

ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET

1.	Meeting:	Cabinet
2.	Date:	27th November 2013
3.	Title:	Integration Transformation Fund
4.	Directorate:	Neighbourhoods and Adult Services

5. Summary

The Department of Health issued joint letters on 10th and 17th October 2013 relating to the Integration Transformation Fund. This was followed up on 1st November with further initial guidance notes. Copies of these guidance notes are provided in the Appendices. Full guidance and timetables will be issued in December 2013.

These guidance notes are intended to assist commissioners to address issues highlighted in two reports published earlier in the year by NHS England and Monitor which warned of impending challenges driven by an ageing population, increase in Long Term Conditions, rising costs and public expectations.

This report sets out the practical implications of the planning guidance that is so far available which will require action in an extremely tight timescale.

6. Recommendations

Cabinet is asked to:

- **Support the approach set out under the section of this report headed *Next Steps*.**
- **Receive a further report setting out detailed proposals in relation to a vision for integration in Rotherham.**

7. Background

What is the purpose of the fund?

The planning guidance issued by the Department of Health supports the establishment of 'a ring fenced budget for out of hospital care'. It is intended to stimulate innovation and encourage NHS Commissioners to reinvest some of their spending in social care and other Local Authority services. The guidance describes this fund as a device which should be seen as a 'game changer' and 'a catalyst to improve services and value for money'.

In effect, the fund should be used to transform both NHS and local authority services and move resources into local communities to support people in their homes or in residential care.

The funding involved

The ITF will not be comprised of any additional funding. It will be made up of existing specified pooled funding arrangements, captured under a formal (Section 256) agreement and additional funding that CCG's will need to free up through efficiencies and disinvestment. At a national level this funding stream will amount to approximately £3.8 billion. In Rotherham we estimate that the figure will be around £20 million, with £10m of existing pooled arrangements and with the CCG needing to free up a further £10 million to contribute towards the mandated, pooled funding streams.

The guidance encourages Health and Wellbeing Boards to extend the scope of the plan and pooled budgets, to create a shared plan for the totality of health and social care activity and expenditure that will have benefits well beyond the effective use of the mandated pooled fund. This is more a medium/long term aim.

The ITF presents an immediate challenge to the NHS to disinvest in some services and then to work closely with the local authority to agree how to reinvest in services that keep people out of hospital.

Producing a robust plan

NHS Commissioners are required to work closely with the local authority to produce a five year strategic plan for use of the ITF which is informed by the priorities set out in the Joint Strategic Needs Assessment. This strategic plan should also include a two year operational plan with effect from April 2014. This plan needs the CCG and the local authority to be clear and agree on the things that will make the biggest difference to keeping people out of hospital.

There is an expectation that the plan will be measured against outcomes in seven areas:

- Reducing the number of years of life lost by the people of England from treatable conditions (e.g. including cancer, stroke, heart disease, respiratory disease, liver disease);
- Improving the health related quality of life of the 15 million+ people with one or more long-term conditions;
- *Reducing the amount of time people spend avoidably in hospital through better and more integrated care in the community, outside of hospital;*
- *Increasing the proportion of older people living independently at home following discharge from hospital;*
- Reducing the proportion of people reporting a very poor experience of inpatient care;

- Reducing the proportion of people reporting a very poor experience of primary care;
- Making significant progress towards eliminating avoidable deaths in our hospitals.

Developing a vision

There have been many different interpretations of what is meant by integration nationally however for the first time the government has provided advice that may lead to the adoption of a single definition. It would be helpful to adopt a common language to support the work to develop our own Rotherham vision for integrated services which helps deliver improvements against our locally determined priorities. This should help us develop a strategic approach to increase investment into early intervention and prevention, to reduce avoidable demand.

It is important that integration is not seen as an end in itself, rather a means to an end, namely the delivery of our priorities for improving the health and wellbeing of Rotherham people.

Working with Providers

The guidance sets out specific requirements for engaging with providers so that they can help shape a shared view of future services, manage through a period of transition and gear up for future provision. It is essential for the CCG and the local authority to develop a single framework to engage with all providers, both NHS and social care, likely to be affected by the use of the fund in order to achieve the best outcomes for local people.

Logically there is merit in extending the scope of the market position statement that has been produced for social care to include NHS markets. Furthermore it makes sense to align and synchronise our planning and commissioning arrangements in future years.

Critical requirements

Initial timetables have now been published which set out key dates, the most important being the requirement to agree a detailed plan by 14th February 2014. This plan needs the agreement of the Health Wellbeing Board which meets on **22nd January 2014**.

A draft template has been produced which will allow Department of Health to evaluate our plans. These plans will need to comply with six national funding conditions previously set out as part of the Comprehensive Spending Review:

- Plans to be jointly agreed
- Protection for social care services (not spending)
- As part of the agreed local plans, 7 day services in health and social care to support patients being discharged and prevent unnecessary admissions at weekend
- Better data sharing between health and social care, based on the NHS number
- Ensure a joint approach to assessments and care planning and ensure that, where funding is used for integrated packages of care, there will be an accountable professional
- Agreement on the consequential impact of changes in the acute sector.

We will also be required to provide an agreed shared risk register, with agreed risk sharing and mitigation covering steps that will be taken if performance does not improve as planned.

The LGA will have a national monitoring role and readiness assessments may need to be completed before the end of November.

Role of the Health and Well Being Board

The Health and Wellbeing Board has been given a critical role in agreeing the plans and monitoring delivery.

We have already acknowledged the need to review the governance arrangements next year and this review now assumes even greater importance given the guidance that has been issued.

Programme Management

The Department of Health intend to put in place a mechanism which will hold back 50% of the funding allocation subject to achievement of agreed targets. The amount that will be paid on a pay for performance element will be determined by ministerial decisions. It is vital therefore that a programme management approach be adopted to ensure strong planning, performance and risk management. As part of this, it is of critical importance that our performance management arrangements have transparency and are informed by people with experience of using services.

As the scope of the programme widens there may be merit, later on, in considering a joint appointment of a programme manager.

Next Steps

1. Develop a simple local vision for Integration in Rotherham which supports the delivery of locally determined priorities and is consistent with the national definition.
2. Adopt a programme management approach, with NHS Commissioners, to produce a five year strategic plan which is informed by the priorities set out in the JSNA.
3. Jointly review existing pooled budget arrangements to help agree a two year operational plan.
4. Jointly develop a single framework that ensures that the views of providers from the health and social care economy drive change from a bottom up perspective.
5. Seek to align planning and commissioning arrangements to operate to a similar timetable.
6. Consider the development of a single Market Position Statement for NHS and Social Care Services.
7. Develop a shared risk register.

8. Finance

The Integration Transformation Fund (ITF) will be worth £3.8 billion nationally of existing funding in 2015/16. Of this, £1.9 billion of existing funding in 2014/15 allocated across health and social care (includes - Carers Funding, CCG Reablement Funding, Capital funding including Disabled Facilities Grant and the existing Health Support for Social Care from NHS England).

The remaining £1.9billion will be transferred from existing NHS funding to support adult social care services, which also has a health benefit.

9. Risks and Uncertainties

The timescale for producing an initial draft strategic plan to deliver the ITF is tight, however, the CCG, local authority and providers need to work collaboratively within this timescale to ensure the plan is right for the Rotherham population.

Not working quickly on this, and having an agreed plan which the Health and Wellbeing Board signs up to, will result in us not being in a position to meet the requirements of the ITF.

Further full guidance on the process and expectations of local strategic plans will be published week commencing 16 December.

10. Policy and Performance Agenda Implications

The NHS together with local authorities face an unprecedented level of future pressures, driven most importantly by an ageing population and increase in those with long-term conditions. Locally our JSNA tells us that the number of people aged over 65 will increase from 45,100 (2011) to 54,100 in 2021, and the number of people over 85 will increase from 5,500 to 7,100. Although people will tend to remain healthy for longer than they do now, over 65s with a limiting life-long illness or disability is higher in Rotherham than the England average (61% compared with 53%), and this is projected to rise.

These factors present major challenges and implications for health and social care services within a changing financial environment. Locally the Health and Wellbeing Strategy sets out the Health and Wellbeing Board's joint priorities, which includes 'prevention and early intervention', 'dependence to independence' and 'long-term conditions', all of which have a crucial role in ensuring actions are delivered to deal with some of these challenges.

The HWBB will play a leading role in developing the strategic plan for integration and will therefore need to consider whether the priorities set out in the HWB strategy are appropriate for, and aligned to, the strategic plan to deliver the expected outcomes of the ITF.

11. Background Papers and Consultation

Letter from Chief Executive NHS England, *Planning for a sustainable NHS: responding to the 'call to action'*, 10th October 2013.

Joint Letter NHS England/LGA, *Next Steps on implementing the Integration Transformation Fund*, 17 October 2013.

Joint Letter and initial draft guidance from NHS England, Monitor, NHS Trust Development Authority and LGA, *Strategic and operational planning in the NHS*, 1st November 2013.

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