

<b>MEETING:</b>	<b>Governing Bodies meeting in public</b>	<b>AGENDA ITEM:</b>	12b
<b>DATE:</b>	14 September 2017		

### **The management of Bucks ACS transformation funding**

The Bucks ACS Memorandum of Understanding (MOU) requires fast progress in transforming

- primary care
- cancer
- mental health
- urgent care
- delivery of key national targets, such as RTT
- collective financial management, including support services
- accountable care, including governance

The parties to the Buckinghamshire ACS system control total are the CCG and BHT. Both parties therefore share financial risk, including the financial responsibility for delivering the transformation priorities above.

In the Memorandum of Understanding (MOU) NHSE England has said that it will delegate transformation funding to support the delivery of the transformation priorities of the ACS. For the Buckinghamshire ACS, as required by NHSE, these funds will be held by the Director of Finance of the CCG. The CCG, in collaboration with ACS partners, will develop and apply processes to ensure the use of transformation funds in supporting the transformational priorities above. Funds will be allocated in accordance with priorities that reflect

- the impact on transformational priorities set out above and the value delivered in terms of outcomes, patient experience, quality and safety.
- the financial benefits delivered towards the system control total
- the impact on shared ACS financial risk
- the most efficient use of resources in delivering the change

The processes applied will manage bids for funds, confirm how benefits will be tracked and reported, and will prioritise bids in accordance with a value-based approach.

The ACS has a wide group of partners who will collectively oversee the planning and delivery of all health-related services. In addition to the CCG and BHT other partners include the ambulance service, Oxford Health, FedBucks and Buckinghamshire County Council. These other partners will not share financial risk or system control totals in the same way as the CCG and BHT. However the totals of all budgets for all health-related services across Bucks will be reported to the ACS partnership board, enabling visibility of the funds for planning and transformational purposes.

The ACS board will agree an overall annual strategic and financial plan, together with individual plans for all health-related services. The plans agreed will be developed into contractual/funding arrangements between the partners. The timing of the plans for individual services will need to be aligned with those of the provider. For example, the

ACS planning timetable for joint health and social care services will need to be aligned with the BCC planning cycle.

Where significant service changes are proposed a business case will be required and will be submitted to the ACS partnership board for approval. This can only be an approval “in principle” because the ACS is not a statutory organisation. It will be a requirement that business cases should describe the impact on all ACS partners affected by the proposed change.

After a plan or business case has been approved in principle by the ACS partnership board it will be taken through the governance and approval process of each relevant partner.

To maintain transparency and inform planning all uses of transformation funds and benefits arising will be reported to the ACS Partnership Board as a part of regular ACS-wide financial and performance reporting.

The above principles have been individually discussed by the Directors of Finances of the ACS. They are now incorporated into a single draft paper and are now presented for formal approval by the ACS partners.

The attached appendix describes how the principles above address the requirements and conditions that have been set out by NHS England.

## Summary of responses to NHSE transformation funding conditions

<b>Governance and Accountability:</b> <i>Set out how decisions will be made, and who is accountable for delivering value for money from transformation expenditure</i>	
Governance and accountability arrangements	The transformation monies will be held and managed by the CCG on behalf of the ACS. The Directors of Finances of the ACS partners meet fortnightly. There will be regular reporting of the use of transformation monies, via the Directors of Finance group to the ACS partnership board, ensuring transparency.
Describe the structures and processes through which the ACS will make recommendations/decisions on the deployment of transformation funding e.g. <ul style="list-style-type: none"> <li>○ structure and remit of relevant boards/groups</li> <li>○ membership of those boards/groups</li> <li>○ delegation/approval arrangements</li> </ul>	The Bucks ACS has a Memorandum of Understanding (MOU) that contains clear priorities. Bids for transformation monies will be made via business cases that reference those priorities. Any ACS partner may submit a business case. It has been agreed that business cases will be value-based and will describe the impact on each affected ACS partner. After approval all agreed uses of funds will be reported to the ACS partnership board, which has representatives of all partners.
Provide assurance that the constituent parts of the ACS have appropriate input into decision making	See above. The relevant parties have appropriate input into decision-making, scrutiny and monitoring.
Set out arrangements for holding and managing transformation funding, including ensuring funding is managed within the resources available. (Note that initial allocations from NHS England will be to a lead CCG nominated by the ACS, as NHS England cannot allocate funding to providers or local authorities).	All income and expenditure will be hosted by AVC CCG. The management of those funds is described above.
Where individual organisations have not agreed their control totals, appropriate arrangements should be in place to ensure the funding is used for its intended purpose.	The key partners have agreed their control totals. The governance arrangements set out above are consistent and transparent to all ACS partners and therefore ensuring that the funding is used for its intended purpose.
Transformation Fund is a revenue programme funding allocation. Expenditure must conform to the normal accounting requirements associated with such funding, including the requirements of Managing Public Money, and with the standing financial instructions, standing orders and other governance requirements of the relevant organisation(s).	Transformation funds will be allocated to organisations in accordance with agreed plans (see above). Those funds will be managed by each organisation in accordance with accepted good financial practice as well as its own standing orders and schemes of delegation.
<b>Value-based allocation process:</b> <i>Provide assurance that decisions will be made based</i>	

<i>on an assessment of the value to be generated from the investment</i>	
Set out the approach which will be used to assess value (including value for money) to inform prioritisation and decision making	<p>The Bucks ACS is developing reporting and programme management methodologies that embed value-based financial management. Business case templates will reflect value to the system and also the financial impact on each ACS partner. This will allow the ACS partnership board to assess value planned against the ACS priority areas referred to above.</p> <p>Regular monthly financial ACS-wide reporting will track value delivered.</p> <p>The ACS Directors of Finance group will be reviewing the Best Possible Value Framework to incorporate any lessons into the processes described herein.</p>
<b>Arrangement for oversight and reporting:</b> <i>Provide assurance that commitments and expenditure can be tracked, and realisation of intended benefits monitored</i>	
Set out intended approach to monitoring and reporting of commitments and expenditure against funds (e.g. regularity of reporting/monitoring, by whom etc)	<p>The ACS Directors of Finance group has already developed draft reporting of historic financial performance. The group has also identified, and begun to incorporate, the need for financial forecasts, savings delivery, operational performance, headcount, capacity and other areas such as the use of transformation funds.</p> <p>Key to the ACS reporting regime is a clear link to ACS-wide planning. The Directors of Finance group is currently developing an ACS planning cycle and process.</p>
Confirm that ACS will be able to report if necessary on expenditure plans and actuals against the allocated funding (if nationally allocated funding is to be combined with other local resources, it should be possible to identify separately the component allocated by NHS England from national transformation funds).	The proposals above confirm that the ACS will be monitoring against, and reporting on, approved expenditure plans. Reporting will ensure transparency across the entire ACS governance regime.
Set out arrangements for monitoring delivery of outcomes and intentions against original plans i.e. implementation of programmes, delivery of benefits.	Reporting is currently taking place within individual partners. As described above it is intended to consolidate these reports in order to monitor delivery against ACS plans and changes included within the business cases for ACS transformation.

**Paul James, 5 September 2017**