



To: Chief Executives of Health Authorities
Chief Executives of NHS Trusts

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EL(97)64

21 October 1997

Dear Colleague

ADDITIONAL RESOURCES FOR THE NHS: 1997/98

Summary

1. This letter:
 - provides more detail about the additional resources being made available to the NHS in England in 1997/98;
 - describes arrangements for allocating extra resources to health authorities against plans for service improvements; and
 - sets out how achievement of these plans will be monitored.

The Additional Money

2. An additional £300m has been made available for the NHS this winter, of which £269m is for the NHS in England. The bulk of this (£159m) will be allocated to health authorities. A further £80m will be used to deal with the forecast overshoot on FHS expenditure, including the drugs bill, which would otherwise have had to be clawed back from health authorities. £30m is to be generated through efficiency savings by tackling prescription fraud, increasing income from road traffic accidents and other measures flowing from the Minister of State for Health's Efficiency Task Force. Further announcements on these savings, the measures which will be taken centrally and locally to achieve them, and how these funds will be used, will be made shortly.

cc Exec Board 23/10

The Allocations Process

3. Regional offices will be responsible for allocating amounts between their health authority areas. The sums available for allocation in each region will be in line with shares of opening 1997/98 health authority baselines. Annex A provides details. Within these totals regional offices will have discretion over how much goes to each health authority area.

4. A nominated Minister will work with regional directors to agree a framework for allocations to health authorities drawing on the expert advice of the Emergency Services Action Team and in the light of the need to make plans for joint investment to improve services for vulnerable people in the medium term. The NHS Executive will specifically target poor performance and provide support for areas with special problems.

The nominated Ministers are:

- North Thames/South Thames - Minister of State for Health;
- Trent/North West - Minister of State for Public Health;
- South West/Northern & Yorkshire - Minister of State in the Lords;
- West Midlands/Oxford and Anglia - Parliamentary Under Secretary of State.

Allocations to individual health authority areas will be agreed by 7 November 1997.

Use of the Additional Resources

5. The additional allocations will be made against plans for how the money will be spent to improve services. While the additional resources this year are non-recurrent, they offer the opportunity to improve services, relationships and systems in a way that will have longer-term benefits and provide a platform for improvements in the future. Plans should cover two areas:

- (i) *easing the pressures on the health and social care system during the winter period.*

Priority will be given to plans which:

- help hospitals cope with medical emergencies which are already known or likely to occur during the winter months, for example by improving staffing levels at times of peak pressure and through services opening extra hours;
- reduce delays in discharging patients, for example by improving rehabilitation and recuperation services, funding increased care at home, extra nursing and residential home places and more social services support;

- reduce the need for people to be admitted to hospital in the first place by strengthening primary, community and social services, providing more specialist nursing and therapy for people - particularly older people - in their own homes, nursing and residential homes, and through improved community and out of hours services.

They should also take account of the key areas necessary for effective preparation set out in Annex 6 to the Emergency Services Action Team Report of August 1997 and the summary of conclusions of visits to NHS regions by Alan Langlands and Sir Herbert Laming in August 1997, as well as the need to make progress on the medium term agenda to develop health and social care services for vulnerable people, set out in EL(97)62. Particular areas for action are:

- to avoid admissions which can be prevented by offering appropriate alternatives;
- to cope with short stays and the need for fast access to expert opinion/tests;
- to handle admissions more speedily and effectively within hospitals;
- to reduce the number of intensive care transfers;
- to improve discharge arrangements and reduce avoidable delays in discharge;
- to improve cooperation with social services departments, GP fundholders and commissioners, and between NHS trusts and health authorities. Funds should be specifically targeted at developing innovative and imaginative new ways of managing and delivering services which will provide a firm basis for developing the NHS and social care in future years. The emphasis should be on pump-priming new ways of working that provide lasting benefits;
- in those circumstances where the identified service need is for social care, funds should be transferred to local authorities using powers under Section 28A of the 1977 NHS Act.

(ii) *restraining the growth in waiting times and waiting lists.*

As the Secretary of State has made clear, the first priority this winter is to manage emergency admissions to hospital. That also applies to this extra funding. As resources allow, a further aim should be to keep any increase in lists and waiting times to an absolute minimum and where possible improve on performance. Plans should include firm targets for 1 April 1998 on both waiting times and lists.

6. Money will only be released when Regional Directors are satisfied as to the quality and robustness of these plans. The sums allocated will also take account of an assessment of local pressures, agreed risk sharing strategies between purchasers and trusts, and agreed contingency plans between health agencies and social services (as set out in the Secretary of State's letter of 29 August 1997 to Chairs of Health Authorities, Trusts, Leaders of Councils and Chairs of Social Services & Housing on Managing Winter 1997/98).

Action

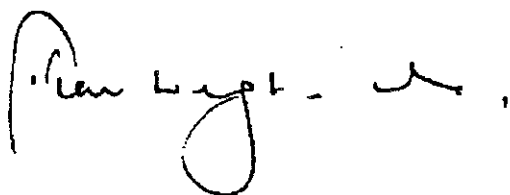
7. Health authorities, in consultation with trusts, GPs and social services departments and in discussion with the regional office, should draw up plans for using the additional resources to improve services this winter by 31 October 1997. Plans will be agreed and allocations made to individual health authority areas by 7 November 1997.

Monitoring

8. Health authorities will be responsible for ensuring that the plans are met and regional offices will monitor performance. Outturn reports on performance against plan should be submitted to regional offices by 30 April 1998.

Enquiries

9. Enquiries on this letter should be directed to the Regional Director of Purchaser Performance Management in the first instance. NHS organisations can obtain further copies of this EL by contacting the NHS response line: 0541 555 455.

A handwritten signature in black ink, appearing to read 'Alan Langlands', with a stylized flourish at the end.

ALAN LANGLANDS

This letter will be cancelled on 30 April 1998.

ANNEX A

PRO RATA ALLOCATION TO HEALTH AUTHORITIES IN EACH REGION

Region	£'000s
Northern & Yorkshire	20,849
Trent	16,071
Oxford & Anglia	15,174
North Thames	24,251
South Thames	22,984
South West	20,547
West Midlands	16,705
North West	22,418
<i>Total</i>	<i>159,000</i>

