

BOARD OF DIRECTORS MEETING (Open)

Date: 12 September 2018

Item Ref:

10

TITLE OF PAPER	Contractual Arrangements between Sheffield City Council – follow up paper from July 2018.
TO BE PRESENTED BY	Mr Clive Clarke, Deputy Chief Executive, Director of Operations
ACTION REQUIRED	No action required; this is a follow up paper from the Board paper dated 11 th July 2018 in line with the request for further detail surrounding the contractual arrangements with SCC.

OUTCOME	-
TIMETABLE FOR DECISION	September Board of Directors meeting
LINKS TO OTHER KEY REPORTS / DECISIONS	-
STRATEGIC AIM STRATEGIC OBJECTIVE	Strategic Aim: Strategic Objective:
BAF RISK NUMBER & DESCRIPTION	BAF Risk Number: BAF Risk Description:
LINKS TO NHS CONSTITUTION & OTHER RELEVANT FRAMEWORKS, RISK, OUTCOMES ETC	None
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	Head of Contracts - SHSC

SUMMARY REPORT

Report to: BOARD OF DIRECTORS

Subject: Contractual Arrangements between Sheffield City Council (SCC) – follow up paper (initial paper July 2018).

Author: Dani Hydes, 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>
		✓		✓	

2. Summary

With exception to the contracts for Opiates, Non Opiates and Alcohol services, the contractual arrangements with SCC are underpinned, currently, via the Supply Agreement. The Supply Agreement replaces the former section 75 contract, which was in place until November 2016.

As the Supply Agreement is still under negotiation – it is deemed commercially sensitive and has therefore not been attached to this paper. However can be circulated to Board Members once ratified.

Background

SHSC provides SCC's social care statutory functions relative to Adult Mental Health in addition to other specialist, early intervention, and self-management and preventative services.

These are detailed below and currently form part of the Supply Agreement:

Assessment and Care Management Services:

This is delivered under the statutory requirements of the Care Act 2014; these include social care assessment and care management services – inclusive of substance misuse assessment and care management services and the Approved Mental Health Practitioners service. The Supply Agreement specifies what is expected of these services, with the social workers delivering the service, however directly employed and seconded from Sheffield City Council. SCC retains the budget for the social worker staffing costs.

SCC contributes to a “hosting” management and admin charge paid directly to SHSC which equates to a value of £584k pa

Section S117 Reviewing Officer

This contract covers the review of social care packages for those individuals who are receiving “aftercare” under the provision of the Mental Health Act and supports the review, appropriateness and right sizing (where appropriate and necessary) of packages. The post is jointly funded by SCC and SCCG. This role has the potential to generate savings linked to the SCC/ SCCG joint QIPP. This role focuses on Adult Mental Health Provision and excludes (currently) Older Adults and Learning Disability Services.

Contract Value circa £30k pa

STEPS – Recovery Education Programme

This contract covers the delivery of the education programme which supports individuals with serious mental illness, through specific tailored training programmes, to remain independent, safe and well. This service is jointly funded by SCC and SCCG.

Contract Value £392k pa

Building Successful Families

This contract covers the provision of mental health specialists to work with SCC’s Multi Agency Support Teams (MAST) to help council workers support families, inclusive of those adults with mental health problems.

This contract is reviewed on an annual basis on the proviso that the funding is non-recurrent each financial year. To date, and based on early intelligence, funding will likely be in place until the 31st March 2020, but is currently under review with a 12 months’ notice period.

Contract Value £160k pa.

Contract Novation 2018/19

All of the contracts noted above are incorporated within the Supply Agreement; however during 2018/19 it is the intention to novate all of the contracts into the main Sheffield CCG Mental Health and Learning Disability Contract, and SCC will remain an Associate to that contract.

These services will then be jointly managed through the current governance arrangements, that being the monthly Contract Management Group (with SHSC, SCC and SCCG members) and as necessary concerns/issues escalated to the Contract Management Board (consisting of Executives from all three parties).

Sheffield’s integrated mental health teams (health and social care) already provide joined up support for those individuals with mental health needs. The decision to novate the service delivery and manage the provision under one contract will ensure all parties continue to support integrated working, and the benefits it brings to the population and individuals of Sheffield. Therefore SCC, SCCG and SHSC working jointly, and in partnership, on an extensive range of mental health services.

At the point of novation the Supply Agreement will be utilised solely as a contract to manage the seconded social workers, which will be underpinned by:

1) A formal secondment agreement with each staff member which outlines the terms and conditions for the secondment.

2) The Employee Protocol which will support the secondment agreement by setting out the arrangements for the management of the SCC Seconded staff (SHSC managers undertake the management role). The document refers to the policies and the procedures which underpin the secondment arrangements and cover, but is not limited to the following:

- Recruitment procedures
- Acting up arrangements
- Use of MyView (SCC local system to manage and record annual leave, sickness, expenses etc)
- Pay arrangements
- Discipline / Dignity / Respect at Work / Grievance
- Sickness Absence
- Capability and Performance
- Appraisal and Performance Management.

Note the Secondment Agreement and the Employee Protocol have been drafted, are final, and have been ratified for inclusion in the Supply Agreement (once finalised) by SCC's and SHSC's respective HR leads.

Other Contractual arrangements with SCC

Opiate / Non Opiate and Alcohol Services

The overarching objective of the opiate, non-opiate and alcohol services is to support individuals and their families to achieve a drug and/or alcohol free life through effective treatment in line with National Guidance.

This is achieved through the provision of a full range of appropriately delivered, recovery focused, quality treatment services which are appropriate for the diverse needs of all substance and alcohol misusing individuals:

Including those whom

- require maintenance, reduce consumption, those who desire abstinence, require harm reduction interventions, stimulant users, over the counter and prescription drug misusers, homeless and vulnerably accommodated Service Users, transient individuals, offenders and individuals presenting for treatment with co-morbid mental health problems and substance misuse issues (dual diagnosis Service Users).

These services are commissioned by Sheffield City Council through Drug & Alcohol Co-ordination Team and are all monitored through quarterly contract review meetings.

The current Alcohol contract runs from 2016-2019 (September 2019) at a value of £747k, Opiates from 2014-2019 (March 2019) at a value of £2,572m and Non Opiates from 2014-2019 (March 2019) at a value of £532k.

The commissioners have requested that the Opiates and Non Opiate contracts be extended to September 2019, in line with the Alcohol services. This is based on the intention to re-procure all three services during 2019/20.

The Trust has agreed to this in principle; however a solution for the remaining six months of the contract, relative to known cost pressures, April to September 2019, is still under review and negotiation.

3 Next Steps

As previously detailed in the paper of the 11th July 2018, however to update / provide a reminder:

Supply Agreement:

- SHSC to ratify the costs and budget to mitigate any financial risk to the Trust. Sign off by Deputy Director of Finance – *deadline has been adjusted to the 30th September 2018 following issues identified with incorrect staffing establishments in SCC. Therefore currently under query with SCC HR and commissioning leads.*
- 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 30th September 2018 – monitoring of spend will be on-going in year.* However to date this has significantly reduced based on quarter 1 charging.
- SHSC have amended the Supply Agreement and are awaiting SCC Legal team to review. *SCC comments expected by mid-September 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 – *This is to be linked with the ratification of costs and signed off by the Deputy Director of Finance.*

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.

Opiate and Non Opiates

- Negotiations regards the Opiates and Non Opiates services continue, linked to potential cost pressures identified for 2019/20. Regular updates will be provided via the appropriate governance routes as appropriate.

4 Required Actions

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

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.

6 Contact Details

Clive Clarke

Deputy Chief Executive/Director of Operations