

By: Andrew Ireland, Corporate Director Families and Social Care

To: Graham Gibbens, Cabinet Member for Adult Social Care and Public Health

Subject: **SECTION 75: PERSONAL HEALTH BUDGETS**

Classification: Unrestricted

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Summary: Building upon the success of the Personal Health Budget pilot within Eastern and Coastal Kent PCT, West Kent PCT has now been given the powers to make direct payments in accordance with the pilot scheme to individuals in receipt of NHS Continuing Health Care.

West Kent PCT will look to use KCC's direct payment system, which will require a Section 75 agreement.

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## Introduction

1. (1) Empowering people by giving them greater control over the healthcare services they receive has been a running theme since Lord Darzi's review in 2008. The Department of Health commissioned an independent evaluation to identify to what extent personal health budgets (PHBs) ensure better health and social care outcomes than conventional methods of service delivery. This evaluation will report in October 2012, in line with plans to rollout personal health budgets

(2) NHS Eastern and Coastal Kent is 1 of 20 national in-depth pilot sites working with the DH. The PCT has offered personal health budgets across a wide range of condition groups, including NHS Continuing Health Care (CHC). The pilot has been delivered in partnership with KCC. KCC has robust systems in place to deliver direct payments, including tools such as the Kent card. These have been utilised during the pilot to reduce duplication and increase partnership working to improve service delivery, which operates under a Section 75 agreement.

(3) As the pilot comes to an end, the NHS Kent and Medway Cluster Board has agreed that PHBs will be rolled out within Continuing Health Care. This is in line with DH recommendations, which has encouraged self determined rollout ahead of the evaluation report due in October 2012, and an announcement from the Secretary of State, who stated that, subject to the evaluation, by April 2014, everyone who is eligible for NHS Continuing Health Care will have the right to ask for a PHB including a direct payment.

(4) Personal health budgets have enabled a seamless transfer of funding arrangements for individuals moving between Adult Social Services and Children's Social Services (transition) to CHC. Personal health budgets allow for integration between health and social care at the level of the individual, which can deliver greater value for money for both KCC and the NHS.

(5) NHS West Kent is not part of the national evaluation. However early anecdotal evidence from pilots as well as existing demand has led to West Kent PCT applying to the Secretary of State for direct payment powers. These have been granted for those receiving Continuing Healthcare, until 31 October 2012. Therefore West PCT will look to use KCC's direct payment system, which will require a Section 75 agreement.

## **Policy Context**

2. (1) Since the launch of the pilot, personal health budgets have been mentioned as enablers for increasing choice and control in:

- NHS Operating Framework for the NHS in England 2011/12, Dec' 2010
- No Health without Mental Health, a cross-Government strategy, Feb' 2011
- NHS Future Forum and Government Response, June 2011
- Open Public Services White Paper, July 2011
- NHS Operating Framework 2012/13, November 2011

(2) Personal health budgets support Bold Steps for Kent, as they allow for integration between health and social care at the level of the individual, which can reduce duplication and deliver greater value for money for both KCC and the NHS.

## **Overview of the Agreement**

3. (1) NHS Eastern and Coastal Kent has been one of the leading pilot sites, this has been attributed to utilising KCC systems. In order to ensure consistency across Kent, NHS West Kent has been granted direct payment powers until October 2012. From October 2012, these powers can be extended for another 2 years until permanent legislation is in place.

(2) There is a draft Section 75 for KCC and NHS West Kent. The Section 75 allows NHS West Kent to use KCC's direct payment system to make health direct payments to individuals within the CHC pathway. It is estimated that between 20-30 new cases per year across Kent may wish to receive their CHC funding through a direct payment. Personal health budgets will remain completely optional.

(3) Both agreements will be reviewed following evaluation outcomes in October 2012. Both Section 75 agreements will be amended to reflect new policies set out by the DH and working arrangements with health. These proposals are supported by FSC DMT.

## **Financial Implications**

4. (1) On request from the PCT, KCC loads a direct payment into a health recipient's bank account or Kent card and invoices the PCT. The direct payment is determined by health. The Section 75 agreement allows individuals to legally access a direct payment within a framework that can be managed and monitored.

(2) Funding from NHS Kent and Medway covers resources required by KCC in order to operate as set in the Section 75, removing any additional burden on the current structure.

## **Legal Implications**

5. (1) The Section 75 will allow for NHS Functions delegated by the Trust to the Local Authority. This is with regards to the function of making direct payments to recipients under the section 12A (1) of the National Health Service Act 2006.

(2) The personal health budget Board, a joint committee will provide assurance to respective organisations. The Board will oversee the monitoring of contractual arrangements which include Section 75 agreements.

## **Implementation Proposals**

6. (1) NHS Kent and Medway allocates funding to KCC to fund 20% of a project management post, to act as the Local Authority PHB lead. This post will implement integrated budgets, provide Kent card support (development of the card, troubleshooting and monitoring) and represent KCC on the PHB Board.

(2) The project manager will oversee the Section 75 agreement, which will include the sign off process, monitoring of the contract, reporting regularly to KCC and the NHS and monitoring the finances. A draft Section 75 for West Kent PCT will be ready for sign off during March.

## **Recommendations**

7. The Cabinet Member is asked to:

- a) Give authority to proceed with the Personal Health Budget Programme with West Kent PCT
- b) Grant delegated authority to the Corporate Director – Families and Social Care (or other nominated officer) to approve the Section 75 agreement.

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*Background documents:* None