Date: 16 December 2016
Subject: Transformation Fund Update
Report of: Steve Wilson

PURPOSE OF REPORT:
The purpose of the report is to provide an update on recent developments with the Transformation Fund. This month has an expanded section on the substantive investment agreed for Wigan locality by the Strategic Partnership Board Executive on 5 December 2016.

RECOMMENDATIONS:
The Strategic Partnership Board is asked to:

- Note the progress update and the decisions made by the Executive.

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1.0 INTRODUCTION

1.1. The GM Transformation Fund (TF) became operational in April 2016 following the successful delegation of transformation responsibilities to the GM Health & Social Care Partnership.

1.2. This paper is written to provide the Strategic Partnership Board (SPB) with an update on recent developments, discussions at Transformation Fund Oversight Group (TFOG) and key decisions on the Transformation Fund. This month has an expanded section on the substantive investment agreed for Wigan locality by the Strategic Partnership Board Executive (SPBE) on 5 December 2016.

2.0 LOCALITY UPDATE: WIGAN

2.1. Background and Context

2.1.1. Wigan’s submission to the Transformation Fund was assessed by a team within the GMHSC Partnership and a TFOG meeting was held on 28 November 2016 to make recommendations to the SPBE on 5 December 2016.

2.1.2. Wigan’s proposal is a central part of their plans to increase the pace and scale of delivery of their Locality Plan which will close the forecasted financial gap of £87m by 2020/21 through:

- Fundamentally redesigning the relationship with residents and patients and reducing demand on services through supporting people to be well, independent and take control of their lives;
- Delivering population health at scale and tackling the wider determinants of poor health to reduce demand;
- Reducing the costs of care through a new integrated out-of-hospital care model that invests in prevention and early intervention and is aligned to wider public services in places – this is the Integrated Care Organisation (ICO);
- Standardisation of acute care – WWL/Salford Vanguard, North West sector implementation of Healthier Together and consistent application of evidence-based standards

2.1.3. Wigan locality is expected to return with further submissions to the Transformation Fund for phases 2 and 3 of their locality plan.

2.1.4. In line with the revised assessment approach as agreed at September’s SPBE, Wigan’s proposal was assessed by a team from the GMHSC Partnership throughout October and November.
2.1.5. An independent assurance was undertaken by BDO between 24 November and 1 December to provide assurance that a transparent process for application and assessment was followed and the findings and recommendations fair, robust and reflective of criteria to access the fund.

2.2. **Findings from the Assessment Team**

2.2.1. The proposal asked for a £16m investment over 2 years which will deliver a total discounted five year savings benefit of £88m and produce recurrent revenue savings of £14m as a contribution to closing the locality gap (16% of the overall 2020/21 gap of £87m).

2.2.2. The breakdown of funding requested can be seen below:

<table>
<thead>
<tr>
<th>Project</th>
<th>2016/17</th>
<th>2017/18</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Care Reform - New Models of Care - 7 Day Access</td>
<td>0.20</td>
<td>0.20</td>
<td>0.40</td>
</tr>
<tr>
<td>Primary Care Reform - New Models of Care - GP Clusters</td>
<td>0.34</td>
<td>1.35</td>
<td>1.68</td>
</tr>
<tr>
<td>Integrated Community Nursing and Therapies</td>
<td>2.40</td>
<td>2.00</td>
<td>4.40</td>
</tr>
<tr>
<td>Outpatient Redesign</td>
<td>2.0</td>
<td>0.00</td>
<td>2.00</td>
</tr>
<tr>
<td>Children's Integrated New Delivery Model</td>
<td>0.16</td>
<td>1.53</td>
<td>1.69</td>
</tr>
<tr>
<td>Place-Based Public Service Reform</td>
<td>0.10</td>
<td>0.32</td>
<td>0.42</td>
</tr>
<tr>
<td>Heart of Wigan - Phase 3</td>
<td>0.12</td>
<td>0.36</td>
<td>0.49</td>
</tr>
<tr>
<td>Asset Based Reseable to Support Hospital Discharge to Assess</td>
<td>0.10</td>
<td>1.50</td>
<td>1.59</td>
</tr>
<tr>
<td>Ambulatory Area Assessment Expansion</td>
<td>0.00</td>
<td>2.42</td>
<td>2.42</td>
</tr>
<tr>
<td>Structural Support for Establishment of ICO</td>
<td>0.12</td>
<td>0.61</td>
<td>0.73</td>
</tr>
<tr>
<td>The Deal for Health and Wellness</td>
<td>0.12</td>
<td>0.04</td>
<td>0.16</td>
</tr>
<tr>
<td><strong>Total £m</strong></td>
<td><strong>5.66</strong></td>
<td><strong>10.34</strong></td>
<td><strong>16.00</strong></td>
</tr>
</tbody>
</table>

2.2.3. The overall view from the assessment team was summarised as follows:

- It is strongly aligned to the GM Strategy, in particular themes 1, 2, 3 and 5.
- Wigan’s vision for transforming the health and wellbeing of its population, as defined in this proposal, is compelling and comprehensive, providing the foundation to delivering the locality plan in its entirety.
- There are robust governance arrangements in place which reflect cooperation and commitment across all organisations in the locality to deliver the transformation.
- Clearly articulated financials underpinned by coherent assumptions; detailed cost-benefit analysis modelling undertaken at a project level demonstrating a strong RoI of 2.5 (overall funding for Phase 1) and 6.0 (on the TF investment for Phase 1).
• Each project has a clearly defined set of milestones, outcomes and financial/activity impact which are aligned to a comprehensive overarching outcomes framework.

• Stakeholder engagement has focussed primarily on GPs. The Locality recognises more needs to be done and has plans to widen their engagement further throughout Q4 16/17 and beyond.

• Although there is clear intent to evaluate progress, learn from and share lessons, further detail and assurance is required as to how this will be done.

• Whilst the locality has a strong track record of delivery, further detail is required to confirm sufficient capacity is in place to deliver the programme of work and robust mitigation plans are identified.

• The locality should identify opportunities to decommission services and re-invest as the new model of care is developed and implemented.

2.3. **TFOG Recommendation**

2.3.1. The SPBE on 5 December 2016 endorsed the recommendation from TFOG, which was for a substantive investment of £14.87m over two years, with phasing to be set out in the Investment Agreement and paid quarterly in advance.

• 2016/17: £5.34m

• 2017/18: £9.53m

• This is in addition to £0.73m PMO costs associated with the establishment of the ICO to be paid in year 1 as development funding.

• Noting that there are material conditions to the investment that should be included as part of the Investment Agreement, set out at 2.3.2.

• Funding (£400k) had previously been agreed through the Prime Minister’s Challenge Fund for the workstream relating to 7-day access and this would therefore need to be removed from the original overall ask.

2.3.2. There were a number of material conditions attached to the recommendation which should be satisfied prior to signing an investment agreement:

• Agree with the GMHSC Partnership an indicative overall envelope of investment covering all three phases and timetable for submission by January 2017.

• Commit to developing a benefits realisation plan covering all phases of work by end of Q4 16/17.
- Commit to undertaking an implementation capability assessment for Phases 1, 2 and 3 to ensure sufficient resources and plans are in place to deliver the locality plan in its entirety by end of Q4 16/17.

- Commit to providing further detail on the opportunities for decommissioning of services and re-investment as and when these become clearer by end of Q3 17/18.

- Commit to extending communications and engagement to all stakeholder groups and apply learning into the design of services across all phases of the programme by end of Q4 16/17.

- Commit to undertake a formal evaluation of Phase 1 and apply learning to Phases 2 and 3 by end Q4 17/18.

- Commit to share lessons from delivering Phase 1 across GM and beyond as appropriate by end of Q4 17/18.

- Commit to ensuring that the enabling programmes are designed and delivered in line with the GM Strategy and approach by end Q4 16/17.

3.0 LOCALITY UPDATE: STOCKPORT

3.1. In respect of the submission from Stockport locality, a substantive investment of £15.8m has been agreed, subject to a number of material conditions, which were acknowledged by the Strategic Partnership Board Executive in July.

3.2. An exec-to-exec session was held on 17 October 2016 to finalise their Investment Agreement.

3.3. The Investment Agreement has been agreed and signatures will follow in December.

4.0 LOCALITY UPDATE: TAMESIDE

4.1. The independent assessor’s recommendation was for a substantive investment of £23.2m over four years, which was agreed by the Strategic Partnership Board Executive in September.

4.2. An exec-to-exec session was held on 18 November 2016 to finalise their Investment Agreement.

4.3. The Investment Agreement has been agreed and signatures will follow in December.
5.0  LOCALITY UPDATE: BOLTON

5.1. Bolton’s submission to the Transformation Fund has now been received by the GMHSC Partnership.

5.2. Assessment of their submission has commenced and a Transformation Fund Oversight Group has been convened for January 2017 to support the process.

6.0  LOCALITY UPDATE: MANCHESTER

6.1. Manchester’s submission to the Transformation Fund has now been received by the GMHSC Partnership; it is a multi-part bid with a number of significant dependencies including two transactions.

6.2. The first part of Manchester’s revised submission focuses on the development of their Local Care Organisation.

6.3. Assessment of this part of the submission has commenced and a Transformation Fund Oversight Group has been convened for January 2017 to support the process.

6.4. In order to give assurance of funding support for the Manchester Mental Health & Social Care Trust transaction, a letter of comfort has been provided in this respect.

6.5. In respect of the Single Hospital Service, in July the Executive requested that an initial quantum of support be determined by the Chief Officer to enable the transaction timetable to progress whilst the full investment proposition is developed.

6.6. The locality provided evidence of expenditure to progress to conclusion the Single Hospital Service case with the Competition and Mergers Authority (CMA) and NHSI, on the basis of this, £2.96m funding was awarded.

6.7. The Investment Agreement for this funding has been finalised with signatures to follow in December.

7.0  LOCALITY UPDATE: OLDHAM

7.1. Oldham’s submission to the Transformation Fund has now been received by the GMHSC Partnership.

7.2. Their submission will be considered in the context of the developing North East sector transformation framework and further communication will be issued in December 2016.
8.0 LOCALITY UPDATE: SALFORD CONTROL CENTRE

8.1. The outline business case for the development of a control centre as part of the acute care collaboration national vanguard has been received.

8.2. NHS England has allocated £3.25m to the next stages of this project and consideration of Transformation Funding is required in advance of the creation of the Integrated Digital Fund.

9.0 EVALUATION AND ASSURANCE OF PROPOSALS

9.1. The Partnership team is progressing with the agreed approach to undertaking evaluation of Transformation Fund proposals. The majority of the tasks associated with the review, assessment and evaluation of the investment submissions are being undertaken by a team within the GMHSC Partnership. The Partnership has chosen a preferred external partner to provide independent assurance of the approach, process and conclusions to ensure that the activities and the outcome are delivered in a transparent and robust manner. It is intended that this partner will provide assurance for the next 10 submissions to the Transformation Fund, starting with Bolton later this month.

10.0 DEVELOPMENT TRANSFORMATION FUNDING FOR LOCALITIES AND THEMES

10.1. A number of localities and themes have requested development transformation funding (‘seed’ funding) to support the development of investment cases and secure key early milestones.

10.2. The process to access this funding has been finalised, and guidance to apply for the development funding has been communicated to localities and themes. The first proposals have been received, details of which are outlined below:

10.3. Development Funding: Adult Social Care

10.3.1. Development funding was requested for additional capacity to develop a programme of work to transform adult social care services across GM.

10.3.2. After review of the submission by the GMHSC Partnership, development funding of £120,000 was agreed by the Chief Officer.

10.3.3. The Investment Agreement has been finalised with signatures to follow in December.
10.4. Development Funding: Rochdale

10.4.1. Development funding has been requested to initiate delivery of their transformation plan, which will be linked to a broader subsequent business case and submission to the Fund.

10.4.2. After review of the submission by the GMHSC Partnership, development funding of £604,183 was agreed by the Chief Officer.

10.4.3. The Investment Agreement has been finalised with signatures to follow in December.

10.5. Development Funding: Theme 4

10.5.1. Development funding has been requested to support a number of projects as part of delivering the recommendations of the Lord Carter review into unwarranted variation. The amount requested is £1 million.

10.5.2. Assessment of their submission is currently under review by the GMHSC Partnership.

10.6. Development Funding: Trafford

10.6.1. Development funding has been requested to initiate delivery of their transformation plan, which will be linked to a broader subsequent business case and submission to the Fund. The revised amount requested is £846,500.

10.6.2. Assessment of their submission is currently under review by the GMHSC Partnership.

10.7. Development Funding: Bury

10.7.1. Development funding has been requested to initiate delivery of their transformation plan, which will be linked to a broader subsequent business case and submission to the Fund. The amount requested is £995,271.

10.7.2. Assessment of their submission is currently under review by the GMHSC Partnership.

10.8. Development Funding: Health Innovation Manchester

10.8.1. Development funding has been requested to provide additional capacity to develop implementation plans, extend communications and engagement and develop an investable proposition. The amount requested is £500,000.
10.8.2. Assessment of their submission is currently under review by the GMHSC Partnership.

10.9. Development Funding: Manchester Local Care Organisation

10.9.1. Development funding has been requested to provide additional capacity to further develop implementation plans and deliver early priorities. The amount requested is £968,767.

10.9.2. Assessment of their submission is currently under review by the GMHSC Partnership.

11.0 PRIME MINISTER’S CHALLENGE FUND: 7-DAY ACCESS

11.1. Applications were received from Manchester, Wigan and Bury in respect of 2016/17 funding for primary care 7-day access. These applications were to provide funding to continue previous years delivery programme and are to provide the additional funding for these pilot sites to ‘top up’ the programme funding to £6/head as per national guidance.

11.2. It should be noted that the funding awarded in 2016/17 was non-recurrent. Any funding required beyond 2016/17 must be integrated within the locality’s plan.

11.3. The figure in aggregate for the 3 pilot sites is £3.7m.

11.4. The SPBE on 5 December 2016 supported this proposed investment of £3.7m in the Prime Minister’s Challenge Fund applications for 2016/17.

12.0 RECOMMENDATIONS

12.1. The Strategic Partnership Board is asked to:

- Note the progress update and the decisions made by the Executive.