



Meeting: Overview and Scrutiny Board **Date:** 10 July 2013
Council 18 July 2013

Wards Affected: All Wards

Report Title: Acquisition of Torbay and Southern Devon Health and Care NHS and the commissioning contract for Adult Social Care

Executive Lead Contact Details: Councillor Christine Scouler
Executive Lead for Adult Social Care and Older People
01803 207318 christine.scouler@torbay.gov.uk

Supporting Officer Contact Details: Caroline Taylor
Interim Chief Operating Officer and Director of Adult Services
01803 207116 caroline.taylor@torbay.gov.uk

1. Purpose and Introduction

1.1 This report sets out how Torbay Council will deliver adult social care as a result of the NHS reforms and their impact on the NHS organisations within Torbay.

2. Proposed Decision

2.1 That Torbay Council's supports the acquisition of Torbay and Southern Devon Health and Care NHS by South Devon Healthcare NHS Foundation on the basis of the evaluation of the business case put forward by the Foundation Trust and, as such, adult social care provision should form part of the single Integrated Care Organisation.

2.2 That the Council seek to share and align resources with the NHS locally where it benefits our community.

2.2 Reason for Decision

To ensure that integrated health and social care model in Torbay is maintained and developed in the future for the benefit of Mrs Smith and her family.

Supporting Information

4. Position

- 4.1 Members will be aware that, in December 2005, Torbay Care NHS Trust and Torbay Council entered into an agreement whereby the Care Trust was commissioned by the Council to provide adult social care services. This led to the creation of the only fully-integrated health and social care trust in the South West with the Trust having responsibility for both the commissioning and provision of integrated health and social care services to people in the Torbay area.
- 4.2 The partnership agreement is set out in the Annual Strategic Agreement (ASA) which provides a commissioning framework for the Council by, amongst other things, setting out the financial inputs and the key performance targets for the year ahead. The Council remains accountable for the performance of these delegated statutory functions.
- 4.3 The partnership arrangements were established against the backdrop of the specific demographics of the area with Torbay having a higher population of older people than the national average and therefore more people requiring support and care from a variety of health and social care services. The Care Trust was created to remove the barriers that existed between these services, by co-locating staff and enabling them to work together to understand the whole needs of each client and patient, and to plan care accordingly. Single points of contact for all services and a single assessment process were created, so support could be put in place more quickly and efficiently and could be effectively monitored by multi-disciplinary teams of staff.
- 4.4 The recent NHS reforms have meant that a number of changes have had to take place within Torbay:
- (a) The separation of health commissioning and provider responsibilities meant that, on 1 April 2012, Torbay Care NHS Trust became the Torbay and Southern Devon Health and Care NHS Trust. As such it is a provider organisation responsible for community health services in Torbay and Southern Devon. However, it currently retains responsibility for commissioning and providing adult social care in Torbay.
 - (b) Government policy has been that there is a requirement that all NHS Trusts must become, or be part of, a Foundation Trust by April 2014 (although this timetable has been extended to April 2016 at the latest, to take account of the recent changes in the NHS). In May 2012, the Trust Board took the decision that, rather than continue the application process to become a standalone NHS Foundation Trust, the better option, and the best way of sustaining and developing the Torbay model of integrated health and social care, would be to join with another, bigger organisation that was already a Foundation Trust. The Trust Board have been working with its commissioners and the NHS Trust Development Authority on the process needed to agree an acquisition partnership with an existing NHS Foundation Trust.

- 4.5 A Pre-Qualification Questionnaire was issued in October 2012 and, by the closing date, one organisation (South Devon Healthcare NHS Foundation Trust (SDHFT)) had completed the documentation. Following evaluation, SDHFT was shortlisted to move to the next stage of the process and was asked to work up a full business case. In order for the acquisition to progress, a strong business case is needed to demonstrate value for money alongside continued patient choice and competition within the local healthcare community. A comprehensive plan would also be prepared detailing how the two organisations would achieve integration of all services.
- 4.6 A summary of the Business Case together with the evaluation report and recommendations is attached at Appendix 1.
- 4.7 The Council established a cross-party Adult Social Care Commissioning Working Group which has been involved in each stage of the acquisition process to ensure that the Council's views and interests are reflected. In developing the Commissioning Intentions document on which the Business Case was prepared, the Council has assumed a 3% cash terms reduction in the funding of adult social care. Generally, members of the Working Group have identified that as the two largest public sector employers in the area, the Council and local NHS organisations should continue to explore other areas where resources could be shared or aligned for the benefit of the community as a whole.
- 4.8 The Business Case has been subject to a range of assessments, as described in the attached Project Board evaluation report, and has included a presentation by SDHFT board members to the cross-party working party, followed by question and answer session, which was formally evaluated by the members of the group.
- 4.9 In a separate development, the Care and Support Minister (Norman Lamb MP) announced in May this year the Government's ambition to make joined-up and co-ordinated health and care the norm by 2018 with projects in every part of the Country by 2015. Expressions of interest were sought from local areas to become integration "pioneers" as a means of driving forward change at scale and pace, from which the rest of the Country could benefit.
- 4.10 An expression of interest has been submitted by the South Devon and Torbay Clinical Commissioning Group (CCG) which aims to build on the success of integration of health and social care in Torbay. The bid takes account of the synergies already in place and being developed between the CCG, the Torbay and Southern Devon Health and Care NHS Trust, South Devon Healthcare NHS Foundation Trust and Torbay Council (with its responsibilities for Children's and Adults' Services). Devon Partnership NHS Trust and Devon County Council have also been involved in the preparation of the bid.
- 4.11 In conclusion, the proposed acquisition of the Torbay and Southern Devon Health and Care NHS Trust by South Devon Healthcare NHS Foundation Trust is the next level of integration which will result in a strategic alliance for the benefit of local people. If the bid for pioneer status is successful, this will further enhance the pace and scale of the

delivery of a joined-up health and care system. Obviously, there is still detail to be worked on but strong commissioning will ensure that change is embedded.

5. Possibilities and Options

5.1 The Council could determine that adult social care should not be provided via the new vertically integrated provider trust as it does not believe that the Business Case is robust enough. If the Council took this decision, the current acquisition process would fail and the NHS elements of the Torbay and Southern Devon Health and Care NHS Trust would need to be re-tendered.

5.2 The Council would need to determine how it would continue to provide adult social care given that the Board of the Health and Care Trust has previously decided that it is not in a position to pursue Foundation Trust status itself and therefore the status quo cannot be maintained.

6. Fair Decision Making

6.1 An Equality Impact Assessment has not been carried out as the proposal will not impact on service delivery.

7. Public Services (Social Value) Act 2012

7.1 The Public Services (Social Value) Act 2012 is not applicable.

8. Consultation

8.1 The process to date has been in line with the requirements of the Strategic Health Authority and its successor organisation, the NHS Trust Development Authority.

9. Risks

9.1 The risks associated with the recommendation are that adult social care will become marginalised within a large vertically integrated NHS organisation. However, as noted above, the integrated health and social care model has been operating successfully in Torbay for a number of years and there are good local working arrangements and relationships between the Health and Care Trust, the Council and the Foundation Trust.

9.2 There is also a risk that, given the commissioning intention of a 3% cash terms reduction in funding for adult social care, services for local people cannot be maintained at the current level.

9.3 The proposed acquisition is still subject to approval by the NHS regulator (Monitor) and the Office of Fair Trading. If it is not approved by these bodies, the Council would need to determine how it would deliver adult social care in the future.

Appendices

Appendix 1: Summary of the Business Case, Evaluation Report and Recommendation from the Project Board

Additional Information

None