

REPORT FOR DECISION



DECISION OF:	Cabinet
DATE:	July 2019
SUBJECT:	Outline business case – Persona Care & Support
REPORT FROM:	Cllr Andrea Simpson, Deputy Leader of the Council and Cabinet Member for Health and Wellbeing
CONTACT OFFICER:	Julie Gonda, Interim Executive Director for Communities and Wellbeing
TYPE OF DECISION:	KEY DECISION
FREEDOM OF INFORMATION/STATUS:	Within the Public Domain
SUMMARY:	<p>The report presents an outline business case for the potential transfer of additional services to Persona, the Council's Local Authoring Trading Company (LATCo). The request is a decision from Cabinet to agree to:</p> <ul style="list-style-type: none"> • develop a full business case in respect of a proposed transfer
OPTIONS & RECOMMENDED OPTION	<p>Cabinet is recommended to:</p> <ol style="list-style-type: none"> 1. Approve the request to produce a detailed business case. 2. Should this approval be given, Cabinet is asked to note the proposed deadline of 30 September 2019 for the completion of the detailed business case, to present to Cabinet on 16 October 2019.

	Reasons for Recommendations The approval of the recommendation will facilitate the development of the detailed business case to support further decision making by Cabinet.
IMPLICATIONS:	Failure to support this work will result in the Council not understanding the potential future delivery model of a number of services
Corporate Aims/Policy Framework:	Do the proposals accord with the Policy Framework? Yes
Statement by the S151 Officer: Financial Implications and Risk Considerations:	The recommendation to develop a full business case does not have any material financial implications. The output from the business case will be important in informing the Medium Term Financial Strategy and savings/efficiency plans. Therefore, the recommendations are supported from a s151 perspective.
Health and Safety Implications	No issues identified at this stage.
Equality/Diversity implications:	
Considered by Monitoring Officer:	Yes JH There are no legal implications at this stage but further input and advice will be required during development of the full business case.
Wards Affected:	All
Scrutiny Interest:	

TRACKING/PROCESS

DIRECTOR:

Chief Executive/ Strategic Leadership Team	Cabinet Member/Chair	Ward Members	Partners
Scrutiny Committee	Cabinet/Committee	Council	

1. **BACKGROUND**

In October 2015, Bury Persona Care & Support was created as a Local Authority Trading Company (LATCo) for Bury Council, and a number of services, previously provided by the Council, were transferred to be operated by Persona. The rationale for doing so was to ensure that services could create a more sustainable future through the pursuit of new business and develop a stronger commercial focus. In particular, it was considered that a LATCo would:

- Create greater freedom for the operational delivery of services previously under the direction of the Council, including innovation of new service delivery models;
- Demonstrate how the Council was more likely to achieve its savings targets by creating Persona, compared to the cuts in services and jobs it would be forced to make if services stayed "in-house".

Persona has now operated successfully for over three years providing core social care support to customers in respect of the transferred services, namely:

- Day services for older people, people with dementia and people with learning disabilities;
- Residential respite and short stay services;
- Supported living services for people with learning disabilities, providing support to people in their own tenancies;
- Shared lives service.

It was planned that growth for Persona could be based on existing services or through the development of new services to fill gaps in the market. In addition, given the Teckal rules, Persona has also acted as provider of last resort on two occasions, picking up services at the Council's request relating to care and support in Redbank Extra Care Scheme and Falcon & Griffin Sheltered Housing, which now form part of its core set of services.

During those three years, Persona has delivered its original savings target, set in 2015, which was £1.5m, and the current contract fees for all services commissioned by the Council is £12.4m. In addition, Persona will contribute to the current year savings target for 2019/20 by payment of a £200k dividend to the Council as its shareholder. During this time Persona has been consistently able to demonstrate financial sustainability in its own right investing in services and building prudent levels of reserves.

The Council is a key partner within the Bury Local Care Organisation (LCO), with adult social care recognised as being essential to the effective establishment of

integrated services. The LCO is becoming well established and meets Bury's provider response to the devolution of health and social care. From 1 April 2019, Persona has also become a full partner within the LCO and the Managing Director of Persona sits on the LCO Board. This is a positive development which strengthens the profile of social care within the LCO, and allows relationships to be built across the wider health and care economy, increasing the ability to operate successfully within the multi-agency provider setting.

2. PURPOSE OF THIS REPORT

The purpose of this report is to present an outline business case proposing the potential transfer of additional services to Persona that currently operate within the Department of Communities & Wellbeing. A number of those services also operate under single line management arrangements within the LCO, and would continue to do so, should they be transferred to Persona at a future date.

3. RATIONALE

There is clear rationale for considering the potential transfer of additional services to Persona, given the context of both rising demand for social care due to demographic pressures and social care transformation for delivering integrated health and care services.

One of the key drivers for the proposal is the significant financial savings that have to be made by the Council during 2019/20 and beyond. As part of its Medium Term Financial Plan, the Council must consider how it can make additional savings from all areas of its business, and future savings could not be achieved without making significant changes to services, with potentially significant reductions in staff. Without transformation of the health and care system, many of the council savings targets will not be achieved. The interdependencies within the system cannot be underestimated, and it is essential that the Council does not work in isolation of its partners.

To create a financially viable set of services is key to the future of supporting the Council to deliver its statutory duties in respect of adult social care.

The proposal is also intended to create clarity and focus in where services sit. There is logic in services which are focussed on service delivery and provision being grouped together, as they require similar leadership and support. For example, they are subject to the same compliance requirements and arrangements and there is opportunity for skills and expertise to be better used and shared if similar services are grouped together. This also provides the LCO with better clarity on which partner is the specialist lead for which types of service.

4. POTENTIAL TO TRANSFER

The proposal is therefore, that further work is undertaken, in the form of a detailed business case, to demonstrate the feasibility of transferring additional services to Persona.

Such a transfer could be delivered under the 'Teckal exemption' which refers to a piece of legislation allowing Councils to transfer services into external entities over which the Council retains the power of decisive influence. The Council can then award contracts to the Teckal entity without having to follow competitive tendering rules and procedures. Persona is wholly owned by Bury Council, and carries out at least 80% of its activity on the Council's behalf. Therefore, the Teckal exemption would apply to the potential future transfer of additional services to it.

In addition, the traditional commissioner / provider split is changing through the development of the One Commissioning Organisation and the LCO as part of health and social care integration. The Council will take a proactive role in leading system-wide change through true collaboration and partnership working. The proposal for a detailed business case therefore brings an opportunity to review and plan future arrangements on a longer term basis with the intention of supporting both the market management approach in Bury, a statutory duty under the Care Act 2014, and the integration of health and social care.

5. SUGGESTED SCOPE OF SERVICES

An initial assessment as to which of the Council's remaining adult social care services might be a best fit with Persona, has been undertaken and the suggested scope of services that would be considered within the detailed business case are outlined below:

- Choices for Living Well – intermediate care services provided by the Council, but largely funded through the Better Care Fund. This incorporates the Reablement Service, and Killelea Intermediate Care;
- Falcon & Griffin Extra Care Scheme – services to provide on-site care and housing support to residents within the scheme, which comprises 69 flats and bungalows;
- Sheltered Housing – support staff visit residents to check on their wellbeing, help them to maintain their independence and provide information and advice;
- Bury Employment Support & Training (BEST), which is self-funding. Its purpose is to offer advice, support and practical assistance to disadvantaged and disabled 'funded' customers into employment, and meaningful activities such as independent living, independent travel, and life skills;
- Transport for Day Care services, which are currently run from the Operations Department within the Council.

However, it should be noted that this is an initial set of services identified for further consideration as part of the detailed business case – it is not exhaustive, and at this point, no decisions have been made. The full business case will scope the services and which staff may be affected if the proposal proceeds.

6. DEVELOPMENT OF THE DETAILED BUSINESS CASE

The development of a detailed business case seeks to ensure that both Persona and the Council have a clear and common understanding of what change is being proposed, the benefits, costs and risks of the change for each

organisation. As the sole owner of Persona as well as its primary client, it is critical that the Council and Persona have a joint understanding about the shared benefits and risks of these changes. Both parties therefore will be involved in preparing the detailed business case. The proposed deadline is 30 September 2019 for the completion of the detailed business case, to present to Cabinet on 16 October 2019.

In terms of engagement with staff, should this report be approved, the message will be about discussing the possibility of transferring to Persona, and the development of the detailed business case. If the full business case was subsequently agreed, full consultation would be undertaken.

The detailed business case would include detailed financial planning to understand how proposals would contribute to the Council's Medium Term Financial Plan and the methodology would be rigorous, covering the following areas:

- **Financial** – establishing the fee the Council will pay Persona, agreeing how liabilities will be handled, identifying any future capital requirements
- **Commercial & Legal** – covering the new agreement between Persona and the Council, statutory and regulatory responsibilities
- **Operational** – covering processes and systems
- **Staff / HR** – employee consultation
- **Service users** – covering communications and consultation with existing service users

It is proposed that the development of the detailed case will be undertaken by a Project Manager from Stepping Out, a Community Interest Company which supports the development and growth of enterprises from the public sector. The development of this work will be overseen by senior managers within both the Council and Persona, with a Project Steering Group to be established consisting of:

- Cabinet Member for Health & Wellbeing
- Interim Executive Director Communities & Wellbeing
- Managing Director Persona
- S151 Officer for the Council
- Finance Director Persona
- Monitoring Officer Council

7. **CONCLUSION**

The work undertaken as part of this outline business case sets the scene for considering the transfer of additional services to Persona in line with the original business case in 2015 to support growth of the organisation.

If the proposal is accepted and agreement given to developing a detailed business case, this work will be undertaken during July and August to present a detailed business to the Council's Cabinet in October.

8. **RECOMMENDATION**

Cabinet are requested to:

Approve the request to produce a detailed business case.

Should this approval be given, Cabinet is asked to note the proposed deadline of 30 September 2019 for the completion of the detailed business case, to present to Cabinet on 16 October 2019.

Contact Details:-

Julie Gonda – Interim Executive Director for Communities and Wellbeing