

Y BWRDD GWEITHREDOL

17 HYDREF, 2016

Datblygu Modelau Eraill ar gyfer Darparu Gwasanaethau Gofal Cymdeithasol i Oedolion – Y Wybodaeth Ddiweddaraf am y Prosiect

Y Pwrpas:

Pwrpas yr adroddiad hwn yw darparu'r wybodaeth ddiweddaraf am gynnydd datblygu Modelau Eraill ar gyfer Darparu Gwasanaethau Gofal Cymdeithasol i Oedolion, ynghyd â nodau dysgu allweddol a gwaith pellach y mae angen ei gwblhau.

Yr Argymhellion / Penderfyniadau Allweddol sydd eu hangen:

- Bod gwaith pellach yn cael ei wneud i ystyried y dystiolaeth o gwmnïau masnachu llwyddiannus a modelau darparu eraill yn y DU.
- Dylai'r ffocws presennol fod ar ein gwasanaethau gofal cymdeithasol mewnol i wella eu heffeithlonrwydd ac effeithlonedd o dan y trefniadau presennol.

Y rhesymau:

- Sicrhau bod yr hyn a ddysgir drwy gyfrwng y prosiect Modelau Eraill ar gyfer Darparu Gwasanaethau yn cael ei ddefnyddio a'i rannu ledled yr Awdurdod.
- Sicrhau bod unrhyw faterion sy'n deillio o'r prosiect yn cael eu hystyried a'u bwrw ymlaen gan yr adran.

Angen ymgynghori â'r Pwyllgor Craffu perthnasol - NA

Angen i'r Bwrdd Gweithredol wneud penderfyniad OES – 17 Hydref, 2016

Angen i'r Cyngor wneud penderfyniad NAC OES

YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO:-

Y Cyng. Jane Tremlett- Iechyd a Gofal Cymdeithasol

Y Gyfarwyddiaeth: Cymunedau

Swyddi:

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EXECUTIVE SUMMARY
EXECUTIVE BOARD
17TH OCTOBER, 2016

Development of Alternative Service Delivery Models in Adult Social Care Services – Project Update

Purpose of the report

The purpose of this report is to provide an update on progress in relation to the development of Alternative Service Delivery Models in Adult Social Care Services, together with key learning points and further work that needs to be completed.

Background and Context

The Council faces considerable financial challenges. As Adult Social Care is often one of the biggest budget spend areas, year on year efficiency savings fall heavily in this area. In response, the departmental management team wished to explore the opportunities offered by new delivery models, with the express intention of ensuring quality, cost effectiveness and the ability to respond to current and future demand.

The department recognised that new service models for individuals, communities and partners have the potential to deliver benefits and improve outcomes for service users. A cross departmental project team was established with representation from key managers and officers from operational teams in Adult Services, Legal, Finance and HR. The project team was supported through the process by consultants who had previous experience of developing alternative service delivery models within other local authorities. The project team reported progress to a project board which met on a monthly basis and which was attended by members of the project team, the Director of Communities and Heads of Service as well as the Executive Board Member for Adult Social Care.

Progress to date

The project team developed an options appraisal for services in scope to assess and recommend the future for these services that best fits the Council's requirements and ambitions. These services included:

- Residential Homes
- LD Respite Home
- LD Steps
- LD Social Centres
- MH Day Centres
- OP Day Centres
- Coleshill SC
- Domiciliary Services and Re-ablement

- Careline
- Extra-Care
- Shared Lives

The drivers behind the options appraisal were:

- Quality (e.g. Choice/Provider of Last Resort/Legislative requirements/partnerships/outcomes)
- Cost (e.g. Savings/Income/Growth)
- Governance and flexibility (e.g. accommodate new services/respond quickly to market changes)
- Acceptability to stakeholders (e.g. service users, carers, staff, partners and Members)
- Ability to transform services

The options appraisal considered a number of alternative service delivery models which included:

- Retaining services in-house
- Outsourcing
- A Local Authority Trading Company (LATC)
- Community Interest Company (CIC)

The options appraisal concluded that a Local Authority Trading Company (LATC) would best meet the above drivers and recommended that a Full Business Case (FBC) be developed to test and prove the net benefit of this option to the Council, its services and its residents.

A draft business case was developed which contained a number of assumptions. These included:

- **Halting the decline of current services**
The financial and demographic pressures on the current services have created a cycle of cutting costs and reducing service delivery. One of the key intentions through setting up of an LATC is to halt this decline. The services will be free to develop new services, sell to new customers, and invest in the delivery of high quality care and support.
- **Ultimate control and risk management:**
The LATC will be 100% publicly owned and controlled by the Council enabling it to ensure the Company maintains high quality management and delivery, delivers on the strategic intentions of the Council, plus invests or returns profits back to the Council as appropriate
- **Controlling Costs**
One of the reasons for creating an LATC is its ability to provide services in a more efficient and flexible manner, thus reducing costs and providing the Council with services at a lower price even after covering the costs of managing and governing a business of this size outside of the Council
- **Faster moving:**
The Company, by virtue of its size and focus, will be able to take advantage of new opportunities and make changes to its operations and services more quickly than it is currently able to being part of the much larger organisation, the Council.

- **More focused:**
From the Chair of the Board, down to the frontline staff, the only purpose for the company will be the care and support of their customers. This will give a real focus to everything that the company does and enable it to deliver services in a way that isn't possible within a much larger organisation.
- **Able to trade:**
The Council cannot currently 'sell' its services to private individuals. The LATC because it is a company, will be free to sell its current, and future new, services to:
 - Private customers
 - Direct Payment recipients
 - Neighbouring Councils
- **Able to expand:**
The LATC will be free to develop new services, such as for the growing demand for dementia support, and move into new markets, such as neighbouring councils. This is a real benefit that being a trading company will bring to CTC.
- **Management of the market:**
The LATC will be able to operate in the same market as the independent sector. This will allow the Council to retain a degree of management of the market, ensuring that future commissioners operate in a mixed economy of care with the Council, through the LATC expanding to become a more significant provider
- **Act as 'Provider of Last Resort':**
When an independent sector provider, such as a residential home, fails, the Council will be able to ask the LATC to step in as Provider of Last Resort to stabilise the situation and ensure the customers are safe. The Council will then be able, if appropriate, to ask the LATC to take over the failed service, bringing it up to standard alongside its other services.
- **Deliver on the Social Services and Wellbeing (Wales) Act:**
The LATC provides the opportunity to support the implementation of the provisions of the Act by virtue of having a rounded offering of services, for example being able to offer a service in response to people with personal budgets and supporting the provision of re-ablement services.
- **Quality of service delivery:**
A clearly defined commissioning relationship between the services and the Council will ensure a greater focus on the clarity of expenditure and of what services are required. This will result in an increased emphasis on the quality of service delivery in the Company which will drive up standards.
- **Quality of staff:**
The Company will be free to invest in developing its staff through the trading surplus it is expected to generate. The protection of staff terms and conditions would ensure that the company would be able to retain and develop staff.

Further Work to be undertaken

The business case was presented to a recent project board meeting, when a thorough discussion and evaluation of the document took place. The project team was asked to undertake a further research and evaluation of the above assumptions to ensure that they were valid. Prioritisation was given to the following areas:

- Completing a stress test of the above assumptions to ensure they are robust
- A completion of a population needs assessment to further inform the business case and future development of an LATC
- Further research to identify existing LATC's to examine how effective they are in improving services to customers and delivering efficiencies
- Further research on alternative service delivery models other than LATC that operate across the UK together with their effectiveness
- An evaluation of the potential impact on the LATC of the new Social Services and Wellbeing (Wales) Act
- Implications of impact of the development of an LATC on support services
- Development of a clearly specified service level agreement for commissioned in-house services
- A risk assessment of the potential impact on TECKAL compliance given the recent outcome of the EU referendum

Key learning points

A number of key learning points have emerged from the project. These will be used to inform the additional work which has been requested by the project board and where appropriate will be shared across the Authority. These include the following areas:

- The project scope should have been defined earlier on in the process. This would have focused resources and saved time
- Where clarity of purpose, roles and responsibilities as well as resources are in place earlier, the project is achievable
- A comprehensive engagement plan was needed at the start of the process
- It was felt that the Equality Impact Assessment had followed the correct process and was very detailed
- The cross-departmental working group approach worked well
- The project team meetings were successful and officers involved in the process were committed and delivered information to support the development of the business case when it was required
- The project planning and organisation of the project was effectively managed and the governance arrangements were also effective in ensuring that key decisions were made by Project Board.
- A more informed understanding of the benefits of the various models has been developed by the project team and a greater awareness of the process surrounding the project has been gained.
- A more detailed understanding of the service areas and how alternative service models could be used to develop and improve services has been developed
- Communication was undertaken with members both informally and formally and with the trade unions. Briefing notes were issued to keep staff informed.

- Further engagement should be completed with staff to enhance their understanding of the models.

Conclusion

Valuable lessons have been learnt in the development of this business case and there is clear potential in the future to consider the delivery of council services through alternative delivery models. However, more work should be taken forward in considering established models elsewhere in the UK. Any learning from this could be considered next year however, improving the efficiency and effectiveness of our own in-house services should be the priority over the coming months.

DETAILED REPORT ATTACHED?	NO
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IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: **Robin Staines** Head of Housing and Public Protection and Care and Support

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: **Robin Staines** Head of Housing, Public Protection and Care and Support

1. Scrutiny Committee - N/A
2. Local Member(s) - N/A
3. Community / Town Council - N/A
4. Relevant Partners - N/A
5. Staff Side Representatives and other Organisations Yes. Information bulletins have been circulated to staff and are held on the intranet. Discussions have taken place at the Departmental Trade Union Forum at various meetings

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THERE ARE NONE