



## London Borough of Hammersmith & Fulham

### HEALTH & WELLBEING BOARD

9 September 2013

**Integration Transformation Fund**

**Report of the Health & Well-being Board**

**Open Report**

**Classification - For Information**

**Key Decision: No**

**Wards Affected: All**

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## **Executive Summary**

The 2013 Spending Round announced a fund of £3.8bn nationally to ensure closer integration of health and care services from 2015/16. This is referred to as the Integration Transformation Fund (ITF).

This paper summarises the purpose and terms of the new fund and identifies actions which local health and social care organisations need to take to take advantage of this opportunity, drawing on the recently published Local Government Association/NHS England joint statement<sup>1</sup> and briefing events.

## **Recommendations**

It is recommended that the Partnership Board use the resources already identified within existing programmes, building on the work already being undertaken and reflecting the local priorities and targets already being identified, to produce this plan.

It is recommended that the Partnership Board identify a lead officer and leads from the partner authorities to take responsibility for developing and delivering the plan(s), drawing on the work already being undertaken by the integration programmes identified above.

It is recommended that the Partnership Board develops a single Tri-borough plan, albeit with borough specific sections bearing in mind the different financial positions of the three sovereign boroughs and the three Clinical Commissioning Groups

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<sup>1</sup> LGA/NHSE Statement on the health and social care Integration Transformation Fund, August 2013, Gateway Ref.No.00314

## INTEGRATION TRANSFORMATION FUND

### 1. Purpose of Paper

- 1.1 The 2013 Spending Round announced a fund of £3.8bn nationally to ensure closer integration of health and care services from 2015/16. This is referred to as the Integration Transformation Fund (ITF).
- 1.2 This paper summarises the purpose and terms of the new fund and identifies actions which local health and social care organisations need to take to take advantage of this opportunity, drawing on the recently published Local Government Association/NHS England joint statement<sup>2</sup> and briefing events.
- 1.3 It recommends developing a tri-borough plan using the existing Integration Programmes as a basis for the required two year plan, noting the fact that local organisations are well placed to access the fund.

### 2. What is the Integration Transformation Fund

- 2.1 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”.
- 2.2 In *Integrated care and support: our shared commitment*, integration was helpfully defined by National Voices – 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”. The ITF is a means to this end and by working together we can move toward fuller integration of health and social care for the benefit of the individual.
- 2.3 The ITF does not come into full effect until 2015/16, but an additional £200m will be transferred to local government from the NHS in 2014/15 (on top of the £900m already planned) and it is expected that CCGs and local authorities will use this year to transform the system. Consequently, a two year plan for the period 2014/16 will need to be put in place by March 2014.
- 2.4 The ITF provides 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.
- 2.5 There is an expectation that the ITF will align with the strategy process set out by NHS England and supported by the LGA and others in *The*

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<sup>2</sup> LGA/NHSE Statement on the health and social care Integration Transformation Fund, August 2013, Gateway Ref.No.00314

*NHS belongs to the people: a call to action*<sup>3</sup>. The ITF will provide part of the investment required to achieve the shared vision for health and social care.

- 2.6 The ITF will support the aim of providing people with the right care, in the right place, at the right time, including expansion of care in community settings. This will build on CCG Out of Hospital strategies and local authority plans expressed locally through the Community Budget and Pioneer programmes.

### 3. How is the Fund being financed?

- 3.1 The national £3.8bn allocation is funded as follows:

Current Source of Funding	NHS or LA	New Money	Allocation
Carers breaks	NHS	No	£130m
Reablement	NHS	No	£300m
Disabled Facilities Grant	LA	No	£220m
Adult Social Care Capital Grants	LA	No	£134m
Additional NHS Transfer to LAs	LA	No	£200m
NHS Transfer	LA	No	£900m
Transfer of additional NHS funding, currently in CCG budgets		Yes	£1.9bn
<b>TOTAL</b>			<b>£3.784bn</b>

- 3.2 The NHS transfer above shown as £900m is assumed to be the social care to benefit health allocations which in 2013/14 total £859m.
- 3.3 The £1.9bn additional transfer includes funding to meet demographic pressures and costs arising from the Care Bill and is to be funded from existing CCG budgets.
- 3.4 Local partners will be able to put additional funding into the pooled budget from their existing allocations if they wish to do so.
- 3.5 £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 1<sup>st</sup> 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.
- 3.6 The methodology to determine local allocations is still to be worked out. London Councils suggests that the splits for the current S256 allocations are a reasonable planning proxy at this stage.

<sup>3</sup> <http://www.england.nhs.uk/2013/07/11/call-to-action/>

- 3.7 Additional funding of £200m is being made available in 2014/15 to enable CCGs and Local Authorities to build momentum towards delivering the expected transformation.

#### **4. Conditions of Funding**

- 4.1 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.
- 4.2 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.
- 4.3 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.
- 4.4 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.

#### **5. Local Implications and Risks**

- 5.1 CCGs will need to identify the funding to be invested in the ITF. This is in the context of a very small real terms increase in budget. This may have implications for services currently funded from health budgets. The scale of funding shift is unlikely to be achieved without service transformation

and the impact on service providers within the health and social care economy needs to be assessed and addressed.

- 5.2 There will be no automatic transfers of funding to local authorities, as there has been in recent years, but there will be flexibility to allow for some of the fund to be used to offset the impact of the funding reductions overall. The S256 transfers for 2013/14 are in the region of £900m. Some of these allocations are being used to fund key service budgets e.g. placements and home care. It will be possible for money to be transferred to councils by local agreement, although this process may be more difficult in the future. This is a risk for local authorities as most have built the funding into base budgets to cover increasing costs of adult social care.
- 5.3 There is a suggestion that funding may need to be 'redeployed' if targets/local agreements are not reached.

## 6. Development and Approval of Plans

- 6.1 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. They should be developed through engagement with local people and once prepared they will need to be signed off by the local Health and Wellbeing Board.
- 6.2 The plans will then go through an assurance process involving NHS England to assure Ministers.

## 7. Timetable for Development

<b>August to October 2013</b>	<b>Local planning discussions</b> <i>[Identify process and timetable]</i>
	National work defining conditions
<b>November / December 2013</b>	NHS Planning Framework issued
<b>December 2013 / January 2014</b>	Completion of plans
<b>February 2014</b>	Sign off by Health and Wellbeing Boards
<b>March 2014</b>	Plans assured by NHS England

## 8. Next Steps for Tri-borough

- 8.1 The tri-borough local authorities and CCGs are already working towards closer integration through the Whole Systems Programme, the Pioneer Bid, and the Integrated Care Pilots. During the early part of the year further collaboration has taken place in response to the requirement to improve Urgent Care systems and develop community independence services to prevent unnecessary admissions and facilitate early discharge from hospital. Work is already under way to agree commissioning intentions for 2014/15 which will need to be reflected in

the Integration plans.

- 8.2 There are established mechanisms in place for health and social care strategies to be shared and a common vision is being developed through the Tri-borough Integration Partnership Board. Health and Wellbeing Boards are now in place and will be reviewing the Funding Transfers from the NHS to Social Care for 2013-14 at their next meetings. Operational integration is being developed between adult social care and community health services. Considerable resource is currently being invested in these programmes.
- 8.3 The Tri-borough Local Authorities and CCGs are therefore well placed to set out the required two year plan to secure this funding for 2014-16.
- 8.4 It is recommended that the Partnership Board use the resources already identified within existing programmes, building on the work already being undertaken and reflecting the local priorities and targets already being identified, to produce this plan.**
- 8.5 It is recommended that the Partnership Board identify a lead officer and leads from the partner authorities to take responsibility for developing and delivering the plan(s), drawing on the work already being undertaken by the integration programmes identified above.**
- 8.6 It is recommended that the Partnership Board develops a single Tri-borough plan, albeit with borough specific sections bearing in mind the different financial positions of the three sovereign boroughs and the three Clinical Commissioning Groups.**