

WIRRAL COUNCIL

CABINET – 23rd July 2009

REPORT OF THE DIRECTOR OF ADULT SOCIAL SERVICES

OPTIONS FOR CHANGE – TOWARDS A STRATEGY FOR CARE SERVICES

Executive Summary

This report presents the outcome and conclusions of the Design and Viability Project which was requested by Cabinet on the 10th December 2008. Cabinet is now asked to approve a full and comprehensive consultation process commencing on the 10th August 2009 and concluding on the 30th October 2009.

This involves a key decision which was first identified in the Forward Plan dated April 2009.

1 Background

- 1.1 On 6th November 2008, Cabinet received a report which identified the need to review the in-house services provided by the Care Service Branch. This review was carried out by the Department of Adult Social Services (DASS), to ensure the progression of the transformation of Adult Social Services.
- 1.2 The Cabinet report was informed by an initial options appraisal which identified three organisational forms that could deliver sustainable efficiency, and support the development of a diverse and contestable market.
- 1.3 The need to change the in-house services is linked to the increased choice and control which people who require support from Adult Social Services will have following the move towards self-directed support and personal budgets.
- 1.4 Personal budgets holders will be able to make their own decisions about which services they want, whether they hold their budget directly or ask the Council to manage services on their behalf. The introduction of personal budgets will provide a significant driver behind ensuring that services can adapt and be flexible in a world of individually commissioned care packages.
- 1.5 The Cabinet decision was 'called in' by the Social Care, Health and Inclusion Overview and Scrutiny Committee (4th December 2008). On 10th December 2008, Cabinet requested that a project be established which would provide a more detailed analysis of any service changes and a rationale supporting the outsourcing proposals.

1.6 On the 14th January 2009 the DASS Transformation Programme Board approved the Project Initiation Document & Business Case which included the project objectives outlined below:

- Consider the design and shape of the identified functions and services within Care Services in line with the needs of the population and national policy drivers, i.e personalisation, localisation and integration and local priorities i.e Strategic Asset Review, Supporting People Strategy, and the Corporate Transport Review.
- Identify equivalent costs of specific care service functions compared to external provision, both local and national
- Identify, where appropriate, options/models for outsourcing services.
- Identify potential opportunities for efficiency improvements
- Recommend re-design issues within current care/support pathways across all user groups
- Recommend re-design within back office processes i.e finance, procurement, contracting, quality assurance etc.
- Identify models of good practice and innovation within equivalent service national and locally
- Identify work force and other HR issues – TUPE/EVR
- Develop a commissioning plan which recognises demand/capacity issues, market analysis, and develops a procurement strategy which is sensitive to the need to develop local services which are flexible in addressing the requirements of people who wish to self direct their support.
- Recommend the development of approaches to strategies and plans where gaps are identified.

2 Project Methodology

2.1 The Care Services Project adopted the Prince2 Project Management Methodology. Five workpackages were commissioned to provide consultation and research data which informed the Care Services Strategy (Appendix 1). Two further workpackages were commissioned in response to issues raised during the course of the project.

2.2 Details of the work carried out are available in Section 1.3 – 1.3.8 of the attached consultation report. However, in summary:

- Over 745 people using care services were involved in interviews with staff to identify their needs, aspirations, risks, and support requirements, with a further 358 current assessment/care plans informing future service need.
- 91 members of staff were trained in conducting the engagement interviews, support planning and personalisation with 41 members of staff receiving accreditation in personalised practice.
- 20 members of staff were involved in mapping the referral pathways into and within care services.
- 79 members of staff were involved in staff consultation

- Over 80 people using services and their carers took part in focus groups, this included young people moving into transition.
- 100 people attended the Neighbourhood Centres consultation. Delegates comprising staff from social services and health, carers, 49% of delegates were people currently using care services.

2.3 In addition to the consultation data gathered, information was compiled in relation to demographic trends, with projections of overall future service need. This was compared against national and local policy direction to understand the likely demand and capacity of this service and the external market of social care in Wirral (Section 2 & 3 of the Consultation Paper).

2.4 Using the 'True Cost of Services Toolkit' developed by the Care Services Efficiency Delivery Team (Department of Health), each service function was scrutinised to establish value for money, using activity, quality and performance data. The same measures were used to compare the cost of external service provision. Cost comparisons are available in section 3 of the Consultation Paper attached.

3. Consultation

3.1 The range of options and conclusions contained within the Care Service Strategy Consultation Paper have been fully informed by the research consultation carried out as part of this project. Members are now asked to approve a formal consultation process on the proposals and conclusions contained within this Paper. Recommendations will then be made which take account, not only, if the evidence set out in the Paper but the responses gathered during consultation.

3.2 It is proposed that this consultation take place between 10th August 2009 – 30th October 2009. Staff, people who use services, carers and other stakeholders will have access to the full version of the Consultation Paper, a summary version template, as well as 'easy read' and other accessible versions of the plan. Section 1.2, in Appendix 1 sets out the process of consultation.

4. Conclusions within the Consultation Paper

4.1 All services have been scrutinised with five key questions in mind.

- i) Does the service meet individual need and deliver the outcomes for people currently using/or likely to use the service in the future?
- ii) Does the service design fit with national and local commissioning guidance?
- iii) Does the service offer 'value for money' compared to other providers in the market?
- iv) What is the nature of the market in which the service currently operates and would externalising the service provide greater diversity, increased choice and control for personal budget holders, whilst minimising the risk to the Council?

- v) Are there opportunities for efficiencies improvement?
- 4.2 The evidence the research work to date suggests that to maintain services in their current design or form is not a viable option in the context of personalisation and personal budgets.
- 4.3 The Consultation Paper identifies that within the each service area (excluding day services), the current unit costs are higher than in the independent sector, even when compared with the highest quality banding. This may mean that individuals choose to use their personal budget to commission services outside the Council control leaving in-house services vulnerable and increasingly expensive.
- 4.4 Retaining the existing services within Wirral Council, including all the current unit costs, would effectively result in a situation where the council would be paying for personal budgets whilst at the same time paying for in-house services. In this context the Council could experience double running costs and an unsustainable set of services.
- 4.5 The Cabinet report of the 6th November 2008 outlined three organisational forms as potential options within the initial feasibility study, proposing at that time that 'outsourcing' the elements of service through 'open tender' might achieve the flexibility and efficiency required, particularly in the context of personal budgets.
- 4.6 Further options for externalising services have been considered as part of this project. As identified in Section 3 of the Consultation Paper (para 3.1 – 3.2) the Department of Adult Social Services is suggesting that the development of a Local Authority Trading Company may offer an appropriate option to consider with regard to personal budgets, and would encourage a diverse market, whilst still providing the assurance required by stakeholders. However, this proposal would have to be subject to consultation and a more detailed business case.
- 4.7 During the consultation, officers will provide full details of the nature of Local Authority Trading Companies, however further work needs to be carried out to develop a more detailed business case in line with government guidance¹.
- 4.8 Appendix 3 of the consultation paper provides a response template which will be available to all stakeholders.

5. Financial Implications

- 5.1 The recommendation of this report is to consult on the attached Consultation Paper and therefore there are no immediate implications,

¹ General Power for Local Authorities to Trade in Function Related Activities Through a Company: Guidance on the Power in the Local Government Act 2003, ODPM 2004.

<http://www.communities.gov.uk/publications/localgovernment/generalpower>

beyond any costs associated with the consultation and business case development for the LATC. Those costs will be quantified and referred to the Strategic Change Board for consideration, if the recommendation is approved.

6. Staffing Implications

- 6.1 The strategy to be consulted upon has significant staffing implications. These will be analysed in detail and reported to members along with the outcome of consultations.

7.0 Equal Opportunities Implications

- 7.1 The Equality Impact Assessment process has been embedded into the full consultation process. The final Impact assessment will be published when the strategy is revised in light of the consultation.

8. Community Safety Implications

- 8.1 There are no implications arising out of this report.

9. Local Agenda 21 Implications

- 9.1 There are no implications arising out of this report.

10. Planning Implications

- 10.1 There are no implications arising out of this report.

11. Anti Poverty Implications

- 11.1 There are no implications arising out of this report.

12. Social Inclusion Implications

- 12.1 There are no implications arising out of this report.

13. Local Member Support Implications

- 13.1 Consultation will involve people who live in all Wirral wards.

14. Background Papers

- 14.1 *'Progress Towards the Transformation of Adult Social Service: 6th November 2008*
- 14.2 *'Progress Towards the Transformation of Adult Social Services – Outsourcing Care Services, Fee Levels for Residential and Nursing Homes and a New Contract for Supported Living Services.*

15 Recommendations

That Cabinet

- (1)** Approve that a full and comprehensive consultation process on the conclusions and options contained in the report should take place.

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Date: 15.7.09