

PUBLIC

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DERBYSHIRE COUNTY COUNCIL
CABINET MEMBER FOR YOUNG PEOPLE

2 February 2021

Report of the Executive Director for Children's Services

**POOLED BUDGET FOR CHILDREN WITH COMPLEX NEEDS –
(Children's Services)**

1. Purpose of the Report

To seek Cabinet Member for Young People approval for the continuation of an agreement with a pooled budget arrangement between the Derbyshire County Council (**DCC**) and Derby and Derbyshire Clinical Commissioning Group (**DDCCG**) to provide and fund support packages for children and young people with complex needs for the period 1 April 2021 to 31 March 2023, with the option to extend to 31 March 2024.

2. Information and Analysis

Children and young people under the age of 19 with complex needs require input from several 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 CCG, 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 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 original agreement was successful in containing costs, minimising bureaucracy and most importantly delivering timely specialist placements. However, there has been no inflationary increase in the budget over the last decade and the spend is not in line with the current budget. The actual spend for 2019/20 was £7.17m and had the budget increased each year in line with inflation, the 2010 budget would equate to £7.65m in 2019/20 - therefore demonstrating a real term reduction in costs.

The average cost of placements is increasing; in 2014/15 it was £3,653 per week on average. By 2019/20, this average cost had dramatically risen to £4,396 per week with a further increase in 2020/21 to £4,721 per week. This cost increase has been driven by demand exceeding supply and the increasing complexity of the needs of these 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 standard 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 30 children at any one time who benefit from provision funded by this pooled budget.

Partners to the arrangement regularly share concerns regarding the quality of available information on support needs and provision. One issue in particular is that the health information provided and placement decisions made are frequently undertaken without input from CCG commissioners; although relevant health professionals have been part of the individual case planning. The review identified insufficient capacity within the CCG Childrens Commissioners or Designated Nurse for Children in Care to review each of the placements on a regular basis.

As a result of the review DDCCG approved funding to commission two case manager roles to support and assure the complex cases process.

The operationalisation of these roles is currently being developed in line with the identified gaps, aiming to overcome the concerns highlighted and to build capacity to review placements more regularly. The review also highlighted opportunities for improvements in the procedures and these are being implemented as part of a revised Section 75 agreement.

Approval of the Section 75 arrangement to continue for a further period of 2 years (with an option of a third year) would maintain continuity and allow proposals and changes to be embedded to ensure the most effective use of this agreement.

Agreement has been obtained from the CCG Governing Body for this Section 75 agreement to continue for a further period of 2 years, subject to following and implementing the recommendations that are outlined in the review dated July 2020. Formal approval by the CCG will be sought from their Governing Body.

3. Financial Considerations

The total Section 75 budget per annum is now agreed at £7.2m moving forward.

Expenditure for the 2019/20 financial year totalled £7.17m. Based on spend to date (expenditure and placement end dates), a similar level of spend is projected for 2020/21. 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.

Contributions

DCC

Social care	34%	£2,448,000
Education	33%	£2,376,000

Derby and Derbyshire CCG

Health	33%	£2,376,000
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		£7,200,000

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

The current net budget allocated to the pooled budget by Children's Services for the Social care contribution is £1,768,000 and projected net spend is £2,436,000. The overspend has been highlighted in the budget

process and Children's Services budget monitoring report and will be considered as part of the budget setting process for 2021/22.

The Education contribution will be considered by Schools Forum as part of the budget setting process for the High Needs Block allocation within the Dedicated Schools Grant.

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 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

No.

8. Is it required that call-in be waived in respect of the decisions proposed in the report?

N/A.

9. Background Papers

Cabinet Report, 20th September 2018.

Section 75 Pooled Budget Review, 30th July 2020.

10. Officer Recommendation

That the Cabinet Member for Young People gives approval for the Authority to enter into a Section 75 agreement with pooled budget arrangement with the Derby and Derbyshire Clinical Commissioning Group for a further period of 2 years (with an option of a third year), in order to provide and fund support packages for children and young people with complex needs whilst carrying out a review of current processes and placements.

Jane Parfrement
Executive Director for Children's Services