet Board in February of this year are signed off by the HWBB by May 2011.

9.11 It is proposed that the delivery of outcomes against the investments will be monitored through the HWBB. This ensures the clear local ownership of the resources and full engagement from key representatives including Councillors and officers, general practitioners and their current management support arrangements, Public Health and LINKS (in future Health Watch).

10. LIST OF BACKGROUND PAPERS

10.1 None.

Legal – HP
CFO – JH

Appendix – Proposed Areas for Investment of Allocations

Service Area	Description	Expected Investment Level			
		2010/11 Social Care	2010/11 Enablement	2011/12 Social Care	2011/12 Enablement
Managing increasing activity impacted by the changing health offer	Changes to the management of continuing healthcare in line with national guidelines has led to an increase in clients returned from health funded placement to social care responsibility.	400		800	
Managing winter pressures and the impact on delivery of future year savings plans	Managing the increased pressures experienced over winter, particularly the impact of increased usage of care home beds.	400 (to be carried into 2011/12)	213 (NHS)		
Enablement	Establishing the principle of NHS responsibility for preventing readmissions within 30 days. Extending the enablement offer for Barnet residents. Understanding the impact of PACE.	30	208 (LA)	300	260
Intermediate Care (step up/step down)	Map the provision of enablement and intermediate care services for Barnet residents (registered patients). Pilot delivery of improved rapid response and admission avoidance including virtual wards. Strengthen the social work capacity on hospital sites in and out of hours. Supporting the carers role (excluding carers breaks).			900	340
Telecare/ Telehealth	To provide aids to assist home living for those people who rely on medication to manage their health conditions and for people managing with dementia.	13		200	

Service Area	Description	Expected Investment Level			
		2010/11 Social Care	2010/11 Enablement	2011/12 Social Care	2011/12 Enablement
Mental Health	Optimal Care pathway development for dementia to build business case for changed investment profile. Delivery of enablement for mental health service users.	120		500	
Older People	Deliver the Falls business case to pilot support for older adults. Improve the early supported discharge element of the stroke care pathway and implement post discharge reviews.	3		200	100
Community Equipment	Recognising the current focus of health and social care planning in supporting residents in their own home, plan for the increased spend on community equipment.			300	100
Care Homes	Develop the offer for supporting Barnet residents in care homes including continence management, medicine reviews and assessments.			250	150
Building Commissioning Capacity	Invest in the commissioning/project management capacity to deliver the projects set out above.			250	
TOTAL		966	421	3800	950
ALLOCATIONS		967	421	3900	980
Available Resource		1	0	100	30