
**Manchester Health and Wellbeing Board
Report for Resolution**

Report to: Manchester Health and Wellbeing Board – 22 January 2014

Subject: Health Funding for Adult Social Care 2013/14

Report of: Mike Houghton-Evans, Interim Strategic Director for Families,
Health and Wellbeing, Manchester City Council

Summary

The purpose of this report is to seek agreement from the Health and Wellbeing Board for the planned use of health allocations to support adult social care services for Manchester of £9.542m. The funding is an increase of £2.478m from 2012/13, expected to increase to £9.990m in 2014/15. This funding is part of the £3.8bn Integration Transformation Fund (ITF) and is included in the Council's base budget for 2013/14.

Recommendations

The Board is asked to:

- The Health and Wellbeing Board is asked to agree the proposed use of the health funding for adult social care as set out in this report .
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Board Priority(s) Addressed: 1- 8

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Background documents (available for public inspection):

NHS England Guidance 2013

1. Introduction

- 1.1. The purpose of this report is to seek agreement from the Health and wellbeing Board for the planned use of health allocations to support adult social care services for Manchester of £9.542m. The funding is an increase of £2.478m from 2012/13, expected to increase to £9.990m in 2014/15. This funding is part of the £3.8bn Integration Transformation Fund (ITF) and is included in the Council's base budget for 2013/14.

2. Background

- 2.1 In the 2011/12 Operating Framework for the NHS the Department of Health set out that Primary Care Trusts would receive allocations totaling £648 million in 2011/12 and £622 million in 2012/13 to support social care.
- 2.2 From 2013/14 the funding transfer to local authorities is being carried out by NHS England that will transfer £859 million from its global allocation to local authorities, expected to rise to £900 million in 2014/15. The Department of Health has used the adult social care relative needs formulae to determine local authority level amounts. The payments are made under section 256 of the 2006 NHS Act. NHS England should enter into an agreement with each local authority setting out the payments to be made and any conditions which apply.
- 2.3 The funding must be used to support adult social care services in each local authority, which also has a health benefit. However, beyond this broad condition, there is flexibility for local areas to determine how this investment in social care services is best used.
- 2.4 The specific conditions of the transfer are that:
- The local authority agrees with its local clinical commissioning groups how the funding is best used within social care, and the outcomes expected from this investment agreed through the Health and Wellbeing Board.
 - Local authorities and clinical commissioning groups have regard to the Joint Strategic Needs Assessment for their local population, and existing commissioning plans for both health and social care, in how the funding is used.
 - Local authorities must be able to demonstrate how the funding transfer will improve social care services, and outcomes for service users, compared to service plans in the absence of the funding transfer.
 - Funding can be used to cover the small revenue costs to local authorities from the introduction of the Care and Support Bill from 2015.

3. Planned Use

- 3.1 The overall budget position in Manchester is challenging and by 2015/16 targeted and specialist services in Adults and Children's Services were required to have achieved £48m in savings. As the transfer of funding from the NHS is included in the overall settlement for the local authority, if this funding

was to be ringfenced for new investment in adult social care it would only add to the overall savings that have to be achieved.

- 3.2 The direction states that the Health and Wellbeing Board must make it a condition of the transfer there is (a) regard to the Joint Strategic Needs Assessment and existing commissioning plans for both health and social care, in how the funding is used and (b) demonstrate how the funding transfer will make a positive difference to social care services, and outcomes for service users. It also states that funding may be used to support existing services or transformation programmes, where such services or programmes are of benefit to the wider health and care system, provide good outcomes for service users, and would be reduced due to budget pressures in local authorities without this investment.
- 3.3 Adult Social Care budgets have faced a number of challenges including the need to make significant savings in the climate of rising demand. There is a need to avoid both making budget cuts that impact on the ability to more sustainably reduce demand in the longer term (eg raising eligibility criteria and delaying discharges simply add to the longer term pressures across the health and social care system) and that jeopardise the greater gains that can be made across the system through integration and the community budget work.
- 3.4 In recognition of the above alongside the savings that need to be achieved the council is investing in social care:
- £5m has been added to the budget in 2013/14 to meet demographic pressures with a further £3.6m planned in 2014/15. Between 2011/12 and 2014/15 an additional £15.5m will have been added to the Adult Services budget to meet demographic pressures.
 - Use of reserves of up to £13.5m so savings can be phased with the £48m savings being achieved for 2015/16 to allow more sustainable savings to be implemented
- 3.5 The use the funding of £7.064m for 2012/13 was agreed with the PCT. As set out there has been investment of £5m into Adult social care, focused on protecting eligibility criteria. The increase in health funding of £2.478m has contributed towards this investment. The table below sets out the agreed use of the funding in 2012/13 and proposed use for 2013/14.

Health Funding to support ASC Service Area	<u>2012/13</u> Agreed amount of money allocated by the local authority to the service, through the transfer in 2012/13		<u>2014/15</u> Proposed amount of money allocated by the local authority to the service, through the transfer in 2013/14	
a) community equipment and adaptations	£300,000	4%	£300,000	3%
b) telecare	£100,000	1%	£100,000	1%
c) integrated crisis and rapid response	£800,000	11%	£800,000	8%
d) maintaining eligibility criteria	£3,864,000	55%	£6,342,000	66%
e) re-ablement services	£1,000,000	14%	£1,000,000	10%
f) bed-based intermediate care services	£500,000	7%	£500,000	5%
g) early supported hospital discharge schemes	£500,000	7%	£500,000	5%
h) mental health services	£0		£0	
i) other preventative services	£0		£0	
j) other social care	£0		£0	
	£7,064,000	100%	£9,542,000	100%

4. Recommendations

- 4.1 The Health and Wellbeing Board is recommended to agree the proposed use of the health funding for adult social care as set out in this report .