

BOARD OF DIRECTORS MEETING (Open)

Date: 11 July 2018

Item Ref: 07iii

TITLE OF PAPER	Contractual Arrangements between Sheffield City Council – replacement of the former S75 Agreement
TO BE PRESENTED BY	Mr Clive Clarke, Deputy Chief Executive, Director of Operations
ACTION REQUIRED	No action required as this time from Board– to note on-going progress and issues which require resolution

OUTCOME	-
TIMETABLE FOR DECISION	July 2018 Board of Directors meeting
LINKS TO OTHER KEY REPORTS / DECISIONS	-
STRATEGIC AIM STRATEGIC OBJECTIVE BAF RISK NUMBER & DESCRIPTION	Strategic Aim: A4 Value for Money Strategic Objective: A4.1 We will Improve The Productivity and Efficiency Of Our Services BAF Risk Number: A401 ii BAF Risk Description: Trust governance systems are not sufficiently embedded
LINKS TO NHS CONSTITUTION & OTHER RELEVANT FRAMEWORKS, RISK, OUTCOMES ETC	Corporate Risk 3718 - Risk of uncertainty around pension liability following the ending of the Section 75 agreement with Sheffield City Council
IMPLICATIONS FOR SERVICE DELIVERY & FINANCIAL IMPACT	No current implication to service delivery. The financial envelope and criteria for charging in 2018/19 are to be formally agreed between respective organisational financial leads.
CONSIDERATION OF LEGAL ISSUES	Legal advice is being sought with regards the pension liability. This has been delayed as a result of information required from South Yorkshire Pension and accessibility to their systems.

Author of Report	Dani Hydes
Designation	Interim Head of Contracts - SHSC
Date of Report	26 th June 2018

SUMMARY REPORT

Report to: BOARD OF DIRECTORS

Subject: Contractual Arrangements between Sheffield City Council (SCC) – replacement of the former S75 Agreement

Author: Dani Hydes, Interim Head of Contracts, SHSC

1. Purpose

<i>For Approval</i>	<i>For a collective decision</i>	<i>To report progress</i>	<i>To seek input from</i>	<i>For information</i>	<i>Other (please state below)</i>
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2. Summary

The S75 Agreement ceased in November 2016 and was replaced by the Supply Agreement (and associated schedules).

The Supply Agreement remained unsigned during 2017/18; however SCC issued a formal letter to underpin the contractual relationship, which satisfied the Trust's and our Audit requirements.

The deadline for signature remains the end of July 2018, however issues which are currently under discussion / require resolution are:

- Finalisation of the additional contractual clauses which were incorporated into the Supply Agreement. SHSC are reviewing, however are comfortable with the changes as they pose no risk to SHSC.
- Finalisation of the STEPs / S117 Reviewer and Building Successful Families specifications. These services will be novated and managed within the main Sheffield CCG MH and LDS Contract – with SCC as an associate.
- Agreement of the budget allocation within SCC for the designated integrated social workers. This is circa £2.4m. As a result of the recent community reconfiguration there is a desire to move away from the historic agreement around staff establishment, which gives both organisations, through mutual agreement, the opportunity to review and as appropriate change the skill mix in year to meet the demands of the services.
- The criteria for information sharing and charging – taking into account vacancies, charges for overtime and inflationary increases.
- The on-going debate and resolution of the pension liability. This has invoked a joint conversation with Sheffield CCG; as the staff who originally tupe'd over, and retained their SCC pension conditions, now work predominantly into SCCG

commissioned services.

There is also a wider discussion on-going with SCC to resolve outstanding debt issues, relative to the currently commissioned services and those services which SHSC have ceased providing.

For assurance both SCC and SHSC are clear that in the absence of a formally signed document, a contract is implied, and any termination of the joint arrangements, underpinned by the Supply Agreement, will require a formal 12 months termination notice.

To date SCC MH Commissioners have clarified that it is not their intention to move away from the integrated way that these services are commissioned.

3 Next Steps

- SCC to re- issue Social Worker Costs and associated budget availability in agreed format with SHSC - *by 6th July 2018*
- Once above received SHSC to ratify the costs and budget to mitigate any financial risk to the Trust. Sign off by Deputy Director of Finance – *by 31st July 2018*
- In line with the above, SHSC to closely monitor any overtime, agreed and at the request of the Trust, which will be charged for, over and above the budget (with consideration given to slippage surrounding staff vacancies). SHSC need to have clear lines of governance in place regards authorisation of overtime payments to staff, as part of the integrated teams, for social workers and nurses alike – *Clear operational policy in place by 31st August 2018 – monitoring of spend will be on-going in year.*
- SHSC to amend the Supply Agreement, following meeting with SCC Lead Commissioner to finalise clauses, although no material changes are expected which would adversely affect SHSC – *by 1st July 2018*
- Finance Schedule in the Supply Agreement to be amend to reflect the risk to SCC to underwrite and fund any inflationary increases, relative to employed social workers, to take account of pay awards, incremental uplifts and pay which exceeds the mid-point costing, to which the budget has been determined – *by 31st July 2018*

SHSC will aim to meet the indicative deadlines but achievement of those will also be determined by SCC and their timeliness to respond and seek legal advice / governance approval as necessary.

4 Required Actions

No Actions are required at this time from a board perspective. The above next steps (noted above) will be followed through.

The outstanding issue surrounding the pension liability, formerly linked to the S75 agreement, and other outstanding financial issues, are now under Executive to Executive resolution and will likely form part of, and be brought into negotiations, surrounding the joint SHSC / SCCG and SCC risk share (under the Memorandum of Agreement).

5 Monitoring Arrangements

SHSC regularly monitor the contractual relationships with SCC through the monthly Staff Supply Meetings (the social worker staff supply agreement and associated mgmt. overheads) and through the quarterly contract meetings to monitor the DACT.

Following novation to the Sheffield CCG main block contract, STEPS, the S117 Reviewer, Building Successful families and the Assessment and Care Management service will be monitored via the monthly Contract Management Groups (CMG) and escalated, if at all necessary and appropriate, to Contract Management Board (CMB).

6 Contact Details

Clive Clarke

Deputy Chief Executive/Director of Operations