



## HEALTH & WELLBEING BOARD

**Subject Heading:**

The Integration Transformation Fund

**Board Leads:**

Alan Steward Chief Operating Officer –  
Havering Clinical Commissioning Group  
Joy Hollister – Group Director, Children, Adults  
and Housing

**Report Author and contact details:**

Joy Hollister – Group Director, Children,  
Adults and Housing

[Joy.hollister@havering.gov.uk](mailto:Joy.hollister@havering.gov.uk)

01708 432261

**The subject matter of this report deals with the following priorities of the Health and Wellbeing Strategy**

- Priority 1: Early help for vulnerable people
- Priority 2: Improved identification and support for people with dementia
- Priority 3: Earlier detection of cancer
- Priority 4: Tackling obesity
- Priority 5: Better integrated care for the 'frail elderly' population
- Priority 6: Better integrated care for vulnerable children
- Priority 7: Reducing avoidable hospital admissions
- Priority 8: Improve the quality of services to ensure that patient experience and long-term health outcomes are the best they can be

### SUMMARY

This report informs the Board about the new Integration Transformation Fund which replaces some previous funding streams, including the s.256 which is the subject of another paper on the agenda, and adds new requirements for partnership working. The fund is contingent upon agreement between the CCG and the Local Authority on areas for joint commissioning to deliver preventative services and reduce pressure on acute services. The proposals will be subject to this Boards approval in February 2014.

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The Integration Transformation Fund was announced in June 2013 within the Government's spending review. It was described as creating a national £3.8 billion pool of NHS and Local Authority monies intended to support an increase in the scale and pace of integration and promote joint planning for the sustainability of local health and care economies.

The fund is made up of a number of differing existing funding streams to Clinical Commissioning Groups and Local Authorities, anticipated annual grants, as well as recurrent capital allocations. At this stage it is not clear there is any new or additional funding. This creates risks for existing services funded from these sources, either if conditions and targets attached to the fund are not achieved or if new priorities are identified for this funding.

Access to the Integration Transformation Fund in 2015/16 will be dependent on agreement of a local 2-year plan for 2014/15 and 2015/16. This plan will need to be agreed by the Health and Wellbeing Board before March 2014. Plans agreed locally will need to align with national criteria which include; 7 day working, support for social care and prevention of hospital admission.

£1 billion of the funding will be held back and released subject to performance against national and local targets. There is a further allocation nationally of £200m (transfer from the NHS to local authorities in 2014/15) which is intended to progress on priorities and build momentum.

At this stage the Board need to be aware that any new priorities which require investment will also require plans for dis-investment. Work is underway between CCG and LBH officers to agree local priorities for investment for discussion at February's H&WBB meeting.

The announced conditions attached to the Integration Transformation Fund imply a complex set of targets that will be directly overseen by Government. They provide opportunities for greater integration as well as significant challenges for both the CCG and the Local Authority.

### **RECOMMENDATIONS**

The Health and Wellbeing Board is recommended to agree:

- (i) That Board members will ask relevant officers within the CCG and local authority to draft and prepare the plans for discussion at a future Board and onward submission to the Department of Health.
- (ii) Note the opportunities alongside the implications for disinvestment.

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- (iii) To note that a further report will come to the Board with the draft two year plan in February 2014.
- (iv) Board members consider the draft shared priorities that will form the basis for concrete proposals to be considered at a future meeting.

### **REPORT DETAIL**

The Government's spending review in June 2013 announced a £3.8bn fund nationally for NHS and Social Care Services in 2014-16 to support the model of integrated health and social care.

Practically, this will be delivered through a "pooled budget" with the aim of reducing demand for NHS services and builds on the success of the transfer of funds from NHS to councils since 2011. The Minister has made it clear that the pooled fund is the minimum he expects to be spent on integration and he would expect both commissioners to 'grow' this pot over the first two years to include more jointly commissioned services.

The funds on offer need to be applied for jointly by Local Authorities (LAs) and Clinical Commissioning Groups (CCGs) on the basis of a locally agreed joint commissioning plan by March 2014 which will set out actions to achieve set outcomes in both 2014/15 and 2015/16. The local plan will need to be agreed by the Health and Wellbeing Board and agreed by both parties before submission to the NHS England who will assure plans prior to funds being released.

As part of achieving the right balance between national and local inputs the Local Government Association, Association of Directors of Adult Social Services and NHS England will work together to develop proposals for how this could be done in an efficient and proportionate way.

£1bn of the £3.8bn Integration Transformation Fund in 2015/16 will be dependent on performance and local areas will need to set and monitor achievement of those outcomes during 2014/15 as the first half of the £1billion, paid on 1st April 2015 will be based upon performance in the previous year. The rest will be paid in the second half of 2015/16 and will be based on in year performance. Performance will be judged against a combination of nationally-agreed and locally-agreed indicators. It is not yet clear on what will be measured or how but early indications suggest that these will relate to:

- Delayed Transfers of Care;
- Emergency Admissions;
- Effectiveness of re-ablement;
- Admissions to residential and nursing care;
- Patient and Service User experience.

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It is understood that in the event that agreed levels of performance are not achieved there will be a process of peer review, facilitated by NHS England and the Local Government Association, to avoid any financial penalties which may impact upon the quality of service provided to local people.

The outline timetable for developing the pooled budget plans, conditions and metrics in 2013/14 is as follows:

- August to October: Initial local planning discussions and further work nationally to define conditions
- November/ December: NHS Planning Framework issued
- December to January: Completion of plans
- March: Plans assured

NHS England and the LGA and ADASS will work with the 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

Further announcements are expected in early November for performance metrics and risk sharing arrangements and a review of 'readiness' is also anticipated in November 2013.

## 2. Proposal and Issues

In August, NHS England and the Local Government Association published a joint statement setting out how the integration and transformation fund is to be managed. This guidance states that Local Authorities will be allowed to use part of the Integration Transformation Fund (ITF) to protect social care against cuts.

The ITF will be a pooled budget which will 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 between the local Authority and the CCG;
- Protection for social care services/spending with the definition determined locally;
- 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 (it is recognised that progress on this issue will require the resolution of some Information Governance issues by the Department of Health);
- Ensure a joint approach to assessments and care planning;

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- Plans and targets for reducing Accident and Emergency attendances and emergency admissions.
- Ensure that, where funding is used for integrated packages of care, there will be an accountable professional;
- Risk-sharing principles and contingency plans if/when targets are not met – including redeployment of the funding if local agreement is not reached; and Agreement on the consequential impact of changes in the acute sector.

As many of the services that prevent hospital admission are delivered across the 3 Local Authorities within the BHRUT area it is proposed that there are a set of service design principles built in that are shared across the three areas but with a local flavour. Havering's Chief Executive already chairs the Integrated Care Coalition that has developed a range of support and prevention services across the 3 boroughs in partnership with the CCG, NELFT and the Trust and it is therefore proposed that this group develop and agree the shared principles and over-arching agreement.

### **IMPLICATIONS AND RISKS**

At this time, there are no financial, legal and human resource implications from the Board noting the contents of this report.

### **BACKGROUND PAPERS**