



**Author/Lead Officer of Report:** Melanie Hall  
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**Report of:** *Lorraine Manley*

**Report to:** *Cabinet*

**Date of Decision:** *February 2017*

**Subject:** *Mental Health Social Care Functions*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>	
- Affects 2 or more Wards	<input checked="" type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? <i>Cate McDonald – Health and Social Care</i>		
Which Scrutiny and Policy Development Committee does this relate to? <i>Healthier Communities and Adult Social Care Scrutiny</i>		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(1190)</i>		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

**Purpose of Report:**

Sheffield City Council's contractual arrangement for four mental health services provided by Sheffield Health and Social Care NHS Foundation Trust (SHSC) will expire on the 31st March 2017. This Report recommends that the contracts for these services are continued but transferred into the Sheffield NHS Clinical Commissioning Group contract from 1<sup>st</sup> April 2017. This will mean that all mental health services with SHSC will be managed under the same contractual arrangement.

Sheffield City Council and Sheffield NHS Clinical Commissioning Group (CCG) are working increasingly closely on the commissioning of mental health services so that services for Sheffield people are more joined-up, efficient, and impactful. This is likely to involve pooling budgets for mental health and care services in the future, which would be the subject of separate report.

**Recommendations:**

It is recommended that Cabinet:

- Approve the principles for the commissioning of mental health services set out in this Report; and
- Approve the four mental health service specifications to be incorporated into the CCG contract with SHSC (using the arrangements put in place for the Better Care Fund).

**Background Papers:**

- *Mental health Strategy*
- *Health and Wellbeing Strategy*

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>Jane Wilby</i>
	Legal: <i>Sarah Bennett</i>
Equalities: <i>Liz Tooke</i>	
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>EMT member who approved submission:</b> <i>Lorraine Manley</i>
3	<b>Cabinet Member consulted:</b> <i>Cate McDonald</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	<b>Lead Officer Name:</b> <i>Melanie Hall</i>
	<b>Job Title:</b> <i>Strategic commissioning Manager Mental Health</i>
<b>Date:</b> <i>(Insert date)</i>	

## **1 Background**

1.1 Sheffield Health and Social Care NHS Foundation Trust (SHSC) provides Sheffield City Council's (SCC) social care statutory functions in relation to adult mental health. SHSC are also contracted to provide some specialist early intervention, self-management and prevention services. Historically these services came under a 'Section 75 Agreement', basically a partnership agreement between Sheffield City Council and SHSC. This agreement had become out of date and SHSC requested that it be replaced with more specific contractual arrangements.

1.2 The four contracts that are the subject of this report are discussed below.

### **Assessment and Care Management Services £584,962**

1.3 This contract covers the social care assessment and care management service – including substance misuse assessment and care management, social care assessment and care management, and the Approved Mental Health Practitioners service. These are statutory functions under the Care Act 2014. The costing of the service is based on the 16/17 total cost of the service.

1.4 The contract specifies what is expected from these services but the social workers actually delivering the service are seconded from Sheffield City Council to SHSC and the staffing budget for these workers is not included within the contract. The contract only therefore covers the overhead costs of SHSC hosting and managing the staff.

### **Section 117 Reviewing Officer Service £30,250**

1.5 This contract covers the review of social care packages for people who are receiving 'aftercare' under the provision of the Mental Health Act. The service is jointly funded by SCC and CCG.

### **Recovery Education Programme (STEPS) £392,676**

1.6 This contract covers the delivery of an educational programme, which specialises in supporting people with serious mental illness to remain independent, safe and well. The cost is based on the 17/18 indicative quotation from SHSC.

## **Building Successful Families £160,000**

- 1.7 This contract secures mental health specialists to work within the Council's MAST teams – helping Council workers to support families including adults with mental health problems. This cost estimate is based on the 16/17 contract value.
- 1.8 These four contracts totalling £1,167,888 per year are due to end 31<sup>st</sup> March 2017.

## **Strategic Context**

- 1.9 Sheffield is committed through its Health and Wellbeing Strategy to focus on early intervention, prevention, and recovery – and supporting more people to live their lives well in their own homes and play an active part in their community. The next few years will see local partnerships of community organisations, health services, and social care services increasingly working together on these goals.
- 1.10 This work will require closer working between partners and this report needs to be seen within this context. The recommendations to combine contracts are *part of* wider work to support more joined-up working, and to help people across the health and care system focus on the person needing support, not whether the service provided is delivered under a Council or CCG contract.
- 1.11 Over the coming months, there will be further work in this area, which are likely to lead to proposals to combine more significant health and care budgets for mental health so that 'who pays for what' does not get in the way of Sheffield people getting the care and support they need to live their lives.

## **2 PROPOSAL**

- 2.1 The current arrangements for the four contracts with Sheffield Health and Social Care NHS Foundation Trust (SHSC) were agreed by the Leader on the 26<sup>th</sup> October 2016.
- 2.2 It is proposed that the four SHSC services are continued into 2017/18 but incorporated into the CCG contract with SHSC from April 2017.
- 2.3 Note that this proposal is limited to these four contracts. No changes are proposed to the management of Sheffield City Council's mental health

purchasing budget, nor the staffing budgets for the SCC employees seconded to SHSC, although this will be kept under review.

- 2.4 Termination of this arrangement would be in line with the terms and conditions of the current (Better Care Fund) Section 75 between the Council and the CCG.

### **3 HOW DOES THIS DECISION CONTRIBUTE?**

- 3.1 Sheffield's integrated mental health and care teams already provide joined-up support for people with mental health needs - making sure that people do not get passed from pillar to post to access the care and support they need.
- 3.2 This decision will enable us to continue to support integrated working – with Sheffield City Council and CCG working jointly and in partnership with SHSC on the full range of mental health services.
- 3.3 This arrangement will also save considerable administrative effort in the Council, CCG and SHSC as the currently separate formal contracting and monitoring arrangements will be combined. SCC will become an associate to the CCG contract.
- 3.4 This will allow the Council, CCG and SHSC to spend more time on tackling a key challenge to the delivery of our mental health strategy – the issue of Council spending increasing when people are successfully supported out of restrictive mental health care settings (funded by the NHS) into more independent living settings (funded by the Council). These cost transfers have driven significant over-spends to Council budgets in the last two years.

### **4 HAS THERE BEEN ANY CONSULTATION?**

- 4.1 There is no obligation to consult on these specific proposals.

### **5 RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

#### **Equality of Opportunity Implications**

- 5.1 The EIA indicates that there is a low risk of negative equality implications. This proposal supports integration of health and social care which will lead to improved commissioning, planning and monitoring of services.

## **Commercial Implications and Financial Implications**

- 5.2 SHSC currently deliver mental health services on behalf of the Council. These arrangements end on the 31<sup>st</sup> March 2017.
- 5.3 This proposal reduces the risk of the health and social care economy being negatively affected.
- 5.4 This proposal forms part of the wider savings programme for mental health services over the next 5 years.
- 5.5 The four contracts for 2017/18 include a saving of £100,000. This saving is attached to the STEPS contract which has been renegotiated by Sheffield City Council, CCG and SHSC. Savings have been achieved by SHSC through efficiencies without a reduction in the quality or outcomes of the service.
- 5.6 Over the next 5 years further efficiencies will be identified, in line with our joint work on mental health commissioning.
- 5.7 The total cost of the four contracts is £1,167,888.

## **Legal Implications**

- 5.8 The Council has a number of powers and duties relating to mental health social care services under the Mental Health Act 1983, Mental Capacity Act 2005 and the Care Act 2014. In addition the Care Act 2014 provides the legal frame work against which care services must be provided.
- 5.9 Under the 2014 Act a local authority must exercise its functions with a view to ensuring the integration of care and support provision with health provision and health-related provision where it considers that this would—
  - (a) promote the well-being of adults in its area with needs for care and support and the well-being of carers in its area;
  - (b) contribute to the prevention or delay of the development by adults in its area of needs for care and support or the development;
  - (c) by carers in its area of needs for support, or
  - (d) improve the quality of care and support for adults and of support for carers, provided in its area (including the outcomes that are achieved from such provision).

- 5.10 The proposal to amend the Better Care Fund to include these mental health services will continue to ensure integration and to ensure that the Council meets its statutory duties.
- 5.11 Under Section 111 of the Local Government Act 1972 local authorities have the power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. This would include entering into contracts and other agreements.
- 5.12 The arrangements for integration will be included in a legal agreement (the “Better Care Fund s75 agreement”) under s75 National Health Services Act 2006 and associated regulations.

## **6 ALTERNATIVE OPTIONS CONSIDERED**

### **Option 1**

- 6.1 Seek to extend current arrangements to give officers time to consider alternative arrangements. Due to the implications on service delivery and HR implications time would need to be needed to complete all consultation and ensure a safe service can be delivered. A 12-month extension would probably be required. In addition to approval for the extension the Director of Finance and Commercial Services would also need to be prepared to waive Contract Standing Orders for this period.
- 6.2 This is not our preferred option:
- It would require the agreement of SHSC, which may not be obtained;
  - It is not in line with our commissioning intentions nor does it allow us to start to address the issue of cost transference;
  - Officers from both Commercial Services and Legal Services would need to review all of the details of any proposed extension to ensure that it did not breach the Public Contracts Regulations 2015 and they have already indicated that it may not be possible to extend the contracts for the period that would be required to allow for appropriate consultation, procurement and transition.

### **Option 2**

- 6.3 Allow the current arrangements to end on the 31<sup>st</sup> March.

- 6.4 There is not enough time to coordinate the delivery of the contracted services within the Council safely and in addition this proposal is inconsistent with commissioning intentions and the wider integration agenda.
- 6.5 The alternative would be to consider procuring a replacement service provider independently of the CCG. However, this would almost certainly require an extension of the current contracts in the short term to allow time for a legally compliant procurement process to be carried out. This gives rise to the same concerns as option 1.
- 6.6 This is not our preferred option because of the risk to the public and the Council.

### **Option 3**

- 6.7 Work with SHSC to return the social care function to SCC.
- 6.8 This would need to be in combination with option 1. This is not our preferred option as it would work against our commitment to providing integrated support for service users; and, would cause considerable disruption at a time when social care services are already undergoing significant change. This option will however be kept under review

## **7 REASONS FOR RECOMMENDATIONS**

- 7.9 Approval of the recommendations will enable the Council to work jointly with the CCG (utilising the Better Care Fund) to deliver the four mental health services currently delivered by SHSC directly on behalf of the Council.
- 7.10 This is the preferred option as it is in line with integrating health and social care and will enable:
- Increasingly joint commissioning with CCG e.g. joint commissioning planning and performance monitoring, opportunities for joint commissioning of other mental health services.
  - Transparent spending and costs across the mental health and social care economy
  - Reduced risk of unintended negative financial impacts on SCC and the CCG
  - Transformational changes to be more easily delivered



- Greater opportunities to attract external investment – integrated mental health budgets will make grant funding / transformation funding bids more likely to succeed

## Appendix A

# Sheffield City Council Equality Impact Assessment

**Name of policy/project/decision:** Future Commissioning of Statutory Mental health services

**Status of policy/project/decision:** Requires Cabinet approval

**Name of person(s) writing EIA:** Melanie Hall

**Date:** 23/12/16                      **Service:** Commissioning Services (Adult mental health)

**Portfolio:** Communities

**What are the brief aims of the policy/project/decision?**

### Proposal

On the 1<sup>st</sup> April SCC request that 4 services

- **Assessment and Care Management services** including substance and abuse, assessment and care management, and the Approved Mental Health Practitioners service. (delegated statutory social care functions)
- Section 117 **Reviewing Officer** Service
- **Recovery Education Programme** (STEPS)
- Building Successful Families

To be commissioned by CCG within the mental health NHS contract with SHSC. SCC will be as an associate to this contract.

### Background

The section 75 agreement between SCC and SHSC was replaced by contracts and agreements. As part of this new arrangement SCC entered into 4 contracts to deliver mental health services. The service contracts terminate 31st March 2017.

### What will the changes mean?

The changes will not have an immediate effect on the services offered to service users. Rather, the changes will affect the arrangements through which services are commissioned and contracted.

The changes will increase the scope for future efficiency and the development of best practice by working alongside the CCG. As a partner with the CCG the Council will have increased access to information to shape future services. Within the new joint commissioning arrangements with the CCG and contract agreement with SHSC the Council will ensure it takes the opportunity to address key requirements including information sharing, meeting the accessible information standard and all other equalities legislation.

Further EIA's will be submitted if required as a result of implementing any new agreement.

**Are there any potential Council staffing implications, include workforce diversity? NO**

There are no perceived equalities implications related to the proposals related to employees

Under the Public Sector Equality Duty, we have to pay due regard to: "Eliminate discrimination, harassment and victimisation, advance equality of opportunity and foster good relations." [More information is available on the council website](#)

Areas of possible impact	Impact	Impact level	Explanation and evidence (Details of data, reports, feedback or consultations. This should be proportionate to the impact.)
Age	-Select-	-Select-	
Disability	Positive	Low	<b>The 4 service contracts is the current agreement by which SHSC has delivers mental health social care on behalf of the Council.</b>  The proposed change will not immediately affect how services are directly provided. Through joint commissioning and contract management future changes will be jointly managed and developed.
Pregnancy/maternity	-Select-	-Select-	
Race	-Select-	Low	
Religion/belief	-Select-	Low	
Sex	-Select-	Low	
Sexual orientation	-Select-	Low	
Transgender	-Select-	-Select-	
Carers	-Select-	Low	
Voluntary, community & faith sector	-Select-	Low	VCF organisations are not expected to be affected by this change
Financial inclusion, poverty, social justice:	-Select-	Low	N/A
Cohesion:	-Select-	-Select-	N/A
Other/additional:	-Select-	Low	

**Overall summary of possible impact (to be used on EMT, cabinet reports etc.):**

The recommended proposal to transfer 4 SCC service specifications for SHSC to deliver mental health services into the CCG NHS Mental health contract.

If you have identified significant change, med or high negative outcomes or for example the impact is on specialist provision relating to the groups above, or there is cumulative impact you **must** complete the action plan.

**Review date:**            **Q Tier Ref**    **Reference number:**  
**Entered on Qtier:** -Select-    **Action plan needed:** yes  
**Approved (Lead Manager) Melanie Hall**                    **Date: Approved (EIA Lead person for Portfolio):** Liz Tooke; **Date:** 3.1.17  
**Does the proposal/ decision impact on or relate to specialist provision:** yes

**Risk rating:** low

## Action plan

Area of impact	Action and mitigation	Lead, timescale and how it will be monitored/reviewed
All groups, in particular disability (mental health)	Within the new contracting arrangements with the CCG and contract agreement with SHSC the Council will ensure it takes the opportunity to address key requirements including information sharing, meeting the accessible information standard and all other equalities legislation.	Melanie Hall, Commissioning  To be reviewed alongside completion of new agreement
All groups, in particular disability (mental health)	Further EIA's will be submitted if required as a result of implementing any new agreement.	Melanie Hall, Commissioning  To be reviewed alongside completion of new agreement