

Report of the Head of Scrutiny and Member Development

Report to Scrutiny Board (Health and Wellbeing and Adult Social Care)

Date: 30 October 2013

Subject: Fundamental review of NHS Allocations Policy

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4.3	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. At previous its meeting on 25 September 2013, the Scrutiny Board considered a range of information associated with the Fundamental Review of NHS Allocations Policy.
2. The Director of Finance (West Yorkshire Area Team) represented NHS England and a joint statement from Leeds Clinical Commissioning Groups (CCGs) was also presented to the Scrutiny Board. Some of the issues highlighted/ discussed included:
 - In December 2012, the NHS England Board did not accept the allocation formula presented and deferred a decision pending a fundamental review.
 - The published information, now presented to the Scrutiny Board, was a result of national policy work: As such, local NHS Area Teams had no involvement in drawing together the proposals.
 - Regionally, the North of England sees a reduction of 3.84% (approx. £722 million);
 - Midlands & East England sees an increase of 3.51% (approx. £660 million);
 - London has a reduction of 2.25% (approx. £222 million);
 - South of England sees an increase of 1.78% (approx. £283 million);
 - Locally in Leeds, if implemented this would appear likely to result in an overall reduction in CCG allocations of around £84 million;
 - There would be similar impacts across West Yorkshire (ranging from a £2.3 million reduced allocation at Airedale, Wharfedale and Craven CCG to £43 million reduction for Wakefield CCG);
 - If implemented, all CCGs across Yorkshire and Humber would experience a reduced allocation.
 - There was no existing national formula for distributing funding to Clinical Commissioning Groups (CCGs) – currently £95.6 billion;
 - Commissioning responsibilities and current resource allocation (post April 2013) was:

- 211 CCG – accounting for around 68% of the commissioning budget;
 - NHS England (direct commissioning) – accounting for around 31% of the commissioning budget;
 - 152 local authorities – accounting for around 1% of the commissioning budget.
 - Current CCG allocations based on the split of former Primary Care Trust (PCT) allocations (with a standard uplift).
 - Proposed funding allocation was based on need, which was assessed as follows:
 - Size of population (single largest determinant);
 - Adjustment due to age of the population;
 - Adjustment due to non-age related health of population;
 - Adjustment for unavoidable costs.
 - The proposed allocations formula benefited from using the 2011 census data. The results being:
 - Nationally, a higher population than projected figures;
 - Locally, a lower population in Leeds than projected. This was likely to be biggest factor in reduced levels of allocated funds.
 - Currently, there was no adjustment for unmet health needs in an area.
 - It was suggested that the main parts of patient pathway where unmet need arose from inequalities (and therefore may require additional funding) were in the following areas:
 - Primary Care
 - Community Care
 - Prescribing
 - Public Health
 - Social Care
 - With little 'new money', any future decision was likely to involve a debate around the pace of change – considering fairness against stability.
 - NHS England Board was due to consider proposals in December 2013, where it was likely decisions would be made on the allocation of funding for 2014/15 and 2015/16
3. Notwithstanding the useful discussion, there was also a clear view from members of the Scrutiny Board that further, more detailed consideration of a range of related matters was needed.
 4. As previously reported, the proposed allocation information only provides a partial picture, as there is no indication of allocations for direct commissioning at area team level (i.e. for primary care and/or specialised services). Following the previous Scrutiny Board meeting, it has now been confirmed there are no proposals to publish the 'direct commissioning' elements of NHS funding, prior to NHS England's allocations decision in December 2013 – likely to take place at its Board meeting on 17 December 2013.
 5. As such, to allow sufficient time for the Scrutiny Board to submit its report/ recommendations to NHS England, any further Scrutiny work needs to be undertaken at pace. It is therefore intended to hold further discussions at the meetings scheduled for 30 October 2013 and 20 November 2013 – with a range of contributions and additional information presented.
 6. The following information is attached to help inform the Scrutiny Board's consideration of this matter, including potential implications of a reduction in the allocation of NHS funding in Leeds.

- An overview of Leeds bid to become an ‘integrated health and social care pioneer’, including an update provided to the Health and Wellbeing Board at its meeting on 2 October 2013 (Appendix 1)
- An overview of the current financial landscape of the health and social care sector in Leeds – as presented to the Health and Wellbeing Board at its meeting on 2 October 2013 (Appendix 2)
- High level budget information from each CCG – including details of the current / existing budgets and allocation across the main areas of commissioning, along with further comment from Leeds CCGs (Appendix 3).
- Leeds wide outcome benchmarking pack – produced by NHS England (Appendix 4). It should be noted that this information is also available on a CCG level – if required.

7. Other matters that the Scrutiny Board may wish to consider at this and/or future meetings, include:

- The potential impact of the proposed levels of funding on meeting the ambitions of Leeds’ Joint Health and Wellbeing Strategy.
- The extent to which the Joint Health Needs Assessment provides a comprehensive calculation of the needs of people in Leeds (both overall and within each CCG area) and how/ if this provides details of the level of unmet need across Leeds.
- Details of the work to date of the Leeds Health and Social Care Transformation Board; including its achievements to date, proposed future work areas, and how it is working to access current/ future NHS Transformation funding (information to be presented in November 2013) .
- The potential impact of the proposed levels of funding on the future work of the Leeds Health and Social Care Transformation Board (consideration at November 2013 meeting).

8. Appropriate representatives have been invited to attend the meeting to assist the Scrutiny Board in its deliberations.

Recommendations

9. The Scrutiny Board (Health and Wellbeing and Adult Social Care) is asked to:
- Consider the information presented and discussed at the meeting;
 - Determine any specific matters it would wish to highlight to NHS England; and
 - Identify any specific details it wishes to consider at its November meeting.

Background documents¹

10. None used.

¹ The background documents listed in this section are available to download from the Council’s website, unless they contain confidential or exempt information. The list of background documents does not include published works.