WIRRAL COUNCIL

CABINET

10 DECEMBER 2013

SUBJECT:	**SOCIAL ENTERPRISE DEVELOPMENT - DAY SERVICES**
WARD/S AFFECTED:	**ALL**
REPORT OF:	**DIRECTOR OF ADULT SOCIAL SERVICES**
RESPONSIBLE PORTFOLIO HOLDER:	**COUNCILLOR CHRISTINE JONES**
KEY DECISION?	YES

1. EXECUTIVE SUMMARY

1.1 Cabinet committed on February 18 2013 to explore the possibility of an alternative delivery model, ie. a single social enterprise model across all day services to deliver the year two and three savings already agreed by the Council. This report updates Cabinet of progress and seeks agreement to proceed with the recommended option.

This report provides a detailed summary of five options available to the council. It provides an analysis of the options and identifies which of the options are feasible in terms of progressing to alternative models of delivery for day services in a timely manner.

The data relating to each element of the service has been identified and analysed in relation to each of the options. This was then incorporated into an evaluation matrix which can be found at Appendix 1 of this report.

During the strategic review it was identified that some options are not feasible for a variety of reasons including timescales and saving requirements. These are clearly identified at the end of each summary. The review identified that only two of the five options are feasible. .The caveat to this are that one option (1. Develop a stand alone Local Authority Trading Company or Social Enterprise) would require a longer development time which would negate making full savings in 2014. The other feasible option (2. Shared Services with a neighbouring authority) would require further exploration although this could be achieved relatively quickly and would therefore enable the Council to make the savings required also offer an improved service to the people who use day services.

This report seeks Cabinet agreement to develop the preferred Option 2 whilst enabling the proposal from the Parents/Carers Group in relation to the establishment of a Social Enterprise, to be developed further into a business case. The proposal will need to be reviewed taking into account best practice, service delivery implications and future sustainability, as well as being cognisant of the Council's statutory duties.

2.0 BACKGROUND AND KEY ISSUES

The budget option relating to day services was first published on 9 November 2012, as part of the What Really Matters consultation process. The feedback from this consultation was provided to Cabinet on 7 February 2013.

This feedback preceded Cabinet including the option in their budget resolution that was recommended to Cabinet on 18 February. Council took the decision to implement this budget option on 5 March 2013.

An officer proposal to close the large day centre at Moreton was developed and announced by the Director of Adult Social Services on 18 March 2013. Following further consultation Cabinet agreed in June 2013 to close Moreton centre and explore alternative delivery vehicles for the whole of Day Service provision.

The world of Adult health & social care is moving at pace driven by national directives, changes in the NHS, a challenging economic climate and rising customer numbers and expectation levels. The Families & Wellbeing directorate has set out how it intends to meet these challenges in the strategic commissioning document *'Shaping tomorrow: Wirral Adult Social Care Services Overarching Commissioning Strategy: 2012 – 2015'*, which has been endorsed by Cabinet. This document should be read in conjunction with the Targeted Support and Early Intervention & Prevention Strategies.

These documents explain how Wirral will move from its current model, which focuses on dependence and long-term care, (with some reablement, early help and prevention) to a model gives greater emphasis to early prevention and help and ensuring expenditure on long-term care is targeted on more specific and specialised need.

The demand for traditional day services provided by the Council has reduced by a third in recent years, reflecting the take up of alternative forms of support. Places at our traditional day centres have been left unfilled while at community, work based services such as Best Bites – there are waiting lists.

It is clear therefore, that any alternative service delivery model needs to allow transformational responses to changing demand

Options for alternative delivery models

1. **Stand alone Social Enterprise or Local Authority Trading Company**
2. **Shared Service with neighbouring Local Authority**
3. **Outsource to external market**
4. **Wholly owned staff mutual/co-operative**
5. **Retain in-house and downsize in order to achieve saving required**

In order to provide a full analysis of all options we conducted an evidence based strategic review to develop and evaluate options for a new delivery model for services, this including the following elements. The raw data used for analysis can be found as appendices to this report.

- HR Review covering the following elements:
    - TUPE implications
    - Pension implications
    - Staff Analysis – workforce profile
    - Employee liabilities

- Financial Analysis covering the following elements:
  - Costs of all services (inc staffing)
  - Building and utilities costs
  - Corporate Recharges

- Capacity and Demand to cover
  - Analysis of ***planned*** day centre attendance per day centre based on Swift provision data (Number of days and number of people) on a monthly basis going back to April 2010
  - Analysis of variations to planned attendance to provide a sense of overall ***actual*** attendance
  - Monthly analysis of total day centre attendees going back to April 2010
  - Analysis of current day centre attendance on a centre by centre basis summarising demographic details inclusive of:

    - Where people live
    - Age
    - Client Group

- Legal Implications of all four options
- Review of current market position for day services/daytime activity
- Current and future safeguarding demands and requirements
- Transport as an impacting factor on future models

Detailed Analysis

Option 1 – Local Authority Trading Company (LATC)/Social Enterprise Advantages

The Council has the power to trade under the Localism Act 2011 through set up of a company. It could trade through a company that it itself did not set up. Set up must be supported by a business case under other provisions of earlier legislation. Setting one up has costs resource and staff implications. Some reasons might be:

- A desire to establish an organisation's independence from the local authority and its partners.
- For the purposes of trading
- To attract funding which is not otherwise available to the local authority.
- The need to ring-fence funding.

Disadvantages

LATC's are likely only to have short term stability unless there is a robust Service Level Agreement (SLA) put in place between the Council and the LATC underpinned by sufficient funding.

Consideration needs to be paid to the fact that once the initial funding / SLA that was awarded via the Teckal route has lapsed or funding is reduced after an initial period there is a risk that LATC may not then be financially sustainable.

Balanced against the initial need for funding must also be the realistic prospect of the LATC delivering performance over and above the existing in house offer.

The development of a LATC in terms of governance and direction is crucial to its long term sustainability prospects. It would be necessary to consider how the Board of Directors is made up, what skills are required and whether the experience of external persons with particular business skills are needed to promote the LATC and seek out further business opportunities and developments.

Existing employees and Members may not have any or relevant experience in running a company or taking business decisions of the type that will be required for exploring and exploiting opportunities in the market.

Additional considerations

A Parents and Carers Group have proposed a model of developing a social enterprise, however this would not include the current workforce and further consideration needs to be given to this proposition. A full business case and proposal will need to be submitted by the group and will need further exploration with officers and Trade Union officials in relation to the HR implications, resources required and timescales for implementation and sustainability. .

This offers the potential of a co-designed service for the future which would enable a new and innovative approach to future services that provide greater community cohesion and capacity. It is recommended that this option is further explored and Parents/Carers are invited to submit a full business case and proposal within the same timescale as Option 2.

Option 2 – Explore a Shared Service with neighbouring Local Authority
Advantages

This option offers the greatest benefits for the council; it fits the strategic direction and has the potential to provide cost effective and streamlined services. Literature suggests that the main benefits of shared services can be cost savings, efficiency (of time and resources – through eliminating duplication of activity and sharing costs across organisations), agility (the dedicated unit is able to respond quickly to changes and new demands as it is semi-autonomous), improving overall service and the opportunity to share learning, technology and innovation.

The model of 'shared services' involves transferring responsibility for certain (usually non-strategic and administrative) activities from within an organisation to a separate 'shared services unit' that also manages similar activities for other organisations or teams. As the unit focuses specifically on a few narrow areas of responsibility, and is able to pool resources across the activities from a number of organisations or teams - it should be able to deliver them efficiently and competitively.

If a neighbouring authority has already set up a legal entity or company then a shared service route/partnership arrangement would need to ensure that any conditions to work inside of a certain boundary were 'baked into' the articles of association. These could be changed subject to shareholder consent and shareholders could decide to do this if they believed this to be beneficial.

The detail of this option would require further exploration with neighbouring LA's. Any shared frontline services still need to operate through a legal arrangement of some sort. The simplest models are where groups of employees might be directed or seconded to assist a neighbouring local authority. More complex models could be a company or limited liability partnership arrangement in which both the Council and another authority have joint control and to which employees are transferred.

The same issues around procurement arise and the same issues around trading considered earlier in this report apply if a new entity is set up.

Disadvantages

If a new entity is not set up, authorities will still need to consider the recharge arrangements that are to apply for staff secondment and use of other resources as both parties will want to ensure the arrangement operates fairly between them.

Secondment does involve management complications as employees will be engaged under different terms and conditions and different policies and procedures apply.

If a mutual company or other legal entity is in place this can be less problematic and the governance and board arrangements would be easier to implement given the legal status of the body. This would require a discussion over the nature of the relationship i.e. customer; provider or shared services, or partner joined up working. With shareholder consent; new entrants should be possible by adapting the relevant governance documents and contracts, all of which are possible but would need exploration.

Additional considerations

Therefore it would be prudent to explore all options in this area such as joining an existing organisation/local authority, as stakeholder or strategic partner, which may provide more pragmatic solutions.
This option is feasible, it requires some further exploration but it is the timeliest option. A shared service model has the potential for the saving to be made within the required timescale, but would also offer greater opportunities for improved services in a more innovative and creative way.

Option 3 - Outsource to external market

Advantages

A Market Position Statement (MPS) has been recently undertaken by the department to establish the provision of health and social care services across the borough. The advantage of putting services out to the market means that, potentially, there is greater choice and opportunities for people. This is of course dependant upon the availability of appropriate services within the market.

Disadvantages

There is currently limited availability in relation to day services. Wirral council currently has no contracts in place for external Learning Disabled day services. Operational colleagues currently spot purchase and negotiate day service costs with providers on an individual basis; this is then formulated into a service agreement on an individual basis. Access to the market in relation to these services is somewhat sporadic and patchy at present and in order to undertake this option would require a large scale commissioning and procurement exercise. The council would need to continue to run existing services alongside this exercise to ensure continuity of service for people. This would negate any savings already identified.

TUPE will also apply to this option; this may discourage some smaller providers from bidding for services but may be attractive to larger providers who would be in a position of extending their business and inheriting a ready made workforce. Pensions would continue to be an issue, as the council may need to purchase bond to underpin pension provision this would be an additional cost to the council.

The only instance where TUPE would not apply is in the event of the services being broken down and fragmented and therefore there would not be a direct transfer of service applicable to TUPE regulations. However this would not be a cost effective method of commissioning services and would not be a viable option.

On any externalisation project it is possible, but not necessarily logical, for the Council to consider accepting an in-house bid but it is not compelled to do this. Logically once a decision to outsource is made then the business case for that decision will have been made which would render an in – house bid impractical. Groups of employees might however want to form a social enterprise that is then in a position to bid. The business case for externalisation should be robust and well documented and evidenced. The Project Board would need to review it throughout the process as costs positions may change.

For all the reasons stated above this is not a feasible option.

Option 4 - Wholly owned staff mutual/co-operative

Advantages

One of the key benefits to this model is that they are owned by the members, not external shareholders, and they exist to serve their members, whether they are the customers, the employees or the local community

Members have an equal say in what the co-operative does. So, as well as getting the products and services they need, members help shape the decisions their co-operative makes co-operatives/mutuals share their profits among members, rather than rewarding external investors.

It is possible that people might choose to take independent budgets and pool them to run a social enterprise providing health and social care services. That would be an entirely independent exercise unrelated to current service provision and on which they can take their own advice.

Disadvantages

The Council cannot impose a staff mutual / co-operative model. A staff mutual is one model that might emerge either in stepped changes out of an LATC with the Council gradually transferring shares over to staff and allowing them some type of profit share through dividends realised by the LATC or through employees forming a mutual to take over the services in an externalisation process. A true mutual, the John Lewis Model for example, is an employee owned enterprise.

Stepping down from full ownership there are entities that have significant employee / stakeholder ownership but are not 100% employee owned and in which employees may not have a controlling interest. Those entities will not be within the Teckal exemption and would therefore have to compete like any other vehicles for Council contracts.

Personal budgets are subject to rules in relation to usage but there may be creative opportunities those groups can explore. However if a group wanted to take over an existing service then that would entail taking on employees and pension costs and would also trigger a procurement exercise. There would be the use of Council owned assets to consider. This would not be a community asset transfer. IT is important to remember that the Council has a statutory duty to meet assessed needs.

Additional considerations

Under the Localism Act 2011 (Section 81) the Council must *consider* any expression of interest (EOI) put forward by two or more employees (or by other relevant bodies) to run a 'relevant service'. However there are some services excluded from this right.

One of the excluded services is a ***'relevant service commissioned or provided by a relevant authority in respect of a named person with complex individual health or social care needs'***

Although some of the services may be of a generic nature they are related to persons who have been assessed as FACS eligible and will form part of a care plan for that person so employees could not express an interest in those specific elements. The EOI would need to be at a general level and being at such a general level it may not meet the requirements of the service the Council wants to provide to meet statutory assessed needs. The issue of an EOI does no more than trigger a procurement exercise if the EOI is accepted.

The same process of consideration of an EOI and the same exceptions apply to those put forward by (i) a voluntary or community body or a body of persons or (ii) a trust established for charitable purposes only. In this particular context it would be open to parents/ carers to form a group that might then express an interest. If parents/ carers express an interest then they cannot apply to run a service commissioned for a named person with complex social care needs and an EOI only triggers a procurement exercise.

For all the reasons stated above this is not a feasible option.

Option 5 - Retain in-house and downsize in order to achieve saving required

If options 1-4 were to be viewed as either not feasible or sustainable options, the council would be required to consider reversing the earlier decision by members to provide an alternative delivery model for day services. However, the savings agreed would still need to be made given the councils financial position. Therefore in order to achieve the savings the current service would need to be reduced/downsized.

In February 2013 Cabinet and Council instructed officers to develop options for an alternative delivery model for the whole of Day Services. This was agreed in order to make the £2 million saving over a three year period. Therefore, the option of ‘Business as usual’ is not feasible or possible as in its current format the achievement of saving would not be made. The only way to retain services in-house would be to downsize in order to make the saving. This would equate to the closure of one large centre or two small centres.

As the provision of day services is not a statutory requirement this is possible. However the council does retain its duty to meet assessed need so in order to reduce the capacity at centres there would need to be a full reassessment of all people currently using services in order to identify alternative services to meet any assessed need.

There would also need to be a reduction in staff equating to approx. 30-35 full time equivalent posts. Given recent changes to the organisation it is highly unlikely that this number of staff could be successfully redeployed and therefore this option could result in compulsory redundancies, which would need to be given consideration, should this option be agreed.

For all the reasons stated above this is not a feasible option.

3.0 RELEVANT RISKS

3.1 Failure to modernise the service currently offered would leave the Council at significant risk of providing services and operating buildings that are not sufficiently used. The current model of operating services from large buildings is deemed unsuitable for future requirements.

The Council is required to maximise the value for money it achieves for all services, a priority which is especially vital at the moment given the financial situation the authority is facing. Failure to achieve savings in this area, while still ensuring people who are eligible receive the services they need, would leave the Council facing a significant financial risk.

Should one of the options (1-4) not be agreed then the only alternative would be to retain in house provision and downsize in order to make the saving. This would equate to the closure of one large centre or two smaller centres.

If the LATC is obliged to purchase services from the Council such as IT / payroll / legal then there is the prospect that the Company is in fact set up to fail as it is being denied freedom of choice in taking essential business decisions. If there is no such requirement but simply the option then there is an impact on those services and the costs burden on the authority. Current recharge arrangements tend to operate not on a true market basis but on a cross subsidy arrangement.

4.0 OTHER OPTIONS CONSIDERED

4.1 See section 2

5.0 CONSULTATION

5.1 Several full public and staff consultations have been carried over the past two years in relation to this work. Once recommendations have been agreed in relation to this report, a staff consultation of 45 days will commence.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 There are no negative impacts in relation to any of the options for the VCF. However, there are potential opportunities for the VCF sector to become involved with several options, particularly should the option to outsource be agreed. It would provide business opportunities for organisations to diversify their offer in relation to services offered.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

7.1 HR Implications

TUPE legislation will apply equally to each option. All Terms and Conditions of employment (including pension rights) are protected by TUPE in a transfer.
Pension provision will vary for each option. An actuary service will be commissioned (at cost) to advise of all implications regarding the transfer of pension.
The new employer must make provision to ensure the transferred employee receives pension rights equitable and comparable to the existing pension agreement.

TUPE applies in two sets of circumstances:

a. When there is the transfer from one organisation to another of an economic entity that retains its identity. An economic entity is defined as “an organised grouping of resources which has the objective of pursuing an economic activity, whether or not that activity is central or ancillary”; and / or

b. Where a specific employee or dedicated group of employees provide a service to a client, and the identity of the service provider changes. The change in service provider may be from ‘in house’ to a third party provider (which may include another public sector body); from one third party provider to another; or from a third party provider back ‘in house’.

TUPE generally applies where a public authority outsources its service delivery, provided the conditions set out in paragraph 2 above are satisfied. As there is a dedicated group of employees working on the activities to be outsourced then TUPE will apply

HR/Staffing implications

Any employees transferred to the LATC would be protected by the TUPE regulations. The LATC would also need to provide a broadly comparable pension scheme.

In practice the LATC would apply to be an admitted body of the LGPS. The pension risk and liability need to be established. The usual position on an LATC is that cost and risk will remain with the Council and the Council would provide a guarantee against pension contribution default so there is no saving on employee costs in the short term. Longer term there will be savings for the council through natural wastage, when the LATC would recruit staff externally on different terms and conditions reducing impact on pensions.

Benefits of LATC's are that they can attract other sources of funding and trade commercially so generate an income. The decision as to whether or not to set up a company with a view to trading should be evidence based one. The evidence should look at what the prospects are, not simply the history and a keen appreciation of market position is required.

In the case of the Adult Social Care sector there will be some service users who do not come via an assessment of needs. They will self – refer so there may be people who are not FACS eligible for services but nevertheless want to use services. Yet again persons may find that Council service provision does not really meet their needs and they use their independent budget to pay for services from the private sector. These strands together provide some opportunities for an LATC as there are potentially some users using private sector providers whereas if the Council could trade more flexibly – as it can through an LATC- then it may pick up other users and adapt services much more readily

There are disadvantages which include:

- Public scrutiny of accounts as companies are registered vehicles.
- Personal Liabilities of those taking on director responsibilities ;
- Set up costs
- Conflicts of interest between directors who owe duty to the Company as matter of law but may be Council officers/ members
- Ongoing filing requirements at Companies House and regulatory requirements
- Inflexibility as compared with other alternatives such as straight externalisation because the control is with the Council that may be perceived as part of a problem not part of a solution.

Contracts betweens LATC and the Council

Any contract would need to be of sufficient duration to assess the efficiency of the model. A period of 3 years is suggested as a minimum for what would be equivalent to a start up company.

The terms of the contract need to pay careful attention to the rules governing State Aid so there is no subsidy that creates an imbalance in the market place. If, for example, the LATC were to have use of Council buildings then it may be necessary to set a market rent which may or may not be equivalent to current internal recharge rates.

The LATC may require some services that are currently provided in house such as:

- Buildings maintenance (Fire alarm testing; community patrol; cleaning)
- Pay roll service and HR advice
- IT systems

Not all services are gong to be used equally across current service delivery. For example there may be very little HR input or very little asset maintenance. It may not be cost effective to require the LATC to use the services of the Council if it could in fact purchase equivalent services or better at a better rate.

The purchasing of services will need to be carefully considered – especially in relation to IT. If buy back is envisaged then this ought to be factored into the set up arrangements.

It should be noted that whether or not buy back takes place, there will be an effect on other services within the Council. For example if buy back of HR and payroll did not take place then the corresponding reduction in HR and payroll work would be expected to lead to greater capacity in the HR and payroll services for example and potential reduction in posts required in this department.

If buy back does take place would that be more or less likely to contribute to success of the venture. There would need to be a robust exit strategy developed as part of the initial business case if at the end of the initial SLA the LATC still needs services but is not in a position where it can procure immediately on termination or is faced with higher recharges over which it has no control so it is locked into a position unlike other competing organisations.

One possibility in setting up a LATC is to consider employee representation at Board level. This may give some sense of employee ownership. It will be for the employees to decide if that is more appearance than reality and consider if taking on a role that may bring personal liability without any real power is one that should be undertaken. Any employee in this position would need to take independent advice and there would be a cost implication to them. The Council might want to consider if it was going to contribute to legal costs.

The future of Corporate Shared Services themselves are not yet finalised and consideration would need to be given to whether the day services model could be incorporated into this in future under a shared services model (option 2)

Financial Implications

As all of the options outlined are subject to TUPE regulations and legislation there will be costs to the council including actuary costs and the underwriting of pension bonds.

- The 2013-16 budget savings include £2.000m from transforming In-house day services, phased £0.750m 2013-14; £0.750m 2014-15 and £0.500m 2015-16.
- The 2014-15 saving has already been delivered by restructuring. The 2013-14 savings calculation assumed the restructure would be in effect 1st April 2013. Because of redundancy delays due to HR processes a £0.440m demand on the Slippage Fund has now been made
- Option 2 appears to offer the prospect of achieving the balance of the savings requirement, though further detailed financial analysis is required. The following factors need to be borne in mind:
- The net 2013-14 budget for the provision is £5.722m. This includes £1.5m of corporate and internal recharges. To achieve a financially sustainable LATC it will be necessary to make significant efficiencies not only in the direct service, but also in the recharged services.
- The cost of direct provision would ultimately be replaced by the cost of packages commissioned from the LATC. The lower charge to the Adults budget would constitute a significant element of the efficiencies.
- Pensions provision for transferees is likely to be a significant financial issue. Further detailed work is now required to identify costs and how risks will be shared.
- The basis of asset usage by the LATC will also be a significant financial factor

Following a full financial analysis of these and other significant issues, a detailed financial appraisal will be provided to January Cabinet. This will include a sensitivity analysis and a summary of the financial risks and how they will be managed down.

8.0 LEGAL IMPLICATIONS

8.1 The establishment of an entity that will be wholly owned by the Council is not subject to the procurement rules. However, where that entity enters into a contract for services with the Council, the contract may be subject to the procurement regime (depending on the services and threshold types), unless it falls within what is known as *"the Teckal exception*."[1]

Under the Teckal Exception**:**

The Council can directly award work to an entity as an exception to the EU procurement regime where:

- The entity carries out the principal part of its activities with the Council
- The Council exercises the same kind of control over the entity as it does over its own departments.
- There is no private sector ownership of the entity, nor any intention that there should be any.

[1] Establishment of the Teckal Exception is separate from establishing compliance with contract procedure rules that operate independently from the EU regime. See section 8 – Legal implications for further information

In practice the Teckal exception means Council officers and members will need to be directors and the shareholding 100 % owned by the Council and the company constitution will need to contain locks to prevent that situation changing in the short term to enable a contract for services to be given to the LATC. 100% shareholding is insufficient to meet the test. The Council will need to have further control mechanisms to ensure the LATC is one that fits within the Teckal Exception so control at Board level including control of the Board itself for example and control of particular decision making will be needed. The precise arrangements would be explored if this is the option chosen. Any structure would need to be discussed with employees and other stakeholders if the success of the LATC is to be achieved.

In terms of the entity carrying out the principal part of its activities with the Council in the types of services envisaged it is not clear that this will in fact be the case nor that this is desirable given that one of the attractions is to address income generation via trading as well as achieving a saving and efficiency. The ‘principle’ part means currently 90% this is likely to change to 80% when new regulations are made.

Social Care Service arrangements are currently Part B services so the full EU procurement regime does not currently apply but nevertheless contract award should be fair open and transparent which is why it is important to consider the Teckal route.

In considering setting up an LATC, the Council may wish to pay particular attention to the type of legal structure that the LATC takes. The company structure will be limited by shares or limited by guarantee. A Community Interest Company can be used. The model that is appropriate will depend on the following considerations:

a. Whether the Company is to be controlled by the Council (which is essential for short term and medium term stability to ensure the contract for services can be entered into lawfully without a full EU procurement
b. Tax regimes
c. Desirable membership requirements
d. An LATC is a company and like any other companies will pay corporation tax.
e. The supplies the company makes may be subject to VAT. VAT advice will be needed. The LATC may itself be making supplies. An analysis of input/ output tax is needed to see if the VAT implication is likely to be neutral.

Whichever option is agreed the framework in which it operates will need to ensure that either the council is providing the services itself or commissioning them in a contractual way which would trigger (save using the Teckal Exception) a procurement process whether under the full EU regime or the partial position and of course under its won contract procedure rules.

The Brent ruling provides a precedent for the use of Teckal and shared services:

> *‘The Supreme Court unanimously allows the appeal. It holds that the Teckal exemption does apply to the UK Regulations, that it is available in respect of insurance contracts and that it is sufficient for it to apply that the co-operating public authorities together exercise collective control over the party to whom contracts are awarded. The requirements of the Teckal exemption were satisfied. Lord Hope and Lord Rodger both give judgments; Lord Walker, Lord Brown and Lord Dyson agree with both’*
>
> http://www.supremecourt.gov.uk/decidedcases/docs/UKSC_2009_0166_PressSummary.pdf

9.0 EQUALITIES IMPLICATIONS

9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

No - previous EIA's have been completed in relation to this project and are still valid. However if recommendations are agreed, a full EIA will be completed based on the final option chosen following exploratory discussions and will accompany the final report to Cabinet in February 2014

10.0 CARBON REDUCTION IMPLICATIONS

10.1 N/A

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 No

12.0 RECOMMENDATION/S

12.1 Cabinet are asked to agree:

1. To further explore Option 2 with neighcouring Local Authorities, and to receive a final report in february 2014 setting out the full business case.
2. To enable the Parent/Carers Group to develop a business case in relation to their proposal to develop a social enterpirse model (as reflected in Option 1).

13.0 REASON/S FOR RECOMMENDATION/S

13.1 Option 2 – (Explore Shared Services) provides the most cost effective model in relation to cost, service delivery, strategic direction, deliverability and improved outcomes for the people of Wirral who use day services. The analysis for recommendation has been carried out using all available data (as listed in section 1) using the Local Government Evaluation Matrix, a copy of which can be found at Appendix 1 of this report. It should be noted that this option also has a reduced staffing implication.

13.2 Parent/Carer Proposal - this has the potential to develop new and innovative services that are community based, person centred and co-produced with Carers and people who use services. The proposal will need to be reviewed taking into account best practice, service delivery implications and future sustainability, as well as being cognisant of the Council's statutory duties.

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APPENDICES

Appendix 1 – LGA Evaluation Matrix

REFERENCE MATERIAL

Social enterprise, mutual, cooperative and collective ownership models - A practical guide – Local Government Association (June 2011)

http://www.local.gov.uk/workforce/-/journal_content/56/10180/3649476/ARTICLE

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet	**20 December 2012**
Health & Wellbeing Overview & Scrutiny Committee	**4 December 2012**
Health & Wellbeing Overview & Scrutiny Committee	**14 January 2013**
Cabinet	**18 February 2013**
Council (Budget)	**5 March 2013**