



Meeting: Council

Date: 23 July 2015

Wards Affected: All wards

Report Title: Integrated Care Organisation - Update

Is the decision a key decision? Yes

When does the decision need to be implemented? October 2015

Executive Lead Contact Details: Councillor Julien Parrott, Executive Lead for Adults

Supporting Officer Contact Details: Caroline Taylor, Director of Adult Social Services, caroline.taylor@torbay.gov.uk

1. Purpose and Introduction

- 1.1 Subsequent to Council's support of an Integrated Care Organisation (ICO) at its 26 February 2015 meeting, Council are requested to provide financial support to enable the integration to be approved by the NHS. This is on the basis that the ICO would commence on 1 October 2015 and the agreed risk share would operate from that date.

2. Proposed Decision

- 2.1 That the purchase of the outstanding social care debt held by Torbay and Southern Devon NHS and Social Care Provider Trust be approved, subject to:
- (a) the Director of Adult Social Services, in consultation with the Executive Lead for Adults, being authorised to agree satisfactory safeguards with South Devon Healthcare NHS Foundation Trust in relation to the collection of the outstanding social care debt; and
 - (b) the Integrated Care Organisation (ICO) being approved by the NHS in a timely manner and the risk share commencing from 1 October 2015; and
- 2.2 That, subject to 2.1 above and the approval of the Capital Investment Plan Update (Outturn 2014/15) recommendation 2.7 (to be considered as a separate report on this agenda), the allocation of £461,000 to the Adult Social Care capital grant be allocated to the ICO to support the investment in integration with the expectation that the ICO will generate efficiencies and savings in future years.

3. Reason for Decision

- 3.1 For the NHS to approve the proposed Integrated Care Organisation, the NHS must accept a business case that shows the new organisation to be viable as an FT. Currently Torbay and Southern Devon NHS and Social Care Provider Trust hold approximately £3.2m of unpaid social care debt on their balance sheet. As part of that business case South Devon Healthcare NHS Foundation Trust have requested that Torbay Council “purchases” that debt from the Trust.
-

4 Supporting Information

- 4.1 Council and Health and Wellbeing Board have received a number of reports on the proposed Integrated Care Organisation. The latest report was presented to Council at its meeting on 26 February 2015.
- 4.2 The relevant Council minute from that meeting is below:

166 Strategic Agreement between Torbay and Southern Devon Health and Care NHS Trust and Torbay Council/Torbay and South Devon Clinical Commissioning Group

The Council considered the submitted report on the Annual Strategic Agreement which sets out the way in which Torbay Council and South Devon and Torbay Clinical Commissioning Group (the CCG) will commission services from Torbay and Southern Devon Health and Care NHS Trust and South Devon Healthcare NHS Foundation Trust on the basis that in 2015 both Trusts will be in the form of an integrated care organisation.

- 4.3 Work on the creation of the ICO has been progressing but has been subject to delays and the latest possible go live date is now 1 October 2015 but as yet the NHS (via MONITOR and TDA(NHS)) have not yet approved the final gateway for Integration. The council and the CCG as commissioners continue to believe that this model would deliver the best outcomes for our communities. The area remains a pioneer site for integration but has not had benefit of pump priming money to accelerate transformation from NHS England or other bodies. The unresolved issues which have lead to this further delay in a start date are due to a shortfall in financial pump priming monies for the transformation. The NHS FT have borrowed to enable this final financial last element to be put in place, the CCG are also providing a further cash injection to enable the scheme to commence. I.e. All commissioners and providers are equally challenged to find the required transformation investment, but are willing to do so to enable the benefits of the new care model to be delivered.
- 4.4 For the NHS to approve the proposed Integrated Care Organisation, the NHS must accept a business case that shows the new organisation to be viable under FT rules. Currently Torbay and Southern Devon NHS and Social Care Provider Trust hold approximately £3.2m of unpaid social care debt on their balance sheet. As part of that business case South Devon Healthcare have requested that Torbay Council “purchases” that debt from the Trust.

- 4.5 The outstanding debt is currently a total of £4.2m offset by £0.9m of a bad debt provision therefore the Councils purchase will be £3.2m (or whatever the value is on the date of the creation of the ICO). Although this debt relates to adult social care charges and any income and write offs form part of the pooled budget with the Trust, that the Council has a risk share arrangement on, this debt is Trust debt.
- 4.6 The Council currently acts as the Trust's agent on debt in that the Trust's invoices are raised by the Council and cash is collected by the Council prior to be passed over to the Trust. Some of the debt is linked to charges on clients property.
- 4.7 If the Council purchases the debt it will require a number of safeguards from South Devon Healthcare NHS Foundation Trust. These to include:
- Cash collected allocated to oldest debt first
 - Council has direct access to staff in ICO who collect this debt
 - Council can charge debt collection costs to the bad debt provision
 - If any of this debt becomes uncollectable (after the current bad debt provision) this cost forms part of the ICO risk share – i.e. Torbay takes 9% share of costs
 - Client debt raised from ICO "go live" date will be ICO debt
 - Purchase dependent on ICO happening, if not debt remains with Provider Trust

It is expected that these safeguards will be included in the Annual Strategic Agreement with the ICO.

- 4.8 In addition to the purchase of the Trust debt the Council may allocate the 2015/16 social care capital grant to the ICO to support the investment in integration with the expectation that the ICO will generate efficiencies and savings in future years.

5. Possibilities and Options

- 5.1 That Council declines to purchase the debt. This could weaken the business case which could result in the ICO not being approved by the NHS.

6. Fair Decision Making

- 6.1 Proposal discussed with local NHS bodies.

7. Public Services (Social Value) Act 2012

Not applicable

8. Risks

- 8.1 The debt becomes uncollectable which will be, in part, a future cost to the Council.

Appendices

None

Additional Information

Council report on Annual Strategic Agreement – 26 February 2015