



Derby City Council

COUNCIL CABINET
10 June 2015

Report of the Cabinet Member for Integrated
Health and Care

ITEM 9

Administering Personal Health Budgets

SUMMARY

- 1.1 As from April 2015, Clinical Commissioning Groups (CCGs) are expected to make Personal Health Budgets (PHBs) available for people with long term physical and mental health conditions.
- 1.2 In Derby, Southern Derbyshire CCG (SD CCG) will cover the Care Planning aspect of PHBs, and are looking to contract with Derby City Council (DCC) for the financial administration of PHBs. This will involve the Council overseeing the setting up of dedicated customer bank accounts, making monthly payments into those bank accounts, conducting quarterly reviews of customer spend against plan and reporting exceptions to SD CCG.
- 1.3 Initial discussions have identified a mutually acceptable business process that re-uses existing arrangements in DCC for managing Adult Social Care Personal Budgets.

RECOMMENDATION

- 2.1 To authorise the entering into of an agreement with Southern Derbyshire Clinical Commissioning Group for the Council to deliver a Personal Health Budget administration service on its behalf.
- 2.2 To give delegated authority to the Strategic Director of Adults, Health and Housing, in consultation with the Cabinet Member for Integrated Health and Care and the Director of Legal & Democratic Services, to negotiate the terms of the agreement with Southern Derbyshire Clinical Commissioning Group and to oversee the implementation of the service.

REASONS FOR RECOMMENDATION

- 3.1 It is cost-effective for the local Health and Social Care economy to re-use established processes and systems for this purpose.
- 3.2 This proposal mirrors an agreement being established for Derbyshire County Council to administer PHBs on behalf of SD CCG in the county.
- 3.3 The proposal represents an opportunity for Adult Social Care and SD CCG to move towards delivering a more integrated approach to supporting vulnerable adults in

Derby.



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Report of the Strategic Director for Adults, Health and Housing

SUPPORTING INFORMATION

4.1 Background

DCC already operates established processes for administering Direct Payments as a mechanism for customers taking control of their Social Care support. The process is that the Social Worker discusses the available support options with each customer and agrees with the customer how they will spend their Personal Budget. Where a Direct Payment arrangement is deemed appropriate, the Social Worker commissions the service with the Finance team who then set up and monitor the use of the Direct Payment. The Social Worker retains overall responsibility for the care arrangements and for conducting regular reviews of how well the arrangements are meeting the customer's needs. It anticipated that an analogous process would be suitable for managing PHBs.

4.2 Legal Framework

By virtue of section 1 of the Local Authorities (Goods and Services) Act 1970, the Council may trade in administrative back office services on a commercial basis with other public authorities. As creatures of statute, the National Health Service Commissioning Board and CCGs are public authorities, as is the Council.

- 4.3 Subject to Cabinet approval, it is anticipated that the CCG will in due course provide draft agreements (the PHB agreements as well as an overarching service agreement between the CCG and the Council) to give effect to the proposal, for approval by the Council.

4.4 Value of Contract

The following table illustrates the approximate people costs that the Council would incur in providing a PHB administration service.

No of PHBs	1-25	26-90	91 - 200	201 - 400
Finance charge/yr	£15,000	£15,000	£30,000	£60,000
Admin charge/yr	£0	£10,000	£10,000	£20,000
TOTAL	£15,000	£25,000	£40,000	£80,000

- 4.5 The value of PHBs that would flow through the Council's accounts as a result of this agreement is difficult to estimate as there is no history of providing PHBs. As an indication of the potential value, SD CCG has set aside £160,000 to fund PHBs for 2015/16 across their entire area.

OTHER OPTIONS CONSIDERED

- 5.1 The option of not cooperating with SD CCG in delivering PHBs has been discounted as the proposal offers an opportunity to move towards more integrated health and social care services in Derby.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Olu Idowu Toni Nash Liz Moore n/a Brian Frisby, Perveez Sadiq n/a
For more information contact: Background papers: List of appendices:	Colyn Kemp 01332 642634 colyn.kemp@derby.gov.uk None Appendix 1 – Implications

Appendix 1

IMPLICATIONS

Financial and Value for Money

- 1.1 The agreement will be cost neutral for DCC.
- 1.2 The PHBs to be administered by DCC will be funded by SD CCG. Funding for each customer will be provided to DCC by SD CCG quarterly in advance. DCC will pay customers 4-weekly in advance.
- 1.3 The people costs of administering the process will depend on the volume of PHBs:

No of PHBs	1-25	26-90	91 - 200	201 - 400
Finance cost/yr	£15,000	£15,000	£30,000	£60,000
Admin cost/yr	£0	£10,000	£10,000	£20,000
TOTAL	£15,000	£25,000	£40,000	£80,000

These figures were included in an outline process document submitted to SD CCG on 26 Feb 2015, which has resulted in the current request for DCC to enter into a contract to administer PHBs on behalf of SD CCG.

- 1.4 Subject to approval by Cabinet, all these costs will be detailed in the legal agreement with SD CCG.

Legal

- 2.1 In order for the Council to effectively administer and enforce the terms of the necessary agreements, the personal health budget agreements creating the legal relationship between the CCG and the customer would need to be tripartite in nature between the customer, the CCG and the Council. This will give the Council the ability to administer and enforce the agreement on the CCG's behalf. The agreements should also contain the necessary data processing consents to allow the Council to undertake the administrative obligations required of it, utilising the customer's personal data as appropriate.
- 2.2 Cabinet consent to the proposal will be required, and any such affirmative decision will be an executive key decision.

Personnel

- 3.1 SD CCG will initially fund additional capacity in the Homecare Charging and Support Team. As volumes of PHBs grow, the agreement will allow for further capacity in the Homecare Charging and Support Team and additional administrative capacity in Business Support.

IT

- 4.1 Additional budget codes will be required to account for the funds transferred to DCC to administer on behalf of the CCG. Additional service types will be needed in the social care case management system to track the activity. Any further IT Implications will be worked up as part of the final solution.

Equalities Impact

- 5.1 No Equalities impact identified but the people affected by the Personal Health Budgets are disabled people and older people.

Health and Safety

- 6.1 No Health and Safety impact identified.

Environmental Sustainability

- 7.1 No Environmental Sustainability impact identified.

Property and Asset Management

- 8.1 No Asset Management impact identified.

Risk Management

- 9.1 In order for DCC to manage and monitor PHBs on behalf of SD CCG, suitable Information Governance will need to be established to allow the sharing of personal information between all parties.

Corporate objectives and priorities for change

- 10.1 This proposal supports the following priorities:
- STRONG DERBY - Health and well-being
 - RESILIENT DERBY – Self-service