

Report to Executive Board

Developing a Business Case for Alternative Service Delivery Models

Social Care and Housing Services

Department for Communities
February 2016

Contents

1. Purpose of report	3
2. Clarifying purpose of project	3
3. The context	3
4. Meeting requirements of new Act	4
5. Services to be considered	4
6. The Project Structure.....	6
7. Project Work Streams and Assumptions	6
8. Recommendations	7

1. Purpose of report

- 1.1. The purpose of this report is to provide an update on the work being undertaken to develop options and business case(s) for Alternative Service Delivery Models for identified Social Care and Housing Services.
- 1.2. It is anticipated that the final business case(s) will be developed for CMT by May 2016, allowing it to progress to Full Council approval on 14th September 2016.

2. Clarifying purpose of project

- 2.1. The purpose of the project is:

“To develop a business case and associated business plans regarding the possibility of delivering some, or all, of the existing in house social care provider and housing services through an alternative service delivery model”
- 2.2. To deliver against this purpose the following issues are currently being considered by the Project Team in the first instance:
 - The context in which we are delivering current services
 - Making sure we consider the requirements of the Social Services and Well- being (Wales) Act 2014 (that will come into effect from 1st April 2016) when considering options
 - Clarifying what services will be considered, how they will be assessed and what the business case will look like
 - Confirming the key assumptions that will need to be considered in any business case.
 - Developing the project plan to ensure delivery of business case(s) by May.

3. The context

- 3.1. The Council has adopted an overarching principle of adopting a mixed economy regarding social care and housing services. This means that providers will come from all sectors, including our own in-house provision. It is anticipated that this principle will remain.
- 3.2. We currently commission £70m a year from public, private and voluntary sectors
- 3.3. For our own in house provision, we have to face up to continuing financial constraints, demographics and the aim to continue to provide quality services.

- 3.4. Consequently the sustainability of in-house services depends on remodelling and modernising. In a competitive market place, our current governance structures make opportunity for commercial trading to secure the long term future of certain services and/or initiatives difficult. To maximise the opportunity for trading across social care and housing services, the future governance and structure of services needs to be considered.
- 3.5. This project will look at alternative delivery models to do so.

4. Meeting requirements of new Act

- 4.1. As a principle, we want to ensure that as many people as possible are involved in the development and implementation of new proposals for future service delivery.
- 4.2. Our main requirement under the Act is that we will need to demonstrate that we have involved people in considering what services are needed and how they could be provided in all stages of the development of alternative models. Whilst this part of the Act doesn't come into force until 1st April 2016, we will ensure our process meets these requirements.
- 4.3. As part of the options appraisal process we will ensure that options such as social enterprises and co-operatives have been considered and promoted in terms of future service delivery.
- 4.4. As a result we will be carrying out the following during February 2016 to begin this process:
 - An extensive awareness and communication programme with staff as to why we are looking at alternative delivery models and the key messages.
 - Engaging staff on what we will look at as part of the options appraisal and the criteria we will use to determine the preferred option(s) moving forward.

5. Services to be considered

- 5.1. Our approach at the present time is to go as wide as possible in terms of what services should be considered for an alternative model for service delivery.
- 5.2. The following table starts to identify the areas that will need to be specifically assessed for inclusion in an alternative delivery model.

Care and Support		Property development
Residential Home Care	Careline/Telecare	Care Homes
Domiciliary Care (including Rapid Response/Long term Re-enablement/Through the Night*/Extra Care	Children Respite	Additional Affordable homes
LD Social Centres	Older People's Housing Support (generic housing support)	Empty Homes
LD Respite*	Extra Care	Social Lets
LD Steps	Supported/ Assisted Living	Adaptations
Coleshill Social Centre	Transport	Other Social Care buildings e.g. Day Centres
Older People Day Centres		
MH Day Centres		

*Grant and Funding Contribution from Health

- 5.3. At the present time we are unsure whether a differential will have to be made between the "Care and Support arm" and the "Property Development" arm in terms of alternative delivery models
- 5.4. Alternative Service Delivery Models such as a Local Authority Trading Company, Mutual or Co-operative organisations and a Local Housing Company will be further considered as part of this process.
- 5.5. In order to assess whether or not services should be included it is intended to use the following criteria:
- Cost (e.g. Savings/Income/Growth)
 - Quality (e.g..Choice/Service of last resort/Legislative requirements/partnerships/outcomes)
 - Ability to transform services
 - 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)
- 5.6. A typical business case (when a service is assessed to be included) would include the higher level information (the why?) with the detail in the business plan (the how/what?)
- 5.7. The business case(s) will include:
- Executive Summary

- Benefits of proposed service delivery model chosen (and disadvantages of not doing so)
- Drivers for change
- New organisational design
- Governance of new structure
- Outcomes for service users
- Business and Financial Plans (up to five years)
- Potential for additional income
- Risks

6. The Project Structure

6.1. We have already set up a project structure and framework that includes:

- A Project Board, Project Sponsor and Project Manager.
- Terms of Reference
- Emerging Project Plan (Appendix A)

6.2. Four work streams have also been established

- Finance, Property and ICT
- HR, Communications and Marketing
- Legal and Risks
- Operations, services, contracting and procurement

6.3. We are also procuring external challenge into the process to ensure that the business case (s) can withstand robust scrutiny.

7. Project Work Streams and Assumptions

7.1. All of the work streams will consider:

- Key assumptions in that area
- What the reconfiguration of services will look like
- The provision of support services post live

7.2. Below is a draft list (not exhaustive) of the issues each of the work streams will be focusing on, understanding the implications of the assumptions being made under each heading.

7.3. **Finance, Property, ICT**- assumptions to be tested (list not currently exhaustive)

VAT/Company taxation	Cash flow	Costs of any new systems/development
Treatment of	Working capital	Payroll/Payments/FMS

profits/income		System etc
Efficiency savings	Equipment (IT and Care)	Potential future redundancy cost liability
Service budgets	ICT support	Gross budget transfer/contract structure
Support service costs	Access control to systems	Future surpluses/deficits/on-going efficiency delivery
Pension deficit	Cost of server space	Property transfer/ownership

7.4. HR, Communications and Marketing

Terms and Conditions	Resources for post go live work	Workforce mapping
TUPE- staff transfer	Communications Plan	Leaflets
Communication with key stakeholders (including stakeholder mapping)	Branding/Signage	SLA to confirm what will be provided in terms of services
Timeline key dates	Website	Pensions
Resources for post live		

7.5. Legal and Risks

Provision of legal advice	Risk Register- pre and post	
Provision of Insurance	Exit Strategy	
Leases and Licenses		

7.6. Services, Operations, Contracting and Procurement

Commissioning Strategy in place	Contracts to transfer	Direct Payments
No Registration issues	Procurement support- post live	Future challenge of service provision
Continue with balanced market	Future income- who keeps it?	Implication of Health funding
TECKAL compliance and future implications	Block contracts- will they change	

8. Recommendations

- **To confirm the approach for the consideration and development of alternative service delivery models for social care and housing services.**
- **To approve the planned engagement with members and staff during February 2016 on our approach to developing an awareness and understanding of the range of alternative**

service delivery models, and their appropriateness to a number of services in the Communities department.