

REPORT TO: Executive Board

DATE: 16 November 2017

REPORTING OFFICER: Strategic Director, People

PORTFOLIO: Health and Wellbeing

SUBJECT: Alternative Delivery Model for Adult Social Care Provider Services

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To seek Executive Board approval to enter into discussions with Sefton and Knowsley Council to explore opportunities around an alternative delivery model for some Adult Social Care Provider Services.

2.0 RECOMMENDATION: That

1) the Strategic Director, People, enters into further discussions with Sefton and Knowsley Council to explore the opportunities for Halton to develop an alternative delivery model for some Adult Social Care Provider Services; and

2) a further report be brought back to Executive Board.

3.0 BACKGROUND

3.1 The current pressures on the delivery of social care are well documented and ongoing demand pressures are not being met by the market in any affordable way, and will require the Council to consider future delivery models of care that are based on need, support the quality of care that the people of the borough deserve and are financially sustainable.

3.2 This will require different ways of working as a Council and different ways in working with other Councils. An approach is the formal partnering of Councils and/or other public sector organisations such as the NHS through Local Authority Trading Companies (LTAC).

3.3 Sefton New Directions (SND) was incorporated in 2007 as a local authority trading company. Sefton Council is the sole shareholder. The Company is an independent legal entity and operates under the governance of a Board. The Board is responsible for the Governance

of the Company and currently consists of three Directors: 2 Councillor's and the Council's Chief Executive.

- 3.4 The Company is registered with the Care Quality Commission and conducts a range of care services, including: day services; reablement; intermediate care; respite services; supported living; shared lives services; and residential homes. The services are provided to older people, adults with learning and physical disabilities, and adults with mental health issues and dementia. The client groups are primarily Sefton residents with some services being provided to Sefton NHS and other bodies. There are approximately 350 employees. The Company reported a 'surplus of £1M in the 2015/16 financial year, and continues to be the Councils 'preferred provider' through a block contract.
- 3.5 Sefton Council approached both Knowsley and Halton councils to explore the opportunity of expanding the current organisation in partnership and the development of an enhanced portfolio of services. To this end we would explore a shareholder agreement of the LTAC, with Sefton, Knowsley and Halton holding shares and ownership based on their contribution of services or financial contribution.
- 3.6 There are a number of considerations for Halton to explore as part of the assessment of the benefits of a LTAC for social care, including:
1. Staffing issues including terms and conditions;
 2. Ensuring that services are of a high quality and what are benefits to users by moving to this delivery model;
 3. Financial benefits and liabilities to the Council;
 4. Sustainability of the service offer;
 5. How far this model would support the sustainability of our care home sector, for example, having a sufficient number of homes that can deliver the range of support required at a scale that is sustainable and can quickly move to rescue failing homes;
 6. The potential to pool expertise and resources securing jobs, extending employment opportunities and promoting growth;
 7. The ability to grow through delivering or entering into similar agreements with other Councils and/or others creating a social care provider driven by public sector values; and
 8. The Social Value delivered by such a delivery model.
- 3.7 The LTAC would be a publically owned enterprise delivering services on behalf of the shareholders as the provider. The Council would be a shareholder in the LATC, with representation on the Board the Council would be accountable for proper governance and adherence to the values of the Council and ensure that users benefit from quality, efficient and sustainable service provision.

3.8 Through further discussion we would consider which services could be and would benefit from being delivered by the LTAC.

3.9 Currently the LTAC service value is £8million. Knowsley and Halton would need to determine their shareholding value based on the business case, but initial consideration would be in the region of £5M

For Halton it is proposed that we would investigate some or all of the following services:

i) **In House Learning Disability Services;**

Day Services, Bredon, Supported Housing and Adult Placement.

ii) **Recently purchased Care Homes.**

Executive Board have previously been informed of the risks within the Care Home market in Halton, in relation to the sustainability and future provision of care homes in the Borough. During the last year we have been notified of 2 care homes at risk of closure. Halton Council have purchased 1 home and are currently exploring the options for a second home. In addition the current care home market in Halton is insufficient to meet the needs of the population, over the next couple of years there will be a need to increase the availability of care home placements within the Borough.

If the Council continues to increase In-House services to include a number of care homes, we need to consider the options for future delivery. The Council do not currently have the available infrastructure, to enable this to happen including HR, property services and service management, this would increase the overall cost of provision.

4.0 **OTHER IMPLICATIONS**

4.1 There are a number of areas we would need to consider, see 3.6 in addition we would need to consider the impact on:

- Central Services
- Property
- Financial commitments and liabilities
- Process for exiting the arrangement
- Substantive consultation

A local Halton operation steering group will be established along with a member steering Board, to ensure the impact on Halton services is fully considered. The members steering Board will be chaired by Councillor Wright.

5.0 **POLICY IMPLICATIONS**

5.1 None identified.

6.0 **FINANCIAL IMPLICATIONS**

6.1 The overall costs of the services we propose to consider is estimated at £5 million. In addition we would be proposing to consider transfer of newly purchased care homes, Madeline McKenna and possibly Millbrow- overall cost estimated at £2 million. This would ensure that financially we have a significant shareholding.

7.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

7.1 **Children & Young People in Halton**

None identified

7.2 **Employment, Learning & Skills in Halton**

None identified.

7.3 **A Healthy Halton**

The sustainability of the Care Home market in Halton is a key priority for health.

7.4 **A Safer Halton**

Consideration of safeguarding for the vulnerable adults receiving services will be a key aspect of the project

7.5 **Halton's Urban Renewal**

None identified.

8.0 **RISK ANALYSIS**

8.1 There are a number of risks that will need to be considered as part of the project, a Halton dedicated steering group will be established to ensure all risks are addressed and mitigated.

9.0 **EQUALITY AND DIVERSITY ISSUES**

9.1 Equality and Diversity issues will be considered as part of the project.

10.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None.