

Somerset CC Learning Disability Provider Service (LDPS)

Social Enterprise plans wage cuts, redundancies and service closures

- **Social Enterprise to ‘redesign’ services with closures**
- **Reduce all terms and conditions for the whole workforce**
- **Immediate redundancies**
- **TUPE used as little more than a vehicle to transfer staff and obtain a workforce**
- **Dependency on winning more contracts, but has Somerset learnt the lessons from Southwest One contract with IBM?**
- **Commissioning cuts – confusion in role of the Council**
- **High risks with potentially dire consequences**
- **Parallels with Barnet and Dorset**
- **Recommendations**
 1. The transfer of LDPS should be deferred until meaningful consultation can take place with service users families, carers, staff and trade unions.
 2. Service users, parents, carers, families, community organisations, staff, trade unions and back-bench Councillors have been misled. It is essential that the service redesign proposals are open to full and meaningful involvement to service users, community and trade union organisations.
 3. A Gateway Review is urgently required before Transfer.
 4. The Scrutiny for Policies, Adults and Health Committee has responsibility to review and/or scrutinise decisions made or actions taken in connection with Adults and Health policies. It must immediately scrutinise the proposed transfer as it has significant implications for the provision of Learning Disability Services as service users, families, parents, carers, community organisations, staff and trade unions have been misled.
 5. The County Council retains ultimate responsibility for the services and should immediately draw up a contingency plan so that they are prepared in event of service failure.
 6. If this transfer proceeds, it is critically important that the County Council has a well-resourced monitoring team committed to rigorous and continuous assessment

of contract implementation. It must not rely solely on external inspections by the Care Quality Commission.

Somerset County Council began a procurement process to select an organisation to form a new social enterprise to provide the Council's Learning Disabilities Provider Service (LDPS) in May 2015. The service has an annual budget of nearly £30m and 1,160 staff who deliver long-term residential care, residential short breaks, crisis support, supported living, domiciliary care, day time support and employment support.

Only one bidder was left after the submission of bids leaving Dimensions (UK) Limited, a charitable registered society, to negotiate a contract. The staff transfer under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) is planned for 1 April 2017.

Social Enterprise to 'redesign' services with closures

The social enterprise intends *"...to re-design all 8 Day Service locations"* leading to *"...a range of outcomes for the existing services, including closures of many locations."*

It plans to undertake the redesign *"...through an approach of co-production with customers"* (and families, friends and colleagues). But this exposes 'co-production' as a sham because Dimensions already has a plan and services users will be limited to 'consultation' about the implementation of closures. Nor does 'co-production' extend to the staff and trade unions.

Reduce all terms and conditions for the whole workforce

The cuts Dimensions are proposing will affect all aspects of the existing terms and conditions across the whole workforce, including:

- Rates of pay
- Sick pay
- Annual leave entitlement
- Enhancements for unsocial hours working
- Overtime
- Maternity adoption and partnering entitlement
- Working hours.

No changes are planned to pensions for existing employees (but new employees will have a lower quality pension).

"The proposals are similar to those which are currently offered within the Dimensions Group." Staff and trade unions in other local authorities planning a similar move could face the same drastic consequences.

The number of Team Managers will be "significantly" reduced and their role changed to that of Locality Manager. The job description and duties of Assistant Team Managers will change together with their off-rota time.

The social enterprise 'envisages' fewer Support Leaders will be required, changing the job title, the removal of off-rota time and possibly the services within which they work. Fewer roles will be required in the 'business support structure' of the Social Enterprise.

These changes will mean **immediate redundancies**.

The Dimensions timetable has a 1 August deadline for acceptance of the new terms and conditions with implementation on 1 January 2018.

The scale of these changes announced as part of a TUPE transfer is unprecedented.

TUPE used as little more than a vehicle to transfer staff and obtain a workforce

What does the Transfer of Undertaking (Protection of Employees) (TUPE) mean for Dimensions?

“People employed within the LDPS who transfer will do so under the TUPE regulations. This means Dimensions will fully meet its responsibilities to consult with staff and their representatives in line with the regulations” (FAQ, 2017).

Irrespective of the regulations, the social enterprise and the County Council seem to regard TUPE as little more than a vehicle to transfer staff and obtain a workforce. They regard redundancies, changes to all terms and conditions coupled with the reorganisation of services and closures as normal practice. It is evident that not only are these changes part of the pre-transfer consultation with trade unions, but they were an integral part of the procurement process.

Challenges to the way the County Council and Dimensions have interpreted and applied the TUPE regulations are inevitable.

Dependency on winning more contracts, but has Somerset learnt the lessons from Southwest One contract with IBM?

One of the County Council’s long-term objectives is for *“...the social enterprise will expand and sell more services across the region. This will help the social enterprise to achieve its goals and become a better organisation” (FAQ, 2017).*

The same strategy was a core part of the £400m Southwest One corporate services contract with IBM, terminated by the County Council in late 2016. IBM failed for a decade to obtain any additional contracts with other public sector bodies. A detailed analysis of the project warned the County Council that the savings and expansion plans were far fetched proved accurate. But has the County Council learned the lessons?

Commissioning cuts – confusion in role of the Council

Somerset County Council, together with all local authorities, is facing further deep cuts in public expenditure driven by government austerity policies. However, Somerset has used the procurement process and adopted the social enterprise model to commission cuts in services and terms and conditions. It found a willing ally in Dimensions. It is questionable whether an outsourcing company would have had the same political space afforded to the social enterprise.

“Commissioning isn’t about outsourcing or procuring everything and nor is it about our organisational structure. It is a way of working based on three principles” - outcome focus, system leader and co-production (SCC Service Redesign report).

Yet the response to a FAQ about the service returning in-house stated:

“The Council’s strategic direction is to become a commissioning authority, not a direct provider of services. It is, therefore, unlikely this would happen” (FAQ, 2017).

These are contradictory statements and to effectively write off a return to in-house provision is negligent. It puts ideology before statutory duties and public interest.

High risks with potentially dire consequences

The Council has embarked on another high-risk strategy. LDPS already has a very high staff turnover rate and the planned cuts in terms and conditions are unlikely to improve this situation despite Dimensions claims of *“...the benefits of working within the Social Enterprise” (Transformation Briefing paper, 2017).* They are proposing that care staff who support vulnerable adults will be paid less than Lidl supermarket assistants! This risks the loss of goodwill working. Destabilising the workforce will ultimately lead to instability for service users. Financial reliance on winning additional contracts could lead to further wage cuts and service closures.

Parallels with Barnet and Dorset

There are clear parallels with Barnet and Dorset Councils, which transferred disability and care services to local authority arms length companies, and soon imposed wage cuts. In

both cases, flawed financial planning was exacerbated by hiving off services to stand alone companies.

The London Borough of Barnet transferred learning disability and physical and sensory impairment services to a local authority trading company, Your Choice Barnet Ltd (YCB), a new subsidiary of The Barnet Group, the Council's housing service in February 2012. Within months it incurred operating losses and failed to attract new service users and revenue. Barnet UNISON had earlier published a series of highly critical reports on the options appraisal, business case and business plan, which predicted the problems that have since unfolded in YCB. A year later a management restructure led to significant changes to staffing levels, jobs and terms and conditions through re-grading, deletion of posts and benchmarking of terms and conditions with market rates. YCB failed to engage with service users and carers (Barnet UNISON, 2012 and Campaign Against Destruction of Disabled Support Services, 2013).

Dorset, Poole and Bournemouth transferred adult care for the elderly and disabled and 1,000 staff to a local authority trading company, Tricuro, in July 2015. A £1.3m hole was discovered in the business plan shortly after transfer. The company proposed wage cuts with some staff losing up to £2,600 a year, which is being strongly resisted by staff. *“Out of £7m raised from the three councils’ social care precepts this year, not a penny went to Tricuro, even though it was created by the local authorities to look after 7000 people in Dorset”* (UNISON South West, 2016).

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