

Special Cabinet – 12 October 2011

Department of Health Consultation – Allocation Options for Distribution of Additional Funding to Local Authorities: Draft Consultation Response

Portfolio: Councillor McCracken – Social Care and Health

Service: Social Care & Inclusion

Wards: All

Key decision: No

Forward plan: No

1.0 Summary of the report

1.1 To inform Cabinet/CMT of the Government's proposals in relation to distribution of additional funding to local authorities for Local HealthWatch, NHS Complaints Advocacy and PCT Deprivation of Liberty Safeguards, and provide a draft consultation response to the main document for approval.

2.0 Recommendations

Cabinet are requested to:

2.1 Note the proposed changes in relation to Local HealthWatch, NHS Complaints Advocacy and PCT Deprivation of Liberty Safeguards.

2.2 To note and approve consultation response as set out in **Appendix 1** and delegate responsibility to the Executive Director Social Care & Inclusion and portfolio holder for Social Care and Health to finalise the consultation documents, which are to be returned by 24 October 2011.

3.0 Report detail

3.1 The Government's Health and Social Care Bill sets out the proposed transfer of responsibilities for a number of services currently carried out by the Department of Health (DH) to Local Authorities. As part of this proposed transfer DH is currently carrying out consultation on options for the distribution of funding to councils for the three duties outlined below:

- **Local HealthWatch signposting elements from Primary Care Trust (PCT) Patient Advice and Liaison Services (PALS)** – transferring to control of local authorities from October 2012;
- **NHS Complaints Advocacy** – transferring from DH to local authorities from April 2013; and
- **PCT Deprivation of Liberty Safeguards** – which will potentially be transferring from NHS to local authorities from October 2012.

3.2 Local HealthWatch

The passage of the Health and Social Care Bill will see Local Involvement Networks (LINKs) replaced by the establishment of Local HealthWatch organisations in October 2012. The following section summarises the main changes:

- Local HealthWatch will be responsible for promoting improved outcomes in health and adult social care by continuing to involve and engage service users, influencing decision making at a local and national level and taking forward the signposting function of PCTs PALS by providing service users with information regarding health and social care services.
- Locally it will provide a contact for community and voluntary organisations, hold a seat on local health and wellbeing boards and gather information on people's views and experiences of the NHS to inform HealthWatch England in influencing changes in health and social care services nationally.
- Local authorities will be required to fund local HealthWatch organisations, commission a local HealthWatch organisation and ensure the organisations accountability and value for money.
- Funding for local HealthWatch will be made available through the Department for Communities and Local Government (CLG) formula grant (which currently funds LINKs) – therefore this funding stream is not affected by this consultation.
- Funding for PCT PALS will be transferred from PCTs to local authorities in October 2012. DH has proposed two options for allocation of funding:
 - 1) **Option LHW1:** Adult working age population, adjusted for area costs. This proposes that the funding required by a local authority to provide a local HealthWatch will be proportionate to the size of its working age population. It takes into account differences in local wage costs through the DCLG's area cost adjustment.
 - 2) **Option LHW2:** The adult social care relative needs formula. This option proposes that the funding required by a local authority to provide a local HealthWatch will be proportionate to the relative need it has for state supported social care.
- As part of the allocation DH is proposing a minimum funding of £20,000 per upper-tier authority.

3.3 NHS Complaints Advocacy

Subject to passage of the Health and Social Care Bill, from April 2013 local authorities will be required to commission NHS complaints advocacy services from either local HealthWatch or a third party provider. The following section summarises the main changes:

- DH will provide local authorities with funding as part of the Learning Disabilities and Health grant. This will be made available from the funding currently provided to the Independent Complaints Advocacy (ICAS) to support service users in lodging complaints against the NHS.
- Additionally DH estimates that there will be lost economies of scale incurred from transferring from one NHS complaints advocacy service per six authorities

to a single service per authority, and as such will also provide funding to cover these costs.

- DH has proposed two options for allocation of funding:
 - 1) **Option NHSCA1:** Adult population, adjusted for area costs. This proposes that the funding required by a local authority to provide NHS Complaints Advocacy will be proportionate to the size of its local population. It takes into account differences in local wage costs through the DCLG's area cost adjustment.
 - 2) **Option NHSCA2:** The adult social care relative needs formula. This option proposes that the funding required by a local authority to provide NHS Complaints Advocacy will be proportionate to the relative need it has for state supported social care.

3.4 PCT Deprivation of Liberty Safeguards

Funding for 'Deprivation of Liberty Safeguarding' (DOLS) processes is currently provided by DH for the cost of assessing the nature and extent of liberty deprivations on a case-by-case basis and training those involved as to their responsibilities under the Mental Capacity Act (2005).

At present local authorities receive funding for DOLS processes in residential care and PCTs receive funding for assessments in health settings. DH proposes to transfer the responsibility for DOLS assessments in health settings to local authorities in October 2012.

DH has proposed two options for allocation of funding:

- 1) **Option DOLS1:** Adult population, adjusted for area costs. This proposes that the funding required by a local authority to provide DOLS assessments in health settings will be proportionate to the size of its local population. It takes into account differences in local wage costs through the DCLG's area cost adjustment.
 - 2) **Option DOLS2:** The adult social care relative needs formula. This option proposes that the funding required by a local authority to provide DOLS assessments in health settings will be proportionate to the relative need it has for state supported social care.
- As part of the allocation DH is also proposing minimum funding of £2,000 per upper-tier authority.

4.0 Council priorities

4.1 The Local HealthWatch and NHS Complaints Advocacy proposals align with the Council's priorities for communities and neighbourhoods, and for health and well-being. In particular they relate to:

- 1) Residents being happy with local services
- 2) Residents feeling that they can influence decisions locally

4.2 The PCT Deprivation of Liberty Safeguards proposals align with the council's health and well-being priorities for:

- 1) Safeguarding of vulnerable people, young and old
- 2) More vulnerable people living meaningful lives in their own homes
- 3) Older people and vulnerable adults maintaining their independence for longer and having greater choice and control over their care

5.0 Risk management

5.1 The proposals place new responsibilities on local authorities. If the funding allocated to meet these responsibilities is not adequate there is an ongoing risk to the finances of the council. Such risks will be robustly managed within the council's medium term financial strategy and plan.

6.0 Financial implications

6.1 Due to the many variables still to be decided upon it is not possible to calculate the full extent of any financial implications, however indicative allocations for each option are set out in **Appendix 2**. Once the outcome of the consultation is known a report will be sent to Cabinet on the expected financial implications for Walsall.

7.0 Legal

7.1 There are no direct implications.

8. Property implications

8.1 There are no direct implications.

9.0 Staffing implications

9.1 There are no direct implications.

10.0 Equality implications

10.1 There are no direct implications.

11.0 Consultation

11.1 A response to the 9 consultation questions is required by 5pm on 24 October 2011.

Background papers:

DH Consultation on Allocation Options for Distribution of Additional Funding to Local Authorities

DH Indicative Allocations spreadsheet

LG Futures: Briefing note on DH consultation document

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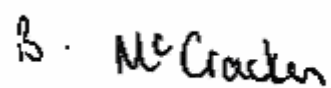
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Signed:

Handwritten signature of Paul Davies in black ink.

Paul Davies
Executive Director – SCI
4 October 2011

Signed:

Handwritten signature of B. McCracken in black ink.

Councillor McCracken
Portfolio holder Social Care and Health
4 October 2011

CONSULTATION RESPONSE

Name Organisation Role **FUNDING LOCAL HEALTHWATCH****Question LHW1**

Do you prefer:

Option LHW1: population based Option LHW2: RNF **Question LHW2**

Do you agree that there should be an allocation of at least £20,000, in respect of the additional functions for local HealthWatch to each local authority in each financial year?

Yes No **Question LHW3**

Why do you prefer the option selected above? Do you have any comments about the options or alternative suggestions for allocating the funding, or alternative costings for the minimum allocation amount?

Allocation based on the adult social care relative needs formula offers the best indication of the amount of people who will require signposting services and health and social care systems within Walsall.

Based on this assessment we do not support the proposal for a minimum allocation of at least £20,000 per upper-tier authority as this will provide additional resources to some authorities, above the need identified via the social care relative needs formula, at the expense of reducing allocations to other authorities, where funding may not then meet expected need.

NHS COMPLAINTS ADVOCACY**Question NHSCA1**

Do you prefer:

Option NHSCA1: population based Option NHSCA: RNF

Question NHSCA2

Why do you prefer the option selected above? Do you have any comments about the options or alternative suggestions for allocating the funding?

In the absence of detailed information relating to actual caseloads, allocation based on the adult social care relative needs formula offers the best indication of the people who are most likely to be in contact with health and social care systems and who may need NHS complaints advocacy within Walsall.

DEPRIVATION OF LIBERTY SAFEGUARDS

Question DOLS1.

Would you prefer the transfer of funding to happen in October 2012 or April 2013?

October 2012

April 2013

Question DOLS2

Which of the options do you prefer: Options DOLS 1 population or Option DOLS2 RNF?

DOLS1

DOLS2

Question DOLS3.

Do you agree that there should be a minimum allocation in respect of PCT DOLS funding of £2,000 for each financial year?

Yes

No

Question DOLS4

Do you have any comments about the options or alternative suggestions for allocating the grant?

In the absence of detailed information relating to actual caseloads, allocation based on the adult social care relative needs formula offers the best indication of the amount of people who will require DOLS assessments in a health setting within Walsall.

Based on this assessment we do not support the proposal for a minimum allocation of at least £2,000 per upper-tier authority as this will provide additional resources to some authorities, above the need identified via the social care relative needs formula, at the expense of reducing allocations to other authorities, where funding may not then meet expected need.

WALSALL INDICATIVE ALLOCATIONS

Local HealthWatch			
LHW1 Without Min Allocation	LHW1 With Min Allocation	LHW2 Without Min Allocation	LHW2 With Min Allocation
£102,910	£102,758	£133,574	£133,324

NHS Complaints Advocacy			
NHSCA1	NHSCA2		
£65,134	£84,111		

PCT DOLS			
DOLS1 Without Min Allocation	DOLS1 Without Min Allocation	DOLS2 With Min Allocation	DOLS2 Without Min Allocation
£6,422	£6,401	£8,293	£8,264