MEETING DATE:	12 December 2013	NHS North Lincolnshire Clinical Commissioning Group **REPORT TO THE CLINICAL COMMISSIONING GROUP GOVERNING BODY**
AGENDA ITEM NUMBER:	Item 6.6	
AUTHOR: **JOB TITLE:** **DEPARTMENT:**	Caroline Briggs Director of Commissioning NHS North Lincolnshire Clinical Commissioning Group	

INTEGRATION TRANSFORMATION FUND

PURPOSE/ACTION REQUIRED:	For Discussion and Approval
CONSULTATION AND/OR INVOLVEMENT PROCESS:	Reviewed by NL CCG Engine Room, NL CCG CoM and NL CCG IMT Strategy Group
FREEDOM OF INFORMATION:	*This document is releasable under FOI at this time* Public

1. PURPOSE OF THE REPORT:

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 attached Joint briefing has been developed by the CCG and North Lincolnshire Council to set out the implications for North Lincolnshire and the work underway to take forward.

The Plan template which is required to be submitted by the 15 February 2014 will be considered at the 13 February Governing Body

2. STRATEGIC OBJECTIVES SUPPORTED BY THIS REPORT:

Continue to improve the quality of services	**x**
Reduce unwarranted variations in services	
Deliver the best outcomes for every patient	**x**
Improve patient experience	**x**
Reduce the inequalities gap in North Lincolnshire	**x**

3. IMPACT ON RISK ASSURANCE FRAMEWORK:

Yes	x	No	

The development of the plans in relation to the ITF will include consideration and identification of the risks associated. The attached briefing highlights those identified at this stage. Details will be added to the CCG Risk Register as the plans develop.

4. IMPACT ON THE ENVIRONMENT – SUSTAINABILITY:

Yes	x	No	

The plan for the ITF will be developed in the context of the vision for Healthy Lives Healthy Futures and the developing Frail and Elderly strategy which seek to support delivery of services as locally as possible

5. LEGAL IMPLICATIONS:

Yes	x	No	

Final guidance on the ITF will be issued as part of the NHS planning guidance in December, this will include clarity on the legal framework for the ITF, but it likely to be a Partnership agreement through section 75 of the NHS Act 2006

6. RESOURCE IMPLICATIONS:

Yes	x	No	

The attached briefing sets out the potential resource implications. These will be confirmed as part of the issue of CCG allocations in December and will be considered in the development of the CCG's Commissioning Plan and supporting Financial Plan

7. EQUALITY IMPACT ASSESSMENT:

Yes		No	x

Not applicable at this stage

8. PROPOSED PUBLIC & PATIENT INVOLVEMENT AND COMMUNICATIONS:

Yes	x	No	

The development of plans against the ITF will take into account patient and public engagement through Healthy Lives Healthy Futures, Keeping Well and Maintaining Independence and other relevant engagement.

9. RECOMMENDATIONS:

The Governing Body is asked to:

Receive the briefing on the creation of the Integration Transformation Fund and support the Chief Officer in taking forward the development of the plans with North Lincolnshire Council for sign off by the Health and Wellbeing Board

Agree to receive the final plan at the 13th February Governing Body meeting

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 improve outcomes and wellbeing, with effective protection of social care and integrated activity to reduce emergency and

urgent health demand. The CSR mandated minimum levels of investment in the ITF. Locally CCGs and Local Authorities can decide to place additional resources in the ITF. Health and Wellbeing Boards are encouraged to extend the scope of the plan and the pooled budgets.

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 defendable
- Manage demand together by 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

- 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
    - A share of an additional £200m nationally (circa £640k) to be ring fenced from CCG allocations.

- 2015/16 – the above plus an additional share of £3.8bn nationally (circa £4.5m - £6m) to be ring fenced from CCG allocations.
  This will include a performance element (circa £2m) of which 50% will be paid at beginning of 15/16 contingent on HWB adopting the ITF 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 between the 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 Social Care and Public Health Outcomes Framework

If performance is not achieved there will be a process of peer review undertaken by NHS England and the Local Government Association (LGA) 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 Agreement on consequential impact of changes in the acute sector	Identify proportion of population that will be receiving case management and lead accountable professional and proportions receiving self-management help 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

Following agreement by the CCG and LA, the ITF Plan is required to be signed off by the HWB and submitted to NHSE by 15th February 2014.

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 in respect of the ITF planning and implementation.

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.

<u>CCG (budgets the CCG will wish to track to ensure transparency)</u>

- 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

<u>LA</u>

- Care homes
- Community support Team (reablement)

- Intermediate care
- Home care
- Prevention
- Schemes funded by the Disabled Facilities Grant and Community Capital Grant
- Carers Support

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 might be considered for inclusion 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) NHS spend of £10.5m,
- Deployment of technology,
- Workforce for 7 day services
- Contract models, penalties and incentives,
- Approach to risk sharing
- Management and expert capacity to develop and implement the plans (capacity & capability)
- Local government funding reductions
- Unresolved data sharing issues
- Any destabilising of providers
- Performance funding and managing performance risk
- Destabilising statutory adult social care provision

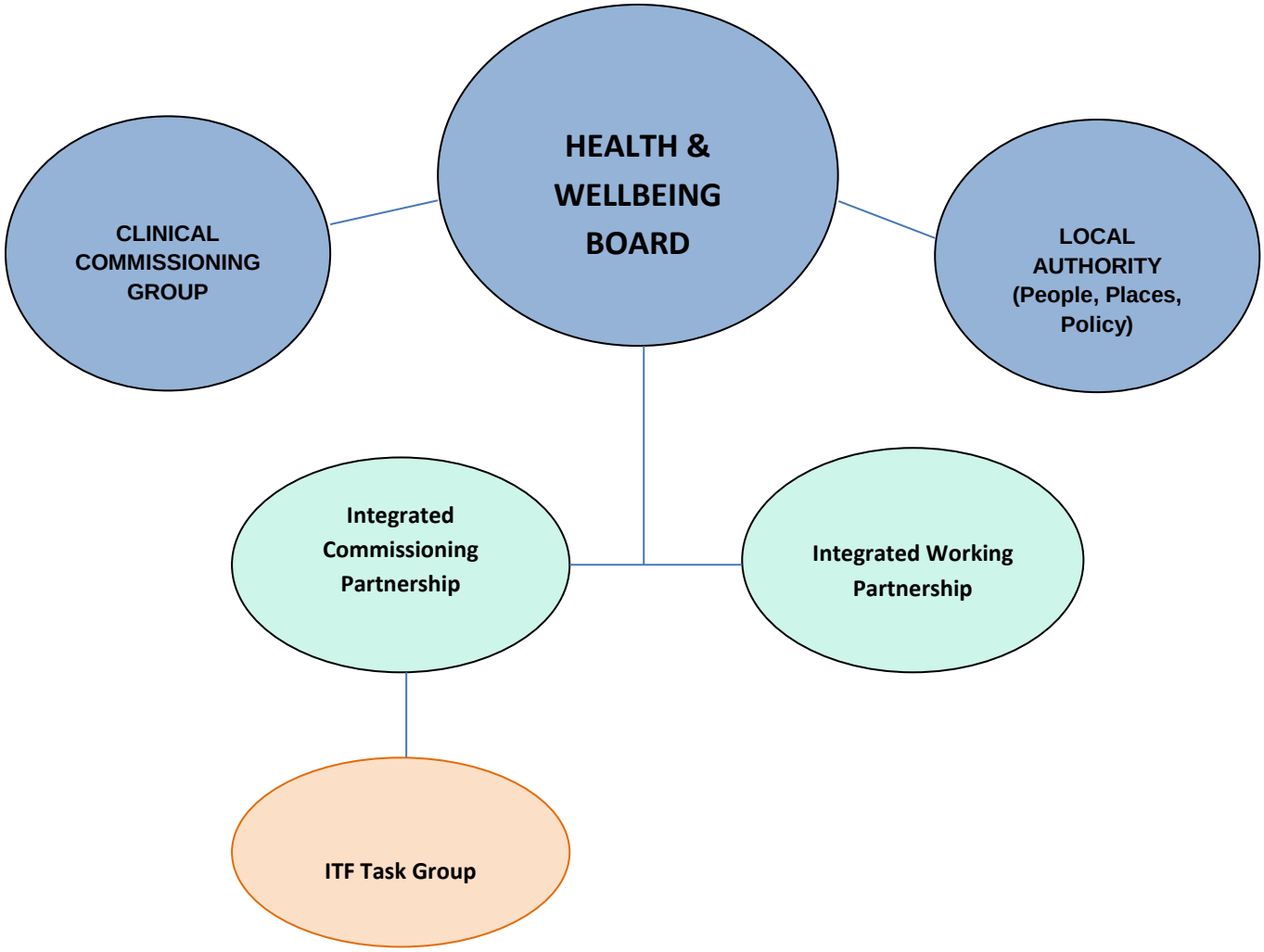
Identification of Opportunities and Potential benefits

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 the strategic planning processes of the CCG and council
- Consideration of governance arrangements that will be required to manage the pooled arrangement and delivery of ITF

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 and integrated working,
- Transformation of 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 – on how we spend the totality of public money
- Potentially increases level of influence in the system from agreeing and measuring joint KPI's
- Encouragement of 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,
- Different priorities but transformation agenda is key
- 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 doing more with less.
- Ability 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 Information Governance issues, shared care records,
- Commissioning fragmentation. Bringing back together. Primary care, specialist, Public Health.
- New allocation formula – NHS and Social Care.
- Ensuring that collective agreement is reached on the transformation plans
- Monitor and Trust Development Agency. Impact on Risk ratings - different regulators, different direction of travel
- Ensuring that Voluntary sector arrangements can be maximised

- Lack of flexibility within the CCG financial regime.
- Ensuring Care home sector sustainability
- Inexperience in using more innovative contractual models - co-operation and competition
- Time to re-skill / up-skill / increase workforce numbers. Workforce availability