

Bath & North East Somerset Council			
MEETING/ DECISION MAKER:	Cabinet		
MEETING/ DECISION DATE:	10th November 2022	EXECUTIVE FORWARD PLAN REFERENCE:	
		E	3393
TITLE:	Community Services Transformation Programme – Adult Social Care		
WARD:	All		
AN OPEN PUBLIC ITEM			
List of attachments to this report:			
Appendix 1 Adult Social Care Strategic Outline Business Case (SOC) October 2022			

1. THE ISSUE

- 1.1 Following the options appraisal by the Council and Clinical Commissioning Group (Bath & 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.
- 1.2 The decision to not exercise the extension now requires a decision to be made to progress the preferred option for the service delivery model for Adult Social Care (ASC) services. A report went to cabinet on 8th September 2022 to provide an update on progress, but the meeting was cancelled due to the death of HM the Queen. In line with that report a Strategic Outline Case (SOC) is attached to start the process of putting new arrangements in place from 1st April 2024.
- 1.3 Outline Business Cases will be produced for other services either provided directly or as sub-contracts of HCRG Care Group by February 2023 in line with the 3 programmes detailed in the 8th September 2022 Cabinet report.

2. RECOMMENDATION

Cabinet is asked to:

- 2.1 Agree to the recommendation in the Strategic Outline Case to proceed to Outline and Final Business Case with the insourcing of Adult Social Care Services as detailed in the contract with HCRG Care Group as PD01 - Statutory Adult Social Work and SD43 - Adults with Learning Disabilities.
- 2.2 Delegate responsibility for insourcing PD01 and SD43 to the Director of Adult Social Services in consultation with the lead Cabinet member for Adult Social Services and the Chief Financial Officer subject to the sign-off of the Outline and Final Business Cases.

3 Background

3.1 Full information in relation to the issue and required background information can be found in the 8th September 2022 Community Services Design Update. The decisions taken by Cabinet and the Clinical Commissioning Group (CCG) Governing Body to not exercise the Option to extend the Community Services contract with HCRG Care Group requires the Council and the Integrated Care Board (ICB) to put new Community Services arrangements in place from 1st April 2024

3.2 The ASC SOC at **Appendix 1** concentrates on the provision of statutory adult social care services as defined by PD01 and SD43 of the current contract specification. Both services are directly delivered by HCRG Care Group (with some use of sub-contractors for SD43).

3.3 The Business Case Process

The purpose of a business case is to weigh up the costs and benefits of a selection of potential options and thereby present the argument for proceeding with a preferred course of action. It provides the opportunity to undertake a comprehensive analysis of the preferred option identified during the options appraisal stage.

The stages required and the level of detail required within a business case will vary depending on the size of the project. A significant or high value project should proceed through all the stages below, whereas smaller and lower value projects can have a lighter touch approach.

The Business Case Stages

- **Strategic Outline Case (SOC)**

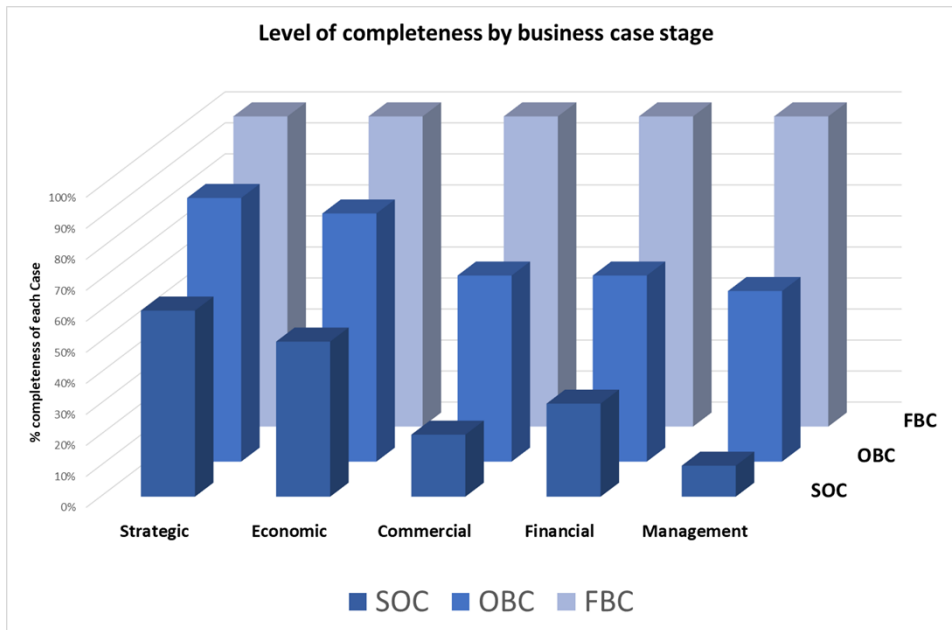
This document is to establish a robust case for change that supports approval to proceed to later business case stages, and approval for the costs associated with their production.

- **Outline Business Case (OBC)**

The main purpose of the OBC is to revisit the case for change and the preferred way forward identified in the SOC. It's also to establish the option which optimises value for money, assess the affordability and demonstrates that the proposed scheme is viable for delivery.

- **Full Business Case (FBC)**

The FBC confirms that the scheme is affordable, the most economically advantageous offer is being procured and the project is ready to proceed. In addition, the FBC explains the fundamentals of the negotiated deal and demonstrates that the required output can be successfully achieved.



3.4 The following strategic objectives were considered under the appended SOC

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

3.5 Three options were reviewed in detail.

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.

3.6 The table on the following page matches the Strategic Objectives and the Critical Success Factors in coming to the above conclusions.

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

	Option 1	Options 2	Options 3
	Re-commission service delivery for B&NES	In-source service delivery to B&NES Council	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

4 STATUTORY CONSIDERATIONS

- 4.1 Full information in relation to regulatory considerations can be found in the 26th May 2022 report to Cabinet – HCRG Care Group Options Appraisal in section 4 of the report. Further considerations of the future statutory requirements are included in the Adult Social Care SOC attached at **Appendix 1**.
- 4.2 Two statutory services were removed from the HCRG Care Group contract at the start of Year 6 (1st April 2022 – 31st March 2023) by mutual agreement with HCRG Care Group. These services are Strategic Adult Safeguarding which has been returned to the Council and Continuing Health Care has returned to the ICB.

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 5.1 Additional capacity was identified as being required for programme management as well as subject matter expertise to deliver the three work programmes identified in the 8th September 2022 Cabinet report. This is being met through a mixed model of procurement of professional services (completed in September 2022), investment in interim project roles, back filling current roles to release capacity to focus on this programme and utilisation of fixed term staff to fulfil specified activities to a defined brief. The process to ensure sufficient project and programme management resource is ongoing.
- 5.2 It is expected that the cost of mobilisation will be met from the Adult Social Care reserve. The Adult Social Care reserve currently stands at £7.3m with £3.3m not committed, however this may be put under pressure by the current cost of living and inflationary pressures impacting the service. 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 used for initial resource planning. At this stage it does not consider any contractual termination costs. A more detailed resource plan will now be developed as part of the management case for the OBC to ensure it is sufficient including appropriate contingency for any issues identified during the project.

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

- 5.3 Project costs associated with the establishment of an ongoing delivery model of ASC provision within the Council will be funded from the Adult Social Care reserve.
- 5.4 Programme management and transition costs that relate to services that are integrated with health will be managed through the programme governance set out the 8th September 2022 Cabinet report with costs identified and charged accordingly. ASC costs will continue to be funded by the Council or the Better Care Fund (where appropriate)
- 5.5 Programme management and ongoing transformation costs from 2024/25 will be funded by the existing value within the HCRG Care Group contract following movement of resources as the contract ends. Any arising pressures will require mitigation from within the budget envelope for the provision of social care, to recognise financial risk a commitment will be held against the social care reserve place following due diligence on current and future operating costs.

5.6 The decision to in-source ASC services PD01 and SD43 will require the transfer of circa 281 staff (see table below) from HCRG Care Group to B&NES. 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.

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

6 RISK MANAGEMENT

- 6.1 An Adult Social Care Transfer of Services risk register will be maintained, in addition to the overarching Community Services Transformation Programme risk register, to demonstrate robust assurance of risk management and mitigation actions. Specific risks are included within the ASC SOC attached at **Appendix 1**.
- 6.2 The main strategic risk identified is the security of the service provision by 1st April 2024. The main factor that impacts this is the security of the workforce model, and the potential impacts on internal resources and capabilities.
- 6.3 There are risks associated with the transfer process itself for the c.280 staff impacted. Inheriting staff on multiple terms and conditions that need to be built and managed will require resource and planning from across the organisation including in HR, finance and ASC during the transfer process. In the longer term this will require differing skills and capabilities to manage such a large influx of directly employed personnel.
- 6.4 There are also 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.
- 6.5 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.
- 6.6 Other identified strategic risks include the separation of statutory social work from the contractual integrated health care system relationship, and if the Council and ICB's views on

the future model for the provision of the Complex needs service do not align, it could have potential adverse impact on the model for the remaining services in this grouping.

7 EQUALITIES

7.1 Equalities Impact Assessment (EIA) – this will be completed as part of the recommendations made to Cabinet in February 2023 on the new model of delivery for community services.

8 CLIMATE CHANGE

8.1 At this stage officers do not expect any effect on the Council's carbon footprint; however, this will be considered at future stages of the Business Case process.

9 OTHER OPTIONS CONSIDERED

9.1 All options considered are included within the SOC at **Appendix 1**

10 CONSULTATION

10.1 As joint commissioners of the B&NES Community Services contract the Council and ICB will continue to work in partnership to deliver the Community Services Transformation Programme and make recommendations on a new model of delivery for Community Services to Cabinet and the ICB. Consultation and stakeholder engagement at appropriate stages will be included within the programme. This includes early engagement and consultation with staff directly and indirectly affected by the decision, as well as with our corporate trade unions; Unison, Unite and GMB.

Contact person	Suzanne Westhead – Director of Adult Social Care
Background papers	26th May 2022 report to Cabinet – HCRG Care Group Options Appraisal 8th September 2022 Community Services Design Update
Please contact the report author if you need to access this report in an alternative format	