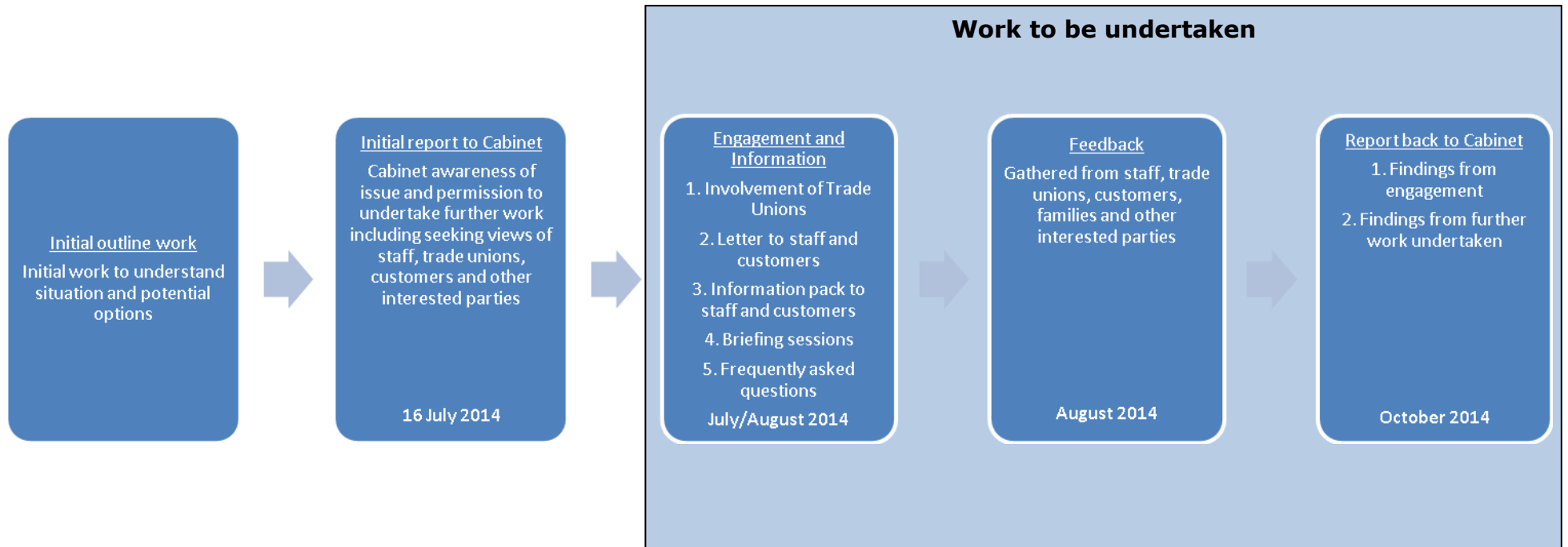


Staff Information Pack

Future Service Options

July/August 2014

Timeline and Process



Future Service Options

Which services are we looking at?

The services which support people with a learning disability and/or physical disability and older people. They deliver supported living, floating support, day care and short stay. The teams are:

- Grundy, Pinfold Lane, Spurr House, Elmhurst
- Woodbury, Positive Lives, LDST, Shared Lives
- LD Day Services, ReStart

Current status: Changing in-house services

The current approach which has been in place for some years is to change in-house services in order to provide good quality support at reduced cost wherever possible. In the past 3 years £1.4million has been saved from this group of services and further redesign work is planned in 2014/15. We have reduced management posts, changed structures, reduced the amount we spend in a range of areas, introduced systems that improve efficiency and changed the type of jobs we have in the service.

In addition, we've been successful in developing the buildings that services are delivered from which has again improved the quality of the customer experience.

Remaining in-house and continuing to change services could not achieve the £1.2million savings required from this area in 2015/16 and possibly further savings thereafter without seriously threatening the quality of the service. Therefore we need to consider different ways forward. Staying as we are is not an option.

Options for consideration

1. Closure of some services

If services remain in-house and are delivered on less budget some services would have to stop. Money would then be spent on a smaller number of 'priority' services. As customers may still require services which have stopped in-house they would need to be found alternative external provision. Staff within the services which are identified to stop would either be redundant, or possibly be eligible to transfer under TUPE to a new provider.

Question: Why might closure be an option?

It would mean the reduced budget could be spent on fewer services. This means that rather than spread the budget reduction across all services and potentially affect quality, the budget reduction could be achieved by stopping certain services completely, leaving the remaining services with less negative impact.

Question: What might the issues be with this?

Deciding which services to keep and which to close; Finding alternative options for the customers supported by the services identified to close; Customers whose service with the Council (in-house) was ceasing due to closure may need to be funded to be supported elsewhere; redundancy for staff in services identified for closure; one-off costs of redundancy; Issues with affordability of remaining services – they are on average 40% more expensive than alternative providers and this impacts their attractiveness to people buying them. If further savings are required beyond 2015/16 this may mean further need for closure.

Question: What does TUPE mean?
*TUPE stands for the **Transfer of Undertakings (Protection of Employment) Regulations 1981**. The purpose of the Regulations is to protect employment rights when employees transfer from one business to another.*

2. Someone else delivering the services

Outsource – Private Sector / Voluntary Sector

This involves the move of elements of Council business to one or more external providers. There are a number of care providers in the market; in fact the majority of the social care which is provided in Bury is provided by organisations in the private or voluntary sector. These companies can bring additional resources in to set-up and can subsequently introduce improved process, systems and capabilities to parts of services. Such companies are also increasingly able to utilise new technology and `business process re-engineering' to improve the effectiveness and efficiency of their service.

Question: Why might externalisation be an option?

It is not known whether a provider or providers could be found who would deliver these services for less money. However, the majority of social care support is delivered by external providers and they are on average 40% less expensive than in-house services. This suggests that it could be possible to deliver these services in this way on a reduced budget. Staff may be eligible to transfer under TUPE to the new provider avoiding the need for redundancy and maintaining employment. This would help to preserve continuity of care for the people they support. The external providers would be proving through the tender process that they are reputable and sustainable as a business so they would be a known quantity with a track record. There could be options to reduce cost as the external organisation would have its own back office support in place.

Question: What might the issues be with this?

There would need to be a full tender process to identify the successful provider(s). There may not be providers willing to deliver these services at the budget available; staff would transfer to be employed by a new employer (TUPE transfer); customers would receive their support from a different organisation; price would be agreed via the contract with the Council as opposed to annual budgets and savings targets; impact on back office services within the Council – possible redundancy.

Question: What is meant by a 'full tender process'?

This refers to the procurement process that has to be followed to find a suitable provider and award a contract to them. The process is governed by procurement legislation from the UK and European Union and is in place to ensure that business is awarded following a fair and transparent competition process.

3. Alternative Service Delivery Models

There are many different models that can be used. Below are just two possible examples but this is not exhaustive.

EXAMPLE 1: Develop services into a Local Authority owned company

Local Authority Trading Company (LATC)

A local authority is able to establish a Local Authority Trading Company as a separate body to the Council, but wholly owned by it. It can set one of these up in order to enter into contracts and generate income from other organisations. The LATC allows the Council to trade via what is in effect a separate organisation. The Council would contract with this organisation for its services (service delivery model) but the organisation would also be able to trade with other public sector businesses and individuals beyond the Council. There are various models that can be adopted, for example the Council may wish to undertake wider commercial trading or with varying levels of control retained by the Council. Six Town Housing is an example of a LATC, although it was established for very different reasons specific to housing. With a LATC model if the organisation generated a surplus this could either be reinvested into the business or provided to the Council as the main shareholder.

EXAMPLE 2: Set up a business separate from the Local Authority

Staff Mutuals (Co-ops) and Social Enterprise

For some time the NHS has been creating staff mutuals to deliver groups of services. More recently The Public Services (Social Value) Act came into effect and provides opportunities for social enterprises to be created from local authority services. The Act seeks to ensure that additional social, environmental and economic benefits that social enterprises create in delivering public services can be taken into account when public service contracts are designed.

Question: Are there only two alternative delivery models?

No there are many different models. The two mentioned are just examples of some of the more commonly used approaches.

Question: What is a staff mutual?

This term is used to refer to organisations which are led by their employees. Often these are owned/controlled by their employees giving staff a direct influence in how they operate.

There are already a number of examples:

- Sandwell Community Caring Trust in the West Midlands now delivers most of that council's in-house social care.
- Essex Cares is the former domiciliary care service within Essex County Council.
- Care and Share Associates (which grew out of Sunderland Home Care Associates) has set up employee-owned social franchise operations in Manchester, Newcastle and North Tyneside to take on former in-house domiciliary care services.

Question: Why might an alternative delivery model be an option?

It is a way of retaining more of a public service ethos by creating an organisation from the in-house services rather than them being taken over by an external provider. Evidence of other public sector organisations taking this approach indicates that efficiencies and savings can be achieved so that services can be delivered in a more affordable way. At the same time this approach means that the organisation can look for investment and new contracts to generate income that makes it more sustainable in the longer term. Staff would be eligible to transfer to the new organisation avoiding the need for redundancy and maintaining employment. This would help to preserve continuity of care for the people they support. There could be options to reduce cost as the new organisation could create its own back office.

Question: What might the issues be with this?

It is not a known quantity and would be setting up as a new organisation so there is some element of risk around this. Most models are based around staff having a significant stake in the organisation in terms of influence – this can only work if staff want to take some control. Some social enterprise models would require a tender process to be undertaken to win the business; the LATC model could avoid the tender process but may have some limits on trading potential. Staff would transfer to be employed by a new employer (TUPE transfer); customers would receive their support from a different organisation; price would be agreed via the contract with the Council as opposed to annual budgets and savings targets; impact on back office services within the Council – possible redundancy.

Some of the questions you may have....

Question	Current Position In-house to the Council (This is not an option. Position shown for comparison purposes only)	Option 1 Closure	Option 2 Someone else delivering the services	Option 3: Alternative Delivery Model	
				Example 1 Set up a Local Authority Traded Company	Example 2 Set up a social enterprise
1. How will this affect my salary?	Remain under the Council's pay and Grading structure	Not applicable to those services no longer in existence	Pay, terms and conditions transfer under TUPE. There is potential for these to change but this would involve consultation with staff and trade unions	Pay, terms and conditions transfer under TUPE. There is potential for these to change but this would involve consultation with staff and trade unions	Pay, terms and conditions transfer under TUPE. There is potential for these to change but this would involve consultation with staff and trade unions
2. How will this affect my terms and conditions?	Terms and conditions remain Council wide. Proposals to change these requires agreement from elected members and consultation with trade unions and staff.				

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3. How will this affect my pension?	No change		TUPE Regulations require employees who are transferred to be provided with a 'broadly comparable' pension scheme. The details of this can be specified in the contract with the Council. One option to achieve this is gaining admitted body status to the local authority pension scheme. Some organisations already have this status.	TUPE Regulations require employees who are transferred to be provided with a 'broadly comparable' pension scheme. The details of this can be specified in the contract with the Council. One option to achieve this is gaining admitted body status to the local authority pension scheme.	TUPE Regulations require employees who are transferred to be provided with a 'broadly comparable' pension scheme. The details of this can be specified in the contract with the Council. One option to achieve this is gaining admitted body status to the local authority pension scheme.

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4. How will this affect my training?	Mandatory training will continue to be provided to ensure staff have the skills to undertake their role and meet CQC requirements. Additional training may be limited due to budget constraints	Not applicable	Mandatory training will continue to be provided to ensure staff have the skills to undertake their role and meet CQC requirements. Additional training may be limited due to budget constraints	Mandatory training will continue to be provided to ensure staff have the skills to undertake their role and meet CQC requirements. Additional training may be limited due to budget constraints	Mandatory training will continue to be provided to ensure staff have the skills to undertake their role and meet CQC requirements. Additional training may be limited due to budget constraints

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5. Would this involve the service competing to win the contract?	No	Not applicable	Yes a full tender process	No there could be a direct award of the contract depending on the specific model	Yes likely to require a full tender process
6. Would this mean the service could develop and generate new income making it more sustainable?	Very little opportunity	Not applicable	Yes	Yes within legally defined parameters. Any surplus could be reinvested into the services.	Yes. There are many potential forms that could be taken but these are usually 'not-for-profit' so any surplus is likely to be reinvested to the services

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7. How would quality be monitored?	Internal Quality Assurance within teams. Quality Assurance by the Council team. External inspection by CQC for regulated services.	Not applicable	Contract compliance checks. Quality Assurance by the Council team. External inspection by CQC for regulated services.	Contract compliance checks. Quality Assurance by the Council team. External inspection by CQC for regulated services.	Contract compliance checks. Quality Assurance by the Council team. External inspection by CQC for regulated services.
8. How would this affect customers and their families?	The quality of care could be affected by the reduction in budget available to fund these services. Any reduction in staff could impact on the quality and safety of services	Customers would have to transfer to alternatives providers or cease to receive a service	The service would be provided by the new organisation but as staff transfer under TUPE customers should not initially feel any difference. Contracts with the Council would specify what was required of the provider. Things may change over time but customers would be engaged with this via the new provider	The service would be provided by the new organisation but as staff transfer under TUPE customers should not initially feel any difference. Contracts with the Council would specify what was required of the provider. Things may change over time but customers would be engaged with this via the new provider	The service would be provided by the new organisation but as staff transfer under TUPE customers should not initially feel any difference. Contracts with the Council would specify what was required of the provider. Things may change over time but customers would be engaged with this via the new provider

Opportunities to find out more

Briefing sessions will be held to talk through the options and gather your questions as follows: Employees are welcome to attend whichever session is most convenient to them regardless of whether it is held in their usual team location. Please liaise with your manager to agree which session you will be attending.

Thursday 31 July 2014	9.00am	Grundy Day Centre, Bury
	10.30am	Elmhurst, Whitefield
	12.30pm	Pinfold Lane, Whitefield
	2.00pm	Woodbury, Tottington
	3.30pm	Spurr House, Unsworth
Monday 4 August 2014	3.00pm	Wheatfields, Whitefield
	4.30pm	Seedfield Day Centre
Tuesday 5 August 2014	9.00am	Elton Core Base, Bury
	10.15am	Woodbury, Tottington
	11.45am	Humphrey House, Bury
	4.00pm	Sunnybank, Unsworth

Asking a question

Outside of the planned sessions you can ask a question at www.facebook.com/ProviderFutures, or on Twitter using [@ProviderFutures](https://twitter.com/ProviderFutures). You can also email on k.e.sowden@bury.co.uk. All questions will be answered using a Frequently Asked Questions update during August. You will then be asked for any feedback at the end of August 2014.