



Bath & North East Somerset Council

**Adult Social Care
Strategic Outline Case**

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Background

Bath & North East Somerset Council (B&NES) and Bath and North East Somerset Clinical Commissioning Group (the CCG) contracted with Virgin Care Services Limited (subsequently renamed HCRG Care Group) for the delivery of a range of health, social care and public health services with effect from 1st April 2017. The contract is in the sixth year (2022/23) of the initial seven-year term with an option for the commissioners to extend the initial term by three years, taking the full extended contract term to 2026/2027.

Following an options appraisal jointly conducted by the Council and Clinical Commissioning Group (Bath and North East Somerset, Swindon and Wiltshire Integrated Care Board as of 1st July 2022, referred to as ICB) decisions were taken by both the Cabinet and CCG Governing Body on 26th May 2022 to not extend the contract term for the three-year period (Option 3) with HCRG Care Group for the delivery of Community Services in B&NES.

Purpose

The purpose of this strategic outline case (SOC) is to set out the case for finding an appropriate solution for the delivery of Adult Social Care (ASC) services following the expiration of the existing contract with HCRG Care Group on 31 March 2024. ASC as defined in this SOC cover the following services lines within the contract:

- PD01 - Statutory Adult Social Work
- SD43 - Adults with a Learning Disability

The SOC describes potential options to address the opportunity B&NES now has in respect of providing continuity of service provision for its population. It seeks to gain approval for the in-sourcing of ASC services, so they are directly controlled by B&NES, in line with the standard operating model as seen across the majority of Local Authorities (LA's).

Executive Summary

Strategic Case

Existing arrangements

Existing ASC services are fully provided under the HCRG Care Group contract until the contract termination date of 31st March 2024.

Strategic objectives

Objective	
SO1	To ensure the safe transfer of ASC care services following the decision not to extend the existing contract term with HCRG Care Group.
SO2	To provide the opportunity to redesign the ASC service delivery model in readiness for the ASC reforms.
SO3	Statutory function of PD01 Adult Social Workers to be under direct control of Council.
SO4	Preserving and extending the successful initiatives and integrated ways of working delivered in ASC under the existing contract.
SO5	Facilitates collaboration at scale with both the Integrated Care Board (ICB) and Bath and North East Somerset, Swindon and Wiltshire (BSW) partners
SO6	The in-sourcing of all services is a manifesto commitment and is a key priority agreed by the current B&NES Cabinet

Table 1.1: Strategic Objectives

Strategic benefits, disbenefits and risks

Strategic Benefit	Strategic Disbenefit	Strategic Risk
Redesign of the Service Delivery Model	Implementation	Security of service provision
Enhanced control of provision		
Financial efficiency savings		

Table 1.2: Strategic benefits, disbenefits and risks

Economic Case

Critical Success Factors (CSFs)

	Critical Success Factor
CSF1	Meets strategic fit and service needs
CSF2	Optimises value for money
CSF3	Ensures continuity of care services
CSF4	Achieves long term affordability
CSF5	Achievable in delivery
CSF6	Attracts, retains and develops the required workforce

Table 1.3: Critical Success Factors

Shortlisted Options

- Option 1: Re-commission service delivery for B&NES
- Option 2: In-source service delivery to B&NES Council
- Option 3: Set up a new organisation to deliver services for B&NES

Assessment and Justifications

Option		Assessment	Justification
Op.1	Re-commission service delivery for B&NES	Alternative Option	This option does not meet the original intention of the programme and has a number of significant risks in relation to a potential legal challenge as well as in regard to the retention of the existing workforce.
Op.2	In-source service delivery	Preferred Option	This is the only feasible option that would provide the solution required to deliver the programme.
Op.3	Set up a new organisation to deliver services for B&NES	Discount	This is not feasible as it would not be possible to implement this solution within the time frames required and has not been successful when implemented by other LA's in BSW due to provider failure.

Table 1.4: Assessment and justifications by Option

Commercial Case

Considerations for In-sourcing

- Is most likely to ensure the safe transfer of services and reduces the likelihood of any potential legal challenge
- Alignment with the standard operating model across the majority of LA's
- Traditional workplace for social workers, which should aid recruitment and retention.
- The council will not be able to rely on contractual levers to manage and explain performance
- Ambitious timeline to develop a market engagement strategy to support the ASC's Adults with a Learning Disability workstream (SD43) and for TUPE transfers. These risks will be carefully managed to ensure the timelines are achievable and the required activities are scheduled appropriately in the programme delivery plan
- Workforce considerations are a key priority and considerable care must be taken to not increase any existing vacancies and to prevent destabilisation of the existing workforce
- This will move the Council away from a commissioning model for the delivery of ASC services and back to one of direct delivery which requires different skills and capabilities with ASC and across the Council's support services, for example Human Resources (including payroll), financial management and IT (including IT support and systems development). This is not an exhaustive list at this stage

Financial Case

Implementation Costs

It is estimated that the cost of mobilisation, safeguarding and safe service transition for the entire programme will cost c.£1.35m over the 2 years to March 2024 for the transfer of the Community Services Design Programme.

As ASC makes up 61% of the services delivered under the existing contract this proportion of the expected programme management, procurement and mobilisation costs has been estimated and is shown in table 1.5 below.

Year	Estimated cost to deliver ASC programme (assumed 61%)
Year One 2022/23	£274,500
Year Two 2023/24	£549,000

Table 1.5: Implementation costs

Ongoing Delivery Costs

The affordability of ongoing services is assumed to sit within original budgetary envelope for 2024/25. There have been no inflationary adjustments to this value as the contractual terms is based on a flat cash cost fiunder the current contractual arrangements. Any overspend in the year 2024/25 will be met by adult social care reserves.

Current funding for the provision of services are below, however they do not necessarily reflect the cost of delivery.:

Service	Cost 2024/25
PD01 Statutory Social Work	£3.8m
SD43 Adults with a Learning Disability	£5.6m
Total cost	£9.4m

Table 1.6: Provision of service funding

Management Case

There are a number of considerations in regard to management of the ASC programme as it moves to OBC as well as the potential impacts once the Preferred Way Forward (PWF) is successfully implemented.

- Mobilisation
- Data, reporting and performance
- Governance
- Workforce
- Programme assurance
- Extra financial cost
- Contracting
- Community and engagement

Strategic Case

Strategic Context

Following the joint decision by the B&NES Cabinet and CCG Governing Body not to extend the contract term for the three-year period (Option 3) with HCRG Care Group a solution must be found to ensure the safe landing of ASC services by the contract end date of 31st March 2024.

The purpose of this strategic outline case (SOC) is to set out the case for finding an appropriate solution for the delivery of ASC services following the expiration of the existing contract with HCRG Care Group. ASC as defined in this SOC cover the following services lines:

- PD01 - Statutory Adult Social Work
- SD43 - Adults with a Learning Disability

The SOC describes potential options to address the opportunity B&NES now has in respect of providing continuity of service provision for its population. It seeks to gain approval for the in-sourcing of ASC services, so they are directly controlled by B&NES council, in line with the standard operating model across the majority of Local Authorities (LA's).

Organisational Overview

The current B&NES administration was elected in May 2019 on a bold and ambitious manifesto of change with the clear purpose of improving people's lives. There are recognised budget pressures in delivering the statutory social care duties to support vulnerable residents with over 80% of funding now going into health, social care and children's services.

Following the decision in 2016 to change to a prime provider model to address the challenges faced by the local health and social care system there has been considerable opposition to the outsourcing of care services at both a national and local level. The acquisition of Virgin Care Services Ltd by a private equity company (T20 Holdings) has increased these concerns. Even though the existing contract with HCRG Care Group has been well managed and delivered, it has remained a source of contention and now with the agreed end date for the existing contract, this aspiration to revert to an in-sourced delivery model can be fully considered and appraised.

Business strategy and aims

The SOC describes potential options to address the opportunity B&NES now has in respect of providing continuity of ASC service provision for its population. It seeks to gain approval for the in-sourcing of ASC services, so they are directly controlled by B&NES council, in line with the standard operating model across the majority of Local Authorities (LA's).

This programme aligns with the overarching review of all services currently provided by HCRG Care Group following the 31st March 2024 contract end date. Many of the other services are either jointly provided with or sub contracted to third sector providers (community partners) and there will be a variety of different delivery models that need to be considered for the future.

Other relevant strategies

This programme also supports the wider reforms detailed within the Health and Care Act 2022. The Act is the legislative part of a wide range of policy reforms aimed at transforming health, care and wellbeing, in particular improving health and care services through better health and care integration and tackling growing health inequalities.

The case for change

The current provision of ASC services, both Statutory Adult Social Work (PD01) and Adults with a Learning Disability (SD43), are contracted to HCRG Care Group. This arrangement is contractual, and the contract will expire at the end of March 2024 so a new service provision solution must be found.

As the extension with HCRG Care Group was not approved other solutions need to be explored under this SOC to ensure the safe transfer of services at the contract termination date.

Strategic objectives and SMART Goals

Objective		SMART Goals				
		Specific	Measurable	Achievable	Relevant	Time-constrained
SO1	To ensure the safe transfer of ASC care services following the decision not to extend the existing contract term with HCRG Care Group.	To transfer the ASC services effectively and safely to ensure continuity of care services provision.	Current delivery and performance standards in ASC delivery are as a minimum maintained following implementation of the solution.	A suitable solution that can ensure the ASC services continue in line with existing service and performance levels within the require timeframe and without unachievable cost implications.	The solution meets the statutory and regulatory requirements for ASC and maintains the existing standards of care.	Safe transfer of services must be achieved by the 1st April 24 as the existing contract with HCRG expires at the end of March 24.
SO2	To provide the opportunity to redesign the ASC service delivery model in readiness for the ASC reforms.	The solution should provide the flexibility in the commercial aspects of ASC service provision to enable redesign in readiness for the ASC health reforms.	Upon transfer there is sufficient identified flexibility within the new provider model for ASC to provide the opportunity for redesign.	The identified solution does not create any unwanted or additional constraints in the delivery of ASC and is not hindered by contractual negotiation requirements which would impede service redesign.	The solution meets the existing requirements for SC delivery and has the potential to adapt to meet future requirements.	To be reviewed in full for redesign by March 2026, following the safe landing of the services by the 1st April 24
SO3	Statutory function of PD01 Adult Social Workers to be under direct control of Council.	The control of PD01 Adult Statutory Social Work is under the direct control of B&NES Council	All elements of delivery of Adult Social Work are directly controlled by B&NES council, delivering increased agility and ability to deliver change and improve performance.	Services and staffing to deliver Adult Social Work can be brought in house with no dip in the standards of service delivery or performance.	The solution brings B&NES in line with the standard operating model across majority of LA's.	To be achieved by 1st April 24.
SO4	Preserving and extending the successful initiatives and integrated ways of working delivered in ASC under the existing contract.	Existing successful initiatives and integrated ways of working in ASC are preserved and, where possible, extended.	No loss of successful initiatives or integrated ways of working are seen in ASC following implementation of the solution.	The solution ensures that ASC preserves the good work and working practices seen under the existing contract.	The solution enables existing ways of working that both support and build on the excellent foundations currently in operation.	To be ongoing following the safe landing of ASC services on the 1st April 24.
SO5	Facilitates collaboration at scale with both the Integrated Care Board (ICB) and Bristol, Swindon and Wiltshire (BSW) partners	The solution enables and promotes active collaboration at scale in ASC provision with the ICB and BSW partners.	Opportunities for collaboration are identified during the OBC process and these are defined and progressed. This leads to simplified service pathways, and improved deployment of resources.	Opportunities for collaboration in ASC are provided by the solution and these can be progressed effectively to simplify service pathways and enhance resource efficiencies.	To provide a revised model that provides the opportunities to collaborate to simplify service pathways in ASC and improve the deployment of resources, ultimately creating efficiencies.	Collaboration with the ICB and BSW partners in delivering ASC to be ongoing from May 24, following the safe landing of the services by the 1st April 24
SO6	The in-sourcing of services is a manifesto commitment and is a key priority agreed by the B&NES Cabinet	All ASC services are in-sourced and under the control of the B&NES council.	All elements of ASC care are either directly delivered by or directly contracted to B&NES council.	The solution ensures that ASC services are either directly delivered by or directly contracted to B&NES council.	The solution enables direct control of both delivery and delivery contracts with ASC care providers.	To be achieved by 1st April 24.

Table 1.7: Strategic Objectives and SMART Goals

Existing arrangements

Existing ASC services are fully provided under the HCRG Care Group contract until the contract termination date of 31st March 2024.

Current and future needs

Adult Social Care Transformation

Due to the changes in demand and needs arising from the pandemic, Adult Social Care has been required to find more effective ways to keep people in their own homes or communities for as long as possible, to avoid hospital admissions, delay or reduce their escalation of need and find innovative ways to meet their social care needs.

Where people experience a crisis in their lives, rather than intervening to remove people from the crisis the services should work with them and their families to manage the crisis, become more resilient and develop skills to deal with issues in the future.

As part of the transformation programme the transitions service will engage earlier with children and young people who are receiving help from Children's Social Care and Education, ensuring there is no gap in support as young people move between the two services, which means it must have an all-age focus.

Where people do need support, it should be as easy as possible to access services. People will be able to get the help, advice and support they need online, by phone and through the Community Wellbeing Hub or where required through home visits.

The Adult Social Care Internal Transformation Group (ITG) oversees each of the 7 Adult Social Care transformation projects.

The following Adult Social Care transformation projects commenced during 2021/22:

- **Community Resilience; Social Care Front Door and Social Care Processes and Interventions**
- **Reablement**
- **Community Services Framework – Mental Health**
- **Transitions**
- **Redesign Liquid Logic**

Community Resilience; Social Care Front Door and Social Care Processes and Interventions

The prime focus of the work is to ensure that people contacting Social Care have an easier, clearer way of accessing information, advice and support as required.

Reablement

The Reablement service aims to ensure positive change using user-defined goals and is designed to enable people to gain (or regain) their confidence, ability, and necessary skills to live as independently as possible.

Community Services Framework (Mental Health)

The Community Services Framework model builds upon the BSW Thrive Strategy and will be fully transformational across primary, secondary and third sector services. The Community Services Framework Infrastructure Providers for the B&NES locality are AWP, Oxford Health, and Bath Mind. Community Services Framework 3rd sector providers for the Swindon locality are Swindon & Gloucestershire Mind, and for Wiltshire they are Alabare and Rethink.

Transitions

For the people of B&NES the aim of the Transitions project is to help young people and their carers have a better experience of the transitions process from children's to adult services by improving the way it's currently delivered.

Redesign Liquid Logic

The Liquid Logic system is the case management and recording backbone of the Social Care services provision and represents a significant investment for the Council. The redesign project is reviewing the established system workflow in Adult Social Care to determine if the current usage of the Liquid Logic system product is best utilised and to make recommendations on any changes required.

Adult Social Care Reforms

The government has started a process to transform adult social care. Some significant objectives being to acknowledge the important role of families and friends in caring for one another, whilst also enabling those who provide unpaid care to a friend or loved one to be supported to achieve their own life goals. And for the adult social care workforce to feel recognised and to have opportunities to develop their careers.

This white paper, People at the Heart of Care published in December 2021 sets out an ambitious 10-year vision for how care in England will be supported to transform. The vision puts people at its heart and revolves around three objectives:

1. People have choice, control, and support to live independent lives.
2. People can access outstanding quality and tailored care and support.
3. People find adult social care fair and accessible.

These changes will have wide reaching impacts over a significant time period for Local Authorities, and care provision models must be ready and able to accommodate these reforms. These will include a specific focus on strengthening market shaping and commissioning functions, and plans for improved data to assess local areas performance.

Potential scope and service requirements

These ASC reforms, alongside the requirement to ensure the safe landing of services at the end of the existing out-sourced contract, mean that the provision of ASC must now be reviewed to ensure it provides the flexibility, efficiency and control required to accommodate the changes and to ensure the services provide the right care, in the right way and at the right time.

Excellent progress has been made in the provision of ASC in the B&NES area, and these successfully delivered integrated ways of working and initiatives should form the strong foundations of the proposed redesign of services. Care must be taken to preserve the positive outcomes that have been delivered, and to build on the excellent work undertaken.

Existing performance data for both service lines continues to be monitored as part of the formal contract management process but it should be noted that performance across the health and care system is still recovering post-Covid, and this is an issue facing LA's and providers both locally and nationally.

Workforce

The people who make up the workforce who deliver ASC, both directly employed and contracted, are the most important asset in the delivery of care. Working in social care can be rewarding but challenging as well, and staff have shown their dedication for those they support. The ASC workforce must be one in which people can experience a rewarding career with opportunities to develop and progress now and in the future and where staff are empowered to deliver the highest quality of care.

The table below shows the head count and Full Time Equivalent (FTE) for the workforce that deliver ASC under the existing contract

Adult Social Care Head Count and FTE

Role	Head count	FTE
First Response	10	8.20
Hearing & Vision Social Work	3	1.98
D2D Social Work Team	12	10.82
LD and Social Care Direct reports	9	8.60
Annual Review Team	8	7.51
Autism Social Work Team	6	5.31
Employment Inclusion Service	5	4.44
LD Social Work Team	17	14.61
LD Carrswood	43	33.26
LD Complex Health Needs Service	23	19.61
LD Connections	35	23.30
LD Shared Lives	5	4.05
LD Supported Living Service	52	42.90
Social Care OT Bath & NES	17	12.96
Social Care Business Support	8	7.21
Social Work Community Teams Bath & NES	28	23.95
Total	281.00	228.71

Table 1.8 – ASC Headcount and FTE

	Social Care - Work
	LD & Social Care - Work Direct Reports to DP
	LD Social Care
	LD Health

Main strategic benefits

The main strategic benefits identified within this business case are detailed in the table below.

Strategic Benefit	Detailed Benefits
Redesign of the Service Delivery Model	Ability to change and adapt operating model in readiness for adult social care reforms
	Ability to collaborate fully with the Integrated Care Board (ICB) and Bath, Swindon and Wiltshire (BSW) partners.
	Streamline governance and assurance processes to drive improved performance
	Align with Children's social care and develop an all-age model
Enhanced control of provision	Align future savings plans within commissioning cycle
	Ability to respond to service demand without being subject to contractual negotiation
	Increased agility and ability to deliver change and improve performance
	To develop a sufficient service to re-patriate service users placed out of area and return to B&NES
Financial efficiency savings	Resource benefit by focusing on service delivery and improvement and not contract management and performance monitoring
	Ability to use the council's full portfolio of buildings and assets to deliver services and reduce overhead costs

Table 1.9: Main strategic benefits

Main strategic disbenefits

The main strategic disbenefits identified within this business case are detailed in the table below.

Strategic Disbenefit	Detailed Disbenefits
Implementation	Bringing the Complex needs service in house will require the council to invest in and set up specialist governance and operational structures for the delivery of health services
	Additional costs of in-sourcing provision to include additional back-office provision required for implementation and to support ongoing provision

Table 1.10: Main strategic disbenefits

Main strategic risks

The main strategic risks identified within this business case are detailed in the table below.

Strategic Risk	Detailed Risks
Security of service provision	To ensure the safe transfer of services by 1 st April 2024
	Avoidance of disruption
	The Council has not been a provider of Learning Disabilities provision for several years and so will be required meet CQC requirements and work with the other providers who provide local provision.
	There are ongoing risks of directly managing a workforce that is difficult to recruit and retain, and care will need to be taken during the transfer process to accurately define and assess the volume of inherited vacancies as well as employee relations casework etc.
	Council and ICB's views on the future model for the provision of the Complex needs service might not align, with potential adverse impact on the model for the remaining services in this grouping
	Separation of statutory social work from the contractual integrated health care system relationship

Table 1.11: Main strategic risks

Strategic Constraints

The main strategic constraints identified within this business case are detailed in the table below.

Strategic Constraints	Detailed Constraint
Transfer of services	Significant one-off mobilisation and transfer costs are a drain on the ASC reserve
	Large scale TUPE transfer project in a very short timescale (1st April 2024) with multiple contracts and varied terms and conditions for current provider workforce
	Keeping Shared Lives service in the learning disability portfolio might restrict opportunities to develop this service to other population groups.
	The Council has not been a provider of Learning Disabilities provision for several years and is required to

	undertake market engagement and develop strategy for becoming a provider in the market
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Table 1.12: Main strategic constraints

Strategic Dependencies

The main strategic dependencies identified within this business case are detailed in the table below.

Strategic Dependency	Detailed Dependency
Health and Care Reforms	Ensure the programme aligns with the transformational changes and timelines identified as part of the ongoing reforms.
Governance	Ensure that the solution meets the required governance approvals and aligns with the changes designed to empower local commissioning bodies.
Adult Social Care Internal Transformation Group (ITG)	At OBC a detailed review will need to be conducted of any ongoing changes implemented under the existing HCRG Care Group contract to ensure these can be adequately progressed and progress is not lost. The transformation programme that Adult Social Care services are undertaking is expected to deliver savings through efficiencies of £4m over a 3-year period from 2022 to 2025.

Table 1.13: Main strategic dependencies

Economic Case

Critical Success Factors (CSFs)

The identified and agreed Critical Success Factors for the programme are as follows:

	Critical Success Factor	CSF Goals
CSF1	Meets strategic fit and service needs	The ASC solution meets B&NES' strategic plans and objectives
		Maximises potential opportunities to streamline governance and the assurance processes in ASC provision to drive improved performance
		Provides continuity of ASC from 1st April 24
		Provides the opportunity to align future savings plans in ASC within the commissioning cycle
		Supports the opportunity for a System-wide care service model to be designed
CSF2	Optimises value for money	Provides the opportunity for optimisation of public value, including streamline governance and the assurance processes in ASC provision and making use of existing council property and assets to improve value for money in service delivery
CSF3	Ensures continuity of care services	Existing delivery and performance standards in ASC provision are at a minimum maintained.
CSF4	Achieves long term affordability	Achieves long term financial stability - affordable provision of ASC services (including revenue and capital impacts)
CSF5	Achievable in delivery	Is likely to be delivered given the councils and systems capacity to coordinate the project within the required timeframes
		Matches the level of available skills and resourcing required for successful delivery
CSF6	Attracts, retains and develops the required workforce	Will be attractive to the workforce required to support the option and will not lead to increases in the level of vacant positions.
		Creates opportunity for synergies between System partners and enhanced collaboration between service delivery personnel.

Table 1.14: Critical Success Factors and goals

Long listed Options

HCRG Care Group – Full Prime Contract Options Appraisal

On 4 April 2022, an Options Appraisal Workshop was carried out to gather views and opinions from commissioner representatives from the Council and BSWCCG on the following four options:

- Option 1 - Extend the contract term for the 3-year period (until 2026/27)
- Option 2 - Extend for an alternative period
- Option 3 – Allow contract to end with no contract extension beyond 31 March 2024
- Option 4 –Termination of the contract before 31 March 2024

As noted, the decision was taken to progress with Option 3 and no contract extension was granted. Due to the limitations following the decision not to extend the existing contract with HCRG Care Group there were not sufficient options to enable a long list appraisal to be carried out for the provision of ASC services.

This will be reviewed again at OBC to ensure that the 3 short listed options are the only ones available for the transfer of ASC services.

Shortlisted Options

The shortlist of options was arrived at through consultation with Senior Management Teams, Commission Leads and with support from the Strategic Procurement and with external legal advice supplied by Bevan Brittan.

Option 1: Re-commission service delivery for B&NES

Option 2: In-source service delivery to B&NES Council

Option 3: Set up a new organisation to deliver services for B&NES

Business As Usual

In line with HMT Green Book guidance Business as Usual (BAU) would be carried forward into the short list of options as a comparator and provide Option 0. However, in this case BAU is not carried forward as due to the non-extension of the existing contract BAU will not be an option for delivery past the 31st March 2024.

Options Appraisal

An options appraisal has been carried out to review each of these against the projects identified and agreed Investment Objectives (IO) and Critical Success Factors (CSF's) to determine which option will be the preferred way forward.

A workshop was carried out on the 21st September 2022 with stakeholders to review each of the options in detail for both:

- PD01 - Statutory Social Work
- SD43 - Adults with a Learning Disability

The full outputs from both workshops are detailed in **Appendices 1.A & 1.B** ASC PD01 Operating Model Options Appraisal Table output from 21st September 2022 and ASC SD43 Operating Model Options Appraisal Table output from 21st September 2022.

Assessment of short list of options against strategic objectives and critical success factors

The shortlist of options was assessed against the strategic objectives and critical success factors in line with HM Treasury Green Book guidelines, the scoring approach below was used to assess the shortlist of options:

	Meets strategic objectives and critical success factors
	Partially meets strategic objectives and critical success factors
	Does not meet strategic objectives and critical success factors

The short list of options has been evaluated to show it meets, partially meets, or does not meet, each of the projects identified strategic objectives as defined in the strategic case. The results of the evaluation of these options are provided in the table below.

	Option 1 Re-commission service delivery for B&NES	Options 2 In-source service delivery to B&NES Council	Options 3 Set up a new organisation to deliver services for B&NES
Strategic Objective			
SO1 To ensure the safe transfer of ASC care services			
SO2 To provide the opportunity to redesign the ASC service delivery model			
SO3 Statutory function of PD01 Adult Social Workers to be under direct control of Council.			
SO4 Preserving and extending the successful initiatives and integrated ways of working delivered in ASC			
SO5 Facilitates collaboration at scale with the ICB and BSW partners			
SO6 The in-sourcing of all services is a key priority agreed by the B&NES Cabinet			
Critical Success Factors			
CSF1 Meets strategic fit and service needs			
CSF2 Optimises value for money			
CSF3 Ensures continuity of care services			
CSF4 Achieves long term affordability			
CSF5 Achievable in delivery			
CSF6 Attracts, retains, and develops the required workforce			
Results	Discount	Preferred Way Forward	Discount

Table 1.15 – Short list evaluation against SO's and CSF's

Assessment and Justifications

Option		Assessment	Justification
Op.1	Re-commission service delivery for B&NES	Alternative Option	This option does not meet the original intention of the programme and has a number of significant risks in relation to a potential legal challenge as well as in regard to the retention of the existing workforce.
Op.2	In-source service delivery	Preferred Option	This is the only feasible option that would provide the solution required to deliver the programme.

Op.3	Set up a new organisation to deliver services for B&NES	Discount	This is not feasible as it would not be possible to implement this solution within the time frames required and has not been successful when implemented by other LA's in BWS due to provider failure.
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Table 1.16: Assessment and justifications per options

Preferred Way Forward (PWF)

The preferred way forward for the provision of ASC services when taking into account the options appraisal carried out above and reviewing the results of the appraisal workshops carried out on the 21st September (see appendices 1.C & 1.D ASC PD01 Operating Model Options Appraisal Table output from 21st Sept 22 and ASC SD43 Operating Model Options Appraisal Table output from 21st Sept 22) is to in-source services directly to B&NES Council.

This option meets or partially meets all of the strategic objectives and CSF's for the programme.

Commercial Case

There is no true market for the delivery of ASC services as described in PD01, however there is a market for the provision of some services under SD43. From a commercial perspective in-sourcing ASC services is also the most likely option to ensure the safe transfer of services by 1st April 2024. This is of primary importance and therefore supports the justification of this as the PWF.

By in-sourcing services directly to the council this also reduces the likelihood of any potential legal challenge from the current provider following the non-extension of the existing contract.

It will ensure that B&NES would be implementing what is already a standard operating model across most LA's; this would make it easier to benchmark performance in delivery.

In addition to this it provides the traditional workplace for social workers, rather than working in the private sector, which is expected to provide potential to improve recruitment and retention of the workforce.

Considerations for OBC

Under the business-as-usual delivery model B&NES has been able to rely on contractual levers to manage and explain performance. This would no longer be the case when ASC services are in-sourced. Investment would need to be made to support data reporting and performance management to ensure that no detrimental effects were realised which could have a knock-on reputational impact for the council following transfer of ASC services.

It should also be noted that it's a very ambitious timeline for the Council to develop a market engagement strategy to support SD43 (Adults with a Learning Disability) as currently most provision is spot purchased. Also keeping Shared Lives Service in the learning disability portfolio may restrict opportunities to develop this service to other population groups in the future when we consider the provision of SD43. This risk will be carefully managed to ensure the timelines are achievable and the required activities are scheduled appropriately in the programme delivery plan.

There is also an increased risk of entering into multiple contractual arrangements for the provision of SD43 with a mixed provider model. This is likely to lead to increased contractual monitoring and governance requirements for provision of the services and could have a detrimental impact on the financial impacts when compared with the existing costs which are amalgamated within the Prime provider contract.

It is also a short timeframe to implement a large-scale TUPE transfer project (281 employees) with multiple contracts and varied terms and conditions. This will be carefully managed during the OBC phase to ensure timelines are achieved and the risk is effectively managed.

When considering the workforce there are several commercial risks that will require mitigation as we progress the business case process:

- There is the potential for Council workforce destabilisation as the existing provider workforce are on a more favourable salary scale. This could require additional Council budget to 'level up' terms and conditions for the directly employed social worker workforce.
- There is a risk of the Council not being able to attract, recruit and retain a skilled workforce as B&NES salaries do not compare well in neighbouring LA's and could lead to an over reliance on high-cost agency staffing.
- Failure to invest in continued professional development (CPD) of the Council's social workers due to budget restraints, but for the existing provider workforce this CPD investment was contractually obliged under the contract.

These workforce risks are likely to have a financial impact on the provision of ASC services and have been considered within the financial case of this SOC. More detailed work will be required at OBC and through to FBC to accrual quantify the impacts expected and to effectively mitigate the commercial risks to the council.

Financial Case

Implementation Costs

Estimating the financial impact of in-sourcing ASC services to the council is highly complex as the services currently form a part of the far larger Prime provider contractual model, therefore it's not easy to extract the exact specific costs for provision of ASC. Hence, high-level costings have been provided to give an expected indication of the financial impact to the changes required in delivering the services.

It is estimated that the cost of mobilisation, safeguarding and safe service transition for the entire programme will cost £1.35m over the life of the Community Services Design. These will be one-off costs and an estimate has been provided to develop the programme to Full Business Case (FBC). These will cover the following enabling activities:

- Programme management
- Workforce (HR/TUPE/Pensions)
- IT/Systems
- Communications (Internal and External)
- Engagement

- Procurement
- Legal
- Finance
- Data and Performance
- Estates

Year	Estimated cost to deliver entire programme
Year One 2022/23	£450,000
Year Two 2023/24	£900,000

Table 1.17: Estimated entire programme delivery costs

The initial costs associated with the work streams required to in-source ASC services are based on the percentage of these services when compared to those estimated for the full-service provision. As ASC makes up 61% of the services delivered under the existing contract this proportion of the expected programme management, procurement and mobilisation costs has been estimated, using the total estimated costs provided below.

Year	Estimated cost to deliver ASC programme (assumed 61%)
Year One 2022/23	£274,500
Year Two 2023/24	£549,000

Table 1.18: Estimated ASC programme delivery costs

Ongoing Delivery Costs

The affordability of ongoing services is assumed to sit within original budgetary envelope for 2024/25. There have been no inflationary adjustments to this value as the contractual terms are based on a flat cash cost under the current contractual arrangements. Any overspend in the year 2024/25 will be met by social care reserves.

Currently costs for the provision of services are as follows:

Service	Cost 2024/25
PD01 Statutory Social Work	£3.8m
SD43 Adults with a Learning Disability	£5.6m
Total cost	£9.4m

Table 1.19: Ongoing delivery costs

Sensitivity Analysis

Sensitivity of ASC Reserves

Currently Adult Social Care reserves sit at £7.4m.

If costs were to increase by 10, 15 or 20% then the impact on ASC reserves is shown in the table below.

Percentage Cost Increase	Cost to ASC Reserve in Year 1 of delivery (2024/25)	ASC Reserves after Deduction in Year 1 of delivery (2024/25)
10%	£0.9m	£6.5m
15%	£1.4m	£6.0m
20%	£1.9m	£5.5m

Table 1.20 Sensitivity of ASC reserves

Sensitivity on salary costs

As all identified costs within this SOC for the provision of ASC services are salary costs, and these will be moving from a flat cash contractual arrangement, sensitivity analysis has been undertaken to show the impact of inflation on these costs for years 2 and 3 of service delivery (2025/26 and 2026/27). The results of these are shown in the table below.

Year	Inflation @ 2%	Inflation @ 3%	Inflation @ 4%
Year 2 2025/26	£9.59m	£9.68m	£9.78m
Year 3 2026/27	£9.78m	£9.97m	£10.17m

Table 1.21: Sensitivity on salary costs

Further work required

For clarity it should be noted that the figures used are excluding any potential impact as a result of the TUPE pension costs, not does it include any costs associated with the transfer of assets or repurchase of equipment as a result of any business transfer agreements.

At present these costs are not known with enough certainty to be quantifiable but further work will be carried out to accurately define and review these at OBC and FBC stage.

Management Case

There are several considerations in regard to management of the ASC programme as it moves to OBC as well as the potential impacts once the PWF is successfully implemented. These are discussed at high level in the sections below.

Mobilisation

There are likely to be significant one-off mobilisation and transition costs for bringing the ASC function back in house. These will impact HR, IT, training and development, finance, systems and accommodation and identification and management of these impacts will need to be qualified for OBC stage.

Data, Reporting and Performance

In-sourcing ASC is expected to deliver more consistency of reporting methodology across services, as the council is responsible for all reporting for social care.

The transition to the new model is likely to see some initial disruption to normal working, which may impact on data quality. However, data quality should be planned for as an essential part of safe transfer of services and the effects mitigated as far as feasible.

Closer relationship between Business Intelligence (BI) and operational teams under the in-sourced delivery model will facilitate collaborative working to improve data quality, and this safeguards against messaging being 'lost in translation' which can happen when routed through provider management teams as is sometimes seen in BAU.

In addition, the direct management of those inputting data enables targeted management instructions to improve data quality, without relying on the governance of external relationships. This will enable timely improvements to data quality to respond to regulator instructions following assurance visits, for example

Changes to the performance frameworks can be implemented within the governance of one organisation, this will allow for more frequent and timely changes that meet the needs of the council.

In regard to performance monitoring, having a standard operating model in line with that seen across most LA's will make it easier to benchmark ASC service performance.

Governance

Care will need to be taken to manage a potential lack of control due to the divorced position between operational social worker agreeing a care package and the cost pressure created in the Council budget. An example of this would be seen in the home care and residential care packages.

Workforce

A key consideration is how to effectively manage the large-scale TUPE transfer required to in-source ASC service in a very short timescale (1st April 2024), especially with multiple contracts and varied terms and conditions as seen in the current provider workforce.

There is also potential for the Council workforce to be destabilised as the provider workforce are on a more favourable salary scale. This is likely to require additional Council budget to 'level up' terms and conditions for the existing directly employed social worker workforce.

There is a significant risk to the Council of not being able to attract, recruit and retain a skilled workforce as B&NES salaries do not compare well in neighbouring LA's and could lead to an over reliance on high-cost agency staffing. This will need to be carefully managed as the business progresses through to FBC.

At this stage we do not have a complete understanding of the skills and shape of the workforce and how this will fit within the current ASC directorate. This does bring risk with relation to vacancies (and use of agency staff) B&NES may inherit as well as any employee related casework.

Communications

The table below shows the draft communications strategy expectation for the programme at each stage in the process. A more detailed communications strategy will be fully worked up for OBC stage.

What	When	Who	How
Pre-Decision Stage – Informing of facts and decisions being taken	After November decision	Trade Unions (each organisation) HCRG and Council Managers to disseminate to relevant employees	tbc
Preparing for a TUPE transfer If decision made to transfer X services back in house Formal notification of service provision changes between two organisations Inform groups - Why it's happening and who will transfer	Once decision is made which services coming in (once out of any standstill period?)	Council Director writing to HCRG Director TUs HCRG and Council Managers to disseminate to relevant employees	Letter tbc
Regular ongoing communication with stakeholders - key milestones, timetable, progress, collecting questions	Frequency tbc	Steering Group to agree messages Trade Unions Workforce (both HCRG and our council teams who might potentially be affected by the service provision change) <i>HCRG/Council to agree how ongoing questions captured/collated/communicated</i>	Monthly Corporate TU meetings – regular agenda item (every 3 rd Tuesday Am) Bespoke Newsletter? Staff Comms Intranet Email FAQ collating
Council and HCRG HR leads - formal comms requesting Employee Liability Information and due diligence, council to assess and declare any	ASAP after decision is confirmed and ELI requested	Council and HCRG HR (and Payroll) leads	Letter/Email

What	When	Who	How
measures to enable formal consultation	Takes many months to unpick the detail	Service managers to assess and declare measures	
Formal Consultation on transfer measures e.g. <ul style="list-style-type: none"> Any risk of redundancies If intending any restructuring Changes in location Changes to pay dates Any new working patterns Any changes to JDs Different pension arrangements 	Only after due diligence received, assessed and council confirm measures (changes) No defined time frame but needs to be meaningful	Trade Unions and Staff (HCRGs consultation – however we will always offer to attend and assist with TUPE FAQs and incoming operational queries	Online - Consider recorded Smaller group/team sessions as 1:1s not feasible for large group FAQ collated and responses circulated
Transfer/Post Transfer			
Director of Service Welcome message HR TUPE welcome Letter (with key data)	Day 1 ASAP after transfer	Director to individual transferees HR to individual transferees	Letter/Email
Induction /Training	tbc	Service manager driven	tbc
Consider any post transfer engagement piece	tbc	Service with HR&OD	tbc

Table 1.22: Draft Communications Strategy

Programme assurance

Programme assurance is the ultimate responsibility of the Programme Board and seeks to provide an independent and objective oversight of the likely future performance of programmes for those responsible for approving the undertaking.

It is designed to be an ongoing process that provides a clear sense of whether a project will accomplish its objectives and if there are significant risks. The objectives of a project assurance function can include:

- Assessing the risks and strengths of the programme

- Ensuring known requirements for programme success are present: skills, processes, structures, and culture
- Providing unbiased, independent evaluation of the programme's prospects for success
- Keeping the Board firmly in control as the programme matures
- Working closely with project teams stakeholders to ensure that risks are collected, prioritised, and mitigated.

Expert support has been brought in to provide overarching programme management and business case production support from consultancy firm Global City Futures. Work will be ongoing under all care services work streams to support implementation and delivery in line with the identified programme timescales.

Other considerations

As the project moves to OBC stage in February 2023 the following will also need to be considered in more detail:

- The additional financial costs will need to be fully quantified
- The impact on contracting
- How the programme manages communication with the community and engagement activities.