



To: All Members and Officers of the Health and Wellbeing Board.

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Date: 6 December 2013

Dear Sir/Madam,

Health and Wellbeing Board - Thursday, 12th December, 2013

I have recently forwarded to you a copy of the agenda for the next meeting of the Health and Wellbeing Board.

I am now able to enclose, for consideration at next Thursday, 12th December, 2013 meeting of the Health and Wellbeing Board, the following reports that were unavailable when the agenda was printed.

5. **Draft Proposals for Integration Transformation Fund (Pages 51 - 54)**

Report from Senior Officer Group

John Tradewell
Director of Law and Governance

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Topic:	Integration Transformation Fund – Proposed Way Forward
Meeting Date:	12th December, 2013
Authors:	Senior Officers Group (SOG) via Rita Symons, Accountable Officer SES and SP CCG

Integration Transformation Fund (ITF) for Staffordshire and Stoke-on-Trent

1. Background

Whilst the two local upper tier authorities, eight districts and boroughs and six CCGs of Staffordshire and Stoke-on-Trent cover areas that vary significantly in their demographic, economic and geographic contexts, they have much in common, and share common features and challenges with many other areas nationally.

Existing NHS, social care and associated services are not geared up to meet the demands of increasing numbers of people who often have long term requirements for services, have a range of complex needs, and may be mentally or physically vulnerable or frail. In addition, services fail to prevent people from developing serious conditions which require high cost interventions and to support people to take care of themselves.

The Integration Transformation Fund (ITF) should be seen as a catalyst for the integration necessary to transform NHS, social care, and associated services so that they better meet these challenges. It is one mechanism (amongst others) which will drive change, and deliver some of the following.

- **New configuration of community and acute services** capable of addressing the ongoing support needs of the growing number of people with long term conditions, who are presently over-reliant on non-elective urgent care services.
- **Shift of significant amount of activity, capacity and resource** presently embedded in high-level, expensive acute and bed-based services into delivering support for people in their own communities / homes.
- **Consolidated investment in community-based services to ensure cost-effective delivery**, and address growing financial challenges by minimising duplication and waste.

Whilst many provider and commissioner-led initiatives are presently underway that are directly relevant to this agenda, there remains a lack of an overarching plan which links all the initiatives. Due to this, they are unlikely to deliver the coherent whole-system transformation necessary to address the developing economic and demographic challenges. The ITF offers the opportunity for NHS and local authority economies to develop **fully integrated commissioning arrangements and plans**.

2. The strategic context

The Integration Transformation Fund fits into the following strategic context.

- At the highest level, each Health and Wellbeing Board has developed a **Joint Health and Wellbeing Strategy** for the area in which it operates.
- In a similar timescale to the ITF, partner organisations will be completing their own strategies and longer term visions. We also have related strategies such as the PCC strategy.

All of these strategic pursuits will be facets of one overall strategic process, and should be fully 'joined up'. This will ensure that there is no duplication of activity or parallel strategic development.

In terms of process, we need to submit a template with initial ideas around the ITF on February 14th 2014. It is recognised this will be a first iteration and will need refining.

3. Benefits for Integration

The major criteria for selecting what is in and out of the ITF should be the extent to which the activity delivers in two areas:-

- **Transformed services delivering better outcomes for people.**
- **Integrated commissioning driving a better deal with providers.**

4. The financial assumptions of the ITF

The ITF guidance suggests a range of funding streams that should form a minimum Integration Transformation Fund 'pool' in each Health and Wellbeing area. However, the level of ambition in Staffordshire and Stoke-on-Trent for the integration of strategic commissioning and the delivery of services, and the amount of resource already committed to directly relevant work suggests that the final ITF settlements would be significantly higher than that.

Additionally, the ITF guidance stipulates that the minimal identified ITF funds should be pooled (using Health Act flexibilities under a S75 pooled budget arrangement) from 2015/16 onwards. However, due to the complex variation in the nature of the presenting challenges across the county, coupled with the different stages of development of relevant transformational work, it is proposed that a more mature set of ITF arrangements be put in place to reflect existing innovations and partnerships.

Work is underway to fully map existing budgets and pressures e.g. around Disabled Facilities Grants (DFG) spend.

5. Initial proposal for the ‘shape’ of the Staffordshire and Stoke-on-Trent ITF

5.1 Process and Governance

As mentioned, the Staffordshire and Stoke-on-Trent ITFs encompass a range of organisations working in very different contexts. It is necessary to understand the particular organisational, partnership and financial circumstances of all of the participants for any such arrangements to add value to their work. Some examples of these contextual variations follow:

- For SES and Seisdon CCG, 70% of the acute hospital usage flows to providers outside of Staffordshire.
- In the north of the county, the partnership of North Staffordshire and Stoke-on-Trent CCGs oversees an established transformation programme that is directly applicable to the ITF. Much of the likely investment which would logically flow into the ITF is already effectively pooled through this arrangement.

In developing the ITFs, the following need to be established.

A high-level set of strategic outcomes for Staffordshire and Stoke-on-Trent, in keeping with the key outcomes of the Joint Health and Wellbeing strategies.

A financial overview of the jointly committed resource of the participating organisations, to determine the extent of the first year (14/15) ITF.

An overview of the future strategic development intentions of the participating organisations to establish the scale of future potential ITF commitment.

A more firm reading of the shape of the emergent ITF arrangements will be possible after this initial information has been gathered and analysed.

At present, there is very little information available about the way that the ITF ‘pools’ will be allocated, organised, or administered. Due to this, it is not possible to recommend with any confidence the extent of commitment to ITF that should be made by participating organisations beyond the minimum levels as defined by NHS England. However, there remains significant ambition in Staffordshire and Stoke-on-Trent to integrate commissioning activity and the provision of services where beneficial.

5.2 Proposed Areas in Scope of ITF

In terms of where we are, although there is a commitment to integrated commissioning, we probably need to start fairly modestly in terms of what is firmly placed in the ITF pool.

It is therefore proposed that we put all the required investment funds into the pool and Integrated Equipment where we already have a S75 agreement. In testing further S75s, the area where there is most consensus around the County is Learning Disability Services so this too should be added in the first phase. This will get us over the minimum threshold in terms of financial value.

The work around the DFGs has been delegated to the District Health Leads Group. There is a commitment to explore ways of integrating the commissioning of these key services across councils.

The following work stream areas have been identified as directly relevant to the ITF agenda. It is proposed more work is done by existing commissioning boards to develop proposals in these areas.

The work to develop these integrated commissioning arrangements is well underway. We have a pivotal workshop on 11 December to explore the governance arrangements around pooled budgets. In addition, we have a workshop specifically focused on mental health on 19 December.

The joint commissioning team for learning disability have already been charged with developing a plan to deliver fully integrated commissioning. Children's commissioning is currently well aligned and again pooled arrangements feel very feasible.

It is important we take the time to take all parties on the journey together. In particular the issue of the right footprint for integration needs further debate.

Frailty / complex needs / long term conditions / older people.

SOG recommendation – one S75 pooled budget for the north (NS and Stoke), one for the south.

Mental Health

SOG Recommendation - One S75 pooled budget for the north (NS and Stoke), one for the south.

End of Life Care

SOG Recommendation – Explore pooled budget arrangement

Children's' Services

SOG Recommendation – Explore pooled budget arrangement

There needs to be a programme of work to take these forward and this should be concluded by June 2014. We need to be mindful of the national conditions associated with this fund, for example, the need to develop seven day working.

6. Recommendations

It is recommended that:-

- A joint Health and Wellbeing Board session is held with Stoke to discuss the Integrated Transformation Fund and the best way to benefit all our citizens
- The initial ITF submission should feature NHS England minimum requirements, plus pre-agreed partnership arrangements i.e. Community Equipment and Learning Disabilities
- Further work should be done as identified in this paper to explore integrated commissioning in the areas identified.