

From: Roger Gough, Cabinet Member for Children, Young People and Education
Matt Dunkley, CBE, Corporate Director of Children, Young People and Education

To: Children, Young People and Education Cabinet Committee – 28th June 2019

Subject: **Children and Young People’s Mental Health Services, funded by Kent County Council**

Classification: **Unrestricted**

Past Pathway of Paper: CYPE Cabinet Committee, November 2018, January 2019 and March 2019

Future Pathway of Paper: N/A

Electoral Division: All

Summary:

During 2017, Kent County Council (KCC) agreed to invest £2.6m per year into a new contract for an integrated Children and Young People’s Mental Health Service (CYPMHS) via a Section 76 agreement. Kent’s CYPMHS is delivered by the North East London NHS Foundation Trust (NELFT) with the contract management led by West Kent Clinical Commissioning Group (WKCCG).

This paper provides an update on the commissioning arrangements for the KCC-funded elements of CYPMHS, and associated Section 76 agreement. It sets out a series of actions that have been agreed with the contract lead, WKCCG.

Actions that have been taken include the following;

- Application of available contract sanctions
- Strengthened contract monitoring arrangements
- Implementation of a new shared case tracking system

A final decision on changes to the model and any associated new contract must be informed by a reasonable period of performance analysis through the new monitoring arrangements. This will be complete by Autumn 2019.

West Kent CCG are currently undertaking a financial audit to assess how North East London NHS Foundation Trust (NELFT) have spent the authority’s money.

Recommendation(s):

The Children’s, Young People and Education Cabinet Committee is asked to consider and comment on the report.

1. Introduction

- 1.1. The service model for mental health support for children and young people in Kent was developed and procured based on feedback from children and young people, consultation with partners and in line with the government strategy “Future in Mind”.
- 1.2. During 2017, KCC agreed to invest £2.65m per year into a new contract for an integrated Children and Young People’s Mental Health Service (CYPMHS) via a Section 76 agreement. The integrated service was agreed through both KCC and NHS governance and the procurement was undertaken as a collaborative process.
- 1.3. The CYPMHS is a county-wide service, delivered across the following pathways of care:
 - Mood and Anxiety Pathway
 - Behaviour and Conduct Pathway
 - Complex Pathway, which provides Evidence Based Therapy (EBT) for Psychosis, Gender Dysphoria, Bipolar Disorder, Complex Post Traumatic Stress Disorder, Harmful Sexual Behaviours and Complex Emotional Intensity Difficulties. Children in Care are treated in this pathway if their needs cannot be met within another pathway.
 - Early Help Pathway, which provides early intervention, resilience building and preventative interventions.
 - Neurodevelopmental and Learning Disability Team
 - All Age Eating Disorder Service, which provides EBT for anorexia nervosa, bulimia and binge eating disorder
- 1.4. The services are delivered by the North East London NHS Foundation Trust (NELFT) and KCC invests £2.6m annually into the NHS contract for the delivery of specific services, including Early Help and services for Looked After Children. The CCGs invest £13.8m per annum, giving a total contract value of £16.5m per annum.
- 1.5. Performance against the KCC investment sits within a context of wider performance for the CCG funded services. Demand for CCG funded services is approximately one third higher than anticipated during the procurement process.

2. Contractual Position

- 2.1. KCC funding is invested alongside the wider NHS funding and the service is commissioned and contracted by the NHS. In the original agreement, a partnership arrangement was established between KCC and the NHS, organised via a Section 76 agreement - a funding mechanism that enables joint commissioning, by allowing Local Authorities to invest into an NHS contract.
- 2.2. The contract management arrangements for the provision are managed by West Kent CCG, who have lead responsibility across the county.
- 2.3. The Section 76 agreement states that:

“The Coordinating CCG has agreed to use the Payments to deliver the Authority Services and in so doing the Coordinating CCG shall itself work closely with the North and West Kent CCGs and with the East Kent Managing CCG to ensure that the Consortium CCGs are satisfied that the Authority Services are provided in accordance with the Service Contract.”

- 2.4. The contractual arrangement with NELFT includes a broad service specification for emotional wellbeing and mental health services. This includes several principles which underpin different elements of the model, including, for example, Voice of the Child, delivery of a fully integrated Single Point of Access (SPA) and partnership working.
- 2.5. In order to be compliant with the regulations surrounding the implementation of a Section 76 agreement the NHS contract needs to have the ability to separate out the elements of the authority’s provision in that *‘before making a payment under Section 76, a local authority must be satisfied that the payment is likely to secure a more effective use of public funds than the deployment of an equivalent amount on the provision of local authority services’*. There is currently a dispute over two elements of the contract.

3. Current performance

- 3.1. As previously reported there have been concerns regarding the data monitoring system for the NELFT contract. A new system has been agreed between KCC Early Help and NELFT which will enable more robust scrutiny of the performance data provided. Implementation of this new tracking system requires changes to both the RIO case management system that NELFT use and the KCC Early Help system. These changes are currently being made by ICT teams and the new system is expected to be fully embedded in June 2019.
- 3.2. The below details the latest available performance information:

Indicator	April 18 – Mar 19 average	Apr-19	Percentage change
Early Help caseload (target 300)	106	187	+76%
Consultations	84	105	+25%
Liaisons	174	198	+14%

- 3.3. Although this shows that the service has not yet reached the 300 caseload targets, it demonstrates a clear improvement. It has been agreed that full analysis will be completed by the Autumn in order to judge whether this improvement has been sustained and the 300-caseload target reached.
- 3.4. In addition, it has been agreed that all Early help cases will be referred via the Single Point of Access (SPA). This had not previously been the case and was limiting NELFT’s ability to report accurately on both active caseloads and

outcomes. Training is in place with SPA workers on the new system and KCC are now invited to the technical contract monitoring meetings.

4. Progress on the Section 76 Arrangement

4.1. Following a review of the existing Section 76 arrangement, KCC has reached agreement with West Kent CCG on the key contract management issues. The actions below can be implemented within the existing Section 76 agreement but allow for a strengthened position for KCC:

- Confirmation that, whilst West Kent CCG remains the commissioner and contract lead for the overall NELFT contract, that KCC is the key stakeholder within the contract monitoring process for the KCC-funded services
- Agreement about the process for monitoring activity and outcome targets for the KCC-funded elements of the CYPMHS service. This is currently being implemented by NELFT and KCC's operational and ICT teams.
- Agreement to commission a financial audit of NELFT expenditure since the start of the CYPMHS contract – this will seek to demonstrate how and where the KCC-funding has been spent
- Agreement to use open-book accounting for the contract which will provide regular and on-going assurance about how the KCC-funds are being spent
- Agreement to apply existing contractual levers (e.g. Activity Query Notice, Contract Performance Notice etc.) to drive the required performance on areas such as provision of data – with the possibility to apply financial sanctions in the event of consistent non-compliance

4.2. These changes mean that:

- KCC will have clear oversight of the funding and performance of the Authority Services provided through the CYPMHS contract.
- NELFT are subject to contract sanctions if they fail to demonstrate adequate level of performance on any aspect of the KCC-funded part of the contract.
- KCC has access to timely, accurate and ratifiable activity data surrounding the authority services.
- KCC will have full assurance about how and where its contribution to the CYPMHS contract is being spent from month to month.

4.3. Final agreement on changes to the Section 76 will be made once the analysis of performance, outlined in Section 3 has been completed.

5. Conclusion

- 5.1. KCC has been clear with West Kent CCG that it has been dissatisfied with the implementation of the Section 76 and the performance of the NELFT contract in respect of Authority services. It has reflected this in payments to date.
- 5.2. Initial performance reporting shows improvement for the Early Help services, with an upward trajectory. However, this is yet to reach agreed targets and the improvement covers a limited time period to date.
- 5.3. KCC does recognise that NELFT is experiencing significant unanticipated demand in the CCG funded elements of this service. West Kent CCG and KCC have agreed a shared ambition to review the model, and following analysis of performance under the new monitoring arrangements, agree the most appropriate model. This could involve a new contract and associated Section 76 agreement, which would also enable a stronger activity-based contract.
- 5.4. The Cabinet Member has taken the decision to establish new contract monitoring arrangements and to end the existing Section 76. The first part of this decision has been implemented; the full implementation associated with the second part of this decision will be informed by the analysis of performance between Spring and Autumn 2019.
- 5.5. KCC must continue to work in partnership with the NHS so that it that can respond to the challenges that young people and their families face in relation to mental health.

Recommendation(s):

The Children's, Young People and Education Cabinet Committee is asked to consider and comment on the report.

<p>Report Authors Karen Sharp Job title: Head of Children's Commissioning Portfolio Telephone number: 03000 416668 Email address: Karen.sharp@kent.gov.uk</p> <p>Stuart Collins Job title: Director of Integrated Children's Services (West Kent and EHPS Lead) Telephone number: 03000 410519 Email address: stuart.collins@kent.gov.uk</p>	<p>Relevant Directors Stuart Collins Job title: Director of Integrated Children's Services (West Kent and EHPS Lead) Telephone number: 03000 410519 Email address: stuart.collins@kent.gov.uk</p> <p>Sarah Hammond Job title: Director of Integrated Children's Services (East Kent and CSWS Lead) Telephone number: 03000 411488 Email address: sarah.hammond@kent.gov.uk</p>
---	---