

Bath & North East Somerset Council

MEETING:	Health and Wellbeing Board
MEETING DATE:	18 th September 2013
TITLE:	Section 256 Agreement and Funding Allocation 2013/14
AN OPEN PUBLIC ITEM	
List of attachments to this report: Appendix 1 – “Section 256” Funding Allocation & Investment Appendix 2 – NHS England Area Team Funding Allocation and Agreed Use Appendix 3 – BaNES CCG Funding Allocation and Agreed Use Appendix 4 - Local Government Association and NHS England ‘Statement on the health and social care Integration Transformation Fund’	

1 THE ISSUE

- 1.1 Over the past four years, funding from the Department of Health has been passed, via local NHS commissioners (previously the Primary Care Trust, now, following NHS Reform, a combination of the Clinical Commissioning Group and NHS England Area Team). Funding streams have included: additional support funding for social care; improving and sustaining performance on access (primarily to hospital services); and reablement support. Each funding stream has typically come with guidance about use of the funding, which has informed the development of local agreements between the NHS and Local Authority about use of the funding. These agreements are termed “Section 256” Agreements as they are made under the terms of Section 256 of the National Health Service Act 2006.
- 1.2 Following NHS Reform, a proportion of the funding for 2013/14 is covered by a Section 256 Agreement between the Clinical Commissioning Group (CCG) and Council. The majority of funding is covered by a similar Agreement between the NHS England Bath, Gloucester, Swindon and Wiltshire Area Team (the Area Team) and the Council. Details of the funding allocation and agreed use of this funding is covered in section 3 of this report and in the Appendices to this report.
- 1.3 In the June 2013 spending round covering 2015/16 a national £3.8 billion “Integration Transformation Fund” was announced. This fund, established by the Department of Health, is to be held by local authorities and will include funding previously transferred by local NHS commissioners to the Council under Section 256 Agreements.

2 RECOMMENDATION

The Board is asked to:

- 2.1 Note the agreed use of Section 256 funding in 2013/14;
- 2.2 Note proposals in relation to the 2015/16 Integration Transformation Fund and, in particular, the key role of Health & Wellbeing Boards in agreeing plans for the use of this fund.

3 FINANCIAL IMPLICATIONS

- 3.1 In 2013/14, £2.612m and £1.4m will transfer from the Area Team and CCG to the Council under Section 256 Agreements;
- 3.2 Funding allocations for 2014/15 and 2015/16 are yet to be confirmed and guidance about the use of this funding and transfer arrangements are yet to be published. However, the Bath and North East Somerset allocation of the £3.8 billion Integration Transformation Fund is likely to be at least as much as current levels of funding and may be significantly more.

4 THE REPORT

- 4.1 Broadly, Section 256 funding is intended for use in addressing pressures in the health and social care system, including those arising from demographic change; reducing admission to and length of stay in hospital; and to fund community based interventions that prevent an escalation of people's need and support them to live as independently as possible, in the community for as long as possible. The Appendices to this report set out further background detail and agreed use of Section 256 funding for the current year.
- 4.2 Bath and North East Somerset has a good track-record of investment of Section 256 funding in early intervention and preventative services and to achieve system change with the aim of achieving longer-term sustainability in the health and social care system. However, as pressure on public resources increases, it is likely to become increasingly difficult to achieve an appropriate balance between responding to immediate pressures in the system including, for example, increases in avoidable hospital admissions; whilst also investing in a longer-term strategic approach to achieve best value, sustainability and, most importantly, better outcomes for service users and carers.
- 4.3 The June 2013 Spending Round announcement signalled changes to Section 256 funding; most significantly, a pooled £3.8 billion Integration Transformation Fund (ITF), which will come into effect in 2015/16 but for which planning will need to start this year. The joint Local Government Association and NHS England Statement on the health and social care Integration Transformation Fund attached as Appendix 4 provides a helpful summary.

4.4 Of particular note for the Board are paragraphs 11, 12 and 17 of the Statement, which, briefly, confirm that in order to access the ITF, each locality will be asked to develop a local plan by March 2014 and that plans for the use of the pooled monies will need to be developed jointly by CCGs and local authorities and signed off by each of these parties and the local Health and Wellbeing Board.

5 RISK MANAGEMENT

5.1 Section 256 funding allocations are usually been confirmed on an annual basis in December or early January with detailed guidance also issued at this time of year with the express intention that this funding is used during that financial year. This, at least in part, reflects the fact that at least a proportion of the funding has been allocated on a non-recurring basis for use in relation to winter pressures. The timing of issue of funding allocations and guidance and a lack of certainty about year-on-year funding levels makes it difficult for the CCG and Council to plan and commission services to make the most effective use of Section 256. This lack of clarity could, also, lead to market instability, with providers unable to plan and develop services and recruit and/or train staff to respond to changes in commissioning intentions.

5.2 In order to minimise and mitigate risks it is important that the CCC and Council continue to work together to agree joint plans for the use of the funding that are in line with both organisations' priorities and strategic objectives and, also, to communicate these plans in a timely way to providers. It is also important to clearly articulate and monitor the outcomes, milestones and performance measures associated with this funding.

5.3 A risk assessment related to the issue and recommendations has not been undertaken on the contents of this report, which is not seeking decisions from the Board at this stage.

6 EQUALITIES

6.1 An Equalities Impact Assessment has not been completed because this report is not seeking decisions and use of Section 256 funding reflects commissioning plans and strategies, which are subject to the appropriate equalities impact assessments.

7 CONSULTATION

7.1 In respect of use of 2013/14 funding allocations specific consultation was undertaken with: Cabinet Member; Stakeholders/Partners; Other Public Sector Bodies; Section 151 Finance Officer; Monitoring Officer

7.2 Consultation to inform plans for use of future funding will be undertaken with a range of stakeholders through targeted engagement events and presentation to appropriate governing bodies, including CCG Board and Health & Wellbeing Board.

8 ISSUES TO CONSIDER IN REACHING THE DECISION

8.1 *Social Inclusion; Customer Focus; Sustainability; Human Resources; Young People; Human Rights; Corporate; Other Legal Considerations*

9 ADVICE SOUGHT

9.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

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Background papers	
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