

APPENDIX A

Directorate of Adult, Community and Housing Services

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1st December 2008.

Dear Sir,

TRANSFER OF FUNDING AND COMMISSIONING RESPONSIBILITY FOR LEARNING DISABILITY SERVICES

I am writing to confirm progress in Dudley with the transfer of Learning Disability social care funding and commissioning from the PCT to the Council. I attach a copy of the Department of Health return Annex B completed as far as possible.

The work on transfer of funding is already well-advanced as a result of excellent collaborative working between senior managers and accountants in the Council and the PCT, drawing on robust financial information systems in both organisations.

The task has been made easier by the flexibility of existing partnership arrangements. There was an in principle agreement since the late 1990s, reaffirmed a few years ago that Dudley MBC would have lead commissioning responsibility. This context, whilst not formalised in a S31 Agreement, forms the basis of a set of pragmatic arrangements, which work well. There has therefore been no need to unravel complex pooled budget agreements in order to agree the figure for transfer.

There are S31 Agreements though in place for the Learning Disability Development Fund, Community Team for Learning Disability and the resettlement of the Ridge Hill long-stay hospital. These agreements will be incorporated in the new S75 Agreement for the transfer of funding.

The process of calculating the amount to transfer has been led by our well-established Joint Commissioning Group, which is the 'executive' group of the Learning Disability Partnership Board. Key decisions on funding and commissioning of services are made at the Joint Commissioning Group. The Council's Assistant Director chairs this group and the PCT Director of Commissioning is represented, together with Finance Managers from both organisations.

The Council and PCT have so far agreed a sum of £7.84M to transfer. Most of this sum is definitively agreed. There are still outstanding minor queries in one or two areas, but when these are resolved, we will still be very close to a figure of £7.8 - £8M.

The sum is made up as follows:

Care costs of people resettled from Ridge Hill Hospital	£.3.65M
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Block purchase of residential care for people resettled in 1980s and 1990s	£1.25M
Residential care directly spot purchased by PCT	£0.32M
Residential care placements part funded by PCT	£2.24M
Block contract – short breaks	£0.31M
Other	£0.07M
TOTAL	£7.84M

In addition to the £7.84M, we will agree with the PCT a sum to transfer for the care costs of the three residents of Mere Road, the only remaining NHS campus in Dudley. This sum will be in the region of £375,000. There is also a potential capital transfer for the closure of Mere road which has yet to be calculated.

The Council and the PCT are still working on the following four areas:

Transition costs

The future PCT contribution to the care costs of young people coming through transition. In 2009 / 10 there are eight young people in transition with complex needs of whom six may have attracted a PCT contribution under present arrangements. In 2010/11 there are five young people in transition with complex needs, four of whom may have attracted PCT funding contribution.

Special Hospital Placements

In this financial year three people have been placed by the PCT in independent hospital placements for an extended period of treatment which could not be provided in Dudley. Two of these clients are expected to return to the Borough in 2009 and would under present arrangements have attracted significant funding from PCT. Each of these placements is expected to cost £150K p.a.

Black Country and Langstone

These organisations opened care homes in response to hospital closures in the 1980s and 1990s and continue to be paid directly by the PCT for a number of clients; these costs are included in the £7.84M. However, both organisations have argued that the funding they receive from the PCT does not meet the care needs of ageing residents as their health deteriorates. The two organisations are requesting uplifts which total £32K.

Special Services Agency Placements

The PCT has historically make placements directly into out of borough specialist placements via the Special Services Agency. When the person returns to the borough the funding does not return with them as the service is block purchased by PCT through a top-sliced budget. Eight clients from Dudley are funded in this way; three of whom are likely to return during the next year at an estimated cost of £150K each.



We do not yet have precise figures for these four areas, but we estimate that the approximate amounts would be as follows:

Transition	£300,000
Special Hospital	£300,000
Langstone and Black Country	£32,000
SSA Placements	£450,000

None of the amounts relating to these four areas have yet been agreed between the Council and the PCT but constructive discussions are ongoing.

The Council and the PCT have also identified a small number of clients whose needs are being assessed against continuing health care criteria; these assessments will be completed as soon as possible and before the final figure for the transfer of funding is agreed locally.

I hope the agreed position statement contained in this letter will suffice at this stage in the process. We expect to report a final transfer figure to the Council's Cabinet in February 2009 and we are committed to achieve a successful transfer in advance of the final deadline of 31st March 2009.

Yours sincerely,



Linda Sanders
Director of Adult Community and Housing Services



Mark Cooke
Chief Executive
Dudley PCT

CC: *Linda Sanders, Director of Adult, Community and Housing Services*
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