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Dear Member

OVERVIEW AND SCRUTINY BOARD - WEDNESDAY, 26 SEPTEMBER 2018

I am now able to enclose, for consideration at the Wednesday, 26 September 2018 meeting of the Overview and Scrutiny Board, the following reports that were unavailable when the agenda was printed.

Agenda No	Item	Page
4.	Urgent Items Adults Health and Care - Continuation of the Risk Share	(Pages 142 - 146)

Yours sincerely

Teresa Buckley
Clerk



Meeting: Overview and Scrutiny Board

Date: 26 September 18

Wards Affected: All

Report Title: Adults Health and Care - Continuation of the Risk Share

Is the decision a key decision?

When does the decision need to be implemented? 1 October 18

Executive Lead Contact Details: Cllr Julien Parrott, Exe Lead for Adults

Supporting Officer Contact Details: Caroline Taylor-Director of Adults and Housing, telephone (01803) 207336

1. Proposal and Introduction

- 1.1 The contractual and financial environment in operation in the local system since the formation of Torbay and South Devon NHS Foundation Trust as an Integrated provider of health and adult social care, is a multi-year block contract with a Risk Share Agreement, to which South Devon and Torbay CCG, Torbay and South Devon NHS Foundation Trust and Torbay Council are all parties. This contract at present sets the income level for the Trust for 2018/19 years and this level of income / expenditure is reflected in the respective plans of the CCG, Trust and Torbay Council.
- 1.2 The advent of Sustainability and Transformation Plans (STP) has required health and social care systems to work together to produce plans to deliver service and financial sustainability over the medium term.
- 1.3 The overall aim from this review is the continued development of the risk share arrangements in the community, including a review of delivery so far with a view to arriving at a place where the intentions and commitment of all parties is clear and negotiations start for the RSA which would need to be in effect from 1st October 2020.
- 1.4 This would require 3 way agreement and commitment to continuation of ASC contract and extension of RSA with the supporting financial framework effective 1st April. This secures continued investment in the integrated system since October 2015, and the contract for ASC since 2005. It is our intention that this would need to be negotiated and agreed by end of March 2019;

There is therefore a working assumption that minor additions/variations to the RSA may take place, which we remain open to, but all three parties remain with the agreement.

2. Reason for Proposal and associated financial commitments

- 2.1 Torbay Council is asked to set out its intention as a principle to continue to be party to a financial risk share for the provision of health and care in our community for a further period, currently considered as a 5 year period.
 - 2.2 At this stage this is a commitment in principle and if agreed officer of the 3 organisations will do detailed work on the improved outcomes and financial case to be brought back for consideration and agreement in Spring 2019.
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3. Recommendation(s) / Proposed Decision

- 3.1 That the Board considers the draft outline Memorandum of Understanding and the recommendation to the Elected Mayor that Torbay Council in principle commits to a further period of integrated care in order to improve outcomes for our community and officers are asked to continue the financial risk share as part of ensuring resources are used to best effect. Officers are asked to develop a detailed proposal for consideration and agreement by Torbay Council, Clinical Commissioning Group (CCG) and Torbay and South Devon NHS Foundation Trust (TSDFT) by March 2019.

Appendices

Appendix 1 draft Outline Memorandum of Understanding

**Draft Memorandum of Understanding for the continuation of the Risk Share Agreement
between the South Devon and Torbay CCG, Torbay Council and Torbay & South Devon
NHS Foundation Trust**

1. Background to current position

The contractual and financial environment in operation in the local system since the formation of Torbay and South Devon NHS Foundation Trust as an Integrated provider of health and adult social care, is a multi-year block contract with a Risk Share Agreement, to which South Devon and Torbay CCG, Torbay and South Devon NHS Foundation Trust and Torbay Council are all parties. This contract at present sets the income level for the Trust for 2018/19 years and this level of income / expenditure is reflected in the respective plans of the CCG, Trust and Torbay Council.

The advent of Sustainability and Transformation Plans (STP) has required health and social care systems to work together to produce plans to deliver service and financial sustainability over the medium term.

2. Aim

The overall aim from this review is the continued development of the risk share arrangements in the community, including a review of delivery so far with a view to arriving at a place where the intentions and commitment of all parties is clear and negotiations start for the RSA which would need to be in effect from 1st October 2020.

This would require 3 way agreement and commitment to continuation of ASC contract and extension of RSA with the supporting financial framework effective 1st April. This secures continued investment in the integrated system since October 2015, and the contract for ASC since 2005; It is our intention that this would need to be negotiated and agreed by end of March 2019;

There is therefore a working assumption that minor additions/variations to the RSA may take place, which we remain open to, but all three parties remain with the agreement;

3. Process

This process is being undertaken by the members of the Risk Share Oversight Group/Joint Executives. Representation was provided by:

CCG: John Dowell, Derek Blackford, Jo Turl,

Torbay Council: Caroline Taylor, Martin Philips, Anne-Marie Bond

T&SDNHSFT: Paul Cooper, Rodney Muskett, Mark Tucker, Ann Wagner, John Harrison

Recommendations when produced will be presented to the CCG Governing Body, Torbay Council and T&SDFT Board for approval.

4. Timeline

This paper was developed for approval through Organisations' Governance Processes in autumn 2018.

5. Context and Regulatory Framework

It is anticipated at present that the agreement would continue/be renegotiated in its present legal format but consideration needs to be given to NHS England consulting on a contract for Integrated Care, and any other environmental changes.

A review of the arrangements for Governance/oversight potentially with amendments to the current framework; It is anticipated that this would ensure that RSOG feeds into a fully functioning Joint Executive Committee, with oversight of transformation plans and delivery against the ambitions set out and would exist separately to each of the existing organisations own governance arrangements; for the Council and the NHS both provider and Commissioner.

6. Position Statement from each partner-to be confirmed

- a. **South Devon and Torbay CCG**
- b. **Torbay Council**
- c. **Torbay & South Devon NHS Foundation Trust**

7. Consideration of Alternative Contract form

The following contract options have previously been considered and may be reviewed against a range of criteria, aimed at balancing the various organisational imperatives, the desire to continue the strategic development of an Accountable Care Delivery System and the Regulatory environment:

- a. *Retain Current Risk Share Agreement – in the form of RSA2;*
- b. *Current RSA with Opportunity to expand RSA as strategy develops in support;*
- c. *NHS Integrated Contract;*

d. *National T&Cs, standard NHS contract;*

8. Financial Considerations

8.1 Each organisation to review context and assumptions for planning purposes with the expectation that this work will be completed by March 19.

8.2 Review of Original Business Plan and Delivery of Outcomes against Care Model

Work is being undertaken to review original assumptions and assess what has been achieved in improved outcomes and what challenges remain in a changing context

9. Appetite for Revision/Variation to Existing Risk Share Arrangements

Partners to the agreement would remain open to variations and these would be negotiated in the usual way and be open to other parties to the agreement, subject to the governance of the 3 parties all being open to the benefits other agencies could bring.

10. Recommendation- That the 3 parties seek to negotiate a continuation of the risk share financial mechanism for a further period 'based on best use of taxpayer pound' and continuing a commitment to integrated care as it seeks to benefits the health and care of our community.