

<b>DECISION-MAKER:</b>	HEALTH AND WELLBEING BOARD		
<b>SUBJECT:</b>	UPDATE ON INTEGRATION TRANSFORMATION FUND IMPLEMENTATION		
<b>DATE OF DECISION:</b>	23 <sup>RD</sup> OCTOBER 2013		
<b>REPORT OF:</b>	CHIEF EXECUTIVE, SOUTHAMPTON CITY CLINICAL COMMISSIONING GROUP AND DIRECTOR OF PEOPLE, SOUTHAMPTON CITY COUNCIL		
<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>			
None.			

### **BRIEF SUMMARY**

In August 2013 the Government announced £3.8 billion of funding to ensure closer integration between Health and Social Care. This funding has been described as “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”.

To access the ITF there is a requirement to develop a local plan by March 2014, which will need to set out how the pooled funding will be used and the ways in which the national and local targets attached to the performance-related elements will be met. This plan will also set out how the additional Social Care transfer to local authorities in 2014/15 will be used to make progress on priorities and build momentum. This paper outlines the process for developing the plan.

### **RECOMMENDATIONS:**

- (i) That the timetable and procedures outlined in the report for developing pooled budgets be approved.

### **REASONS FOR REPORT RECOMMENDATIONS**

1. Plans for the use of the pooled monies will need to be developed jointly by the Clinical Commissioning Group and local authority and signed off by each of these parties and the local Health and Well Being Board by March 2014.

## ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- Options for use of the ITF will be developed as part of the planning process. The options will identify how the funding streams already coming into the CCG and SCC, that are badged under the ITF, can be redesigned to achieve integration priorities

### DETAIL (Including consultation carried out)

- Expectations of the Integration Transformation Fund**

The aim of the ITF is to provide an opportunity to transform care so that people are provided with better integrated care and support. The main focus being on development of high quality, co-ordinated care for frail older people and those with long term conditions.
- The NHS England statement on the ITF states that: The ITF provides an opportunity to transform care so that people are provided with better integrated care and support. It encompasses a substantial level of funding and it will help deal with demographic pressures in adult social care. The ITF is an important opportunity to take the integration agenda forward at scale and pace – a goal that both sectors have been discussing for several years. We see the ITF as a significant catalyst for change.
- The ITF will be 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 – including redeployment of the funding if local agreement is not reached/outcomes not delivered
  - Agreement on the consequential impact of changes in the acute sector, hospital activity will have to change to support new models of care
- The ITF is identified as a way to achieve integration as defined in 'Integrated care and support: our shared commitment'. This is described from the perspective of the individual – as being able to “plan my care with people who work together to understand me and my carer(s), allow me control, and bring together services to achieve the outcomes important to me”.

7. The features of the models include concepts such as:
  - Personalisation approach, strong investment in preventative services and towards self management of care
  - Risk stratification to identify those who will benefit most from integrated care
  - Care co-ordination, including co-ordination that starts as soon as person enters hospital
  - Well managed transitions
  - Single electronic care records
  - Multi disciplinary teams working around primary care practices
  - Holistic approach, including integration between physical and mental health
  
8. The elements described above, including the definition of integration, are all key features of the Integrated Person Centred Care strategic priorities identified locally. This is an opportunity to achieve significant transformational change and a lever to drive up the quality and effectiveness of services.
  
9. **Approval process**

Plans for the use of the pooled monies will need to be developed jointly by the Clinical Commissioning Group and local authority and signed off by each of these parties and the local Health and Well Being Board by March 2014. The plan will need to set out how the pooled funding will be used and the ways in which the national and local targets attached to the performance-related £1 billion will be met. 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.
  
10. Ministers have agreed that they will oversee and sign off the plans. As part of achieving the right balance between national and local inputs the LGA and NHS England will work together to develop proposals for how this could be done in an efficient and proportionate way.
  
11. The funding will be released based on the agreement of a joint local plan, At this stage it is not confirmed if the money will be released from NHS England or via local CCGs. The intention is that this is a pooled budget not just a transfer from health to social care.
  
12. Local areas can add to the fund or pool more budgets. This may want to be considered, including discussions with NHS England Local area team.

13. **Funding detail**

The £3.8billion is made up of the existing amount (£859m) that transfers from NHS to Local Authorities and around £2billion of 'new' funding which is being allocated from CCG budgets and other sources.

14. £1billion (locally approximately - £4.6m) of the ITF in 2015/16 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. NHS England will be working with central Government on the details of this scheme, but they anticipate that it will consist of a combination of national and locally chosen measures.

15. The potential implications of this for Southampton are:

- Social Care Transfer funding of £3,971,000 that currently flows from NHS England Local Area Team to SCC
- Additional Social Care Transfer £925,000 for 14/15. Funding source currently unknown
- Re-ablement funding of £1,387,000. This is held by the CCG and the majority is invested in SCC reablement services
- CCG Carers Breaks funding

Description	National	Southampton impact (estimate)	Comment
	£'000	£'000	
National £859m	859,000	3,971	Already exists. Funding flows: DH>LAT>LA
Additional funding 14/15	200,000	925	Funding flows unknown
Capital	350,000	1,618	Held nationally
Re-ablement	300,000	1,387	Already in CCG budget
Carers Breaks	130,000	601	
CCG Additional Funding	1,900,000	8,783	
<b>Total</b>	<b>3,739,000</b>	<b>17,285</b>	

17. How the funding is to be allocated to each area is still to be confirmed. The figures outlined above are locally developed estimates based on currently available information. There will a shift from CCG baseline budgets and will impact on currently commissioned services. All of the funding outlined above is already currently committed within budgets. The aim of the ITF development is how locally we will work together to define how the funding will be spent differently

18. **Timescale for the funding**

The Integration Transfer Fund (ITF) does not come into full effect until 2015/16 but it is expected that Clinical Commissioning groups (CCGs) and Local Authorities build momentum in 2014/15, using the additional £200m due to be transferred to LAs to support transformation. This is assumed to be transferring from CCG baselines but this is still to be confirmed. In effect there will need to be two-year plans for 2014/15 and 2015/16, which must be in place by March 2014.

19. 2014/15 will be a lead in and planning year. 2015/16 full level of funding will be released.

20. **Process to develop plan**

Task and Finish group will be established, co-ordinated by the Integrated Commissioning Unit. This outputs of this group will include:

- Mapping and scoping
- Principles and outcomes
- Option appraisal, including plans for financial risk sharing
- Communications plan and user/carer engagement

21. Vulnerable People Board will function as stakeholder group with monthly meetings.

22. Initial draft proposals will be presented to the Health and Well Being Board 27/11/13, with more refined recommendations 29/01/14 and final sign off at the March 2014 meeting. This will allow for work with key stakeholders and allow time for effective scrutiny.

**RESOURCE IMPLICATIONS**

**Capital/Revenue**

23.	<b>£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</b>	
	£130 million Carers' Breaks funding	£350 million capital grant funding (including £220m of Disabled Facilities Grant).
	£300 million CCG reablement funding.	£1.1 billion existing transfer from health to social care.
	<b>Additional £1.9 billion from NHS allocations Includes funding to cover demographic pressures in adult social care and some of the costs associated with the Care Bill. Includes £1 billion that will be performance related, with half paid on 1 April 2015 (which we anticipate will be based on performance in the previous year) and half paid in the second half of 2015/16 (which could be based on in year</b>	

performance).

**Property/Other**

24. To be determined as part of the planning work

**LEGAL IMPLICATIONS**

**Statutory power to undertake proposals in the report:**

25. NHS England Publications Gateway Ref 00314 outlines the initial details of the Integration Transformation Fund.

Detailed guidance will be included in the NHS Planning Framework once issued. NHS England and the LGA and ADASS will work with DH, DCLG, CCGs and local authorities over the next few months on the following issues:

- Allocation of Funds
- Conditions, including definitions, metrics and application
- Risk-sharing arrangements
- Assurance arrangements for plans
- Analytical support e.g. shared financial planning tools and benchmarking data packs.

**Other Legal Implications:**

26. None

**POLICY FRAMEWORK IMPLICATIONS**

27. This will impact on SCC and CCG Commissioning intentions

**KEY DECISION** Yes

<b>WARDS/COMMUNITIES AFFECTED:</b>	All
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**SUPPORTING DOCUMENTATION**

**Appendices**

1.	Project Initiation Document
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**Documents In Members' Rooms**

1.	None
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**Equality Impact Assessment**

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	Yes – will be developed as part of the planning process
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**Other Background Documents**

**Equality Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
None	

Report Tracking

VERSION NUMBER:

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DATE LAST AMENDED:

14/10/13

AMENDED BY:

Claire Heather