



Title:	Transformation Funding
Author:	<i>David Slegg (Regional Finance Director, NHS England London Region); Nabihah Sachedina/ Emily Sawdon (Healthy London Partnership)</i>

Strategic Partnership Board

16 April 2018

1. Purpose and action required by Board members

- The London Health and Care Devolution Memorandum of Understanding (MoU) includes a commitment from NHS England to delegate London's fair share of transformation funding to London from April 2018.
- This paper provides the Board with the transformation funding allocations for the financial year (FY) 18/19, details of earmarking, commitments and existing governance. The Board have previously been advised that funds would likely be pre-committed to particular priorities and workstreams for FY18/19, and this has now been confirmed. Board members are asked to **note** this detail.
- This paper also attaches an Investment Framework, which sets out how the Board will take decisions. Board members are asked to **agree** the detail in the Investment Framework.
- Additionally, this paper briefly describes the progression arrangements for the Board. Board members are asked to **agree** to progress from phase 3 to 4.

2. Context

There are a number of sources of investment into the London health and care system. Most of these funds are ultimately used to provide health and care services (i.e. employ health and care professionals and pay for facilities, equipment and medicines). However, there is also funding which can be applied to **transform** the way that services are provided¹.

¹ It is recognised that even this 'transformation' funding is used to provide health and care services, but by changing e.g. the volume or type of service to improve health and care outcomes.

Transformation funding should be viewed in the context of wider investment which London health and care partners are making in health and care. Partnerships operating across London are resourced to carry out some 'transformational' activities alongside wider work. By way of illustration²:

- The health team at the GLA run programmes such as *Healthy Early Years London*, *Healthy Schools London* and *Healthy Workplace Charter London* and lead the development and implementation of the *Health Inequalities Strategy*.
- London Councils' health and social care team focusses on leadership and strategic support for devolution objectives and public health and on policy development/ campaigning, which will shape the Adult Social Care Green Paper.
- Health Education England (HEE) supports workforce transformation in line with its yearly mandate (prepared by the Department of Health and Social Care), which focuses on the workforce aspects of delivering the NHS Five Year Forward View ('the 5YFV'). HEE primarily supports workforce transformation in STPs through Local Workforce Action Boards, which are co-chaired by an STP and HEE representative. HEE also receives some funding to deliver the objectives of the mandate, which may require some local delivery. In this case, funding may be passed to STP Local Workforce Action Boards, Community Education Provider Networks, Higher Education institutions or employers.
- NHS Improvement (London region) applies some of its resource to support London providers and STPs to develop and implement their transformation and change plans, including the development of new models of care, accountability and oversight on the system level.
- The Office of London CCGs primarily focuses on managing business as usual activities for CCGs, but is also involved in activities with a transformative element (e.g. support for the *Co-ordinate My Care* (CMC) programme).

Partners also have combined resources through the Healthy London Partnership (HLP). The total HLP budget allocated by CCGs and NHS England for FY18/19 is £9,244,000 and is expected to be augmented by approximately £23,877,000 in partner resources³ across health, care and wider partnerships in FY18/19. HLP will continue to work on 5YFV priority programmes (e.g. cancer, mental health and primary care), but is increasingly taking forward partnership programmes such as estates, workforce, integration and prevention. Most programmes receive additional resources from wider partners.

² This list is not intended to be exhaustive, but gives examples of transformation activities being carried out by partner organisations working across London.

³ Partner funding contributions are non-recurrent and in many cases indicative based on 2017/18 as financial planning with other organisations continues. This excludes NHS England contributions to Core HLP and overheads.

Locally, there are multiple sources of investment into health and care in London. These include:

- The public health grant (approx. £648m for FY18/19)
- Adult social care spending (£2.37bn spent in FY17/18)
- CCG allocations (£11.8bn for core allocation in FY18/19)

In some cases, transformation is funded through local sources. For example, the Better Care Fund (BCF) brings together health and social care budgets to support more person-centred, coordinated care. Funds are applied to borough-based plans. CCG contributions to the BCF in London will be £572m for FY18/19. Wider contributions are made to the fund through the Disabled Facilities Grant (capital funding to adapt houses) and funding for adult social care (Improved Better Care Fund).

3. NHS transformation funding

One of the sources of investment in transformation is the NHS Transformation Fund. As part of the 2015 Spending Review settlement NHS England created a “Sustainability and Transformation Fund”, to support the delivery of the 5YFV including the development of new models of care along with the investment identified to begin implementation of policy commitments in areas such a GP access, cancer and mental health.

Annex 1, column A contains a summary of the relevant 5YFV programmes and priorities. From current figures, approximately 70% of the transformation funding for FY18/19 is committed to STPs or sub-regional groups/projects, with the remainder funding pan-London work.

As part of the 2017 London Health and Social Care Devolution Memorandum of Understanding, London’s fair share allocation of NHS transformation funding is to be delegated to London from April 2018. The remainder of this paper focuses on the associated investment framework and allocations.

4. Transformation Funding Investment Framework

Through the London Health and Care Devolution Memorandum of Understanding (MoU) it was agreed that NHS transformation funds would be delegated to London. The Investment Framework sets out governance and decision-making arrangements for the transformation funding decisions. In particular:

- **Decision-making:** Decisions will be made within the forum of the Board by the Regional Director, as the NHS England officer with delegated authority. These decisions will be informed by the collective view of the Board. The Board includes representatives from across London’s health and care system, enabling decisions

to be taken which recognise different needs and priorities across the city. Board members have different expertise and focus, but are all aligned in their goal to improve the health and care of Londoners. The Board aims to act by consensus so far as possible but dispute resolution arrangements will provide for the occasion when consensus is not possible. All arrangements will respect the statutory framework.

- **Delivery:** The Board will be supported by a partnership delivery function, overseen by a transformation funding oversight group (TFOG). The TFOG will also oversee the assurance process. The NHS England (London region) finance team will maintain financial records of transactions and will be responsible for financial reporting on use of funds.
- **Relationship to STPs:** In accordance with the principle of subsidiarity, London partners will initially aim to enable more decision-making within STP fora by giving STPs with robust governance the opportunity to make recommendations to the TFOG. Otherwise, the TFOG will work with the STP leads to ensure that views from within the STP are incorporated into the process so far as possible. This enables local areas to recommend that funding is directed to agreed local and sub-regional needs and priorities.
- **Decision-making criteria:** The Investment Framework contains a decision matrix (Annex A of the Investment Framework), which provides an explanation of how bids will be assessed. Due to the extent of pre-committed funding, the Board is unlikely to consider any new bids in FY18/19 but will use the principles in the decision-matrix to guide transformation funding decisions that are taken. This will provide an opportunity to test the principles in the framework, which can be refreshed prior to FY19/20.

Decision: The Board is asked to agree the Investment Framework

5. Applying the Investment Framework in FY18/19

The total figure for transformation funding in scope for FY18/19 is currently understood to be £119.6 million. It is recognised that there is limited flexibility over the spending of this money in the coming financial year due to the NHS two-year planning process that took place ahead of FY17/18. In FY18/19, new arrangements primarily provide partners with the ability to increase transparency around spending decisions and take a more collaborative approach to the deployment of funding. The expectation from preliminary

discussions with national partners is that from FY19/20 onwards, fewer pre-commitments or earmarks would be placed on funding, similar to the situation in Greater Manchester.

In light of discussions at the last Board meeting, it is notable that a significant proportion of the FY18/19 transformation funding is committed to STPs or sub-regional groups. As such, it was considered appropriate for sub-regional discussions to take place about the opportunities for maximising value from combined transformation resources.

Board members should also note that this figure does not represent the total sum of transformation funding that London will benefit from. There will be some funds out of scope, which continue to be available for regional use by national partners, in accordance with current processes.

All of London's funding for FY18/19 is **earmarked** for particular priorities or programmes (e.g. primary care or cancer). Within the earmarked funds:

- Some funding has already been **conclusively committed**, through existing governance processes. For many programmes, this is because a two-year planning process (FY17/18 and FY18/19) resulted in FY18/19 money being pre-committed to successful bidders. Details of these commitments are contained in Annex 1, column C. The SPB will receive reports of the progress made against these commitments. Within the projects/programmes due to be funded by this money, there are opportunities to work at pace through greater collaboration (for example, the primary care programme has important synergies with the work of the London Estates Board).
- Some funding is still **under discussion**. Some programmes are still engaged in discussions around FY18/19 funding. The likely intentions are described to the Board, so far as they are known, at Annex 1, column D. Decisions on funding will come to the Board to consider, following further consideration by programme governance fora and the TFOG (as set out at Annex 1, column E).

Our understanding is that the proportion of uncommitted funds in later years will increase, enabling additional flexibility. Where funding is uncommitted, London can make decisions as to how to spend this funding but will be required to commit to meet the 5YFV priorities as part of the overall transformation effort.

6. Progression of the SPB

On the meeting on 26th January, the Board agreed to move into phase 3 ('shadow decision-making'). Movement into phase 4 means that the Board becomes a decision-

making forum, with decisions on transformation funding being taken within the forum of the Board by the NHS England Regional Director. According to the Board Operating Framework, the following gateway criteria must be met in order for the Board to move into phase 4:

Gateway	Position
Confirmation from national partners as to scope of delegations and associated details (confirmation of funding allocations, including details of any associated conditions and earmarking).	See Annex 1 for details. Progression from phase 3 to phase 4 has already been agreed by the NHS England Chief Finance Officer.
Finalised and agreed Investment Framework	Board asked to agree on 16 th April.
Delegation and/or devolution arrangements in place to allow for formal movement of functions.	NHS England has confirmed that the Regional Director has the necessary authority to take decisions.
<ul style="list-style-type: none"> • Representatives with delegated decision-making abilities are members of the SPB and Operating Framework updated. Membership more broadly reviewed, with the anticipation that membership will be streamlined so far as possible in phase 4 to enable for effective operation. • SPB decision-making processes agreed including dispute resolution procedures. This must include agreement as to how each STP will input into decisions; • Agreement as to arrangements for delivery support (to enable the SPB to make decisions) and assurance (where necessary). 	All agreed within Investment Framework.

Decision: The Board is asked to agree to move into phase 4.

Annex 1: Indicative allocations and commitments (position as of 12 April 2018)

(A) Programme/ Priority and description	(B) FY18/19 transformation funding total	(C) Existing commitments	(D) Discussions underway	(E) FY17/18 London Governance
<p>Transforming care for people with learning disabilities</p> <p>The programme aims to achieve:</p> <ul style="list-style-type: none"> • A substantial reduction in the number of people placed in inpatient settings. • Reduction in the length of stay for all people in inpatient settings. • Better quality of care for people who are in inpatient and community settings. • Better quality of life for people who are in inpatient and community settings. 	<p>£694K</p>	<p>£525K has been committed to three Transforming Care Partnerships (TCPs), in accordance with successful 2-year bids. Funds were awarded to:</p> <ul style="list-style-type: none"> • Reduce reliance on inpatient care amongst people of any age with a learning disability and/or autism who display behaviour that challenges; and/or • Reduce challenging behaviour amongst children with a learning disability and/or autism. <p>This money is due to be distributed as follows:</p> <ul style="list-style-type: none"> • North Central London TCP: 300K • Inner North East London TCP: 65K • South East London TCP: 160K 	<p>There are discussions underway around the remaining £169K for FY18/19.</p> <p>This will need to be spent on learning disability patients being discharged for long-term care.</p>	<p>Decisions have gone through the programme SROs (Jo Ohlson and Jane Clegg).</p>
<p>Urgent and Emergency Care (UEC)</p> <p>The UEC programme focusses on three key areas:</p> <ul style="list-style-type: none"> • Establishment of UEC networks to oversee the planning and delivery of the urgent and emergency care system • Designation of urgent and emergency care facilities to ensure London quality standards are met, seven days a week • Improvement and expansion of the NHS 111 system to direct patients to the most appropriate care setting to receive the right care, first time <p>Within London, this money helps fund both the UEC programme and the Care Closer to Home programme.</p>	<p>£3.9m</p>	<p>Indicative allocations⁴:</p> <ul style="list-style-type: none"> • NCL STP: £315k • SEL STP: £390k • NWL STP: £450k • NEL STP: £410k • SWL STP: £300k • Pan-London STP support: £390k • Improvement architecture: £1.5m • London delivery assurance PMO: £180k 	<p>Decisions going through UEC governance.</p>	<p>The London governance in place is:</p> <ul style="list-style-type: none"> • The London Urgent and Emergency Care Transformation and Delivery Board. • BBM (NHSE London region Operations and Performance group)

⁴ Allocations calculated with reference to 17/18 allocations.

<p>Mental health</p> <p><i>There is a wider mental health programme in London, but the money in scope aims to enable achievement of mental health liaison standards. Where the hospital has a 24/7 Emergency Department, then it should have a 'core 24' service level as a minimum to ensure 24/7 mental health cover (this includes consultant psychiatrists being available 24/7).</i></p>	<p>£1.3m</p>	<p>£1.3m committed to fund mental health liaison, in accordance with 2-year bids. Funds due to be distributed as follows:</p> <ul style="list-style-type: none"> • Kingston & Richmond: £115K • Epsom & St Helier: £443K • Wandsworth & Merton: £395K • Haringey: £363K 	<p>N/A</p>	<p>Money is allocated centrally but the regional UEC programme team have been engaged in the process.</p>
<p>Cancer</p> <p><i>The programme aims to enable:</i></p> <ul style="list-style-type: none"> • Early diagnosis of cancer • Diagnosis optimisation • Quicker treatment (62-day referral to treatment) • Support for people living with and beyond cancer 	<p>£24m</p>	<p>£24.021m (£18.585m revenue and £5.436m capital) is committed to three cancer alliances, in accordance with 2-year bids. Please note these figures are subject to achievement of the 62-day standard. Funds are due to be distributed as follows:</p> <ul style="list-style-type: none"> • RM Partners: £10.353m revenue and £1.430m capital • UCLH: £6.217m revenue and capital £4.006m capital • SEL: £2.015m revenue <p>Q1 and Q2 allocations confirmed.</p>	<p>N/A</p>	<p>Decisions around funding and associated deliverables have been made by the national team and agreed through the national performance and delivery group on which all regions are represented. The decisions have been reported to the London Cancer Commissioning Board.</p>
<p>Primary care</p> <p><i>This programme aims to:</i></p> <ul style="list-style-type: none"> • Boost GP numbers • Expand multidisciplinary primary care and increase other staff working in in general practice • Support GPs to manage demand, unnecessary work, bureaucracy and integration with the wider system • Enable extended access to GP appointments at evenings and weekends and provide more convenient patient access to GP services⁵ • Modernise primary care premises 	<p>£53.5m on GPFV</p>	<p>£53.5m funding allocated to fund extended access, online consultations, training care navigators, clinical pharmacy and practice resilience.</p> <p>The following commitments have already been communicated to the STPs:</p> <ul style="list-style-type: none"> • £34.18m will be allocated to STPs for extended access. • £10m will be allocated to STPs, on a capitated basis, to support primary care at scale. 	<p>N/A</p>	<p>The London governance in place is:</p> <ul style="list-style-type: none"> • The Primary Care Delivery Oversight Group • The Clinical Cabinet
	<p>£25.35m on ETTF</p>	<p>£25.35m to be spent in accordance with ETTF pipeline. Funding going to support projects within STPs.</p>	<p>N/A</p>	<p>The London governance in place is:</p> <ul style="list-style-type: none"> • The London Estates Primary Care Capital Panel • The London Capital

⁵ 100% of Londoners now have access to GP appointments 8am – 8pm, 7 days a week

<p>Diabetes⁶</p> <p><i>There are 3 workstreams within the NHS Diabetes Programme which is a partnership between NHS England, Public Health England, and Diabetes UK. These are:</i></p> <ul style="list-style-type: none"> • <i>The Healthier You: NHS Diabetes Prevention Programme identifies those at high risk of Type 2 diabetes and provides a tailored, personalised behaviour change programme to help to reduce risk.</i> • <i>The Treatment and Care Programme which focusses on improving the outcomes for those people with all forms of diabetes and reducing variation in treatment and care.</i> • <i>The Digital Workstream aims to explore how digital options can provide more flexibility and potentially improve access to education and information to support behaviour change and manage diabetes.</i> 	<p>£6.85m</p>	<p>£6.85m attached to 2-year bids⁷ within the treatment and care programme, to fund one or more of the following:</p> <ul style="list-style-type: none"> • Increase the uptake of structured education; • Improve achievement of the three NICE recommended treatment targets around blood pressure, cholesterol and blood sugar levels; • Reduce the number of diabetes related amputations by improving access to multi-disciplinary footcare teams; and • Lower the length of hospital stays for people with diabetes by improving access to specialist diabetes nurses in hospitals. <p>Lead CCGs for bids are: Hackney & the City, Newham, Bexley, Southwark, Lewisham, Westminster/Central London, Kingston, Islington and Wandsworth.</p>	<ul style="list-style-type: none"> • 18/19 funding for treatment and care programme bids still to be approved by NHS England Investment Committee. • Regional decisions will need to be taken on final funding allocations to CCGs (within the £6.85m envelope). 	<p>Committee</p> <p>The London governance in place is the London Diabetes Board</p>
<p>Maternity</p> <p><i>The programme aims to implement the recommendations of 'Better Births' across England, and specifically to:</i></p> <ul style="list-style-type: none"> • <i>Meet the ambition to reduce stillbirths, neonatal and maternal deaths and intrapartum brain injury by 20% by 2020</i> • <i>Increase choice, personalisation and experience for women and their families</i> • <i>Improve access to perinatal mental health services</i> • <i>Improve prevention</i> 	<p>£1.465m + share of national implementation pot (regional allocations have yet to be finalised)</p>	<p>£1.465m committed as follows:</p> <ol style="list-style-type: none"> £565K committed to NWL and NCL Early Adopter (EA) sites. This breaks down as: <ul style="list-style-type: none"> • £490K for Q1-3 whilst EA programme still running; • £75K for Q4 to continue programme management support for the wider local maternity partnership after EA programme finishes £450K committed to NEL, SWL and SEL local maternity partnerships for administrative/project management support and clinical backfill ('non-early adopters). £300K committed to London Maternity Strategic Clinical Network. £150K committed to the London regional Maternity Programme Board. 	<p>The national programme team are agreeing the final figures for an "implementation fund" in 18/19. Allocations for each local maternity partnership will be determined primarily on a fair shares basis and earmarked to support the implementation of maternity plans. The figure for London will be confirmed shortly.</p>	<p>The London governance in place is the London regional Maternity Programme Board</p>

⁶ Excluding DPP - this is centrally commissioned by NHS England through existing contracts with external providers

<p>Elective care</p> <p><i>This programme is supporting local clinicians and commissioners to change how patients are referred into services. This will help local NHS commissioners and providers meet the national priority that at least 92% of patients on non-emergency pathways wait no more than 18 weeks from referral to treatment.</i></p>	<p>£1m</p>	<p>£1m committed, with split likely to be as follows:</p> <ul style="list-style-type: none"> (i) £275K for programme staffing costs (NHSE London region); (ii) £102.5K for expert analytics support; (iii) £674.5K for support for bespoke elective care /demand management initiatives in each STP 	<p>N/A</p>	<p>The London governance in place is the Elective Care Steering Group.</p>
<p>STP infrastructure</p> <p><i>In the 2018/19 Planning Guidance, NHS England confirmed that it will be making a further non-recurrent allocation to each STP to support its leadership in 2018/19. This funding will help support STP leadership teams to take further steps to enhance the capability of the system including stronger governance and aligned decision-making, and greater engagement with communities and other partners.</i></p>	<p>£1.5m</p>	<p>£1.5m will be committed to STP leadership. Split understood as follows:</p> <ul style="list-style-type: none"> • NWL: 336K • NCL: 284K • SEL: 319K • NEL: 322K • SWL: 277K 	<p>N/A</p>	<p>Not attached to a programme</p>