

NORTH LINCOLNSHIRE COUNCIL

HEALTH AND WELLBEING BOARD

INTEGRATION TRANSFORMATION FUND

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To brief members of the board on the requirements for the creation of an Integration Transformation Fund, including the role of the board.
- 1.2 To brief the board on the work undertaken to date between NHS North Lincolnshire CCG and North Lincolnshire Council in developing the Integration Transformation Fund plans.
- 1.3 To outline the timescales for sign off by the Health and Wellbeing Board.

2. BACKGROUND

- 2.1 The Comprehensive Spending Review 2013 (CSR) announced the 'transfer from the NHS to Social Care of an additional £200m (to £900m) in 2014/15, and in 2015/16 a further £3.8bn nationally and in turn the creation of an Integration Transformation Fund (ITF)'. The ITF is 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'.
- 2.2 The ITF creates a local ring fenced budget to deliver health and social care services delivered in the community. The CSR mandated minimum levels of investment in the ITF. Locally CCGs and local authorities can decide to place additional resources in the ITF.
- 2.3 The latest guidance from NHS England (NHSE) and Local Government Association (LGA) requires that joint plans for the implementation of the ITF are signed off by the Health and Well Being Board and submitted to NHSE by 15th February 2014. Appendix 1 summarises the key milestones for the completion and approval of the ITF plan.
- 2.4 Appendix 2 provides a detailed summary in respect of the ITF requirements. This has been jointly prepared by North Lincolnshire Council and North Lincolnshire CCG.

3. OPTIONS FOR CONSIDERATION

3.1 The plans for the local ITF are being developed by the Integrated Commissioning Partnership (ICP).

3.2 A meeting of the Health and Well Being Board is being arranged for 14th February 2014 to sign off the final ITF plan.

4. ANALYSIS OF OPTIONS

4.1 The ITF plans will closely align to the priority work stream 'frail and elderly' as identified in the Pioneer Bid.

4.2 The ITF plan needs to describe how we meet the national conditions:

- Protection for Social Care Services.
- Provision of 7 day services to support patients being discharged and prevent admissions
- Data sharing based on the NHS number.
- Joint assessments and an accountable lead professional.

4.3 The plan will also include a joint risk register and outline the considerations in respect of the implications for the Acute sector.

4.4 The plan requires joint sign off by the council and CCG in addition to the Health and Well Being Board.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 The attached briefing includes the minimum mandatory elements of the ITF and indicative amounts based on current year's allocations. The detailed funding allocation will be received week commencing 16 December 2013. The allocations will be for a 2 year period for 2014/15 and 2015/16 to enable planning.

5.2 The work of the ICP will determine the scope for other areas to be considered in addition to the allocation for ITF.

5.3 Until the planning guidance is issued in December 2013 the exact requirements for management and governance arrangements for the ITF will not be known, however it is anticipated that a 'pooled budget' under section 75 of the Health and Social Care Act will be required.

6. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

6.1 Not applicable at this stage

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

7.1 The information contained in Appendix 1 will be used as the basis for consulting with the following stakeholders:

- NLC Cabinet and democratic processes
- NL CCG
- NL Health and Well Being Board
- NHS Providers
- Healthwatch
- NHS England and North Yorkshire and Humber Area Team

8. RECOMMENDATIONS

8.1 The Health and Wellbeing Board are asked to note the information contained in this report and Appendix 1 in respect of the Integration Transformation Fund for North Lincolnshire.

8.2 To agree to the proposed timescales for sign off at a meeting of the Health and Well Being Board on the 14th February 2014.

Director for People and Chief Officer NHS North Lincolnshire CCG

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Date: 25 November 2013

Background Papers used in the preparation of this report:

LGA and NHS England Statement on the health and social care Integration Transformation Fund 8th August 2013

LGA and NHS England Letter 'Next Steps on implementing the Integration Transformation Fund'.

**Key Timescales and Milestones for Health and Well Being Board Sign Off of the
Integration Transformation Fund**

Date	Meeting	Action
18 December 2013	ICP	Confirm progress against planning template
22 January 2014	ICP	Draft of planning template to be agreed for HWB sign off
24 January 2014	HWB Development Session	Agenda item ITF Planning Template to be considered and discussed.
14 February 2014	HWB	Final ITF Planning Template sign off
15 February 2014		Planning Submission to NHSE

- There is a task group of the ICP which will report the detailed progress to the above ICP meetings.
- There will be organisational timescales for approval by the Council and CCG in addition to the above.



Joint Briefing by the Chief Officer North Lincolnshire Clinical Commissioning Group and Chief Executive of North Lincolnshire Council

Introduction

This is a briefing paper on the local development of the Integration Transformation Fund (ITF) to:

- NLC Cabinet
- NL Health and Well Being Board -who will be responsible for signing off the plan which will have been developed jointly by the CCG and LA and signed off by each party
- NHS Providers affected by the creation of the ITF – in particular NLAGFT , RDaSH and NL practices
- Healthwatch, NHS England NY&H AT, and other partners
- NLC Overview and Scrutiny
- Any other organisations identified/agreed

Background

The Comprehensive Spending Review (CSR) announced the 'transfer 'from the NHS to Social Care of an additional £200m (to the £900m) in 2014/15, and in 2015/16 a further £3.8bn nationally and in turn the creation of an Integration Transformation Fund (ITF). The ITF is 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'.

'the funding must be used to support adult social care services in each local authority, which also has a health benefit. However, beyond this broad condition we want to provide flexibility for local areas to determine how this investment in social care services is best used.'

'A condition of the transfer is that the local authority agrees with its local health partners how the funding is best used within social care, and the outcomes expected from this investment. Health and wellbeing boards will be the natural place for discussions between the Board, clinical commissioning groups and local authorities on how the funding should be spent, as part of their wider discussions on the use of their total health and care resources.

The ITF creates a ring fenced budget to protect health and social care in the community for investment in out of hospital care. The CSR mandated minimum levels of investment in the ITF. Locally CCGs and Local Authorities can decide to place additional resources in the ITF and Health and Well Being Boards are encouraged to extend the scope of the plan

and the pooled budget.

Planning Guidance

The following have been received to date regarding ITF development and associated NHS planning guidance. The final guidance is expected in December, however ITF plan preparation and development needs to progress now.

- 1) August 8th Local Government Association (LGA) & NHS England (NHSE) - Statement on the health and social care Integration Transformation Fund
- 2) October 10th NHSE Gateway reference 00542 – Planning for a sustainable NHS: responding to the ‘call to action’
- 3) October 17th LGA & NHSE- Next steps on implementing the Integration Transformation Fund
- 4) November 4th NHSE, Monitor, Trust Development Authority (TDA) &LGA – Strategic and Operational planning in the NHS

Work to date

Discussion at the Integrated Commissioning Partnership (ICP) and a joint CCG and LA senior team meeting held late September supported the principle of increasing the scope of the ITF beyond the minimum mandated investment. In terms of the potential to achieve delivery and transform outcomes through local Health and Social Care services working more closely together it was felt this can best be done by initially targeting a pooled budget for the care of those who are frail and elderly. A number of principles to support this work were discussed and have since been shared with the Health and Wellbeing Board at the 3 October 2013 meeting and the CCG Governing Body, these are set out below:

- Transformation of the service, a shift to self-care and independence, the transformation statement is: **Right Care, Right Time, Right Place**.
 - Services will be organised on level of need and designed around the individual.
 - Shift from the Acute sector to Community Care
 - Outcome is a long and quality life
 - Quality of service provision
 - Joint commissioning – based on need, shared outcomes irrespective of provider
 - High risk services which require specific control mechanisms will be incorporated in the Council’s right to provide
 - All procurement decisions will be transparent and defensible
 - Manage demand together, early intervention and prevention
 - Need to reduce spending to meet resource pressures, but with time lag from transforming services to reduced demand
 - Recognise NLC budget pressures due to resource reductions, also pressure in health from managing out the current level of demand
 - Manage risk by moving from costly to more value for money provision
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- Our ambitions are greater than the parameters of the ITF and are as articulated in the Pioneer Bid, the priority will be the frail elderly
 - To continue investment in services that are effective in meeting shared outcomes

Officer discussions have also focused on the use of the Integrated Commissioning Partnership and Integrated Working Partnership, both working groups of the HWB, to oversee the work necessary to support the development of a plan and in turn the implementation.

A diagram setting out the proposed governance for the development of the ITF plan is attached at Appendix 1

The pool will need to be managed under joint governance between the CCG and Local Authority. The NHS England Chief Executive remains the Accounting Officer accountable to parliament for the use of these funds with indications that this will be supported via an agreement under Section 75 of the Health and Social Care Act.

Local Financial Implications – to create Integration Pool

Locally the ITF will comprise as mandated elements: (Appendix 2 sets out more detail)

- In 2014/15 –
 - the existing Section 256 agreement fund of £2.7m with NHS England in 13/14
 - The existing reablement allocation of £960k
 - The current CCG budget for carers support £800k
 - Disability Funding Grant (including DFG) of £796k with the LA in 13/14
 - Community Grant of £409k with the LA in 13/14
 - circa £640K as a share of £200m nationally via CCG allocations to be ring-fenced from £4.5-£6m
- 2015/16 – the above plus an additional share of £3.8bn nationally (circa £6m) to be ring fenced from CCG allocations.
This will include a performance element (circa £2m) of which 50% paid at beginning of 15/16 contingent on HWB adopting plan by April 2014 and on basis of 14/15 performance. 50% paid in second half of year and could be on in-year performance.

The resources identified will be ring fenced within CCG and Local Authority allocations however these are not new resources and will therefore require a review of current committed resource to demonstrate its contribution to delivery of agreed outcomes or decommissioned and reinvested.

It is understood that primary legislation is being considered to enable the funds to be directed via CCGs. As a pooled budget the legal framework will be a Section 75 agreement. Joint governance CCG and LA will be needed to support this.

In terms of the performance related element there are likely to be a combination of local and national measures. Areas being considered for national measures include:

- Delayed transfers of care
- Emergency admissions
- Effectiveness of reablement
- Admissions to residential and nursing care
- Patient and service user experience

These are likely to be drawn from the 2014/15 updated NHS Outcomes Framework plus the Adult Social Care and Public Health Outcomes Framework

If performance is not achieved there will be a process of peer review to avoid large financial penalties, resulting it is thought in funding remaining allocated but reconsideration of arrangements for commissioning services.

National Conditions

The statement sets out national conditions to be met which will need to be reflected in the plans:

National Condition	Definition requirements
Plans to be jointly agreed	Covering minimum of ITF allocation signed off by HWB, Council and CCG Engagement with all providers likely to be affected Develop a shared view of the future shape of services. Assessment of future capacity requirements Set out implications for local providers for HWB so agreement includes recognition of service change consequences
Protection for Social Care Services (not spending)	Include explanation of how local services will be protected within the plan. Agree definition locally (consistent with guidance re use of transfer of resources in 13/14 and 14/15)
Plans for 7 day services in health and social care to support patients being discharged and prevent admissions at weekends	Confirm plans, or if can't explain why Definition of 7 day services to be locally determined
Data sharing based on NHS number	Confirm using NHS number as prime identifier and if no when plan to Confirm pursuing open API's (systems that speak to each other) Ensure appropriate information governance arrangements in place in line with Caldicott 2 and if not when plan to be in place
Joint approach to assessments and care planning and where funding is used for integrated packages of care there will be an accountable professional	Identify proportion of population that will be receiving case management and lead accountable professional and proportions receiving self-management help
Agreement on consequential impact of changes in the acute sector	Identify provider by provider what the impact will be in area Assurance on public and patient engagement in planning and plans for political buy in

Role of Health and Wellbeing Board

The HWB will sign off plan by 15th February, following agreement by the CCG and LA.

A draft template has been developed nationally which is expected to be used by HWB's to develop, agree and publish their integration plan (copy attached at Appendix 3). This will need to be supported by an agreed shared risk register with agreed risk sharing and

mitigation covering steps that will be taken if activity volumes do not change as planned.

The plan will need to be clear on the engagement and consultation requirements of the proposals under the different statutory requirements, e.g. how it meets the NHS national tests these are attached at Appendix 4.

The letter of 17 October 2013, sets out an assurance process via NHS England and lead regional LA Chief Executive.

North Lincolnshire initial work to date

To support the scale of integrated working across services and the level of transformation sought for the frail and elderly people in North Lincolnshire analysis has been undertaken to consider extending the scope of the ITF beyond the mandated elements to include all commissioned funds for those over 75 (proxy frail and elderly).

High level financial analysis undertaken to identify spend across Health and Social Care of which elements include.

CCG (budgets the CCG will wish to track to ensure transparency)

- Relevant NLAG community services e.g. district nursing, community matrons, therapy, equipment services, intermediate care
- Continuing care placements
- Funded nursing care
- RDASH services re older peoples MH
- NLAG stays in hospital
- Carers

LA

- Care homes
- Community support Team (reablement)
- Intermediate care
- Home care
- Prevention
- Disabled Facilities Grant and Community Grant

NHSE

- Potential for elements of primary care spend e.g. enhanced services, GP contract requirements
- Public Health England – e.g. screening

More work needs to be done to consider which of these elements or any others would be included in the agreement for February 2014.

This enhanced ITF will need to be supported by a Draft Strategy for Frail and Elderly developed based on:

- Agreed Joint Health and Wellbeing Strategy
- Agreed model for integration of frail elderly developed for Pioneer bid
- Outcomes and measures in relation to NHS/Social Care and Public Health outcomes frameworks
- Insights available through 'Keeping Well' ELC, NLC Care Homes Review Project and Carers research

Identification of risks and consideration of risk management and risk sharing approach

The main risks identified to date are:

- Sufficiency of Demand/prevention management initiatives/services
- Acute/Emergency admissions do not reduce at NLAGFT
- Delays in delivery from existing additional resources (mainly non-recurrent) spend of £10.5m,
- Deployment of technology,
- Workforce for 7 day services
- Contract models, penalties and incentives,
- Approach to risk sharing etc.
- Management and expert capacity to develop and implement the plans (capacity & capability)
- Local government resource reduction
- Unresolved data sharing issues
- Any destabilising of providers
- Performance funding and managing performance risk
- Destabilising statutory adult social care

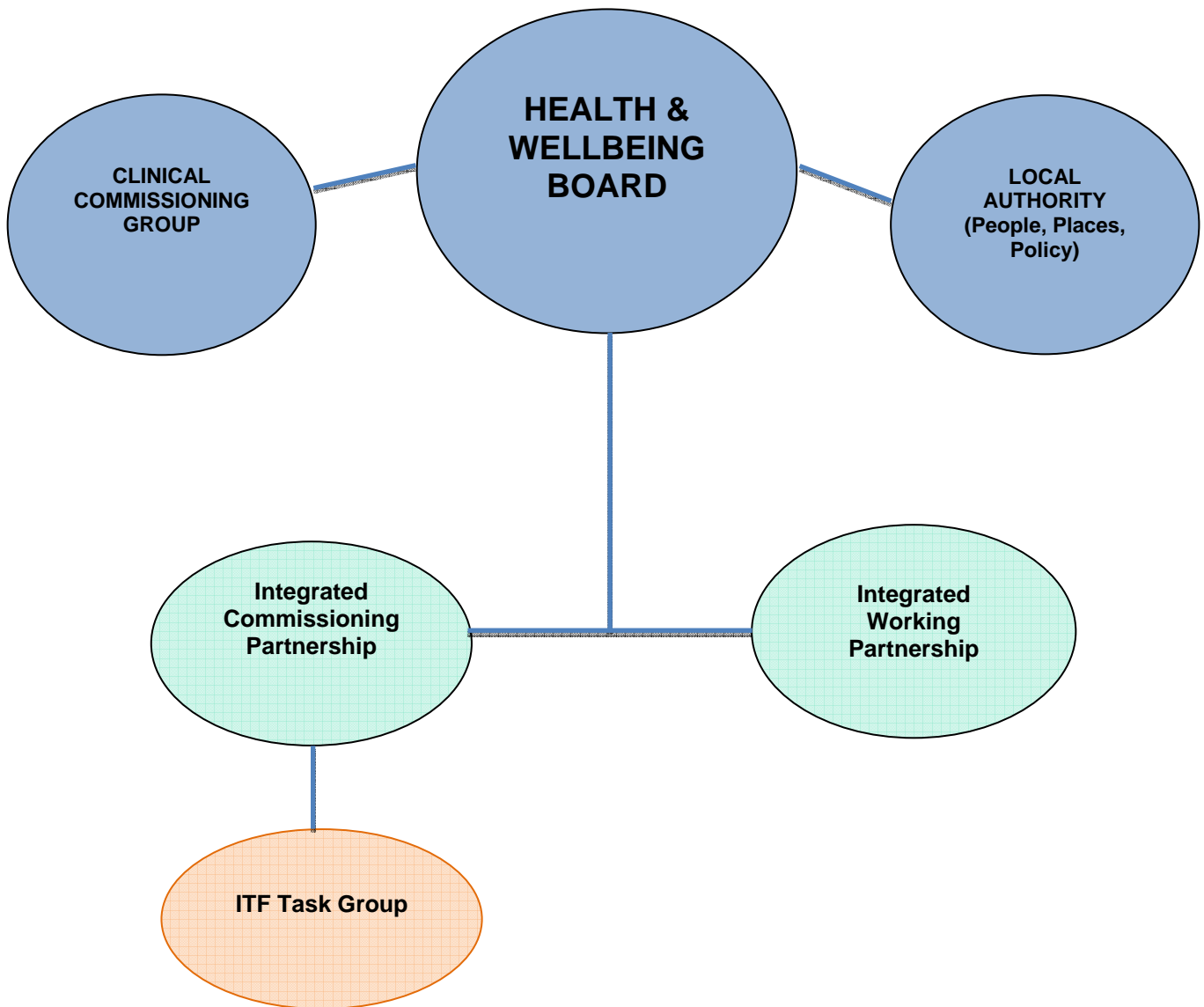
Identification of Opportunities and Potential benefits

There are a number of potential opportunities to be explored in the development of the approach. Appendix 5 sets out some suggested opportunities and challenges for consideration.

Next Steps

- Agree vision and strategy for frail and elderly
- Further analysis of spend, outcomes and performance to inform proposals
- Engagement with stakeholders regarding plans
- Alignment with partner strategic planning
- Proposal for governance of future pool to be considered

Appendix 1 – HWB Relationship Diagram



Appendix 2 – Resources

Current funding stream 2013/14	NL value	Resource currently held by	Commitments
Carers Break Funding	£800,000	NLCCG	NL Carers Action Plan including covering some costs incurred by NLC
CCG Reablement Funding	£960,000	£880k NLC through Section 256 £80k retained by NLCCG	Recurrent commitments as per reablement 256
Capital Grant Funding including Disabled Facilities Grant and Community grant	£796,000 £409,000	NLC	Both Non recurrent 14/15 -417k-Interm. Care Facility (replaces Lilacs)
Transfer from health to social care	£2,723,000	NHS England pending agreement to proposals to transfer to NLC	Recurrent commitments for 13/14
Additional transfer from NHS allocations in 2014/15 and 15/16. Estimated potential impact.	£640k ? share of £200m 2014/15 £4.5m/£6m? share of £1.9b 2015/16	NLCCG	£4.5m Committed recurrent spend against contracts held by CCG For illustration this equates to 41% of NLAG community contract; 15.8% of prescribing budgets; 5.3% of NLAG acute contract, 34.6% RDASH contract

Appendix 3 – Draft Planning Template



Microsoft Excel
97-2003 Worksheet

Appendix 4 – Summary of the four Secretary of State for Health tests

The Secretary of State for Health introduced four tests against which reconfiguration processes would be assessed in May 2010. These were set out in the letter from David Nicholson, Chief Executive of the NHS, on 20.05.2010, and further information on the application of these tests was provided in his subsequent letter of 29.07.2010.

The four key tests for service change require reconfiguration proposals to demonstrate:

- Support of the GP Commissioners involved
- The clinical evidence base;
- Promotion of choice for patients
- Engagement of the public, patients and Local Authorities

When assessing compliance with the tests, commissioners are required to apply a 'test of reasonableness' which considers the balance of evidence and stakeholder views in support of a substantial service change. This includes consideration of the overall evidence for the service change, and taking every reasonable step to address any outstanding issues, in recognition that all issues may not always be resolved.

The guidance also highlights that if local stakeholders or individuals have concerns, they will need to provide valid and robust evidence to support their position, in order to avoid delay to schemes which otherwise meet the four tests as a result of potentially vexatious objections.

The requirements under Sections 242 and 244 of the National Health Service Act 2006 remain in force and are not affected by this guidance

Appendix 5

Opportunities

- Collaborative working,
- Transform services, better for patient/ clinical engagement
- Transparency, reduce dysfunctional, invest to save across Economy
- Define community services on 'Need' versus 'Want'
- Contracting with Primary Care
- GPs ultimately responsible for most vulnerable patients
- Bringing acute providers to the table. They acknowledge funding is reduced for Foundation Trusts to achieve savings need to change radically and improve quality
- New entrants. New ideas versus threat of legal challenge and extra work required to ensure legal compliance
- More creative contractual models, financial arrangements and incentives.
- Forces ambition and large scale change (if risks can be managed) including, acceleration of modernisation of community services, vertical integration of health services
- Opportunity for wider public stakeholder engagement – how do we spend the totality of public money
- Potentially increases level of influence in the system if we can get the joint KPIs right
- Can we encourage greater transparency and reduce organisational barriers & increased risk pooling – forces people to the table

Challenges

- Maturity/track record of local system working together, delivering change, etc.
- Different priorities but transformation agenda is key- how to build trust
- Avoid using total sum to balance books without transforming/getting value
- Clear guidance/messages from Local Government and NHS England
- Further pressure on NHS Providers. – Local reconfigurations. Safety/staffing-Keogh
- Timing – ability to release/ pump prime necessary transformation/release of stepped costs
- Cultural shift. Budget & Geographical constraints will mean more.
- Able to cross-boundaries & functions to provide care?
- 'Big conversation' with public re healthcare away from a hospital/traditional care.
- Issues re technology, data quality and IG issues, shared care records,
- Commissioning fragmentation. Bringing back together. Primary care, specialist, PH.
- New allocation formula – NHS and Social Care.
- Not gaining collective agreement to the transformation plans
- Monitor and Trust Development Agency. Impact on Risk ratings - different regulators, different direction of travel
- Voluntary sector arrangements
- Lack of flexibility by CCG financial regime.
- Care home sector
- Inexperience in using more innovative contractual models - co-operation and competition
- Time to re-skill / up-skill / increase numbers. Workforce availability