

DH Consultation on Allocation Options for distribution of additional funding to local authorities for:

Local HealthWatch; NHS Complaints Advocacy; PCT Deprivation of Liberty Safeguards.

1. Transfer of Funding

Subject to the passage of the Health and Social Care Bill, the Department (DH) will need to allocate funding for four duties which will pass from the NHS and DH to local authorities. The timetable is as follows:

Funding	Transfer to Local Authorities
Local HealthWatch signposting element from PCT PALS	From October 2012.
NHS Complaints Advocacy	From April 2013.
PCT Deprivation of Liberty Safeguards	Potentially, from October 2012.
Independent Mental Health Advocates	April 2013.

2. Responsibilities of HealthWatch

Building on the LINKs' functions to involve and engage, to enter and view premises providing care to service users (as set out in the Local Government and Public Involvement in Health Act 2007) the following describe the additional functions for Local HealthWatch:

- **Influencing** – Local HealthWatch will present the views and experiences of local service users to local managers and decision makers (as well as to HealthWatch England at the national level) and be part of the decision making process on the local health and wellbeing board. It will also hold local providers to account by reporting on services and making recommendations.
- **Signposting** – providing information to service users to access health and social care services and promoting choice. Some signposting is currently provided by Primary Care Trusts (PCTs), as part of their Patient Advice and Liaison Services (PALS) responsibilities, and it is the signposting function of PCT PALS which Local HealthWatch will take forward.
- **As a corporate body** – Local HealthWatch will be able to employ its own staff, as well as continue the LINK legacy of recruiting volunteers, and be subject to public sector duties such as the Equality Act 2010.

3. Funding Local HealthWatch

The majority of funding for Local HealthWatch will come from two sources:

- a) LINKs are currently funded through Department for Communities and Local Government (DCLG) Formula Grant. This will continue for at least the remainder of the current spending review to 2014/15 for Local HealthWatch. **This funding is not affected by this consultation.**
- b) Funding for signposting responsibilities currently carried out by PCT PALS will be transferred from PCTs to local authorities in October 2012.

4. Funding Streams

It is understood from the consultation document that there will be 3 funding streams in relation to the provision of the existing LINK responsibilities and for the additional functions to be provided as LINKs evolves to Local HealthWatch ie. signposting/information/advice and NHS complaints/mental health advocacy services.

- **LINK funding stream**

As stated at 3 (a) above, the funding for continuing LINKs functions is through the DCLG formula grant and therefore the level of funding nationally remains unchanged up to 2014/2015 (see pages 9 – point 25(a) and 10 – point 29) at £27m per annum and therefore the allocation to Staffordshire LINK from the local authority could remain within the region of £300,000 to continue to provide the LINK function with the caveat that this funding is **not** ringfenced. (See Fig 1 below).

- **Signposting/information/advice funding stream**

The funding for this service is being transferred from the PCT PALS signposting function which has a national budget allocation of £19.3m. The proposal for this funding to be transferred to local authorities includes £3.2m for start-up costs in the first year (2012/13) as well as a year on year increase of £0.5m for predicted increased demand for this service. It is not clear from the document if the set-up costs will sit outside the main level of funding; will be ring-fenced or conditional for specific set-up cost items; or would be dependent on a business case to evidence the need for such set-up cost items. (See Table 1 below).

The illustrative funding allocation for Staffordshire in respect of this service provision ranges from £323,359 to £344,919 depending on which funding option. The DH's preferred option would mean an allocation c£323,000 (see Annex A page 24).

	2012/13	2013/14	2014/15
	£m	£m	£m
<i>Existing funding to local authorities (unchanged)</i>			
LINKs	27	27	27
<i>Funding to be transferred to local authorities (additional)</i>			
Existing funding			
PCT PALS	19.3	19.3	19.3
New funding			
Increased Demand	0.5	1.0	1.5
Start-up Costs	3.2	0.0	0.0
Total Funding Transfer	23.0	20.3	20.8

Table 1

The allocation options are based on either Adult working age population, adjusted area costs (**Option LHW1**) or the social care relative needs formula (**Option LHW2**) (see pages 10,11 and 12 and Annex B for more details). **Option LHW2 is the DH's preferred option.** The proposal provides for a minimum allocation of £20,000 for the provision of this service irrespective of the formula calculations (see page 12 for more information).

These figures are illustrative allocations and the exact amounts will be published alongside the provisional allocations in late 2011.

- **NHS Complaints and Mental Health capacity Advocacy services funding stream**

The Department of Health will allocate funding to local authorities for their new responsibilities to provide NHS Complaints Advocacy as part of the Learning Disabilities and Health Reform Grant. The funding for this service will be transferred from the DH from the current Independent Complaints Advocacy Service (ICAS) from April 2013. Current level of funding nationally is £11.7m. (See Table 2 below).

The funding also incorporates additional monies for lost economies of scale. There is currently one NHS complaints advocacy office per six local authorities, so commissioning NHS complaints advocacy services at the local authority level will lead to fewer economies of scale and additional training costs. These costs are estimated at £2.5m per year nationally. (See Table 2 below).

	2012/13	2013/14	2014/15
	£m	£m	£m
<i>Funding to be transferred to local authorities (additional)</i>			
Existing funding			
ICAS	0	11.7	11.7
New funding			
Economies of Scale	0	2.5	2.5
Total Funding Transfer	0	14.2	14.2

Table 2

The illustrative funding allocation for Staffordshire in respect of this service provision ranges from £210,398 to £219,989 depending on which funding option. The DH's preferred option would mean an allocation c£210,398 (see Annex A page 30).

The allocation options are based on either Adult population, adjusted area costs (**Option NHSCA1**) or the social care relative needs formula (**Option NHSCA2**) (see pages 15,16 and 17 and Annex B for more details). **Option NHSCA2 is the DH's preferred option.**

These figures are illustrative allocations. The transfer amount will be confirmed when the DH has completed its 2012/13 financial planning round.

5. PCT Deprivation of Liberty Safeguards

It is felt that the LINK is not in a position to respond to the consultation questions in respect of this funding stream and should defer to the Local Authority to respond.

6. Consultation Process

The consultation requests responses to 3 questions in respect of the funding options for the provision of the signposting service (see page 13); and responses to 2 questions in respect of the funding options for the complaints advocacy service (see page 17). Responses must be submitted by **5pm on Monday 24th October 2011 via email.**

Should a response from the LINK be produced in partnership with the local authority or be an independent submission?