

Briefing: Integration Transformation Fund

+ Potential implications for Disabled Facilities Grant +

At a Glance

- Money for Disabled Facilities Grant DFG is going to be included in the new Integration Transformation Fund (ITF)
- Top tier LAs (Social Services) & NHS partners are developing plans for this fund now
- These 2 yr Plans for the Integration Transformation Fund have to be completed by Jan 14
- Plans come into force in April 14 and the DFG funding is included from April 15

ACT NOW to ensure that provision of home adaptations is included in the plans

1. What is happening to DFG funding?

- 1.1. Money to help local housing authorities meet the cost of providing Disabled Facilities Grants (DFG) for disabled people is currently paid by Dept for Communities and Local Government (DCLG) as a capital grant.
- 1.2. In July 13, as part of the government spending review, it was announced that from 2015-16 the DFG grant for LAs will be £220m (*this is the same amount as in 2012-13 - see annual grant levels data trends in Appendix B Table below*).
- 1.3. It has emerged that from 2015-16 all of this central government funding will be provided by Dept of Health (DH) with no capital spend on DFG by DCLG.
- 1.4. It has now been made clear that this DH funding for DFG will be included in the new *Integration Transformation Fund*.

2. What is the Integration Transformation Fund?

- 2.1. It is a fund of £3.8 billion announced by DH in the July 13 spending review. Its stated aims is to bring about integration of health and social care.
- 2.2. It is described as a '*single pooled budget for health & social care services to work more closely together in local areas based on a plan agreed between the NHS & local authorities*'.
- 2.3. Whilst the ITF does not come in to full effect until 15-16, plans for both that year and use of interim funding in 2014-15 are being developed in 2013, to be signed off before March 14. *If no mention of adaptations is included in the plans this could cause problems in 15-16.*

- 2.4. Plans for use of the pooled monies have to be developed by Clinical Commissioning Groups (CCGs) and local authorities (usually top tier) and signed off by the local Health and Wellbeing Board.
- 2.5. It is not clear to what extent second tier authorities or housing representatives are being engaged in this process. On the whole the lead will be coming from Social Services.
- 2.6. Pooled funding in 2014-15 will include an additional £200m transfer from the NHS from social care, in addition to the £900m transfer already planned. Use of this funding will be determined by the ITF plan.
- 2.7. The £3.8b in the ITF in 2015-16 will be made up as follows:

£1.1 billion	Existing transfer from health to social care (from 2014-15)
£130 million	Carers' Breaks funding
£300 million	CCG re-ablement funding
c. £350 million	Capital grant funding (including £220m of Disabled Facilities Grant)
£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. <i>Includes £1 billion that will be performance related, with half paid on 1 April 2015 (anticipated that this will be based on performance in 2014-15) and half paid in the second half of 2015-16 (which could be based on in-year performance).</i>
£3.8 billion	

2.8. This is the timetable that authorities are supposed to be working to:

- **August to October 13:** Initial local planning discussions and further work nationally to define conditions etc
- **November/December 13:** NHS Planning Framework issued
- **December 13 / January 14:** Completion of Plans
- **March 14:** Plans signed off

2.9. See Appendix A below for more information about the ITF and related links.

3. Implications

- 3.1. *Failure to include housing and home adaptations in the ITF Plan could result in a lack of funding for DFG and housing related support.* This in turn will impact on older and disabled people being able to live safely & independently at home.

- 3.2. The DFG grant provided by national government for local housing authorities has never been intended to meet 100% of local adaptations expenditure (*see Note under expenditure trends table below*). Local housing authorities, social services, health and social housing providers have all been contributors to adaptations provision.
- 3.3. In addition, Community Equipment, currently delivered through Integrated Community Equipment Services (ICES) also need to be included in the ITF Plan as this provision will also change under the new Care legislation.
- 3.4. There is uncertainty about the mechanics of payment of DFG national grant. It is capital funding intended to meet a housing authority duty. Prior to the ITF plans emerging, it had been expected that DH would transfer capital funds for DFG to DCLG who would then pay a specific capital grant to each housing authority, as is currently the case.
- 3.5. This may still happen, but the housing authority *may* in turn be obliged to put this grant into the local ITF for use in accordance with the ITF priorities. As LAs will still have to meet their legal obligations to provide DFGs, use of ITF monies for DFG would need to be specified in the local Plan.
- 3.6. It is crucial that the ITF Plan includes a realistic budget for home adaptations with contributions from housing, health and social care.
- 3.7. Ensuring that housing related support, housing and care information and advice, Hospital to Home, handyperson services and home improvement agencies are also included in the Plan is very important as these remain key contributors to effective integration of services for older and disabled people.

Next steps

- Find out who is planning the ITF in your area and whether local housing authorities and/ or adaptations/ housing and related service providers are involved.
- Make contact with key players in the ITF planning process to make the case for housing.
- Make representations about the legal / financial situation concerning the ITF and home adaptations/ DFG described above.
- Explain the pivotal role of housing and housing related support to those who are drawing up the Plan to make the case for inclusion.
- Highlight the potential consequences and impacts on health and social care if housing is not included in the ITF. This includes making the housing link to falls risks and long term health conditions (hence greater demands on GPs), hospital discharge delays/ readmissions, use of residential care etc.

Appendix A: Details about the Integration Transformation Fund

1. NHS England, the Local Government Association (LGA) and the Association of Directors of Adult Social Services (ADASS) are working with the Department of Health and Department for Communities and Local Government to shape the way the ITF will work in practice. There is a working group of CCGs, local authorities and NHS England Area Teams contributing to the development of plans.
2. 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 have to be addressed:
 - 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
 - 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
3. Payment of £1 billion of the ITF in 2015-16 will be dependent on performance. The first half of the £1 billion, payable on 1 April 2015, is likely to be based on performance in 2014-15.
4. Plans for use of the pooled budgets have 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 2013. (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 13

Further information

[NHS England and LGA joint letter about setting up the local ITF](#)

[Kings Fund Integrated Care information](#)

[Dept Health plans for integration](#)

Appendix B: DFG Capital Grant

Table: DFG Capital Grant paid to Local Housing Authorities by Dept for Communities and Local Government and Dept Health

Year	DCLG	DH	Total
11-12	£180m	£20m	£200m
12-13	£180m	£40m	£220m
13-14	£180m	£?	?
14-15	£185m	£?	?
15-16	£zero	£220m	£220m
16-17	??	??	??

Notes

1. Local housing authorities have a legal duty to provide Disabled Facilities Grants to qualifying applicants.
2. The DFG grant provided by national government for local housing authorities is not intended to meet 100% of local adaptations needs or DFG entitlement expenditure.
3. Prior to 2009 there was a legal requirement for LAs to match the national grant on a 60:40 basis. Many local authorities spent (and some continue to spend) significantly more than this.
4. Social Services and sometimes NHS bodies also contribute(d) to the DFG budget, recognising the important role that adaptations play in maintaining healthy, independent living.
5. The cost of adaptations for local authority tenants are often met by the landlord. Some housing associations also provide this help, though this varies widely and is not a legal obligation.
6. The DFG is a means tested mandatory grant with eligibility set out in the 1986 Local Government and Housing Act. *It is not subject to a Social Services FACS threshold test.*

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