



CABINET

16 JANUARY 2018

**DIRECTOR OF NORTHAMPTONSHIRE ADULT SOCIAL SERVICES: ANNA
EARNSHAW**

**CABINET MEMBER WITH RESPONSIBILITY FOR ADULT SOCIAL CARE:
COUNCILLOR ELIZABETH BOWEN**

Subject:	Operational Efficiency Measures
Recommendations:	<p>Cabinet is asked to:-</p> <ol style="list-style-type: none"> 1. Approve the establishment of a new Directorate of Adults, Community and Wellbeing Services 2. Delegate to the Director of Adult Social Care Services in consultation with the Portfolio Holder for Adult Social Care the authority to take the appropriate actions to bring Olympus Care Services back into the Council under this new directorate and close the Local Authority Trading Company (LACT) 3. Note the objective to bring First for Wellbeing under the new Directorate and review of its direction of travel 4. To note the contents of this report

1. Purpose of report

1.1 Cabinet are asked to agree the decision to create a new Directorate for Adults, Communities and Wellbeing within the Council that will bring together Northamptonshire Adults Social Services (NASS) including Olympus Care Services and First for Wellbeing to create a simplified service delivery model for all adult social care services and community based provision. More importantly this will create better outcomes for our residents and a greater focus on managing demand for future social care services through wellbeing service investment, greater prevention service provision, earlier intervention, community based delivery models and increased partnership working with Health Partners.

1.2 In agreeing this Cabinet should note that:

1.2.1 this new Directorate would provide a single simplified organisation under a single management structure that will provide universal services for all ages of Northamptonshire residents, increased tertiary and secondary prevention services for adults on the edge of care (or likely to need care in future) and the continued provision of Adults social care statutory services, out of hospital services and community care delivery.

1.2.2 All existing Olympus Care Services and staff would transfer (under TUPE arrangements) into the Directorate and back to Council employment and the

separate trading Olympus company would cease thus simplifying structures, governance and reducing costs.

- 1.2.3** That First for Wellbeing would be overseen by the new Directorate and share resources but remain as a separate legal entity with its own Managing Director pending ongoing discussions with the other owning partners.

2. How this decision contributes to the Council plan

The Council's vision is to make Northamptonshire a great place to live and work. This is achieved through increasing the wellbeing of the county's communities while ensuring everyone is appropriately safeguarded from harm.

This initiative specifically delivers increased wellbeing and/or safeguarding by ensuring that:

- People of all ages are safe, protected from harm and able to live happy, healthy and independent lives in our communities.
- People have the information and support they need to make healthy choices and achieve wellbeing.
- People achieve economic prosperity, in a healthy, low carbon economy which give access to jobs, training and skills development.
- Resources are utilised effectively and efficiently, in coordination with partners and providers.

3. Background

- 3.1 In February 2017 the Council approved a plan to create a new single Adults Social Care entity Northamptonshire Adults Social Services (NASS). The business plan to support this recognised in benefits and improved outcomes to be achieved by bringing Olympus Care Services and Adult Social Care together in terms of simplified processes, shared resources, removing duplication and reducing costs.
- 3.2 During 2017-18 the service has progressed this integration creating a new delivery model and structures, putting greater emphasis on short term prevention and reablement and implementing new services such as brokerage to handle all placements for care in a consistent way to achieve value for money. All staff and services are now operating under a single overall NASS brand, governance structure and management team. The next stage would have been to TUPE all staff into a new formal and legal entity NASS.
- 3.3 A decision was taken in September 2017 to pause this transfer pending a review of how NASS could work together with First for Wellbeing to increase capacity and focus on tertiary and secondary prevention in line with the Councils stated priority. The review also looked at what synergies could be realised between the two sets of services and structures.
- 3.4 The outcome of this work has been a clear recognition that by working closer together we can utilise the universal services, prevention services, voluntary

sector and wellbeing advisors within FfW to drive a reduction in social care demand and cost and create better outcomes for the county's adults. There is also a clear opportunity too by creating a single Directorate that can work with health and community partners to drive local solutions and services to help keep people independent for longer, avoid hospital admissions and prevent, reduce or delay escalating care needs.

- 3.5 At the same time it is clear that Olympus Care Services is no longer a viable going concern from a financial perspective. Whilst its services and staff have continually delivered on the original growth and income objectives for it as a separate trading company and its brand is recognised and highly rated Countywide, it has remained heavily reliant on the Council block contract to fund its core activities. This contract and the budget has reduced year on year reflecting the Council's financial challenges. While Olympus has provided savings and grown income it can no longer match delivery of its contract within the amount provided and threatens the ability to invest in the innovation and growth of services moving forward, therefore in some cases, making services unviable. Its reserves are low and have caused auditors some concern.
- 3.6 Given all of the above the time is right to consider its future and ensure that we protect the core front line services it delivers to over 2,000 customers across the County. As a wholly owned NCC company, the decision to bring the services and staff in house is one that the Council can take without reference to other parties but we believe is the best solution to ensure the future of services and alignment to Council Priorities. This is also consistent with many other Councils who have taken community based services back in house in order to create this alignment between social care, provider services and prevention work.
- 3.7 What is clear is that Olympus provides many services that are in high demand, well thought of and need to be grown and developed. We also need to review the new service areas that Olympus should pursue in future, especially where we have limited market supply and high demand and costs and having an in-house service would help reduce pressures. By aligning resources and plans within a new Directorate and alongside FfW our ability to do this more effectively and to ensure the maximum use and utilisation of our own front line services is considerably strengthened.
- 3.8 The factors above taken with the LGA Peer review report that highlighted the need to review and simplify structures has led to a review of our Adults, Olympus and FfW services, future direction, value for money and structures as set out in previous Cabinet papers. The review has established that there are clear advantages in ways of working, management efficient, shared resources and financially from creating the new Directorate and in bringing Olympus in house to create joined up services focused on common aims under a single management structure. The financial advantages include reduced support costs, buildings and infrastructure, VAT and reduced governance structures. NASS has already reduced its staffing costs by £300k as a result of interim joint staffing teams, as well as savings to the Public Health grant of £500k by FfW.

3.9 Under this proposal the brand names of Olympus Care Services and FfW would be retained as they are trusted brands, the services that sit within them will remain and the staff employed within them will continue to provide services.

3.10 While there will be an ongoing review across the service and wider Council to ensure that we have the right services doing the right things and that we operate the services efficiently, there are no immediate proposals to change or amend any of the Olympus services and there are no planned reductions in staff. This reflects the Council recognition of the importance of the Olympus staff and maintaining continuity of services to our customers. The recommendation therefore is only that all Olympus staff TUPE back to the Council and operate as a service line (with the retained Olympus branding) within the Adults, Communities and Wellbeing Directorate and under the continued management by the Director of Adults Social Services (DASS).

3.11 For First for Wellbeing, while there will be a joint management structure and shared resource it will remain separate legal entity in the first instance. As a jointly owned vehicle it is important that partners agree its direction of travel and plans. While there has been universal agreement of the partners to align its prevention work with NASS and to increasingly focus on tertiary and secondary prevention and specifically on a new initiative around frailty, further discussions are needed on its future form, ownership and stakeholder investment.

4. Consultation and Scrutiny

The proposal to develop a joint management team was part of the phase 1 budget consultation, and has been discussed at Budget Scrutiny. The proposal to bring Olympus Care Services in house, is a matter of operational efficiency, the potential for this to happen was discussed at Scrutiny committee.

5. Equality Screening

Reason that no EqIA is required	✓ as appropriate
The paper is for information only	
The proposal/activity/decision has no impact on customers or the service they receive	✓
The proposal impacts upon staff but the proposed staffing changes will not affect the service that customers receive*	
Other (Please explain further)	

5.1 Impact on Staff

Staff will be consulted with following this cabinet paper, there will be no adverse implications for staff as the agreement will be for them to TUPE on their current Terms and Conditions.

6. Alternative Options Considered

The review of services considered Olympus Care Services remaining as a standalone business under the management of the newly established Directorate. However given the Auditors concerns regarding whether the Business continues to be a going concern, and the LGA Peer report that highlighted simplifying governance and structures, the option to bring the Service in house deals with those concerns.

7. Financial Implications

The full financial impact of the closure of Olympus Care will continue to be worked through with any immediate proposals included within the business plan as part of the Final Budget Papers received by Cabinet in February 2018.

The initial considerations include;

- the anticipated financial forecast spend which is included the Council's reported position and mitigated in the current year.
- and cost of closure which are not expected to impact the 2017-18 financial position with the necessary work to be covered within business as usual.

Any efficiency benefits gained from the collaboration of the management structures and removal of governance in Olympus Care will be reinvested to reduce the overall budget pressures across Adults Social Care Services as previously mentioned.

8. Risk and Business Continuity Management

1. Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
The proposal may unsettle staff, as well as the process of TUPE which can time consuming and can demotivate & result in staff leaving.	Clear communication plan for changes. Robust staff engagement	Amber
Services would need to be re-registered with CQC and current ratings could be lost	Ensure robust transition plan in place. Early conversations with the CQC to find the best way to make the transition and retain ratings.	Amber

Risk	Mitigation	Residual Risk
Financial impact of the ability to raise the same level of income from services delivered to customers over and above the Council Core contract.	Ensure that there is a full review of cost recovery and publication of future Fees and Charges as part of the Final Budget Papers in February 2018.	Amber

2. Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
Failure to deal with the Auditors concerns regarding the Limited Company structure as a 'going concern' for next financial year.	Red
Failure to deal with the complexity of current arrangements	Red

9. List of Appendices

None

Author:	Name: Anna Earnshaw Team: Director of Adults Services
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Background Papers:	None
Does the report propose a key decision is taken?	YES
If yes, is the decision in the Forward Plan?	YES as part of the Budget Efficiency Plans and considerations
Will further decisions be required? If so, please outline the timetable here	YES There will be a review of First For Wellbeing and its constitution as a separate entity, its contract and scope of services during 2017-18 with final recommendations coming back to Cabinet in September 2018
Does the report include delegated decisions? If so, please outline the timetable here	To take the required actions to close down the OCS LACT and bring the staff and services back into NCC.
Is this report proposing an amendment to the budget and/or policy framework?	NO
Have the financial implications been cleared by the Strategic Finance Manager (SFM)? Have any capital spend implications been cleared by the Capital Investment Board (CIB)	YES Name of SFM: Ruth Barnett N/A

Has the report been cleared by the relevant Director?	YES Name of Director: Anna Earnshaw
Has the relevant Cabinet Member been consulted?	YES Cabinet Member: Elizabeth Bowen
Has the relevant scrutiny committee been consulted?	NO Scrutiny Committee:
Has the report been cleared by Legal Services?	YES Name of solicitor: Allis Karim
	Solicitor's comments:
Have any communications issues been cleared by Communications and Marketing?	YES Name of officer: Joni Ager;
Have any property issues been cleared by Property and Asset Management?	N/A Name of officer:
Are there any community safety implications?	NO
Are there any environmental implications:	NO
Are there any Health & Safety Implications:	NO
Are there any Human Resources Implications:	YES There are TUPE implications.
Are there any human rights implications:	NO
Constituency Interest:	ALL

