

To:  
Strategic Health Authority Chief Executives  
Primary Care Trust Chief Executives  
Local Authority Chief Executives  
Directors of Adult Social Services

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Local Government Association  
Association of Directors of Adult Social Services  
NHS Confederation

**Gateway Number: 15434**

13 January 2011

Dear colleagues,

### **NHS SUPPORT FOR SOCIAL CARE: 2010/11 – 2012/13**

We are writing in the light of recent announcements, including those made at the Spending Review and highlighted in *A Vision for Adult Social Care*<sup>1</sup>, about NHS support for social care. PCTs and local authorities have been informed about the separate elements of this support, but this letter sets out for clarity how the different funding streams relate to each other, and the expectations placed on Primary Care Trusts and local authorities in spending these resources.

#### Support for social care in this financial year

##### *Post-discharge services and re-ablement*

On 5 October 2010, the Department announced that an additional £70m would be allocated to PCTs for spending in 2010/11 on services to promote better services for patients upon discharge from hospital.<sup>2</sup> We set out that PCTs should develop local

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<sup>1</sup>

[http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_121508](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_121508), paragraph 7.1, page 28

<sup>2</sup> Details at:

[http://www.dh.gov.uk/en/Publicationsandstatistics/Lettersandcirculars/Dearcolleagueletters/DH\\_120944](http://www.dh.gov.uk/en/Publicationsandstatistics/Lettersandcirculars/Dearcolleagueletters/DH_120944) and

[http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_121508](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_121508), paragraphs 7.6-7.7, page 29

plans in conjunction with the Local Authority and Foundation Trust/NHS Trusts and community health services on the best way of using this money to facilitate seamless care for patients on discharge from hospital and to prevent avoidable hospital readmissions. It is for local decision how much of this money is spent on NHS services and how much on social care.

A proportion of this funding should be used to develop current re-ablement capacity in councils, community health services, the independent and voluntary sectors according to local needs. Resources can be transferred to local partners, or to pooled budgets, wherever this make sense locally.

We requested that SHAs ensure that each PCT has a local plan including monitoring arrangements, developed with their local authority and local FT/NHS Trusts, in place by the end of December 2010. PCTs should use these plans as a basis for coordinating activity on post-discharge support from 2011/12 onwards, keeping plans and outcomes under review in conjunction with GPs and local authorities.

### *Winter Pressures Funding*

On 4 January 2011, the Department announced a further allocation of £162m to PCTs, for immediate spending on social care services that also benefit the NHS. This funding stream is focused on a broader range of local authority-funded social care services and must be transferred 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.<sup>3</sup>

PCTs need to work together with local authorities to agree jointly on appropriate areas for social care investment, and the outcomes expected from this investment. 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.

Examples of the kinds of services that could be invested in are:

- additional short-term residential care places, or respite and intermediate care;
- more capacity for home care support, investment in equipment, adaptations and telecare;
- investment in crisis response teams and other preventative services to avoid unnecessary admission to hospital; and
- further investment in reablement services, to help people regain their independence and reduce the need for ongoing care.

### Support for social care in 2011/12 and 2012/13

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<sup>3</sup> Further details were contained in a letter to PCT, SHA and local authority Chief Executives: [http://www.dh.gov.uk/en/Publicationsandstatistics/Lettersandcirculars/Dearcolleagueletters/DH\\_123287](http://www.dh.gov.uk/en/Publicationsandstatistics/Lettersandcirculars/Dearcolleagueletters/DH_123287)

### *Post-discharge services and re-ablement*

The Spending Review and 2011/12 NHS Operating Framework announced further funding to PCTs in financial years 2011/12 and 2012/13 to develop local re-ablement services in the context of the post-discharge support plans submitted to SHAs this December. This funding totals £150m in 2011/12 and £300m in 2012/13, and is contained within recurrent PCT baseline allocations.<sup>4</sup>

This funding is intended specifically to develop current re-ablement capacity in councils, community health services, the independent and voluntary sectors, with the objective of ensuring rapid recovery from an acute episode and reducing people's dependency on social care services following discharge. As with the £70m allocation this financial year, these resources can be transferred to local partners, or pooled budgets established, wherever this make sense locally. Again, it is for local decision how much of this money is spent on NHS services and how much on social care.

From 1 April 2011 there will also be changes to the national tariff which will result in savings for PCTs from the non-payment for certain emergency readmissions to hospital. PCTs will be required to use these savings, alongside the funding of £150m in 2011/12 and £300m in 2012/13, to improve the support available to patients within the 30 days following discharge from hospitals. From 1 April 2012 the responsibility for the care of patients in this period will move to acute care providers and so PCTs will need to work with them, and other agencies to anticipate and prepare for this change. More information is available in the 2011/12 PbR Guidance at [http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_122717](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_122717)

### *Specific PCT allocations for social care*

The 2011/12 NHS Operating Framework also provided details of separate, non-recurrent PCT allocations for social care, totalling £648m in 2011/12 and £622m in 2012/13. This is funding which has been allocated to PCTs, and which they will need to transfer 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.

It is the Department's clear intention that this funding is used for social care purposes. Local authorities have been informed of the expected transfer from PCTs as part of the 2011/12 and 2012/13 local government finance settlement.<sup>5</sup>

This allocation is in addition to the funding for re-ablement services which is contained within recurrent PCT allocations, as detailed above. It should also be additional to any existing pooled budget or lead commissioning arrangements that a PCT may have with a local authority.

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<sup>4</sup> The 2011/12 NHS Operating Framework can be found at [http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH\\_122738](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_122738). Details of the re-ablement funding are on pp. 52-53.

<sup>5</sup> Details can be found at <http://www.local.communities.gov.uk/finance/1112/grant.htm>. Individual PCT transfers to local authorities are found in the supporting data annex to the consultation on the Transitional Grant for local authorities with the largest reductions in spending power.

As with the £162m of Winter Pressures funding announced for the remainder of the 2010/11 financial year, 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. The investment may be used to support and maintain existing 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.

#### New resources for carers breaks' 2011-2015

On 16 November 2010, the Department announced that new resources of £400m would be made available to the NHS over the next four years to enable more carers to take breaks from their caring responsibilities. The NHS Operating Framework 2011-12 made clear that:

“PCTs should pool budgets with local authorities to provide carers’ breaks, as far as possible, via direct payments or personal health budgets. For 2011/12, PCTs should agree policies, plans and budgets to support carers with local authorities and local carers’ organisations, and make them available to local people.”

#### Summary

The table below summarises the additional funding provided to PCTs in 2010/11 – 2012/13 to support social care services.

<b>Purpose</b>	<b>2010/11 (£m)</b>	<b>2011/12 (£m)</b>	<b>2012/13 (£m indicative)</b>	<b>How the funding should be used</b>
Development of post-discharge support and re-ablement services	70	150	300	To work with local authorities to develop local re-ablement capacity, according to local plans submitted to SHAs in December 2010. Funding may be transferred to local partners or pooled budgets. <b>It is for local discretion the proportion of spend on the NHS and social care..</b>
To support social care services	162	648	622	<b>Funding must be transferred to local authorities</b> , to spend on social care services which also benefit health. PCTs and local authorities should

				jointly agree how the funding should be spent and the outcomes to be achieved.
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As part of the NHS planning process for 2011/12, DH will seek assurances from SHAs that arrangements are in place for funding to be transferred to LAs and that plans have been jointly agreed between NHS organisations and their local authority partners for delivery of services in line with the Operating Framework for the NHS in England 2011/12.

We are clear that this funding provides a unique and excellent opportunity to forge better integrated working between the health and social care systems, for the benefit of patients, service users and carers, as set out in the NHS White Paper, *A Vision for Adult Social Care*, and *Recognised, valued and supported: Next Steps for the Carers Strategy*. We are committed to ensuring that individuals are supported to regain and maintain their health and independence, and these additional funding streams will enable us, together, to achieve that aim. It is therefore essential that local partners use this opportunity to push ahead with the joint working arrangements detailed in this letter.

Details of the non-recurrent PCT level allocations to support social care services, which are to be transferred to local authorities, are available together with a copy of this letter at:

[http://www.dh.gov.uk/en/Publicationsandstatistics/Lettersandcirculars/Dearcolleagueletters/DH\\_123460](http://www.dh.gov.uk/en/Publicationsandstatistics/Lettersandcirculars/Dearcolleagueletters/DH_123460)

The webpage also includes further information about re-ablement services and the changes to the tariff.

Yours sincerely,



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**Director General for Social Care,**  
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**Partnerships, Department of Health**



**David Flory CBE**  
**Deputy NHS Chief Executive**