

Report To: Cabinet

Date of Meeting: 16 December 2014

Lead Member / Officer: Cllr Bobby Feeley / Phil Gilroy

Report Author: Phil Gilroy

Title: The Future of In-house Social Care Services

1. What is the report about?

The report provides the background to, and the work of, a Members' Task & Finish Group looking into the financial sustainability of the Council's In-house Social care Services. The Group's recommendation to outsource services and save £700k was agreed as part of the Council's budget setting process. In order to progress with this work a full consultation exercise, including equality impact assessments for each service, needs to be conducted with all stakeholders.

2. What is the reason for making this report?

To ask Cabinet to make a decision to enter into a consultation on the future provision on in-house social care services.

3. What are the recommendations?

That Cabinet agrees to enter into a consultation exercise on the future of in-house care services.

That a report on the results of that consultation are presented to Cabinet with an options appraisal for each of the services.

4. Report details.

4.1 On 20 March 2014, Performance Scrutiny Committee agreed that a Members' Task & Finish group be established to "examine value for money options for delivering high quality social care services in the County".

4.2 Terms of reference were established (appendix 1) and membership was invited from all parties and geographical areas. Membership was agreed as:

Councillor Ray Bartley
Councillor Richard Davies
Councillor Meirick Davies
Councillor Win Mullen-James
Councillor David Simmons
Councillor Huw Williams (resigned due to other commitments)

4.3 The group met on 5 occasions (plus one that was not quorate) and considered a range of information, including:

- Unit costs of, and charges for, in-house versus external services
- Maintenance costs of in-house services
- Numbers of people supported via in-house versus external services
- Quality Assurance systems in place and safeguarding activity
- The profile of staff and residents in in-house residential services

Notes of the meetings are attached (appendix 2).

4.4 Using this information, the Group developed an options appraisal for each of the in-house services as follows. See appendix 3 for more detail.

4.4.1 Residential Homes

Option 1 – Do nothing. This option is **not recommended** as it would result in avoidable expenditure of up to £1m per year and is therefore not sustainable.

Option 2 – Close the 3 existing services and use external provision to meet existing residents' needs. In addition, continue with the development of Extra Care Housing across the County as an alternative for standard residential care in the future. This option is **recommended** as it would result in large cashable savings for the Council and would support service modernisation.

Implications – Existing residents' (54 in total) needs would be assessed and alternative provision found, however there is a lot of provision in Denbighshire with over 450 people already supported in external services. Most people would need to move into Elderly Mental Health or Nursing Care so delaying this while waiting for the development of Extra Care would not be desirable. There are 96 staff employed in the 3 services at present and these would need to be managed through redeployment, retirement or, as a last resort, redundancy.

4.4.2 Day Care for Older People

Option 1 – Do nothing. This option is **not recommended**. The 3 residential homes all provide elements of day care. In addition, 10 people attend Hafan Deg, a purpose-built facility in Rhyl, per day. Continuing to run it would result in avoidable expenditure of up to £75k per year and is therefore not sustainable.

Option 2 – Close the existing services and use external provision to meet individuals' needs. In addition, offer the building to Rhyl Town Council as a community asset able to provide services to community groups and facilities to combat social isolation for older people. This option is **recommended** as it would result in cashable savings for the Council and would support service modernisation. There are 10 members of staff employed in Hafan Deg who would require managing through redeployment, retirement or, as a last resort, redundancy.

4.4.3 Extra Care Housing (Domiciliary Care)

Option 1 – Do nothing. This option is **not recommended** as it would result in avoidable expenditure of up to £300k per year and is therefore not sustainable.

Option 2 – Transfer the service to external agencies. This would result in existing staff being transferred to the agencies through TUPE. This option is **recommended** as it would result in cashable savings for the Council and would result in little change for people using services currently. The buildings would continue to be owned and managed by Housing Associations.

4.4.4 Community Supported Living (Learning Disability)

The strategy over the last few years has been to transfer the in-house community living support services to the 3rd and independent sectors. The properties belong to Housing Associations. There are only 3 properties remaining that have a total of 12 Council staff providing the support. As the savings are small it is suggested that the current transfer strategy continues at an appropriate pace for the individuals and as staffing arrangements allow.

4.4.5 Day & Work Opportunities (Learning Disability)

These services are provided mainly to individuals with learning disabilities. There is a separate Task & Finish Group made up of elected Members, staff, service users and carers who are looking at the options for future delivery of these services that result in cashable savings.

5. **How does the decision contribute to the Corporate Priorities?**

The recommended options contribute to the Council's priorities that vulnerable people are protected and are able to live as independently as possible and modernising the council to deliver efficiencies and improve services for our customers. Without the efficiencies created by these options, the levels of service provided to vulnerable individuals would need to be reduced.

6. **What will it cost and how will it affect other services?**

At a conservative estimate, there will be cashable savings of £700k. There will need to be an increase in the contract management and review functions to ensure that services commissioned externally continue to be quality assured.

7. **What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.**

An Equality Impact Assessment will need to be completed for each service if these recommendations are taken forward. However, as over 90% of social care services are already provided through externally commissioned services, it is not believed that there will be a major impact on any protected group. The vast majority of people report that they are very happy with the services provided in the independent sector, which is quality controlled by CSSIW and our in-house contract management and review team to ensure services are provided safely.

8. What consultations have been carried out with Scrutiny and others?

The recommendations have been developed by the Members' Task & Finish Group and will need wider consultation with all stakeholders before a formal decision can be made to close services. The recommendations have been discussed in Members Budget Briefing and further information on quality within the independent sector was requested (see appendix 4).

A report was discussed at Performance Scrutiny Committee on 2 October 2014 and the Committee agreed to:

- (i) receive the options appraisal and support the preferred options, resulting in the re-provision of services for those people using them while still meeting their assessed needs; and*
- (ii) that whilst noting that the report and the options appraisal be presented to County Council for discussion, the Committee recommends to Cabinet that a formal consultation, including an Equality Impact Assessment, be undertaken on the re-provision of services so that the preferred options can be implemented and savings made.*

The saving requirement was discussed and agreed at Cabinet on 25 November 2014.

9. Chief Finance Officer Statement

Given the financial constraints facing the Council, the savings identified in this report are a key component of the budget efficiencies over the next 2 years. If savings can't be made from these proposals then alternative ways of finding them will be required.

10. What risks are there and is there anything we can do to reduce them?

The provision of care and support to vulnerable people always carries risks, including from positive risk taking to enable people to live their lives. An increase in the provision of contract management and reviews will ensure that external services continue to be quality assured to the same, or higher standard, than at present.

The risk if the recommended options are not agreed is that alternative ways of achieving the required savings will have to be found, resulting in reducing the overall level of support to vulnerable people within Denbighshire.

11. Power to make the Decision

11.1 Article 6.3 of the Council's Constitution.
S.111 Local Government Act 1972.

11.2 There is no legislative requirement for Local Authorities to directly provide social care services, only to ensure that individuals' eligible needs can be met.