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

**Report to:** Manchester Health and Wellbeing Board – 28 January 2015

**Subject:** Health funding for Adult Social Care 2014/15

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

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**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 £12.219m in 2014/15. This will be transferred from NHS England under a Section 256 agreement.

**Recommendations**

The Board is asked to:

- To agree the planned 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 2014

## **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 £12.219m in 2014/15. This will be transferred from NHS England to Manchester City Council under a Section 256 agreement.

1.2 Approval for use of this funding has previously been agreed by Health and Wellbeing Board as part of the Better Care Fund plan in September 2014 and the report on the requirements of the Care Act 2014 in November 2014. However specific approval of the transfer is required for the Section 256 in order to obtain the funding from NHS England.

1.3 From 2015/16 the funding will transfer as part of the Section 75 agreement for the Better Care Fund pooled budget which will be reported to the Board in March 2015 for approval.

## **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 totalling £648 million in 2011/12 rising to £859m in 2013/14 in support social care with a health benefit.

2.2 From 2014/15 the health funding transfer to local authorities has risen to £1.1 billion. 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.

2.5 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 direction states that the Health and Wellbeing Board must make it a condition of the transfer there is:

- Regard to the Joint Strategic Needs Assessment and existing commissioning plans for both health and social care, in how the funding is used.
- Demonstrate how the funding transfer will make a positive difference to social care services, and outcomes for service users.

3.2 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 which has resulted in the need to increase the Adult Social Care budget by £15.5m over the period in 2013/14 and 2014/15. Whilst the Council continues to face a very challenging financial situation there is a need to avoid both making budget cuts that impact on the ability to more sustainably reduce demand in the longer term and that jeopardise the greater gains that can be made across the system through the City's Living Longer Living Better programme.

3.4 The use the funding of £9.542m for 2013/14 was agreed with the CCGs and approved by the Health and Wellbeing Board in January 2014.

3.5 For 2014/15 the funding increased to £12.219m, an increase of £2.677m. Of this £456k was included in Council existing 2014/15 plans to meet adult social care costs and £2.221m was additional funding committed to the Local Development Fund for the Living Longer Living Better Programme, as set out in the Better Care Fund plan for 2014/15 signed off by the Board on 10th September 2014 and approved by NHS England on 22nd December 2014. On 5th November the Board approved £829k from the Local Development Fund to meet costs of preparation for the Care Act 2014.

3.6 The table below shows the agreed use of the health transfer funding to the Council for 2012/13, 2013/14 and the planned use for 2014/15 based on approvals already made by the Board.

<b><u>Health Funding to support Adult Social Care</u></b>	<b><u>2012/13</u></b>	<b><u>2013/14</u></b>	<b><u>2014/15</u></b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
a) community equipment and adaptations	300	300	300
b) telecare	100	100	100
c) integrated crisis and rapid response	800	800	800
d) maintaining eligibility criteria	3,864	6,342	6,798
e) re-ablement services	1,000	1,000	1,000
f) bed-based intermediate care services	500	500	500
g) early supported hospital discharge schemes	500	500	500
h) Care Act preparation			829
i) Local Development Fund			1,392
	<b>7,064</b>	<b>9,542</b>	<b>12,219</b>

#### **4. Recommendations**

4.1 The Board is asked to agree the planned use of the health funding for adult social care as set out in this report.