

SURREY COUNTY COUNCIL

CABINET

DATE: 3 FEBRUARY 2015

REPORT OF: MRS MARY ANGELL, CABINET MEMBER FOR CHILDREN AND FAMILIES

LEAD OFFICER: NICK WILSON, STRATEGIC DIRECTOR OF CHILDREN, SCHOOLS AND FAMILIES

**SUBJECT: PROVISION OF TARGETED CHILDREN & ADOLESCENT MENTAL HEALTH SERVICES AND THE HOPE SERVICE:
SECTION 75 AGREEMENT WITH SURREY CLINICAL COMMISSIONING GROUPS & CONTRACT EXTENSION WITH SURREY AND BORDERS NHS FOUNDATION TRUST**



SUMMARY OF ISSUE:

Surrey County Council (SCC) and Surrey Clinical Commissioning Groups (CCGs) have a statutory responsibility to provide children and young people in Surrey with safe, needs-based Children and Adolescent Mental Health Services (CAMHS). SCC and the CCGs have agreed to a partnership approach to meet this responsibility under Section 75 of the NHS Act 2006. The purpose of this agreement is to provide a robust framework within which the Council and the CCGs can jointly commission and procure services by pooling budgets and leveraging resources.

The partnership approach is vital in addressing the increased demand and budgetary pressures in providing a service that puts the needs of children and young people first. To successfully integrate health and social care provision and realise the benefits of the partnership which aims to eliminate the gaps/overlaps in service delivery, increase efficiency, improve value for money and design a service that delivers the best possible outcomes for children and young people,

This cabinet report has two purposes and seeks approval from members on the following:

- a) Enter into a new Section 75 Agreement between the Council and the CCGs, valued at £3,842,000. The existing agreement approved by Cabinet in September 2013 requires variations to committed resources in order to facilitate the joint commissioning and procurement of targeted and specialist CAMHS services scheduled for 2015 which will be lead by Guildford and Waverly CCG on behalf of the Council and the 6 CCGs in Surrey. A proportion of the S75 funding will be used to fund the contract extensions set out in (b).

- b) Extend the existing contract with the incumbent provider Surrey and Borders NHS Foundation Trust (SaBP), valued at £2,619,543, which expires on 31 March 2015 in order to ensure the continued safe provision of targeted CAMHS and the specialist HOPE service (Integrated service including Education, Social Care & Health, working with children and young people with complex mental health needs)

RECOMMENDATIONS:

It is recommended that Cabinet agrees:

1. The Council enters into a new Section 75 agreement with Surrey CCGs. This pooled budget agreement is currently valued at £3,842,000 per annum. (A proportion of this pooled budget will provide funding for recommendation 3)
2. To delegate authority to make amendments to the Section 75 agreement, to the Head of Legal Services in consultation with the Strategic Director and Cabinet Member for Children, Schools and Families in accordance with public sector legislation and advice from the Section 151 Officer
3. The Council extends the existing contract with Surrey and Borders Partnership NHS Foundation Trust (SaBP) which expires on 31 March 2015 for a minimum period of one year, from 1 April 2015 to 31 March 2016 and a maximum period of up to two years. The extension has a forecasted value of £2,619,543 per annum and will be partially funded from the S75 agreement.

REASON FOR RECOMMENDATIONS:

a) The existing contract with SaBP will end on 31 March 2015. The Council is the host partner for the pooled budget used to commission targeted CAMHS and the HOPE Service. The Council is responsible for ensuring services are commissioned and procured in line with best practice, compliant and secures the best value for Surrey residents.

b) Improved alignment and collaboration between the Council and the CCGs has necessitated variations to the Section 75 agreement signed by the CCGs in 2014. Upon review of the extent of the variations, a joint decision has been made to draft a new Section 75 agreement which would be more appropriate for the joint commissioning and procurement project scheduled to begin in 2015.

Extending the existing contract with SaBP and entering into a new Section 75 agreement with the CCGs will:

- Ensure the Council adheres to statutory requirements regarding the safeguarding of children and young people by securing the provision of targeted CAMHS and the HOPE service by a contractually bound provider.
- Enable the Council and the lead CCG to undertake integrated commissioning and procurement of a co-designed, outcomes focused, CAMHS model, whilst maintaining continuity of service and minimising risk to service delivery.

DETAILS:

1. In 2008 the Council and Surrey CCGs (then Surrey Primary Care Trust), under a Section 75 agreement, commissioned both targeted and specialist mental health services in parallel to ensure that children and young people had a seamless pathway. SaBP are the incumbent provider of both targeted and specialist mental health services for children and young people in Surrey.
2. In September 2013 Cabinet approved the negotiation of a Section 75 agreement between the Council and Surrey CCGs. Review of need,

increased service demand and changes in funding contributions has necessitated multiple variations to the agreement drafted based on the initial approval by Cabinet. To address the required changes a new Section 75 has been drafted by the Council's Legal team in order to ensure risk is shared and effectively managed by both partners.

3. To align with the commissioning and procurement timeline the new Section 75 Agreement will be four years long, effective from 1 April 2014 and expiring on 31 March 2018, with an option to extend for one year. The extension of the contract with SaBP for CAMHS and the HOPE Service will form part of this Section 75 agreement.
4. In February 2014 cabinet members approved the award of 1 year contracts from 1 April 2014 – 31 March 2015 to the incumbent providers of targeted CAMHS and HOPE in order to align the targeted SCC contracts with the specialist CCG contracts. Cabinet should be aware that arrangements will also be made to extend the three complimentary lower value contracts with Virgin Care, First Community Health and CSH Surrey.
5. The Council and the Surrey CCG Collaborative which jointly represents the 6 CCGs in Surrey agreed that NHS Guildford and Waverley CCG will lead the procurement for a new targeted and specialist CAMHS and HOPE service. This is planned to commence in 2015 with new services expected to be in place by April 2016.
6. NHS Guildford and Waverley CCG will lead a joint single tender process in order to secure a lead provider for both targeted and specialist mental health services. The contract tendered will be for the duration of three years with an option to extend for up to two years.
7. The new service delivery model will improve performance monitoring and the safeguarding of children by joining up care pathways. The lead provider selected through a competitive tender process will be required to accept full accountability for the quality of service provision allowing children and young people to access mental health services based on individual need.
8. The Council and NHS Guildford and Waverley CCG undertook an extensive CAMHS engagement process from July 2014 - Oct 2014. Each of the 6 CCG Governing Bodies will be considering the benefits of increasing investment within the specialist CAMHS during January 2015 which will finalise the budget available for tendering and potentially require additional variations to the Section 75 agreement
9. A consortium agreement is in place outlining governance arrangements and stipulating roles and responsibilities for SCC and CCG staff involved in the tender. The consortium agreement will be signed by all six CCG Chief Officers and the Council.
10. The targeted services contract with SaBP which is commissioned by the Council delivers services that promotes good mental health and wellbeing and addresses the mild to moderate mental health needs of vulnerable children and young people. Extending the current contract which expires in March 2015 to align it with the Specialist CAMHS contract commissioned by the Surrey CCG Collaborative is critical for ensuring care and treatment pathways are safe and maintained.

CONSULTATION:

11. SCC and CCG Commissioners and colleagues from Procurement, Finance and Legal have been involved in the joint commissioning and procurement project.
12. Extensive engagement with young people, parents, carers and professionals within the mental health and related services has been undertaken to determine current and future needs.

RISK MANAGEMENT AND IMPLICATIONS:

13. The new Section 75 will include amended payment terms to ensure any potential service overspend is managed by both partners
14. The contract extension will include a termination provision which protects the Council in the case of an unsatisfactory performance of service and/or any significant changes in legislation or Council Policy which will impact on the existing services. These provisions allow the Council to amend the contract with three months notice or if termination is required, six months notice will be given to the provider.
15. The following key risks associated with the contract extension and Section 75 have been identified, along with mitigation activities:

Category	Risk Description	Mitigation Activity
Financial	<p>a) An increase in demand for services could result in an increased cost for the Council to deliver these services.</p> <p>b) Section 75 agreement fails to get sign off and therefore funding from CCGs is not as expected</p>	<ul style="list-style-type: none">• Targeted CAMHS - Integrated monthly operational and quarterly contract review meetings will continue be held with SCC and CCG commissioners present to monitor the pooled budget reporting• HOPE Service – HOPE Management Board will continue to provide financial oversight of budget• Dedicated officer working with CCGs to ensure sign off is obtained and communication lines remain strong.
Service	<p>a) Potential risk that the current levels of service quality may decline and the service does not deliver during the tender period.</p>	<ul style="list-style-type: none">• Effective contract management and review meetings will mitigate the risk of a decline in service quality.• Engagement with the voluntary, community and faith sector and service users and their families will inform the continuous improvement of this service.

		<ul style="list-style-type: none"> The contract terms and conditions enable early termination if the provider fails to deliver a satisfactory service or if the tender exercise is completed earlier than expected
Procurement	a) Delay in joint procurement process, new service does not commence in April 2016	<ul style="list-style-type: none"> The existing contract terms and conditions allow for extensions of up to two years. This will provide sufficient time for the procurement of both targeted and specialist services. Indicative timelines provided by Guildford and Waverly CCG indicate that a period of 12 months is required to complete the procurement process

Financial and Value for Money Implications

16. The value of the Section 75 agreement is £3,842,000 per annum based on current committed funding by the Council and the CCG Collaborative. This is currently under review and may vary in line with service needs and SCC and CCG budgetary requirements. Please refer to table below for a breakdown of current contributions within the Section 75 agreement

S75 Agreement

	SCC Funding £	CCG Funding £	Total £
CAMHS Pooled Budget	1,220,000	1,061,000	2,281,000
Hope Pooled Budget	733,000	828,000	1,561,000
Total	1,953,000	1,889,000	3,842,000

17. The below table details the expenditure commitments associated with the S75 funding. £2,345k of the S75 funding will be used to fund the Surrey and Borders contract extensions for CAMHS and HOPE services. The remaining £1,497k of S75 funding will be used to fund other lower value CAMHS related contracts and CAMHS and HOPE services provided by SCC. These contracts are not included within this report and come to cabinet as required.

Expenditure Funded by S75 Agreement

Area of Expenditure	£
Surrey and Borders CAMHS / HOPE Contract funded by S75	2,345,371
Other Contracts / SCC Services funded by S75	1,496,629
Total S75	3,842,000

17. The value of the SaBP contract extension will be £2,619,543 per annum. The table below provides a breakdown of the financial expenditure based on historical spend that is associated with the current contract per annum.

Contract Extension

	S&B Contract Extension £
CAMHS and HOPE Services – S75 funded	2,345,371
Other Complimentary Services – Additional SCC Funding	274,172
Total	2,619,543

18. Other complimentary services in the table above include the HOPE rental payments, Primary Mental Health Workers for Youth Support Service, Care Leavers Dedicated Mental Health Worker and the Out of Hours Family Therapist all of which are funded by the Council in addition to the contributions made within the Section 75 agreement.

Section 151 Officer Commentary

19. The Section 151 Officer acknowledges that these contracts are requiring an extension of up to two years to ensure continuity of service provision. The figures quoted in section 16 and 17 are an accurate reflection of the current Section 75 and SaBP contract costs. S151 approval is conditional on the signing of the Section 75 agreement, the signed Section 75 will provide assurance that the agreed funding will be available from the CCGs.

Legal Implications – Monitoring Officer

20. Under Section 17 of the Children Act 1989, every local authority (in addition to other duties imposed on them) is under a duty to safeguard and promote the welfare of children within their area who are in need, by providing a range and level of services appropriate to those children's needs. Additionally, section 11 of the Children Act 2004 places a duty on every local authority to make arrangements for ensuring that their functions are discharged having regard to need to safeguard and promote the welfare of children. The duties include the provision of the services mentioned above. Extending the contracts will enable the Council to continue to meet its statutory duties.

The Council by re-negotiation and agreeing to enter into a new Section 75 agreement with the CCGs will continue to work in the spirit of partnership to meet the responsibilities for the provision of the services and will also enable it comply with its obligations under the Health and Social Care Act 2012 to operate with its partners to promote the well being of children.

Equalities and Diversity

21. The use of the pooled budget to commission services will comply with the general duty imposed upon public authorities by the Equality Act 2010.
22. There is no change in policy or service so no Equality Impact Assessment has been completed.

Other Implications:

23. Procurement and the Children's Social Care Commissioning Team have ensured that the chosen strategy is aligned internally with:
- The Children's and Young People's Strategy 2012 – 2017
 - SCC Procurement Strategy 2012 – 2017
 - SCC Business Services Directorate Strategy 2013 - 2018
 - SCC Chief Executives Office Directorates Strategy 2013 – 2018
 - SCC Corporate Strategy 2013 – 2018

Corporate Parenting/Looked After Children implications

24. There are currently children and young people who are Looked After who use targeted CAMHS and the HOPE service. Extending the contract with SaBP ensures children looked after will continue to be supported.

Safeguarding responsibilities for vulnerable children and adults implications

25. The terms and conditions of the contract stipulate that SaBP will comply with all Children and Young People Safeguarding Multi - Agency procedures, legislative requirements, guidelines and good practices as recommended by the Council/ Surrey Safeguarding Children Board. This will continue to be monitored through integrated contract management meetings.

WHAT HAPPENS NEXT:

26. The timetable for implementation is as follows:

Action	Date
Cabinet decision to award (including 'call-in' period)	03/02/2015
Standstill Period	2 weeks
Contract Extension Letter	18/02/2015
Contract Extension Commencement Date	01/04/2015

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