

REPORT TO: Health and Wellbeing Board

Date of Meeting: 31st January 2017
Report of: Strategic Director of Adult Social Care and Health, Cheshire East Council, Mark Palethorpe
 Chief Officer of Eastern Cheshire CCG, Jerry Hawker
 Chief Officer of South Cheshire CCG, Simon Whitehouse
Subject/Title: Allocation of Historical Section 256 Reserve Funds

1 Report Summary

- 1.1 This report sets out the details for the allocation of the total historical Section 256 reserve funds (underspends) held by the Council. The creation of this reserve fund was originally approved at the Health and Well-being Board dated 24th March 2015.
- 1.2 In reference to the Health and Well-being Board's approval the reserve funds are detailed as follows :

"Summary of 2014/15 Spend Agreed with CCGs Including All Carry Overs

	Budget £ms	Actuals £ms
1. On-going Reablement Services (existing services)	3.76	3.76
2. Pilots from 2014/15 (now due to launch fully in 2015/16) (total allocation for a full year will be £1.43m)	0.08	0.08
3. New Spending Allocation for 2014/15 in year	1.79	1.79
4. Carry Forward and ring-fence of all underspend at 31 st March 2015 to 2015/16 financial year in BCF plan.	2.79	0
TOTAL AVAILABLE BUDGET 2014/15	8.42	5.63

The principles agreed between Cheshire East Council and the two CCGs for the development of the detailed plans for the use of the underspend are as follows:-

- Section.256 is for adult social care expenditure - which also has a health benefit – this is outlined within the Better Care Fund (BCF) plan agreed with Department of Health as part of the means of ‘protecting social care’
- The principle for the use of spend is to pay for the delivery of the social care element of BCF schemes. The three pilots from 2013/2014 agreement of £1.43m will be assumed recurrent at this stage pending evaluation outcomes.
- The underspend predicted in 2014/2015 of £2.79m is agreed to be carried over into 2015/2016 for use in line with the principles above.”

The Value of the S256 reserve was £3.391m, this was made up underspends in financial years 2013/14 and 2014/15. These underspends were set aside in and Earmarked Reserve by Cheshire East Council to ensure that they were allocated in line with the conditions of the NHS England transfer.

- 1.3 Since the Health and Wellbeing Board decision in March 2015 a number of proposals for spending the reserve fund have been set out by the Council. These proposals could not be agreed with the CCGs as it was felt the initiatives did not meet whole care system pressures and did not represent evidenced value for money.
- 1.4 In May 2016 the CCGs requested that the reserve fund be returned, as per the directions issued by NHSE, to CCGs during 2016/17 (on the requirement for the mandated return of uncommitted s256 monies to CCGs). The CCGs proposed that maintaining uncommitted reserves year on year was not in the best interest of the local population.
- 1.5 In November 2016 agreement was reached between the Council and the two CCGs on the allocation of the reserve funds. The agreement made is to fully utilise the total of the reserve funds within the 2016/17 financial year. The below tables show the balances transferred back to the CCG’s and the amounts that the CCG’s have committed to pay to the Council for the various services.

S256 Reserve Agreement - agreed transactions ECCG

	Eastern CCG
S256 Reserve	£1,763,425
less Rapid Response 2016/17	(£187,500)
<u>TOTAL RETURNED TO ECCCG by end of DEC 16</u>	<u>1,575,925</u>
Services/Invoices agreed to be funded byCCG:	
Last 2016/17 CHC & Complex Care invoices Jan to March 17	£550,000
Outstanding BCF Contributions (up to Nov 16, excludes Dec to Mar not yet invoiced)	£621,334
Outstanding CHC invoices raised last year	£61,563
S28a Mental Health Reablement 2016/17	£347,000
Project Worker	£30,000

S256 Reserve Agreement - agreed transactions SCCG:

	South CCG
S256 Reserve	£1,627,776
<u>TOTAL RETURNED TO SCCG by Dec 16</u>	<u>1,627,776</u>
Services/Invoices agreed to be funded by CCG	
S28a Mental Health Reablement 2015/16	£313,000
Last 2016/17 CHC & Complex Care invoices Jan to March 17	£275,000
Outstanding BCF Contributions (up to Nov 16, excludes Dec to Mar not yet invoiced)	£284,333
Cheshire Care Record invoice	£73,040
Outstanding CHC invoices raised last year	£418,109
S28a Mental Health Reablement 2016/17	£313,000
Rapid Response 2016/17	£187,500

2 Recommendations

- 2.1 That the Health and Wellbeing Board note the agreed allocation of the historic Section 256 reserve funds in line with the details contained in table in paragraph 1.6 above.

3 Reasons for Recommendations

- 3.1 The section.256 reserve funds agreed at the Health and Well-being Board of 24th March 2015 was created from the underspend of the transfer of funds from the NHS to Cheshire East Council. The Gateway letter 01597 stated as follows:

“The funding must be used to support adult social care serviceswhich also has a health benefit.”

- 3.2 The value of the Section 256 reserve funds is £3.391m. These underspends were set aside in an earmarked reserve fund by Cheshire East Council to ensure that they were allocated in line with the agreed conditions with CCG partners.
- 3.3 The agreement noted in this report will allow the health and social care system to maintain the required health benefits for Cheshire East residents in 2016/17, as intended by the original transfer of these funds from the NHS.

4 Impact on Health and Wellbeing Strategy Priorities

- 4.1 It was agreed at the Health and Wellbeing Board of 24th March 2015 that the reserve fund should be allocated in line with the aims of the Better Care Fund. The Better Care Fund objectives and measures focus on older people and carers in order to drive improvements in the health and social care system that meet outcome three of the Health and Wellbeing Strategy.

“Outcome three - Ageing well:

Enabling older people to live healthier and more active lives for longer:

Improving the co-ordination of care around older people, in particular those with dementia, and supporting independent living (including falls prevention and interventions to reduce social isolation and loneliness).

Providing high quality palliative care service

Supporting older people, their families and carers, to prepare for the rest of their lives.”

6 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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