

COVERING NOTE TO ACCOMPANY TRANSFORMING CARE PROGRAMME “DOWRY” MODEL FUNDING TRANSFER AGREEMENTS

There are three main financial challenges or drivers that need to be addressed to ensure the successful delivery of **Building the Right Support** by the 48 Transforming Care Partnerships (TCPs) locally. These are:

1. Have the partners in the TCP clearly spelt out the mechanisms for how funding will be shifted from NHS England Specialised Commissioning to CCGs, using CCG allocation shifts, when Specialised Commissioning beds are closed?
2. Have the partners in the TCP articulated a clear set of shared principles governing how they will work together to ensure funding flows across the system to enable transformation?
3. Does the TCP have a clear understanding/agreement in principle for the vehicles to be used to shift funding from each CCG to the relevant local authorities, including for dowries, S75, S256, Better Care Fund, etc.? (the plan must be specific about which mechanism the TCP intends to use and when it will be in place).

The first challenge above is essentially being driven by the Funding Transfer Agreement (FTA) process – which has been simplified and supporting guidance revised to reflect the experience of operating the original FTA process issued in July 2017.

The second challenge above is expected to be in place already in the 48 TCPs and, in particular, a relatively simple TCP Risk Share Agreement governing the key funding transfer principles shared and agreed between the CCGs, Local Authorities and NHS England Specialised Commissioning operating in each TCP area. This Agreement should cover issues such as how annual underspends and overspends will be treated/covered within pooled resource arrangements, who is accountable to whom, and how additional care and support costs for individual patients might be covered.

For the third challenge above we attach, for consideration and application locally, three model funding transfer/pooling agreements, to be used depending on where local TCP partners are currently with existing pooled budgets and their ambition for that in the future.

In turn, we attach a model:

- Section 256 agreement, by its nature annual and therefore needing to be reviewed annually and supported by an annual voucher to support payments made by CCGs to local authorities;
- Section 75 “standalone” TCP agreement; and finally a
- Section 75 “variation” agreement, should local partners already have a suitable Section 75 framework agreement to “attach” their TCP agreement.

For all three of these models, we have assumed the narrowest of TCP cohort application; that is for so-called “dowry” eligible patients only although these can clearly be extended to incorporate non-dowry eligible patients and infrastructure too. Please see BRS Finance guidelines and frequently asked questions to remind yourselves of which patients in the TCP cohort are subject to dowry arrangements. The essential elements of these arrangements remain as they have always been intended i.e. that funding follows the person for the person’s life, on the basis of actual costs, and if the TCP wishes to use some of the dowry funding for other related purposes, such as investment in community infrastructure, this needs to be agreed by all local partners (indeed, this is as intended in resource pooling arrangements here).

However, depending on your current arrangements and pooling appetite, you may wish to go further than this and adapt these model agreements to, for example, the whole TCP patient cohort, or all local citizens with learning disability and/or autism so that these models can be extended to cover a wider group of citizens and, consistent with BRS objectives and existing guidance, we would certainly encourage this.

There are certain key prompts highlighted in these model agreements, such as how you would want to meet additional care package costs temporarily and ongoing, and a general assumption that you would wish to have them in place for a full financial year and revise them in the light of experience.

Otherwise, the models have been written with ease of application in mind – that is, after deciding which model you wish to start using, the breadth of the TCP cohort to apply it to, and responding to a few key prompts, the names, leads, etc of all the local TCP partners simply need to be inserted.

We hope you find these model templates helpful.

Transforming Care Team