



# **An improved and innovative in-house service**

## **Adult Social Care in Barnet**



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March 2016



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# Executive Summary

## Recommendations

The recommendations are divided into two parts. The first summarises UNISON's recommendations in response to the Committee report to the Adult and Safeguarding Committee (March, 2016) and the Outline Business Case. The second part contains the recommendations from the UNISON report on the proposed new Adult Social care operating system published in November 2015, which have not been addressed in the March 2016 Committee report and OBC.

UNISON recommends:

1. Formal responses to the questions on financial savings and the Committee should ensure that the timetable for the implementation of each option is evidenced based for each service.
2. Confirmation that a full and comprehensive in-house option will be developed including who will undertake the development of the in-house model, how it will be developed, staff and UNISON involvement and the resources to be made available.
3. A comprehensive and transparent Evaluation Framework is prepared to prevent evaluation bias as a result of the Council appointing consultants who are clearly committed to a mutual/social enterprise model.
4. A Risk Register is prepared immediately to identify the range and level of risks associated with each option.
5. The financial impact of the pensions' deficit should be made transparent and built into the financial models as a matter of urgency.

The following recommendations from the UNISON November 2015 report remain to be addressed. The Council should:

- A. Eliminate flawed comparisons between local authorities that have significantly different economic and social conditions.
- B. Produce a detailed plan for early intervention and prevention.
- C. Prepare a consultation plan to fully engage with residents, service users, carers, community and voluntary sector organisations and Council staff in a democratic and transparent manner.
- D. Improve the terms and conditions for the social care workforce including a commitment to implement the living wage, pensions, workforce development and relevant health and safety policies and practices.
- E. Not exert undue pressure on community and voluntary organisations to take on additional responsibilities that reduce or compromise their ability to organise and advocate.

## Shortlisting of options

The report to the Adults and Safeguarding Committee, March 2016, recommends the shortlisting of three options for Adult Social Care – a reformed in-house service, a service shared with the NHS and a public service mutual. The options of outsourcing or transfer of the services to The Barnet Group, the Council's Local Authority Trading Company, have been rejected.

This report follows UNISON's detailed response to the proposed new operating model for Adult Social Care (Barnet UNISON, 2015) in response to the report on a new operating model for Adult Social care and strategic outline case considered at the November 2015 meeting of the Committee (London Borough of Barnet 2015a and 2015b). UNISON's comments and recommendations are divided into ten sections.

### 1. Financial savings

The Alternative Delivery Model (ADM) financial analysis (page 7 of the Committee Report) is based on a number of assumptions and a vague statement about 'initial analysis'. This leads to several important questions:

1. How can savings be attributed to each model now be credible when the timetable (page 45 of OBC) shows the ADM will still be under development until September 2016?
2. It is common knowledge that obtaining additional income from delivering services to other local authorities, the NHS and/or other public bodies is high a risk strategy, so why is this not recognised in the table? (page 7 of the Committee report).
3. What is the source of the additional savings of £428,000 claimed for the mutual/social enterprise option compared to the in-house and NHS models?
4. There are various options for how the NHS model could be organised and delivered, which might affect the potential level of savings - so why has a 85% savings figure been arrived at for this option?
5. There are likely to be significant differences in the transaction costs borne by the Council for each option, so why have they not been estimated for each option? The total cost of the ADM project is currently £1.26m.
6. What are the risks associated with each option, because they will have a direct bearing on the level of savings claimed for each option? (see section on risk register below).

The Committee Report (para 4.3) suggests that a mutual/social enterprise "*...could be established rapidly, within three months or more slowly, within 15-18 months*" compared to approximately 18 months for the in-house option and 12 months for the NHS shared service.

In practice the timetable for the transfer of services is likely to be the same, or very similar, for all three options. However, perceived differences in the timetable could be used to claim larger savings by the mutual/social enterprise in the options appraisal, which are later not obtained in practice.

The Committee should ensure that the timetable for the implementation of each Adult

Social Care option is evidenced based for each service.

## **2. ADM operating model**

The Committee Report and the Outline Business Case contain very little information about the planned new operating model.

The Committee report restates the commitment to “...*make a step change in the Council’s approach to early intervention and prevention as a means of managing demand for services*” (para. 5.1). This is repeated in the OBC. However, the Committee should expect substantially more evidence of how the ‘step change’ will be achieved in an OBC.

## **3. In-house model**

The recommendation to more fully examine an in-house option is an important development for Barnet Council. UNISON seeks confirmation that a full and comprehensive in-house option will be developed and seeks a response to the following:

- Who will undertake the development of the in-house model?
- How will it be developed?
- How will staff and UNISON representatives be involved in the process?
- What resources will be available to prepare an innovative and improved in-house option?

## **4. NHS model**

There is a lack of clarity regarding the NHS model. Mental Health services are being taken out of joint working with the NHS, which raises questions about the basis on which the NHS option is being developed. This in turn raises the question about whether the NHS option includes or excludes Mental Health services?

UNISON supports consideration of an NHS shared services option and the development of a genuine alternative option.

## **5. Preference for mutual/social enterprise model**

An Evaluation Framework is required in order to rigorously assess the three shortlisted models, but it is absent in the Committee Report and the Outline Business Case. Five criteria were used to shortlist the ADM options:

1. *Is there appetite amongst potential partners to deliver this option?*
2. *Can statutory ASC functions be delegated under this option?*
3. *Could this option deliver the required cultural and process change?*
4. *Could this option generate savings and/or additional income?*
5. *Has this option been tested by other Councils?*

The same questions are used in the Outline Business Case to produce a simplistic chart on page 42 of the OBC and page 9 of the Committee Report. This fails to meet basic standard practice expected in an OBC.

However, the options appraisal process requires an Evaluation Framework with a comprehensive range of criteria and a rigorous assessment process. A comprehensive and transparent approach is essential to prevent evaluation bias as a result of the Council appointing consultants who are clearly committed to a mutual/social enterprise model.

Furthermore, there is no evidence that staff support a mutual/social enterprise option.

## 6. Job losses

Barnet Council's Medium Term Financial Strategy has recently imposed a £1.4m reduction in the Adult Social Care budget with the loss of 37 posts after the planned cuts were consolidated into one year (2015-2016) instead of over the originally planned four years. In addition, the planned ADM savings of £1.96m between 2017/18 and 2019/20 are expected to lead to additional job losses.

The ADM project will involve the transfer of 44 ASC support posts to Capita as part of the CSG contract.

Neither the Committee report of the OBC make any reference to staff pensions', in particular whether the pensions' deficit has been factored into the costs of the NHS shared services and mutual/social enterprise options. This could have a significant impact on the financial viability of these options.

UNISON recommends the financial impact of the pensions' deficit made transparent and is built into the financial models as a matter of urgency.

## 7. Significant risks

There is no reference to a risk register in the Committee Report. The OBC contains several references to risks and reference to a Risk Register is included in the Next Steps section of the OBC (pages 45 and 46). It is essential that a draft risk register is prepared immediately given the potential range and level of risks encountered by any changes to the delivery, organisation and provider of Adult Social Care services in Barnet.

The Committee must be made aware of the range of risks immediately and the risk register developed in parallel with the development of the three options. For example, achieving the savings from the 'Enablement service' and 'Additional income from trading and other sources' are ranked as 'high risk' (page 6).

The preferred mutual model has the highest level of risk, which means that a comprehensive risk assessment must be published before further work is undertaken (see pages 17-18, UNISON November 2015 report).

UNISON is very concerned that uncertainty over the ADM process could lead to an exodus of staff resulting in skill shortages and a negative impact on the quality of service together with higher human resource and agency costs.

## 8. Equalities

UNISON is very concerned that equalities issues are not mentioned in the OBC until an appendix on page 67 of the 68-page report!

The Committee report states:

*"The shortlisted ADM options are unlikely to have an equalities impact upon ASC service users because all three options are structures through which the new operating model would be delivered. However, not enough is yet known about how the ADM options would be implemented to say for certain that the choice of ADM will not have an equalities impact upon service users"* (para. 5.15)

This is an over-optimistic perspective for three reasons:

Firstly, potential differences in the application of the new operating system and service delivery methods could lead to equality issues for services users and staff.

For example, reference is made to early intervention and development, but there is no explanation how this will be put into practice.

Secondly, differences in the organisation, management and staffing in each option could similarly lead to equality issues for services users and staff.

Thirdly, the ADM has an additional savings target of £1.96m between 2017/18 and 2019/20 (para. 2.25). It is inconceivable that further spending cuts will avoid having an equalities impact for service users and staff given the scale of cuts previously imposed.

Equalities issues highlighted in UNISON's November 2015 report remain valid and it is vital that equalities issues are integrated throughout the development of the ADM.

## **9. Consultation**

The OBC details a series of events held for representatives of community organisations, Adult Social Care users and staff between August and December 2015 (page 50). Further public consultation is planned.

*“The proposed new operating model and the delivery model options will be subject to public consultation in spring 2016”* (para. 5.20 Committee Report). The public consultation should be based on the detail of how each option will operate and its relative impact for service users and staff. It should also include the Evaluation Framework to ensure full transparency. Service users and the public, community organisations and staff and UNISON representatives should be engaged in the consultation process.

## **10. Recommendations**

The recommendations are divided into two parts. The first summarises the recommendations set out above. The second part contains the recommendations from the UNISON report on the proposed new Adult Social care operating system published in November 2015 which have not been addressed in the March 2016 Committee report and OBC.

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- D. Improve the terms and conditions for the social care workforce including a commitment to implement the living wage, pensions, workforce development and relevant health and safety policies and practices.
- E. Should not exert undue pressure onto community and voluntary organisations to take on additional responsibilities that reduce or compromise their ability to organise and advocate.

## References

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