

<b>MEETING:</b>	<b>CABINET – HEALTH &amp; WELLBEING</b>
<b>MEETING DATE:</b>	<b>25 JULY 2013</b>
<b>TITLE OF REPORT:</b>	<b>ADULT SOCIAL CARE – NEXT STAGE INTEGRATION – WYE VALLEY NHS TRUST</b>
<b>REPORT BY:</b>	<b>ASSISTANT DIRECTOR ADULT SOCIAL CARE</b>

## 1. Classification

Open

## 2. Key Decision

This is a Key Decision because it is likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates. It is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the County.

NOTICE has been served in accordance with Part 3, Section 9 (Publicity in connection with key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

## 3. Wards Affected

County-wide

## 4. Purpose

To approve the Adult Social Care Next Stage Integration Project Organisational Change Model. Specifically the:

- Proposed operational model and organisational structure for those functions currently part of the Wye Valley s75 and the subsequent headcount (full time equivalent (fte)) impact
- Interim commissioning arrangements for the Learning Disability Community Service
- Financial implications for the 2013/14 & 2014/15 Adult Social Care Revenue Budget

## 5. Recommendation(s)

**THAT Cabinet:**

- (a) **Notes the achievements of the Next Stage Integration Project to date;**

- (b) **Agrees the termination of the section 75 agreements with WVT on 13 September 2013 and with 2gether on 31 March 2014**
- (c) **Agree the proposed operational model and organisational structure for those functions currently part of the Wye Valley S75 and subsequent headcount impact set out in paragraph 8.20 of this report;**
- (d) **Agree the interim commissioning arrangements for the Learning Disability Community Service set out in paragraph 8.24 of this report;**
- (e) **Authorises the Director for People's Services to implement the proposed model, organisational arrangements and undertake the commissioning of the required services in consultation with the Cabinet Member for Health and Wellbeing as appropriate;**
- (f) **Delegate the contract award decision process to the Director for People's Services in consultation with the Cabinet Member for Health and Wellbeing as appropriate;**
- (g) **Note the financial implications for the 2013/14 & 2014/15 Adult Social Care Revenue Budget as set out in paragraph 11 of this report;**

## **6. Alternative Options**

- 6.1 An alternative option would be to maintain the current service offer in the current design. This would leave un-modernised services of variable quality. It would also continue to put significant and unacceptable pressure on the council's limited financial resources.
- 6.2 There are no other alternative options for consideration at this time. Further changes will take place during the commissioning period informed by discussions with service users, staff and providers.

## **7. Reasons for Recommendations**

- 7.1 The recommendations are made to ensure an effective transition from the existing Section 75 agreement in order to safeguard users, improve the quality and effectiveness of service delivery, create choice and to reduce costs in order to manage and deliver services within the required financial envelope.

## **8. Key Considerations**

### **8.1 The National Context**

Every local authority is facing significant financial and community challenges in trying to maintain appropriate services to the most vulnerable members of our society. The national policy agenda focuses on increasing choice and control for the service user, enabling people to choose services for themselves. The Care and Support Bill introduces further requirements on health and social care partners. This means that there is a need for integrated pathways that take forward improved social care and health outcomes, which are of good quality and that are sustainable.

## 8.2 The Strategic Context

The Adult Social Care Business Change Transformation Programme has been established to deliver the two strategic aims of:

1. Regaining control of the finance and governance of the Adult Social Care system
2. Redesigning the Adult Social Care system in Herefordshire; requiring a fundamental shift from a model of delivered care to one where people take responsibility for their own wellbeing. Thereby reducing the level and volume of care provided by the state whilst improving the quality of life for people with care and support needs. One of the essential elements of the new model is new arrangements for providing advice and information about community services, . All service users are being made aware of these changes by letter.

8.3 The governance structure of the programme has been developed to ensure that there is clear accountability across the council for delivery and that real change can be effected throughout the Adult Social Care service.

8.4 Transformational change is needed to ensure that the council is able to deliver services to those who are considered to have substantial and critical needs, to ensure the council is able to address forthcoming legislation as well as driving out anticipated savings of £7.078m savings in 2013/14. Similar reductions are likely during 2014/15 and 2015/16.

8.5 In Herefordshire our aim is to ensure that we develop jointly planned services and jointly owned indicators with The Clinical Commissioning Group to get the right support to people in a seamless manner. The council will take the leadership role in social care with effective management of the assessment process so that we can convert assessments into personal budgets.

8.6 Whilst there has been some success in addressing hospital discharge arrangements, which are a continuing focus in the new operating arrangements, Adult Social Care has much broader responsibilities and requirements as well. For example, housing and benefits issues are often core components of a plan of action to address vulnerabilities which will then prevent the need for crisis care later

8.7 The Council is encouraging new models of meeting need and delivering services, These will include developing relationships with our suppliers that deliver the co-production of services in line with the aspirations and choices of our service users. This project also secures some service efficiencies to address the financial position facing the Council.

## 8.8 The Next Stage Integration Project

Through the Next Stage Integration project, the Council intends to modernise and improve the quality of its Adult Social Care services. This will enable more outward facing community focussed approaches, and better information, advice and guidance to address problems currently experienced by families and service users who are not clear where to get information and advice. There will also be a new commissioning strategy with fewer block contracts.

- 8.9 The council currently commissions Wye Valley Trust and 2gether Foundation Trust to manage and provide a range of Adult Social Care services on its behalf which are delivered through Trust management. The staff from within the Adult Social Care services are seconded from the council to both organisations. These commissioning arrangements are being reviewed as the Section 75 agreements come to an end in September 2013 (WVT) and March 2014 (2gether).
- 8.10 The council, in conjunction with the Clinical Commissioning Group (CCG), is considering how it can deliver high quality integrated community health and social care in order to give residents greater choice and control, enable better management of demand for services and identify more cost effective approaches to meet statutory responsibilities. The Next Stage Integration project is the framework within which we will achieve this goal.
- 8.11 The Next Stage Integration project is a key component of the Adult Social Care Business Change Transformation Programme and is tasked to deliver £0.756m of savings in 2013/14.
- 8.12 The project aim is to Implement a new operating model that delivers greater choice and control for service users within a budget that Herefordshire can afford. This is being managed in two stages:
- Stage 1- April 2013 until September 2013
    - Public and partner engagement
    - Options analysis and redesign
    - Organisational restructure
  - Stage 2 – September 2013 until April 2014
    - Implementation and integration
    - Commissioning programme

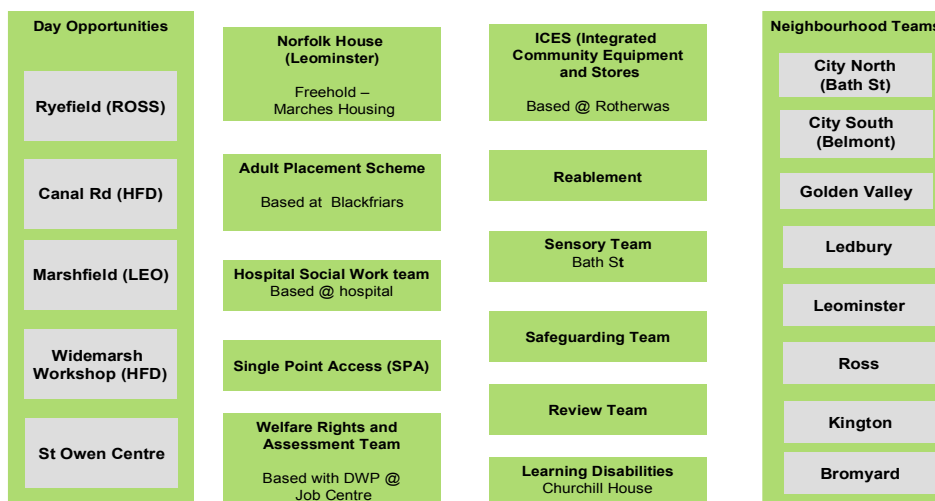
Activities and timelines are shown at Appendix 1 of this report.

### 8.13 **The Proposed Operating Model**

The current Section 75 with Wye Valley Trust provides the following services:

## Current Model – Commissioned through s75 with WVT

Current no of staff: 254.20 FTE  
Cost : c£10m

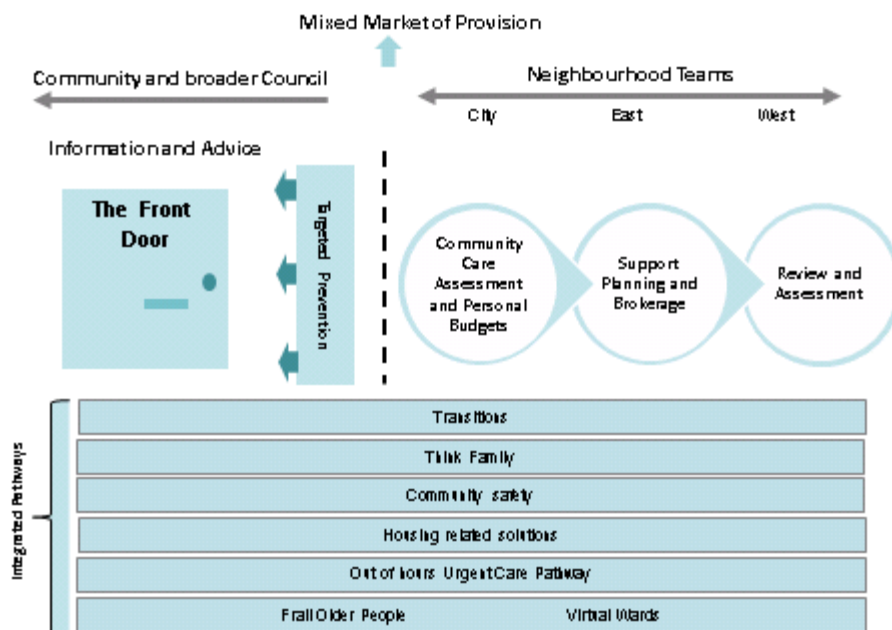


8.14 Consideration of the current provision via staff workshops, management and partner discussions and key advisor inputs recorded the following issues:

- Significant variations in individual services in terms of service user and carer satisfaction performance, and cost
- Focus on transactional activity, operational and day to day issues
- A multiplicity of systems and process, characterised by numerous access points and significant waiting lists
- A focus on hospital discharge, rather than a broad prevention strategy working with primary care
- A pathway that does not offer sufficient choice and control in line with self-directed support, and has over bureaucratic systems and processes and poor data quality within the case management system
- Insufficient professional social care leadership and significant retention and recruitment issues for qualified social workers
- Continued provision of direct care and regulated services, which does not reflect the overall strategic approach of the council as it moves towards a commissioning approach and move away from direct provision

8.15 A high level overview of the proposed model can be illustrated as follows:

## Adult Social Care – Proposed Model (Overview)

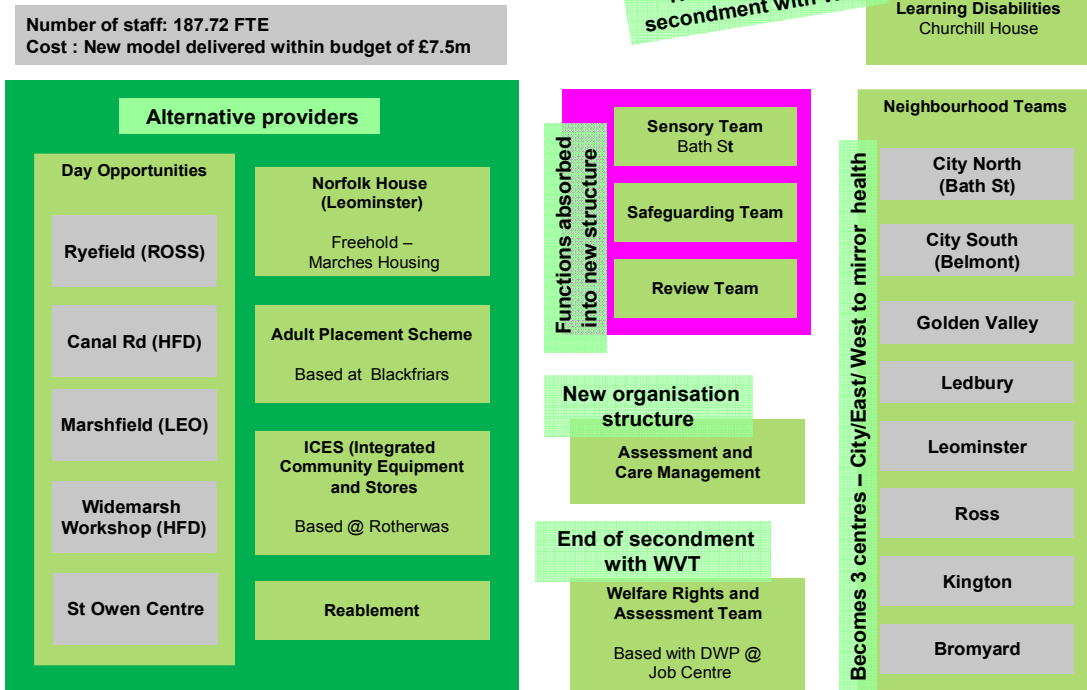


8.16 The key design principles that underpin the proposed model are:

- Developing shared arrangements with NHS, Housing, Environment and Communities to support and sustain vulnerable people in their locality;
- Improved Social Work and Occupational Therapy Leadership and governance reflecting national good practice;
- A single point of access to Adult Social Care that is closely aligned with broader council services with specific focus on information and advice, housing and financial advice;
- Personalisation/Choice and Control core principle – User Led and Carer led in design, planning and delivery;
- Rapid response and access to reablement, telecare and specialist advice and guidance is integrated into broader primary and urgent care pathways;
- Where people require long term Adult Social Care support, they will have a personal budget, and a range of support planning and brokerage options are available to them;
- That the council intends to divest itself of direct care provision and other functions, commissioning these from the wider market (includes social enterprises, independent suppliers and voluntary sector);
- Safeguarding Adults is everyone’s business;
- Virtual wards and a neighbourhood focus are key priorities for CCG and the structure has been developed to reflect this priority and a shift towards a greater focus on preventing people going into hospital.

8.17 The impact upon the original model is illustrated below

## New Model – Proposed Changes



8.18 In essence the council will take direct responsibility for what would traditionally be seen as the social care aspects of the service, such as initial contact, assessment, safeguarding and review as well as Welfare Rights. The council will also take the lead commissioner role to establish the necessary provider market, contracts and trusted supplier lists to ensure that services provided through Day Opportunities, Norfolk House, Adult Placement, ICES and the Reablement Service are appropriate to the needs of the service users within the new arrangements and requirements previously noted.

### 8.19 What will be different?

The changes within the Next Stage Integration Model will be made within a relatively short and intensive period of time, however these changes are critical to the longer term Adult Social Care Business Change Transformation Programme and underpin the following key differences between the current culture and environment and the future expectations.

- People will take primary responsibility for meeting their health & wellbeing needs.
- They will be able to exercise choice and control; the support system will positively avoid developing “learned helplessness or dependency”
- Family, carers and the community will play a far greater role
- The focus of the state’s resources will be both targeted and universal. It will focus on meeting the ‘needs’ (not demands) of the most vulnerable whilst also reducing the requirement for services through early intervention and

prevention.

- Charging will be used to facilitate changes in culture and encourage the purchase of appropriate services
- Everyone in the Council will take ownership for achieving this priority with the majority of resources focussed in this area.

## 8.20 **Organisational Change**

Staff consultation on the new operational model and suggested organisational changes commenced on the 6<sup>th</sup> June and ends on the 20<sup>th</sup> July. The proposed structure reduces the existing headcount from 258.17 fte to 187.72 fte. There are a number of part time posts and so from 324 post holders we would expect in the region of 111 redundancies.

All members of staff have been engaged in the consultation process through one-to-one meetings, team briefings and attendance at Adult Social Care forums during the consultation period. The project has worked closely with the Trade Unions, led by Unison at formal consultation meetings, and facilitated opportunities for Unison representatives to meet with members of staff. As a result of the consultation and engagement process the majority of the staff reductions will be through voluntary release rather than compulsory redundancy.

During the consultation period we received one counter proposal regarding community equipment and reablement that has led to a change to the proposed structure; removing a proposed (vacant) post and retaining a number of other roles based on the operational and individual feedback of the team.

Following very positive engagement with the staff, users and carers' transition plans are being developed for each of the current services. It is important to that these are considered carefully with a planned approach to allow a smooth transition for service users. Concerns raised during the public engagement activities (refer to paragraph 8.26 of this report) have been fed into the transition planning. The particular concerns raised around Day Opportunities have led to the decision to phase staff notice periods in line with the developing transition plans. This means that notice will not be served on the majority of staff in Day services on the 20<sup>th</sup> July as originally planned as it may be necessary to continue to deliver services until early 2014. This means that the new Day Opportunities structure will only be implemented as we begin to transition service. Other areas of the proposed structure will be implemented in September (2013) as originally proposed.

The new organisation structure will offer operational efficiency to contribute to the project savings target, and the key changes are recommended as they are critical to the implementation of the new Adult Social Care Operating Model.

These key changes include a move to a neighbourhood model that reflects the national strategy and at a local level mirrors the new organisational and area structure in WVT based on three areas, City, East and West. They ensure that Professional leadership in social care will be properly enabled locating social care in the appropriate part of the integrated Social Care and Health pathway. This includes



creation of the single point of access that is aligned to the broader council and can be developed into an integrated hub with our health partners and service providers.

## 8.21 Commissioning and Procurement

The Commissioning Team within Adult Social Care are working with the Council's Commercial Team to ensure that they achieve three key tasks within the Next Stage Integration project

- Growth and pro-active interaction within the Adult Social Care market
- Value for money procurement of key services to meet the needs of the service user, the council and health partners
- Proactive, outcome focused performance measures for high quality contract and supplier monitoring

8.22 As previously noted the proposed model requires the re commissioning of 5 areas of service provision

- Reablement
- Integrated Community Equipment Stores (ICES)
- Norfolk House
- Day Opportunities
- Adult Placement Scheme

8.23 The timetable for this work is as follows:

Date	Activity
Mid June to Mid July	Needs Analysis & Impact Assessment
Mid July until mid Aug	Budget Confirmation & Specification Drafting
July	Market Research, Mapping & Contact Planning
July 24 <sup>th</sup> & 1 <sup>st</sup> Aug	Light Touch How to Tender & Introduction to Likely Service/Supply Requirements
28 <sup>th</sup> Aug & 12 <sup>th</sup> Sept	Pre Procurement Provider Events, (Spec Building and How to Tender)*
23 <sup>rd</sup> Sept until 31st Dec	Tender Period.
6th to 31st Jan 2014	Tender Evaluation Period
1st February 2014	Contract Award

February 2014	Supplier Information Published
April 2014	Supply Commences

#### 8.24 **Learning Disabilities Services**

Wye Valley NHS Trust provided Herefordshire Council with notice to cease delivering the Learning Disability Health Service from 13<sup>th</sup> September 2013. The service directly supports vulnerable adults with a learning disability and their carers and provides a range of Clinical and Therapeutic Services and Interventions which includes physiotherapy, psychiatry and psychology support.

The commissioners are negotiating the variation to the Section 75 agreement for the provision of health support for Learning Disabilities Services. This will enable the services to be provided via 2gether and the council for the interim period between September 2013 and March 2014 whilst supplier options are considered for the provision of the service from April 2014.

#### 8.25 **Additional Commissioning Work**

The Adult Social Care Business Change Transformation Programme has two work streams currently engaged in the recommissioning of Homecare Services and Residential Care. These work streams are led by the Corporate Commercial Team and care is being taken to jointly plan events for service users and suppliers where appropriate.

#### 8.26 **Public Engagement**

Fourteen public engagement events attracting around 460 attendees have taken place throughout June and July with service users and carers on the proposed changes. There has been an excellent and frank response to the challenges facing the Council. The aim of this consultation was to ensure that the correct information was getting to the right people and to then consult on the changes, discuss concerns and in particular seek views on what future service provision should look like. These comments are to be fed into the project information so that decision makers are aware of the full impact of the proposals on various, protected groups. A full report on the first stage of this consultation is shown at Appendix Two of this report.

The main concerns raised at the events and via other communications were that

- the services would stop in September;
- that the timescales for change were too fast;
- that good services would be lost along with the improvements that had been made by good managers;
- this is privatisation by the back door, and that the council was looking to divest itself of responsibility for the service.
- there is an emphasis on personal budgets which is of concern as there is a low level of awareness or belief that the use of personal budgets would improve opportunities for service users.
- there is not a suitable market place within Herefordshire for the provision of the required services

A high level of frustration was shown with the current assessment process and the time it takes to complete this process. Within the Adult Social Care Business Change Transformation programme there is a work stream dedicated to the improvement of the assessment process. The expectation is that in the future a number of potential service users will be redirected through the new single access point (Adult Social Care Front Door). Where people meet the Fair Access to Care Services (FACS) criteria at substantial or critical level they will be assessed through a new process designed to be faster and more efficient thereby enabling an early resolution to create a service plan and delivery arrangements.

Comments and concerns have been responded to directly at meetings, via information on the council's web site and further correspondence with service users and carers. As a direct result of this first stage engagement service users have agreed to the setting up of reference groups for further consultation on the shaping of services (including specifications within the commissioning process) and the improvement of the assessment process. Service users have put forward names as their representatives and a timetable of events is in place commencing at the end of July.

Information received from the public and staff consultation to date has been fed into the transition and commissioning planning leading to the initial changes in reablement and day opportunities outlined in paragraph 8.20 of this report.

In addition to the Members Briefing we have also consulted CCG, the Health and Well-Being Board, the Clinical Commissioning Group and the Wye Valley Trust Board, in preparing this report. The principal concern expressed through these consultation meetings has been the potential negative impact of the changes on hospital discharge and delayed transfers of care. This is an important indicator for the Council as well as the health community and continued emphasis will be given to maintaining a strong performance in this area. The opportunity for building sustainable collaborative arrangements and greater integration with GPs has been welcomed.

#### **8.27 Next Steps**

The project activities will continue as indicated at Appendix One. Key tasks over the next few months will be to continue the positive development of our service user engagement process, complete the commissioning process, and continuously develop and action the transition plans for the movement of staff and implementation of the new operational model in order to effect the target improvements.

### **9. Community Impact**

- 9.1 The NSI Project sits within the Adult Social Care Business Change Transformation Programme which responds to the requirements of the Joint Strategic Needs Assessment and the Health and Wellbeing Strategy. There are in the region of three and a half thousand service users utilising the current Adult Social Care Services across the county.
- 9.2 The Next Stage Integration Project proposals are in line with the national policy direction that has been taken over several years. It also positions the council for the Care and Support Bill which is currently under debate in Parliament. The Health and Wellbeing Board has received and commented on both the overall transformation plan for Adult Services and the Next Stage Integration Project.

- 9.3 Through the Adult Social Care Business Change Transformation Programme the following council corporate priorities will be met:-
- Public services are prioritised to support those in need of services to maintain their independence or stay safe;
  - People are able to take more responsibility for themselves (includes making healthy choices & focus on prevention);
  - People are active in their communities and look out for the more vulnerable so they can live independently;
  - People Stay Safe.

## **10. Equality and Human Rights**

- 10.1 There are in the region of three and a half thousand service users utilising the current Adult Social Care Services across the county. Categorisation of these users shows that the largest numbers are in the following groups
- Physical disability and sensory impairment – 1,263
  - Older People – 1,102
  - Learning Disability - 594
  - Mental Health - 383

As public sector service providers we must protect and respect equality and human rights in all that we do, and we have a responsibility to promote and implement equality when we:

- provide services
- purchase services
- employ staff
- work in partnership
- engage with our communities.

Equality Impact Assessments have been completed for the Adult Social Care Programme and these are reviewed as key stages of work are completed or initiated. The Next Stage Integration Project task groups are completing Equality Impact Assessments paying particular attention the areas of Transition Planning and Commissioning. These assessments along with the public engagement information will be utilised and updated within the on-going decision making processes during the life of the project. The latest project assessment will be published on the 22<sup>nd</sup> July.

## **11. Financial Implications**

- 11.1 The financial stability of both the council and Wye Valley Trust is under significant pressure. The local authority has been adversely affected by central government funding allocations. Herefordshire has also been slower than other councils in transforming services to date, and this, combined with the growth in the population of older people means we have a savings plan (within ASC alone) of £7.078m to ensure we deliver a balanced budget of £48.797m in 2013/14 (before budget virements), of which £2.7m is currently shown as at risk. This includes the £0.756m on the Next Stage Integration project as the saving will not be classified as agreed until the cabinet decision is taken and implementation has occurred.

- 11.2 The Next Stage Integration project is targeted to deliver £0.756m in 2013/14 and as such represents 10% of the overall Adult Social Care savings target.
- 11.3 Both the Council and the CCG have to ensure effective use of the cash limited budgets they receive. The Next Stage Integration project is one project within the Adult Social Care transformation programme, designed to transform approaches to meeting need and reduce the costs to the budget available. Failure to approve the project will jeopardise delivery of the 2013/14 savings targets and place additional pressures on the 2014/15 budget.
- 11.4 The savings target for 2013/14 assumes that all services are reconfigured from September 2013, prior to the re - commissioning of the services outlined in 8.22 above. The reconfiguration of the day opportunities staff may be delayed to ensure that there is no disruption to the vulnerable clients using the service. If the changes are deferred and the service is unlikely to be re-commissioned by April 2014 the maximum slippage would be £0.4m, however there are some options to mitigate the risk as income receipts would continue at current levels (the model assumes a reduction from September) so the potential impact could be in the region of £0.1 to 0.2m,

## **12. Legal Implications**

- 12.1 The agreements with WVT and 2gether are made under section 75 of the National Health Service Act 2006. The agreement with WVT comes to an end on 13 September 2013; and the agreement with 2gether on 31 March 2014.
- 12.2 Council staff were seconded to WVT and 2Gether and the intention is that they will return to the Council at the end of the agreements. Issues around long term secondments and the Transfer of Undertakings Protection of Employment (TUPE) can be complex and this may be an area of legal risk for the Council. However, the history of these arrangements is a matter of fact.

## **13. Risk Management**

- 13.1 A project risk register is maintained and risks and issues are monitored and reviewed via Project Team Meetings and the Project Board as appropriate. This includes sharing and active management of the risks with partner organisations such as the Wye Valley Trust and 2Gether.

## **14. Consultees**

- 14.1 The project has undertaken a comprehensive programme of stakeholder engagement, as part of the operational model and organisational review activities. Further engagement is in place relating to the Transition and Commissioning tasks, via service user reference groups and supplier events, to ensure that decisions are informed by service users, carers, staff and providers.
- 14.2 In addition elected members and strategic partners have been consulted and advised on the project via a range of seminars and briefing at board meetings.

## **15. Appendices**

15.1 Appendix One – Next Stage Integration Timelines

Appendix Two – ASC Next Stage Integration Interim Consultation Report

## **16. Background Papers**

16.1 Section 75 Partnership Agreement – Cabinet Report 16<sup>th</sup> May 2013