

SURREY COUNTY COUNCIL**CABINET****DATE: 24 SEPTEMBER 2013****REPORT OF: MRS MARY ANGELL, CABINET MEMBER FOR CHILDREN AND FAMILIES****LEAD OFFICER: NICK WILSON STRATEGIC DIRECTOR OF CHILDREN, SCHOOLS & FAMILIES****SUBJECT: CHILDREN, SCHOOLS AND FAMILIES SECTION 75 AGREEMENT WITH SURREY CLINICAL COMMISSIONING GROUPS (CCGs)****SUMMARY OF ISSUE:**

There is an existing agreement under section 75 of the National Health Service Act 2006 which establishes a joint budget between the Council and the PCT for commissioning and providing integrated services for young people with mental health issues. These include the targeted Child and Adolescent Mental Health Service (CAMHS) and the HOPE service. This agreement has been in place for a number of years and comes to an end on 31 March 2014. Since the agreement was completed, the PCT has been disbanded and the recent organisational changes within the Health Service in April 2013, led to the establishment of six Clinical Commissioning Groups (CCGs) within Surrey (NHS East Surrey CCG; Guildford and Waverley CCG; Surrey Downs CCG; Surrey Heath CCG; North West Surrey CCG and North East Hampshire and Farnham CCG).

The existing arrangements are now hosted by Guildford and Waverley CCG. With the approaching termination of the agreement, it is proposed that a new overarching Section 75 Agreement between the Council and the six CCGs in Surrey now needs to be established. In renewing the agreement, the opportunity will be taken to provide a framework for joint commissioning or integrated service provision so that further services can be added as required, and aligned to the children's priorities of the Health and Wellbeing Board.

RECOMMENDATIONS:

It is recommended that Cabinet:

1. Agrees to proceed to legal negotiations with the Surrey CCGs on an overarching Section 75 Pooled Funding Agreement which will initially cover the continuing arrangements for targeted CAMHS and the HOPE services (the quantum contributions have been identified in paragraph 12 below).
2. Agrees to delegate authority to make amendments to the Section 75 Agreement, enabling the effective use of the agreement and the inclusion of additional services, to the Strategic Director for Children, Schools and Families, in consultation with the Cabinet Member for Children and Families and/or the Cabinet Member for Schools and Learning, or Cabinet, in accordance with financial regulations, with advice from the Head of Legal and Democratic Services

and the Section 151 Officer.

REASON FOR RECOMMENDATIONS:

By entering into an overarching section 75 Agreement, the intention is to improve health and social care outcomes for children, young people and their families regardless of whether funding originates from the CCGs or the Council and to deliver services cost effectively.

DETAILS:

1. The objective of the Section 75 Agreement is to enable an integrated approach to commissioning services, reducing duplication, maximising outcomes and ensuring that each service commissioned has a properly constructed service specification; and to improve health and social care outcomes for children, young people and their families.
2. The proposal is in line with Surrey's One Children and Young People's strategy 2012-2017 and the Health and Wellbeing strategy. These strategies seek to positively support our children and young people to realise good health and wellbeing outcomes throughout their childhood and adolescence. The Children's Health and Wellbeing Group will be the lead partnership body, ensuring connected and integrated approaches across public sector partners to commission and deliver services. It will report to the Health and Wellbeing Board.
3. In exercising respective functions, the Council and Surrey CCGs are required, under Section 82 of the National Health Service Act 2006, to co-operate to secure and advance the health and welfare of the local population. Under the section 75 Agreement, it is proposed that partners will delegate the management of funding to either partner to invest in services in accordance with the agreed objectives and in compliance with relevant procurement rules and applicable legislation.
4. The partners seek to enter into a new Section 75 Agreement in order to build on existing achievements in joint commissioning of emotional wellbeing and mental health as well as to address current and new challenges to meet the medium term financial plan. The overarching Section 75 Agreement will cover a three year period with the option to extend for a further two years, effective from April 2014.
5. The Section 75 Agreement will enable either all CCGs as a collective to commission or integrate services with the Council or for individual CCGs to collaborate with the Council, as appropriate for the service being provided or commissioned.
6. There is flexibility to include additional schedules, preventing the need to draft and retain several Section 75 Agreements. The inclusion of additional schedules to the overarching agreement will be identified by the Children's Health and Wellbeing Group. The decision to enter into an additional schedule will be delegated to the Strategic Director for Children, Schools and Families, in consultation with the Cabinet Member for Children and Families and/or the Cabinet Member for Schools and Learning with advice from the Head of Legal and Democratic Services and the Section 151 Officer. For

CCGs the decision to enter into additional schedules will be made by each or all of the CCG management boards.

CONSULTATION:

7. Guildford and Waverley CCG has led the consultation on the Section 75 Agreement with Surrey County Council along with Surrey Downs CCG; Surrey Heath CCG; North West Surrey CCG and North East Hampshire and Farnham CCG management boards.
8. The Section 75 Agreement has also been consulted on with the Children, Schools and Families leadership team, with a wide degree of support for the proposal being expressed.

RISK MANAGEMENT AND IMPLICATIONS:

9. The pooled budgets detailed in each schedule will be agreed on an annual basis between the parties. All contracts awarded by the Council arising from individual schedules pooled budgets in the Section 75 Agreement will have annual break clauses to allow for variations in funding.
10. In addition where the commissioning of services is to be led by the Council, all contracts tendered within the pooled budget will be coterminous with the Section 75 Agreement to prevent any potential risk to the Council.
11. The overarching agreement sets out clear governance and mechanisms for all partners to review and/or vary the provisions in the event of any changes to the statutory bodies involved.

Financial and Value for Money Implications

12. The pooled funds relate to salary and non-salary costs for the Council and CCGs. The current funds identified for the Section 75 Agreement is as follows:

Service Area	Surrey County Council contribution (2013/14)	CCGs contribution (2013/14)	Total per annum (2013/14)	Indicative Aggregated expenditure for three years
CAMHS	£1,194,377	£1,036,236	£2,230,613	£6,691,839
HOPE Service (integrated provision)	£605,479*	£817,688	£1,423,167	£4,269,501
Total	£1,799,856	£1,853,924	£3,653,780	£10,961,340

* Note: The Surrey contribution in respect of Hope is Delegated Schools Grant (DSG) funded

13. The pooling of budgets would seek to provide value for money by ensuring services commissioned will reduce the need for more expensive care and support, by early intervention and prevention, enhancing the quality of life for children, young people and their families.

14. The Section 75 Agreement will enable all parties to realise the benefits of an integrated commissioning approach by pooling resources available for investment by the CCGs and the Council. This proposal will also support the delivery of key elements of the Council's medium term financial strategy.

Section 151 Officer Commentary

15. The report concerns the creation of an overarching s75 agreement to govern the creation and management of pooled budgets commissioning and integrating council and health services in Surrey. The agreement contains provisions governing the financial administration of the pooled budget, management of risks, variations to financial contributions and the achievement of efficiencies. The final form of the agreement will be agreed following advice from the s151 officer.
16. Approval is also sought to include emotional wellbeing and mental health services as the first service under the new agreement. This is a continuation of existing arrangements for CAMHS and HOPE services encompassing the budgeted council contributions of £1.8m outlined in paragraph 12. The inclusion of further services under the agreement will be subject to evaluation of the financial implications and agreed following advice from the s151 officer.

Legal Implications – Monitoring Officer

17. Under Section 75 of the National Health Service Act 2006, Health and Social Care organisations can make contributions to a common fund, to be spent on agreed projects or delivery of specific services or delegated functions. These arrangements are often referred to as 'Section 75 Agreements' or 'health act flexibilities'
18. Legal services are advising on the terms of the overarching Section 75 Agreements, which will cover all present and future services.

Equalities and Diversity

19. The use of the pooled budget to commission services will comply with the general duty imposed upon public authorities by the Equality Act 2010. Any case for change to services as identified through the relevant chapters of Surrey's Joint Strategic Needs Assessment will require consideration to be given to the potential impact of any proposals on the protected groups.
20. Prior to the recommissioning or decommissioning of services, an Equality Impact Assessment (EIA) will be undertaken to determine the impact on residents and staff with protected characteristics.

Corporate Parenting/Looked After Children implications

21. Looked After Children and those young people leaving care are amongst the most vulnerable and disadvantaged in our community. In order to ensure the best possible outcomes for them, it is a council priority that the right services and the right support at the right time, are provided. The Section 75 Agreement will enable Surrey County Council and the CCGs to meet this priority in the pooling of resources to commission and deliver targeted services to this vulnerable group.

Public Health implications

22. The Section 75 Agreement will enable the Council and CCGs to pool resources to commission effective services that enhance the physical health and emotional wellbeing of children and young people in Surrey.

Climate change/carbon emission implications

23. The recommendations of this report does not contain any significant climate change or carbon emission implications and therefore should not have a detrimental effect on the Council's approach to cutting carbon emissions and tackling climate change.

WHAT HAPPENS NEXT:

24. October 2013 - Surrey County Council's legal and CCGs legal teams to meet to begin negotiation on the section 75 Agreement.
25. January 2014 – Update Cabinet Member on progress on formal negotiation and preliminary discussions on the other schedules.
26. March 2014- The overarching Section 75 Agreement to be executed.

Contact Officer:

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Karina Ajayi - Children Services Commissioner (01372 833941)

Consulted:

Caroline Budden – Assistant Director - Services for Children and Safeguarding
Peter-John Wilkinson - Assistant Director and Head of Schools and Learning
Garath Symonds - Assistant Director Services for Young People
Mark Bisson - Directorate Head of Resources
Sean Rafferty – Head of Family Services
Andrew Goulston – Principal Accountant
Deirdre Linehan - Senior Principal Accountant
Paula Chowdhury - Strategic Finance Manager for Children, Schools and Families
Sarah Baker - Group Manager Childcare, Adults and Education - Legal and Democratic Services
David Kelly – Corporate Group Manager – Legal and Democratic Services
Zarah Lowe – Provision and Partnership Development Manager
Shelia Jones – Head of Countywide Services
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Mark Bounds Chief Officer NHS East Surrey CCG
Phil Orwin Chief Officer Guildford and Waverley CCG
Miles Freeman Chief Officer Surrey Downs CCG
Dr. Andy Brooks Chief Officer Surrey Heath CCG
Julia Ross Chief Officer North West Surrey CCG
Maggie Maclsaac Chief Officer North East Hampshire and Farnham CCG

Annexes: None

Sources/background papers: None

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