

WIRRAL COUNCIL

CABINET

13 MARCH 2014

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

1.0 EXECUTIVE SUMMARY

- 1.1 This report brings forward a revised proposal to develop an alternative Wirral based delivery organisation to be co-designed with key stakeholders including staff and parents/carers.
- 1.2 This report supersedes the previous cabinet report recommendation setting out the proposed development of two separate business cases as set out below;
- (1) The Director of Adult Social Services be requested to further explore Option 2 with the neighbouring Local Authorities, and submit a final report in February 2014 setting out the full business case; and
- (2) Parents/Carers Group be authorised to develop a business case in relation to their proposal to develop a social enterprise model.
- 1.3 The revised proposal is to build a single business case to develop a Local Authority Trading Company (LATC) model that takes the best elements of the above options into a cohesive single Wirral based model. It will incorporate design principles that were presented through the Heswall Carers business case.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 In December 2013 Cabinet agreed that officers should explore the possibility of a Shared Service with a neighbouring authority, it also agreed that a group representing Carers across the borough be authorised to develop a business case and that this was 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.

2.2 Shared Services Option

Officers have now conducted a process of exploration with Cheshire West & Chester (CW&C) to explore the possibility of a Shared Service. The delivery company for social care is called Vivo Care Choices.

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Negotiations between the two council's and Vivo Care Choices were very productive, focussed on determining potential benefits, risks, constraints and dependencies for the following elements

- ✓ Finance
- ✓ Strategic Direction
- ✓ Cost/benefits
- ✓ Legal Implications
- ✓ Service delivery

The project group worked through the cost/benefits of a potential shared service. Further detail of this work can be found at Appendix 2 of this report.

2.3 Parents/Carers Proposal

Parents from Heswall Centre have been supported to develop proposals to run the services as a social enterprise. Independent support was given to the group to enable them to develop a full business plan. Support was given from the council in relation to financial and budget information. However due to the nature of finance systems within local government, this information did not translate well into the business context. The lack of profit and loss data was unhelpful. The Director would like to note at this point that in a previous report it was stated that the proposals from Carers did not include the workforce; however this was not factually correct. The Carers did have concerns about the high level of costs attached to TUPE and the impact this may have on any future developments but are aware of the requirements under TUPE legislation.

The design principles contained within the presentation were very closely aligned to the vision, values and aspirations of the department.

The vision and values of the group were as follows:

- Honesty, transparency and integrity
- Creativity
- Customer Led Services
- Professionalism, enthusiasm and commitment
- Individual needs, equality, empowerment and respect

The group's aim and objectives included the following:

- Work towards continuous development and improvement, guided by the needs of the community
- Respond to the central and local government health and social care initiatives
- Deliver high quality, measurable outcomes to secure and grow a successful business in competitive market environments
- Promote and encourage learning and development
- Secure a committed and skilled flexible workforce
- Operate a viable and cost effective organisation

2.4 Comparison/evaluation of both options

Both options had areas of strength and areas for further development, a key challenge was whether a single model could be developed in partnership:

1. The Shared Service option could be viable from a business perspective but the Carers Group raised concerns in relation to the potential loss of a 'Wirral identity' and the ability to shape and influence the local service which was their perception of this option.
2. The parent/carers model included the offer of considerable capacity, goodwill and engagement of Carers. This capacity was seen as very positive and important to future sustainability. It is however critical that any delivery model can offer a long term legacy and sustainable management and governance arrangements in order to support this capacity.
3. Neither business case had detailed business information to use; the Council system is based upon budget allocations and expenditure. Any future business case needs to explore potential markets, anticipated growth and income etc
4. The Carers model contained very important design principles that were aligned to the department's aims, objectives and aspirations for a future model. The application of these design principals could improve social care outcomes for people overall
5. The readiness and willingness of parents to engage with the council to develop a co-designed model for future services provided a very positive opportunity to work together and to co-design the future model.
6. A feasibility study has been carried out by V4. This is a working document which will be refined and completed to accompany the Cabinet report to be presented in June and can be found at Appendix 1 of this report.

2.5 The way forward

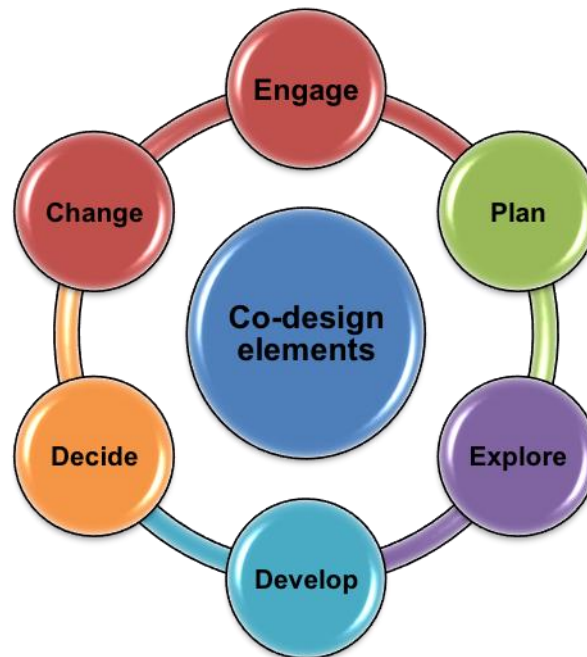
The exploration of the two options, offering different perspectives has offered a timely opportunity to pursue an alternative way forward. This combines the design principles proposed by the Heswall Carers/parents group with aspects of the business model provided through the work progressed with Cheshire West & Chester Council.

This would enable the council to develop a co-designed, co-produced model that combines the strengths of both options.

The recommendations of this report reflect this opportunity and seek approval from Cabinet to develop an alternative delivery company for Day Services in the form of a Local Authority Trading Company (LATC). The shape and design of the company will be developed by a Co-design Project Group consisting of:

- DASS Officers
- Parent/carers representatives (1 from each centre/service)
- Staff representatives
- Independent business and legal advisors.

Co-design elements - There are six elements of co-design that will form the structure of the group working and provide the guiding principles of the project, full details of which can be found at Appendix 3 of this report, a diagrammatic representation is below.



3.0 RELEVANT RISKS

- 3.1 The failure to develop an alternative delivery vehicle within a timely manner could compromise the council's ability to achieve required budget savings.
- 3.2 Consideration will be required in relation to the current savings profile for day services against the newly revised project

4.0 OTHER OPTIONS CONSIDERED

- 4.1 Alternative options have been considered and presented to members at regular periods since December 2012 as can be seen from the subject history table below. Viable options have been explored and non viable options have been disregarded.

5.0 CONSULTATION

- 5.1 Several full public and staff consultations have been carried over the past two years in relation to this work. Following the recommendations of the December 2013 being agreed, a staff consultation has been carried out in January, ongoing consultations with staff and Trade Unions will continue as part of the development work.
- 5.2 The co-production model will enable full input from stakeholders in the development of the LATC.

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 it would provide business opportunities for organisations to diversify their offer in relation to services offered in a more competitive market.

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

- 7.1 TUPE legislation will apply. All Terms and Conditions of employment (including pension rights) are protected by TUPE in a transfer. 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:

- i. 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

- ii. 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’.

8.0 LEGAL IMPLICATIONS – AWAITING INPUT FROM EVERSHEDS

- 8.1 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.
- 8.2 The Local Government Pension Scheme regulations prescribe that the actuaries of both schemes must agree the transfer payment relative to the actual and potential liabilities accrued under the LGPS to be subsumed by the new scheme based on appropriate actuarial assumptions.
- 8.3 Merseyside Pension Fund advise that in this case, a transfer can take place before the final pension details have been agreed and settled, providing appropriate provision is made by the transferee to collect contributions and place ‘on hold’ until a new pension arrangement is in place.

9.0 EQUALITIES IMPLICATIONS

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

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(a) Yes

10.0 CARBON REDUCTION IMPLICATIONS

10.1 N/A

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 N/A

12.0 RECOMMENDATION/S

12.1 It is requested that Cabinet:

- i. Agree to the development of a Wirral Council Local Authority Trading Company model
- ii. Agree for officers to progress the development of the Co-design Project Group with key stakeholders including staff and parent/carers
- iii. Agree to receive a further progress report in June 2014 that will include the full project plan and implementation timeline.
- iv. Acknowledge the work undertaken to date that has enabled us to take this work forward
- v. That Cabinet note the findings of the feasibility study carried out by V4 and further note that this is a working document which will be refined and completed to accompany the Cabinet report to be presented in June

13.0 REASON/S FOR RECOMMENDATION/S

13.1 Cabinet is requested to support the recommendations of this report in order to achieve a solution that is mutually supportive and acceptable to all key stakeholders who will work together in order to co-produce the required solution that will provide a future delivery model for day services.

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APPENDICES

Appendix 1 – Feasibility Study Report from V4

Appendix 2 - Shared Service model with Cheshire West and Chester Council

Appendix 3 - Co-design Principles

REFERENCE MATERIAL

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
Cabinet	10 December 2013