

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**20 September 2018**

**Report of the Strategic Director for Children's Services**

**POOLED BUDGET FOR CHILDREN WITH COMPLEX NEEDS – (Young People)**

**1 Purpose of the Report**

To seek Cabinet approval for the continuation of an agreement with a pooled budget arrangement between the Council and the four Derbyshire Clinical Commissioning Groups – North Derbyshire, South Derbyshire, Hardwick and Erewash (the **CCGs**), to provide and fund support packages for children & young people with complex needs, for the period October 2018 to 30 September 2019.

To request that Cabinet delegate to the Strategic Director for Children's Services the authority to agree any further extensions to the agreement for periods of up to a maximum of two further years: to 30 September 2021.

**2. Information and Analysis**

Children & young people under the age of 19 with complex needs require input from a number of different agencies to meet those needs, including all or a combination of social care, health care and support for educational special needs.

In support of children and young people with complex needs, an agreement with a pooled budget arrangement between the Council and the CCGs, pursuant to Section 75 of the National Health Service (NHS) Act 2006 has been in operation since April 2013. Historically, a pooled budget arrangement with Health Partners - Derbyshire County Primary Care Trust - has existed since July 2010. The current Section 75 agreement is due to end on 30 September 2018.

The Section 75 agreement with a pooled budget arrangement has to date enabled funding allocations for complex cases to be managed in an efficient way in accordance with decisions made by a multi-agency monthly Complex Needs Panel (Children's Services, Adult Care, Virtual School and Health representatives)

The annual budget established in 2010 was £6,340,000 with a target to reduce care costs by 5% and reduce the considerable administration associated with this type of placement for both CCG and DCC officers. The agreement has been successful in containing costs, minimising bureaucracy and most importantly delivering timely specialist placements. The annual budget since 2013 has been £5,200,000, however, at the end of the financial year 2017/18, over-spend of £554,504 was reported.

The average cost of placements is increasing: in 2016/17 it was approximately £195,000 and in 2017/18 it was approximately £215,000. This cost increase has been driven by demand exceeding supply and the increasing complexity of the needs of the children. This cohort of children and young people are some of the most vulnerable in Derbyshire. The majority are children in care and experience a range of health and special educational needs that cannot collectively be addressed by local or ordinary services.

The Section 75 has been recognised by HMI, CQC and Ofsted as “successful” and “ensures a joined-up approach to the commissioning of services for those children who meet the local criteria of ‘high complex needs’” (Derbyshire Local Area SEND Inspection November 2016). There are approximately 28 children at any one time who benefit from provision funded by this pooled budget.

Partners to the arrangement share concerns regarding the quality of available information on support needs and provision particularly health information and placements are frequently made without input from CCG commissioners, although relevant health professionals should have been part of the individual case planning. There is not currently sufficient capacity within the CCG Children’s Commissioners or Designated Nurse for Children in Care to review each of the placements on a regular basis.

Approval of the Section 75 arrangement to continue for a further period of 12 months would maintain continuity whilst a review of the current processes takes place and enable due consideration of any future proposals.

Agreement has been obtained from the CCGs Clinical and Lay Committee (CLCC) for this Section 75 agreement to continue in its current form for a further period of 12 months, subject to a review of the processes. Formal approval by the CCGs will be sought from their Governing Body.

The CLCC is confident that the resources required to carry out the review and agree future options can be made available, however, if the review and subsequent proposals cannot be implemented within the 12 month period it is requested that Cabinet authorises that the Strategic Director for Children’s Services can agree that the arrangement continue for additional periods; up to a maximum of two further years. Any review and subsequent proposals will have to be in the best interest of, and in consultation with, children, families and stakeholders and allow time for evaluation and development of papers for consideration by Cabinet and CCG governing bodies.

### 3. Financial Considerations

The total Section 75 budget per annum is £5,200,000 p.a. of which Derbyshire County Council contributes £3,484,000 and the CCGs contribute £1,716,000, broken down in the table below.

| Contributions:   |        | £               |
|------------------|--------|-----------------|
| DCC              |        |                 |
| Social care      | 34%    | 1,768,000       |
| Education        | 33%    | 1,716,000       |
| Health           |        |                 |
| North Derbyshire |        |                 |
| CCG              | 13.22% | 687,440         |
| South Derbyshire |        |                 |
| CCG              | 9.86%  | 512,720         |
| Hardwick CCG     | 5.35%  | 278,200         |
| Erewash CCG      | 4.57%  | 237,640         |
|                  |        | <hr/> 5,200,000 |

This budget is 17.98% less than the original annual budget of £6,340,000 and the budget has not been increased for activity, complexity or inflationary growth.

However, at the end of the last financial year, an overspend of £554,504 was reported due to placement/support cost increases. The prediction for the 2018/19 financial year based on the current cohort (expenditure and placement end dates) predicts an overspend of £182,158. This does not take into account any new cases identified in the remaining months. Actions are ongoing by the DCC Children's Commissioning and Contracts Team to minimise any overspend through regular review of each placement.

The current agreement determines that any overspend of the pooled budget will be borne by the Council and the CCGs in proportion to their contribution for the financial year in question.

### 4. Legal and Human Rights Considerations

An agreement made pursuant to Section 75 of the National Health Service (NHS) Act 2006 allows arrangements for pooling resources and delegating certain NHS and local authority health-related functions.

Arrangements made by virtue of Section 75 do not affect the liability of CCG bodies or local authorities in relation to the exercise of any of their functions.

The Director of Legal Services is satisfied that, on the basis of the information contained in this report, the contract can be awarded in accordance with the Council's Financial Regulations.

The Director of Legal Services will advise in connection with the Agreement and with regard to any future proposals relating to this.

## **5. Human Resources Considerations**

The Authority will not need to employ any additional staff as a result of approval to the extension request of this Section 75 agreement with pooled budget arrangement.

## **6. Other Considerations**

In preparing this report the relevance of the following factors has been considered: Equality and Diversity, Health, Environmental, Transport, Property and Prevention of Crime and Disorder considerations.

## **7. Key Decision**

Yes

## **8. Call-in**

Is it required that the call-in period be waived in respect of the decisions being proposed in the report? No.

## **9. Background Papers**

Cabinet Report 24 November 2015.

## **10. Officer Recommendation**

That Cabinet gives approval for the Authority to enter into a Section 75 agreement with pooled budget arrangement with the four Derbyshire Clinical Commissioning Groups for a further period of 12 months, in order to provide and fund support packages for children & young people with complex needs, whilst carrying out a review of current processes and placements.

That Cabinet awards the Strategic Director for Children's Services authority to agree the arrangement continuing for a further period of up to two years if required.

**Jane Parfremment**  
**Strategic Director for Children's Services**