

# **ADULT CARE & HEALTH COMMITTEE (JOINTLY COMMISSIONED (SECTION 75) BUSINESS**

## **Agenda Item 23**

Brighton & Hove City Council

<b>Subject:</b>	<b>Integration Transformation Fund (ITF) – 2014/15 and beyond</b>		
<b>Date of Meeting:</b>	<b>23 September 2013</b>		
<b>Report of:</b>	<b>Executive Director of Adult Services Executive Director of Finance &amp; Resources Chief Finance Officer, Brighton and Hove CCG</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Michael Schofield Anne Silley</b>	<b>Tel: 01273 574743, 01273 295065</b>
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<b>Key Decision:</b>	<b>No</b>		
<b>Ward(s) affected:</b>	<b>All</b>		

### **FOR GENERAL RELEASE**

#### **1. SUMMARY AND POLICY CONTEXT:**

- 1.1 As part of the June 2013 Spending Round the government set out the plans to establish a health and social care Integration Transformation Fund (ITF). This report contains a table with indicative figures built from the national planning assumptions which quantifies the likely value of this fund in Brighton and Hove.

#### **2. RECOMMENDATIONS:**

- 2.1 That the Committee note the actions needed to establish the ITF and note the issues that it raises.

#### **3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

- 3.1 The government's planned health and social care Integration Transformation Fund (ITF) is described in the joint statement from NHS England and the Local Government Association attached as Appendix 1. The proposed Fund has two components:.
- 3.2 Firstly there are funds already in the system that it is proposed will be pooled and their deployment will be overseen by the Health and Well Being Board (HWBB), in line with a plan jointly agreed between CCGs and the City Council.

The issues this raises are around the current use of those funds (£8m) and whether that use is in line with the national conditions to be applied to the ITF. The current spend will need to be reviewed to ensure that it delivers the requirements which includes an integration of 7 day working in health and social care and to deliver earlier interventions and reduce inappropriate admissions to hospital.

- 3.3 The second component is to add to the existing pooled funds and release a further £10m from NHS funds increasing the fund to £18m.

This can only be achieved by joint working between Brighton and Hove CCG, BHCC and Brighton and Sussex University Hospitals Trust.

The additional funds can only be released if the investment plans for the integration of 7 day working in health and social care to deliver earlier interventions and reduce inappropriate admissions to hospital and the hospital reduce their capacity.

- 3.4 Therefore a key requirement is to have risk-sharing principles and contingency plans in place along side the investment plans for 2014/15 and 2015/16. These plans are required to be developed and ready for implementation by the 31<sup>st</sup> March 2014.

#### **4. COMMUNITY ENGAGEMENT AND CONSULTATION**

- 4.1 No specific consultation has been undertaken in relation to this report.

#### **5. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 5.1 These requirements present an additional health and social care savings challenge in an already challenging environment. There are also financial risks around what will be transformational change to both health and social care services. The proposals need to be reflected in developing the budget strategy for 2014/15 and 2015/16.

*Finance Officer Consulted: Anne Silley/Michael Schofield Date: 06/09/13*

Legal Implications:

- 5.2 The legal requirements for the implementation and management of ITF are explained in the body of this Report.. There are no other specific legal or Human Rights Act implications arising from this Report.

*Lawyer Consulted:*

*Sandra O'Brien*

*Date: 11/09/2013*

Equalities Implications:

- 5.3 There are no direct equalities implications arising from this report.

Sustainability Implications:

- 5.4 There are no direct sustainability implications arising from this report.

Crime & Disorder Implications:

- 5.5 There are no direct crime & disorder implications arising from this report.

Risk and Opportunity Management Implications:

- 5.6 As discussed in the report

Public Health Implications:

- 5.7 There are no direct public health implications arising from this report.

Corporate / Citywide Implications:

- 5.8 There are significant implications which will need to be reflected in budget strategies and the Medium Term Financial Strategy

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 Not applicable

**7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 The report sets out planning assumptions for Health and Social Care on the Integrated Transformation Fund.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. Main report

**Documents in Members' Rooms**

1. None

## **Background Documents**

1. Attachment A

## Integration Transformation Fund (ITF) – 2014/15 and beyond

### 1. Executive summary

As part of the spending review the government announced the creation of social care Integration Transformation Fund (ITF). This pooled budget is made up of existing NHS funding covering : The Social Care Grant, Reablement Funding, Carers Funding and DoH capital grants that go directly to local authorities.

The pooling of these funds may cause a financial pressure as the current use of them may not meet the proposed use of the pooled fund.

What will definitely be a pressure is that the pool will be added to by CCGs contributing further funds in 2014/15 (a modest amount) and 2015/16 (a very significant sum). These will be additional QIPP savings schemes. Essentially, investment in 7 day health and social care working will need to generate savings by impacting on/reducing secondary care referrals.

The table below has the indicative amounts across Brighton and Hove including the likely impact on the main secondary care provider in terms of reduced referrals and therefore income. Guidance recently published (attachment A) requires the CCG to have the two year plans agreed by all parties and signed off by the Health and Well Being Board by the 31<sup>st</sup> March 2014.

This is a very significant challenge for all CCGs even for those currently in a sustainable financial position.

Health and Social Care Integration Transformation Fund			
		National	£m B&H
Social Care Grant		900.0	4.3
Addition funds 14/15		200.0	1.0
DoH - capital grants		350.0	1.7
Reablement Funding		300.0	1.4
Carers' Breaks funding		130.0	0.6
Additional Funds 15/16		1900.0	9.1
<b>Total</b>		<b>3780.0</b>	<b>18.1</b>
Existing		1680.0	8.0
New		2100.0	10.0
Source	BSUHT		10.0
			10.0

Note: Plans need to deliver reduced secondary care admissions to release the funds

## **2. ITF**

The ITF builds upon the existing arrangements regarding the Social Care grant from the NHS. The latest guidance (attachment A) also refers to the integrated care 'pioneers' initiative.

### **2.1 The following national conditions need to be addressed in the ITF 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 (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;
- 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; and
- agreement on the consequential impact of changes in the acute sector.

### **2.2 Conditions of the performance-related £1 billion**

Nationally £1 billion 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 £1 billion, paid on 1 April 2015, is likely to be based on performance in the previous year. The Local Government Association and NHS England will be working with central Government on the details of this scheme, but it is anticipated that it will consist of a combination of national and locally chosen measures.

The £1bn nationally translates to c£5m as the BHCC amount.

### **2.3 Delivery through Partnership**

The national guidance is clear that success will require a genuine commitment to partnership working between CCGs and local authorities. Both parties need to recognise the challenges they each face and work together to address them.

- Finding the extra NHS investment required: Given demographic pressures and efficiency requirements of around 4%, CCGs are likely to have to redeploy funds from existing NHS services. It is critical that CCGs and local authorities engage health care providers to assess the implications for existing services and how these should be managed;
- Protecting adult social care services: Although the emphasis of the ITF is rightly on a pooled budget, as with the current transfer from the NHS to social care, flexibility must be retained to allow for some of the fund to be used to offset the impact of the funding reductions overall. This will happen alongside the on-going work that councils and health are currently engaged in to deliver efficiencies across the health and care system.

- Targeting the pooled budget to best effect: The conditions the Government has set make it clear that the pooled funds must deliver improvements across social care and the NHS. Robust planning and analysis will be required to (i) target resources on initiatives which will have the biggest benefit in terms of outcomes for people and (ii) measure and monitor their impact;
- Managing the service change consequences: The scale of investment CCGs are required to make into the pooled budget cannot be delivered without service transformation. The process for agreeing the use of the pooled budget must therefore include an assessment of the impact on acute services and agreement on the scale and nature of changes required, e.g. impact of reduced emergency activity on bed capacity.

## 2.4 Assurance

The national guidance states that Local Health and Wellbeing Boards will sign off the plans, which will have been agreed between the local authority and CCGs. The HWBB is best placed to decide whether the plans are the best for the locality, engaging with local people and bringing a sector-led approach to the process. The plans will then go through an assurance process involving NHS England to assure Ministers.

The local HWBB needs to be prepared to discharge these additional duties and the governance properly established for them to operate effectively.

## 2.5 Timetable and Alignment with Local Government and NHS Planning Process

Plans for use of the pooled budgets should not be seen in isolation. They will need to be developed in the context of:

- local joint strategic plans;
- other priorities set out in the NHS Mandate and NHS planning framework due out in November/December. (CCGs will be required to develop medium term strategic plans as part of the NHS Call to Action)
- the announcement of integration pioneer sites in October, and the forthcoming integration roadshows.

The outline timetable for developing the pooled budget plans in 2013/14 is broadly as follows:

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

### **3. Conclusion**

The actions and issues the establishment of the ITF raises are no different to 'normal business' in terms of the JCB members progressing the health social care interface. Many of the specific actions are already progressing.

However, what the establishment of the IFT adds is context in terms of the scaling up of the joint working and also sets the timetable for the development of additional joint plans and their implementation. This additional financial challenge also requires the development of risk sharing principles and contingency planning as all parties already face a very difficult financial environment.

There is an urgent need to strengthen the governance arrangements and ensure that the HWBB is properly constituted to oversee the fund.

### **4. Recommendation**

The Board is recommended to note the actions needed to establish the ITF and note the issues that raises.

Report date : 04/09/2013

Sponsor name : Michael Schofield