

## STRATEGIC ALLIANCE

31 March 2011

<b>Subject:</b>	<b>Change Fund – Draft Governance Structure</b>
<b>Purpose:</b>	<b>To propose a draft governance structure</b>
<b>Recommendation:</b>	<b>Draft structure is used as a basis for developing governance arrangements incorporating an incremental approach</b>

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### 1. Background

- 1.1 The Change Fund guidance issued on 23 December 2010 was geared towards the submission of plans and said very little about governance arrangements for the Fund. Section 10 of the Change Plan template, however, invited partnerships to: “Indicate [their] financial mechanism and governance framework.” The accompanying note to the guidance is at Appendix 1 and relevant extracts from the local plans submitted are at Appendix 2.
- 1.2 The National Overview Report states that:  
“Over the longer term, we will need to ensure that governance arrangements for the Change Fund meet broader Parliamentary and public accountability requirements on transparency, data collection and quality, both locally and nationally. This is an area to which the new Reshaping Care Improvement Network, the first meeting of which is on 1 April, could usefully give some early attention.”
- 1.3 It will be recalled that the local plans have been driven through the Community Health Partnerships (CHPs) as agreed by the Community Planning Partnerships (CPPs). In principle, the governance arrangements can similarly be built around CHP structures with reports as appropriate to the CPP. CHPs would require to make specific arrangements for the direct involvement of the Third and Independent Sectors as noted above.

### 2. Financial Governance

- 2.1 Change Fund monies are being distributed through NHS Boards. At this stage, it can be assumed that the Boards will require to record income and expenditure within their annual accounts with the Chief Executive as Accountable Officer. In line with normal practice, the Board will designate a Director as the budget holder. As a consequence of governance arrangements centred on CHPs, the designated Director would be the Health Care Director for Integrated Care and Partnership Services.

2.2 It will be necessary to establish:

- where the £5½m will be spent and who will be spending it;
- the estimated phasing of such expenditure;
- arrangements for dealing with any variations.

2.3 Given our expectation that monies will flow from 1 April 2011, it is reasonable to assume that there may be slippage in year. Informal discussions with the Director of Finance in NHS Ayrshire and Arran suggest it may be possible to set up an internal carry forward facility of up to 10% (or £550,000) from 2011-12 to 2012-13. This would be subject to any Scottish Government direction on use of the Change Fund.

2.4 According to the outcome of 2.2 above, NHS Ayrshire and Arran Finance Department will issue financial reports to the nominated Director / other budget holders, CHP and CPP as appropriate.

2.5 Where financial resources additional to the Change Fund have been identified on the submitted plans, it is suggested that these could be subject to similar arrangements and aligned to Change Fund reports to produce a comprehensive aligned picture prior to the formation of pooled budgets.

2.6 All partnerships in Ayrshire have signalled an intention to set up a pooled budget incorporating the Change Fund. It is assumed that this will be developed in the course of 2011-12. Arrangements above can be adjusted in light of the pooled budget. A financial levers and protocols mechanism for setting up a pooled budget has already been agreed by the partners through the Integrated Resource Framework programme in Ayrshire.

### **3. Governance of Benefits Realisation**

3.1 An initial analysis of outcomes based on local plans submitted is at Appendix 3. Whilst there is some variation in approach across the three plans, it has been possible to produce an overarching Benefits Realisation Plan for each. It is suggested that the next stage is to:

- link the benefits to the proposed metrics in the plan;
- agree baseline figures for the proposed metrics against which progress can be monitored;

3.2 Thereafter the Benefits Realisation Plan and populated metrics can form the basis of progress reports to the CHPs and CPPs as appropriate.

### **4. Tracking Implementation**

4.1 The financial and benefits realisation approaches detailed above can be combined to ensure that implementation is being tracked appropriately. A scorecard can be constructed which would provide an “at a glance” summary of progress.

## **5. Communications Framework**

- 5.1 The arrangements above will provide the basis for communicating progress. It may be an option to use the CHP Public Partnership Forums as the main vehicle for communication governance.

## **6. Conclusion**

- 6.1 The draft framework outlined above is designed to capture the main aspects of governance in a flexible way to allow room for manoeuvre as the Change Fund approach develops over time. It will also be necessary to keep any national developments in view as outlined in paragraph 1.2.

**Dr Allan Gunning, Executive Director – Policy, Planning and Performance**  
**17 March 2011**

## Reshaping Care for Older People : Change Fund Guidance

**Note 10:** This should describe the decision making arrangements the Partners will introduce to provide governance and management oversight for the Partnership budget.

This may be the existing partnership framework for all health and social care or a modified and strengthened adaptation or new arrangements designed for the purpose. The Governance arrangements should sit within the wider Community Planning Partnership framework to ensure connections with the SOAs. The governance and management framework should be 'fit for purpose' in so far as they:

- i. provide a Partnership focus
- ii. are equitable for all Partners
- iii. reduce rather than increase bureaucracy
- iv. provide for efficient, effective and transparent decision making.

**Financial Mechanism and Governance Framework  
Excerpt from Section 10 of Local Plans**

**East Ayrshire :**

The Change Fund plan will be approved by the community health partnership, East Ayrshire Council and the Community Planning Partnership.

The change fund monies will be held by the Health Board and hosted in the Community health Partnership budget. The monies will held as a pooled budget for partners use using the Integrated Resource Framework 'financial driver' models which support the implementation of joint budgets and commissioning.

**North Ayrshire:**

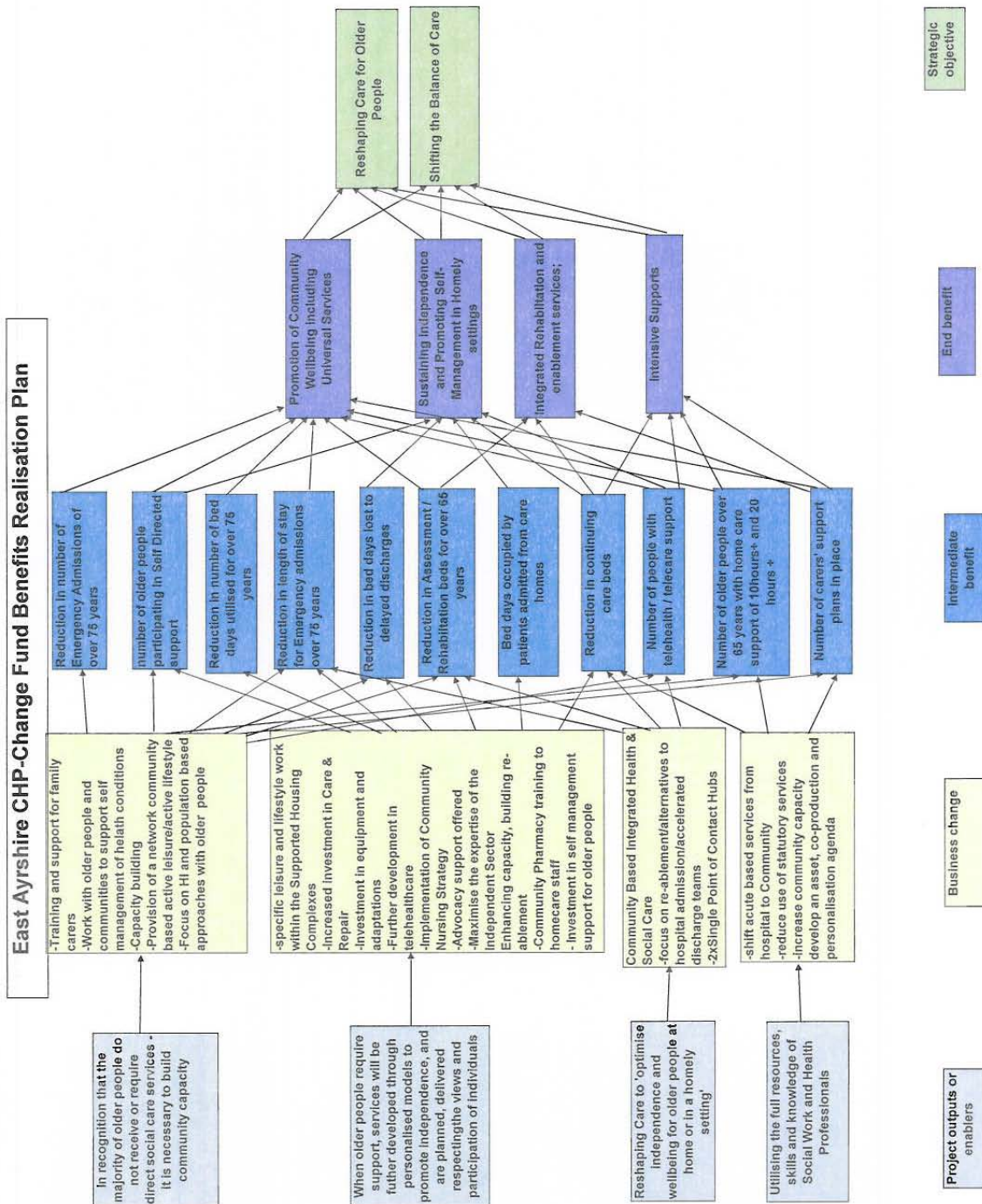
The Change Fund plan will be approved by the community health partnership, North Ayrshire Council, Third Sector, Independent Sector and the Community Planning Partnership.

The change fund monies will be held by the Health Board and hosted in the Community health Partnership budget. The monies will held as a pooled budget for partners' use using the Integrated Resource Framework 'financial driver' models which support the implementation of joint budgets and commissioning. The prioritisation of change fund monies will be undertaken using the Joint Improvement Team option appraisal tool.

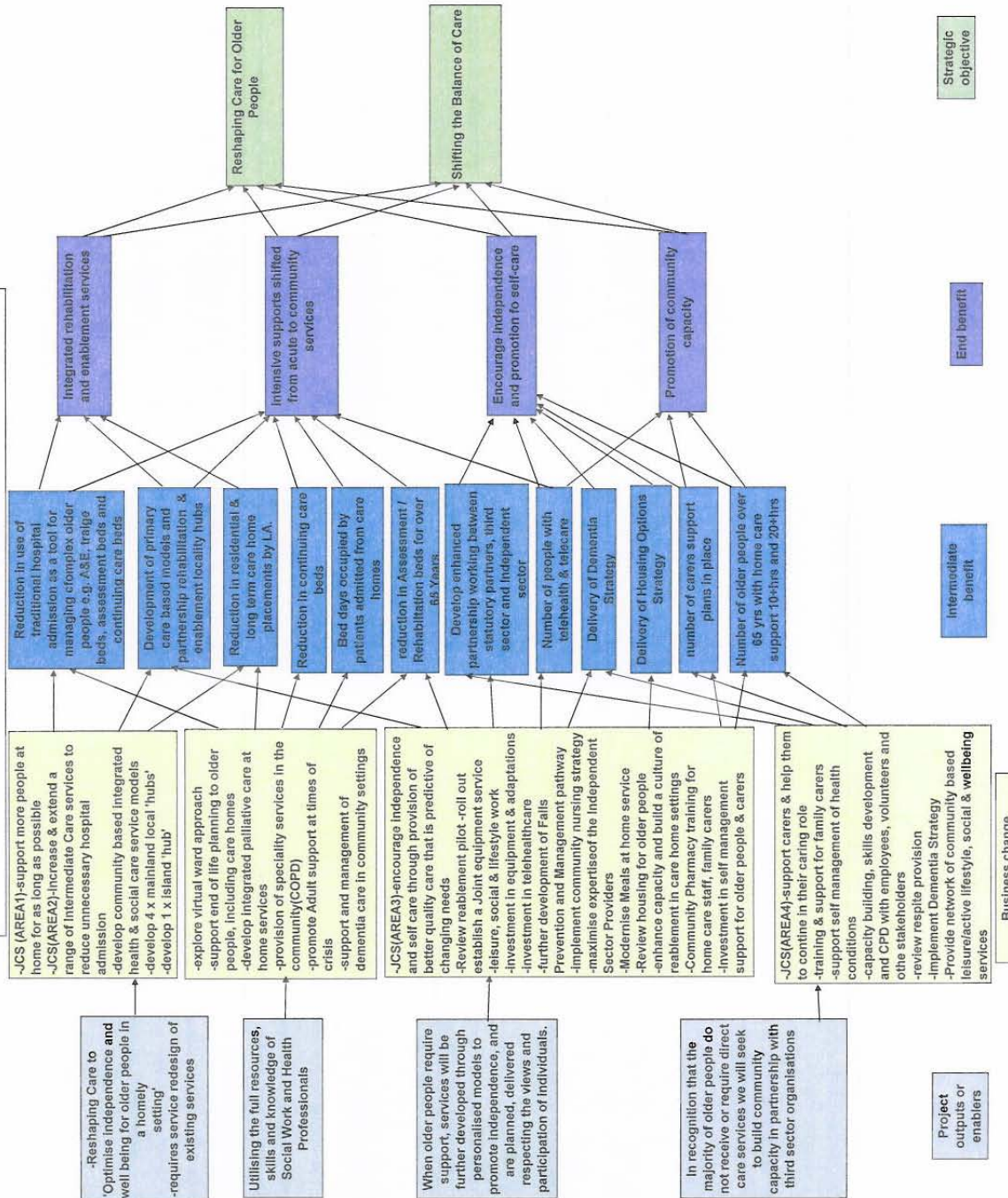
**South Ayrshire:**

The Change Fund plan will be approved by the Community Health Partnership, South Ayrshire Council and South Ayrshire Community Planning Partnership.

The change fund monies will be held by the Health Board and hosted in the Community health Partnership budget. The monies will held as a pooled budget for partners use using the Integrated Resource Framework 'financial driver' models which support the implementation of joint budgets and commissioning.



# North Ayrshire CHP-Change Fund Benefits Realisation Plan



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