



**Department for
Communities and
Local Government**



**Department
of Health**

Helen Edwards
Director General
Localism
Department for Communities and Local Government

Jon Rouse
Director General
Social Care, Local Government and Care Partnerships
Department of Health

To: Chairs of Health and Wellbeing Boards and Directors of Adult Social Services

26 June 2013

Dear Chairs of Health and Wellbeing Boards and Directors of Adult Services,

The Government has today announced the results of the latest spending round covering 2015/16. We are writing to you to explain what this means for adult social care.

We have secured a £3.8 billion pool of funding to help enable some of our most vulnerable population groups to receive a properly joined up service. We have also ensured full funding for social care reform, including the introduction of a new national minimum eligibility threshold and the cap on care costs. The NHS budget will continue to be protected. Today, the overall settlement delivers on the government's promise of real terms increases in the NHS budget - with another increase in funding by £2.1 billion in cash terms for 2015-16. This will increase resource funding to £110.4 billion and capital funding to £4.7 billion.

For local government, the new pool will ensure that service levels in the care and support system can be protected and will enable you to invest in prevention and early intervention. The Government is using this opportunity to invest in better integration of health and care, because this is what is needed to improve quality and prevent people staying in hospital unnecessarily.

Frail older people and people with a disability are some of the largest population groups depending on our health and care system. It is not uncommon for these people with complex needs to be pushed from pillar to post, between health and care, without getting the kind of joined-up care and support they should receive. We know this is not only frustrating, but can also result in people needing to go into hospital when this could have been prevented, or having to stay in hospital when medically well enough to be discharged. In both cases, this can lead to a loss of independence and poor outcomes.

We need to look at new ways of joining up our health and care services. Whilst this is clearly important for securing efficiency savings, it is also necessary to provide better services for local people and their families, and so to stop them falling between two systems. That is why the settlement for 2015/16 includes £3.8 billion of pooled health and social care funding for integration. This £3.8 billion investment will strengthen incentives for local authorities and the NHS to work together and deliver integrated services more efficiently, including:

- Ensuring that health and social care work more effectively together – through better sharing of information so people only need to explain their problems once;
- Intervening early so that older and disabled people can stay healthy and independent at home - avoiding unnecessary hospital admissions and reducing A&E visits;
- Delivering care that is centred on the individual needs, rather than what the system wants to provide – social care and NHS staff working together, with families and carers, to ensure people can leave hospital as soon as they're ready; and
- Provision of integrated support to carers so that they don't feel they are struggling to cope alone and can take a break from their caring responsibilities.

This innovative approach will help meet growing pressures across the NHS and social care systems by making truly joined-up local social care and health a reality. The £3.8 billion will include an additional £2 billion from the NHS. Access to the pooled budgets will be conditional on agreeing plans with local health and well-being boards to protect access and drive integration of services, to improve quality and prevent people staying in hospital unnecessarily. This provides the opportunity to protect social care, improve outcomes for individuals and deliver savings - with £1 billion linked to the delivery of outcomes, such as keeping people out of hospital.

We need to do further work with local government and the NHS on the planning process and to determine the detail of how this system will operate. We know that many areas, not just the Whole Place Community Budget pilots, are already doing great work in delivering integrated, joined-up, and person centred care and support locally.

Ministers and system leaders have reiterated the importance over recent months of delivering an integrated health and care system. Together, the national partners are inviting the most ambitious areas in delivering innovative models of integrated care and support to become 'pioneers' and will provide these areas with dedicated central support, including assistance from the Public Service Transformation Network. The pioneers will act as exemplars to address local barriers and support the rapid dissemination, promotion and uptake of lessons across the country. The closing deadline to apply to express an interest in the pioneer programme is Friday 28 June 2013. We will work collaboratively and with partners to ensure that the shared learning about Whole Place service transformation is incorporated into the design and delivery of the 'pioneers' programme.

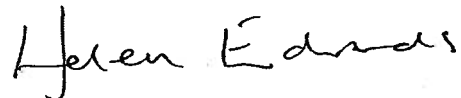
We know many of you have already come a long way. We want local partners to continue the good work on integration and start planning for their pooled budgets. We expect plans to be agreed later this year to build momentum, and we are investing an additional £200 million for social care to enable progress through 2014/15.

We are very aware of the good collaborative work which has been developing, particularly over the last 18 months. This funding builds on the work to date and your leadership will be vital in making greater integration a reality. We look forward to working with you.

Kind regards



JON ROUSE
 Director General for Social Care,
 Local Government and Care Partnerships,
 Department of Health



HELEN EDWARDS
 Director General, Localism,
 Department for Communities
 and Local Government