Welsh Government Transformation Fund 2018-21 - Guidance

Purpose

The Transformation Fund will be targeted to priority projects and to new models of health and social care, with the aim of speeding up their development and demonstrating their value.

The initial focus of the Transformation Fund will be on models which make early progress on: seamless alignment of health and social care services; local primary and community-based health and social care delivery; and new integrated prevention services and activities.

(Source: A Healthier Wales: Our plan for health and social care, p21-22)

Scope

The Fund is intended to meet the time-limited additional costs of introducing new models of health and social care. It is aimed at accelerating the wider adoption and scaling up of new ways of working which are intended to replace or reconfigure existing services. In particular the Fund is designed to quickly validate the ‘scalability’ of new models (their ability to expand from a locality to a region, or from a region to other regions) and to test whether they are ‘transformative’ (affordable and sustainable, changing or replacing existing approaches rather than adding an extra layer on to them).

The Fund will provide revenue funding to support time limited ‘transformation projects’ which support the introduction of new models. The Fund will not support the additional costs of delivering new models on a recurring basis. It will support costs which relate specifically to the ‘transformation project’, for example:

- Staff time – freeing up staff to develop and test new models of care, including backfilling of existing roles where necessary
- Programme infrastructure – at a national and local level, but proportionate to the scale of change
- Physical infrastructure – where possible from revenue funding, particularly application of ICT
- Double running costs – to support the transition from existing to new models of care.

The Fund will provide up to £100m of funding until 31 March 2021.

Selection and prioritisation of projects

Regional Partnership Boards are encouraged to develop expressions of interest which have already been shared with Welsh Government, in order to bring forward proposals for consideration as soon as possible. Proposals will be considered through the Transformation Programme, on a rolling basis, with an intended turnaround of not more than 3-4 weeks.

**RPB endorsement:** All project proposals will need to be submitted with the formal endorsement of at least one Regional Partnership Board. In endorsing projects RPBs should assure themselves that the project proposal:

- has appropriate scope, scale and ambition
• has a sufficiently robust and persuasive delivery plan
• has a credible leadership capability and capacity
• has given meaningful consideration to sustainability and wider scale up following the transformation funding period

Selection criteria: The ten national design principles set out in *A Healthier Wales* will be used as the primary criteria for selecting and prioritising proposals. Proposals must address the last two principles (scalable, transformative) and at least one other. Projects which convincingly address multiple design principles will be prioritised. The ten design principles are:

• **Prevention and early intervention** – acting to enable and encourage good health and wellbeing throughout life; anticipating and predicting poor health and wellbeing.
• **Safety** – not only healthcare that does no harm, but enabling people to live safely within families and communities, safeguarding people from becoming at risk of abuse, neglect or other kinds of harm.
• **Independence** – supporting people to manage their own health and wellbeing, be resilient and independent for longer, in their own homes and localities, including speeding up recovery after treatment and care, and supporting self-management of long term conditions.
• **Voice** – empowering people with the information and support they need to understand and to manage their health and wellbeing, to make decisions about care and treatment based on ‘what matters’ to them, and to contribute to improving our whole system approach to health and care; simple clear timely communication and co-ordinated engagement appropriate to age and level of understanding.
• **Personalised** – health and care services which are tailored to individual needs and preferences including in the language of their choice; precision medicine; involving people in decisions about their care and treatment; supporting people to manage their own care and outcomes.
• **Seamless** – services and information which are less complex and better co-ordinated for the individual; close professional integration, joint working, and information sharing between services and providers to avoid transitions between services which create uncertainty for the individual.
• **Higher value** – achieving better outcomes and a better experience for people at reduced cost; care and treatment which is designed to achieve ‘what matters’ and which is delivered by the right person at the right time; less variation and no harm.
• **Evidence driven** – using research, knowledge and information to understand what works; learning from and working with others; using innovation and improvement to develop and evaluate better tools and ways of working.
• **Scalable** – ensuring that good practice scales up from local to regional and national level, and out to other teams and organisations.
• **Transformative** – ensuring that new ways of working are affordable and sustainable, that they change and replace existing approaches, rather than add an extra permanent service layer to what we do now.

Proposal Documents: There is no prescribed format for project proposals. As a guideline, project proposals should be no more than ten pages in length. Project proposals should ensure that they cover the following key considerations:
• a clear description of the **project scope and objectives**, relating to *A Healthier Wales* and to relevant design principles

• a **specific delivery organisation** (if not the RPB itself) which will be accountable to the RPB and to the Welsh Government for managing project funding and delivery

• a **monthly timeline** setting out milestones and resource utilisation, including funding, throughout the life of the project

• how the project will be **professionally evaluated** in a timely fashion, to provide evidence which will inform decisions relating to wider adoption, considering particularly health and social care outcomes improvement, enhanced healthcare value, and affordable service delivery

• how the project will **engage with key stakeholders**, including particularly
  - those directly involved in the project (for example service providers, the public and patients)
  - potential 'next adopters' of the new model or approach (for example Clusters and other RPBs)

• how the **new model will be sustainable** after the transformation project is completed.

**Project duration:** Welsh Government Transformation Funding is not confirmed beyond March 2021. Project proposals which extend beyond this date are encouraged, however future funding requirements will need to be firmly committed by delivery organisations and partners in order to ensure that projects do not fail to complete.

**Phased projects:** Proposals are encouraged to develop a 'phased' approach which maps out in advance how models will be adopted more widely and at pace, subject to validation such as evidence of impact against targets and meeting delivery milestones. For example, proposals are encouraged to identify a ‘second wave’ of locations already committed to adopting the model, if ‘first wave’ adoption meets specified criteria.

**Distribution of funding:** There is no proportional allocation of transformation funding to geographic regions or to types of models. The Transformation Programme will aim to ensure an appropriate distribution across Wales, and to different types of models, but the ability to do this will depend on the strength of proposals received. The Transformation Programme will work with RPBs and delivery projects as required to support the development of projects across Wales, including for example targeted funding for ‘second wave’ adoption into new regions.

**‘Active’ Monitoring and Management of Projects**

All Transformation Fund support will be awarded through a grant offer letter mechanism, using standard terms and conditions of funding which will apply to all projects. These will include:

• A named organisation responsible for managing the grant funding, and a named individual identified as the project lead

• Agreed high level objectives, quarterly milestones, and an agreed quarterly funding profile, extracted from the project proposal

• Regular quarterly reporting to the RPB and the Welsh Government on project delivery

• Attendance of all project leads at regular biannual transformation fund network events to share good practice
• Providing a summary monitoring and management update to the Transformation Programme at the end of each quarter

Funding will be awarded to support the specific activity set out in the proposal and in the grant offer letter. Funding will be distributed quarterly in advance and offered funding may be withheld or reclaimed from projects which do not deliver the activity set out in their proposal and the grant offer letter. The Transformation Fund will adopt an 'active management' approach to ensure that the scope and delivery timetable of individual projects can be quickly amended, through adopting the following general principles:

• Discussion with project teams before agreeing the high level objectives, quarterly milestones, and quarterly funding profile, to be included in the grant offer letter. In particular these conversations will challenge procurement and recruitment arrangements to ensure that assumptions are realistic.

• Encouraging project leads to 'look ahead' and to raise potential risks to project delivery with the Transformation Fund delivery team as they become aware of them, in order to revise project scope and timetable as required.

• Encouraging projects to 'get ahead' of their delivery timetables where that is possible, and to communicate that to the Transformation Fund delivery team.

• Dynamically reallocating funding, throughout the year, from projects which are experiencing delays to projects which are delivering strongly and are therefore capable of accelerating the pace and scale of new models.

• Communicating the overall funding profile and the dynamic reallocation of funding on an open, transparent and collaborative basis, particularly to project leads and teams through the transformation fund network events which all project leads are required to attend.

Other Comments

The Transformation Fund will encourage a proportionate approach to project planning and assurance documentation, emphasising 'hands-on' management accountability, to reflect the need to deliver at pace and to respond in an agile manner to challenges and opportunities. Project leads and delivery organisations will be directly accountable through the grant offer letter for Transformation Funding, supported by RPB and partner oversight of the transformation project as a whole. A 'full' business case is therefore not a requirement for Transformation Fund support, although RPBs and delivery organisations may require projects to develop business cases to meet their own assurance and oversight requirements.

It is anticipated that some projects will 'fail to deliver' in the sense that following evaluation the case for wider adoption is not made, either generally, or at specific sites. Project leads will be strongly encouraged to acknowledge and explore 'failure' of this kind, in order to strengthen delivery by other projects and/or sites, and to use the transformation fund network as a mechanism for sharing insights and learning.

You must maintain appropriate financial, risk and control systems before utilising any part of the Funding to provide a grant to or procure any goods or services from third parties.
Next steps

Informal feedback on developing proposals can be arranged through the mailbox hsstransformationprogramme@gov.wales, which will also be used for submission of proposals for Transformation Funding.