



Title:	Developing a London Investment Framework for delegated NHS England Transformation Funding
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Strategic Partnership Board

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1. Purpose

1.1 The London Health and Care Devolution MoU includes a number of commitments to devolve or delegate powers and resources to within the London system. One such commitment is the agreement by NHS England to delegate London's fair share of transformation funding to London from April 2018.

1.2 In order to secure this commitment by April, we are working with NHS England national finance colleagues to develop an investment framework. This will need to be reviewed in draft form by the NHS England Investment Committee in December. Given these timelines, an early draft (see separate Appendix A) is being brought to SPB to invite comments on the emerging framework and inform the national paper.

1.3 At this stage, the framework is necessarily high level and exploratory. However, in the interests of transparency and co-development, this draft is being brought to the SPB. We expect more detailed documents to come to the subsequent SPB meetings before the investment framework and associated agreements are finalised.

2. Action required by Board members

2.1. The Strategic Partnership Board is asked to:

- A. NOTE the process to secure transformation funding.
- B. COMMENT on the draft Investment Framework to inform further iterations.

3. Partnership considerations

3.1. Transformation funding will be exercised by the SPB.

4. Background

- 4.1. NHS transformation funding was announced as part of the Five Year Forward View to support change in the NHS. This includes funding for the Vanguards, Accountable Care Systems (ACSs) and Estates and Technology Transformation Fund (ETTF), among others.
- 4.2. NHS England have committed to delegate London's fair share of transformation funding to London from April 2018. This function will be exercised through the London Health and Care Strategic Partnership Board by way of internal delegations within NHS England to representatives who will make decisions within the forum of that Board. This method of 'internal delegation' or 'synthetic devolution' is consistent with the approaches taken for transformation funding in other devolution areas (Greater Manchester and Surrey Heartlands). This does not include sustainability funding to which separate arrangements apply.
- 4.3. The core objectives of delegated transformation funding include:
 - A. Directing funding to support London's health and care priorities in a flexible and tailored way.
 - B. A more transparent and collaborative approach to decisions.
 - C. The ability to leverage wider partner transformation resources to take a more efficient and effective approach to investment for the benefit of Londoners.

5. Process

- 5.1. In order to secure delegated transformation funding, two conditions must be satisfied:
 - A. London and national partners need clarity on total value of the fair share allocation of transformation funding, and the proportion of these funds that are already allocated due to long-standing agreements. London and national finance colleagues from NHS England are working to establish this. We understand the funding allocation to the London region is likely to be £110-120m for FY18/19 based on population-based allocations. A proportion of this will be pre-committed due to, for example, multi-year cancer and other programmes. London will request that where multi-year funding commitments have been made against transformation funding, the SPB receives reports on the work funded by these commitments. Uncommitted funds will include the allocations for ACSs, and these would now be deployed in London through the forum of the SPB.
 - B. National partners will need to be satisfied that governance for delegated decision-making is robust. This requires detailed consideration of the SPB's decision-making abilities, appropriate infrastructure to support assurance of Transformation Funding business cases to support the SPB in making recommendations and the development of an approach to prioritising funding decisions. National partners will consider the governance in the forum of the NHS England Investment Committee.