

Community Wellbeing Board briefing Integration Transformation Fund

Briefing overview

This briefing note updates Community Wellbeing Board members on the Integration Transformation Fund. It sets out:

- Background on how the fund came into existence
 - Key features of the fund
 - Latest developments
 - Next steps
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Background to the Integration Transformation Fund

The LGA's Spending Round submission (April 2013) made the key point that integration is now economically and socially essential and must be led locally by Health and Wellbeing Boards. The submission argued that:

- The additional money for social care from the NHS (as part of the 2010 Spending Review) should be extended given that getting adult social care right can alleviate pressure on the NHS.
- Better outcomes for individuals and communities, as well as greater efficiency, can be achieved by shifting resources from acute hospital and institutional care into community-based services, as demonstrated by the community budget pilots.
- Health and Wellbeing Boards must be the place for local decision-making on a genuine whole-system approach to health and social care that considers integrated assessments, commissioning, budgets and systems.

Between the LGA submission in April and the Spending Round announcement in June, and following approval from Sir Merrick Cockell, Carolyn Downs and Andrew Webster (LGA Associate Director for Integrated Care) worked closely with senior figures from NHS England to produce a short paper setting out the need for a new NHS transformation fund for integration and how that fund might work. This was shared with government departments and ultimately culminated in the £3.8 billion fund being announced in June. In the context of an extremely challenging Spending Round for local government this was one positive.

Key features of the Integration Transformation Fund

The ITF is an opportunity to improve joint working between health and social care for the benefit of the individual and the public purse. This is a central aspect of the LGA's 'Rewiring Public Services' campaign. However, whilst the ITF has the potential to help realise the 'Rewiring' vision, doing so is difficult for health and local government partners. During negotiations LGA goals have included:

- Resisting government attempts to make the money conditional on protecting adult social care spending. This has been achieved and the condition is now about protecting adult social care services.
- Ensuring the national condition around 7-day working is focused on the system as a whole, rather than just social care. This has been achieved.
- Securing the best possible deal for local government without jeopardising the involvement and buy-in of the NHS.
- Making the performance-related component of the ITF practical and workable, using indicators that are measureable and deliverable in local areas.
- Securing as much local interpretation as possible on the national conditions attached to the ITF.

Breakdown of the ITF

- The fund does not address the financial challenges facing councils and CCGs in 2015/16. It brings together local government and NHS resources that are already committed to existing activity. Councils and CCGs will therefore have to redirect funds from these activities to shared programmes that deliver better outcomes for individuals. Health and Wellbeing Boards will need to be at the centre of this work.
- The ITF breaks down as follows:

The June 2013 Spending Round set out the following:	
2014/15	2015/16
An additional £200 million transfer from the NHS to social care, in addition to the £900 million transfer already planned (as set out in the 2010 Spending Review)	£3.8 billion pooled budget to be deployed locally on health and social care through pooled budget arrangements

In 2015/16 the ITF will be created from the following:
£1.9 billion NHS funding
£1.9 billion based on existing funding in 2014/15 that is allocated across the health and wider care system, composed of: <ul style="list-style-type: none"> • £130 million Carers' Breaks funding • £300 million CCG reablement funding

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| <ul style="list-style-type: none">• £354 million capital funding (including £220 million of Disabled Facilities Grant)• £1.1 billion existing transfer from health to social care |
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Distribution

- Councils will receive their detailed funding allocation following the Autumn Statement in the normal way. There will be two year allocations for 2014/15 and 2015/16 to enable planning.
- In 2014/15 the existing s.256 transfer of £900 million from NHS transfer to local authorities – plus the additional £200 million – will be distributed using the same formula as at present.
- The formula for distributing the full £3.8 billion fund in 2015/16 will be subject to Ministerial decisions in the coming weeks.

National conditions

Six national conditions are attached to the ITF as follows:

- Plans must be jointly agreed – by the Health and Wellbeing Board and by the constituent councils and CCGs. In agreeing the plans councils and CCGs should engage with providers likely to be affected by the use of the fund.
- Protection for social care services (not spending).
- As part of agreed local plans, 7-day services 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 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.

Latest developments

Exactly how the ITF should operate has been the focus of a number of detailed discussions between the LGA, NHS England and government departments (Communities and Local Government, Health, and Treasury) since the summer. On a broader scale Cllr Gillian Ford has also represented the LGA at the Ministerial meetings on integration (which have tended to focus on the Pioneer programme).

This has been, and continues to be, an incredibly fast-moving agenda. The first wave of discussions culminated in a joint LGA-NHS England statement that was published on 8 August and which set out our joint thinking on how the fund could

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work and the next steps localities might usefully take. The second wave of discussions culminated in a more detailed LGA-NHS England document on the next steps for implementing the ITF. This was published on 17 October.

Also in October, Sir Merrick, Carolyn and Andrew attended an Inter-Ministerial Board Meeting (between the Department of Communities and Local Government and the Department of Health) on the ITF. At this they set out a joint LGA-NHS England proposition for resolving some of the 'live' issues and outstanding matters. These included the pay for performance framework and the assurance process (updates on which are below).

Since that meeting discussions on the ITF have largely been between Ministers and their officials to resolve the remaining issues. As we await final decisions our ability to influence is therefore limited.

One decision that has been communicated is the change of name for the fund; 'Integration Transformation Fund' has been dropped in favour of the 'Better Care Fund' (BCF).

- **Pay for performance**
- £1 billion of the BCF will be linked to performance. Issues that need to be resolved include: what happens to the money in the event of performance not being satisfactory; and what metrics will be used (including balancing national and local indicators and including something that measures user experience).
- Ministers are considering a joint proposal from the LGA and NHS England on how this might work.

- **Assurance**
- Ministers will want to be assured that the BCF is being used for the intended purpose, and that local plans credibly set out how improved outcomes for people will be achieved.
- The process has largely been agreed by Ministers and will involve local government and local NHS jointly assuring local plans and advising government Ministers and officials on overall progress and issues arising.
- What remains to be agreed, and is subject to on-going discussions with departments and Ministers, is the action to be taken in the case of areas that are encountering problems.

- **Disabled Facilities Grant**
- DFG money now sits in the BCF pot. However, in two-tier areas district councils – which are not necessarily represented at Health and Wellbeing Boards – have a statutory duty to provide DFGs. There is therefore a potential tension between districts having a duty for DFGs on the one hand, yet the money being out of their control on the other.

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- We believe this issue is one for Whitehall departments to resolve through guidance. Some areas are already addressing this issue and agreeing amongst themselves how this potential anomaly should be fixed. We believe this is a sensible and pragmatic approach.

Next steps

- Building on the letters and information circulated in August and October, planning guidance will be sent out in December. This will set out further detail on elements of the BCF, such as how the national conditions will operate, along with information on how to access further support.
- Sir Merrick Cockell and Carolyn Downs will join the Community Wellbeing Board's next meeting on 15 January to discuss the BCF. This will be an opportunity for CWB Members to input into the BCF work.
- In the meantime Members are invited to contact Andrew Webster with any specific questions or concerns. He can be reached on andrew.webster@local.gov.uk or 07747 101528.