NHS
Sheffield Clinical Commissioning Group

Accountable Officer's Report

D

Governing Body Meeting

5 September 2013

1. Commissioning Support Services

I attended a meeting in London towards the end of July to discuss the proposed strategic direction of Commissioning Support Units (CSUs) with the NHS England team and fellow CCGs and NHS Clinical Commissioners. The session proved useful in feeding back the current perspectives from around the country, and there are differences in approach and speed of proposed autonomy. A number of themes emerged and were agreed as likely principles going forward:-

- CCGs have the right to determine their commissioning support and choose their commissioning support providers.
- There may need to be a relaxation of the need to re-procure services, given this will fall in the middle of the NHS's most demanding planning period
- Autonomy of CSUs is preferred rather than externalisation
- The role of Local Authorities and CSUs that can support integration will need to be developed more

2. Yorkshire and Humber CCG Collaborative

The next meeting of this group of CCG Chairs and Accountable Officers from across the region will meet on 27 September 2013. As before, there will be national representation from NHS England and the Area Directors of the three NHS England Area Teams. The meeting will be focussed on CCG business that needs to operate at that scale, such as Supporting Clinical networks, Academic Health Science Networks and the interface to specialised commissioning.

3. GPA Development Events

Supported by Paul Wike and Katrina Cleary, we have developed three events to engage as commissioners with the GPAs across the city. These events, starting on 17 September 2013, will be open for all GPAs and will allow the sharing of what works well at the GPA footprint, as well as setting out the commissioning framework for 2014/15 and how GPAs can respond to that. We will bring together other providers with the GPAs to consider how to develop partnerships that support integration and improved services to patients. A more formal report will be brought to the Governing Body in October.

4. Fundamental Review of Allocations Policy

NHS England has confirmed in a letter of 14 August 2013 to CCGs that it is continuing with a fundamental review of allocations policy. As part of this work, it has published a paper which provides an overview of the current recommendations of the independent Advisory Committee on Resource Allocation (ACRA) for the weighted capitation formula for funding to CCGs. This is designed to provide equal opportunity of access for equal need. The formula indicates that for Sheffield CCG our actual allocation for 2013/14 is £48m or 7.57% above the target allocation suggested by the current formula. This is consistent with many other northern towns/cities due partly it would appear to more weighting for age profile as opposed to certain deprivation factors than in the previous formula for PCTs.

The letter from NHS England indicates that they are wanting to engage with CCGs and NHS E area teams responsible for direct commissioning of services to consider how resources should be allocated between different commissioning streams and geographically across CCGs prior to making decisions for the 2014/15 and beyond.

The next step is a series of national workshops in September to discuss current thinking and to obtain views about the allocations process and proposals for the future. From Sheffield CCG we will clearly wish to participate in this process. Prior to the workshops, Core Cities are each undertaking analysis work of the formula details in conjunction with local Public Health teams to understand whether there are consistent issues which we should be raising as part of this process.

5. Health and Social Care Integration Transformation Fund (ITF)

Governing Body has previously had briefings following the announcement of the development of such funds as part of the health settlement for 2015/16 and the national policy steer on closer integration of Health and Care. Since our last meeting there has been a further joint national briefing on 8 August by the Local Government Association and NHS England. A copy is attached (Appendix A). This provides additional clarity on timing, process and the expected performance related element, although further details are still required on a number of aspects. In particular, it confirms that the ITF does not come into full effect until 2015/16, but that two year plans covering the next two financial years will be required by March 2014 and that some of the funding for 2015/16 is likely to be dependent on the achievement of certain outcomes in 2014/15.

It is clear that substantial joint work is required by the CCG in partnership with colleagues from Sheffield City Council and involving other key stakeholders in the city, to start to shape what this will mean locally over the next few months. We will be proposing appropriate arrangements for developing this joint planning and commissioning consistent with our integrated care ambitions shortly.

We have heard that we have, as a city, been successful in being selected as part of the Public Service Transformation Network, as opposed to the Integrated Care Pioneer. The response from the DoH indicated the support available through the Transformation Network would be similar to that proposed for Pioneers, we will utilise this support to develop our planning and governance arrangements.

6. Recommendation

The Governing Body is asked to note the report.

Ian Atkinson, Accountable Officer

August 2013

Statement on the health and social care Integration Transformation Fund

Summary

1. The June 2013 Spending Round was extremely challenging for local government, handing councils reduced budgets at a time of significant demand pressures on services. In this context the announcement of £3.8 billion worth of funding to ensure closer integration between health and social care was a real positive. The money is an opportunity to improve the lives of some of the most vulnerable people in our society. We must give them control, placing them at the centre of their own care and support, make their dignity paramount and, in doing so, provide them with a better service and better quality of life. Unless we seize this opportunity to do something radically different, then services will get worse, costs to taxpayers will rise, and those who suffer the most will be people who could otherwise lead more independent lives.

2. The funding 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". We are calling this money the health and social care Integration Transformation Fund (ITF) and this note sets out our joint thinking on how the Fund could work and on the next steps localities might usefully take.

3. NHS England, the Local Government Association (LGA) and the Association of Directors of Adult Social Services (ADASS) are working closely with the Department of Health and Department for Communities and Local Government to shape the way the ITF will work in practice. We have also established a working group of CCGs, local authorities and NHS England Area Teams to help us in this process.

4. In '*Integrated care and support: our shared commitment*' integration was helpfully defined by National Voices – from the perspective of 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 the outcomes important to me". The ITF is a means to this end and by working together we can move toward fuller integration of health and social care for the benefit of the individual.

5. Whilst the ITF does not come into full effect until 2015/16 we think it is essential that CCGs and local authorities build momentum in 2014/15, using the additional £200m due to be transferred to local government from the NHS to support transformation. In effect there will need to be two-year plans for 2014/15 and

2015/16, which must be in place by March 2014. To this end we would encourage local discussions about the use of the fund to start now in preparation for more detailed planning in the Autumn and Winter.

Context: challenge and opportunity

6. The ITF provides an opportunity to transform care so that people are provided with better integrated care and support. It encompasses a substantial level of funding and it will help deal with demographic pressures in adult social care. The ITF is an important opportunity to take the integration agenda forward at scale and pace – a goal that both sectors have been discussing for several years. We see the ITF as a significant catalyst for change.

7. There is also an excellent opportunity to align the ITF 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*[1]. This process will support the development of the shared vision for services, with the ITF providing part of the investment to achieve it.

8. The ITF will support the aim of providing people with the right care, in the right place, at the right time, including through a significant expansion of care in community settings. This will build on the work CCGs and local authorities are already doing, for example, as part of the integrated care "pioneers" initiative and Community Budgets, through work with the Public Service Transformation Network, and on understanding the patient/service user experience.

Background

9. The June 2013 Spending Round set out the following:

2014/15	2015/16
An additional £200m transfer from the NHS to social care, in addition to the £900m transfer already planned	£3.8 billion pooled budget to be deployed locally on health and social care through pooled budget arrangements.

10. In 2015/16 the ITF will be created from the following:

£1.9 billion existing funding continued from 14/15 - this money will already have been allocated across the NHS and social care to support integration
£130 million Carers' Breaks funding.
£300 million CCG reablement funding.

[1] http://www.england.nhs.uk/2013/07/11/call-to-action/

c. £350 million capital grant funding (including £220m of Disabled Facilities Grant).
£1.1 billion existing transfer from health to social care.
Additional £1.9 billion from NHS allocations Includes funding to cover demographic pressures in adult social care and some of the costs associated with the Care Bill. Includes £1 billion that will be performance-related, with half paid on 1 April 2015 (which we anticipate will be based on performance in the previous year) and half paid in the second half of 2015/16 (which could be based on in-year performance).

11. To access the ITF each locality will be asked to develop a local plan by March 2014, which will need to set out how the pooled funding will be used and the ways in which the national and local targets attached to the performance-related £1 billion will be met. This plan will also set out how the £200m transfer to local authorities in 2014/15 will be used to make progress on priorities and build momentum.

12. Plans for the use of the pooled monies will need to be developed jointly by CCGs and local authorities and signed off by each of these parties and the local Health and Wellbeing Board.

Conditions of the full ITF

13. The ITF will be a pooled budget which will can be deployed locally on social care and health, subject to the following national conditions which will need to be addressed in the plans:

- plans to be jointly agreed;
- protection for social care 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 (it is recognised that progress on this issue will require the resolution of some Information Governance issues by the Department of Health;
- 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 are not met – including redeployment of the funding if local agreement is not reached; and
- agreement on the consequential impact of changes in the acute sector.

14. Ministers have agreed that they will oversee and sign off the plans. As part of achieving the right balance between national and local inputs the LGA and NHS England will work together to develop proposals for how this could be done in an efficient and proportionate way.

Conditions of the performance-related £1 billion

15. £1 billion of the ITF in 2015/16 will be dependent on performance and local areas will need to set and monitor achievement of these outcomes during 2014/15 as the first half of the £1 billion, paid on 1 April 2015, is likely to be based on performance in the previous year. We will be working with central Government on the details of this scheme, but we anticipate that it will consist of a combination of national and locally chosen measures.

Delivery through Partnership

16. We are clear that success will require a genuine commitment to partnership working between CCGs and local authorities. Both parties need to recognise the challenges they each face and work together to address them.

- Finding the extra NHS investment required: Given demographic pressures and efficiency requirements of around 4%, CCGs are likely to have to re-deploy funds from existing NHS services. It is critical that CCGs and local authorities engage health care providers to assess the implications for existing services and how these should be managed;
- Protecting adult social care services: Although the emphasis of the ITF is rightly on a pooled budget, as with the current transfer from the NHS to social care, flexibility must be retained to allow for some of the fund to be used to offset the impact of the funding reductions overall. This will happen alongside the on-going work that councils and health are currently engaged in to deliver efficiencies across the health and care system.
- Targeting the pooled budget to best effect: The conditions the Government has set make it clear that the pooled funds must deliver improvements across social care and the NHS. Robust planning and analysis will be required to (i) target resources on initiatives which will have the biggest benefit in terms outcomes for people and (ii) measure and monitor their impact;
- Managing the service change consequences: The scale of investment CCGs are required to make into the pooled budget cannot be delivered without service transformation. The process for agreeing the use of the pooled budget must therefore include an assessment of the impact on acute services and agreement on the scale and nature of changes required, e.g. impact of reduced emergency activity on bed capacity.

Assurance

17. Local Health and Wellbeing Boards will sign off the plans, which will have been agreed between the local authority and CCGs. The HWB is best placed to decide whether the plans are the best for the locality, engaging with local people and bringing a sector-led approach to the process. The plans will then go through an assurance process involving NHS England to assure Ministers.

Timetable and Alignment with Local Government and NHS Planning Process

18. Plans for use of the pooled budgets should not be seen in isolation. They will need to be developed in the context of:

- local joint strategic plans;
- other priorities set out in the NHS Mandate and NHS planning framework due out in November/December. (CCGs will be required to develop medium term strategic plans as part of the NHS Call to Action)
- the announcement of integration pioneer sites in October, and the forthcoming integration roadshows.

19. The outline timetable for developing the pooled budget plans in 2013/14 is broadly as follows:

- August to October: Initial local planning discussions and further work nationally to define conditions etc
- November/December: NHS Planning Framework issued
- December to January: Completion of Plans
- March: Plans assured

Next Steps

20. NHS England and the LGA and ADASS will work with DH, DCLG, CCGs and local authorities over the next few months on the following issues:

- Allocation of Funds
- Conditions, including definitions, metrics and application
- Risk-sharing arrangements
- Assurance arrangements for plans
- Analytical support e.g. shared financial planning tools and benchmarking data packs.

Carolyn Downs
Chief Executive
Local Government Association

Bill McCarthy
National Director: Policy
NHS England

8 August 2013

NHS England Publications Gateway Ref. No.00314