

FOR INFORMATION

REPORT TO:	HEALTH AND WELLBEING BOARD (CROYDON) 23 October 2013
AGENDA ITEM:	13
SUBJECT:	Health and Social Care Integration Transformation Fund
BOARD SPONSOR:	Hannah Miller, Executive Director, Department of Adult Services, Health and Housing, Croydon Council.
CORPORATE PRIORITY/POLICY CONTEXT: <i>The 2013 Spending Round announced a fund of £3.8bn nationally to ensure closer integration of health and social care services from 2015/16. This is referred to as the Integration Transformation Fund (ITF).</i> <i>This Report summarises the purpose and terms of the new fund and identifies the actions which health and social care organisations in Croydon will need to take in order to respond to this opportunity and ensure access to funding based on the Local Government Association/NHS England joint statement published in August 2013.</i>	
FINANCIAL IMPACT: <i>The requirements for the Health and Social Care Integration Transformation Fund (ITF) present a challenge to both health and social care at a time of severe financial constraint. This risk will need to be jointly assessed by health and social care and risk strategies built into planning required for financial years 2014/15 and 2015/16.</i>	

1. RECOMMENDATIONS

This report recommends that the Health and Wellbeing Board:

- 1.1 Notes the actions needed to establish the Health and Social Care Integration Transformation Fund and the issues for Croydon that it raises.

2. EXECUTIVE SUMMARY

- 2.1 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 Health and Social Care Integration Transformation Fund (ITF).
- 2.2 Based on the recently the recently published Local Government Association/NHS England joint this report summarises the purpose and terms of the ITF in 2015/16 , identifies actions which local health and social care organisations need to take in order to access this funding, and the role of the Health and Well Being Board in this respect.

FOR INFORMATION

3. DETAIL

- 3.1 The ITF is defined in the joint LGA/NHS England Statement (Gateway Ref.No. 00314) as a “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”.
- 3.2 The Statement draws from the report *Integrated Care and Support: our shared commitment*, and defines the impact of health and social care on 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 outcomes that are important to me”. The ITF is seen as a means through which the fuller integration of health and social care for the benefit of the individual can be enabled.
- 3.3 The ITF does not come into full effect until 2015/16, but an additional £200m will be transferred to local authorities from the NHS in 2014/15 (in addition to the £900m already planned) and it is expected that Clinical Commissioning Groups (CCG’s) and local authorities will use this year to transform in readiness for 2015/16. Consequently a two year local plan for the period 2014-16 will need to be prepared with Croydon CCG for approval by the Health and Well Being Board in February 2014 in readiness for the NHS assurance process in March 2014.
- 3.4 The timetable for development of the two year plan:

October 2013	Croydon Council and Croydon CCG begin local planning discussions.
November/December 2013	NHS Planning Framework issued
January 2014	Completion of Plans
February 2014	Approval of Plans by Health and Well-Being Board.
March 2014	Plans assured by NHS England.

- 3.5 The ambition is that the ITF will provide the opportunity to transform care so that people receive better coordinated care and support. It will also help with demographic pressures in adult social care. It is seen as a catalyst for the integration agenda enabling it to be implemented “at scale and pace”.
- 3.6 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 NHS belongs to the people: a call to action*. The ITF will provide part of the investment required to achieve the shared vision for health and social care.
- 3.7 The ITF will support the aim of providing people with the right care, in the right place, at the right time, which includes the expansion of care into community settings. This fits with the strategic journey already started by health and social care in Croydon and reflect the principles of the joint Reablement and Hospital Discharge Board (see Report to Health and Well-Being Board – 11th September 2013).

FOR INFORMATION

4. ITF Funding Arrangements

4.1 The national £3.8bn allocation is to be funded as follows:

Current Funding Source	NHS/LA	Allocation £
Carers breaks	NHS	£130m
Reablement	NHS	£300m
Disabled Facilities Grant	LA	£220m
Adult Social Care Capital Grants	LA	£134m
Additional NHS Transfer to L.A's	Within Dept of Health	£200m
NHS transfer	LA	£900m
Transfer of additional NHS funding – currently held in CCG budgets.	NHS	£1.9bn
Total		£3.784bn

4.2 The NHS transfer of £900m in the table above relates to the 2013/14 national allocation from the Department of Health to social care to deliver health outcomes (total £859m). The allocation to Croydon in 2013/14 from this national funding stream was circa £5.015m and which was allocated by the local authority to the Reablement and Hospital Discharge Programme.

4.3 The £1.9bn additional transfer includes funding to meet demographic pressures and costs arising from the Care Bill. It is to be funded from existing CCG budgets.

4.4 Allocation of £1bn of the ITF will be dependent on performance and the local authority and CCG will need to set and then monitor the achievement of these outcomes in 2014/15 as the first 50% of the £1bn, paid on 1st April 2015, will be based on performance in the previous year. According to the statement issued in August by the LGA and NHS England the performance related element of the £1bn is likely to be judged based on a combination of national and locally chosen measures. Further guidance is awaited.

4.5 The methodology for allocation of the ITF is still to be confirmed.

4.6 Additional of £200m is being made available in 2014/15 to enable CCG's and Local authorities to "build momentum toward delivering the expected transformation".

FOR INFORMATION

4.7 There is currently a consultation exercise being undertaken by the Department of Health on funding reform for care and support. From April 2015 there will be a universal requirement for local authorities to offer deferred payment agreements to care users who meet certain criteria. Although the cap on care costs does not come into effect until April 2016, local authorities will face transitional costs in 2015/16. Whilst the government will provide £285m revenue grant to local authorities (£110m to cover costs of deferred payments and £175m to cover capacity building and early assessments required for transition to capped cost model), there is concern that the reality will not be affordable. This will need to be considered in the planning required for 2014/15.

5. Conditions of ITF Funding

5.1 To access the ITF Croydon Council with Croydon CCG will need 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 50% of the £1bn will be met.

5.2 The plan will also need to detail how the £200m transfer to local authorities in 2014/15 will be used to make progress on priorities and move the integration agenda forward.

5.3 Plans for the use of pooled monies will need to be developed jointly and approved by the CCG and Croydon Council through the Health and Well-Being Board.

5.4 The LGA/NHS England joint statement (August 2013) details that the ITF can be deployed locally on social care and health but subject to the following conditions which will need to be addressed in the plan:

- Plans to be jointly agreed;
- Protection for social 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 not met;
- Agreement on the consequential impact of changes in the acute sector.

FOR INFORMATION

6. Care Support Bill

- 6.1 The introduction and planning for ITF in Croydon will need to take place in the context of the wider social care legislative agenda; specifically the Care Support Bill.
- 6.2 The Care Bill is an ambitious and far reaching legislative development that is attempting to bring all care and support legislation into a single statute. The Bill also attempts to address many of the recommendations made by the Dilnot Commission into the funding of adult social care and seeks to address the findings of the Francis Inquiry into the failings of Mid-Staffordshire Hospital. Implementation is in two phases, with the main impact of the funding reform starting from April 2016.
- 6.3 The main areas of the Care Bill scheduled from April 2016 are:
- The introduction of care accounts and a cap system where the local authority becomes responsible for the costs of meeting eligible needs once the cap has been reached.
 - A new duty to provide direct payments for people in residential care.

7. CONSULTATION

- 7.1 Croydon Council is engaged in the national Care Bill consultation.

8. SERVICE INTEGRATION

- 8.1 The drive behind the Integration Transformation Fund is deliver “fuller integration between health and social care for the benefit of the individual” (LGA/NHS England Joint Statement – August 2013).
- 8.2 Croydon Council, Croydon CCG, and Croydon Health Services have a history of close partnership working demonstrated through co-working in various transformation strategies and programmes, Winter Planning, and the Urgent and Emergency Care Strategy.

FOR INFORMATION

9. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

9.1 Revenue and Capital consequences of report recommendations

9.2

	Current year	Medium Term Financial Strategy – 3 year forecast	
	2013/14	2014/15	2015/16
Revenue Budget available (S.256 agreed funding)	5.015	6.422*	TBC
Expenditure			
Income			
Effect of decision from report	0	0	
Expenditure			
Income			
Remaining budget	<u>0</u>	<u>0</u>	<u></u>
Capital Budget available	0	0	
Expenditure			
Effect of decision from report	0	0	
Expenditure			
Remaining budget	<u>0</u>	<u>0</u>	<u></u>

**Based on same allocation methodology as 2013/14*

9.3 It should be noted that social care funding reform monies will be available in addition to the ITF. However, the allocation for 2015/16 will not be confirmed until mid-2014.

9.4 The effect of the decision

9.4.1 No Board decisions are requested in this report.

9.5 Risks

9.5.1 CCG's will need to identify funding to be invested in the ITF. Decisions about how this will need to be made at a time of severe financial constraint and may have implications for health budgets. It is acknowledged nationally that this requirement of ITF is unlikely to be achieved without service transformation and the impact on service providers within health and social care will need to be assessed.

FOR INFORMATION

9.5.2 Changes in governance arrangements for S256 transfers have changed with NHS England becoming party to those agreements. There are no automatic transfers to local authorities as there has been in past years, but there will be flexibility to allow some of the fund to offset the impact of funding reductions overall. It will still be possible for money to be transferred to council's by local agreement, but it is likely this process may be more difficult in the future.

9.5.3 There is a risk that ITF funding may need to be redeployed if targets or local agreements are not reached. Further guidance on this is expected through national work defining conditions of ITF is completed.

9.6 Issues

9.6.1 It should be noted by Board that allocations for 2015/16 have yet to be confirmed by the Department of Health. This makes planning for that financial year difficult and creates a challenge in meeting the March 2014 deadline for submission of two- year plans to NHS England. This is a national issue and further guidance from the Department of Health is expected.

9.7 Options

Options will be developed following joint health and local authority planning for 2014/15 and 2015/16 (introduction of ITF) and will be subject to a further report to Board.

9.8 Future savings/efficiencies

These will be identified following joint health and local authority planning for 2014/15 and 2015/16 (introduction of ITF) and will be subject to a further report to Board.

(Approved by: Paul Heynes, Head of Departmental Finance, Adult Services, Housing and Health)

10. LEGAL CONSIDERATIONS

10.1 The Council Solicitor comments that there are no direct legal implications arising from this report.

10.2 **(Approved by: Gabriel MacGregor, Head of Corporate Law on behalf of the Council Solicitor & Monitoring Officer)**

11. HUMAN RESOURCES IMPACT

11.1 There are no immediate H.R issues that arise from this report for London Borough of Croydon staff.

12. EQUALITIES IMPACT

12.1 No Equalities Impact Assessment has been carried out at this stage.

FOR INFORMATION

13. ENVIRONMENTAL IMPACT

13.1 There is no environmental impact to be considered from this report.

14. CRIME AND DISORDER REDUCTION IMPACT

14.1 There are no crime and disorder impacts to be considered from this report.

CONTACT OFFICER: Andrew Maskell, Strategic Projects Manager, Personal Support Division, Department of Adult Services, Health, and Housing (DASHH), Croydon Council

E-mail: andrew.maskell@croydon.gov.uk

Tel: 020 8726 6000 ext. 62773

BACKGROUND DOCUMENTS: None