

**Meeting:** Overview and Scrutiny Board

**Date:** 15 June 2016

**Wards Affected:** All

**Report Title:** Annual Strategic Agreement 2016/2017 between Torbay Council, South Devon and Torbay Clinical Commissioning Group and Torbay and South Devon NHS Foundation Trust – Complete Version

**Is the decision a key decision?** Yes

**When does the decision need to be implemented?** As soon as possible

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## **1. Proposal and Introduction**

- 1.1 An early version of the Annual Strategic Agreement relating to Adult Social Care was approved by the Council in February 2016. However, due to the NHS planning cycle, at that stage the complete position across all NHS services was not available.
- 1.2 The complete Annual Strategic Agreement has now been produced following negotiations between the Council, the Clinical Commissioning Group and the Foundation Trust/ICO.

## **2. Reason for Proposal**

- 2.1 The Annual Strategic Agreement sets out the strategic direction which is designed to maximise choice and independence for those requiring adult social care and support in the context of an integrated care organisation. It sets out the objectives which the Council and the CCG require the Trust to meet and forms the basis on which performance can be monitored and managed.

## **3. Recommendation(s) / Proposed Decision**

It is proposed that the following recommendations will be made to the Council at its meeting on 21 July 2016:

- 3.1 That the Annual Strategic Agreement (ASA) between Torbay Council, South Devon and Torbay Clinical Commissioning Group and Torbay and South Devon NHS

Foundation Trust set out at Appendix 1 (and annexes 1 to 13) to the submitted report be approved.

- 3.2 That, to support the funding requirements of Torbay and South Devon NHS Foundation Trust for 2016/17 as identified in the ASA, the Council allocates £2.4m to adult social care on a one off basis to be funded as identified in paragraph 4.8 of this report.

The Overview and Scrutiny Board are asked to review the proposed Strategic Agreement and make any recommendations to the Mayor.

#### **4. Supporting Information**

- 4.1 The Annual Strategic Agreement has been prepared within the overall context of:

- The implementation of the Care Act 2014 – the most significant reform of care and support in more than 60 years and locally is one of the significant elements of delivery in 2015 across our local system
- The creation of the Integrated Care Organisation – as well as the success of being a national Pioneer and Vanguard for further integration and innovation
- The development of a new model of care
- The funding arrangements for the NHS and Adult Social Care – whilst there is welcome reform through the Care Act and the proposals in the Chancellors Autumn Statement, there remain overall pressure on the NHS and councils to provide safe and quality services with less resources.

- 4.2 All organisations are committed to working in partnership with the NHS, local authority, other providers and the third sector to develop the new model of integrated care for which Torbay and South Devon is renowned. This includes our commitment to drive integration to a new level, including further structural integration and extended organisational pathways between health and social care services.

- 4.3 The agreement makes reference to the Adult Social Care Outcomes Framework which is a national framework which provides the policy context for health and care. The majority of performance indicators associated with each domain will be measured monthly although several rely on annual or bi-annual surveys and they will be reported as national results become available.

- 4.4 The ASA outlines service development areas within the budget envelope provided by the Council and outlines elements of the work plan being undertaken by the Trust on our behalf in the next financial year as well as specifying roles and responsibilities and areas of risk. It aligns with the section of the corporate plan which sets out our aims to support vulnerable adults. Risks remain in respect of the scale of savings required, the stability and sufficiency of the independent market, the appetite and acceptance for change in this model of care by the community, the continuing pressures of DOLS (Deprivation of Liberty Safeguards), as well as the impact of specific operational pressures in the ICO.

- 4.5 As outlined in the Agreement there is an assumption that Section 256 monies will be incorporated into the Better Care Fund. There has been a difference of view between the Council and the CCG which, through mediation, has resulted in the

Council proposing to agree a greater contribution to the Better Care Fund in return for greater stability in future years.

- 4.6 The agreement of the funding for the ASA between the three partners to the ASA for 2016/17 has been challenging with all three partners facing significant funding pressures. To reach an agreed funding level for each partner in 2016/17 has required financial compromise from all three partners.
- 4.7 As part of the ASA the Council is requested to fund an additional £2.4m in 2016/17 to the ICO. The shortfall arises from two elements. Firstly the ICO has requested funding of £1.5m over the figure identified in the Risk Share Agreement. This funding to be one off and the Council will pay in future years the total identified in the Risk Share Agreement. (The total will be adjusted for any agreed changes such as impact of judicial review on care home fees relating to 2014/15 and 2015/16). Secondly the CCG have reduced the amount of Better Care Fund funding for adult social care by £0.9m which creates an ICO funding shortfall for the Council. The reduction in Better Care Fund revenue funding for social care can be offset, in part, by the use of the 2016/17 of the Better Care Fund capital allocation previously allocated as a capital grant for adult social care as identified in the table below.
- 4.8 It is proposed that the additional £2.4 million be funded from the sources detailed below:

<b>Budget</b>	<b>Amount</b>	<b>Note</b>
2016/17 balance of funding for 15/16 overspend	£0.8m	As part of 2016/17 budget, £2.5m was allocated to fund the predicted 2015/16 Council overspend. As the outturn position was better than forecast the balance can be released.
2016/17 Better Care Fund Capital Allocation	£0.5m	The £0.5m allocation for adult social care capital has now been included in the Disabled Facility Grant allocation which can be released. The DFG budget allocation in 2016/17 will be £1.0m in line with 2015/16.
2016/17 Social Care Contingency	£0.5m	The 2016/17 budget included a contingency for adult social care which can be released.
Care Act Reserve	£0.2m	The balance on the 2015/16 Care Act Grant which is part of ICO delivery can be released.
2014/15 Disabled Facility Grant underspend	£0.4m	The unallocated balance from prior year under spends in DFG expenditure from 2014/15 can be released. The Council and ICO will take an integrated approach to housing, care and support forward. DFGs are not part of the Better Care Fund.
	<b>£2.4m</b>	

## Appendices

Appendix 1: Annual Strategic Agreement

## Background Documents

None