



## CABINET

13 February 2013

**Subject Heading:**

Section 75 Agreement with North East London Foundation Trust

**Cabinet Member:**

Councillor Steven Kelly, Deputy Leader and Lead Member for Individuals

**CMT Lead:**

Joy Hollister, Group Director, Social Care & Learning

**Report Author and contact details:**

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**Policy context:**

The decision supports the Havering Living Ambition Goal for individuals by ensuring vulnerable people receive integrated care and support services

**Financial summary:**

Havering's budget for mental health services within the pooled fund in 2012/13 is £1,808,020. A standstill budget of the same figure is currently expected for 2013/14.

**Is this a Key Decision?**

Yes, as this agreement relates to

(a) Expenditure or saving (including anticipated income) of £500,000 or more

and

(c) Significant effect on two or more Wards

**When should this matter be reviewed?**

October 2014

**Reviewing OSC:**

Individuals

**The subject matter of this report deals with the following Council Objectives**

Ensuring a clean, safe and green borough	<input type="checkbox"/>
Championing education and learning for all	<input type="checkbox"/>
Providing economic, social and cultural activity in thriving towns and villages	<input type="checkbox"/>
Valuing and enhancing the lives of our residents	<input checked="" type="checkbox"/>
Delivering high customer satisfaction and a stable council tax	<input type="checkbox"/>

**SUMMARY**

This report considers the current partnership working with North East London Foundation Trust providing integrated health and social care services for people with mental health needs in Havering, identifies the opportunity for further co-operation and recommends that the Council enters into an Overarching Section 75 Partnership Agreement with the Trust encompassing mental health and other community-based health and social care functions for a period of 3 years from 1 April 2013.

**RECOMMENDATIONS**

The Group Director, Social Care & Learning be authorised to conclude negotiations with North East London Foundation Trust to enter into an Overarching Agreement under Section 75 of the National Health Service Act 2006 with effect from 1 April 2013.

**REPORT DETAIL**

**Background**

In 2009 the Council took advantage of the flexibilities available under the National Health Service Act 2006 and entered into a Section 75 Agreement with North East London Foundation Trust (NELFT) for the provision of integrated social care and mental health services for adults. By a Key Decision (10/128) in 2010 the Agreement was extended to include services for older adults over 65. The aim of the Agreement was to improve the efficiency and effectiveness of mental health services by reducing duplication and bureaucracy, to create a seamless service for the local community and to ensure gaps in the service are addressed.

In order to achieve these aims the Council seconded its mental health social work staff to NELFT. The Council and NELFT created a Pooled Fund to provide the Services and agreed that NELFT would host and manage the Services and the Pooled Fund. The current Agreement runs until 31 March 2013, it was extended by a Key Decision in June 2012.

A recent review of the operation of the Section 75 Agreement concluded that it has successfully achieved a number of its aims and recommended that it be extended but was in need of updating and revision. The review also identified scope for further opportunities for increased co-operation and integrated partnership working across health and social care. The partners established a Joint Working Group to refresh and revise the mental health partnership agreement and to develop

proposals for an Overarching Partnership Agreement that would be flexible enough to incorporate other integrated services should the partners so wish.

### **The proposed Overarching Section 75 Agreement**

The Council is seeking to improve the services for adults and older adults with mental health issues by setting more ambitious targets based on its comparator group and England average performance, a stronger focus on outcomes and ensuring that self-directed support, including direct payments, is a particular priority.

The partnership with NELFT has worked well. There are positive working relationships across the two organisations and staff report close working relationships across performance and finance. Seconded staff are integrated into mental health teams and there is good management of placements although reduction in long term placements should now receive greater focus, as well as maintaining tight control of new placements.

Given the above successes and the experience of working together both parties wish to continue the partnership and to agree a new Agreement from 2013 onwards. NELFT has expressed strong interest in strengthening and widening its relationship with the Council to cover areas where improved partnership working can benefit the health and social care of the local community. NELFT has diversified its activities and is now the major provider of community-based health services in Havering. There is significant opportunity for NELFT and the Council to work in partnership to develop integrated services and integrated partnership working across health and social care. Both parties are developing new initiatives to create Integrated Care across health and social care community-based services aimed at minimising hospital admissions, reducing bed blocking and developing more community-based services including working more closely on children's health and social care services.

Discussions are continuing on exactly what form such future co-operation will take but it is very likely that any such joint ventures will operate in accordance with the flexibilities available under a Section 75 Agreement. It is therefore proposed that as the Section 75 Agreement for Mental Health services needs to be revised by 31 March 2013 the opportunity is taken to replace that Agreement with a wider, overarching Agreement that will cover the specific mental health services but can also be utilised as the vehicle for partnership working across a wider range of services. Under this arrangement the Council and NELFT will agree to work in partnership under an Overarching Agreement that sets out the principles, responsibilities and roles of the two parties in the main Agreement and specifies the services to be provided in separate Schedules. In the first instance the only service to be provided and therefore the only Schedule will be for adult and older adult mental health services. It is anticipated that where an additional service is to be provided it will be a relatively simple matter to amend the Agreement by the inclusion of a new Schedule specifying that service.

The Council's financial commitment to this new Overarching Agreement is the funding of its share of the costs of running the mental health service. For 2012/13 this is £1,808,020. It is expected that there will be a standstill on this budget for 2013/14 with one minor adjustment and the anticipated financial budget for 2013/14 will be £1,798,160. If, in the future, other services are proposed under this Overarching Agreement such services will require specific authority from Cabinet.

To avoid the Council being exposed to financial risk the Agreement ensures that any overspend in the health element of the Pooled Budget is entirely the responsibility of NELFT. If there is an anticipated overspend in respect of the Council's functions the Group Director, Social Care & Learning will deal with the issue in accordance with the Council's Financial Regulations.

The Council will continue to second staff to NELFT as in the current Agreement.

## REASONS AND OPTIONS

### **Reasons for the decision:**

The Council and North East London Foundation Trust are currently partners in a successful Section 75 Agreement for the provision of an integrated community mental health service in Havering. The Council has seconded its mental health social care staff to the Trust. Following a review of the agreement both partners consider that the mental health partnership should continue and that as there may be a range of other health and social care services which would benefit from such a partnership approach there should be an Overarching Agreement that gives the partners flexibility to agree that other services can be incorporated at a future date.

### **Other options considered:**

The Council considered these other options:

- Ending the current Section 75 Mental Health Agreement and secondment arrangements and delivering mental health social care services in-house. This option would not provide the required integrated health and social care services.
- Ending the current Section 75 Mental Health Agreement with North East London Foundation Trust and negotiating a new Agreement with another specialist mental health organisation. This option would entail considerable expenditure in procuring an alternative provider; the market in specialist mental health provision is not well developed and as the PCT and CCG who are the commissioners of the health mental health services are not intending to open the service to competition the Council would be unable to proceed on a unilateral basis.

- Renewing and revising the current Section 75 Mental Health Agreement with North East London Foundation Trust and developing separate Section 75 Agreements for each new service partnership. In view of the common intention of both parties to develop more partnership working across a wider range of health and social care services it would be more complicated and expensive in terms of developmental costs to produce a range of Agreements.

## **IMPLICATIONS AND RISKS**

### **Financial implications and risks:**

Havering's contribution to the pooled budget is made from within existing Adult Social Care budgets. The agreement will be a continuation of the existing S75 arrangement.

A pooled budget schedule is as attached at Annex A. It should be noted that 2012/13 budget figures are reflected. 2013/14 budgets are not yet approved, although no changes to funding levels are currently anticipated.

Should any changes to the pooled budget be proposed these will be subject to agreement by the Steering Group in the first instance. It will be possible to make changes, in accordance with the S75 protocol, during the three year period as new information or implications come to light. If there are any contract variations these will be subject to the appropriate contract procedure rules, and financial consequences considered as necessary. If any savings are to be achieved this is to be jointly agreed by the Steering Group in advance of targets being set.

There is a risk share arrangement in place that is applicable to Local Authority budgets within the pooled fund in any given financial year. The basis of this is that expenditure variances to budget are shared between the two partners on a 50/50 basis.

The pooled fund is administered from a financial perspective so that the substance of the arrangement is best reflected within each partners ledger: there is an agreed process to avoid "cross charging". The implication for Havering is that there is a liability to contribute £1.808m to the pooled fund, based on 2012/13 budgets. NELFT as host partner are responsible for the monitoring and control of the budget, and reporting such accordingly. NELFT are also responsible for collecting contributions from Health, which will need to be secured from April 2013 (current agreements are with the PCT).

### **Legal implications and risks:**

The terms of the proposed new section 75 agreement will be subject to the prior consideration and approval of the Council's legal service and the Group Director, Social Care & Learning will be advised accordingly.

**Human Resources implications and risks:**

Trade Unions and Council employees who deliver adult mental health social care services were consulted on the first agreement, following which the employees concerned were seconded to NELFT from 1 June 2009. In 2010, a small number of employees who delivered a service in the Adult Social Care Older People's Mental Health Team were also seconded to NELFT. This proposed overarching agreement has also been subject to Trade Union consultation at corporate and directorate level.

The framework setting out the terms for the secondment of Council employees who will be affected by the revised Section 75 agreement is included in the Schedules for this revised agreement. This continues to ensure that Council employees who are now seconded to NELFT to deliver Adult Mental Health services, and those who will join the service on Council terms and conditions following a recruitment process to fill posts shown in Appendix 3 of Schedule 3 of the revised agreement, have clarity around the full range of working arrangements in place under NELFT.

**Equalities implications and risks:**

Following a robust review, consultation and equality analysis of the current partnership between the Council and NELFT, it has been recommended to extend this partnership as it has proven to provide quality and value for money services.

It is anticipated that the extension of the current partnership for further three years will not only continue meeting the needs of current service users but will also set more ambitious targets to further improve service provision for current and potential service users from all protected characteristics and socio-economic backgrounds, and particularly those who are most likely to have mental health needs and/or other health and social care needs. Moreover, the proposal to extend the scope of integrated health and social care services will further optimise the positive impact on current and potential service users.

**BACKGROUND PAPERS**

Review of Section 75 Mental Health Agreement – Nov 2012

Draft Overarching Section 75 Agreement – December 2012



## Annex A - Havering Mental Health NHS S75 finance schedule 2013/2014

Note : Annual budget is indicative based on 12/13 Budget, figures will be refreshed on an annual basis following the budget setting process

### Budgets included Within Pool

LBH			Annual Budget	WTE Budget	PCT contribution (included within block contract)	Annual Budget
<b>1</b>	<b>Nelft Cost centre</b>	<b>LBH Cost Centre</b>				
	LHCS	A32120	Access to Crisis Services	92,470	0.00	92,470
	LHHT	A32120	Access to Crisis Services	611	0.00	611
	LHMH	A32165	Adult Access & Assessment Service	197,243	5.44	26,820
	LHRO	A32165	Adult Community Recovery Service (Romford)	303,025	7.00	303,025
	LHUP	A32165	Adult Community Recovery Service (Upminster)	268,811	6.50	268,811
	LHE1		Early Intervention in Psychosis	56,219	2.00	56,219
	LHD1	A32125	LA Hav Drop Ins	119,326	0.00	119,326
	LHHL	A32125	LA Hav Harrow Lodge	23,620	0.00	23,620
	LHMN	A32145	LA Hav Mental Health Nursing	104,760	0.00	104,760
	LHPT	A32170	LA Hav Provider Team	195,473	5.00	195,473
	LHSP	A32135	LA Hav Small Works Projects	82,165	2.00	27,960
	LHST	A32175	LA Support Time Rec. Workers	253,196	9.00	148,520
	LHMA	A32140	Management	213,205	3.95	213,205
	LHOP	A32100	Older Adults Community Mental Health Service	128,916	3.00	39,660
	LHPY		Psychological Therapy Service	11,940	0.50	11,940
	<b>Total LA Pooled Budgets</b>			<b>2,050,980</b>	<b>44.39</b>	<b>242,960</b>
						<b>1,808,020</b>

2	NELFT		Annual Budget			Annual Budget
			Access to Crisis Services	1,416,495		1,416,495
			Access to Inpatient Services	3,161,282		3,161,282
			Adult & OA A & E Liaison Service	263,808		263,808
			Adult Access & Assessment Service	847,702		847,702
			Adult Community Recovery Service	2,558,010		2,558,010
			Early Intervention in Psychosis	489,765		489,765
			IAPT Service	412,274		412,274
			Learning Disabilities	1,071,327		1,071,327
			Management	289,010		289,010
			Memory Service	162,429		162,429
			Older Adult Access & Assessment Service	22,287		22,287
			Older Adults Community Mental Health Service	2,307,179		2,307,179
			Psychological Therapy Service	1,312,432		1,312,432
	<b>TOTAL HAVERING NELFT</b>			<b>14,314,000</b>		<b>0</b>
						<b>14,314,000</b>

3	Total Pooled Budgets		Annual Budget	WTE Budget	PCT contribution (included within block contract)	Annual Budget
	<b>Total Pooled Budgets</b>		<b>16,364,980</b>	<b>44.39</b>	<b>242,960</b>	<b>16,122,020</b>
	<b>Total income Pooled Budgets</b>					
	<b>LA Funding</b>		<b>(1,808,020)</b>			<b>(1,808,020)</b>
	<b>CCG Funding</b>		<b>(14,314,000)</b>		<b>(242,960)</b>	<b>(14,556,960)</b>
	<b>Total Pool Funding</b>		<b>(16,122,020)</b>	<b>0.00</b>	<b>(242,960)</b>	<b>(16,364,980)</b>

### Budgets Excluded from pool

LBH			Annual Budget	WTE Budget	PCT contribution (included within block contract)	Annual Budget
			Independent MCA	119,530		119,530
			Mental Health Residential	973,390		973,390
			Mental Health Domiciliary	146,520		146,520
			Group Homes - Mental Illness	33,130		33,130
				<b>1,272,570</b>	<b>0</b>	<b>1,272,570</b>
			Indirect Costs/Recharges	113,450		113,450
				<b>113,450</b>	<b>0</b>	<b>113,450</b>
<b>4</b>	<b>Total LA Excluded Budgets</b>			<b>1,386,020</b>	<b>0.00</b>	<b>0</b>
						<b>1,386,020</b>

NELFT			Annual Budget	WTE Budget	PCT contribution (included within block contract)	Annual Budget
			ISA's	2,453,407		2,453,407
			CAMHS	2,325,089		2,325,089
			Low Secure	629,791		629,791
			SMS	530,203		530,203
			Perinatal	256,261		256,261
			Eating Disorders	156,781		156,781
				<b>6,351,531</b>	<b>0</b>	<b>6,351,531</b>
			Indirect Costs/Recharges	8,144,720		8,144,720
				<b>8,144,720</b>	<b>0</b>	<b>8,144,720</b>
<b>5</b>	<b>Total Nelft Excluded Budgets</b>			<b>14,496,251</b>	<b>0.00</b>	<b>0</b>
						<b>14,496,251</b>

<b>6</b>	<b>Total LA Budgets</b>			<b>3,437,000</b>	<b>44.39</b>	<b>242,960</b>	<b>3,194,040</b>
<b>7</b>	<b>Total Nelft Budgets</b>			<b>28,810,250</b>	<b>0.00</b>	<b>0</b>	<b>28,810,250</b>

**Risk Share**

There is a 50% risk share on any over or underspend within the LA pooled budgets (indicative budgets £1.8m) as detailed in section 1 of the Finance Schedule above

It should be noted all figures are based on 2012/13 budgets, 2013/14 budgets are not yet finalised.