

19 December 2012

Paul Baumann
Chief Financial Officer
NHS Commissioning Board

*Richmond House
79 Whitehall
London
SW1A 2NS*

Gateway reference: 18568

Dear Paul,

Funding transfer from the NHS to social care in 2013/14 – what to expect

1. In the 2011/12 Operating Framework for the NHS in England, the Department set out that PCTs would receive allocations totalling £648 million in 2011/12 and £622 million in 2012/13 to support adult social care. This funding was in addition to the funding for reablement services that was incorporated within recurrent PCT allocations of £150 million in 2011/12 rising to £300 million from 2012/13.
2. From 2013/14, the funding transfer to local authorities will be carried out by the NHS Commissioning Board. This letter provides provisional information on the transfer, how it should be made, and the allocations due to each local authority. This is to help the Board and local authorities prepare for the coming year.
3. In the New Year, the Department will make directions to the Board, under Section 256 (5A)(5B) of the 2006 NHS Act, confirming the details in this letter.

Amount to be transferred

4. For the 2013/14 financial year, the Board will transfer £859 million from its global allocation to local authorities. The amounts to be paid to individual local authorities are set out at Annex A. As per the current PCT-level allocations, the Department has used the adult social care relative needs formulae to determine local authority level amounts.

Legal basis for the transfer

5. The payments are to be made via an agreement under Section 256 of the 2006 NHS Act. The Board will enter into an agreement with each local authority. However, before each agreement is made, certain conditions must be satisfied. These conditions are set out below.

Use of the funding

6. 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, the Department wants to provide flexibility for local areas to determine how this investment in social care services is best used.
7. The Board must therefore make it a condition of the transfer that the local authority agrees with its local health partners how the funding is best used within social care, and the outcomes expected from this investment. Health and wellbeing boards will be the natural place for discussions between the Board, clinical commissioning groups and local authorities on how the funding should be spent, as part of their wider discussions on the use of their total health and care resources.
8. In line with their responsibilities under the Health and Social Care Act, the Board must make it a condition of the transfer that 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.
9. The Board must also make it a condition of the transfer that local authorities demonstrate how the funding transfer will make a positive difference to social care services, and outcomes for service users, compared to service plans in the absence of the funding transfer.
10. The Board may use the funding transfer 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. The Board may also use the funding transfer to support new services or transformation programmes, again where joint benefit with the health system and positive outcomes for service users have been identified.
11. The *Caring for our future* White Paper also set out that the transfer of funding can be used to cover the small revenue costs to local authorities of the White Paper commitments in 2013/14 (excluding the Guaranteed Income Payments disregard, which is being funded through a grant from the Department of Health). The Board should have regard to this when reaching agreements with local authorities.

Reporting

12. As part of its agreement with local authorities, the Board must ensure that it has access to timely information on how the funding is being used locally, in order to assure itself that the conditions for each funding transfer are being met.

Further considerations

13. The Board must not place any other conditions on the funding transfers without the written agreement of the Department.
14. The directions will be updated in November 2013, for the 2014/15 financial year.

Next Steps

15. We will issue the Directions in the New Year, confirming the above details.
16. I am copying this letter to your Chief Executive, Sir David Nicholson, to Bill McCarthy and to Helen Masding.

Yours sincerely,

A handwritten signature in grey ink, appearing to read 'Shaun Gallagher'.

Shaun Gallagher
Director General
Social Care, Local Government and Care Partnerships

Telephone number: 020 7210 5727
Email address: shaun.gallagher@dh.gsi.gov.uk

Annex A: amounts to be paid to individual authorities

<i>Local authority</i>	<i>2013-14</i>
Barking and Dagenham	£3,267,999
Barnet	£5,180,804
Barnsley	£4,432,443
Bath & North East Somerset	£2,611,907
Bedford	£2,221,990
Bexley	£3,322,808
Birmingham	£20,044,390
Blackburn with Darwen	£2,735,974
Blackpool	£3,234,438
Bolton	£4,975,408
Bournemouth	£3,163,676
Bracknell Forest	£1,295,071
Bradford	£8,222,095
Brent	£4,806,952
Brighton & Hove	£4,397,579
Bristol	£7,259,859
Bromley	£4,260,838
Buckinghamshire	£5,981,927
Bury	£2,923,145
Calderdale	£3,295,041
Cambridgeshire	£8,318,185
Camden	£4,601,957
Central Bedfordshire	£3,099,459
Cheshire East	£5,192,074
Cheshire West and Chester	£5,251,421
City of London	£174,630
Cornwall	£9,997,987
Coventry	£5,551,509
Croydon	£5,015,626
Cumbria	£8,973,765
Darlington	£1,793,778
Derby	£4,110,920

Derbyshire	£12,982,732
Devon	£12,797,426
Doncaster	£5,404,111
Dorset	£6,926,360
Dudley	£5,589,300
Durham	£10,101,753
Ealing	£5,073,714
East Riding of Yorkshire	£5,175,361
East Sussex	£9,254,475
Enfield	£4,648,033
Essex	£21,186,856
Gateshead	£4,056,214
Gloucestershire	£9,055,236
Greenwich	£4,761,282
Hackney	£5,028,740
Halton	£2,287,560
Hammersmith and Fulham	£3,287,039
Hampshire	£17,017,137
Haringey	£4,109,607
Harrow	£3,471,178
Hartlepool	£1,793,604
Havering	£3,599,507
Herefordshire	£3,151,863
Hertfordshire	£14,797,761
Hillingdon	£3,726,297
Hounslow	£3,576,811
Isle of Wight Council	£2,743,128
Isles of Scilly	£45,316
Islington	£4,602,411
Kensington and Chelsea	£3,102,442
Kent	£22,063,537
Kingston upon Hull	£5,200,325
Kingston upon Thames	£2,051,503
Kirklees	£6,656,826
Knowsley	£3,497,046

Lambeth	£5,400,663
Lancashire	£19,750,385
Leeds	£11,849,652
Leicester	£5,632,672
Leicestershire	£8,640,994
Lewisham	£4,895,878
Lincolnshire	£12,054,454
Liverpool	£10,583,981
Luton	£2,820,830
Manchester	£9,542,236
Medway	£3,571,548
Merton	£2,676,894
Middlesbrough	£2,712,784
Milton Keynes	£3,250,162
Newcastle upon Tyne	£5,371,723
Newham	£5,255,695
Norfolk	£14,956,185
North East Lincolnshire	£2,790,712
North Lincolnshire	£2,723,456
North Somerset	£3,306,955
North Tyneside	£3,690,396
North Yorkshire	£8,674,471
Northamptonshire	£9,724,981
Northumberland	£5,445,531
Nottingham	£5,547,807
Nottinghamshire	£12,623,972
Oldham	£4,017,093
Oxfordshire	£8,201,856
Peterborough	£2,840,646
Plymouth	£4,596,024
Poole	£2,281,887
Portsmouth	£3,186,951
Reading	£2,038,343
Redbridge	£3,994,265
Redcar and Cleveland	£2,577,805

Richmond upon Thames	£2,365,264
Rochdale	£3,966,999
Rotherham	£4,815,007
Rutland	£485,765
Salford	£4,716,153
Sandwell	£6,614,042
Sefton	£5,457,818
Sheffield	£9,682,589
Shropshire	£4,988,726
Slough	£1,844,892
Solihull	£3,115,150
Somerset	£8,939,209
South Gloucestershire	£3,346,684
South Tyneside	£3,275,870
Southampton	£3,970,677
Southend-on-Sea	£2,949,235
Southwark	£5,621,610
St Helens	£3,446,221
Staffordshire	£12,677,280
Stockport	£4,592,842
Stockton-on-Tees	£3,025,250
Stoke-on-Trent	£4,767,077
Suffolk	£11,673,091
Sunderland	£5,611,337
Surrey	£14,297,472
Sutton	£2,638,857
Swindon	£2,753,293
Tameside	£4,130,488
Telford and the Wrekin	£2,771,315
Thurrock	£2,341,506
Torbay	£2,965,625
Tower Hamlets	£5,243,352
Trafford	£3,384,835
Wakefield	£5,901,600
Walsall	£5,124,740

Waltham Forest	£3,896,610
Wandsworth	£4,643,811
Warrington	£2,948,293
Warwickshire	£7,997,949
West Berkshire	£1,792,796
West Sussex	£11,823,605
Westminster	£4,735,807
Wigan	£5,698,831
Wiltshire	£6,525,049
Windsor and Maidenhead	£1,705,319
Wirral	£6,443,824
Wokingham	£1,437,354
Wolverhampton	£4,926,642
Worcestershire	£8,534,970
York	£2,619,236
TOTAL	£859,000,000