

## TRAFFORD COUNCIL

**Report to:** Health and Wellbeing Board  
**Date:** 3<sup>rd</sup> December 2013  
**Report for:** Decision  
**Report of:** Deputy Director, Children, Families and Wellbeing

### Report Title

**Integration Transformation Fund**

### Summary

**The June 2013 Spending Round announced a fund of £3.8bn nationally to ensure closer integration of health and social care services from 2015/16. The Local Government Association and NHS England published a joint statement on the 8th August 2013 about this funding known as the health and social care Integration Transformation Fund (ITF), outlining how the fund could work and next steps.**

### Recommendation(s)

**The Health and Wellbeing Board approve the report.**

Contact person for access to background papers and further information:

Name: Linda Harper  
Extension: 1890

## Background

1. The June 2013 Spending Round announced a fund of £3.8bn nationally to ensure closer integration of health and social care services from 2015/16. The Local Government Association and NHS England published a joint statement on the 8th August 2013 about this funding known as the health and social care Integration Transformation Fund (ITF), outlining how the fund could work and next steps.

## What is the Integration Transformation Fund (ITF)

2. The Integration Transformation Fund (ITF) is “a single pooled budget for health and social care services to work more closely together in local areas, based on a plan agreed between the NHS and local authorities”.
3. The intention of the ITF is to “provide an opportunity to transform care so that people are provided with better integrated care and support. It will help deal with demographic pressures in adult social care and is an opportunity to take the integration agenda forward at scale and pace – it is a catalyst for change”. The ITF provides opportunity to create a shared plan for the totality of health and social care activity and expenditure that will have benefits way beyond the effective use of the mandated pooled fund.
4. The ITF will support the aim of providing people with the right care, in the right place, at the right time, including through a significant expansion of care in community settings. This will build on the work CCGs and local authorities are already doing, for example, as part of the integrated care “pioneers” initiative and Community Budgets, through work with the Public Service Transformation Network, and on understanding the patient / service user experience.

## Details of the funding

5. The June 2013 spending review set out the following;

2014 /15 – an additional £200m transfer from the NHS to social care, in addition to the £900m transfer already planned (to enable CCG’s and LA’s to build momentum towards delivering the expected outcomes)

2015 /16 - £3.8 billion pooled budget to be deployed locally on health and social care through pooled budget arrangements.

6. In 2015/16 the ITF will be created from the following:

<p>£1.9 billion existing funding continued from 14 /15 - this money will already have been allocated across the NHS and social care to support integration</p>	<ul style="list-style-type: none"><li>• £130 million Carers’ Breaks funding</li><li>• £300 million CCG reablement funding</li><li>• c. £350 million capital grant funding</li></ul>
--	---

	<p>(including £220m of Disabled Facilities Grant and funding for IT projects to facilitate secure sharing of patient data between NHS and local authorities)</p> <ul style="list-style-type: none"> <li>• £1.1 billion existing transfer from health to social care</li> </ul>
Additional £1.9 billion from NHS allocations	<ul style="list-style-type: none"> <li>• Funding to cover demographic pressures in adult social care and some of the costs associated with the Care Bill</li> <li>• £1 billion performance related, with half paid on 1 April 2015 (most likely based on performance in the previous year) and half paid in the second half of 2015 / 16 (which could be based on in-year performance)</li> </ul>

7. As identified above, £1bn of the ITF will be dependent on performance and local areas will need to set and monitor achievement of these outcomes during 2014 / 15 as the first half of the £1bn, paid on 1st April 2015, is likely to be based on performance in the previous year. Assessment of performance is likely to be based on a combination of national and locally chosen measures.

8. It is important to note that most of this funding does not represent new money. The money to be invested in the ITF will have to be found by CCG's from budgets which will scarcely have grown from the previous year in real terms. The LGA and NHS England point out that the fund does not in itself address the financial pressures faced by local authorities and CCGs in 2015 /16, which remain very challenging. The £3.8bn pool brings together NHS and Local Government resources that are already committed to existing core activity. (The requirements of the fund are likely to significantly exceed existing pooled budget arrangements). Councils and CCGs will, therefore, have to redirect funds from these activities to shared programmes that deliver better outcomes for individuals. This calls for a new shared approach to delivering services and setting priorities, and presents Councils and CCGs, working together through their Health and Wellbeing Board, with an unprecedented opportunity to shape sustainable health and care for the foreseeable future.

### Accessing the funding

9. To access the ITF each locality will be asked to develop a local plan by March 2014 covering the 2 years 2014 /15 and 2015 /16. This will need to set out how the pooled funding will be used in 2015 /16 and the ways in which the national and local targets attached to the performance-related £1 billion will be met.

10. This plan will also set out how the £200m transfer to local authorities in 2014 /15 will be used to make progress on priorities and build momentum.
11. Plans for the use of the pooled monies will need to be developed jointly by CCGs and local authorities and signed off by each of these parties and the local Health and Wellbeing Board.
12. The ITF will be a pooled budget which can be deployed locally on social care and health, subject to the following national conditions which will need to be addressed in the plans:
  - plans to be jointly agreed;
  - protection for social care services (not spending);
  - as part of agreed local plans, 7 day working in health and social care to support patients being discharged and prevent unnecessary admissions at weekends;
  - better data sharing between health and social care, based on the NHS number;
  - ensure a joint approach to assessments and care planning;
  - ensure that, where funding is used for integrated packages of care, there will be an accountable professional;
  - risk-sharing principles and contingency plans if targets are not met and
  - agreement on the consequential impact of changes in the acute sector.

**Approval of plans and timetable**

13. Plans will need to be developed by local authorities and their respective CCGs, based on the joint strategic needs assessment, CCG commissioning strategies and local authority business plans. They will also need to reflect national priorities set out in the NHS Mandate and the NHS Planning Framework.
14. The intention is that local Health and Wellbeing Boards will sign off the plans ensuring that they are the best for the locality; the plans will then go through an assurance process involving NHS England to assure Ministers.
15. A broad outline timetable has been agreed for 2013/14 for developing the pooled budget plans as follows;

August to October 2013	Local planning discussions. Nationally further work to define conditions
November/December 2013	NHS Planning Framework issued
December 2013 to January 2014	Completion of local plans
February 2014	Sign off by Health and Wellbeing Boards

### **Next steps on implementing the ITF**

16. On the 17<sup>th</sup> October 2013, further guidance was issued by the Local Government Association (LGA) and NHS England regarding next steps in implementing the ITF. This covered the following issues;

- How the ITF will be distributed
- How councils' and CCG's will be rewarded for meeting goals
- Required changes to statutory frameworks
- How should councils' and CCG's agree and develop a joint plan
- More detail on the National Conditions.

A summary of this advice is outlined in Appendix A

Copies of all relevant documents to date and a link to further information on the LGA website are included in Appendix B.

November 19<sup>th</sup> 2013

### **APPENDIX A**

#### **Summary of further advice on the Integration Transformation Fund issued by LGA / NHS England on 17<sup>th</sup> October 2013.**

##### **How the ITF will be distributed**

- Councils will receive their detailed funding allocation following the Autumn Statement in the normal way. When allocations are made and announced later this year, they will be two-year allocations for 2014 /15 and 2015 /16 to enable planning.
- In 2014 /15 the existing £900m s.256 transfer to Local Authorities for social care to benefit health, and the additional £200m will be distributed using the same formula as at present.
- The formula for distribution of the full £3.8bn fund in 2015/16 will be subject to ministerial decisions in the coming weeks.
- In total each Health and Wellbeing Board area will receive a notification of its share of the pooled fund for 2014 /15 and 2015 /16 based on the aggregate of these allocation mechanisms to be determined by ministers. The allocation letter will also specify the amount that is included in the pay-for-performance element, and is therefore contingent in part on planning and performance in 2014/5 and in part on achieving specified goals in 2015/6.

### How councils' and CCG's will be rewarded for meeting goals

- In summary, 50% of the pay-for-performance element will be paid at the beginning of 2015/16, contingent on the Health and Wellbeing Board adopting a plan that meets the national conditions by April 2014, and on the basis of 2014 /15 performance. The remaining 50% will be paid in the second half of the year and could be based on in-year performance. LGA / NHS England are still agreeing the detail of how this will work, including for any locally agreed measures.
- In practice there is a very limited choice of national measures that can be used in 2015 / 16 because it must be possible to baseline them in 2014 /15 and therefore they need to be collected now with sufficient regularity and rigour. For simplicity we want to keep the number of measures small and, while the exact measures are still to be determined, the areas under consideration include:
  - Delayed transfers of care;
  - Emergency admissions;
  - Effectiveness of re-ablement;
  - Admissions to residential and nursing care;
  - Patient and service user experience.
- When levels of ambition are set it will be clear how much money localities will receive for different levels of performance. In the event that the agreed levels of performance are not achieved, there will be a process of peer review, facilitated by NHS England and the LGA, to avoid large financial penalties which could impact on the quality of service provided to local people. The funding will remain allocated for the benefit of local patients and residents and the arrangements for commissioning services will be reconsidered.

### Required changes to statutory frameworks

- The Department of Health is considering what legislation may be necessary to establish the Integrated Transformation Fund, including arrangements to create the pooled budgets and the payment for performance framework. Government officials are exploring options for laying any required legislation in the Care Bill. Further details will be made available in due course.

### How should councils' and CCG's agree and develop a joint plan

- To assist Health and Wellbeing Boards LGA / NHS England have developed a draft template which they expect everyone to use in developing, agreeing and publishing their integration plan. This is attached as a separate Excel spreadsheet.
- The template sets out the key information and metrics that all Health and Wellbeing Boards will need to assure themselves that the plan addresses the conditions of the ITF. We strongly encourage Councils and CCGs to make immediate use of this template while awaiting further guidance on NHS planning and financial allocations.

- Local areas will be asked to provide an agreed shared risk register, with agreed risk sharing and mitigation covering, as a minimum, steps that will be taken if activity volumes do not change as planned. For example, if emergency admissions or nursing home admissions increase.

More detail on the National Conditions.

National Condition	Definition
Plans to be jointly agreed	<p>The Integration Plan covering a minimum of the pooled fund specified in the Spending Review, and potentially extending to the totality of the health and care spend in the Health and Wellbeing Board area, should be signed off by the Health and Well Being Board itself, and by the constituent Councils and Clinical Commissioning Groups.</p> <p>In agreeing the plan, CCGs and Local Authorities should engage with all providers likely to be affected by the use of the fund in order to achieve the best outcomes for local people. They should develop a shared view of the future shape of services. This should include an assessment of future capacity requirements across the system. The implications for local providers should be set out clearly for Health and Wellbeing Boards so that their agreement for the deployment of the fund includes recognition of the service change consequences.</p>
Protection for social care services (not spending)	<p>Local areas must include an explanation of how local social care services will be protected within their plans. The definition of protecting services is to be agreed locally. It should be consistent with the 2012 Department of Health guidance on transfer of funds from NHS to social care.</p>
As part of agreed local plans, 7-day services in health and social care to support patients being discharged and prevent unnecessary admissions at weekends	<p>Local areas are asked to confirm how their plans will provide 7-day services to support patients being discharged and prevent unnecessary admissions at weekends. If they are not able to provide such plans, they must explain why. There will not be a nationally defined level of 7-day services to be provided. This will be for local determination and agreement.</p> <p>There is clear evidence that many patients are not discharged from hospital at weekends when they are clinically fit to be discharged because the supporting services are not available to facilitate it. The forthcoming national review of urgent and emergency care sponsored by Sir Bruce Keogh for NHS England will provide guidance on establishing effective 7-day</p>

	services within existing resources.
Better data sharing between health and social care, based on the NHS number	<p>The safe, secure sharing of data in the best interests of people who use care and support is essential to the provision of safe, seamless care. The use of the NHS number as a primary identifier is an important element of this, as is progress towards systems and processes that allow the safe and timely sharing of information. It is also vital that the right cultures, behaviours and leadership are demonstrated locally, fostering a culture of secure, lawful and appropriate sharing of data to support better care.</p> <p>Local areas will be asked to:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> confirm that they are using the NHS Number as the primary identifier for health and care services, and if they are not, when they plan to;</li> <li><input type="checkbox"/> confirm that they are pursuing open APIs (i.e. systems that speak to each other); and</li> <li><input type="checkbox"/> ensure they have the appropriate Information Governance controls in place for information sharing in line with Caldicott 2, and if not, when they plan for it to be in place.</li> </ul> <p>NHS England has already produced guidance that relates to both of these areas, and will make this available alongside the planning template. (It is recognised that progress on this issue will require the resolution of some Information Governance issues by the Department of Health).</p>
Ensure a joint approach to assessments and care planning and ensure that, where funding is used for integrated packages of care, there will be an accountable professional	Local areas will be asked to identify which proportion of their population will be receiving case management and a lead accountable professional, and which proportions will be receiving self-management help - following the principles of person-centred care planning.
Agreement on the consequential impact of changes in the acute sector	Local areas will be asked to identify, provider-by-provider, what the impact will be in their local area. Assurance will also be sought on public and patient engagement in this planning, as well as plans for political buy-in.







## How will preparation and plans be assured?

- A shared approach to supporting local areas and assuring plans will be developed. This process will be aligned as closely as possible to the existing NHS planning rounds, and CCGs can work with their Area Teams to develop their ITF plans alongside their other planning requirements.
- LGA / NHS England will establish in each region a lead local authority Chief Executive who will work with the Area and Regional Teams, Councils, ADASS branches, DPHs and other interested parties to identify how Health and Wellbeing Boards can support one another and work collaboratively to develop good local plans and delivery arrangements.
- Where issues are identified, these will be shared locally for resolution and also nationally through the Health Transformation Task Group hosted by LGA, so that the national partners can broker advice, guidance and support to local Health and Well Being Boards, and link the ITF planning to other national programmes including the Health and Care Integration Pioneers and the Health and Well Being Board Peer Challenge programme. LGA / NHS England will have a first review of readiness in early November 2013.
- LGA / NHS England will ask Health and Well Being Boards to return the completed planning template by 15 February 2014, so that they can aggregate them to provide a composite report, and identify any areas where it has proved challenging to agree plans for the ITF.

## **APPENDIX B**

### **Relevant Documents / Links**

<u>Original Statement on the ITF from LGA / NHS England (8<sup>th</sup> August 2013)</u>	 Statement on ITF (Aug 13).pdf
<u>Next Steps on implementing ITF (LGA / NHS England 17th October 2013)</u>	 Next Steps on ITF (Oct 13).pdf
Draft planning template	 ITF Draft plan template (Nov 13).xls
<u>Kings Fund article on ITF (31<sup>st</sup> October 2013)</u>	 ITF Kings Fund article (31st October)

Link to ITF information on LGA  
website

[http://www.local.gov.uk/home/-  
/journal\\_content/56/10180/4096799/ARTICLE](http://www.local.gov.uk/home/-/journal_content/56/10180/4096799/ARTICLE)