

Learning Disability Services

Cabinet Meeting

15th March 2017

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Intention of today

- Refresh on purpose (Background and rationale)
 - Business case
 - Transformation
 - Sustainability
- To provide an update on work to date
 - Award of contract
 - Transition plan
- Clarification on queries raised in recent months
 - Staffing (T&Cs)
 - Day services
 - Contract Status
 - Surplus's etc

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Background & Rationale

- Milestones
 - Business case approved by cabinet to procure a Social Enterprise (February 2014)
 - Cabinet approve recommendation to award contract to Dimensions to set up SEV (July 2016)
 - SEV to commence delivery of transferred services (Intended April 1st 2017)
 - Transformational changes 2017 onwards.

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Joint CCG & SCC Commissioning Intentions: Vision for services

- People with learning disabilities and their families will have more control over their services
- People with learning disabilities and their families can make more day to day choices
- People with learning disabilities are helped to have the same opportunities as everyone else
- The buildings people live in are high quality and fit for purpose
- Services are good value for money

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Five Outcomes

1. An organisation that understand what works well and what needs to be changed in order to improve services for customers and carers
2. An efficient, financially sustainable, organisation that is completely separate from the Council
3. An organisation that is able to innovate and develop new services to meet the needs of both current and future customers
4. An organisation that knows how to market itself and is able to attract new customers
5. An organisation that understand how to communicate with its customers, carers and staff and which manages change well

And

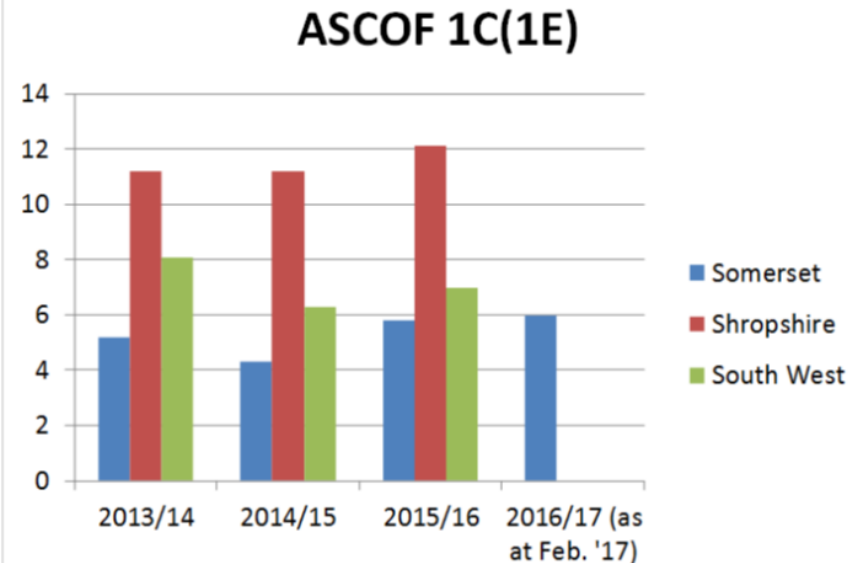
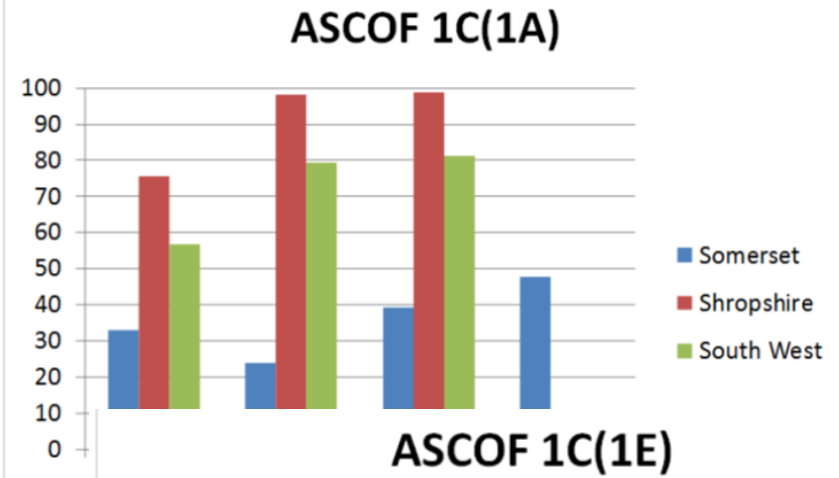
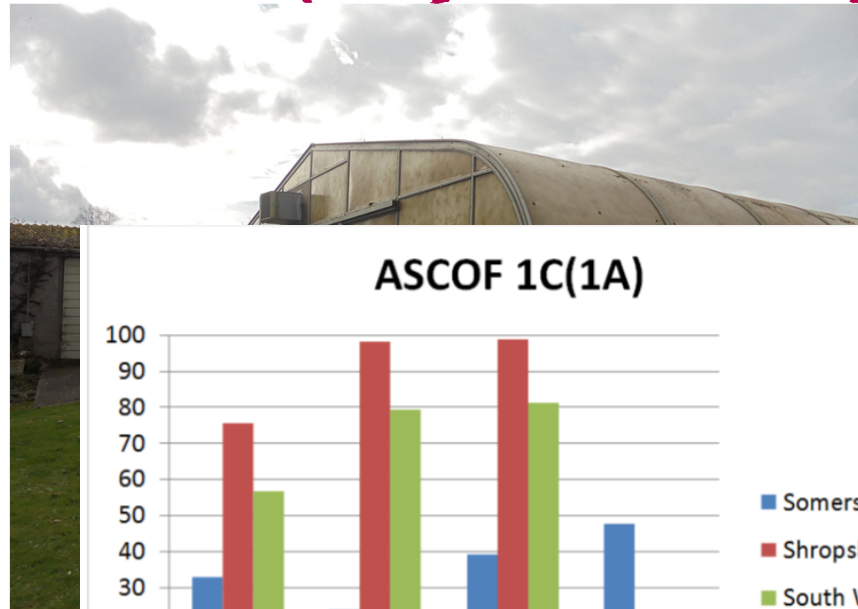
The new organisation should be “not for private profit”

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Current service provision (Day Services)

- Some good
- Lots not
 - Poor environment
 - Very large
 - Segregated
 - Groupings often not compatible
 - Range of disabilities
 - Complexity of needs
 - Not personalised
 - Limited choices
 - Employment



Environment

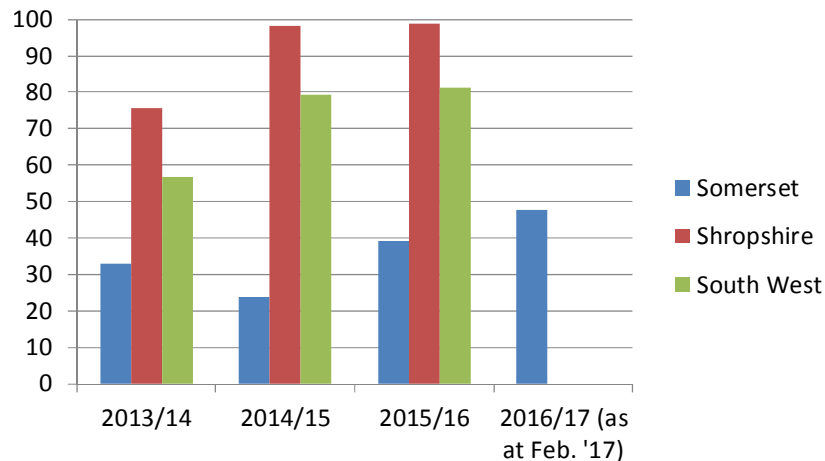


Personalisation and employment

ASCOF - 1C(1A) - The proportion of people using social care who receive self-directed support

| | 2013/14 | 2014/15 | 2015/16 | 2016/17 (as at Feb. '17) |
|-------------------|---------|---------|---------|--------------------------|
| Somerset | 32.9 | 23.8 | 39.1 | 47.7 |
| Shropshire | 75.5 | 98.2 | 98.7 | n/a |
| South West | 56.9 | 79.2 | 81.1 | n/a |

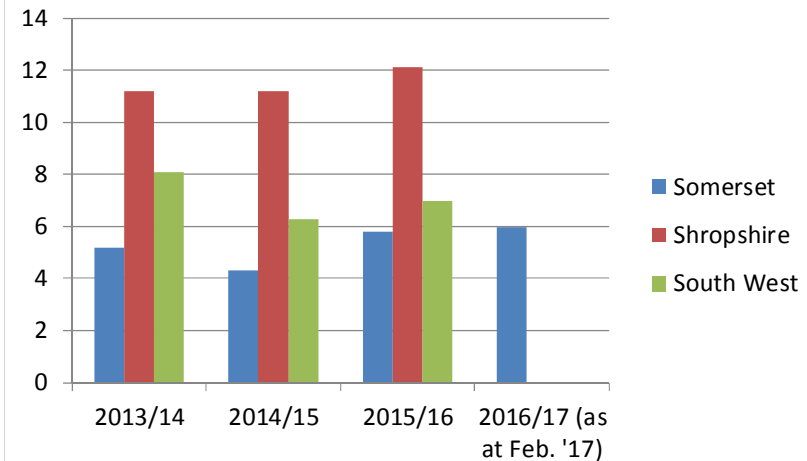
ASCOF 1C(1A)



ASCOF - 1E - The proportion of adults with a learning disability in paid employment

| | 2013/14 | 2014/15 | 2015/16 | 2016/17 (as at Feb. '17) |
|-------------------|---------|---------|---------|--------------------------|
| Somerset | 5.2 | 4.3 | 5.8 | 6.0 |
| Shropshire | 11.2 | 11.2 | 12.1 | n/a |
| South West | 8.1 | 6.3 | 7.0 | n/a |

ASCOF 1C(1E)



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So what does good day time support look like?

- Aspiration orientated
- Less reliance on buildings
- Focused on the accessing opportunities within the community not segregated environments
- Flexible to each persons needs rather than assuming everyone wants the same thing
- Outcome and progression focused – not a “forever” service
- Promotes real employment
- Makes as much use as possible of community assets
- Promotes health and wellbeing

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Current service provision (Sustainability)

- Sustainability
 - Creating an environment for long term success
 - Modern, flexible and attractive
 - Supports and responds to individuals preferences
 - Personalisation
 - Supports greater choice and control through the use of personal budgets
 - Enables experimentation to support choice
 - Affordable

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Current service provision (Sustainability)

(February 2014 Cabinet report – business case)

6.2.8 Implications for staff (Terms and conditions (including pensions))

At the point of transfer, staff terms and conditions will be protected by Transfer of Undertakings (Protection of Employment) (TUPE) regulations. This includes the requirement to provide a comparable pension scheme.....For the service to become competitive in the long term and deliver the financial savings required by the Council, any future provider will need to make efficiency improvements.

The vast majority of the current total costs of the organisation are staff costs, which might be expected to rise as a result of externalisation due to pensions' requirements, so it is likely that the required level of improved efficiency cannot be achieved without adjusting terms and conditions for new staff at some stage.

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Transition and Transformation costs

Cabinet Paper July 2016 (Appendix D Exempt)

2.2 On top of this, transformation costs throughout the contract are estimated at £5.1m. As part of the tendering exercise SCC made it clear that it wanted the SEV to modernise the service and be competitive as a market provider for other work.

The submission from Dimensions proposes a number of measures to improve and develop the service. These actions create some transformation costs which have been included in the bid such as:

- Equal terms buy-out £1.4m
- Pension strain £1.2m
- De-mobilisation of Day Services £1.1m
- Redundancies £0.9m.

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Questions and queries

- How many contracts are there ?
 - 2 - A contract (Direct Agreement) with DUK with the obligation to set up the new SEV. A second contract direct with the SEV (known as Service Agreement). The SEV is the entity which staff and services will transfer to and who SCC will hold to account for service performance and delivery.
- What happens to surplus ?
 - Under the LD SEV contract 50% of the SEV profit is to be used exclusively for social value/enterprise purpose and a Strategic Partnering Board (as part of the Council governance arrangement with the SEV) will discuss and agree the appropriate distribution of the surplus identified for use locally to add social value and forms part of the SEV Social Value Return Plan. This would be regularly reviewed and progress monitored by this group and would hold the SEV management to account.
 - Any remaining profit will be used by the SEV to build up reserves to be used for example one-off financial requirements, cash flow, reinvestment in assets/new service ideas, training, development etc. A small % would be used for Dimensions (as the Parent Company) but this is not unusual where a Parent Company is acting as guarantor of the service delivery and performance - in this case the LD SEV. The important fact for the Council is that we have mechanisms in place to ensure the SEV surplus is used for local social value contributions.

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Recommendation

I would propose that the Cabinet does not accept the Scrutiny Committee for Policies for Adults and Health recommendations and that officers continue to implement the decision agreed by Cabinet in July 2016.

Subject to confirmation from the Section 151 Officer, I would also like to propose that the Cabinet agrees to increase the Equal Pay Buy-Out fund through appropriate discussions.

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