

Appendix 1 – Principles of Section 75 Agreement

The partners have agreed the following key principles for the new section 75 agreement:

1. **Principle A:** The partners agree that the scope and specification of the current Section 75 agreement should be replicated in the future agreement, with only factual inaccuracies corrected
2. **Principle B:** That the term of the new agreement will be three years (April 2025- March 2028) with the option to extend for a further two years (April 2028 – March 2030).
3. **Principle C:** In recognition of the direct staffing costs that MPFT are incurring, the Council will make a one-off payment of £1M in 2024/25 as well as meeting the cost of pay inflation. In recognition of this additional financial contribution, the cost of the overheads will decrease by £200k annually within the new agreement for its duration.
4. **Principle D:** The new section 75 will be revised to state that the Council will commit to funding staff pay inflation costs incurred by MPFT, which MPFT cannot meet via other means, up to the maximum value of 2%. In the event that pay inflation exceeds the maximum 2% amount, the Authorised Officers of each organisation (the Council's Director of Health and Care and MPFT's Chief Financial Officer) will meet to agree how this cost will be funded and/or how the service costs can be reduced to meet the available budget.
5. **Principle E:** The Section 75 will be updated to confirm that both partners are committed to implementing continuous improvements to productivity in order to offset pay inflation funding pressures.
6. **Principle F:** The Council will increase the value of the Section 75 by £630k annually to fund the direct staffing costs required to deliver the services.
7. **Principle G:** The Partners are committed to strengths-based practice and ongoing demand management in order to manage the numbers of people receiving care, to contain costs overall and ensure that any funding required for pay inflation is available.

8. **Principle H:** The Partners are committed to continuous improvement (e.g. use of digital solutions, streamlining pathways) to improve productivity to enable any increases in demand to be met within the current resource capacity.
9. **Principle I:** The new section 75 will be amended to include "triggers" which will require the parties to meet and understand how excessive growth in demand, changes in performance/quality, and/or increased resource pressures can be jointly managed.

The key terms of the existing Section 75 agreement will continue:

Term of Agreement / Termination	<ol style="list-style-type: none"> 1. Either Partner can choose to terminate on a no fault basis by giving six months notice at any point after the first 18 months. In the event of terminating for "no fault", the Partner choosing to terminate incurs all exit costs. 2. In the event of termination for breach of contract, the Partner at fault is responsible for exit costs.
Financial Contribution	<ol style="list-style-type: none"> 3. The financial contribution for the services is outlined in this cabinet paper. 4. There is the ability to make performance deductions of 5% for Occupational Therapy and 2% for Assessment and Support planning per annum for under performance
Primary Obligations	<ol style="list-style-type: none"> 5. The Council's primary obligation is to contribute funds. Whilst not a contractual obligation, the Council must also manage the agreement and administer the governance process 6. MPFTs primary obligations are to deliver the delegated functions in line with the specification and performance expectations; and transform the services in accordance with any future Transformation Plans, milestones and dates.

The Section 75 Agreement will continue to include a number of key terms that provide assurance to the Council that MPFT are delivering the delegated functions in line with the specification, and that these functions are performing well, are value for money and enable the Council to meet its statutory duties.

Joint Assistant Director of Adult Social Care	1. This role reports to the Director of the Health of Care and MPFT's Chief Executive and will have direct line management of adult social care staff.
Access to Data	<p>2. Both partners are joint data owners.</p> <p>3. The Council will not have access to health information.</p> <p>4. The Council will be able to access all social care data and information held on MPFT's systems, to enable it to deliver its statutory functions.</p> <p>5. In the event that the Agreement is terminated, MPFT will provide an electronic copy of all social care information held by MPFT to the Council to enable the Council to safely deliver services to people.</p>
Staffing lists	6. The Council will continue to receive monthly, anonymised, staffing lists documenting the job roles and salary of employees providing services and also quarterly "blended roles" staffing lists for roles supporting the delivering of services.
Direction clause	<p>7. The Section 75 will retain the Direction clause in the current Agreement. Recognising that the Council's Director of Adult Social Services (DASS) remains statutorily accountable for the services (this function cannot be delegated to another organisation via a Section 75). The DASS will have the right to 'direct' MPFT staff to deliver a priority or action. Where this "Direction" is required, it will be in writing (whether email or otherwise) and sent to the Joint Assistant Director of Adult Social Care who will subsequently direct staff accordingly.</p> <p>8. The Joint Assistant Director of Adult Social Care has the option to respond to advise the DASS</p>

	<p>why the Direction is not recommended but is still obligated to follow any Direction of the DASS.</p>
Step in	<p>9. The arrangements for “step-in” will be similar as is currently described in the current section 75.</p> <p>10. This assures the Council that it can deliver its statutory duties in the event that the Agreement is terminated, and a 6 month exit period is required; or there is a critical risk to the ongoing delivery of statutory services. The circumstances where “step in” apply and how this practically work is set out in the agreement</p>
Policy and Practice Guidance	<p>11. MPFT will continue to follow the Council’s policies and practice guidance in relation to adult social care to ensure consistency of adult social care across all client groups</p>
Performance Management	<p>12. The performance framework and management arrangements will continue in its current format. This will include:</p> <ul style="list-style-type: none"> • Major Performance indicators – in the event a Major PI is “red” and it is not corrected on completion of an agreed Remedial Action Plan the Council will have the right to terminate the Agreement. • Financial Deduction Indicators – in the event this indicator is “red”, the Council can deduct a financial contribution. • Core Performance Indicator – in the event a Core PI is “red”, the Council can require MPFT to implement a Remedial Action plan to improve performance. • Supplementary performance indicators - which are only produced where a core performance indicator is “red” to enable the partners to understand/analyse what is leading to the under-performance

