

# THE SCOTTISH OFFICE

24 DEC 1998

COMMON SERVICES ACENC

## NHS MEL(1998)83

NHS Management Executive St. Andrew's House Edinburgh EH1 3DG

23rd December 1998

# Department of Health

Dear Colleague

### **BRIDGING FINANCE**

### **Summary**

- 1. This letter sets out revised arrangements for distributing the resources previously allocated to the centrally managed bridging finance scheme.
- 2. For 1998-99 resources will continue to be provided under the existing arrangements for those schemes which have already been approved under the central bridging finance scheme. The essential bridging costs associated with the proposed closure and reprovisioning of the Royal Scottish National Hospital at Larbert will also be met centrally. Once commitments have been met, the balance of resources will be used to meet specific pressures related to the reprovisioning agenda, including a distribution among other Health Boards to tackle issues arising locally. The distribution of the balance of these resources is set out in the Annex.
- 3. For 1999-2000 existing commitments and the costs associated with the closure of RSNH will be met centrally. The difference between that total and £18 million will be distributed on a formula basis to Health Boards. The formula takes account of the extent to which Health Boards have already benefited from allocations of bridging finance under the central scheme including the allocations made for 1998-99 as described in paragraph 2. These revised figures which are in the Annex, supersede those included in the general allocations issued on 5 November. Provisional figures for 2000-2001, distributed according to the same formula are also in the Annex. The resources form part of the Department of Health's Modernisation Programme.

#### Addressees

For action:
General Managers,
Health Boards
Chief Executives, NHS Trusts
Chief Executives, Local Authorities
Directors of Housing
Directors of Social Work

For information:
General Manager,
Common Services Agency

General Manager, State Hospitals Board for Scotland

Executive Director, SCPMDE

Chief Executive, Scottish Homes

Scottish Federation of Housing Associations

General Manager, Health Education Board for Scotland

#### Enquiries to:

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### Action

- 4. These changes do not alter the responsibility of Health Boards working with local authorities and other partners to ensure that proper provision is made for the transitional costs associated with the closure of inappropriate long stay NHS accommodation and the necessary reprovision of services in the community. The Government's policy remains that no long stay NHS institution will be closed until suitable alternative facilities, including accommodation, are available and properly financed in the community; and Health Boards will have to show that the resources distributed in the light of this letter have been used for appropriate purposes. Furthermore Health Boards and NHS Trusts should ensure that, where long stay NHS provision continues to be provided the accommodation and facilities are maintained to a high standard.
- 5. Health Boards are asked to bring this information to the attention of all with an interest in these issues who are not direct recipients of this circular.

Yours sincerely

KEVIN WOODS
Department of Health
Management Executive

GILLIAN STEWART Social Work Services Group RICHARD GRANT Housing Division

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# ANNEX .

£,000

•	1998-1999	1999-2000	2000-2001
Existing commitments			
including RSNH	14,000	6,460	6,735
Argyll and Clyde	· 652	1,881	1,836
Ayr and Arran	554	1,599	1,561
Dumfries and Galloway	234	675	659
Forth Valley	381	1,098	1,072
Grampian	709	2,045	1,996
Lanarkshire	. 772	2,228	2,175
Shetland	37	108	105
Tayside	605	1,744	1,703
Western Isles	56	162	158
	18,000	18,000	18,000