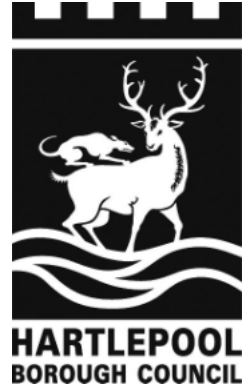


# CABINET AGENDA



**Monday, 8 November 2010**

**at 9.15 am**

**in Committee Room B,  
Civic Centre, Hartlepool**

MEMBERS: CABINET:

The Mayor, Stuart Drummond

Councillors Brash, Hall, Hargreaves, Hill, Jackson, Payne and H Thompson

**1. APOLOGIES FOR ABSENCE**

**2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS**

**3. MINUTES**

To receive the Record of Decision in respect of the meeting held on 11 October 2010  
(previously circulated)

**4. BUDGET AND POLICY FRAMEWORK**

No items

**5. KEY DECISIONS**

5.1 Business Transformation – Service Delivery Option for Environment – *Director of Regeneration and Neighbourhoods*

- 5.2 Business Transformation – Service Delivery Review Options Analysis Report for Building and Engineering Consultancy – *Director of Regeneration and Neighbourhoods*
- 5.3 Business Transformation – Regeneration and Neighbourhood Management Service Delivery Options Review – *Director of Regeneration and Neighbourhoods*
- 5.4 Business Transformation – Overview Report for Adult Social Care Provider Services – Service Delivery Options (SDOs) – *Director of Child and Adult Services*

**6. OTHER ITEMS REQUIRING DECISION**

No items

**7. ITEMS FOR DISCUSSION/INFORMATION**

No items

## CABINET REPORT

8 November 2010



**Report of:** Director of Regeneration and Neighbourhoods

**Subject:** BUSINESS TRANSFORMATION - SERVICE DELIVERY OPTION FOR ENVIRONMENT

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### SUMMARY

#### 1.0 PURPOSE OF REPORT

To inform Cabinet of the findings of the Environment service delivery options review and the options appraisal aspect of the review.

#### 2.0 SUMMARY OF CONTENTS

2.1 The report contains the Options Report for the Environment Service Delivery Review. This service delivery review has an efficiency savings target of £185,340 which is a 5% savings target from a baseline budget of £3,706,770.

2.2 The objectives of this review are to:

- Create and maintain high quality, well-managed neighbourhoods that are clean, green, and attractive and respected and enjoyed by all.
- Work in partnership to secure well maintained dynamic and responsive community green spaces, parks, play and recreational game space resources;
- Contribute to a greener, healthier, happier and more satisfying place to live for the people of Hartlepool.

2.3 The review focus covers a broad spectrum of services delivered by the Neighbourhood Services Division, including;

- i. Parks & Countryside: including Play Spaces, Recreational grounds, Bowling greens, Allotments and Horticultural services including Tanfield Road Nursery, the grounds maintenance of open spaces and Cemeteries & Crematoria;
- ii. Street Cleansing: including the street cleansing, Foreshore & Beach safety and the drug related litter service; and
- iii. Environmental Action: including Climate Change, Environmental Education & Enforcement and Pride in Hartlepool

- 2.4 Where posts are funded from external partners or Working Neighbourhoods Fund (WNF), the cost of these projects have not be included in setting the financial baseline or considered as part of achieving the efficiency target but the functions/activities have been taken into account in terms of their potential loss on the service as a whole.
- 2.5 In order to obtain a representative view of the services from Hartlepool residents the review team considered current surveys, evaluations and consultation carried out by the Council and its partners, some of which are summarised below.
- 2.6 The Ipsos MORI survey carried out in 2008 shows that four in five Hartlepool Borough residents (86%) are satisfied with their area as a place to live, this is in line with the national average (85%) and there has been no significant change since 2004. Residents in wider Hartlepool are more likely to say they are satisfied with their area compared to residents in NRF areas (94% vs. 78%).
- 2.7 Looking at ideas for improving residents' quality of life, Improvements relating to the environment, such as removing litter and improving the general appearance of the area, are cited by a quarter of residents in Hartlepool 24%, this appears to be a particular concern for residents in the NRF areas with 28% saying this.
- 2.8 Overall, a third of residents (32%) perceive dogs causing a nuisance or a mess as a problem in the town. This is significantly higher compared to the national average, and is thought to be a bigger problem in the NRF areas.
- 2.9 More than half of Hartlepool residents (53%) feel that litter and rubbish in the streets is a problem, rising to 62%, this was the most frequently mentioned problem by residents in the borough overall. NRF areas record a higher level of dissatisfaction with the state of litter and rubbish in the streets (62%).
- 2.10 On a more positive note, abandoned or burn out cars are seen as a problem among very few residents overall (3%) compared to the national average.
- 2.11 Poor quality or lack of parks and open spaces is seen is seen as a problem by a quarter (27%) of residents for Hartlepool and rises to over a third (36%) among the population of NRF areas.
- 2.12 Three in four (75%) Hartlepool residents say they are satisfied with the public parks and open spaces in their area. Those in the wider Hartlepool area (84%) are more satisfied. By contrast satisfaction is lower among residents living in NRF areas.

- 2.13 Public parks and open spaces are the most used local services by Hartlepool residents (56%).
- 2.14 The services included within this SDO review perform well and are often taken for granted but when performing poorly they have a significant impact to individuals, communities and the town as a whole.
- 2.15 The transformational aspect in delivering these services occurred as part of the management restructure. Client and contractor services for Parks & Countryside and Horticultural services merged and street cleansing devolved to Neighbourhood Management, in recognition that not one size fits all.
- 2.16 The efficiency target of £185K has been partly achieved through;
- Early Retirement/Voluntary Redundancies from Parks & Countryside, Environmental Action and Street Cleansing services made as part of the Neighbourhood Services management structures contributing towards this SDO review equating to £105k
  - Football academy partnership with HCFE £25k
- 2.17 The remainder of the efficiency target can be achieved through the
- Decentralisation of street cleansing service by transferring town wide services to neighbourhood management £20k
  - Focus on replacing existing litter bin and dog foul bin bins £10k
  - Review leasing arrangements and spare capacity of street cleansing vehicle provision £25k
- 2.18 The services included within this review will continue to review its working practices to be more effective and efficient through multi skilling environment operatives and protects frontline services.
- 2.19 It is also recommended that a business case is developed for a horticulture nursery in Hartlepool as a growth opportunity for the Council, the business case should consider all options for Tanfield Road and other suitable sites.
- 2.20 The options considered as part of the review include:-
- a) Sell Tanfield Nursery.
  - b) Buy plants in.
  - c) Outsource service.
  - d) Reduce service standards.
  - e) Invest and develop the Nursery
  - f) Introduce Café/catering facilities for Cemetery and Nursery visitors.

### **3. RELEVANCE TO CABINET**

The report details options for one of the reviews which form part of the Service Delivery Options Programme, is part of the Business

Transformation Programme, and is therefore relevant for a Cabinet decision.

**4. TYPE OF DECISION**

Key Decision Test (i) applies. Forward Plan RN 33/10.

**5. DECISION MAKING ROUTE**

Cabinet 8 November 2010.

**6. DECISION(S) REQUIRED**

(a) Cabinet are asked to note the savings the £130k savings already achieved as outlined in section 10 of the main report.

(b) Cabinet are asked to approve the preferred efficiency savings as outlined in section 10 of the main report

(c) Cabinet are asked to note the development of a business case for a horticultural nursery in Hartlepool as a growth opportunity for the Council.

**Report of:** Director of Regeneration and Neighbourhoods

**Subject:** BUSINESS TRANSFORMATION - SERVICE  
DELIVERY OPTION FOR ENVIRONMENT

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## **1.0 PURPOSE OF REPORT**

1.1 To inform Cabinet of the findings of the Environment service delivery options review and the options appraisal aspect of the review.

## **2.0 SCOPE & OBJECTIVES**

2.1 We know that local people care deeply about the way their local environment looks, and it's easy to understand why. Local environmental quality affects us all as soon as we step out of our front doors – from litter on the street and graffiti on children's play equipment, through to having safe access to parks and the freedom to walk and play. As these services impact on all Hartlepool residents it was important to set the objectives of the review at an early stage, they are:

- Create and maintain high quality, well-managed neighbourhoods that are clean, green, and attractive and respected and enjoyed by all.
- Work in partnership to secure well maintained dynamic and responsive community green spaces, parks, play and recreational game space resources;
- Contribute to a greener, healthier, happier and more satisfying place to live for the people of Hartlepool.

2.2 The review focus covers a broad spectrum of services delivered by the Neighbourhood Services Division, including

- i) Parks & Countryside: including Play Spaces, Recreational grounds, Bowling greens, Allotments and Horticultural services including Tanfield Road Nursery, the grounds maintenance of open spaces and Cemeteries & Crematoria;
- ii) Street Cleansing: including the street cleansing, Foreshore & Beach safety and the drug related litter service; and
- iii) Environmental Action: including Climate Change, Environmental Education & Enforcement and Pride in Hartlepool

## **3.0 EXCLUSIONS FROM THE SCOPE**

3.1 Where posts are funded from external partners or Working Neighbourhoods Fund (WNF), the cost of these projects have not be included in setting the financial baseline or considered as part of achieving the efficiency target but the functions/activities have been taken into account in terms of their potential loss on the service as a whole. The future of the WNF projects will be included in the overall WNF programme review as to whether the projects are essential, can be reshaped or should

stop. Services supported by WNF funding include Environmental Enforcement, Education and Environmental area teams.

#### **4.0 EFFICIENCY TARGET**

4.1 The financial baseline information provided by Business Transformation has been updated and relates to 2009/10 budgets. The efficiency target for this review is 5% from a baseline of £3,706,770 giving an efficiency target of £185,340. Early Retirement/Voluntary Redundancy applications have been approved and concluded as part of the Neighbourhood Services management structure contributing towards this SDO review target reducing the outstanding amount required to £80,000.

#### **5.0 CONSTRAINTS ON THE REVIEW**

5.1 Housing Hartlepool fund an Environmental Enforcement project, to the sum of £93K, there is no commitment for this beyond 2010/11. The loss of this funding will impact on the performance of the Councils Enforcement team, Housing Hartlepool tenants and surrounding neighbourhoods.

5.2 The cremators at Stranton Grange Crematorium are due to be replaced by 31st December 2012 to meet DEFRA guidance with respect to reducing mercury emissions. Replacement capital costs for the new cremators are in the region of £1million, with an operational life of approximately 15 years and current interest rates, the annual repayment costs on Prudential Borrowing would be approximately £90,000. This will be funded through the introduction of an environmental surcharge equivalent to a 10% increase in cremation fees (in addition to the annual increase) to be levied on adult cremations.

#### **6.0 REVIEW PROCESS**

6.1 The Review team met on a regular basis to look at the existing service, establish baseline information regarding costs and service performance, compare ourselves against neighbouring authorities and benchmark ourselves nationally. Analysis of national and regional baseline data was carried out identifying the areas in which to focus on to achieve the efficiency target; national indicator performance details are attached in **Appendix 1**.

6.2 In order to obtain a representative view of the services from Hartlepool residents the review team considered current surveys, evaluations and consultation carried out by the Council and its partners, some of which are summarised below.

#### **7.0 IPSOS MORI**

7.1 The Ipsos MORI survey carried out in 2008 shows that four in five Hartlepool Borough residents (86%) are satisfied with their area as a place to live, this is in line with the national average (85%) and there has been no

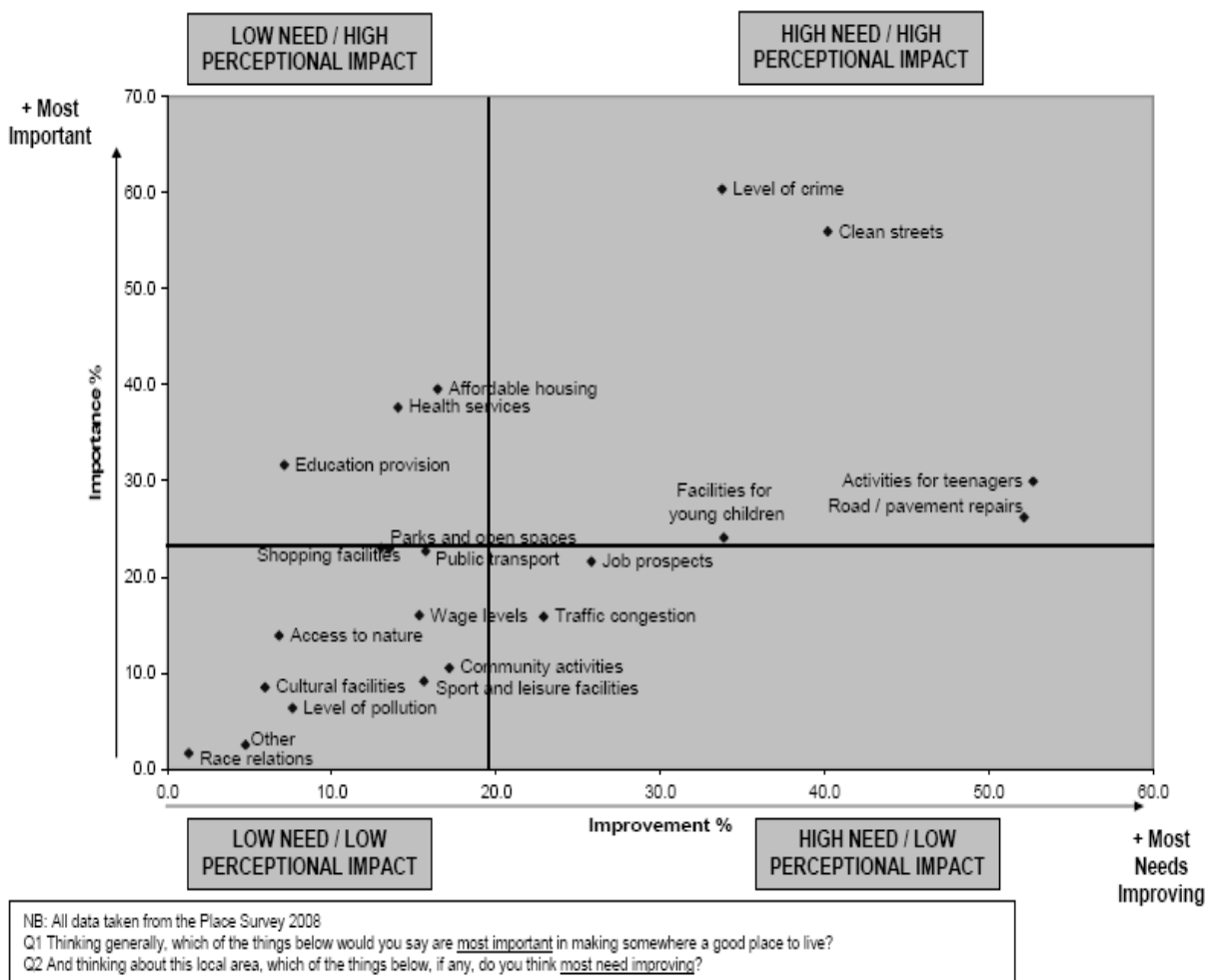


significant change since 2004. Residents in wider Hartlepool are more likely to say they are satisfied with their area compared to residents in NRF areas (94% vs. 78%).

- 7.2 Looking at ideas for improving residents' quality of life, Improvements relating to the environment, such as removing litter and improving the general appearance of the area, are cited by a quarter of residents in Hartlepool 24%, this appears to be a particular concern for residents in the NRF areas with 28% saying this.
- 7.3 Overall, a third of residents (32%) perceive dogs causing a nuisance or a mess as a problem in the town. This is significantly higher compared to the national average, and is thought to be a bigger problem in the NRF areas.
- 7.4 More than half of Hartlepool residents (53%) feel that litter and rubbish in the streets is a problem, rising to 62%, this was the most frequently mentioned problem by residents in the borough overall. NRF areas record a higher level of dissatisfaction with the state of litter and rubbish in the streets (62%).
- 7.5 On a more positive note, abandoned or burn out cars are seen as a problem among very few residents overall (3%) compared to the national average.
- 7.6 Poor quality or lack of parks and open spaces is seen as a problem by a quarter (27%) of residents for Hartlepool and rises to over a third (36%) among the population of NRF areas.
- 7.7 Three in four (75%) Hartlepool residents say they are satisfied with the public parks and open spaces in their area. Those in the wider Hartlepool area (84%) are more satisfied. By contrast satisfaction is lower among residents living in NRF areas.
- 7.8 Public parks and open spaces are the most used local services by Hartlepool residents (56%).

## **8.0 DEPRIVED AREAS PERCEPTIONS REPORT**

- 8.1 Hartlepool Borough Council was selected along with Nottingham City Council, South Tyneside Council and Waltham Forest Council to participate in a study carried out by Keep Britain Tidy during 2009/10, funded by DEFRA to focus on public perception of local environmental quality (LEQ). The aim of the research being to understand what drives resident perceptions, particularly with relation to the clean, safe and green issues that impact on residents' quality of life, and hence use perception data alongside actual standards to make improvements to local areas most effectively.





8.2 Residents perceptions of their local area and the wider borough as a place to live are formed in a number of ways, be it actual experience, national and local media, word of mouth, memories of past experiences and they ‘just know’.

8.3 The figure above shows what we knew prior to the study, i.e. street cleansing is a priority service for Hartlepool residents, (Place survey 2008 for Hartlepool) however the table below demonstrates customer satisfaction is declining whilst the performance standard data shows that cleanliness is improving, the challenge for the DAPP study was to ascertain why?

**Perception vs. reality: Levels of cleanliness in Hartlepool**

Data taken from [www.oneplace.direct.gov.uk](http://www.oneplace.direct.gov.uk) accessed 7 May 2010

Place Survey 2008: Percentage of people satisfied with public land being clear of litter and refuse (%)	National Ranking for litter satisfaction	% of relevant land assessed as having deposits of litter (NI 195a)	National Ranking for NI 195a
47.7	 In the worst 10%	8%	 Average

- 8.4 Focus groups were set up across the town facilitated by Keep Britain Tidy, it is important to note KBT were determined to deliver this as an independent study to mitigate any prejudice against the Council. The group discussions contradicted the Place survey 2008 data, residents stated overall they were happy with the levels of street cleanliness service, but identified some hot spots where cleanliness remained a concern. They highlighted other issues that impacted upon the overall view of the local environment, e.g. recycling collections, landfill sites, pot holes, the shopping centre and limited range of shops, groups of young people hanging around, and derelict buildings.
- 8.5 The main factor driving perceptions was communications, respondents related to perceptions of the Council and the lack of awareness of Council plans, activities and initiatives, demonstrating the necessity for the Council to review its communication and consultation methods.

## 9.0 OPTIONS APPRAISAL

### 9.1 Parks and Countryside

The recent restructure and creation of the new Parks & Countryside section has assisted in shaping the outcome of the SDO review, the integration of client and contractor has provided the Council with the opportunity to integrate services, remove duplication and waste, and target resources. The SDO review has provided the Department with the opportunity to review current practices which have identified areas for service improvements, efficiencies, and growth.

- 9.2 Whilst the Parks and Countryside has a revenue budget of circa £2.2 million, in order to break even it has to generate income in the region of £940K annually; details of how income is generated are identified in the table below.

### 9.3 Parks Service

Prior to the restructure the day to day responsibility for maintenance staff fell to the three Neighbourhood Managers, with the integration of client and contractor it is logical for all Parks staff and supervision to transfer to the Parks & Countryside section, this will free up the area supervisory function which is often stretched responding to customer enquiries, rather than operational supervision.

<b>Parks &amp; Countryside (2009/10)</b>	<b>£</b>
Service cost	<b>3,251,416</b>
HBC contribution to Parks and Countryside service	2,249,506

<b>Income required</b>	<b>-1,001,910</b>
Grounds maintenance trading element	342,199
Cems and Crems**	-658,863
Allotments	-38,343
Foreshore/beach safety	-2,820
Other authorities / partners contribution	-36,989
Volunteer input value	-35,000
<i>**additional £90k need due to replacement crems for 11/12 to be obtained by increased fees</i>	

#### 9.4 Horticultural Services

The Tanfield Road site plays a vital role in two income generation areas which have significant future potential; these are Unscheduled Works and Nursery activities. The depot is home to a significant portion of the grounds maintenance team and ILM green spaces teams with approximately 35 – 57 people using the site as a base of operations depending on the season. This total includes the special contracts teams that contribute to the income required to support the wider activities of the section.

9.5 The Nursery employs six staff and in addition provides valuable work/life opportunities for a number of adults with special needs, and works with other agencies to offer work experience and opportunities. It is also an important venue and avenue for rehabilitating operational staff recovering from ill health or injuries from across the Department.

9.6 The Nursery plays an important role in the current annual town wide maintenance programme providing plants and bedding. It also supplements this work by providing opportunities for the public to purchase plants for the garden and floral displays/bouquets. The potential of the site is unfortunately constrained by its original layout and lack of basic facilities like adequate car parking, toilets and rest facilities. This unfortunately falls short of the expectations of visitors to both the nursery and the town's largest cemetery at Stranton which is adjacent and is also run by the Parks and Countryside section.

9.7 Options considered as part of the review include: -

- i. Sell Tanfield Nursery: would result in savings in the region of £200k plus energy and water use. The Council would have to relocate between 35 – 57 staff, together with vehicles, greenhouses, and equipment (depending upon seasons). There are no suitable alternative premises on the Council's asset

register, estimated value £2,586,600 (North side – 869,400, South side £1,717,200).

- ii. Buy plants in: This would generate some savings and may mitigate the need for some seasonal agency staff, the savings would appear in heating and water usage.
- iii. Outsource service: APSE performance data (**appendix 2**) demonstrates the Parks & Countryside section provide a value for money service when compared to other authorities of a similar makeup. If the service was to be outsourced there would be TUPE implications and we would lose the flexibility to respond to emergencies. Experience and advice from other authorities who have gone down this route is not positive, you end up paying for a lower specified service which in the end costs more.
- iv. Reduce service standards: This would be a false economy reducing the number of grass cuts per annum and the level of street cleansing whilst making savings would have a detrimental impact on the service and the town as a whole and goes against the findings of the DAPP survey and Ipsos Mori report, and prevent the Authority in carrying out its *environmental wellbeing* duty as determined in the Local Government Act 2000.
- v. Invest and develop the Nursery: The level of investment proposed represents a balanced risk approach where lower costs, medium lifespan, reusable and saleable, rapid development accommodation options have been advocated. Similarly the car park proposal addresses current property problems whilst cheaply and rapidly enhancing the service offering both the Stranton cemetery and nursery site.
- vi. The investment will help improve the layout and as a direct consequence work flow and efficiency. The car park would resolve long standing problems for visitors to the Cemetery/Crematoria and Nursery, and address problems of crime and ASB for neighbouring private properties associated with the existing outbuildings and structures derelict on the nursery/cemetery site.
- vii. Introduce Café/catering facilities for Cemetery and Nursery visitors. The principle objectives of the re-modelling of the Nursery site would be to encourage greater and more regular repeat visitors and custom by the public. In so doing support the contribution the Nursery makes to wider Parks & Countryside service deliver expectations in relation to bedding and plants for year round town wide horticulture use provide better facilities and parking for the town's largest cemetery (toilets, drinks, flowers etc.), provide a catering facility for staff during the working week

and develop the floristry element of the service to be more commercial.

- viii. The café would provide a crucial element in developing this repeat visit activity by providing a reason to linger and result whilst overlooking the inspirational garden and neighbouring facilities and dining and seating will include indoor and outdoor opportunities. The café will look to provide a flexible offering catering for a series of client groups in a varied daily and seasonal pattern. The combination of free parking, attractive and varied product offerings in the shop and wider nursery and an opportunity to sit down and relax should encourage greater spend and more frequent sales in both the shop and café.

#### 9.8 Recreation Grounds

Cabinet recently approved the Partnership with Hartlepool College of Further Education regarding the Rift House Recreation ground, enabling the development of a Football academy. The proposal will reduce current running costs by the Council, facilitate improved facilities and achieve efficiencies of £25K per annum.

#### 9.9 Street Cleansing

Street cleansing is a service area very much taken for granted. It involves a set of activities concerning the cleanliness of the street, litter picking, the removal of fly tipped materials, graffiti and fly posting. When street cleansing services are effective, we barely know that they are there, but when they are ineffective the evidence is visible and can be substantial.

- 9.10 Street cleansing is a particular labour-intensive service; it is a relatively cheap service costing in the range of £15 to £25 per capita annually, (the cost for Hartlepool is £20). Service provision is usually organised under two categories, routine, programmed services where staff work to a set agenda in terms of the local and frequency of services and ad-hoc responsive services which are designed to mop up additional or unanticipated problems.

- 9.11 The Budget is £1.8m including income generation circa £180K contributing towards the overall budget position, enabling the service to operate at its current standard. Income is generated from cleansing non-adopted areas e.g. Fens, Throston and Seaton Shopping parades, and collection and disposal of fly-tipped materials. The service has not tended to rely on advanced technology in either delivery or design of the service. In the past couple of years some Authorities have begun to experiment with using GIS to track and manage the removal of problems, in larger conurbations e.g. Newcastle & Gateshead, and the Authority should consider 'piggy backing' the Waste NE-IP (North East Improvement Programme) tracker programme.

- 9.12 The Council has a statutory duty to keep the streets of Hartlepool clean, Environmental Protection Act, 1990 and the associated Code of Practice. The system has a seven point grading scale and an acceptable cleanliness threshold is stipulated, Grade B. This is measured by NI 195 which includes litter, detritus, graffiti and fly-posting and NI 196 measuring the amount fly tipping and the action taken by the Authority.
- 9.13 National and local research suggests that differences in cleanliness outcomes at a neighbourhood level are not simply a reflection of differences in the extent to which residents care for the neighbourhood environment. Physical, demographic and social characteristics of neighbourhoods lead to specific environmental problems creating a more challenging context for service provision. Whilst the street cleansing service is closely monitored inline with statutory performance indicators, the framework does not encourage authorities to narrow the gap in outcomes between poor and better off neighbourhoods. In Hartlepool this is being addressed through the NDC Safer, Cleaner, Greener initiative and WNF funded projects i.e. Environment Enforcement Officers, an Education officer and an area team for the WNF area of Dyke House, Stranton and Grange.
- 9.14 To address this, the street cleansing service transferred entirely to Neighbourhood Managers as part of the management restructure, prior to this some street cleansing functions operated on a town wide basis, e.g. dog foul bin emptying and the rapid response rounds. This structural change brought about a shift from providing standard one-size-fits all service to approaches which aim to provide services that correspond with local variations which have enabled efficiencies of £20k to be achieved.
- 9.15 The Council mechanised street cleansing in 2000/1, transport costs as a percentage of total expenditure is 37.81% and are funded through prudential borrowing, total staff costs equate to 51.95%. The fleet consist of four large mechanical sweepers and 10 pedestrian sweepers, plus a street washing vehicle and pickups. Changes to the existing cleansing rounds are currently being piloted with a view to improve their effectiveness and make further efficiencies e.g. zonal working and barrow rounds. This will enable savings in the region of £25k to be generated.
- 9.16 Litter and dog foul bin budget is £30k. There are 688 litter bins and 247 dog foul bins situated across the Borough. It is proposed that we take a stronger line when requests for new bins are received and concentrate on replacing existing bins with the most appropriate type and those that are tired and worn out, and/ or vandalised. We will continue to work with private businesses and encourage them to pay for bins if litter emanates from their premises. This would enable the litter and dog foul bin budget to be reduced by £10K.
- 9.17 Environmental Action
- The Environmental Action team functions include Climate Change, Environmental Education and Pride in Hartlepool, it is proposed as part of

this SDO review to transfer the Allotments function into this service area. The Allotment function is resource intensive and has previously struggled to deliver on customer requirements and Council policy. Earlier this year the Council adopted the Allotment Development strategy, which provides a framework to improve the delivery of the service. The transfer of this function into Environment Action has enabled staff efficiencies to be achieved, and will increase the staff resources necessary to implement the strategy and improve the customer service. Discussions with Hartlepool Connex have commenced to explore opportunities to transfer customer enquiries relating to this service.

9.18 Pride in Hartlepool has a £40k grant to support resident groups and associations to improve their local environment; in addition Pride in Hartlepool receives £15k per annum from the Neighbourhood Consultative Forums (NCF). It is proposed the Pride in Hartlepool officer's role expands to take on other duties with respect to performance monitoring of core Environmental services e.g. NI195 street cleansing, and environmental education, thus mainstreaming the function previously funded by WNF. The Pride in Hartlepool Officer will continue to work with resident groups working with the Neighbourhood Development Officers in delivering NCF minor works / and resident prioritisation Neighbourhood Action Plan schemes. The minor works budget could operate as a vehicle to deliver Pride in Hartlepool, thus negating the need for a Pride in Hartlepool steering group as schemes would be approved by the Forums.

9.19 Climate change and energy reduction are being considered as part of the overall Asset Management element of the Business Transformation.

9.20 NDC Safer Cleaner Greener Initiative

NDC commissioned an evaluation of the Safer, Cleaner, Greener initiative in March 2010. The project has been operating for three years and is part funded by NDC and the Council, it aims to improve the cleanliness and appearance of the area, educate residents about waste and recycling requirements, enforce for non-compliance, provide a rapid response to environmental problems and promote resident involvement in community issues and beautification schemes. The project includes a Project Co-ordinator and six Neighbourhood Caretakers who undertake low level enforcement investigations whilst carrying out their street cleansing duties. They investigate fly-tipping, take enforcement measures against residents when appropriate, remove rubbish and waste and undertake other duties such as graffiti removal, horticultural work and emptying litter bins.

9.21 The project has impacted significantly on levels of cleanliness, specifically in backstreets; this way of working is different to the traditional silo methodology carried out in street cleansing and enforcement. It project has expanded outside of the NDC area to include back street areas of the centre, and has proved extremely popular with residents. The development of multi skilled enforcement/cleansing operatives that can fulfil different duties and be interchangeable adds flexibility to the resource base and is seen as an extremely positive characteristic of the project.



#### 9.22 Skills for You

In June 2007, Hartlepool Borough Council was one of the first authorities to sign up to the Skills Pledge. The 'Skills for You Project' was established to support this commitment to the Skills Pledge. The project provides staff with the opportunity to gain a level 2 NVQ, tailor made to their specific area of work. The Local Environmental Services NVQ combines Horticulture and Street Cleansing in this new qualification. Hartlepool Borough Council works in partnership with Hartlepool College of Further Education, and is the first authority to deliver this qualification.

9.23 Eighteen members of staff from Street Cleansing and Horticulture have achieved the qualification this summer, improving the skills base of the Councils workforce and providing individuals with development opportunities.

#### 9.24 WNF Development

The Environment Partnership WNF allocation funds an Environment Area team in the Dyke House/ Stranton/ Grange area (£95k), an Environment Education officer (65K) and Environmental Enforcement (£105K. All of which have been subject to the in-year cuts and the WNF review. Council have agreed to terminate funding the education programme from March 2011.

9.25 As part of the WNF programme review Cabinet has asked for the Environment projects are reviewed collectively. It is proposed to roll out the working practices / resources established by the Safer, Cleaner, Greener project across the town to compensate for the potential reduction or loss of WNF. This will enhance the training and development 'skills for you' programme for horticulture, street cleansing and the environment area teams. This approach will provide operatives with the ability to undertake basic enforcement investigations whilst carrying out environmental maintenance duties working in their neighbourhoods.

9.26 The Environmental Education function will be mainstreamed within the Environment Action team as mentioned previously, and Area team will continue to operate in the Dyke House / Stranton/ Grange NAP area supporting the resident NAP resident priorities with a reduced reactive budget.

9.27 A core Environmental Enforcement function is a necessity to ensure we deliver on the Council statutory duties regarding flytipping, dogs and abandoned vehicles which contribute towards the LAA outcomes and Community Strategy objectives. Discussions with Hartlepool's Neighbourhood Policing regarding their involvement in carrying out similar related activities continue to take place.

9.28 The integration of these services will reduce the funding required to continue providing these functions and reduce the WNF contribution significantly.

## 10.0 CONCLUSION

10.1 The services included within this SDO review perform well and are often taken for granted but when performing poorly they have a significant impact to individuals, communities and the town as a whole.

10.2 The transformational aspect in delivering these services occurred as part of the management restructure. Client and contractor services for Parks & Countryside and Horticultural services merged, street cleansing devolved to Neighbourhood Management in recognition that not one size fits all.

10.3 The efficiency target of £185k has been achieved through;

- ER/VR from Parks & Countryside, Environmental Action and Street Cleansing services equating to £105k
- Football academy partnership with HCFE £25k

10.4 The remainder of the efficiency target can be achieved through the;

- Decentralisation of street cleansing service by transferring town wide services to neighbourhood management £20k
- Focus on replacing existing litter bin and dog foul bin bins £10k
- Review leasing arrangements and spare capacity of street cleansing vehicle provision £25k

10.5 The services included within this review will continue to review its working practices to be more effective and efficient through multi skilling environment operatives and protects frontline services.

## 11.0 RISKS

11.1 The Local Government Act 2000 introduced the requirement for all local authorities to ensure promotion and improvement of the economic, social and *environmental well-being* of their communities in order to achieve sustainable development. This duty is strongly embedded in Hartlepool's Environment Partnership and its key aim to;

*Secure and enhance an attractive and sustainable environment that is clean, green, safe and valued by the community'.*

11.2 The proposals laid out in this report will ensure the Authority continues to comply with its wellbeing duties.

11.3 The Comprehensive Spending Review (CSR) is scheduled to be announced 20<sup>th</sup> October 2010, which may impact on the Working Neighbourhoods fund. The loss of these schemes / projects would have a significant impact on the local environmental quality.

## **12.0 DIVERSITY IMPACT ASSESSMENT**

12.1 The proposed recommendations have been reviewed against the existing service Impact Needs Requirement Assessment's and the actions proposed will not result in any adverse impacts on any of the diversity strands for the Regeneration and Neighbourhood management SDO reviews.

## **13.0 COMMENTS FROM BT PROGRAMME BOARD**

13.1 The BT Programme Board considered the Options Report on 18<sup>th</sup> October.

13.2 Members considered the report in detail and felt that the cleanliness of the streets had improved enormously over the years. However the Council's cleaner/greener initiative was now being rolled out across the Borough.

13.3 Members of Programme Board felt that the development of a business case for a horticultural nursery at Tanfield Road presented opportunities for further consideration.

13.4 Members of Programme Board indicated their agreement to endorse the recommendations contained in the report which Cabinet would be asked to approve.

## **14.0 RECOMMENDATIONS**

14.1 Cabinet are asked to note the savings the £130k savings already achieved as outlined in section 10 of the main report.

14.2 Cabinet are asked to approve the preferred efficiency savings as outlined in section 10 of the main report.

14.3 Cabinet are asked to note the development of a business case for a horticultural nursery in Hartlepool as a growth opportunity for the Council.

## **15.0 BACKGROUND PAPERS**

Street cleanliness in deprived & better –off neighbourhoods, *Joseph Rowntree Foundation*, (November 2009)

Deprived Areas Perceptions project, Hartlepool, *Keep Britain Tidy*, (May 2010)

The Safer Cleaner Greener Initiative Evaluation Report, *NDC*, (March 2010)

This is our Home, *Keep Britain Tidy*, 2010

Hartlepool Household Survey Results 2008 – *Ipsos Mori*  
Rift House Recreation Ground, Cabinet Report June 2010

Environment SDO Delivery Plan, May 2010

**Responsible Officer:**

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## 5.1 APPENDIX 1

## Environmental Services KPI Performance 2008/9 and 2009/10

Indicator R	Indicator Description	Polarity	Units	Notes	Outturn					2008/9	2009/10
					2004/5	2005/6	2006/7	2007/8	2008/9		
	Source				AC	AC	AC	AC	AC	COV	
NI 185	NI 185 CO2 reduction from local authority operations	H			Not Measured					-	-
NI 186	NI 186 Per capita reduction in CO2 emissions in the LA area	H			Not Measured					7.54	12.4
NI 188	NI 188 Planning to Adapt to climate change	H	Level		Not Measured					0	1
NI 191	NI 191 Residual household waste per household	L	kg					-	702	659	
NI 192	NI 192 Percentage of household waste sent for reuse, recycling and composting	H	%	2004/5 - 2007/8 BV 82a + BV82b	19.1	21.65	27.62	32.12	37.25	39.1	
NI 193	NI 193 Percentage of municipal waste land filled	L	%	2004/5 - 2007/8 BV 82d	7.28	7.65	8.04	11.06	8.54	12	
NI 194 a	NI 194 Air quality – % reduction in NOx and primary PM10 emissions through local authority's estate and operations	L			Not Measured					-	-
NI 195 a	NI 195 Improved street and environmental cleanliness (levels of litter)	L	%	Reported as combined litter and detritus score - seperated from	5	17	13.5	9	10	6.5	
NI 195 b	NI 195 Improved street and environmental cleanliness (levels of detritus)	L	%						7	3	
NI 195 c	NI 195 Improved street and environmental cleanliness (levels of graffiti)	L	%		-	2	2	1	2	2	
NI 195 d	NI 195 Improved street and environmental cleanliness (levels of fly posting)	L	%		-	0	0	0	0	0	
NI 196	NI 196 Improved street and environmental cleanliness – fly tipping	L	Level		Not Measured		3	2	1	1	

Quartile					
2004/5	2005/6	2006/7	2007/8	2008/9	2009/10
-	-	-	-	-	-
-	-	-	-	1	
-	-	-	-	4	
			-	4	
2	3	2	2	2	
1	1	1	1	1	
-	-	-	-	-	
1	3	3	2	4	
-	-	-	1	2	
-	2	2	1	3	
-	1	1	1	1	
-	-	3	4	1	

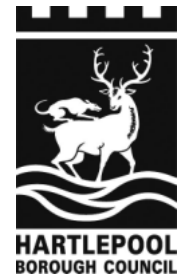
## 5.1 Appendix 2

## Street Cleansing APSE Family Group

Wolverhampton City Council  
 North Lanarkshire Council  
 Copeland Borough Council  
 Kettering Borough Council  
 Flintshire County Council  
 Bridgend County Borough Council  
 Oldham Metropolitan Borough Council  
 Broxtowe Borough Council  
 Inverclyde Council  
 Enfield London Borough  
 Chorley Borough Council  
 South Cloucestershire Council  
 Scottish Borders Council  
 Conwy County Borough Council

					2008/9			
		Family Group				Whole Service		
Indicator	Description	Highest	Average	Lowest	HBC	Highest	Average	Lowest
PI 03	Cost of cleansing service per household (including CEC)	£ 56.01	£ 36.81	£ 15.99	£ 42.96	£ 66.16	£ 36.30	£ 11.37
PI 37b	NI 195 - Percentage of site falling below grade b (litter & det	13.00%	7.83%	4.00%	5.11%	20.80%	7.68%	3.00%
PI 06	Total staff costs a a percentage of total expenditure	82.25%	66.54%	51.95%	51.95%	82.25%	66.43%	45.85%
PI 08	transport costs as a percentage of total expenditure	37.81%	20.87%	9.75%	37.81%	37.81%	21.04%	9.76%
PI 21	Front line staff costs as a percentage of total staff costs	93.44%	82.45%	62.94%	86.49%	99.79%	85.06%	62.94%
PI 25d	Incidents of fly-tipping per 1000 households	52.38	26.04	12.02	28.58	146.09%	35.74%	5.20%
PI 22a	Staff absence (all staff)	11.49%	7.38%	2.98%	7.49%	12.50%	5.85%	1.00%
PI 19	Cost of service per head of population (including CEC)	£ 26.40	£ 16.12	£ 7.10	£ 19.38	£ 29.58	£ 16.25	£ 7.10
PI 33	Front line labour costs as a percenatge of total costs	70.02%	55.55%	43.25%	44.94%	76.62%	57.88%	43.25%

**CABINET REPORT**  
**8 November 2010**



**Report of:** Director of Regeneration and Neighbourhoods

**Subject:** BUSINESS TRANSFORMATION - SERVICE DELIVERY REVIEW OPTIONS ANALYSIS REPORT FOR BUILDING AND ENGINEERING CONSULTANCY

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**SUMMARY**

**1. PURPOSE OF REPORT**

1.1 To inform Cabinet of the findings of the Building and Engineering Consultancy service delivery options review and the options appraisal aspect of the review.

**2. SUMMARY OF CONTENTS**

2.1 The report contains the Options Report for the Building and Engineering Consultancy Service Delivery Option Review. This service delivery review has an efficiency savings target of £120,000 which is a 5% savings target of a budget initially assessed at £3 million (The initial savings target was £154,000, but £34,000 has been moved to the Integrated Transport Unit SDO which is a Year 3 review).

2.2 The aim of this review is to explain what we do, the purpose and value of the services we provide and how services are currently provided and could be provided in the future.

2.3 The two Consultancies within the Regeneration & Neighbourhoods Department currently provide a full range of design, inspection (conformity) and professional advice to all client departments within the council and to external clients.

2.4 Both Consultancies operate very much like an external consultant and have had efficiency as a priority in order to provide quality and value to the various Clients. They could be viewed as a cost or an overhead, similar to Facility Management Services, but they should collectively be perceived as an integral part of the Council's business. The vision of the consultancies is to establish the services as key strategic business units that add value to services, and provide, with other elements within the Business Division, the delivery mechanism for Council's and

Schools Capital Programme.

2.5 The most significant challenge faced by the Building Consultancy is the Building Schools for the Future (BSF) and Education Capital Programmes. In BSF the team are providing the Council's client agent role in technical project management (one member of staff sits within the Schools Transformation Team). This involvement will be developed in relation to design support, ICT integration with the Design and Build Contractor, and the provision of Contract Management for the Dyke House and ICT infrastructure projects to other schools. It was anticipated that the BSF programme of new build / refurbishment would extend over all secondary schools for a five year period but unfortunately this will not now be the case. The autumn spending review may allocate additional capital funding for schools although not on the same scale as BSF or indeed the original primary capital programme. There will be a need to resource to whatever the requirements are either internally or externally. The extent of the allocation is unknown and this presents a risk for the future.

2.6 Both the Engineering and Building Consultancies have statutory functions which must be undertaken. These include: -

Building Consultancy

- Gas safety inspections,
- Legionella monitoring and
- Periodical electrical testing and inspection.

The relatively small budgets allocated to these functions is subsidised by the fee earning activities.

Engineering Consultancy

- Contaminated Land
- Coast Protection
- Land drainage

2.7 Cabinet has previously agreed to the centralisation of budgets relating to property which includes building maintenance. The Building Consultancy provide the client role in specifying, procuring and monitoring work to safeguard the Council. These elements are the responsibility of the Building Consultancy to deliver in the most efficient and effective way on behalf of the Council for all Council buildings (whether in-house or via external means).

2.8 Based on the performance management and benchmarking information the review team focused on three areas to identify the overall efficiencies required to achieve the £120k target for this SDO review.

- i. Change to current service arrangements
- ii. Growth and income generation
- iii. Procurement and the negotiation of existing contracts

A number of routes are available for the procurement and delivery of this service.



- The In-house Option Approach
- Framework Arrangement
- Joint Venture Company (JVC) or Private/Public Partnership
- Outsourcing
- Public / Public Partnership Arrangement

- 2.9 It should be noted that although the options highlighted above are considered as discrete approaches, in reality they represent a sliding scale between in-house delivery at one end and full outsourcing at the other. In between these extremes, the approaches differ mainly in the level of risk and ownership transferred by the Council. Drawing upon the considerations outlined in the main report the review team concluded that a mix of the in-house focused structure with a Framework support arrangement appears to fit most closely with the requirements of the SDO and is the preferred option. However, a future mid to long term option could be to investigate a Public / Public arrangement with other Tees Valley authorities. If the future shape of the authority takes more of a commissioning direction rather than as a provider, then this option will need to be reviewed.
- 2.10 A workshop has already been established by the Tees Valley “Chief Engineers” group which is currently developing a protocol for collaborative working amongst the Tees Valley Local Authorities. This is an initial step towards a public / public arrangement. Indications are that Hartlepool are well placed to provide consultancy services in certain technical areas and will be able to generate income through this process.
- 2.11 The Engineering Consultancy is currently engaged on a Coast Protection Management Strategy which is expected to lead to significant grant funding, currently estimated at around £30M over the next few years. By maintaining an in house Consultancy to manage the process as well as design and manage the construction works, the associated grant funded fees will provide significant income to the Authority.
- 2.12 In terms of frameworks the Regional Improvement and Efficiency Partnership are proposing to set up regional frameworks for technical consultants and construction works. There will be an opportunity to use this facility although the timing and nature of this is uncertain at present.
- 2.13 One of the few budgets that is available to the Building Consultancy team from central resource is a £60K legionella budget for management and control within public buildings. It is anticipated that savings in this budget can meet the required target. This will be achieved by already established reductions in costs including associated contracts and expected efficiencies across the consultancy as a whole and anticipated income from future workload together with changes to working practices and use of technology (e.g. mobile working).
- 2.14 The Engineering Consultancy efficiency saving of £60k will be achieved through operational improvements as set out in paragraph 10.3 of the main report. This will reduce costs and generate increased fee income and will yield a saving/surplus in the Engineering Consultancy management account of £60k which can be passed on to the Council’s General Fund Budget to achieve the target.

### 3. CONCLUSION – PREFERRED OPTION

#### 3.1 In-House Focused Structure with a Framework Support Arrangement.

3.2 In the short term this approach would involve the Council retaining responsibility for driving, implementing and delivering the Building and Engineering Consultancy service. With a core in-house workforce the approach would require the procurement of a framework agreement with a number of external consultants this allows access to a wider pool of resources and the opportunity to share expertise and possibly training and costs etc.

3.3 It is also the preferred option that the in-house teams continue their responsibility for the variety of statutory functions, retains key design capacity and develops their income generating capability. There are potential opportunities in delivering services to public sector partners such as the Cleveland Fire Brigade and the PCT currently being approved.

3.4 The Consultancies would manage and co-ordinate the day to work and individual procurements and projects. Framework consultants would be engaged on a call off basis to support the internal service. Equally, the Consultancies would lead on the procurement of consultants and contractors to undertake the design and construction of projects.

3.5 The Consultancies will benefit from establishing closer working relationships through this framework agreement, with a selection of suppliers to ease the procurement process and ensure that it works effectively.

3.6 Since this approach is lead by the Consultancies and involves use of framework consultants as and when required, it provides the most flexibility of the discussed options. This is important in allowing the opportunity for the Consultancies to develop and amend their strategy and approach with relative freedom. An in-house approach does not require a significant up-front procurement process, which could delay the whole SDO initiative and result in a loss of momentum. External involvement can be procured as and when required such that real progress can be made quickly.

3.7 A subsequent element of the preferred option is that the Consultancies should be the “first port of call” for any departmental requirement. It would be the responsibility of the Consultancies to deliver based on the best solution available.

3.8 In the medium to longer term this SDO Review will need to be revisited in the light of future capital programmes.

3.9 Regional/sub-regional collaboration strategies are currently being considered. There is a Regional Improvement and Efficiency Partnership project looking at the potential of a regional framework of consultants, and this option may be a way forward in the medium term. In addition, Tees Valley collaborative working will be considered.

3.10 Depending on what the shape of the Authority might be in the longer term, there

maybe a drive in the future for a more commissioning role (with a client base) and with the service provision externalised or via a public/public or public/private partnership.

#### **4. RELEVANCE TO CABINET**

- 4.1 The report details options for one of the reviews which form part of the Service Delivery Options Programme, is part of the Business Transformation Programme, and is therefore relevant for a Cabinet decision.

#### **5. TYPE OF DECISION**

- 5.1 Key Decision Test (i) applies. Forward Plan Ref: RN 12/09

#### **6. DECISION MAKING ROUTE**

- 6.1 Cabinet 8 November 2010.

#### **7. DECISION(S) REQUIRED**

- 7.1 Cabinet are asked to note the alternative delivery models which are stated in Section 8 of the main report.
- 7.2 Cabinet are asked to approve the preferred option as stated in Section 9 of the main report and the intention to review this in the light of future capital programmes and potential partnerships and collaborative arrangements.
- 7.3 Cabinet are asked to approve the strategy to achieve £120,000 of savings which is stated in Section 10 of the main report.

**Report of: Director of Regeneration and Neighbourhoods**

**Subject: BUSINESS TRANSFORMATION - SERVICE DELIVERY REVIEW OPTIONS ANALYSIS REPORT FOR BUILDING AND ENGINEERING CONSULTANCY**

---

## **1. PURPOSE OF REPORT**

- 1.2 To inform Cabinet of the findings of the Building and Engineering Consultancy service delivery options review and the options appraisal aspect of the review.

## **2. REVIEW AIMS, EFFICIENCY TARGET & SCOPE**

- 2.1 The aim of this review is to explain what we do, the purpose and value of the services we provide and how services are currently provided and could be provided in the future.
- 2.2 The Building and Engineering Consultancy SDO has a minimum efficiency saving of 5% of baseline budgets. These budgets were initially assessed at £3 million, however, this included areas not included within the actual service areas i.e. some areas of Asset and Property Management, Procurement and Road Safety which will be included in future years SDO's. The initial saving identified was £154K, of which £34K relating to road safety has been moved to the Integrated Transport Unit SDO review in Year 3.

The resultant required saving is therefore £120K and this has been split between the two consultancies. It was decided that this will still be the target, despite the fact that base budget it is referenced from covers other areas.

- 2.3 The scope of services covered within this review include:-

### Building Consultancy

- Architecture
- Landscape Architecture
- Mechanical Engineering
- Electrical Engineering
- Quantity Surveying
- Electrical Inspection
- Gas Inspection
- Legionella Management
- Project Management

### Engineering Consultancy

- Civil Engineering Design and Construction
- Traffic Engineering Projects and Safety Auditing

- Highway Design and Construction
  - Topographic Surveying
  - Structural Engineering
  - Building Regulation Structural Checks
  - Bridge Maintenance
  - Contaminated Land
  - Coast Protection
  - Land drainage
  - Demolition
  - Project Management
  - CDM Co-ordinator function
- 2.4 The two Consultancies within the Regeneration & Neighbourhoods Department currently provide a full range of design, inspection (conformity) and professional advice to all client departments within the council and to external clients.
- 2.5 The review of these services has been complex in that the way they operate is very different from other sections. No one staff member within the Building Consultancy Section is centrally funded although some staff fees for work on corporate property work can be charged to a central budget. In addition there is a very limited budgetary contribution from the corporate funding viewpoint. Work undertaken by the Building Consultancy is funded from fees which we charge for given services to internal and external clients. Income generation is an integral part of the consultancy “business”.
- 2.6 Within the Engineering Consultancy the position is slightly different in that the Statutory Functions of Coast Protection, Land Drainage and Contaminated Land have an element of Revenue funding whilst the “project delivery” activities are wholly funded by fee income. When this structure was set up several years ago the Statutory Functions were 100% revenue funded and the project delivery side set out to deliver projects at a fee level competitive with the private sector and be self financing. However, over the years the fee earning activities have generated surplus fees and revenue funded staff have contributed to fee earning work. This has allowed reductions in the revenue funding in previous efficiency rounds, with the fee earning activities providing a significant contribution to the cost of providing the Statutory Functions.
- 2.7 Both Consultancies operate very much like an external consultant and have had efficiency as a priority in order to provide quality and value to the various Clients. They could be viewed as a cost or an overhead, similar to Facility Management Services, but they should collectively be perceived as an integral part of the Council's business. The vision of the consultancies is to establish the services as key strategic business units that add value to services, and provide, with other elements within the Business Division, the delivery mechanism for Council's and Schools Capital Programme.
- 2.8 In consultation, some internal Clients, who are accustomed to services being centrally funded, perceive that the fee based service is unduly expensive. Indeed some believe it should be free of charge. This is understandable as Clients are not usually aware of the extent of overheads that are attached to

baseline salaries, and not always familiar with the level of fees they would incur from the private sector. However the reality is that fee levels are set at a level that is very competitive compared to the private sector as indicated by benchmarking undertaken during the review (see **Appendix 1** of the report).

**This item contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, Information relating to the financial or business affairs of a particular person (including the authority holding that information).** In addition to the service provided the overhead contribution helps towards the Council's general functioning.

- 2.9 This view of some Clients is acknowledged and this review recognised the need to continue to influence in a positive way the perceptions of our customers, be they internal or external to the Authority. The future image, reputation and value for money of the service depends on this.
- 2.10 A potential restructure consideration prior to this S.D.O. review and at an early stage of considering management structures was for the two consultancy sections to combine and form an all encompassing consultancy service within the authority. This option was not taken in the revised Management Structures for Regeneration and Neighbourhoods and will be referred to in this report.
- 2.11 The Consultancies provide services for the Council in the main, but there remain areas where external consultants are used instead of the in-house provider. Whilst this provides a mixed service provision it does remove core income and puts the sections under financial pressure. As part of this SDO review discussions have taken place, and continue to do so regarding the procurement and provision of these services in the future to ensure best value for the Council whilst maximising income from in-house resources.
- 2.12 In order to assess and control the requirements of these services in all Departments it is essential that clients within the Council requiring these services access the Consultancies as the "first port of call". The Consultancies, using their expertise, can then determine the best way to provide/procure the service in liaison with clients i.e. in-house or via external consultant.
- 2.13 By channelling all requirements for technical consultancy work through the teams it will: -
- ensure visibility of expenditure on technical consultancy so enabling the monitoring of this category spend.
  - ensure maximum use of in-house resources
  - provide a value for money decision based on contract procedure rules
  - ensure proper use of and procurement of consultancy frameworks, collaboration arrangements and existing contracts

In the main this occurs but reinforcement is required.

### 3. OTHER SERVICE PRESSURES

#### 3.1 Schools Transformation

3.1.1 The most significant challenge faced by the Building Consultancy is the Building Schools for the Future (BSF) and Primary Capital Programmes (PCP). In BSF the team are providing the Council's client agent role in technical project management (one member of staff sits within the Schools Transformation Team). This involvement will be developed in relation to design support, ICT integration with the Design and Build Contractor, and the provision of Contract Management for the Council for the Dyke House and ICT infrastructure projects to other schools. It was anticipated that the BSF programme of new build / refurbishment would extend over all secondary schools for a five year period but unfortunately this will not now be the case. The autumn spending review may allocate additional capital funding for schools although not on the same scale as BSF. There will be a need to resource to whatever the requirements are either internally or externally. The extent of the allocation is unknown and this presents a risk for the future.

3.1.2 In PCP and Schools Capital works concept designs are being developed, projects procured and contracts managed. The Consultancy are also involved in working on a FM Procurement Strategy to ensure schools are maintained for the agreed period of 30 years.

#### 3.2 Statutory Functions

3.2.1 Both the Engineering and Building Consultancies have statutory functions which must be undertaken. These include: -

##### Building Consultancy

- Gas safety inspections,
- Legionella monitoring and
- Periodical electrical testing and inspection.

The relatively small budgets allocated to these functions is subsidised by the fee earning activities.

##### Engineering Consultancy

- Contaminated Land
- Coast Protection
- Land drainage

3.2.2 The statutory functions stated above must be discharged by the Council. Over the years their funding has been eroded and the fee earning activities have subsidised their delivery costs. The ability to generate fee income is therefore vital to the current budgeting provision.

3.2.3 The Building Consultancy provides statutory Legionella and electrical test & inspection programmes to the majority of the Hartlepool schools under the

terms of an annually agreed / renewed Service Level Agreement (SLA). SLA charges have, over recent years, been subject to modest annual increases which have been accepted by schools but have not kept pace with the inflation. When these service were introduced through legislative requirements school use of the service was made mandatory.

- 3.2.4 The processes involved in fulfilling statutory duties have been reviewed as part of the SDO process. However it is not felt that any efficiencies can be made in these areas without putting the Council at risk of not fulfilling its duties, particularly where staff are also utilised in fee earning activities as is the case in the Engineering Consultancy. The key is “business efficiency” through ensuring cost efficient delivery and maximising income from external sources.

### 3.3 Fee Earning Nature of Service

Fee earning / technical officer salary recharging does not fit easily into identifying “budget” savings when corporately funded budgets cover such a small element of the overall cost of the services and reliance is placed on fee generation.

### 3.4 Variations in Workload

The type, extent and timing of work undertaken by both Consultancies can vary and is sometimes difficult to predict. Service delivery options must allow for this flexibility in considering core workloads and peaks of greater demand.

### 3.5 Procurement

There is increased pressure for collaborative sourcing of these types of services through regional and sub-regional framework consultants with the additional option of shared services

## 4. INTERFACES WITH OTHER BUSINESS TRANSFORMATION WORKSTREAMS

- 4.1 General: The need to identify and record efficiencies against the various business transformation workstreams has been recognised at an early stage in order to avoid double counting and conflict. This section concentrates on where other business transformation workstreams have been considered as part of the SDO review.
- 4.2 Management Structures: The Management Structure principles have been considered as part of the SDO review. A consistent management hierarchy and chain of command across the various consultancy services will be delivered.
- 4.3 Asset Management: The Accommodation Strategy has been considered as part of the SDO review and hot desking will be introduced within the inspection and quality control elements of the sections following the planned move to



Bryan Hanson House. The co-location of the Consultancies in Bryan Hanson House will bring about some synergies.

- 4.4 Facilities Management SDO: Quantity Surveying services required within this area of service are being considered and there may be an option to “join up” some elements to produce efficiencies and savings in the FM review.
- 4.5 Procurement: As part of the SDO Review we have included a review of services procured externally, and in particular the considerations of a framework of consultants.

## 5. SUSTAINABILITY

- 5.1 Cabinet has previously agreed to the centralisation of budgets relating to property which includes building maintenance. The Building Consultancy provide the client role in specifying, procuring and monitoring work to safeguard the Council. These elements are the responsibility of the Building Consultancy to deliver in the most efficient and effective way on behalf of the Council for all Council buildings (whether in-house or via external means).
- 5.2 Both consultancies have ‘grown’ specialist skills in-house through training and development, thereby providing a responsive service and safeguarding the Council’s statutory functions e.g. Legionella, Construction and Design Management (CDM), Contaminated Land and Coastal Protection. The first two areas have grown in reputation and provide services to other Local Authorities and Public Sector organisations contributing to the local skills and economy agenda.

## 6. REVIEW PROCESS

- 6.1 The Review Team met on a monthly basis to look at the existing services, establish baseline information regarding costs and service performance, comparing and benchmarking ourselves, particularly against external providers. **Appendix 1** contains price benchmarking information. **This item contains exempt information under Schedule 12A of the Local Government Act 1972, (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, information relating to the financial or business affairs of a particular person (including the authority holding that information)**
- 6.2 Consideration has been given to alternative service provision i.e. market testing of these services. Recent competitive exercises have been received accordingly. There has been recent success in the award of the design of the new Redcar Fire Station (via the Fire Authority) as part of a competitive process. We have also been awarded CDM work for Redcar and Cleveland Council, Legionella Management for Hartlepool and North Tees PCT (amongst several others) and Gas Management Services to Middlesbrough Council. There are numerous other examples.

- 6.3 In a review by Insurers AIG of how local authorities are managing the risk of Leginoella, subsequent to the inquiry at Barrow, we were ranked at the top of the survey.
- 6.4 Based on the performance management and benchmarking information the review team focused on three areas to identify the overall efficiencies required to achieve the £120k target for this SDO review.
- i) Change to current service arrangements
  - ii) Growth and income generation
  - iii) Procurement and the negotiation of existing contracts

## 7. **OPTIONS ANALYSIS AND EFFICIENCIES**

### 7.1 Change to Current Service Arrangements

- 7.1.1 The deletion of the Engineering Manager's post was initially instigated as part of 2009/10 savings because it was considered that there would be some merit in amalgamating the Engineering Consultancy and the Building Consultancy under one manager and having that manager report to a particular Head of Service. However the consultancies provide a very wide range of services – Building Consultancy Services which sit naturally with Property and Procurement and Engineering Consultancy Services which sit naturally within the Transport and Engineering Division where many significant links exist.
- 7.1.2 There were however some areas where it was considered that the delivery of functions should be reviewed and these are as follows:
- 7.1.3 Within the Engineering Consultancy, the Principal Project Manager post was created to provide a lead on project management protocols throughout the former Neighbourhood Services Department. The management of the CDM Coordinators were added to his responsibilities but there is little or no commonality between the skills of the project management function and the specialist work carried out by the CDM Coordinators.

The following options were considered:

- a) Consider the CDM Coordinator team function in its own right with an amended management structure.
- b) It was suggested that the CDM team would be accommodated more appropriately in the Building Consultancy. This does not give any direct saving but adds value and increases flexibility. Two of the CDM Coordinators are also architectural technicians and this will give more flexibility in terms of managing peaks and troughs in architectural and CDM workload when appropriate. This also assists in the reduction of an Architectural Technician in the Management Structure with a saving of around £35k.
- c) Within this environment, the CDM team has prospered and now brings in

significant fee income from clients external to the Council. It is envisaged that this potential for income generation will continue.

- d) Consider the project management function in its own right with an amended management structure.
- e) It was suggested that the Project Manager from the Engineering Consultancy should join the Building Consultancy Project Management Team. The rationale for this is that the fee earning work carried out by Engineers' Project Manager was of a Building nature with the main Client being Child and Adult Services. This combination of project management officers could form a team that would enhance this service, enabling existing skills to grow. Again this will not give a direct saving but will improve project delivery in terms of cost, timescale and quality and will contribute to the interface with Schools Transformation as part of the BT Centralisation of Asset Management Workstream. Project Management is an area where some clients have felt that there has been a deficiency in service and will therefore give added customer confidence.

7.1.4 Although this cannot be taken into account in terms of actual budget savings, the process of transferring roles undertaken by agency to permanent staff will realise an annual cost saving of around £60k. This makes us more competitive especially when bidding for external work.

7.1.5 An initial saving that has been identified is the rationalisation of equipment in relation to printing and plotting of drawings. Currently Planners, Engineers and the Building Consultancy have separate facilities and equipment. We are currently investigating the viability of a centralised plotter/printer to satisfy all three service areas. Using one unit will reduce energy costs, cyclical maintenance costs and reactive maintenance cost. This investigation is still in progress so a saving cannot be detailed at this stage.

## 7.2 Income Generation:

7.2.1 The Building Consultancy section has already generated substantial income figures awaited to the Council via a number of external contracts with other authorities in respect of Legionella control and management and we are nationally recognised as a leader in this service area. The in-house team have quoted and won a bid to provide advice on gas safety management to a nearby local authority. They have won lottery funding in partnership with a community group and carried out the design services. (£1 million for Hartlepool People). They have recently won a bid to design a £1million extension to a fire station for Cleveland Fire Brigade. All of these bids have been won in competition with private sector organisations providing evidence of value for money in the "market".

7.2.2 There is an opportunity to build on this success and win more external work and opportunities are being explored with the Cleveland Fire Brigade and the PCT. There is however a cost and risk attached to this process. The resource used to produce a bid is undertaken at risk. It is proposed that at the end of each financial year a proportion of any surplus can be carried over to the next year to form a "bid fund". This will ensure that any failures will not affect our

balance sheet at year end. This is in line with the way private sector organisations function. Due to the success in 09/10 this has been possible for 10/11 allowing initially for feasibility and design work to take place on the development of the Innovation and Skills Quarter east of Stockton Street.

- 7.2.3 The Legionella Management section in particular, has the ability to achieve efficiencies in terms of the reduction in both sampling costs and unit costs in inspections evidenced over the past two years (30% cost reduction since 2005/06). In addition, income generation has increased (£60K in 2005/06 up to £128K in 2009/10) and the list of external clients is growing. It is this area which is part funded by a Corporate budget where savings could be released through a budget reduction rather than merely passing a surplus from the trading activity to the general fund.
- 7.2.4 Development and enhancing Engineering skills and Services to grow income generation has for some time been a feature of the Engineering Consultancy. It is estimated that for example structural design work which until recently was commissioned externally can yield savings (or additional fee income) of around £25k per year by using the resources now in place internally. Previous framework agreements with external consultants have facilitated a two way flow of services which has generated external income. This philosophy will be continued with a focus on areas such as Highways Safety Auditing, Geotechnical Engineering, Flood risk management, Drainage design and Structural Engineering design where we are able to market services.

### 7.3 Procurement and the Negotiation of Existing Contracts

The Consultancies currently have a variety of arrangements with external consultants for top-up-support and specialist services. The review recognised that a revised framework contact(s) were required to ensure best value is being achieved.

## 8. **SERVICE DELIVERY AND PROCUREMENT OPTIONS**

In this section of the report delivery options are presented with their relative merits highlighted. Thereafter identifying the structure that appears to fit most closely with the requirements of the SDO. A set of key considerations in determining the way forward is then established and applied to the likely option to determine its suitability. A number of routes are available for the procurement and delivery of this service. This section sets out these approaches and indicates, at a general level, the relative pros and cons of each. It is from this list of approaches that the preferred option will be selected.

### 8.1 The In-house Option Approach

This would see all projects and services being delivered by the Consultancies with restricted support by external contracts on a case by case basis, where appropriate and required. The balance between in-house provision and the use of external consultants will be dependent on the capacity and capability of

in-house resources. This approach can also be used for the provision of services to other local authorities or public sector service partners.

Main advantages	Main limitations
<ul style="list-style-type: none"> <li>• Full control over the project and service delivery is retained within the Council</li> <li>• Maximum use is made of in-house resources</li> <li>• A long procurement lead time, prior to commencement of service delivery, is avoided</li> <li>• Limited cultural change in current ways of working</li> <li>• Can easily cope with sudden changes of priorities for whatever reason. This is something that happens quite often and an in-house team is usually more responsive and resilient to such short term changes and managing changing priorities.</li> <li>• Flexible approach to service delivery. This can include work carried out for a reduced fee or no fee at all under certain circumstances.</li> <li>• The Building and Engineering Consultancies have a good balance of construction professionals at all levels.</li> <li>• The charge-out rates for staff are very competitive (in most cases lower) with private sector consultants. A benchmarking comparison has been carried out to provide evidence.</li> <li>• Follows national pressure for shared service position.</li> </ul>	<ul style="list-style-type: none"> <li>• Discrete use of consultants will typically be more expensive in the long term than an integrated framework support model because of the restricted use</li> <li>• Requires multiple smaller procurements when discrete support is required</li> <li>• Not as commercially attractive without being part of a wider package of services</li> <li>• No external stimulus for a 'step-change' in ways of working</li> </ul>

## 8.2 Framework Arrangement

Under such an arrangement, the Council would retain an in-house team and enter a formal contractual agreement with a number of external providers, where all parties agree the terms of future dealings between them, without committing to or guaranteeing any specific purchase or contract. This model would be applicable to design, project and cost management advice and procurement support.

Main advantages	Main limitations
<ul style="list-style-type: none"> <li>• All of the advantages of an in-house service.</li> <li>• Flexible approach designed to fill skill and resource gaps within the Council</li> <li>• Provides access to external experience and expertise that can act as a catalyst for change</li> <li>• No transfer of staff or services, so less cultural impact and political unease than externalisation arrangements</li> <li>• Straightforward to procure</li> <li>• Small and non complex schemes can be given to an individual provider. With the option for mini competition between providers for larger more complex schemes ensuring VFM.</li> </ul>	<ul style="list-style-type: none"> <li>• Responsibility for overall project and service delivery will still rest with the Council</li> <li>• Requires "client side" management within Council as well as core service team</li> </ul>

8.3 Joint Venture Company (JVC) or Private/Public Partnership

Under this arrangement, the Council would enter into a joint venture arrangement, typically with a private sector company, to facilitate the delivery of services and access to investment. The JVC may be profit-making (normally limited by shares) or not for profit (often limited by guarantee). In the former case, profits of the JVC will be paid out to the shareholders in the form of a dividend. The Council would have stake in the JVC (up to 20% under current legislation, to ensure that the JVC is treated as a private sector company) that would allow it to share in any profits. Equally, the Council would have some representation on the management board of the JVC allowing it some influence in the operation of the company (although this is often limited only to a power of veto). JVCs are often staffed by means of a transfer of staff from the Council under TUPE although more recently, the secondment of staff to the company has been arranged.

Main advantages	Main limitations
<ul style="list-style-type: none"> <li>• Generally provides access to investment from the private sector partner, which is recovered through income streams over time</li> <li>• Allows for the transfer of risk in delivering projects and services away from the Council to the JVC</li> <li>• Improved access to the skills and resources of the private sector JVC partner</li> <li>• Opportunity to establish an independent management structure</li> <li>• JVC (providing a private company) has freedom to raise additional finance</li> <li>• Ability to trade externally</li> </ul>	<ul style="list-style-type: none"> <li>• Procurement and particularly contract negotiation, can be very complex and time consuming</li> <li>• Significant legal, financial and administrative requirements must be met</li> <li>• Transfer significant control to the private sector</li> <li>• Requires significant resource to manage and monitor the arrangement</li> <li>• Risks associated with operating a private sector company (such as insolvency)</li> <li>• Cultural differences between the private and public sectors can cause conflicts</li> <li>• TUPE implications</li> <li>• Cost – JVC will be required to generate profit for the private sector. This will be reflected in charge out rates.</li> <li>• Cost – Management of the JVC and of Statutory Functions will need an element of Council based management, as a minimum at the strategic level and possibly strategic and technical. These functions are currently absorbed into fee generating areas.</li> </ul>

8.4 Outsourcing

This model refers to the more traditional arrangement where the Council contracts with a private sector provider or providers for the provision of services in place of the Council. The service will then be provided to agreed standards and targets with no significant involvement from the Council. A client side function would be required to commission and monitor the contact(s). There would be a TUPE transfer involved. The approach is becoming less attractive unless significant financial benefits can be achieved.

Main advantages	Main limitations
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<ul style="list-style-type: none"> <li>• Transfers risk and may facilitate external investment in the service</li> <li>• Existing difficulties should be addressed by the provider</li> <li>• Relatively simple to procure</li> </ul>	<ul style="list-style-type: none"> <li>• Large scale TUPE transfer issues</li> <li>• Can create a confrontational arrangement</li> <li>• May be limited interest from the market depending upon the nature and state of services in question</li> <li>• Potential lack of flexibility</li> <li>• Loss of control and influence over service aims and priorities</li> <li>• Cost incurred through client side arrangements due to the need to retain an in-house team of facilitators together with higher charge out rates from the private sector.</li> <li>• Difficult to recreate in-house capacity if outsourcing fails</li> <li>• Cannot easily cope with sudden changes of priorities for whatever reason. This is something that happens quite often and an in-house team is usually more resilient to such short term changes and managing changing priorities.</li> </ul>
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### 8.5 Public / Public Partnership Arrangement

Under such an arrangement, the Council would enter a formal partnership with one or a number of public authorities (possibly Tees Valley authorities) generally of the same type (but others exist where councils are in partnership with PCT's etc.) to carry out functions on a larger scale. This model would be applicable to design, project and cost management advice and procurement support.

Main advantages	Main limitations
<ul style="list-style-type: none"> <li>• All of the advantages of an in-house service plus the economy of scale that would make efficiency savings</li> <li>• Flexible approach designed to fill skill and resource gaps within the Council</li> <li>• No transfer of staff or services, so less cultural impact and political unease than externalisation arrangements</li> <li>• Generally more straightforward to procure than externalisation arrangements</li> <li>• Setting up such a partnership would lead to significant management financial savings due to economies of scale</li> <li>• It could cover all construction issues (Engineering and Building Consultancy) but it could also include transportation (additional Client functions) issues</li> <li>• The scale of such a partnership could be as small or as large as we wanted to make it subject to finding like minded partners</li> </ul>	<ul style="list-style-type: none"> <li>• Responsibility for overall project and service delivery will still rest with the Council</li> <li>• Some loss of control and influence over service aims and priorities</li> <li>• No external stimulus for a 'step-change' in ways of working</li> <li>• Does not provide access to external experience and expertise that can act as a catalyst for change</li> <li>• Political and organisational support will be required to work</li> <li>• Must fit with timing/need of other partners</li> </ul>

8.6 The following analysis briefly considers each of the approaches and identifies whether they appear appropriate for the delivery of the Consultancy services.

### 8.7 In-house Approach

The Building and Engineering Consultancies have a good base in terms of existing service delivery quality, on which to build. More importantly, we recognise the capacity constraints that exist and these could pose a significant threat to our ability to successfully deliver the service in total i.e. it is not efficient nor feasible to cover the whole of the demands of the service by staffing up to the peaks of workload. External consultants can however be used to address these gaps, subject to the overall affordability of the arrangement.

### 8.8 Framework Arrangement

This approach has all of the advantages of an in-house service, although in-house service would be a relatively modest core and would provide an opportunity to address skills gaps and provide access to additional resources, skills and expertise to supplement in-house capacity and capability. No transfer of staff or services, so less cultural impact and organisational unease than externalisation arrangements. Having a framework with a number of providers allows for flexibility in procurement. Small and non complex schemes can be given to an individual provider. With the option for mini competition between providers for larger more complex schemes ensuring value for money.

In terms of frameworks the Regional Improvement and Efficiency Programme are proposing to set up regional frameworks for technical consultants and construction works. There will be an opportunity to use this facility although the timing and nature of this is uncertain at present.

### 8.9 Joint Venture Company or Public/Private Partnership

This approach should provide access to the additional resources, skills and expertise necessitated by the consultancies programme. These arrangements are normally based around the transfer of services and staff and the JVC is used as a vehicle for achieving this. Given the scale of the existing resource; the success of the majority of pilot framework agreements already in place, the time that would be taken to put in place such a JVC, and the loss of control and complexity of procuring a JVC limit the effect of this approach. There would need to be clear political support for this approach to be successful. It could be a long term consideration.

### 8.10 Outsourcing

There is no obvious case for a traditional outsourcing arrangement. The additional management costs, lack of flexibility and loss of control and influence by the Council, combined with a market trend away from this type of structure implies that it is unlikely to offer an appropriate procurement and delivery route. If any externalisation has to take place a partnership/framework arrangement might be more appropriate.

### 8.11 Public/Public Partnership



Whilst this has many advantages in pooling resources across Local Authorities, and is in line with regional and sub-regional thinking for the future, each of the Tees Valley Local Authorities are at different stages of development and there needs to be a coordinated and politically supported approach. There is the additional pressure from Government to consider “shared services”. This could be a solution in the medium term when sub-regional/ regional collaboration develops.

#### 8.12 Summary

It should be noted that although the options discussed above are considered as discrete approaches, in reality they represent a sliding scale between in-house delivery at one end and full outsourcing at the other. In between these extremes, the approaches differ mainly in the level of risk and ownership transferred by the Council. Drawing upon the considerations above the review team concluded that a mix of the in-house focused structure with a Framework support arrangement appears to fit most closely with the requirements of the SDO. However, a future mid to long term option could be to investigate a Public / Public arrangement with other Tees Valley authorities. If the future shape of the authority takes more of a commissioning direction rather than as a provider, then this option will need to be reviewed.

### 9. **PREFERRED OPTION**

#### In-House Focused Structure with a Framework Support Arrangement.

- 9.1 This approach would involve the Council retaining responsibility for driving, implementing and delivering the Building and Engineering Consultancy service. With a core in-house workforce the approach would require the procurement of a framework agreement with a number of external consultants this allows access to a wider pool of resources and the opportunity to share expertise and possibly training and costs etc.
- 9.2 It is also the preferred option that the in-house teams continue their responsibility for the variety of statutory functions, retains key design capacity and develops their income generating capability.
- 9.3 The Consultancies would manage and co-ordinate the day to work and individual procurements and projects. Framework consultants would be engaged on a call off basis to support the internal service. Equally, the Consultancies would lead on the procurement of consultants and contractors to undertake the design and construction of projects.
- 9.4 The Consultancies will benefit from establishing closer working relationships through this framework agreement, with a selection of suppliers to ease the procurement process and ensure that it works effectively.
- 9.5 Since this approach is lead by the Consultancies and involves use of framework consultants as and when required, it provides the most flexibility of the discussed options. This is important in allowing the opportunity for the

Consultancies to develop and amend their strategy and approach with relative freedom. An in-house approach does not require a significant up-front procurement process, which could delay the whole SDO initiative and result in a loss of momentum. External involvement can be procured as and when required such that real progress can be made quickly.

- 9.6 A subsequent element of the preferred option is that the Consultancies should be the “first port of call” for any departmental requirement. It would be the responsibility of the Consultancies to deliver based on the best solution available.

## 10. **SAVINGS**

- 10.1 As indicated previously, one of the few budgets that is available to the Building Consultancy team from central resource is a £60K legionella budget for management and control within public buildings. It is anticipated that savings in this budget can meet the required savings if the expected efficiencies across the consultancy as a whole and anticipated income from future workload are achieved together with changes to working practices and use of technology (e.g. mobile working).

- 10.2 The Engineering Consultancy efficiency saving of £60k will be achieved through operational improvements as set out in para 10.3 below. This will reduce costs and generate increased fee income and will yield a saving/surplus in the Engineering Consultancy management account of £60k which can be passed on to the Council's General Fund Budget to achieve the target.

- 10.3 Savings will be targeted under the following headings: -

- 10.3.1 Increased Capabilities – Recent recruitment, staff development, and I.T. investment has enhanced the Section's capacity to deliver a wider range of projects than was the case previously. This will allow for greater productivity and fee earning opportunities to be realised and reduce the inefficient process of briefing and managing external consultants to carry out the works. The prime example of this is savings of £25K that can be realised by undertaking structural engineering work in-house rather than by external consultants.

- 10.3.2 Increased charges to external Clients – Fee comparison with the private sector had indicated that we can increase the charge out rates that we use and still remain competitive.

- 10.3.3 Business Process Efficiencies – This process of reviewing how work is delivered will raise productivity and increase the proportion of time spent on fee earning work. Using information routinely collected through time allocation sheets the savings are considered to be achievable.

- 10.4 The above efficiency savings will allow for reductions to budgets as follows:

• Engineers Management Account	£15,000
• Bridges	£30,000
• Claxton Landfill Site Maintenance	£9,000
	20

- Dangerous Structures £6,000
- Total Budget Reduction £60,000

- 10.5 Future savings are anticipated in terms of mobile working, use of technology and rationalisation of equipment in relation to printing and plotting of drawings.
- 10.6 The integration of building maintenance and client services has enabled a Facilities Management Section (FM) to be set up. There are areas and opportunities where more “joined” up working between FM and the Building Consultancy will lead to more effective working. There is not a direct saving connected to the Consultancies with this but service delivery will improve and be more efficient as a result and significantly it enables the FM SDO to make a saving of £35K.

## 11. **RISK AND SUSTAINABILITY**

- 11.1 The Council in-house Consultancy Services are integral to the running of the Council’s business and should not be seen as an “extra cost”. There must be a commitment across the Council to ensure that all design services are procured through the Consultancies. The consultancies’ part in this relationship is to demonstrate and provide measurable, good quality services, which represent excellent value for money whether as a commissioner or direct provider.
- 11.2 With regard to sustainability, the above analysis is dependent on the work being available to support the fee generation. Clearly this is not guaranteed in the current political / financial climate.
- 11.3 Savings can only be realised if the workload is sufficient to keep the in house staff effectively employed. Workload is subject largely to external factors and the risk of insufficient work has always been an issue considered in the management of the service. To address the risk the Consultancies have:-
- evolved to a size that has been found to be sustainable, and the private sector has been used to top up resources when necessary. This will be kept under review;
  - focussed on core technical staff whose skills are broad and adaptable to a range of work categories. This allows flexibility in the allocation of resources to meet fluctuations in the type of project required at any particular time.
- 11.3 Discussions have taken place in recent times at officer and Member level in respect of the potential to remove the “fee” system which is based upon inefficient processes such as timesheet completion and internal recharging (although this can be useful in job costing). This could be done by “top slicing” capital programmes/projects to some extent and it is recommended that this could be explored over the next 12 months.
- 11.4 There are several statutory services provided within the consultancies, some with health and safety implications (e.g. Gas, Legionella, and some with

significant strategic functions such as contaminated land), and it is important that the Council has the means to be in control and be responsive.

- 11.4 If the 5% efficiencies cannot be realised, the Council will have to consider the procurement of Consultancy services which could have TUPE implications. It is important that the Council recognises the service as integral to the running of the Council's business and not see it as a cost or an overhead. Our part in this relationship is to demonstrate and provide measurable, good quality services, which represent excellent value for money, it is our vision to be the Council's service provider of choice, and to consolidate and maintain existing clients whilst seeking out and acquiring new business opportunities.
- 11.5 Diversity Impact Assessment - the proposed recommendations have been reviewed against the existing service Impact and Needs Requirement Assessments which were completed in 2009/10 and the actions proposed will not result in any adverse impacts on any of the diversity strands for the Consultancy SDO review and as such there is no need to carry out Diversity Impact Assessments for them.

## **12. FINANCIAL IMPLICATIONS**

- 12.1 The Service Delivery Options (SDO) programme has been designed to review all council activity over a three year programme and is planned to contribute over £3.5m in savings to the Business Transformation (BT) savings of £6m over this period. Each review has a target for savings set at the outset as part of this overall programme and these are assigned to specific financial years in the Medium Term Financial Strategy. For 2011/12 the MTFs forecasts are based on the achievement of £1.3m of Business Transformation SDO savings from 1<sup>st</sup> April 2011.
- 12.2 The Business Transformation programme was planned, as part of the MTFs, to support the budgetary position of the council through a managed programme of change. The economic climate of the country, and the likely impact of expected grant cuts post general election, mean that the anticipated budget deficits, after all BT and other savings are taken is still expected to be around £4m per annum for each of the next three years. These additional cuts equate to 4% of the annual budget and a cumulative cut of over 12% over three years. In practice there will be some areas Members wish to protect and this will simply mean higher cuts in other areas and/or the cessation of some services.
- 12.3 It has been identified in previous reports to Cabinet that a failure to take savings identified as part of the BT programme (and more specifically the SDO programme) will only mean the need to make unplanned cuts and redundancies elsewhere in the authority. This position has been exacerbated through the economic circumstances and likely grant settlements and failure to implement SDO savings will in all likelihood make the 2011/12 budget position unmanageable owing to anticipated grant cuts commencing this year. In addition, as reported in the MTFs the Council faces a range of budget risks which exceed the available strategic risk reserve and this funding shortfall will need to be addressed in 2010/11 and 2011/12, which further reduces financial flexibility.

**13. CONCLUSION**

- 13.1 The required savings target of £120K is challenging but can be achieved. It has not been possible to calculate potential further savings identified at this stage but this will be programmed over 2010/11.
- 13.2 The most cost effective option is to maintain and develop a core in-house team and implement the efficiency savings as suggested, combined with one or more framework partnerships.
- 13.3 A key element is to increase the client base and generate additional income which will in itself contribute to the savings required. The main challenges to be met within the section in order to achieve this are:-
- Continuous improvement
  - Maximising and demonstrating value for money to our customers
  - Maintaining a positive client and Member awareness of our services
  - Business retention and growth
  - Making a positive and measurable contribution to the Council's priorities, which will in turn reflect those of the community and partner organisations
  - A sustainable increase in external income
  - Effective and efficient access to external skills and resources to supplement the in house provision.
  - To react and adapt to changing customer demands
  - Providing services users with projects that meet best practice in sustainability, equality, design and procurement.
  - Maximising project resources from all available sources of funding.
  - Improving performance management through the use of national and local performance indicators.
- 13.4 Regional/sub-regional collaboration strategies are currently being considered. There is a Regional Improvement and Efficiency Partnership project looking at the potential of a regional framework of consultants, and this option may be a way forward in the medium term.
- 13.5 Depending on what the shape of the Authority might be in the longer term, there may be a drive in the future for a more commissioning role (with a client base) and with the service provision externalised or via a public/public or public/private partnership. In particular there may be an opportunity to develop collaborative arrangements with Tees Valley Authorities.

**14. COMMENTS FROM BT PROGRAMME BOARD**

- 14.1 The BT Programme Board considered the Options Report on 18<sup>th</sup> October.
- 14.2 Members considered the report at length and noted that both consultancies operated like external consultants, being fee-based and not centrally funded, however Members felt it would be helpful to understand more fully the

contribution the service makes across the authority in the delivery of projects.

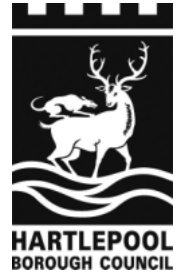
- 14.3 Programme Board wished to emphasise and reinforce the essential requirement for services in all departments of the Council requiring services provided by the Engineering and Building Consultancy to access the internal consultancy and that this should be monitored; and where a department chose not to access the internal consultancy and explanation should be given.
- 14.4 Members were supportive of attempts to consider further the options for income generation through other public sector providers in Hartlepool, across the Tees-Valley and throughout the region.
- 14.5 Members of Programme Board indicated their agreement to endorse the recommendations contained within the report which Cabinet would be asked to approve.

**15. RECOMMENDATION**

- 15.1 Cabinet are asked to note the alternative delivery models which are stated in Section 8 of the main report.
- 15.2 Cabinet are asked to approve the preferred option as stated in Section 9 of the main report and the intention to review this in the light of future capital programmes and potential partnerships and collaborative arrangements.
- 15.3 Cabinet are asked to approve the strategy to achieve £120,000 of savings which is stated in Section 10 of the main report.

## CABINET REPORT

8 November 2010



**Report of:** Director of Regeneration and Neighbourhoods

**Subject:** BUSINESS TRANSFORMATION - REGENERATION &  
NEIGHBOURHOOD MANAGEMENT SERVICE  
DELIVERY OPTIONS REVIEW

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### SUMMARY

#### 1.0 PURPOSE OF REPORT

1.1 To seek Cabinet approval to recommended efficiencies relating to the Regeneration & Neighbourhood Management (NM) SDO review. The review has an efficiency target of 7.5% of baseline budgets, which equates to circa £60,000.

#### 2.0 SUMMARY OF CONTENTS

2.1 Services covered in the review cut across the Community Regeneration Team, the Major Projects and regional/sub-regional engagement sections of the Urban and Planning Policy Team and the Community Engagement & Empowerment aspect of Neighbourhood Management, reflecting strong joint working arrangements required to deliver regeneration in the town.

2.2 Since the scope was agreed in May 2010, in year cuts have been announced which together with the outcome of the Comprehensive Spending Review (CSR) in Autumn may result in the reduction and / or potential future loss of WNF funding which may hit local community engagement and empowerment mechanisms hard. As such the Community Network function has been included within the scope of this review.

2.3 Numerous options examining Community Development and Empowerment across the north east region have been explored regarding the future shape of how the Authority continues to provide these services in the future. The current structures for engagement in Neighbourhood Management are the Neighbourhood Action Plan (NAP) forums which feed into the Neighbourhood Consultative Forums (NCFs) and from there into the Hartlepool Partnership and the Council. This formal structure is underpinned by a number of resident

associations and groups which operate at neighbourhood level and are the lifeblood of the consultation structures.

- 2.4 Hartlepool Community Network leads the Strengthening Communities theme of the Community Strategy and supports the capacity of people to be involved. Hartlepool Voluntary Development Agency hosts the Community Network, which is currently funded by Working Neighbourhoods Funds. Options regarding the shape of the function are referred to within the body of this report, and will be considered as part of the overall WNF review currently underway.
- 2.5 The regeneration landscape, availability of funding and Government focus and priorities towards regeneration are continually changing. The report identifies and highlights some initiatives/projects which have been undertaken over the years. An important role of the Major Regeneration team is its engagement at the Tees Valley level. Strategic involvement with TV partners has helped to secure recognition of Hartlepool's regeneration objectives in influential policy documents which in turn has also ensured significant funding investment has been secured.
- 2.6 The Government's Big Society seeks to make society stronger by getting more people to work together to run their own affairs locally. It aims to put more power and responsibility into the hands of families, groups, networks, neighbourhoods and locally based communities and to generate more community organisers, neighbourhood groups, volunteers, social enterprises and small businesses. Such aspirations cannot be achieved without support and although Hartlepool is fairly well advanced in terms of community engagement, volunteering and social enterprise development, the broad skills which exist within the various teams involved in neighbourhood management and community regeneration will be important in facilitating such activity. New Local Government and Localism Bills are expected to be published later this year, which will give further direction and indication of Government policy.
- 2.7 As part of the SDO review the future shape of community development and engagement has been considered at the same time as providing efficiencies within the system to achieve the £60k efficiency target. Options for which are referred to within the body of this report. However with the impending cuts in public monies to be announced as part of the upcoming CSR, it makes sense to wait until we receive more details regarding the Big Society, Area Based Grants and WNF before determining the final outcome.

### **3.0 RELEVANCE TO CABINET**

- 3.1 The report details options for one of the reviews which form part of the Service Delivery Options Programme, is part of the Business



Transformation Programme, and is therefore relevant for Cabinet decision.

#### **4.0 TYPE OF DECISION**

Key Decision test ii applies.  
Forward Plan reference Number RN 35/10.

#### **5.0 DECISION MAKING ROUTE**

Cabinet - 8 November 2010

#### **6.0 DECISION(S) REQUIRED**

- (j) That the SDO savings are approved as follows:-
- Neighbourhood Services Management Structure £20,000 as identified in 4.13 of the main report.
  - Specialist and technical support to strategic partners £40,000, as referred to in the main report paragraph 6.8.
- (ii) Cabinet are requested to authorise officers to determine appropriate arrangements (including structures) to deliver an agreed future shape of Community Engagement and Empowerment which reflects the integration of relevant services to be reported back to Cabinet. This should include consideration of the potential cessation of current functions and activities.

**Report of:** Director of Regeneration and Neighbourhoods

**Subject:** BUSINESS TRANSFORMATION - REGENERATION &  
NEIGHBOURHOOD MANAGEMENT SERVICE  
DELIVERY OPTIONS REVIEW

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## **1. PURPOSE OF REPORT**

- 1.1. To seek Cabinet approval to recommended efficiencies relating to the Regeneration & Neighbourhood Management (NM) SDO review. The review has an efficiency target of 7.5% of baseline budgets, which equates to circa £60,000.

## **2. BACKGROUND**

- 2.1. Services covered in the review cut across the Community Regeneration Team, the Major Projects and regional/sub-regional engagement sections of the Urban and Planning Policy Team and the Community Engagement & Empowerment aspect of Neighbourhood Management, reflecting strong joint working arrangements required to deliver regeneration in the town.
- 2.2. Since the scope was agreed in May 2010, in year cuts have been announced which together with the outcome of the CSR in Autumn may result in the reduction and / or potential future loss of WNF funding which may hit local community engagement and empowerment mechanisms hard.
- 2.3. The Coalition Government's recent announcements on the Big Society approach to neighbourhood regeneration, whilst still to be articulated in full, nevertheless gave an indication that local communities will continue to play a pivotal role in determining and delivering local regeneration priorities. Announcements so far suggest a commitment to more flexible and localised service delivery, and more involvement of citizens and communities in decision making.
- 2.4. To achieve this it is likely that individuals and communities will have to do more of what is currently done for and to them. Communities will need the skills to do more and professions will need the skills to transfer responsibility. The ability to really engage people in the work of the Council is a skill which will be in much demand.

## **3. BENCHMARKING/OPTIONS**

- 3.1. Evaluations commissioned during 2010 have been considered as part of the SDO review to assist with the options analysis, and help shape

the future direction of community development and neighbourhood regeneration. They include:

- Hartlepool Community Network review (Declan Baharani)
- Neighbourhood Element evaluation (ERS)
- NDC Community engagement & Empowerment (SRC)

3.2. Numerous options examining community development and empowerment across the north east region have been explored for the future provision of NCFs and NAPs following extensive research and benchmarking across the region.

3.3. The NE REIP commissioned a piece of research in 2010 to provide a snapshot of area and neighbourhood working in the North East by local authorities the purpose to provide a reference tool for those interested in networking and sharing practice. The prime focus of the research is on area and neighbourhood working as a mechanism for service improvement through partnership working and community engagement.

3.4. Due to the nature of the work there is no prescriptive methodology or nationally identified model to follow, however the evaluations which have concluded this financial year demonstrate we are one of the few Councils which have mainstreamed Neighbourhood Management and Community Development. The Community Regeneration Team has demonstrated it punches above its weight when it comes to attracting external funding and also has a wider remit than similar teams in neighbouring Authorities.

3.5. The evaluations demonstrate the excellent work being carried out in Hartlepool with respect to community development. The Neighbourhood Action Plan model has been recommended by GONE to DEFRA as a Big Society pilot.

#### **4. COMMUNITY DEVELOPMENT & ENGAGEMENT**

4.1. Neighbourhood Management in Hartlepool has a strong community input, the resources applied to it are modest and the outcomes significant. It has wide spread resident and elected member support and is judged nationally and locally as a success.

4.2. The current structures for engagement in Neighbourhood Management are the Neighbourhood Action Plan (NAP) forums which feed into the Neighbourhood Consultative Forums (NCFs) and from there into the Hartlepool Partnership and the Council. This formal structure is underpinned by a number of resident associations and groups which operate at neighbourhood level and are the lifeblood of the consultation structures.

- 4.3. The NCFs sit above the NAP forums and act as the local authority's main consultative mechanism for the Council. They were set up in 2000, are public meetings, serviced by the three Neighbourhood Managers, chaired by Councillors with Resident Representatives acting as Vice-Chairs. Both Chair and Vice Chair sit on the LSP. There are good links and relationships between the NAP forums and the NCFs which continue to be strengthened. Participatory Budgeting has been used to allocate minor works and WNF budgets to the local NAP forums.
- 4.4. A review looking at NCFs concluded in March 2010 and Cabinet choose to continue the Forums in their current format and frequency. The review identified some issues regarding attendance and format, an action plan was adopted and is currently being implemented. The cost of operating the NCF forums is circa £2,000 p.a., covering room hire, printing and transport costs; this does not include costs associated with Officers, Resident Representative or Councillors.
- 4.5. The Neighbourhood Action Plan (NAP) Forums were introduced in 2002, covering the eight Neighbourhood Renewal areas. They focus on the more extreme levels of deprivation in the town, tackling the Community Strategy key theme areas, jobs and economy, lifelong learning and skills, health, community safety, environment, housing, culture and leisure and strengthening communities.
- 4.6. Neighbourhood Managers lead on implementing the NAPs and supporting 10 NAP forums. Day to day they are supported by the Neighbourhood Development Officers (NDOs), Community Regeneration Officers and the Community Network. Underpinning this, the NDOs provide support to individual resident groups, strengthening their capacity to achieve change in their neighbourhoods.
- 4.7. The current NAP structure was set up in response to the 2001 Government White Paper, 'Communities in Control' by the Council and the Local Strategic Partnership. The main objective of the plans was to use them to inform and improve service delivery in priority neighbourhoods, and to help direct the budgets of each of the NAP Forums. NAP development is currently funded through the Working Neighbourhoods Fund (WNF) at £40,000 per annum, this year's budget was used to raise match funding for the Dyke House/Stranton/Grange area tackling community cohesion, (£42k from the Connecting Communities Programme) and enhancing the consultation undertaken to review the plan itself.
- 4.8. The format and content of the NAPs have been streamlined over the years. Similarly the consultation process, designed to ensure the views of residents and service providers are reflected in the plans, has become more developed and diverse. This includes data collection and analysis, the co-ordination of acquiring theme assessments from

the Theme Partnerships, the production and analysis of surveys, and organising community consultation events, e.g. Community fun days, conferences and drop-ins. This is in addition to the drafting of the plans themselves and further consultation with service providers, Councillors, Resident Associations, local schools and local community and voluntary groups; all of which are co-ordinated by the Community Regeneration Team. This is in addition to managing the monitoring and verification of all NAP funded projects annually, completing between fifty and seventy monitoring visits, distributing approximately seventy self assessment forms and producing all subsequent paperwork.

- 4.9. Primarily the role of the Community Regeneration Team has been to manage the WNF Residents' Priority (RPB) and Neighbourhood Element (NE) Budgets for the NAP Forums, including leading on the preparation of Offer Letters, processing payments and applying for match funding. The team are also responsible for the NAP Forum related administration in the North, the booking of meeting venues, production of the monthly agendas, action plans and interim project monitoring reports, and ensuring that paperwork is circulated in advance of the Forums. CR officers assist with these duties in the South, on a much smaller scale. In the centre this work is carried out with NDC employees operating out of 173 York Road, whose funding expires in March 2011.
- 4.10. The role of Community Regeneration has expanded to include the preparation and analysis of data for the prioritisation exercises that are undertaken annually, assisting with survey and project development work, and, in the majority of cases, leading on the completion of commissioning templates. In one North NAP area (Throston), a Regeneration Officer also co-ordinates the business of the quarterly Forum meetings. In the case of larger NAP funded projects, for example the North NAPs Employment Project and Burbank / Town Centre Communities Health Audit, Community Regeneration is charged with the administration and ongoing monitoring of the associated project Steering Groups (classified as Sub Groups of the Forum), and where appropriate work in conjunction with the Neighbourhood Development Officers to build capacity of community and voluntary groups. (For example assisting with accounting systems and match funding applications).
- 4.11. To ensure we capture the voice of young people Neighbourhood Managers set up Youth Forums in each of the North, Central and South areas, involving young people in the Council's decision-making process. The forums address the lack of representation of young people at the NCFs and NAP forums. A grant of £20k from a National Crime and Community Safety pilot by the Home Office matched with £10k from Hartlepool Police BCU in 2009/10 enabled these long awaited forums to be set up. Action plans were developed based around the priorities and actions agreed by young people. This has

resulted in the development of specific projects and actions to address some of their concerns, e.g. a youth club, lighting on a multi-use sports area, summer holiday arts and craft sessions and intergenerational bingo sessions. Young people have also been involved in other projects developed by the NM team. The NAP forums have allocated some of the WNF Resident Priority budgets to the Youth Forums which is used for general running costs, transport, refreshments, venue hire and stationery. Due to the success of the Youth Forums, the same level of funding (£24,000) has been allocated by Hartlepool Police BCU for this financial year.

- 4.12. The Assistant Director (Neighbourhood Services) chairs a NAP officers group which brings together officers from across the Council, Housing Hartlepool, and the community and voluntary sector, to consider Community engagement and empowerment across the town, and reports to the Hartlepool Partnership Performance Group and is a member of the Hartlepool Partnership.
- 4.13. Structural changes within the Neighbourhood Services Division have enabled savings of £20k to be achieved.
- 4.14. Options regarding the shape of Community Engagement are referred to below:-
- Neighbourhood Consultative Forums : Reduce NCFs to one Townwide Forum with North, Centre & South breakout sessions
  - Retain 3 NCFs; combine with the Police and Community Liaison Forums and Parish Liaison Meetings.
  - Retain 3 NCFs and reduce / remove minor works funding
  - Moderate Neighbourhood Action Plans to 5 year N/C/S NAPS and retain forums with light touch process

## **5. HARTLEPOOL COMMUNITY NETWORK (HCN)**

- 5.1. Hartlepool Community Network was formed in 2001 to achieve effective community and voluntary sector involvement in Local Strategic Partnerships. Initially funded directly by Government Office North East, the Network quickly established itself as a valued component of partnership working in the borough.
- 5.2. Hartlepool Community Network (HCN) leads the Strengthening Communities theme of the Community Strategy and Local Area Agreement (LAA), which has a significant impact on the focus of activities relating to empowering and engaging communities. The HCN supports the capacity of people to be involved and to take the step from being involved in a group to being a representative.
- 5.3. Hartlepool's Community Network has been supported by partners and subsequently received funding from a range of grant programmes including Neighbourhood Renewal Fund and more recently Working

Neighbourhoods Fund. With the current funding arrangements due to end in March 2011, decisions need to be made on the future of Hartlepool's Community Network. It makes sense to consider it within this review.

- 5.4. Hosted by Hartlepool Voluntary Development Agency, the Community Network has a Steering Group that oversees its performance. In 2010-11 the network was allocated a WNF grant of £143,541 prior to in-year cuts. The network has three staff: a coordinator, an officer and a support officer. In addition, HVDA uses the funding to employ two part time grant officers.
- 5.5. HCN is seen by some as an HVDA project rather than an independent Network and has not asserted any real autonomy or independence. Governance is confused as the HVDA Chief Executive Chairs the Network and also manages and controls the budget. HCN is entirely dependent on Working Neighbourhoods Fund (WNF) grant, and is in a vulnerable position.
- 5.6. There is an opportunity to retain the key principles and activities of HCN but re-focus and add new elements to bring about greater impact on Hartlepool communities. Financial pressures will necessitate some form of change, which will impact on governance, focus and activities. Working Neighbourhoods Fund, may cease post March 2011.
- 5.7. The HCN has not been able to effectively link the key Partnership themes to the neighbourhood level through HCN representatives, LSP and HBC. Increasing the links between key delivery themes and neighbourhoods is a priority but is also a tension as it requires greater capacity and support than is available. There is a very strong need to demonstrate the voice of the voluntary sector as well as an impact at a neighbourhood level.
- 5.8. HCN provides value for money but with increasing pressure on public finances it needs to reflect on how it could operate differently and where it can secure funding to continue. A report outlining options for the future of the HCN based upon an independent evaluation of the network reviewing progress to date and identifying key achievements was considered by the Public Sector Performance Group in October, and will be considered at the October Partnership meeting.
- 5.9. The Public Sector Performance Group and CMT recognised the Community Network Function, however with the impending Comprehensive Spending Review (CSR) announcement scheduled in the autumn they recognised alternative options should be explored.
- 5.10. The three options for consideration, with grant required are:
  - Retain core functions and an independent network. Discontinue funding for grant officers (£100,000)

- Reduce core functions, retain an independent network to support elected representatives (£70,000)
- Discontinue network, seek to accommodate small number of functions within existing capacity of public sector bodies. (£0).

## 6. MAJOR REGENERATION & REGIONAL ENGAGEMENT

6.1. The regeneration landscape, availability of funding and Government focus and priorities towards regeneration are continually changing, as is evident from the sample of initiatives highlighted below:

- the ability to pull together cohesive strategies which articulate Hartlepool's priorities against a national and regional context and using these to secure inward investment from private and public sources (e.g. Coastal Arc, Hartlepool Regeneration Strategy, Neighbourhood Action Plans);
- working across teams, particularly with Planning Policy, Housing Regeneration, Major Projects, Economic Development, Community Regeneration and Neighbourhood Management to ensure that the Regeneration agenda reflects Council wide priorities and supports the preparation of funding bids (e.g. SRB, NDC, Sea Change, Coastal Towns, Lottery grants etc);
- programme and project delivery ranging from Single Programme to building improvement grants

6.2. At the current point in time the Coalition Government is focussing on reducing the public funding deficit and recent announcements on key regeneration and investment programmes including the Working Neighbourhoods Fund, Building Schools for the Future, the proposed hospital development at Wynyard and cuts in public sector budgets indicate a difficult period for the delivery of regeneration programmes. It is essential, however, if all the good work of the past 30 years is not to be undone, that regeneration continues to be delivered, and possibly more so than ever.

6.3. The likelihood is that some funding will be available to support regeneration albeit at a reduced level in the short to medium term. New methods of delivery will need to be, and are being, investigated, including the development of joint ventures, making better use of Council and other public assets, use of planning agreements and partnering in the delivery of services.

6.4. Specific work areas are highlighted below:

- The Major Regeneration Programmes and Projects area of activity provides the strategic framework for the development and delivery of regeneration programmes across the Borough, providing rationale and justification for major project proposals



and funding bids and involving the delivery and management of key schemes.

- Work also involves provision of a lead role in preparing and managing programmes for priority areas including the commissioning of master plan frameworks for the central area, Seaton Carew, and the Southern Business Zone and coordination of proposals for Victoria Harbour and Hartlepool marina. Within the priority zones, officers are responsible for implementing key recommendations and in the central area for example, work includes co-ordinating the preparation of the Innovation and Skills Quarter gateway scheme; securing acquisition of sites such as Crown House for redevelopment; preparation of funding bids for a new Innovation Centre on the cleared site of the aforementioned building linking in with the objectives of the Cleveland College of Art and Design (CCAD) and Hartlepool College of Further Education (HCFE); facilitating the relocation plans of these colleges; developing options and facilitating the relocation and redevelopment of the Lynn Street Depot. Within the broader central area, activities also include working with land and building owners to secure regeneration schemes for Trincomalee Wharf, Jackson's Landing, the Mill House area and key derelict buildings.
- Other areas of responsibility include the management of Hartlepool's element of the Single Programme including bidding for funds, project management and delivery and financial control. It also incorporates the lead role in preparing bids and managing other economic and environmental led regeneration programmes including Growth Point, Sea Change, Coastal Towns Grant, Interreg and other European match funding bids. The team also provides input as required into housing regeneration and community regeneration funding bids and programmes. Depending on their nature the Major Projects Team together with the Community Regeneration Team also have responsibilities for managing regeneration grants programmes e.g. Longhill, York Road, Church Street and key buildings.
- The Coastal Arc is a collaborative programme between HBC and Redcar and Cleveland BC reflecting the importance of the coastal towns as one of three strategic priorities within the Tees Valley. The Coastal Arc has been effective in raising the profile of these areas and secured inclusion of schemes within the Tees Valley Business Case and Investment Programme. A Coastal Arc Coordinator was employed jointly by HBC and R&C up until March 2010 with a remit to engage with key partners at regional/sub-regional level, develop a cross boundary Coastal Arc Strategy including a project implementation plan and to pursue opportunities for cross border collaborative working

which would support regeneration activities and develop the coastal tourism and regeneration offer. Following the deletion of this post, the remit of the Coastal Arc Coordinator has been incorporated within the Major Regeneration Team remit.

- 6.5. An important role of the Major Regeneration Team is its engagement at the Tees Valley level. Strategic involvement with Tees Valley partners has helped to secure recognition of Hartlepool's regeneration objectives in influential policy documents including the Regional Economic Strategy, Regional Spatial Strategy, Tees Valley Business Case, TV Local Investment Plan, and the Coastal Arc Strategy among others.
- 6.6. In terms of funding programmes significant funding investment has been secured through the Single Programme for key developments including the Queens Meadow Innovation Centre, Tall Ships and the Hartlepool Maritime Experience and proposals are being developed to support the development of the towns Innovation and Skills Quarter, further investment at Queen's Meadow, the Town Centre and Marina and other areas such as Seaton Carew. Continued participation in Tees Valley Unlimited is critical if Hartlepool is to continue to realise its major regeneration and housing regeneration objectives. The submission by TVU of a proposal for the Tees Valley to become a Local Economic Partnership (LEP) and sub-regional bidding for Regional Growth Fund, housing investment and other future funding opportunities reinforce the importance of this engagement.
- 6.7. The way that the local authorities within the Tees Valley engage has, however, recently been reviewed and new structures have been put in place. This has resulted in efficiency savings in certain areas including around the methods of engagement and support provided through the TVU Delivery Team. The Delivery Team will continue to provide specialist support on key regeneration projects including some of the major regeneration investment schemes, but at a reduced overall cost. Areas of expertise will include private sector commercial knowledge, development appraisal skills, an understanding of development funding and innovative funding approaches, urban design, project management skills. Support of the Delivery Team will reduce the need for use of external consultants and so save money.
- 6.8. Efficiency savings of £40K which is provided from regeneration budgets can therefore be attributed to this SDO review.

## **7. COMPACT/VOLUNTARY SECTOR**

- 7.1. The Regeneration Service has an established history of working in partnership with the Voluntary and Community Sector in Hartlepool, in developing bids and programmes, and in developing and delivering projects. It also helps to build the capacity of this sector, valuing the

services provided, particularly where those in most need and the most vulnerable are assisted.

- 7.2. Since 2007 the Community Regeneration Team has been involved in work on the Hartlepool Compact, following a recommendation in the 2006 Best Value Report that the Compact required updating in line with the Regional Compact. An updated Compact was produced by the Regeneration Service in October 2008, and was developed with Voluntary and Public Sector representatives, with the published document being signed by 16 partner organisations and over 100 community / voluntary groups. The Hartlepool Compact was recognised regionally as an example of good practice by winning Compact of the Year at the North East Voluntary and Community sector awards.
- 7.3. To ensure that the Hartlepool Compact is kept on the agenda with external organisations signed up to the document, Community Regeneration Officers manage the Action Plan and coordinate the updates from partners to ensure that steps are made towards working to the principles of the Compact. This is reported to the LSP and Hartlepool Community Network. Internally the Community Regeneration Manager and a Community Regeneration Officer work with teams across the Council to raise awareness of the Compact and ensure that principles are being adhered to.
- 7.4. Regeneration Officers also assist with the development of the Voluntary Sector Strategy, which was prepared by an external consultant in 2009, and funded by the then HBC Adult Services and the Primary Care Trust.

## **8. FINANCIAL IMPLICATIONS**

- 8.1. The Service Delivery Options (SDO) programme has been designed to review all council activity over a three year programme and is planned to contribute over £3.5m in savings to the Business Transformation (BT) savings of £6m over this period. Each review has a target for savings set at the outset as part of this overall programme and these are assigned to specific financial years in the Medium Term Financial Strategy. For 2011/12 the MTFs forecasts are based on the achievement of £1.3m of Business Transformation SDO savings from 1<sup>st</sup> April 2011.
- 8.2. The Business Transformation programme was planned, as part of the MTFs, to support the budgetary position of the council through a managed programme of change. The economic climate of the country, and the likely impact of expected grant cuts post general election, mean that the anticipated budget deficits, after all BT and other savings are taken is still expected to be around £4m per annum for each of the next three years. These additional cuts equate to 4% of the annual budget and a cumulative cut of over 12% over three

years. In practice there will be some areas Members wish to protect and this will simply mean higher cuts in other areas and/or the cessation of some services.

- 8.3. It has been identified in previous reports to Cabinet that a failure to take savings identified as part of the BT programme (and more specifically the SDO programme) will only mean the need to make unplanned cuts and redundancies elsewhere in the authority. This position has been exacerbated through the economic circumstances and likely grant settlements and failure to implement SDO savings will in all likelihood make the 2011/12 budget position unmanageable owing to anticipated grant cuts commencing this year. In addition, as reported in the MTFs the Council faces a range of budget risks which exceed the available strategic risk reserve and this funding shortfall will need to be addressed in 2010/11 and 2011/12, which further reduces financial flexibility.
- 8.4. The SDO reviews are attempting to ensure that a service base can be maintained, costs can be minimised and the payback on any investment is maximised. In simplistic terms each £25,000 of savings identified which are not implemented will require one unplanned redundancy with likely associated termination costs. No funding is available for these termination costs as existing balance sheet flexibility is committed to supporting the SDO programme on a loan basis, so higher saving will be needed to fund these termination costs outright.

## **9. DIVERSITY IMPACT ASSESSMENT**

- 9.1. The proposed recommendations have been reviewed against the existing service Impact Needs Requirement Assessment's and the actions proposed will not result in any adverse impacts on any of the diversity strands for the Regeneration and Neighbourhood management SDO reviews.

## **10. COMMENTS FROM BT PROGRAMME BOARD**

- 10.1. The BT Programme Board considered the Options Report on 18<sup>th</sup> October.
- 10.2. Programme Board considered the report at length and Members felt overall that the Council did engage well with residents of the town.
- 10.3. Members recognised that a future review of this area would be required and that this would be dependant on the outcome of the CSR, the coalition's localism bill (due to be published in November) and a more in depth assessment of the effectiveness of current arrangements.

- 10.4. However, they also recognised the importance of this SDO in realising ongoing savings as part of the BT programme and supported its recommendations.
- 10.5. Members of Programme Board indicated their agreement to endorse the recommendations contained in the report which Cabinet would be asked to approve and welcomed a future discussion regarding the future shape of Community Engagement and Empowerment.

## **11. CONCLUSION**

- 11.1. The Government's Big Society seeks to make society stronger by getting more people to work together to run their own affairs locally. It aims to put more power and responsibility into the hands of families, groups, networks, neighbourhoods and locally based communities and to generate more community organisers, neighbourhood groups, volunteers, social enterprises and small businesses. Such aspirations cannot be achieved without support and although Hartlepool is fairly well advanced in terms of community engagement, volunteering and social enterprise development, the broad skills which exist within the various teams involved in neighbourhood management and community regeneration will be important in facilitating such activity. New Local Government and Localism Bills are expected to be published later this year, which will give further direction and indication of Government policy.
- 11.2. As part of the SDO review the future shape of community development and engagement has been considered at the same time as providing efficiencies within the system to achieve the £60k efficiency target. These options are referred to within the body of this report. However with the impending cuts in public monies to be announced as part of the upcoming CSR, it makes sense to wait until we receive more details regarding the Big Society, Area Based Grants and WNF before determining the final outcome.
- 11.3. The review has clarified the work being carried out across the Department with respect to community development, empowerment and regeneration by Neighbourhood Management, Community Regeneration, and the Community Network. With impending management changes within the Regeneration & Neighbourhoods Department the whole structure will be revisited and a further report together with a new structure presented to Cabinet later in the year.

## **12. CMT VIEWS**

- 12.1. CMT supported the efficiencies as laid out in the body of the report and noted that there were strong links across service areas within Regeneration and Neighbourhoods Department which may benefit from further integration as to how they are delivered. CMT also

recognised the impact a reduction or loss of WNF funding would have on Communities.

### **13. RECOMMENDATIONS**

13.1. That the SDO savings are approved as follows:-

- (a) Neighbourhood Services Management Structure £20,000 as identified in 4.13 in the main report.
- (b) Specialist and technical support to strategic partners £40,000, as referred to in 6.8 in the main report.

14. Cabinet are requested to authorise officers to determine appropriate arrangements (including structures) to deliver an agreed future shape of Community Engagement and Empowerment which reflects the integration of relevant services to be reported back to Cabinet. This should include consideration of the potential cessation of current functions and activities.

### **15. BACKGROUND PAPERS**

- NE IEP Area & Neighbourhood working in the North East (June 2010)
- Neighbourhood Management: community Engagement and Empowerment (SRC evaluation for Hartlepool NC, June 2010)
- Home Office Exemplar status for Neighbourhood Management/Neighbourhood Policing (2009/10)
- National evaluation of participatory budgeting, Hartlepool recognition as a PB authority (2007)
- Neighbourhood Consultative Forum Review report to Cabinet (March 2010)
- Hartlepool Community Network Evaluation, Declan Baharani, (July 2010)
- Neighbourhood Element evaluation, ERS (July 2010)

### **16. CONTACT OFFICERS**

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# CABINET REPORT

8 November 2010



**Report of:** Director of Child and Adult Services

**Subject:** BUSINESS TRANSFORMATION - OVERVIEW REPORT FOR ADULT SOCIAL CARE PROVIDER SERVICES - SERVICE DELIVERY OPTIONS (SDOs)

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## SUMMARY

### 1. PURPOSE OF REPORT

1.1. To seek Cabinet approval for both the recommended efficiencies within adult social care services commencing from April 2011 and the potential direction of travel in respect of service re-design. This SDO has an efficiency target of £169,000 which is 5% of a total budget of £3.3m.

### 2. SUMMARY OF CONTENTS

2.1. This report contains an overview report for Adult Social Care Provider Services' (SDOs) together with appendices setting out the detailed efficiency savings within the Disability Day Opportunities, Direct Care and Support and the Mental Health (MH) and Learning Disability (LD) Services, commencing, subject to approval, in April 2011. The overview report also sets out a potential direction of travel over the next eighteen months: to re-model services in line with the government agenda to modernise adult social care services through self-directed support, personalisation and actively explore the potential of making greater use of trading opportunities and social enterprises as these relatively recent developments are now being more actively considered by some Local Authority's in preference to 'outsourcing'.

2.2. In relation to the identified efficiency of £169,000 this will be realised by:

- Re-modeling the currently separate LD and MH employment and community support services into a single, integrated progressive service for all people with disabilities or mental health issue. This will maximise capacity, reduce waste and duplication and release vacancies, generating an efficiency of £59,229.



- Re-modeling the Disability Day Opportunities Service and the deletion of a part-time vacancy will generate a saving of £10,072.
  - Re-modeling the Direct Care and Support Service and in doing so deleting a supervisor post to create a flatter management structure; transferring some staff into the new LD and MH employment and community support service; re-negotiating contracts of employment for some staff to ensure there is one universal contract for all direct care staff; refreshing the training of staff in relation to re-ablement; releasing 'managed' vacancies. This will generate an efficiency saving of £99,699.
- 2.3. This early remodeling work will ensure the services are fit for purpose and are efficiently managed. One of the longer term options for service transformation could be the development of a Local Authority Trading Company (LATC) or staff cooperative/social enterprise (SE) who could run these services in 2011/12. **Appendices 2, 3, and 4** refer to the three SDOs relating to the efficiency target of £169,000.
- 2.4. The option of developing a LATC or SE will include the following service areas:
- Mental Health & Learning Disability Employment and Community Support
  - Disability Day Opportunities
  - Direct Care and Support Services; including Re-ablement and Telecare
- 2.5. The creation of a LATC or SE represents a significant shift in the way the Council operates and delivers its social care services. The benefit of both these models is that they would be able to trade on the open market, develop innovative services in response to people's choices and offer their services to other LAs.
- 2.6. Specifically in relation to LATCs, Councils have the power to create a LATC under the Local Government Act 2003. Within this specific model of service delivery the LA owns 100% of the shares and company profits can be either put back into the LA's budgets or be re-invested in the development services provided by the LATC.
- 2.7. Consideration will be given to developing a LATC or SE on a sub-regional or regional basis to maximise economies of scale, reduce risk and potentially develop a broader range of initiatives.
- 2.8. This aspect of the SDO will also consider the optimum model of service delivery to address the early intervention / preventative agenda for people with low or moderate needs within the Fair Access to Care Services (FACS) eligibility criteria. One further option, amongst all the other competing options, is to use a Local Area Co-ordination model, and this could involve considering the potential transfer of some staff / funding to a Connected Care Community type of community Interest Company (CIC) which would enable the roll out of this based model across the borough. Preventative models are

recognised as being important as they are proven to reduce or delay the number of people needing more expensive services further downstream.

- 2.9. The proposals in this report deliver £169,000 of savings which is in line with the Business Transformation target. If Cabinet decides to refrain from endorsing these proposals then the savings will have to be found from other, unplanned cuts across adult social care services.
- 2.10. The direction of travel set out in this report achieves the required efficiencies, re-models services in line with the personalisation agenda and establishes an infrastructure that can be potentially 'driven' in any direction of the Council's choosing. Importantly this SDO provides a framework to think more radically about the future of adult social care in Hartlepool and lays out the intention to actively explore the potential of transferring some services to a LATC or, if desired, potentially support some staff to develop some form of SE or even make better use of the Local Area Co-ordination model CIC in 2011/2012.
- 2.11. It is anticipated that those services retained within the LA will focus on other social care statutory responsibilities and the core business of safeguarding vulnerable adults and the assessment and care management functions of adult social care, thereby managing the most complex cases and supporting the most vulnerable people in Hartlepool. However even within this model there is still the option of joining up some services on a sub-regional basis.

**Appendix 1** sets out one potential model for this direction of travel.

### **3. RELEVANCE TO CABINET**

- 3.1. This report concerns one of the work streams of the Business Transformation Programme: Service Delivery Options (SDOs).

### **4. TYPE OF DECISION**

- 4.1. Key decision Test (i) applies. Forward Plan Ref: CAS 79/10.

### **5. DECISION MAKING ROUTE**

- 5.1. Cabinet – 8 November 2010

### **6. DECISION(S) REQUIRED**

- 6.1. Cabinet is asked to approve the recommended options of achieving the £169,000 of efficiencies through implementing the SDOs set out in section 4.2 of this report and at appendices 2, 3 and 4 and
- 6.2. Cabinet is asked to endorse the recommended direction of travel over the next eighteen months as laid out in this report; that is to undertake further research, analysis and debate to determine the potential scope of and business case for the re-design of adult social care services to include the option of developing a LATC or SE, if staff and Council are so inclined, or

even make better use of Local Area Co-ordination in 2011/2012 subject to a further report to Cabinet.

**Report of:** Director of Child and Adult Services

**Subject:** BUSINESS TRANSFORMATION - OVERVIEW  
REPORT FOR ADULT SOCIAL CARE PROVIDER  
SERVICES - SERVICE DELIVERY OPTIONS (SDOs)

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## 1. PURPOSE OF REPORT

- 1.1. To seek Cabinet approval for both the recommended efficiencies within adult social care services commencing from April 2011 and the potential direction of travel in respect of service re-design. This SDO has an efficiency target of £169,000 which is 5% of a total budget of £3.3m.

## 2. BACKGROUND AND CONTEXT

- 2.1. Hartlepool Borough Council (HBC) has embarked on a Business Transformation process to find more effective and efficient ways to deliver its public services. It is imperative to deliver this agenda as quickly as possible due to the current economic climate and the need to identify efficiency savings of £169,000.
- 2.2. Currently HBC Adult Social Care provision includes the following “in-house” services:
- Occupational Therapy (OT) and social work / care locality teams co-located with North Tees and Hartlepool NHS Foundation Trust Community Nursing and Health Services (3) in north, central and south Hartlepool
  - Learning Disability (LD) team co-located with Tees, Esk and Wear Valleys NHS Foundation Trust Health Services at Warren Road
  - Adult Safeguarding Unit located at the Civic Centre
  - Mental Health (MH) Team integrated with Tees Esk and Wear Valleys NHS Foundation Trust Health Services based across Hartlepool
  - Intermediate Care (Multi Link) Team comprising a range of co-located health and social care services based at Hartfields
  - Direct Care and Support Team based at Hartfields providing both intensive domiciliary support and community integration
  - Disabilities Day Opportunities Teams located at Havelock and Warren Road.
- 2.3. The impact of the coalition government has been to trigger a debate around how things can “be done differently”. The impact of the recent economic downturn means that all public services must deliver better value for money along with improved local services that are more tailored to people’s

individual needs. Councils' incomes are likely to fall 20-30% over the next several years.

- 2.4. HBC adult social care is committed to delivering the personalisation agenda which offers all people who use its services more choice and control over the services they receive. All people eligible to receive a service will be offered a Personal Budget (PB) by 2011. They will then be able to plan the services they require within their indicative allocated cost envelope. Within this model the money follows people who themselves become micro-commissioners. This helps to shape the market of available provision through their consumer choices. This development requires Local Authority (LA) commissioners to be sensitive to those choices and, where traditional services are no longer chosen, consider closing those services and reallocating the funding to services that people want to use. A core requirement is that commissioners are pro-active in shaping community services and stimulate a range of provision to meet consumer choice. Transformation in the way social care services are delivered is already impacting on both traditional services and the shape of the workforce. LAs are increasingly becoming commissioners rather than direct providers of services.
- 2.5. The shift underlying personalisation is from a needs-based response to one that promotes citizenship and engages the capacity of people to make positive choices for themselves. The new coalition government has committed itself to the delivery of personalisation and the PB / Personal Health Budgets agenda within a framework of rights, choice and responsibilities.
- 2.6. Within the personalisation model a high emphasis is placed on early intervention and prevention. Recent Department of Health (DH) guidance stresses the importance of re-ablement and cites it as one of the four major "investments for a return" along with telecare, employment support and supported housing. Re-ablement aims to restore and maximise peoples' independent living skills and helps them develop confidence and community reintegration. Support is offered on a time limited basis and has the overall aim of reducing the need for admission, facilitating early discharge or slowing the need for entry to a long-term care home. Recent research into re-ablement (CSED 2009) evidenced that 62% of people require no service following a period of re-ablement. This equates to 45% reduction in overall home care hours for everyone referred. About two-thirds of people who had no services following re-ablement still did not need a service after two years. This represents a potential significant saving in the longer term.
- 2.7. Re-ablement is central to giving people choice, control and an improved quality of life. It is a cornerstone of both personalisation and early intervention/prevention strategies. Recent Fair Access to Care Services (FACS) guidance has confirmed that where a person may deteriorate without a service then it is permissible to offer that service irrespective of the LA's eligibility criteria. In Hartlepool re-ablement services are offered on this basis and have achieved a high degree of success over the last ten years. However it is necessary now to review the service and consider how it might

be re-shaped to encourage further innovation and achieve further efficiencies.

- 2.8. Connected Care has been developed in Owton Ward as part of the DH Pathfinder Pilot. This is a community model, similar to Local Area Co-ordination, with Navigators working with local people to support them to achieve a better quality of life and acting as a one-stop-shop for access to more specialist services where these are required. A social enterprise in the form of a Community Interest Company (CIC) has been developed to grow the business and there are plans in place to roll this model out across Hartlepool over the next two years. Connected Care has achieved national recognition and is developing innovative services that are making a real difference to the people of Owton.
- 2.9. LA's across England are beginning to look at "in-house" services within the context of personalisation and PBs. The risk is that these traditional high cost services, left unchanged, may become unable to trade and be priced out of business. One relatively recent option introduced to address this challenge is the formation of a Local Authority Trading Company (LATC). The LATC model (Local Government Act 2003) reflects a half way house between services either remaining "in-house" or going through a traditional tendering process to the open market. The LA remains the shareholder of the trading company which is run as a fully independent business, freed from the restrictions of LA control and able to compete in the market place to develop value for money outcomes within responsive service delivery. A tapering block contract of possibly three – five years duration supports the LATC, after which time the LATC must bid against private companies for the business. Any surplus created is returned to the shareholder (LA) and then to the tax payer as a reduction in council tax. Alternatively the LATC can make a business case for how to make good use of the surplus by reinvesting it in the company. During the life of the contract some of the transferring services may be re-modeled or closed to release funding for self-directed support.
- 2.10. LATCs allow services to develop greater commercial opportunities and offer potentially more control for staff in shaping their own future services and longer term job security as part of a successful business. Essex Council reports the following advantages from their LATC.
- Preferred solution by all stakeholder groups, including Unions and staff
  - Maintains a link to LA influence and branding
  - Tapering contract forces the services to become financially competitive in the market place and responsive to personalisation and PBs
  - Opportunities for back office and corporate savings
  - A potential dividend is returned to the LA for further investment of services
  - Services are free from LA constraints to become more adaptable and responsive to the personalisation direction of travel
  - Provides an opportunity to test the value of services whilst improving their competitiveness

- Allows LAs to become largely commissioning organisations
- LATC does not prevent any other options (social enterprise, trade sale, tender) being implemented at a later stage. It does provide the opportunity to test the value of the services in a post-transferred, potentially more efficient and competitive state. It allows the LA to remain the shareholder of the business and the LATC to develop, innovate and compete for new work
- For existing staff transferred into the LATC, Transfer of Undertakings (Protection of Employment) Regulations currently still applies but new staff could **potentially** be appointed on quite different terms and conditions of employment, if it could be evidenced that they were undertaking 'different roles and responsibilities'.

2.11. The recently published white paper, *Equity and Excellence: Liberating the NHS (2010)*, gives LAs statutory responsibility for bringing together health and social care. Primary Care Trusts (PCTs) and Strategic Health Authorities (SHAs) will be scrapped by 2013 and instead consortia of GP practices will assume responsibility for commissioning most health services. LAs will be allocated resources to support their new public health function. The LA responsibility to promote wellbeing is re-affirmed and "health and wellbeing boards" will be established by 2012 which will "take on the function of joining up commissioning of local NHS services, social care and health improvements".

LAs will jointly appoint Directors of Public Health who will have control of ring-fenced public health budgets weighted according to the wealth of the local area. GP consortia will commission most health services and they will have a duty to work in partnership with LAs.

Two other white papers on public health and social care will be published in the autumn of 2010 and 2011 respectively. The current health and social care environment is therefore extremely turbulent and challenging but it also provides an opportunity to radically transform social care services and build the prevention and early intervention services in line with both modernisation and personalisation.

- 2.12. The Adult Social Care Provider Service Delivery Options (SDOs) are attached at **appendices 2, 3 and 4**. These 3 SDOs will together release the required £169,000 of efficiency savings. The HBC Business Transformation process also provides a real opportunity to re-model and modernise provider services to meet the new and emerging uncertain financial and political climate we currently operate within; including the necessary drive to promote rights, choice and responsibilities and the world of personalisation.
- 2.13. This Overview Report for Adult Social Care Provider SDOs proposes that initial key changes should be made incrementally but quickly to specific service areas to achieve the efficiencies required. At the same time further debate, research and decision-making will subsequently be required in respect of a LATC or indeed some form of social enterprise model. As an integral part of this work a detailed cost / benefit analysis will be necessary

concerning the likely impact upon the role and responsibilities of the Local Authority and its' partner organisations.

- 2.14. There is scope to consider the possible development of a LATC or SE model within a sub regional or regional model. Consideration should also be given to shared management arrangements / shared services across both Hartlepool and Stockton or on a wider Tees Valley basis for services that remain within HBC. This could extend the current North of Tees arrangements already in place for the delivery of forensic, early onset dementia and the emergency duty services.
- 2.15. The new model of personalisation and PBs has challenged social workers to give the time necessary to develop this model within the constraints of ever increasing referral rates and the need to process the work in a timely way to keep up with demand. There is a risk that the professionalism of the social workers is being eroded by a technical response that ticks boxes to get the job done as quickly as possible. The option of outsourcing the "support plan" function to the LATC, SE or CIC should also be considered, this would create capacity for the social workers to deliver the core assessment function on which effective PBs depend.

### 3. NATIONAL AND LOCAL DRIVERS

- 3.1. Putting People First (2007): personalised services with the option for people to shop for their social care using a PB. This concordat, signed up to by a raft of statutory and third sector organisations, commits to the delivery of personalised adult social care provision. The policy of commissioning for individual choices is being carried forward by the new coalition government.
- 3.2. HBC is a "Total Transformation" site for personalisation and PBs with a commitment that all people eligible for social care services will be offered a PB by 2011.
- 3.3. The new coalition government which, through its concept of *The Big Society* and the new white paper, *Equity and Excellence*, has signalled its intention to radically overhaul the way health and social care services are commissioned and delivered in England. Emphasis is placed on "any willing provider" in health services and social enterprises, employee-led co-operatives and community volunteer initiatives in social care services.

### 4. CURRENT SITUATION

- 4.1. Business Transformation requires an efficiency saving of £169,000 to be delivered. It also provides an opportunity for adult social care provider services to adapt to a fast changing market place and emerging new policy environment. Although this is somewhat challenging given that we are supporting some of the most vulnerable people in Hartlepool there is no alternative but to make significant changes. The key deliverables for this SDO are concerned with achieving the efficiency targets, providing safe,



person-centred services and preparing for the radical re-design of adult social care services in the coming years.

4.2. Each of the specific SDOs for Provider Services include information and analysis about modernisation and redesign to give services the best opportunity to contribute towards efficiency targets and continue to provide safe and effective services. The re-configured services will be arranged in such a way that potentially they could be transferred to a LATC, SE, or work with a CIC at any time yet to be determined. The specific Year 1 SDOs for Provider Services affect the following service areas:

- Learning Disability (LD) and Mental Health (MH) Services by integrating employment and housing/community support to create a progression service based on community inclusion and employment. *Efficiency saving: £59,229.*
- Disability Day Services by creating a flatter management structure and increasing opportunities for more personalised and community focused responses. Including introducing a Trusted Assessor post within the Centre for Independent Living (CIL) to create easy access to support with independent living that reflects the early intervention/prevention agenda and speeds up access to services. *Efficiency saving: £10,072.*
- Direct Care and Support Service with a remodeling of services to reflect a flatter management structure and a discrete re-ablement approach including intensive home care support services. *Efficiency saving: £99,699.*

These three SDOs are found at **appendices 2, 3 and 4.**

4.3. The Year 2 SDO for the remaining Provider Services requires further extensive work to be undertaken to pull together the management information on all services, to better understand the financial framework, whole time equivalent staffing structures, volumes and intensity of service provision and the potential impact for vulnerable people. This is critical to developing the business plan concerning what service areas should and should not be included as a potential LATC / SE and whether there is scope to develop models of service on a regional or sub-regional / North of Tees basis.

4.4. This additional work will also explore the potential of a number of further options including; the cost / benefit analysis and impact of potentially changing our formal and informal partnership arrangements with organisations such as North Tees and Hartlepool NHS Foundation Trust, Tees, Esk and Wear Valleys NHS Foundation Trust, Connected Care and other independent service providers; also the impact of withdrawing some in-house direct provision completely and instead supporting people to use their personal budgets to access other resources within the town.

## 5. DIVERSITY IMPACT ASSESSMENT

5.1. Following completion of the three SDO's noted above, appropriate Diversity Impact Assessments were completed for the Adult Social Care Learning

Disability and Mental Health Employment SDO (**detailed at Appendix 2a**) and the Direct Care and Support Services SDO (**detailed at Appendix 4a**).

## 6. FUTURE DIRECTION OF TRAVEL

6.1. Adult social care faces a number of challenges:

- Demographics: an ongoing increase in the number of people with disabilities and older people
- Economic down turn: cuts to public sector funding with an expected loss of 20-30% income
- Personalisation: the need to radically re-shape future services within the new commercial environment, re-shaping the model rather than salami slicing to deliver short term efficiencies
- An emerging health and social care policy environment over the next 2 years with currently a lack of real clarity about the national picture but seemingly some expectation that both health and social care services will promote choice, contestability and a thriving market place with a much greater role for employee owned co-operatives, social enterprises together with volunteers and community initiatives.

6.2. This SDO delivers the required level of efficiencies (£169,000) requested by Business Transformation. The focus is on modernisation and reconfiguring services to give them the best opportunity to develop and thrive in the open market. Over the next few months decisions, based on detailed analysis of the options within a cost/benefits/risk options analysis, will have to be taken in respect of:

- a market transfer of some services to a LATC or SE
- potentially a significant reduction and re-modeling of current provision to a new model of core business and what should be kept "in-house" or be delivered on a wider sub-regional / North of Tees basis
- an optimum model of service with which to deliver the low-level, preventative agenda which may be via a LATC or SE or CIC.

6.3. Further work is undoubtedly required to identify the best model of service delivery to address the early intervention/preventative agenda for people with low or moderate needs within the Fair Access to Care Services (FACS) eligibility criteria. There are various options, one of the competing options, among many other relevant options, could be to transfer some staff / funding to the Connected Care Community Interest Company (CIC). This would potentially enable the roll out of Connected Care across Hartlepool and strengthen the early intervention and prevention agenda which lies at the heart of personalisation. Work is currently underway to map the work being done by Connected Care which meets the targets of other organisations (e.g. housing, crime reduction, benefits maximisation, employment support) and a business case will be made, if appropriate, for contributory funding from these organisations. There may be some potential here to maximise efficiencies, address duplication and reduce the number of people needing more expensive services further downstream.

- 6.4. Further work is also required to consider the option of out-sourcing the social work “support plan” function to another organisation to increase the social workers’ capacity to undertake their core business of safeguarding, assessment and care management of complex cases and Personal Budget assessments in line with their professional skills and expertise. This option will be considered as part of the Year 2 SDO taking into account the current workforce, skill-mix requirements, potential secondments or TUPE arrangements within the service delivery options analysis.
- 6.5. It is anticipated that the transfer of services to an LATC, SE or CIC, if implemented, will require one-off implementation costs in respect of consultancy support to provide the technical expertise required. Also potentially achieving the roll out of any agreed model and the potential out-sourcing of the “support plan” function may require some “invest to save” resources being made available.
- 6.6. **Appendix 1** sets out one potential direction of travel over the next 18 months.

## 7. FINANCIAL IMPLICATIONS

- 7.1. The Service Delivery Options (SDO) programme has been designed to review all council activity over a three year programme and is planned to contribute over £3.5m in savings to the Business Transformation (BT) savings of £6m over this period. Each review has a target for savings set at the outset as part of this overall programme and these are assigned to specific financial years in the Medium Term Financial Strategy. For 2011/12 the MTFs forecasts are based on the achievement of £1.3m of Business Transformation SDO savings from 1<sup>st</sup> April 2011.
- 7.2. The Business Transformation programme was planned, as part of the MTFs, to support the budgetary position of the council through a managed programme of change. The economic climate of the country, and the likely impact of expected grant cuts post general election, mean that the anticipated budget deficits, after all BT and other savings are taken is still expected to be around £4m per annum for each of the next three years. These additional cuts equate to 4% of the annual budget and a cumulative cut of over 12% over three years. In practice there will be some areas Members wish to protect and this will simply mean higher cuts in other areas and/or the cessation of some services.
- 7.3. It has been identified in previous reports to Cabinet that a failure to take savings identified as part of the BT programme (and more specifically the SDO programme) will only mean the need to make unplanned cuts and redundancies elsewhere in the authority. This position has been exacerbated through the economic circumstances and likely grant settlements and failure to implement SDO savings will in all likelihood make the 2011/12 budget position unmanageable owing to anticipated grant cuts commencing this year. In addition, as reported in the MTFs the Council faces a range of

budget risks which exceed the available strategic risk reserve and this funding shortfall will need to be addressed in 2010/11 and 2011/12, which further reduces financial flexibility.

- 7.4. The SDO reviews are attempting to ensure that a service base can be maintained, costs can be minimised and the payback on any investment is maximised. In simplistic terms each £25,000 of savings identified which are not implemented will require one unplanned redundancy with likely associated termination costs. No funding is available for these termination costs as existing balance sheet flexibility is committed to supporting the SDO programme on a loan basis, so higher saving will be needed to fund these termination costs outright.

## 8. COMMENTS FROM BT PROGRAMME BOARD

- 8.1. The Business Transformation Programme Board considered the Options Report on 21st October.
- 8.2. Members considered the report at length and were supportive of the proposed direction of travel over the next eighteen months to undertake further research, analysis and debate to determine the potential scope of and business case for the re-design of adult social care services to include the option of developing a Local Authority Trading Company (LATC) and or a Social Enterprise.
- 8.3. Members noted the key deliverables for this SDO review were concerned with achieving the efficiency targets, providing safe person centred services and preparing for the radical re-design of adult social care services in the coming years. The re-configured services will be arranged in such a way that potentially they could be transferred to a LATC or Social Enterprise.
- 8.4. Members requested that discussions and consultation with staff and Trade Unions continued as the scope and business case for redesigning adult social care services was determined.
- 8.5. Members of Programme Board indicated their agreement to endorse the recommendations contained within the report which Cabinet would be asked to approve.

## 9. RECOMMENDATIONS

- 9.1. Delivering the SDOs set out at **Appendices 2, 3 and 4** will achieve £169,000 in efficiencies. It will also position adult social care services to be able to respond to any preferred opportunity for transfer to an agreed outsourcing of the business in Year 2.
- 9.2. This overview report does not provide detailed options and analysis. Each specific SDO will achieve that. Rather it sets out information about the background and context to the service delivery options for Adult Social Care Provider Services, including the key national and local drivers. Importantly it

begins the process of exploring a possible new direction of travel for Provider Services and it advises that, whilst further research, analysis and debate is required, short-term efficiencies can still be achieved whilst providing safe services.

9.3. This report also confirms that, if recommendations are accepted, efficiencies can be made plus a sound infrastructure can be developed to explore the potential move towards the transfer of all or some services from “in-house” to an ‘external’ provider in response to personalisation and consumer choice. It is proposed that particular energy should be focused upon exploring the introduction of a LATC. This seems to be a useful mechanism to achieve change as it enables the LA to retain some control, as the shareholder, while also enabling the provider services to be free of constraint to develop new services in response to PBs and consumer choice in the market place. Consideration should be given to developing a LATC on a North of Tees / sub- regional basis and out-sourcing the “support plan” function of PBs to increase the social workers’ capacity to maximise their skills and professional expertise. The Year 2 SDO will also determine the best option for delivering the preventative agenda based on further research and analysis.

9.4. The option of developing a LATC should not be seen merely as a way of out-sourcing services to create financial savings for the LA. The power to trade provides opportunities for the LA to improve services by providing an element of competition and enables risk pooling when this is done on a sub-regional or regional model for delivery.

The Local Government Association (LGA 2005) sets out the benefits to LAs when they utilise their powers to trade:

- helping to deliver better outcomes for communities
- improving the reputation of LAs as they will be seen as innovative in providing new services
- encouraging innovative delivery of services in order to get added value
- providing a way of making efficiency gains.

9.5. HBC adult social care services have frequently been at the forefront of innovation: reablement services were first introduced some ten years ago and currently we lead the pack across the English LAs in respect of PBs and personalisation. However given the current economic circumstances there is now a further challenge. Therefore we will need to innovate and grasp the opportunity to remodel our services to meet both the personalisation agenda and the expectation that LAs will increasingly become, in the next few years, commissioning bodies rather than large provider organisations. Given the current national economic situation, there is also a need to consider what we currently provide and what we should no longer provide within a shrinking financial envelope. How our core business is delivered will be a key part of the SDOs and will require a frank debate as well as the ability to think outside the box and give serious consideration to completely new and innovative ways of delivering services in the future.

## 10. DECISION(S) REQUIRED

- 10.1. Cabinet is asked to:
- 10.2. Approve the recommended options of achieving the £169,000 of efficiencies through implementing the SDOs set out in section 4.2 of this report and at appendices 2, 3 and 4.
- 10.3. Endorse the recommended direction of travel over the next eighteen months as laid out in this report; that is to undertake further research, analysis and debate to determine the potential scope of and business case for the re-design of adult social care services to include the option of developing a LATC or SE, if staff and Council are so inclined, or even make better use of Local Area Co-ordination in 2011/2012 subject to a further report to Cabinet.

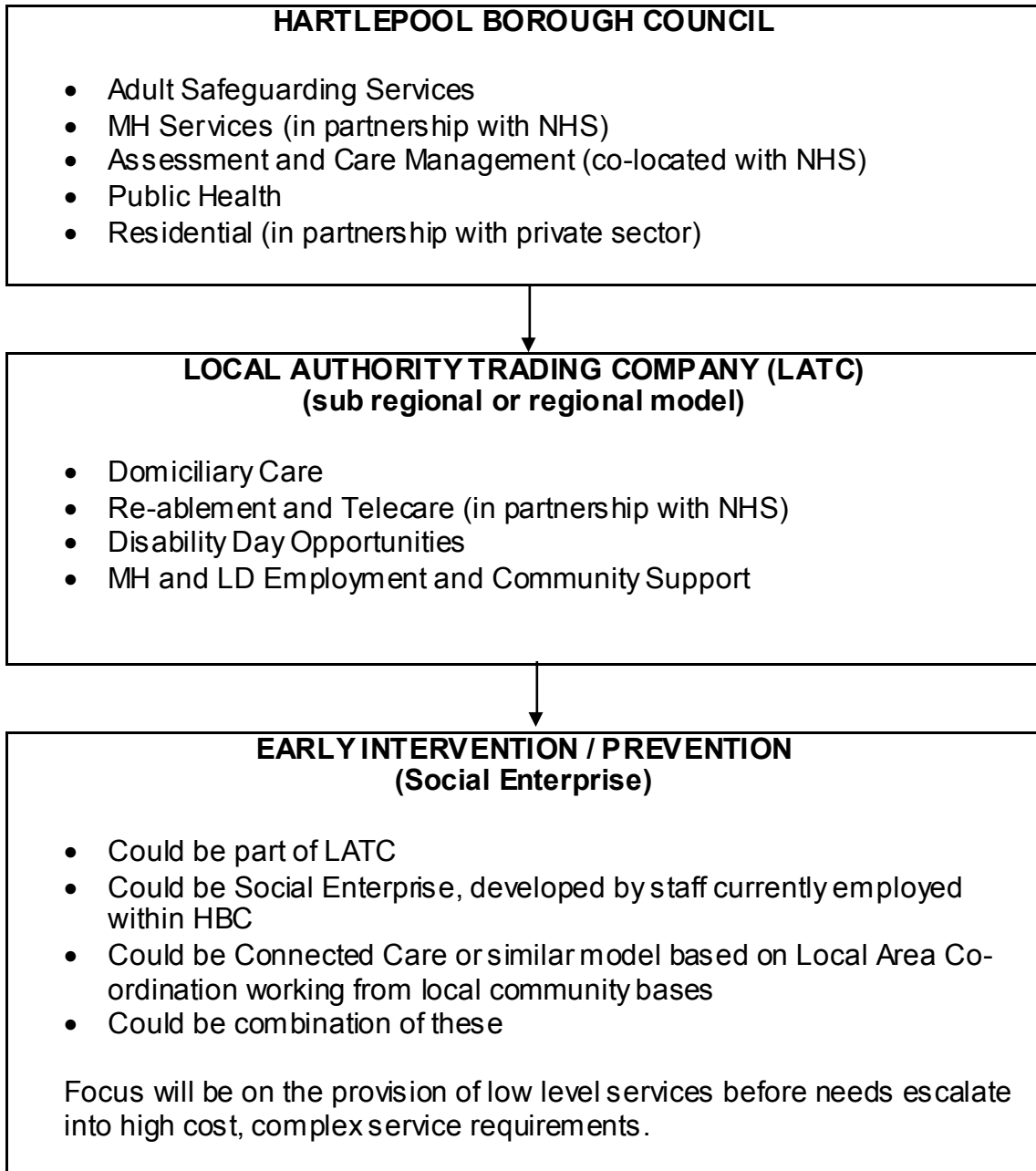
### References:

Department of Health: Putting People First (2007)

Department of Health: Equity and Excellence: Liberating the NHS (2010)

Local Government Association: Using the New Powers to Trade and Charge (2005)

**Potential Direction of Travel for Adult Social Care Provider Services**



**SERVICE DELIVERY OPTION (SDO):**

**EMPLOYMENT, VOCATIONAL TRAINING, VOLUNTEERING AND FLOATING  
SUPPORT SERVICES FOR PEOPLE WITH A MENTAL HEALTH NEED AND / OR  
LEARNING DISABILITY**

**1. Background and Context**

- 1.1 Over the last five years both Learning Disability (LD) and Mental Health (MH) employment and floating support services in Hartlepool have been redesigning and improving their support models as a vital part of the drive towards more socially inclusive services. There is an increasing focus on vocational and employment outcomes to promote social inclusion and integrate people with disabilities into mainstream services and the wider community.
- 1.2 At the same time services have moved to supporting people with disabilities to live independently in the community, have their own front door and more control and choice about how, when and where they are supported to live their lives.
- 1.3 In 2007 Health, Social Care and a variety of organisations signed up to “Putting People First”. This concordat makes a commitment to “personalisation” which means thinking about care and support services in an entirely different way. It starts with the person as an individual who has strengths, preferences and aspirations and puts them at the centre of the process of indentifying their needs and making choices about how they are supported to live their lives. Personal budgets help people to gain control and choice but we also need to ensure that people have access to the right information, advice, advocacy as well as the services such as housing, education and employment regardless of disability.
- 1.4 MH and LD services are currently separate services, however both services have responded to the personalisation and social inclusion agenda by reconfiguring traditional, building based services to include promoting people to access vocational and employment opportunities as well as supporting them to remain living as independently as possible in their own homes with access to ordinary community resources wherever possible.
- 1.5 A key aspect of creating sustainable communities is to challenge stigma and discrimination that excludes particular groups and divides communities. Less than 10% of people with MH or LD are in paid employment. Work has an important role in promoting wellbeing, self esteem and identity and can provide a sense of fulfilment and opportunities for social interaction. Unemployment increases the risk of illness and a range of social problems such as debt and social isolation. Where people are initially supported into work, and as necessary supported to continue working, the positive impact on their health and recovery can be significant.



- 1.6 There is a national consensus that people with disabilities must be given more support to enable them to access employment and the same opportunities as other citizens – driving up the numbers in paid employment. At the same time Total Place initiatives are starting to look at a “whole area” approach to public services that can lead to better services at lower costs. The focus is on avoiding overlaps and duplication between services and organisations and looks at new ways of working which will deliver increasing efficiencies.

## **2. Summary of National and Local Drivers**

### **2.1 *National Drivers***

- 2.1.1 Putting People First (2007): building resilience and community wellbeing, expanding choice, control, building social capital, strong communities and moving towards prevention and early intervention.
- 2.1.2 Care Programme Approach (2001): people supported to be independent, in control of their long term conditions and able to access settled accommodation and employment.
- 2.1.3 New Horizons (2009): promoting resilience, wellbeing and flourishing, connected communities. A more hopeful future in which services are accessible and there is opportunity for jobs, education and decent housing.
- 2.1.4 Valuing People Now (2009): improved access to housing, employment, learning and training opportunities.
- 2.1.5 Total Place (2009): avoids duplication of services, overlaps and looks at new ways of working that rationalise funding streams, remove blockages and increase quality, productivity and value for money.
- 2.1.6 Public Service Agreement (PSA) 16: this target is no longer being measured by the new coalition government but remains an important part of social care outcomes. PSA 16 aims to ensure that the most socially excluded adults are offered the chance to get back on a path to a more successful life by increasing the proportion of at-risk individuals in settled accommodation and employment, training and education. Adults with severe and enduring mental illness and adults with learning disabilities are a focus for this PSA.
- 2.1.7 National Indicators (NIs) linked to this are NI 145 (adults with LD in settled accommodation), NI 146 (adults with LD in employment), NI 149 (adults in secondary mental health services in settled accommodation) and NI 150 (adults in secondary mental health services in employment).

### **2.2 *Local Drivers***

- 2.2.1 The National Indicators above are reflected in the Hartlepool Local Area Agreement which is signed off by the Hartlepool Strategic Partnership. Outcomes are monitored through the Child and Adult Services’ performance management systems and external inspection.

2.2.2 The Child and Adult Services departmental plan, the service plan and the team plans contain targets to achieve the NI outcomes. Performance against targets is monitored through the year by the covalent performance management system.

2.2.3 Fair Access to Care Services (FACS) provides national guidance on the assessment of needs and the impact of peoples' disabilities on their ability to remain independent. In Hartlepool the FACS criteria is set at substantial and critical levels of need. The customer base for the LD and MH services reflects these eligibility criteria.

### **3. Current Situation**

#### **3.1 *Mental Health Services***

3.1.1 As an integral part of previous work undertaken to redesign and improve service provision in MH services, a Day Services element was introduced and staff were realigned within the specialist mental health teams. Much of their work was refocused to provide a range of supporting interventions and activities, focussing upon promoting social inclusion, mental and physical well being, recovery and independence. The revised services introduced day time activities, including walking groups, hearing voices groups, computer courses etc, to prepare and enable people to progress to meaningful employment at a pace suitable to each individual.

3.1.2 Staffing arrangements to support this aspect of service provision includes 4 employment link workers (Band 8-10) with two current 'managed' vacancies. A further link worker (Band 8) is on secondment to the psychosis team until 2011 and may then revert to the employment service. Location: Brooklyn. Funding: £125,000.

3.1.3 Also 'hosted' within the specialist mental health teams is the Support Time and Recovery team (STR). This service aims to provide support to enable people with mental health needs to live 'ordinary' lives by promoting choice, control and providing individualized services. The STR service is very much linked into the Care Co-ordination process and they promote independence and integration whilst providing companionship / friendship within transparent boundaries. The service provides regular practical support with all aspects of daily living and helps with access to resources and services which help to promote vocational training and meaningful employment.

3.1.4 Staffing arrangements to support this aspect of service provision comprises one Band 12 wte Co-ordinator, two Band 8 wte senior STR workers and five Band 6 wte STR workers. Location: Brooklyn. Funding: £220,000 of which £126,000 flows from the Supporting People Grant.

### **3.2 Learning Disabilities Services**

- 3.2.1 In terms of supporting people with a learning disability into employment and to access 'floating' support to maintain people in the community these roles are currently undertaken by staff operating from within the Direct Care and Support Service and the Disability Day Opportunities Service.
- 3.2.2 The Direct Care and Support Service include four floating support workers who primarily focus upon supporting people with a learning disability to remain in the community. It should be noted that there is also 1 wte supervisor (Band 9) and an additional 5 wte support workers within the Direct Care and Support Team who focus on older people and people of a working age with a physical disability. The supervisor post is currently 'vacant' as the post-holder is on secondment and supervisory arrangements for the team have been temporarily 'housed' with the home care aspect of the Direct Care and Support Service.
- 3.2.3 Funding via the Supporting People Grant: £90,000. Location: Hartfields.
- 3.2.4 Within the Disability Day Opportunities Service there includes one team Co-ordinator (Band 10) and four community development workers (Band 8) whose primary though certainly not exclusive role is to support people with disabilities to source vocational, volunteering and employment opportunities. One of these development workers has recently retired and the intention is to use this funding to create a Trusted Assessor post within the Centre for Independent Living (CIL). This re-design is covered in the SDO for Hartlepool Day Services. Location: Havelock. Funding: £130,000.
- 3.2.5 The floating support workers who support people with a learning disability and the MH STR workers support people in their own homes to develop independent living skills and access ordinary community resources. The STR workers also support people to access vocational opportunities and employment as part of their role.
- 3.2.6 Both MH and LD employment link workers ensure that people who want to work receive support, guidance and the opportunity to access sustainable jobs for real wages. They work closely with colleges and the education sector to develop appropriate training courses as well as with the third sector to access people to volunteering opportunities. An employers' forum has been developed to encourage local employers to recruit people with disabilities.

### **4. Gap Analysis**

- 4.1 The current service configurations which focus upon employment, vocational training, volunteering and support have evidenced significant success in helping people to live in their own homes and access training and employment. However, there is potential to further develop and make improvements in a more cost effective way.

- 4.2 Previously the MH and LD Services operated as separate distinct services and as a result current MH and LD floating support and employment teams reflect a “silo” model, whereas there is considerable overlap in the needs of both customer groups. In addition, separate services run the risk of duplication and a degree of waste as a result. Therefore there is a need and an opportunity to bring these teams together to rationalise funding, increase productivity and flexible new ways of working that deliver better value for money.
- 4.3 There are other third sector organisations (e.g. MIND) and statutory organisations (Job Centre Plus) who also offer employment services. The current fragmentation of the local authority employment and support teams works against a Total Place ethos. There is a need to bring these services together so they can pool their resources, expertise and begin to work with other employment services in Hartlepool to rationalise productivity and funding.
- 4.4 Bringing the MH and LD employment and support teams operating from one building (Brooklyn) will release space in the Havelock for the Centre for Independent Living (CIL). It will also bring the teams within one line management structure, encourage joint working and make the best use of resources.
- 4.5 It would appear from research undertaken when developing this service delivery option that the current teams do not yet have the confidence or skills to consider setting up their own service outside of their current HBC employment arrangements. Bringing the teams together, sharing expertise and developing their business skills will put them in a stronger position to tender for any future business opportunities that may arise i.e. through possibly a Local Authority Trading Company (LATC) as outlined in the Provider SDO Overview Report. Alternatively the revised team could decide to pursue a separate social enterprise or indeed become part of some form of arrangement linked to Local Area Co-ordination.

## **5. Future Direction of Travel**

- 5.1 Personalisation within adult social care means that people who use services have more choice, control and are at the heart of their own care and support. The values underpinning this framework are that everyone has a contribution to make to the community, everyone has the right to control their lives and that services and society should respect and be responsive to peoples’ individual and diverse needs. People with disabilities have consistently said that they want to live their own lives in their own homes and be able to work and enjoy the same opportunities as other citizens. Personal budgets are starting to make a real difference, empowering people to take control of the outcomes that matter to them.

- 5.2 The new Government's "Big Society " vision aims to empower local people and communities by facilitating access to 'social enterprises' and therefore it is evident that these arrangements will have a major role to play in the future delivery of social care and public services.
- 5.3 The future support and employment services should continue to offer people personalised assistance to live in their own homes, be part of their local community and have the same opportunities as everyone else to work and contribute to society to the fullest possible extent.
- 5.4 This SDO makes a significant contribution to the required efficiency for provider services and importantly also provides a sound infrastructure to shape the MH and LD support and employment teams in line with any future direction of travel within adult social care.
- 5.5 There is potential for this amalgamated service to become part of a LATC or a SE owned and run by staff themselves with the profits ploughed back into the business for the benefit of the local community. Alternatively there is the potential of this area of work becoming part of a broader Local Area Co-ordination model.

## **6. Options**

- 6.1 Business Transformation and the challenging economic downturn have focused the department on exploring all the options for the future delivery of services.
- 6.2 In terms of the MH and LD support and employment services the current options considered are:

- Outsource the service
- Staff develop and own a social enterprise
- Work with Local Area Co-ordination model
- Staff move to a LATC
- Do nothing

## **7. Risks and Impacts**

- 7.1 Outsourcing the service in the short term would risk people with disabilities receiving an inferior service due to the nature of the business, the specialist expertise required and there are no other similar external providers in the area at this time.

- 7.2 Inviting staff to form a social enterprise, at this point in time, would risk failure due to the fragmented nature of the current teams, the need to build a strong business base and grow the necessary business acumen. Thus far staff have not shown any interest in developing a social enterprise and require further information and support about this potential option.
- 7.3 Further work is required in the short term to better understand the potential of linking the work of staff in this area to local area co-ordination.
- 7.4 Further work is required in the short term to explore the benefits of a LATC, however provisional work indicates that this is an exciting opportunity as it enables the LA to continue to have some control over the situation, yet enables staff to develop new initiatives and ‘trade’ on the open market.
- 7.5 Continuing the current service delivery model would perpetuate the tendency to duplicate effort, overlaps and silo delivery as well as fail to rationalise funding, expertise and value for money. People with LD at times experience MH difficulties as well and should have access to one, coherent service and set of staff.

## 8. **Recommendations**

- 8.1 Amalgamating the current Mental Health STR team, the staff from the Direct Care and Support Service who primarily work with people with a Learning Disability and the staff from Mental Health and Learning Disability Day Opportunities who focus upon employment is the preferred and recommended option. **Appendix 1** of this SDO sets out a Person Centred Employment Pathway which could be used as an operational framework for the revised arrangement to work within and **Appendix 2 and 3** set out the two possible configurations to achieve this merger.
- 8.2 It is recommended that Option B (Appendix 3) is taken forward. This structure reflects a single Service Co-ordinator taking overall responsibility for the amalgamated teams with 2 supervisors to lead on the day-to-day practice and activities of the teams. The new floating support supervisor role would also commit time to developing links with local community resources. The employment link supervisor would commit a significant amount of time to work with employers and potential employers to create new employment opportunities and with colleges and the third sector to maximise training and volunteering opportunities. The Service Co-ordinator would give dedicated time to bench-marking this service against other regional and national models, drive forward best practice and start to research and build the skills needed to create a viable social enterprise within the next two years. Part of the Co-ordinator’s remit, with support from both Supervisors, would also be to work with other organisations in Hartlepool who offer specialist and non-specialist employment services with a view to rationalising funding streams together with overall efficiency and value for money along a continuum of needs.
- 8.3 Amalgamating the current services would see one coherent service, operating from one building at “Brooklyn” but working into the wider community, with staff working together to deliver support, vocational opportunities and

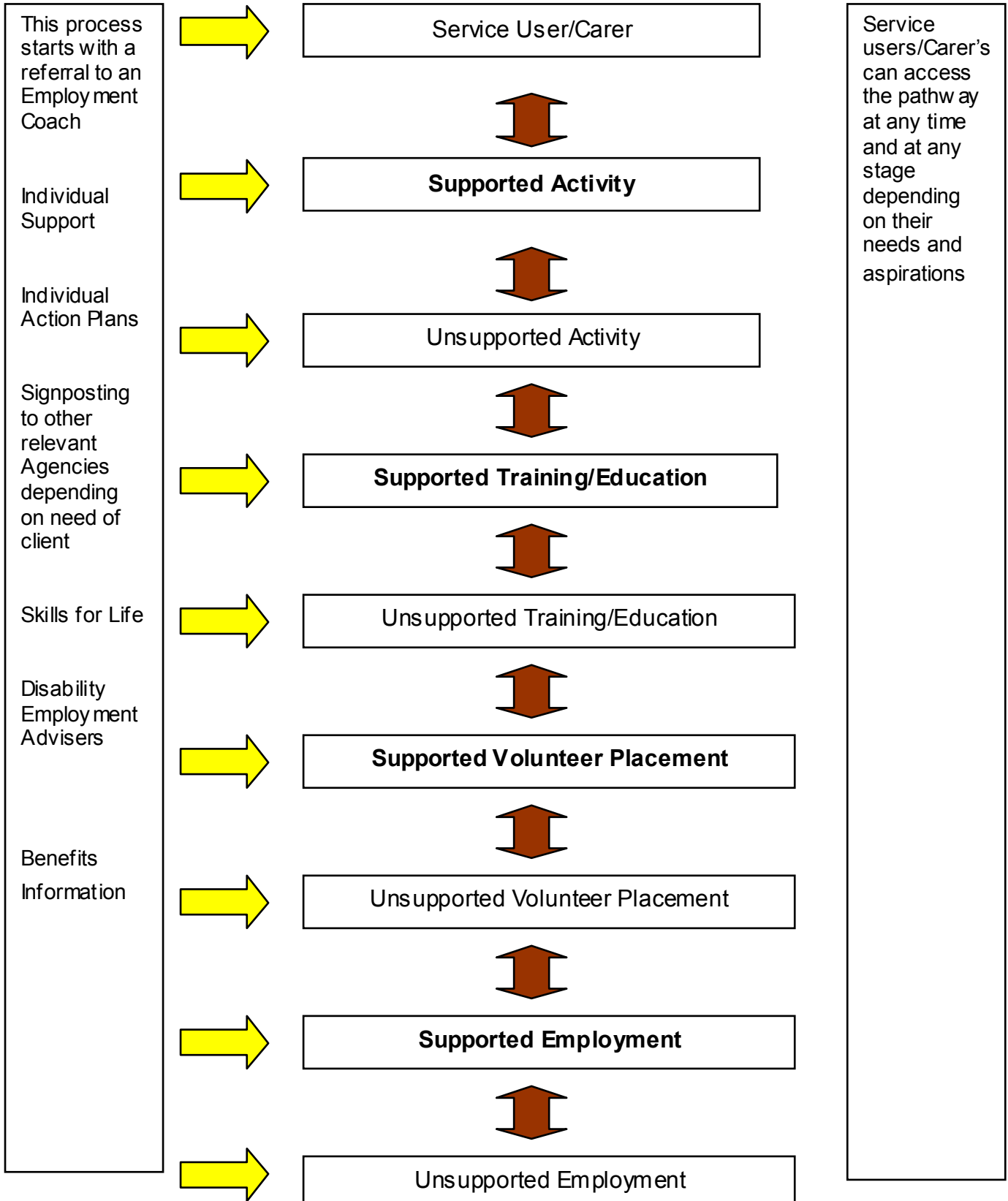
employment services to people with disabilities. This model would build a strong business base, encourage flexibility and new ways of working and release space at the “Havelock” building for the new, developing CIL.

- 8.4 Revised job descriptions and person specifications would be required and new posts would need to be matched through job evaluation. Further work is also required with Human Resources regarding specific advice about the ring-fencing process for selection.
- 8.5 Within this SDO it is recommended that the current ‘managed’ vacancies within the MH services are deleted, releasing a saving of **£59,229**.

#### 9.0 **Conclusion**

- 9.1 Amalgamating the teams into one coherent service for people with disabilities will improve the capacity and flexibility of our current provision to support people to remain in the community and into vocational training and sustainable employment. A strong, coherent, single team will maximise the opportunity to target programmes on the individual needs of people and employers as well as improving their ability to help people with disabilities live fulfilling lives in the community.
- 9.2 This service will support and complement non-specialist services such as the Department of Health (DH) work schemes and support people with more severe and complex disabilities into sustainable employment.
- 9.3 It is anticipated that creating a single service, pooling expertise and sharing one building base will support real opportunities for staff to consider the development of a LATC or SE within the next two years.

## HARTLEPOOL PERSON CENTRED EMPLOYMENT PATHWAY

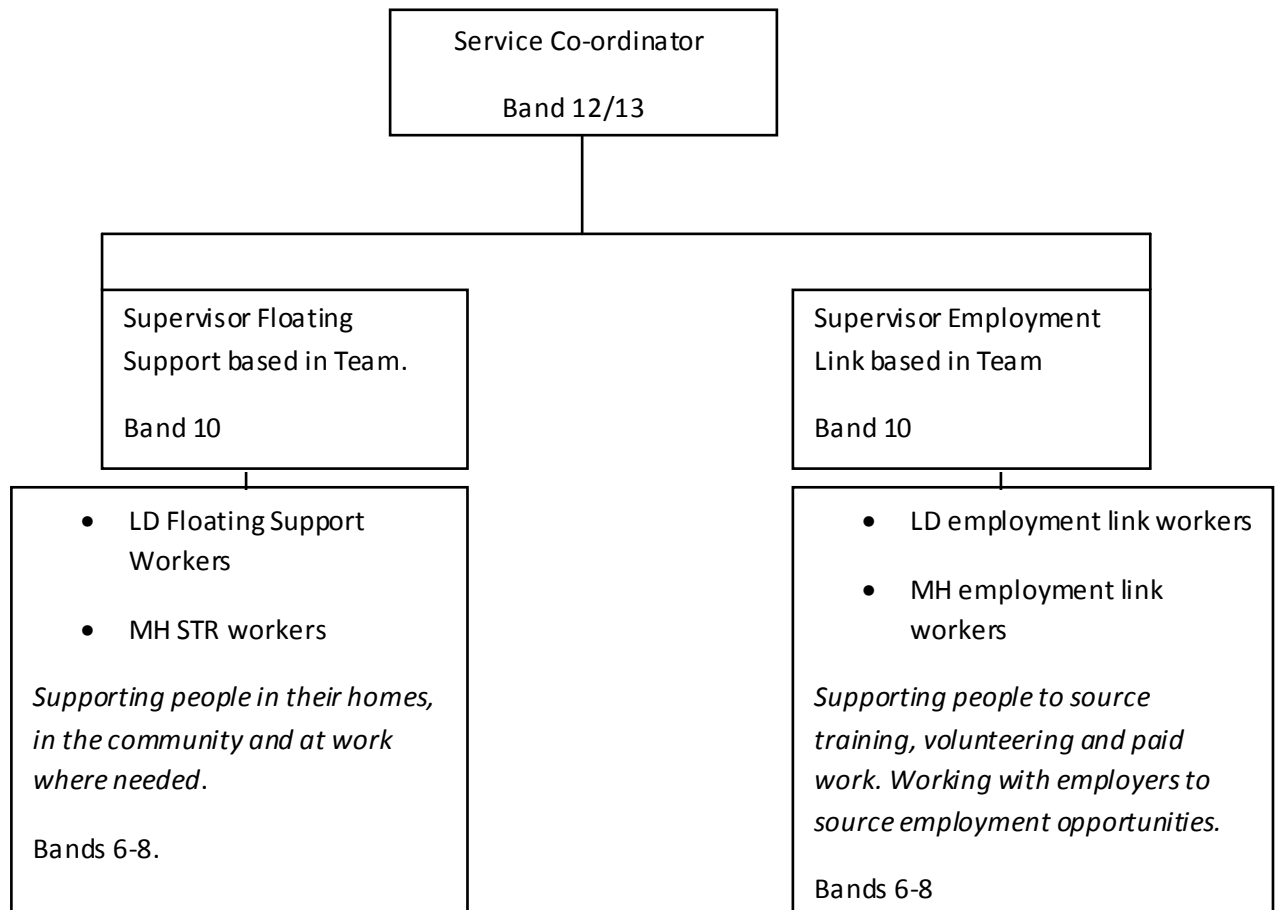




**OPTION A**



**OPTION B**





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## Diversity Impact Assessment (Predicted Assessments)

<b>Lead Officer: John Lovatt</b>	<b>Published Date: 28<sup>th</sup> Sept 2010</b>
<b>Who has undertaken the assessment: J. Lovatt, K. Millican, M. Rushforth, S. Lennon</b>	
<b>Date forwarded to Departmental Diversity Rep: 1<sup>st</sup> October 2010</b>	

**Is the subject to be assessed a: (Please tick)**

Strategy       Policy       Service   
 System       Project       Other

**Name of the assessed and brief description:**  
**Employment, Vocational Training and Floating Support Services for People with a Mental Health Need and / or Learning Disability:**  
 Currently the department have two distinct teams – one in mental health services and one in learning disability services who promote people's access to employment, vocational training and offer support to ensure people live in the community safely. These were set up in order to respond to challenges across both service areas and to address issues relating to both client groups. This aspect of the Service Delivery Option proposes that both teams are amalgamated to make a financial saving. As a result a new service will be established, requiring revised job descriptions and working practices.

**What is being assessed is (please tick)**

Existing       New

**Is a copy of the new policy/strategy attached (please tick)**

Yes       No

**If No, where can it be viewed?**  
 Please see Cabinet Report 11<sup>th</sup> October 2010 regarding SDO for Provider Services in Adult Social Care.

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<b>Links into Community Strategy and Council Themes</b> <i>(please tick box(es))</i>	
<b>Jobs and the Economy</b> ✓	<b>Environment</b> <input type="checkbox"/>
<b>Lifelong Learning and Skills</b> ✓	<b>Housing</b> ✓ <input type="checkbox"/>
<b>Health and Care</b> ✓	<b>Culture and Leisure</b> <input type="checkbox"/>
<b>Community Safety</b> <input type="checkbox"/>	<b>Strengthening Communities</b> <input type="checkbox"/>
<b>Organisational Development</b> <input type="checkbox"/>	

## HARTLEPOOL BOROUGH COUNCIL

**Stage 1 - Overview**

<b>1. Please give a brief description of the aims, objectives or purpose.</b> <i>(Note: Wherever possible please quote from the document)</i>	
<ul style="list-style-type: none"> <li>• Provide improved opportunities for access to housing, employment, learning and training for people with a mental health need and / or learning disability.</li> <li>• Help people live independently at home</li> <li>• Work with people to promote independence, maximise functioning and physical / emotional well-being</li> </ul>	
<b>2. Who is responsible for implementation?</b>	
<ul style="list-style-type: none"> <li>• M. Rushforth</li> <li>• Kath Millican</li> <li>• J. Lovatt</li> <li>• S. Lennon</li> </ul>	
<b>3. Who are the main stakeholders? (please tick)</b>	
<b>The General Public</b> ✓	<b>Public Sector Service Providers</b> ✓
<b>Employees</b> ✓	<b>The Community &amp; Voluntary Sector</b> <input type="checkbox"/>
<b>Elected Members</b> <input type="checkbox"/>	

**Stage 2 – Research and Findings**

<b>4. What evidence do we presently have and what does it tell us?</b> <i>(Include any numerical data, public consultation or involvement, anecdotal evidence and other organisations' experiences, outcome of any previous service related INRA, entry into the Risk register)</i>
<p>HBC adult social care is committed to delivering the personalisation agenda which offers all people who use its services more choice and control over the services they receive. All people eligible to receive a service will be offered a Personal Budget (PB) by 2011. They will then be able to plan the services they require within their indicative allocated cost envelope.</p> <p>The shift underlying personalisation is from a needs-based response to one that promotes citizenship and engages the capacity of people to make positive choices for themselves. The new coalition government has committed itself to the delivery of personalisation and the PB / Personal Health Budgets agenda within a framework of rights, choice and responsibilities.</p> <p>Mental Health (MH) and Learning Disability (LD) services have responded to the personalisation agenda by reconfiguring traditional, building based services to include</p>

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promoting people to access vocational and employment opportunities as well as supporting them to remain living as independently as possible.

The current service configurations which focus upon employment, vocational training, volunteering and support have evidenced significant success in helping people to live in their own homes and access training and employment. However, there is potential to further develop and make improvements in a more cost effective way.

Previously the MH and LD Services operated as separate distinct services and as a result current MH and LD floating support and employment teams reflect a “silo” model, whereas there is considerable overlap in the needs of both customer groups. In addition, separate services run the risk of duplication and a degree of waste as a result. Therefore there is a need and an opportunity to bring these teams together to rationalise funding, increase productivity and introduce flexible new ways of working that deliver better value for money.

There are other third sector organisations (e.g. MIND) and statutory organisations (Job Centre Plus) who also offer employment services. The current fragmentation of the local authority employment and support teams works against a Total Place ethos. There is a need to bring these services together so they can pool their resources, expertise and begin to work with other employment services in Hartlepool to rationalise productivity and funding.

Bringing the MH and LD employment and support teams operating from one building (Brooklyn) will release space in the Havelock for the Centre for Independent Living (CIL). It will also bring the teams within one line management structure, encourage joint working and make the best use of resources.

It would appear from research undertaken when developing this service delivery option that the current teams do not yet have the confidence or skills to consider setting up their own service outside of their current HBC employment arrangements. Bringing the teams together, sharing expertise and developing their business skills will put them in a stronger position to tender for any future business opportunities that may arise i.e. through possibly a Local Authority Trading Company (LATC) as outlined in the Provider SDO Overview Report. Alternatively the revised team could decide to pursue a separate social enterprise or indeed become part of some form of arrangement linked to Local Area Co-ordination.

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<b>5. Identify the gaps in the evidence that we presently have?</b>
No specific gaps have been identified the change proposed is primarily about efficiency linked to Business Transformation. The change will mean however that potentially there will be a more co-ordinated service as there will be only one approach to potential employers rather than the current two for the distinct service areas.
<b>6. Record what needs to be done to gather further evidence to undertake the impact assessment?</b>
<ul style="list-style-type: none"> <li>All reasonable steps have been taken.</li> </ul>

**Please note:** You will need to have viewed your data or insufficient data before answering the following questions. If no data is available, you will need to make a record of this within your answers below and indicate how this data will be gathered in the future. *(Please refer to glossary for the terms- unmet needs, differential impact, positive impact, negative impact and adverse impact provided in the guidance)*

<b>7. Are there any unmet needs/requirements that can be identified from your research that impact specific equality groups? Which equality groups does it impact?</b>
No
<b>8. Are there any concerns that there could be a differential/positive/negative/ adverse impact on the grounds of gender? Gender refers to male, female and transgender. Please explain your answer.</b>
No

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<b>9. Are there any concerns that there could be a differential/positive/negative/ adverse impact on the grounds of racial or ethnic origin? Please explain your answer.</b>
No
<b>10. Are there any concerns that there could be a differential/positive/negative/ adverse impact on the grounds of religion or belief? Please explain your answer.</b>
No
<b>11. Are there any concerns that there could be a differential/positive/negative/ adverse impact on the grounds of disability? Please explain your answer.</b>
It is possible that the service delivery option might have a positive impact on people with disabilities accessing the proposed service as a more joined-up approach to potential employers and vocational training opportunities will be in place. However, it is not anticipated that the numbers of people accessing the service will reduce. In fact, with the national consensus that people with disabilities must be given more support to enable them to access employment and the same opportunities as other citizens, it is possible that the demand on the service will increase. As such, with reduced staff who might not have the experience or qualifications to work with both customer groups, the capacity to deliver the service might be compromised.
<b>12. Are there any concerns that there could be a differential/positive/negative/ adverse impact on the grounds of age? Please explain your answer.</b>
No
<b>13. Are there any concerns that there could be a differential/positive/negative/ adverse impact on the grounds of sexual orientation? Please explain your answer.</b>
No
<b>14. Summary of adverse impacts (please tick)</b>



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Gender <input type="checkbox"/>	Disability <input checked="" type="checkbox"/>
Race/Ethnic Origin <input type="checkbox"/>	Age <input type="checkbox"/>
Religion/Belief <input type="checkbox"/>	Sexual Orientation <input type="checkbox"/>

**Stage 3 – Consultation****15. Who have you consulted with?**

All staff in the service areas potentially have been informally consulted to work up the various options to generate the efficiency.

**16. Summary of findings/recommendations from the consultation**

It is recommended that an efficiency of £59,229 is generated from recommendations outlined within the cabinet report. Staffing implications include:  
Some staff will need to be transferred into the revised service from the Direct Care and support service and thereafter provided with additional training.

**Stage 4 – Adverse Impacts**

**17. Please give details of what the predicted adverse impact is expected and which groups or individuals it affects.**

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Potential adverse impact on service users due to the capacity of staff to deliver the service either in respect of levels of demand on reduced staffing numbers or initially, lack of qualifications, experience and training in both customer groups.


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<b>18. Record what immediate actions are taken prior to implementation to address the adverse impact?</b>
<ul style="list-style-type: none"> <li>▪ Ensure training is in place for staff joining the new service.</li> <li>▪ Monitor access to service to manage staff workload.</li> </ul>
<b>19. Can the adverse impact be justified for any reason? Please explain.</b> (Legislation, promoting equality of opportunity for one group (positive action) etc.)
No .

**Stage 5 – Action Planning and Publishing**

<b>20. What actions are needed to be taken after the implementation</b>		
<b>Action</b>	<b>Responsible officer</b>	<b>Completion Date</b>
Decision required by Cabinet	Cabinet	11 <sup>th</sup> October 2010
Processes then will be agreed for further consultation with HR	Assistant Director	March 31 <sup>st</sup> 2010
<b>21. What are the main conclusions from the assessment?</b>		
Impact on staff in relation to changed workload is inevitable. Efficiency required is essential in current economic climate. Risks to service users can be managed within identified resource		

## HARTLEPOOL BOROUGH COUNCIL

<b>22. How is the impact assessment published/publicised?</b>	
The assessment is part of the report presented to the Corporate Management Team and Cabinet.	
<b>23. How is the impact further assessed after its implementation?</b>	
Numbers associated with access to employment, vocational training and helped to live at home will increase. .	
<b>Signed:</b>  <hr/> <b>Director/Head of the Service</b>	<b>Date:</b> <b>29 September 2010</b> <hr/>

**SERVICE DELIVERY OPTION (SDO):**

**HARTLEPOOL DISABILITY DAY SERVICES**

**1.0 Background/Context**

- 1.1 In order to improve services and ‘drive’ change for people with Learning Disabilities, in 2001 the Government launched a white paper entitled ‘*Valuing People*’. This provided the first Learning Disabilities Strategy for Day Services, an area of public service provision that was described as ‘frequently failing to provide sufficiently flexible and individual support’. The white paper set a new objective for day services to enable people with learning disabilities to lead full and purposeful lives within their community and to develop a range of friendship activities and relationships.
- 1.2 Whilst recognising the role that day centres had traditionally played in providing respite care to families, the white paper set out a five year programme for localities to improve socially inclusive day opportunities. They called this process ‘day service modernisation’.
- 1.3 In essence ‘day service modernisation’ meant introducing processes and / or activities that focussed upon whatever ‘makes a good day for each person with a learning disability and thinking carefully about how days could be better’.
- 1.4 In response to this challenge all local authorities including Hartlepool Borough Council (HBC) produced a ‘Day Services Modernisation Plan’, to set out what they would be doing to meet the identified challenges. Since this plan was introduced, over the last several years the day services’ direction of travel for people with disabilities, both learning disability and adults with a physical disability, has moved away from building based services to become increasingly personalised, community focused and based on person-centred planning.

**2.0 National and Local Drivers**

- 2.1 In response to the changing national and local ‘climate’ most local authorities, including HBC have, since 2001, tried to change and develop their disability day services by focussing upon areas such as:
- employment services
  - sheltered employment
  - further education opportunities
  - leisure services
  - theatre, arts and culture.
- 2.2 This move involved taking the decision to re-provide some resources from large day centres into community-based settings. The thinking behind this model was that through taking a “stepped” approach, people with disabilities, families

and carers would adapt more easily to change, achieve the same rights, choices and independence as everyone else and have genuine opportunities to be part of their local community.

2.3 The following policies and strategy documents inform us of the priorities in relation to disabled and vulnerable people in Hartlepool:

- *Valuing People Now (2007)*: this built on the vision set out in 'Valuing People' - *A New Strategy for Learning Disability for the 21st Century (2001)* and outlined a policy intended to improve the lives and chances for people with learning disabilities. This new paper set out what the then Government thought should happen for the next three years. *Valuing People Now* focuses on personalisation, health, education / employment and housing for the next three years.
- *Putting People First (PPF)*: set out the direction of travel for adult social care. It is a shared commitment by the Government, local councils and service providers to ensure that people who need care and support have choice, flexibility and control to live their lives the way they wish. Every council is expected by April 2010 to have started to offer personal budgets to anyone receiving council-funded adult social care services. By April 2011 personal budgets should be in place for all people eligible for a social care service.
- *Improving the Life Chances of Disabled People' (2005)*: set out the Government's key aims on how to improve equality for disabled people in Britain. The report considers what could be done to advance opportunities for Britain's 10 million-plus disabled people and set out a 20-year vision: "*By 2025, disabled people in Britain should have full opportunities and choices to improve their quality of life, and will be respected and included as equal members of society*". One of the specific recommendations outlined in the 2005 report is: "*Each locality should have a user-led organisation modelled on existing CL's by 2010*".
- *'Fulfilling and Rewarding Lives' (2010)*: is the Government's strategy for adults with autism in England. The Autism Act (2009) underlines the Government's commitment to achieving this vision. It is the first ever piece of legislation designed to address the needs of this specific group of people.

### **3.0 Current Situation**

3.1 Hartlepool Day Services incorporate two day services and a supported employment service. The combined services are provided through a number of buildings across Hartlepool, but the management and administration of the overarching services are via Warren Road Day Services located in the Brus ward of Hartlepool and also Havelock Day Centre located on the Burbank ward.

*Cabinet – 8 November 2010*

- 3.2 As a result of earlier day services' management and staff restructures (2008/09), the day services and employment service is managed and supported as one service instead of two distinct day services. This means that staff are able to support clients across both day services in a much more flexible way.
- 3.3 As of 30<sup>th</sup> March 2010: 207 people are supported across the three services which are currently delivered over five days a week, Monday to Friday.
- 3.4 Within this number there are currently 162 people with learning disabilities supported by a social care team (day services and employment) of 40 staff.
- 3.5 The employment service is currently supporting 94 people into employment (paid and unpaid) with the remaining 68 people accessing only day services.
- 3.6 The budget for LD day services is £1,268,719.
- 3.7 The budget for Havelock day services is £ 502,557.
- 3.8 The total budget for both day services (incorporating the employment team is) £1,771.376
- 3.9 The current unit (daily) costs for the day services amounts to £41.60
- 3.10 Over a period of time following the move towards an increased emphasis on community-based activity rather than traditional building-based services and as a result of the Government's commitment to the 'Putting People First' and 'personalisation' agenda, more people with a disability are receiving their own personal budget and many are choosing alternative ways of meeting their social care needs.
- 3.11 The number of people with a learning disability attending day services has reduced from an average of 120 people attending on a daily basis to an average attendance of 25 people. Regarding people of a working age with a physical disability the number attending day services on a regular basis has also significantly reduced.
- 3.12 One of the buildings used by the day services (Havelock) is located within the Burbank ward and was opened in September 1972. The building is 1181 (m<sup>2</sup>) and primarily supports people with physical disabilities and sensory loss and has an industrial design to reflect the types of activity that was originally undertaken which included therapeutic activities, arts, sport and craft programmes. Over that time a number of maintenance programmes have been implemented but the building now needs investment in areas such as heating, lighting, décor and work to be carried out to ensure the building is fully watertight.

- 3.13 The Havelock Day Centre building has been identified by external consultants commissioned by HBC as the most suitable location for a 'Centre for Independent Living' (CIL).
- 3.14 Local Authorities are required to provide CILs by 2010, these are required to be user-led and provide people with a disability more choices, opportunities and a stronger voice to get the services they want.
- 3.15 The CIL will provide a range of health and social care related services, including a health facility, an information advice and resource centre and a community hub for disability-related third sector organisations.
- 3.16 Many people with disabilities and their families in Hartlepool benefit from the support provided in day centres and feel a sense of comfort and security about their continued availability. They are a valued resource which has helped and supported many people to access employment, education and leisure opportunities in the community. The intention is that the day service at Havelock will continue to be provided alongside the CIL.

#### **4.0 Gap Analysis**

- 4.1 The current employment service has had considerable success in supporting people to find paid and voluntary work. There are currently two employment focused teams, one in LD day services and the other within the Mental Health (MH) services.
- 4.2 However there is currently a degree of overlap between these two 'in house' employment teams and some duplication of activity especially around engagement with potential employers and access to strategic partners (i.e. Job Centre Plus).
- 4.3 Amalgamating the two employment teams would overcome some of the current issues, generate an efficiency and release space within the Havelock Centre for the CIL.
- 4.4 The 'Service Delivery Option (SDO) Report' for Employment, Vocational Training, Volunteering and Floating Support Services for People with a Mental Health Need and / or Learning Disability details the proposal to merge these two teams into one integrated service and outlines the associated efficiency savings.
- 4.5 Although work has started on the refurbishment of the Havelock Centre and the provision of a CIL there is no independent demonstration facility within Hartlepool to allow people, who may be starting to experience difficulty in their activities of daily living, to try out and get advice on equipment that would help them maintain their independence.



- 4.6 Having a room within the CIL fitted with a standard bath, toilet, bed, ceiling track hoist and kitchen unit area will enable a range of equipment to be demonstrated by a 'Trusted Assessor'. This facility will enable the person to make an informed choice either to privately purchase equipment or to access loan store equipment if they meet the Council's Fair Access to Care Services (FACS) eligibility criteria.
- 4.7 Plans are now in place to incorporate a demonstration area into the new CIL and it is proposed that a new 'Trusted Assessor' role should be created from within existing day service resources and this role should commence once the CIL is opened at the end of 2010. This resource will take forward the commitment to deliver early intervention and prevention services on a universal basis as well as promoting peoples' right to autonomy and choice.

5.0 **The Future Direction of Travel**

- 5.1 The future development of day services in Hartlepool is set against a background of both increasing financial pressures and the increase in the take-up of personal budgets.
- 5.2 Many local authorities including Hartlepool are moving away from building-based day services and have developed a range of alternative individualised day opportunities which are focused on ordinary community resources rather than day services' buildings. The emphasis on future day services should be on providing more flexible services that support people based on what they need and want rather than a service-led approach. An ongoing review of the resources and buildings that currently support day service activity is currently taking place as part of the council's overall Business Transformation programme.
- 5.3 The Business Transformation programme to streamline, modernise and ensure we are achieving value-for-money service provision is a high priority for the council. There is now an additional sense of urgency due to the recent economic downturn and the levels of anticipated cuts to public sector funding. This presents an opportunity to look at the kinds of services that will be required, in what forms they should be delivered and how we can ensure that they reflect personalisation and choice.
- 5.4 The previous staff restructures addressed the need for additional flexible working by staff to enable the people they support to access community places at times that suit them, including evening and weekends. This was particularly important when providing support around employment to ensure that what was offered was not too limiting in terms of paid work opportunities.
- 5.5 There is an opportunity now to consider the future of day services and the alternatives available for people, ensuring we do not withdraw support and leave little in the way of accessible and affordable community activities in its place. For some people (nationally), the modernisation of day services has

resulted in their services being closed without alternative provision in place. However there are a number of challenges that face day services. These include:

- Potential remodelling of service provision to support individuals rather than groups of people
- The impact of self-directed support / personal budgets and how this impacts on the day services as people exercise their choice and become, in effect, micro-commissioners
- Customers choosing to go elsewhere including seeking better value for money
- Staff retention in an expanding social care market
- Reduction in staffing levels through recent restructures, placing a pressure on service delivery
- Supporting people to find paid work (16 hours or more) in a challenging financial climate
- The provision of a CIL that brings together the statutory, independent and third sector organisations to provide a range of health and social care related supports and services.

5.6 Previous events and consultations in Hartlepool have reflected the strong desire by local families and carers to keep and sustain some form of 'day care provision' for people with a disability in the town. More recently during the refurbishment of Warren Road, a number of carers made contact with both the Child and Adult Services Department and with their local councillors seeking reassurances that the building and its daycare provision would remain.

5.7 Since 2005 staff within the day service have promoted choice and control and tried to support people to maximise their opportunities for living independently. The majority of people who attend Warren Road or Havelock Day Services use their personal budgets to access these services.

## 6.0 Options and Appraisal

### 6.1 Option 1- Maintain Current Service

6.1.1 Maintaining current services that support people to access a range of opportunities in their communities will mean that the focus will remain on:

- Employment
- Arts/Leisure and Culture
- Education/Lifelong learning Opportunities
- Appropriate services for people with high support needs

6.1.2 **Advantages:** This option would not require any significant reduction in staff or resources and people attending current day services would continue to access the same community buildings and staff supports. People who use services, their families and carers may prefer the concept of some stability provided

within the existing service after the changes to the day services more recently highlighted earlier in this report.

- 6.1 3 **Disadvantages:** This fails to fully take into account the requirements of the Government concordat '*Putting People First*' as well as the white paper '*Valuing People*' (2001) and '*Valuing People Now*' (2009). The council would continue to see a 'financial pressure' placed upon its day services as the numbers using them for five days a week reduce and people increasingly choose to use their personal budgets in a different way. Some of the staff/service user ratio "economies of scale" in large day centres will be lost. The retention of staff may prove problematic as they see 'business' decline and the risks to viability of services. The services will have to meet the increasing costs of maintenance and/or leasing agreements associated with two day service buildings and the additional community bases.

## 6.2 **Option 2 – Decommission: Outsource and / or Develop Social Enterprise/Cooperatives**

A decision could be taken to promote the decommissioning of the service via outsourcing and / or developing social enterprises and / or user led organisations/Co-operatives. This will require disinvestment in the current model and reinvestment in promoting the voluntary and private sector organisations to develop social enterprises / co-operatives.

- 6.2 1 **Advantages:** There are a number of specialist activities provided by the voluntary and community sector that are funded by other sources, for example National Lottery or grant giving charities. Hartlepool Borough Council (HBC) could work in partnership with the voluntary and community sector to support them in leveraging additional funds and in identifying creative alternatives to the current range of day time activities.

HBC could also support the development of employees' co-operatives. Typically where co-operatives are successful, this is because the employees have a stake in the business and are therefore more entrepreneurial and committed to the company's success. One of the advantages in Hartlepool of establishing employees co-operatives are the opportunities for people with disabilities and their families to maintain existing 'professional relationships' with day services' staff who may wish to take this option.

- 6.2 2 **Disadvantages:** Existing staff are currently undoubtedly reluctant to give up their perceived 'secure' employment with HBC and commit to being part of an employee co-operative. It will also take time to explore the options for outsourcing day services provision; including the financial impact on the Council. The Overview Report for Adult Social Care Provider Services details the option for establishing a Local Authority Trading Company (LATC). A LATC creates an independent company but the LA is the stakeholder and so retains influence over an agreed period before the company becomes completely independent.

**6.3 Option 3 (preferred option): Reconfigure Current Day Services; Amalgamate Supported Employment Services; Establish a Demonstration Site within the CIL; Introduce the Post of Trusted Assessor; Undertake Further Consultation Regarding LATC/ Social Enterprise**

Day services will continue to provide current supports and activities but will no longer support and have direct management for the LD employment service. Establishing the Trusted Assessor role and demonstration site within the CIL will allow people beginning to experience difficulty in their activities of daily living to try out and get advice on equipment that would help them maintain their independence. The same is true for people who experience sensory loss and are seeking options to compensate for this and maintain their well-being and independence.

6.3 1 **Advantages** – This is an interim position which ensures we realise efficiencies and contributes to the target for adult social care provider services pending a broader Council decision about the future of adult social care in Hartlepool. In this proposal the current day services provision is sustained, the employment teams are amalgamated making better use of current resources and a current Community Development Worker (CDW) post can be converted to the role of a Trusted Assessor. The Trusted Assessor, under the professional guidance of an Occupational Therapist, will give advice on suitable equipment that can enable people experiencing difficulties (include sensory loss) to maintain their independence. The day services, located within the CIL building, will give people who attend them a wide array of other services under one roof.

6.3 2 **Disadvantages**- The council may continue to see a 'financial pressure' placed upon its day services if the numbers using them for five days a week continues to reduce and people choose to use their personal budgets in a different way. Some of the staff/service user ratio economies of scale in large day centres would be reduced or lost if there was a delay in the broader Council decision-making concerning the future of adult social care provider services. The retention of staff may prove problematic as they see the risks associated with a reduction of services due to the impact of personal budgets and people who may choose to spend their money on different community resources and services.

**7.0 Risks and Impact**

7.1 By April 2011 almost all individuals eligible for social care in Hartlepool will have a personal budget. It is anticipated that demand for the current service will continue to slowly reduce. The new coalition government supports increasing reliance on the third and emerging fourth sector to meet future demands within adult social care.

7.2 The direction of travel for day opportunities must therefore become both more demand-responsive and ensure it is clear about what it can and should offer in terms of direct provision. It is considered that increased flexibility and choice

will emerge through the developing fourth sector: through partnerships with User Led Organisations (ULOs) and through the development of CILs.

- 7.3 Developments in the market have recently seen an increase in the number of independent direct competitors to the service. The development of Roaring Mouse, SYMO, Pathways to Independence and more recently the 'Life Skills Cooperative' have seen a number of people exercise their choices to attend these services rather than their HBC day services resource. An associated risk around the development of new services, given the current economic down-tum however, is one of sustainability. Focus would need to be given to promote new services and also the possibility of financial support to 'kick start' any new initiatives. A LATC / SE **could** provide an answer to this risk by creating a completely independent organisation, capable of delivering new and innovative services, supported by a tapering block contract with the LA as the shareholder during this period.
- 7.4 If the Council took the decision to maintain its service at the present level of staffing, it would run the risk of providing a service that may see a reduction in the numbers attending but would not see a decrease in its core costs, which would still need to be included, such as management, staff, buildings, transport.
- 7.5 Access to employment is a key driver from the Government and resources should be made available to encourage all disabled people into paid employment, vocational training and volunteering. Anyone who wants a job and needs support to access employment should have the support they need to do so. The impact of this is not only on what resources (staffing) are made available but also the role of the 'day services' and employment support teams changing to offer more flexible support on evenings and weekends. Previous restructures have addressed the requirement for more flexible working and the amalgamation of the LD and MH employment and community support services will prevent wasteful over-laps and make the best use of limited resources.
- 7.6 Risks also remain that the wishes and needs of some of the local population (and in particular some of the current people with disabilities and their families) may not be about accessing paid/voluntary work or education but instead they may have a strong preference for accessing traditional day services.

## **8.0 Recommendation**

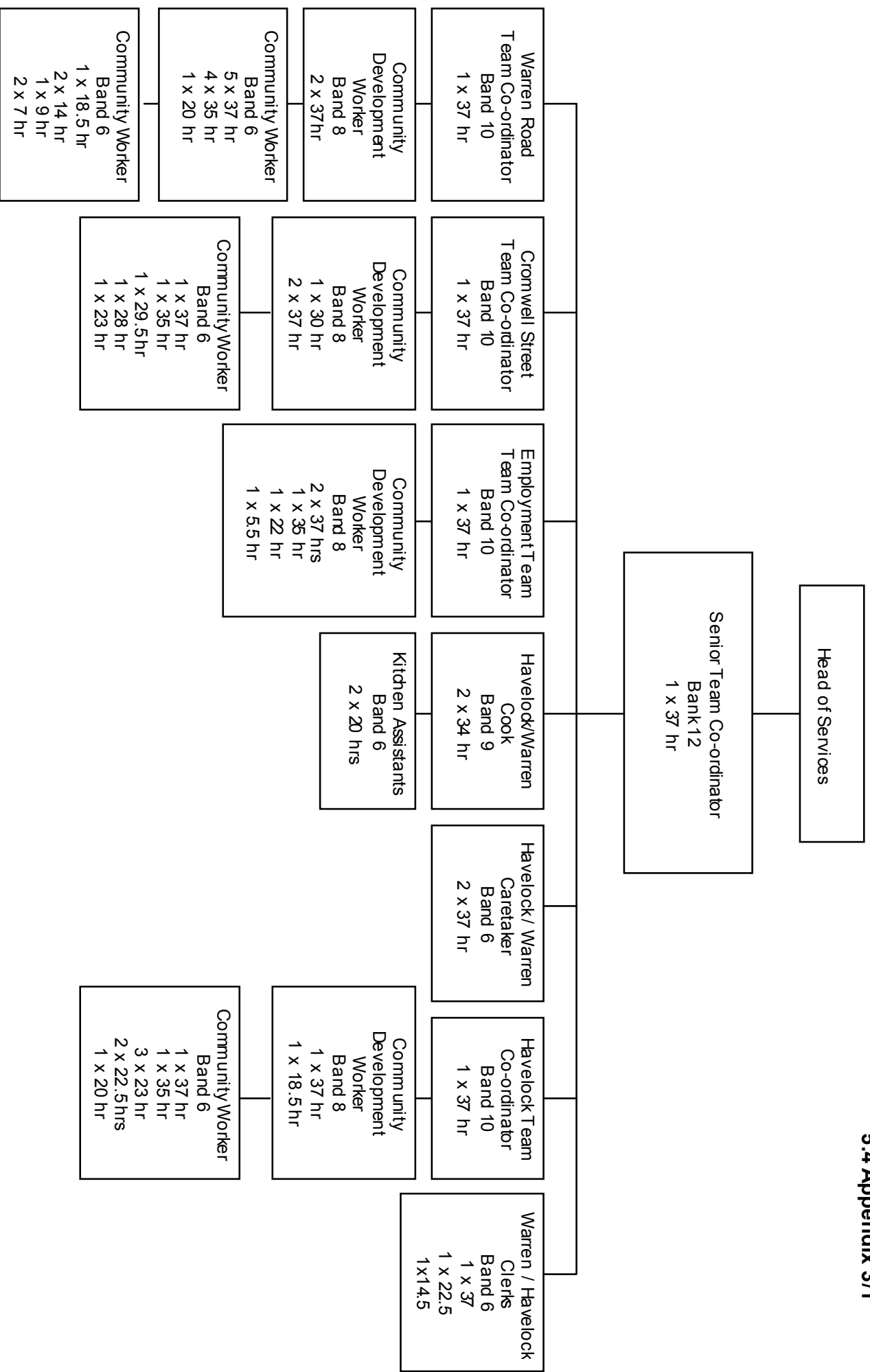
- 8.1 The preferred option (Option 3) is to maintain reconfigured day services in the short term. Employment services for people with a learning disability should amalgamate with the mental health employment team, the LD floating support service and the MH Support Time Recovery (STR) team to create an integrated, progressive service supporting people with disabilities in the community and into employment, vocational training and volunteering. The day services located within the new CIL will include a demonstrator site with a Trusted Assessor who will offer assessment and advice in respect of aids and equipment to support people to maintain their independence. This service will

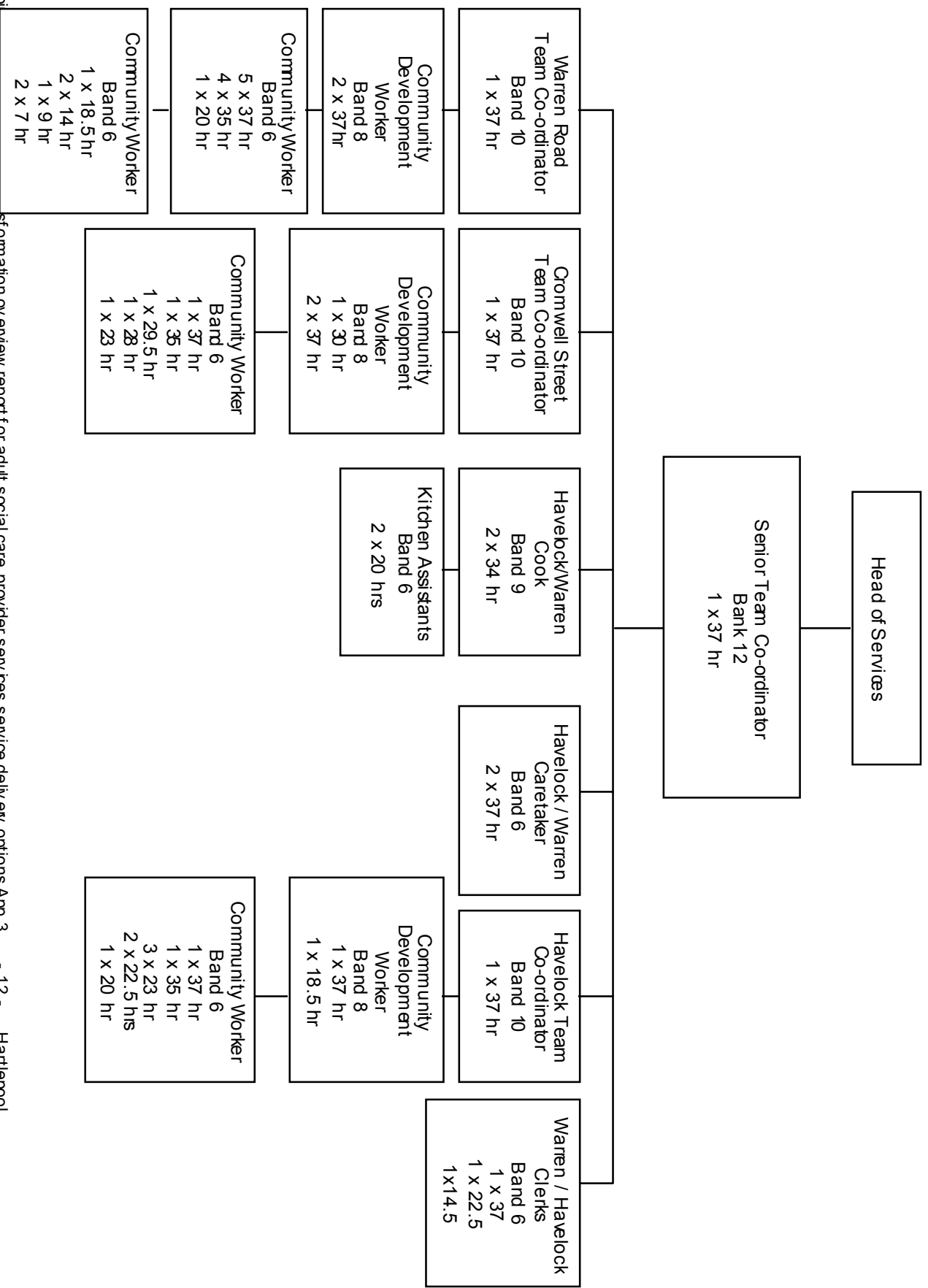
be available to all people with disabilities and not just those people eligible under the FACS criteria. It reflects our commitment to reach people while they have “low level” needs in the hope of preventing or delaying the need for more costly, complex interventions further downstream.

- 8.2 The Overview Report for Adult Social Care Provider Services sets out the potential direction of travel over the coming months / years. Disability Day Opportunity Services will be one of the services considered for transfer to a LATC / SE or to work in a CIC. In the next few months further exploration will be required about the feasibility of implementing all of these potential models. This will require work to be undertaken to pull together the management information on all services to better understand the financial framework, whole time equivalent staffing structures, volumes and intensity of service provision across a range of services to be considered for transfer.
- 8.3 If all of the recommendations are progressed the efficiency saving to be realised in the short term from re-modelling disability day services will be **£10,072 pa.** **Appendix 1** provides visual information about the current structure and **Appendix 2** provides visual information about the re-modelled structure.

## 9. Conclusion.

- 9.1 Day services have moved from building-based provision to a more personalised response to peoples’ needs. The focus is on integrating people into ordinary community resources in line with social inclusion.
- 9.2 Personal budgets have resulted in people increasingly choosing to use their resource allocation to purchase services other than the LA day services. New providers have emerged in response to this development and there has been a steady decline in demand for the LA day services – but no associated reduction in the core costs of running this facility. Nevertheless a significant number of people with disabilities and their families continue to wish to see the LA day services remain available to them.
- 9.3 Amalgamating the MH and LD employment and support teams will tackle duplication and maximise efficiency and capacity. The remaining day services will operate from within the new CIL and the Trusted Assessor service will promote independence and support for all people with a disability. Over the next year work will continue to explore the feasibility of developing a LATC / SE / CIC with day services being one of the services included.
- 9.4 Business Transformation, the national economic downturn and pressure on public services together with the personalisation model of social care gives us the opportunity to do things differently, think outside the box and re-design the way we provide services to maximise choice, efficiency and value for money across all our services.







**SERVICE DELIVERY OPTION (SDO):**

**DIRECT CARE & SUPPORT SERVICE**

**1.0 Background/Context**

- 1.1 The Direct Care and Support Service (DCSS) was established two years ago in response to previous challenges experienced across adult social care to find more effective and efficient ways to deliver its public services.
- 1.2 The DCSS is an integral part of 'Multi-link' which operates from Hartfields Extra Care Village. 'Multi-link' is a key part of our integrated health and social care early intervention and intermediate care arrangements and provides nursing, therapy and personal care interventions to people at times of crisis or who are recuperating / recovering from illness or accident.
- 1.3 There are currently two distinct aspects to the DCSS. One aspect, the 'Direct Care' element, is concerned with the provision of home care / reablement and telecare services and as this aspect of the service provides personal care it is registered with the Care Quality Commission in accordance with statutory legislation.
- 1.4 The personal care provided is flexible and responds quickly to requests for assistance to ensure people are provided with personal care at times of crisis or following illness or accident. The purpose is, wherever possible, to assist people to remain in their own home. This service primarily, though not exclusively, provides short-term interventions often alongside nursing and therapy services for up to a maximum of six weeks using a reablement approach and in doing so promoting independence.
- 1.5 This element of the overarching service also continues to provide services to a small number of longer-term complex cases linked to operational care management processes, usually within the adult safeguarding arena. A recent significant and complex piece of work undertaken by this team was supporting the closure of a registered facility who were providing an inadequate service to people with a mental health need. DCSS provided trained staff who attended at short notice to assist the department to make people safe pending a move to alternative care arrangements.
- 1.6 Regarding the telecare provision, this service is delivered 24/7 in partnership with Housing Hartlepool. Housing Hartlepool provides the 'technological' support but the physical care response is undertaken by

DCSS. There are in the region of 480 vulnerable people supported to live in the community who use this very valued service.

- 1.7 The second aspect of the DCSS is the 'Support' element, formerly known as the Intensive Social Support Team (ISST). This aspect focuses upon non-building based or 'floating' support to people over the age of 18 and it is delivered across a range of service user groups, including older people, people with learning disabilities and people with physical disabilities.
- 1.8 This second element provides housing related support to people with vulnerabilities that render them in need of support services in order to increase or maintain their independence in their own accommodation and in a community setting. Staffing within this element of the service was increased a couple of years ago in response to changes in the Local Authority's eligibility criteria and in order to expand the provision of low level services, including introducing things like more luncheon clubs. Also to provide a broader level of support to people with a learning disability who wish to remain in a community setting rather than be placed in a residential care home.
- 1.9 This element is not registered by the Care Quality Commission and therefore does not provide personal care; the focus is exclusively upon enabling people to sustain a degree of independence.
- 1.10 A significant amount of the work undertaken by this element is commissioned via Supporting People and they monitor its' performance in accordance with the Supporting People Performance Assessment Framework. Work undertaken that is not Supporting People related is monitored via Departmental performance procedures.
- 1.11 As agreed with Supporting People, the primary aim of the support element is to provide housing related support that builds upon or develops an individual's own networks, reflects their needs, offers value and promotes self worth; all this is achieved by developing, co-ordinating and delivering a range of activities and services focused upon supporting vulnerable people to: -
  - ✦ Live independently in accommodation or maintain their capacity to do so
  - ✦ Remain in accommodation by avoiding inappropriate admission to residential care or hospital
  - ✦ Relocate to more appropriate accommodation
  - ✦ Sustain people in their community and alleviate crisis
  - ✦ Re-establish community presence following discharge from hospital or residential care
  - ✦ Promote independence and social inclusion of people with vulnerabilities to ensure they are enabled to have an informed choice and therefore able to make decisions affecting their lives

The agreed service objectives are as follows:

- ✦ Work with people to maximise functioning and independence, physical and emotional wellbeing, autonomy and social inclusion
- ✦ Establish or re-establish self-confidence so that living in accommodation is a practical and achievable option
- ✦ Work alongside a person, carers, and professionals to establish the most appropriate support arrangements to meet assessed needs and support people with vulnerabilities in accommodation in the longer term
- ✦ Work with people to help them make sense of the variety of services that may be involved or available, to support them to live independently in their chosen accommodation

## **2.0 Summary of National and Local Drivers**

### **2.1 Summary of Relevant National Drivers**

2.1.1 ***The Health White Paper ‘Our Health, Our Care, Our Say: a New Direction for Community Services’***. This sets out the key elements of reform for adult social care in England. It responds to demographic challenges presented by an ageing population and the increased expectations of those who depend on social care for their quality of life and capacity to have full and purposeful lives.

2.1.2 ***Putting People First: a shared vision and commitment to the transformation of adult social care***. This is a major programme establishing a commitment to the delivery of personalised adult social care services; including promoting access to self directed support and personal budgets.

2.1.3 ***Transforming social care LAC (DH) (2008)1***. This introduces a framework intended to transform the social care agenda by increasing the focus on prevention, promoting well-being and early intervention.

2.1.4 ***Valuing People Now – From Progress to Transformation***. This sets out the priorities for the provision of services to people with Learning Disabilities. It focuses upon personalisation, what people do during the day, better health, improving access to housing and making sure change happens.

2.1.5 ***Essential standards of quality and safety (March 2010)***. This guidance about compliance from the Care Quality Commission sets out what provider organisations must do to comply with the section 20 regulations of the Health and Social Care Act 2008.

2.1.6 **Community Care (Delayed Discharges etc) Act 2003.** This legislation was introduced to reduce delays in discharge or transfers of care from hospital.

## 2.2 Summary of Relevant Local Drivers

2.2.1 As one would expect, the national drivers identified herein significantly influence the work of the team however the following are some local challenges which are also relevant.

2.2.2 **Fair Access to Care Services (FACS).** Provides statutory guidance regarding the assessment of need and how this relates to the risk to an individual's independence. The risk thresholds are: critical, substantial, moderate and low. Local Authority's can set their own threshold and in Hartlepool we directly provide support and make services or Direct Payments available for those people at a substantial or critical risk. To meet the needs of those at less risk we provide advice, information or signposting.

With regard to this work and the link to the ISST, in response to the change we made in the FACS threshold in 2007 they were charged with the responsibility for establishing community networks such as luncheons clubs so local people could regularly meet to keep in touch and develop interests and hobbies. This development is really valued by those people attend these clubs and associations.

2.2.3 **Housing, Care & Support Strategy for People with Learning Disabilities 2009 – 2012.** This strategy has been developed in the context of policies that are relevant to developing and improving housing and support services for people with learning disabilities and their carers. It emphasises that housing is a key priority for action in relation to improving lives of people with learning disabilities.

The DCSS currently provide some direct support to people so they are able to live independently in the community with increased independence.

2.2.4 **Housing, Care & Support Strategy for Older People 2008 – 2012.** This strategy has been developed in the context of policies that are relevant to developing and improving housing and support services for older people. The ISST currently provide direct support to older people and their carers so they are able to live independently in the community with increased independence.

2.2.6 **Transition into Adult Life.** The Special Educational Needs Code of Practice (SEN) requires that all young people who are subject to a statement of special educational need be offered formal support through transition from Year 9 to, where appropriate, age 25. In response to this Code of Practice, Hartlepool has developed a multi-agency 'Transition Pathway'.

### **3.0 Current Situation**

3.1 Following previous work undertaken to make managerial efficiencies across the Council, as of April 1<sup>st</sup> 2010 there is now one Manager who has overall responsibility for both aspects of the Direct Care and Support Service.

#### **3.2 Direct Care Element**

3.2.1 As an integral part of work undertaken to redesign and improve provision as well as maximise efficiencies this element has as its core business been successfully strategically aligned to intermediate care arrangements and early intervention for many years. This is important because it enables the Council to work more effectively to meet our responsibilities to undertake an assessment of need and urgently provide services to respond to crisis situations. Also by strategically positioning the team alongside our health colleagues it helps the Council to respond to a number of the challenges outlined within the national and local drivers.

3.2.2 A recent analysis of this service indicated that at the end of the intervention 70% of people require no further support, 8% return to hospital or pass away, with the remaining people 22% being supported to access a personal budget via the Locality Care Management Teams. Presently people are not enabled to use their personal budget to purchase direct care from this service.

3.2.3 A key consideration in relation to the current performance of the DCSS, is by working so closely within intermediate care and early / crisis intervention, this supports the 'block' contractual arrangements for independent providers. This is because they 'take over' support in a more structured and planned way, giving them time to re-arrange their staffing whilst the DCSS 'hold' the situation in partnership with our NHS colleagues.

3.2.4 For a number of years now there has been a carefully managed reduction in staffing numbers at all levels within this service area, with the few new staff being recruited on casual contracts. This has reduced operational staffing capacity but the service has continued to be successful due to positive working within the integrated health and social care operational framework and the introduction of more flexible working practices for some, but not all staff, together with electronic scheduling for direct care staff.

3.2.5 The service operates 24 / 7, 365 days per annum and currently there are seven Supervisors who have responsibility for the direct professional support to 50 - 55 workers who provide over 1,000 'contracted' care hours per week. These Direct Care Workers have 'flexible', 'stable' and 'casual' status and most of these have 20 hour

contracts. However there is an opportunity for staff to work additional hours, depending on the volume and intensity of the cases.

3.2.6 In relation to the activity the intermediate care volume of referrals has increased by 5 – 10% year on year, with the majority but not all interventions being focused upon providing short term and intensive support to older people following hospital admission.

3.2.7 There is a real issue currently about ‘capacity planning’ within the operational system because of the reduced size of work-force in recent years and the increasing number of referrals due to the demographics relating to older people. This has successfully been managed to date by reducing the length of the intervention and transferring cases in a timely way to other Providers.

### 3.3 Support Element

3.3.1 This aspect of the overarching service has positive links with others and receives referrals from a range of internal and external service areas as well as ‘self referrals’ from people within the town. The current system in situ works well and ensures the support needed by the service-users is quickly arranged and planned.

3.3.2 This service operates currently with one supervisory role, six support workers for older people and people with a physical disability and four support workers for people with a learning disability.

3.3.3 The activity of the support element aspect is as follows: -

✚ Older People	73
✚ People of working age with a physical disability	5
✚ People of working age with a learning disability	33

3.4 Currently the contractual and funding arrangements in place for the overarching DCSS is as follows: -

- ✚ **EXPENDITURE** – Monthly Pay Base; Weekly Pay Base; Transport; Non-Pay is £1,773,714
- ✚ **INCOME** – From Supporting People contracts is £275,660

3.5 Service users receiving support are consulted with and encouraged to identify ‘what works well’ and ‘what needs to change/improve’. These consultations are undertaken using a range of methods appropriate to the needs of the individual; including a ‘satisfaction survey’ at the end of the support, documents from the review (minutes, notes) should indicate what has been successful and what needs to change to secure more meaningful involvement.

#### **4.0 Gap Analysis**

4.1 The current DCSS configuration only became operational in April 2010 following the departmental management re-structure of 2009 – 10 and therefore some systems and revised processes are still inevitably 'bedding in'. However it is already evident that there are some further opportunities and challenges emerging for this service area. These include: -

#### **4.2 Direct Care Element**

4.2.1 It is evident that there continues to be pressures across health and social care regarding out of hours working area. Telecare operates 24 / 7 as does the Out of Hours District Nursing Service provided by North Tees and Hartlepool NHS Foundation Trust. Currently both operate from the same base but are separate and distinct functions. There is considerable potential here for making improvements across health and social care by operationally aligning both services, if this could be achieved a more efficient use of resources is certain as many more vulnerable people could be supported without increasing expenditure. Furthermore it is likely that fewer people would require hospital admissions and out of hours GP contact which would help to reduce operational pressures.

4.2.2 The age profile of the service shows that in relation to those Direct Care Workers with 'stable contracts' 5 are + 60 years of age and the other 2 members of staff on these contracts are 58 years old. Regarding those staff on 'flexible contracts', 9 staff are + 60 years of age, with a further 13 of these staff being +55 years. This confirms that even allowing for the change in retirement rules enabling people to potentially work for longer, without further consideration being given to workforce planning, there is a grave concern about future arrangements as over 50% of the workforce are + 55 years.

4.2.3 The age profile of Supervisors confirms that 50% of these experienced staff are + 55 years.

4.2.4 Sometime ago this service area introduced a very successful Social Care Traineeship scheme, this offered people the opportunity to learn about working in care but it was linked to a career pathway. Once a 'trainee' successfully completed their induction they were guaranteed a 20 hour flexible contract of employment. We have several staff currently providing direct care who benefitted from this scheme and they are all highly trained and competent; plus we have had a number of staff who started here and moved into other work areas within the Department, including Occupational Therapy and two staff are currently undertaking social work degrees.

4.2.5 The reablement training previously undertaken was introduced some ten years ago, this needs re-visiting in the light of changes in practice.

4.2.6 Currently this service operates exclusively in Hartlepool however given the positive reputation and success of this service area and the fact that the staff often support people being discharged from North Tees Hospital there could be some potential of working with Stockton Borough Council in a similar capacity and perhaps 'share' supervisory and managerial resources.

4.2.7 Those staff currently employed in 'stable state' contracts of employment are from the 'old' Cleveland days. Unfortunately they are frequently unavailable to work additional hours or those 'unsocial' hours often required by people in a 24 / 7 service. This causes considerable challenges for Supervisors when allocating work and puts unnecessary pressure on those staff on 'flexible' contracts of employment.

#### **4.3 Support Element**

4.3.1 As was outlined in one of the SDO for 'Employment, Vocational Training, Volunteering and Floating Support', supporting people into vocational training, learning and employment is currently a key issue in adult social care and additional resources are required to address this issue. As suggested within that SDO staff from this team are ideally placed to 'fill' this gap.

4.3.2 There is currently a challenge for adult social care to introduce a broader range of housing options for people with a learning disability and / or mental health need.

4.3.3 Currently unlike those staff within the Direct Care element of the service, electronic rostering is not used. Expanding this arrangement into this element would maximise staffing resources.

#### **5.0 Future Direction of Travel (Year 1)**

5.1 The future direction of travel of the DCSS is set in the context of increasing financial pressures being experienced by the Local Authority and society in general; the national and local drivers outlined within this report; the continued drive towards promoting individual's choice and control via increased access to personalised services and improved housing opportunities.

5.2 Some form of operational alignment of the 'Direct Care' and 'Support Service' under one 'umbrella' service entitled DCSS, is undoubtedly the most efficient use of resources. This broader service must continue to work closely, though not exclusively, with our preventative and early intervention ('Multi-link') services as this strategic 'fit' with our health colleagues promotes health and well-being and maximises independence. This 'linkage' should be an integral part of the future direction of travel.



- 5.3 The future work of the DCSS also needs to promote access to self-determination and personalised care and support; including supporting those people with lower risks to independence in order to reduce their need or delay the timing for on-going direct support from the Council by continuing to develop individual's links with local community groups, such as luncheon clubs and housing providers.
- 5.4 Moreover 'Valuing People Now' and 'Valuing Employment Now' inform us that people with learning disabilities who currently access day services should be offered person centred planning to help them decide what they want to do as an alternative to attending a day service and these strategies also say that the priority has to be around helping people find paid employment particularly employment of sixteen hours or more. This area requires additional support and staff from this service area should have a role in addressing this challenge.
- 5.5 In relation to the work-force for 'Direct Care' in order to continue to be successful in this challenging 'climate' flexibility and responsiveness is required and therefore all staff providing direct care should be on the same contract of employment.
- 5.6 In order to have sufficient capacity in this area to manage demographic increases and respond to urgent / crisis situations it is necessary to have in the region of 1000 contracted hours of direct care staff supported by 1 x Manager and 7 Supervisors. Additional capacity being made available within the operating systems for staff, as and when required, to access 'overtime' to respond to crisis situations.
- 5.7 Regarding the 'Support Element' staffing, these should be divided with 6 staff focussing upon older people and people of working age with a physical disability. The 'Direct Care' Supervisors will support these and allocate work via electronic rostering. Four staff should transfer to a new service with their work being focused upon employment and vocational training for people with a learning disability and / or mental health need.

## **6.0 Options (Year 1)**

### **6.1 Option 1 – Maintain Current Service**

6.1.1 The DCSS in its present form was only established in April 2010. Systems, processes and procedures are beginning to 'bed' in as staff become more familiar with revised managerial and supervisory arrangements; including work allocation processes and recording. Maintaining the current service is therefore an option.

6.1.2 **Advantages:** Maintains short term stability giving staff time to adjust to new managerial and supervisory arrangements and work allocation processes.

6.1.3 **Disadvantages:** Fails to address challenges already identified or take advantage of potential opportunities for securing the future of the service by strengthening strategic and operational links. There is no financial saving without the changes identified herein.

6.2 **Option 2 – Re-model - One universal and flexible contractual arrangement for all Direct Care Staff, re-introduce Social Care Traineeships, re-fresh training around reablement, introduce electronic rostering for all, explore further the potential of alignment with Out of Hours District Nursing, divide the staffing in the support element and delete the Supervisor role.**

6.2.1 **Advantages:** The service re-model strengthens the strategic relevance as it helps to address the national and local drivers and challenges. The re-model will ensure that this service area remains a key element of adult health and social care going forward. The re-model will lead to more effective provision with a much better use of resources.

6.2.2 **Disadvantages:** Some Direct Care staff will be required to change their contractual situation. Some staff from the Support Element will be re-aligned and specifically be required to work with people with a learning disability and / or mental health need, additional training will be required.

## 7.0 **Options (Year 2)**

7.1 Business Transformation and the economic downturn have focused the Department on exploring all available options for the future delivery of services. In terms of the DCSS the options considered beyond year 1 are as follow:

- Outsource the service
- Staff develop and own a social enterprise
- Work with Local Area Co-ordination model
- Staff move to a LATC
- Do nothing

## 8.0 **Risks and Impact**

8.1 Outsourcing the service without the Council continuing to have some element of control would present a significant risk in the short term due to the nature of the business, the excellent strategic positioning and tried and trusted operational practice that has been effective for many years. A considerable amount of work would need to be undertaken with Providers to enable them to re-shape their structures to respond as quickly to crisis situations, which would inevitably increase their costs and consequently costs to the Council.

- 8.2 Inviting staff to form a social enterprise, at this point in time, would risk failure, currently staff are 'risk averse' and much prefer the perceived security of their present contractual situation. Thus far staff have not shown any interest whatsoever in developing a social enterprise and therefore at this time they would require further information and support about this potential option. This process has commenced via informal discussions with Sunderland Home Care Co-operative but much more work is required to change 'hearts and minds'.
- 8.3 Further work is required in the short term to better understand the potential of linking the work of staff in this area to local area co-ordination.
- 8.4 Further work is required in the short term to explore the benefits of a LATC, however provisional work indicates that this is an exciting opportunity as it enables the LA to continue to have some control over the situation, yet enables staff to develop new initiatives and 'trade' on the open market.
- 8.5 Continuing the current service delivery model will be problematical beyond the short term, given those key challenges outlined within the 'gap analysis'; including the age profile and contractual issues. If the service is to maintain its strategic relevance further work is required in both Year 1 and Year 2.

## **9.0 Recommendations**

- 9.1 It is strongly recommended that for Year 1 - Option 2 is accepted. This will require significant changes and negotiation but if achieved will place this service in the best possible position to maintain its strategic relevance. This will require a re-model of services with the key elements being as follows: -
- One universal and flexible contractual arrangement for all Direct Care Staff
  - Re-introduce of Social Care Traineeships
  - Refreshed training around reablement
  - Introduction of electronic rostering for all
  - Explore further the potential of alignment with Out of Hours District Nursing
  - Divide the staffing in the 'Support Element'
  - Delete 1 x Band 9 Supervisor role for 'Support Element'
- 9.2 Efficiencies achieved by implementing these recommendations are **£99,699**.
- 9.2 In Year 2 further research, analysis and debate is required about the broader direction of travel with a decision to be made by Council about the potential transfer to a LATC, SE or to work in a CIC.

## **10.0 Conclusion**

- 10.1 The strength of the DCSS is its strategic positioning and operational alignment within intermediate care and early / crisis interventions. For many years the DCSS has had an excellent track record of working in partnership with others to address significant challenges across health and social care. However given the anticipated future challenges in relation to demographics, personalisation and the requirement for on-going efficiencies further significant changes are necessary in order to ensure the DCSS remains of strategic relevance going forward.
- 10.2 It is anticipated that by making those identified changes in Year 1 this will make considerable improvements to the service and place it in a much better position to address the broader challenges of potentially developing a LATC, SE or CIC.



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## Diversity Impact Assessment (Predicted Assessments)

Lead Officer: John Lovatt	Published Date : 28 <sup>th</sup> Sept 2010
Who has undertaken the assessment: J. Lovatt, K. Millican, M. Lowther,	
Date forwarded to Departmental Diversity Rep: 1 <sup>st</sup> October 2010	

Is the subject to be assessed a: *(Please tick)*

Strategy       Policy       Service   
 System       Project       Other

**Name of the assessed and brief description:**  
**Direct Care and Support Service:** There are two aspects to the service. One aspect provides personal care in the form of home care and reablement and is registered with the Care Quality Commission. The second aspect provides support only and is registered with Supporting People.

What is being assessed is *(please tick)*

Existing       New

Is a copy of the new policy/strategy attached *(please tick)*

Yes       No

**If No, where can it be viewed?**  
 Please see Cabinet Report 11<sup>th</sup> October 2010 regarding SDO for Provider Services in Adult Social Care.

**Links into Community Strategy and Council Themes** *(please tick box(es))*

Jobs and the Economy       Environment   
 Lifelong Learning and Skills       Housing   
 Health and Care       Culture and Leisure   
 Community Safety       Strengthening Communities   
 Organisational Development

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**Stage 1 - Overview**

<b>1. Please give a brief description of the aims, objectives or purpose.</b> <i>(Note: Wherever possible please quote from the document)</i>	
The aim of the service is to:	
<ul style="list-style-type: none"> <li>▪ Provide personal care in accordance with National Minimum Standards</li> <li>▪ Help people live independently at home</li> <li>▪ Prevent inappropriate admission into residential care</li> <li>▪ Facilitate timely discharge from hospital</li> <li>▪ Work with people to promote independence, maximise functioning and physical / emotional well-being</li> </ul>	
The aim of the Impact Assessment is to assess the impact of re-modelling the service to:	
<ul style="list-style-type: none"> <li>▪ Introduce one universal and flexible contractual arrangement for all Direct Care Staff</li> <li>▪ Re-introduce Social Care Traineeships</li> <li>▪ Re-fresh training around reablement</li> <li>▪ Introduce electronic rostering for all</li> <li>▪ Explore further the potential of alignment with Out of Hours District Nursing</li> <li>▪ Divide the staff in the support element</li> <li>▪ Delete the supervisor role</li> </ul>	
<b>2. Who is responsible for implementation?</b>	
<ul style="list-style-type: none"> <li>• Registered Manager – M. Lowther</li> <li>• Responsible Individual – Kath Millican</li> <li>• Acting Assistant Director – Operations J. Lovatt</li> </ul>	
<b>3. Who are the main stakeholders? (please tick)</b>	
The General Public <input checked="" type="checkbox"/>	Public Sector Service Providers <input type="checkbox"/>
Employees <input checked="" type="checkbox"/>	The Community & Voluntary Sector <input type="checkbox"/>
Elected Members <input type="checkbox"/>	

**Stage 2 – Research and Findings**

<b>4. What evidence do we presently have and what does it tell us?</b> <i>(Include any numerical data, public consultation or involvement, anecdotal evidence and other organisations' experiences, outcome of any previous service related INRA, entry into the Risk register)</i>
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The Direct Care and Support Service (DCSS) was established two years ago. There are currently two distinct aspects to the DCSS. One aspect, the 'Direct Care' element is concerned with the provision of home care/reablement and telecare services. As this aspect of the service provides personal care it is registered with the Care Quality Commission in accordance with statutory legislation.

The purpose of the personal care provided is to assist people to, at times of crisis, remain in their own home. The service primarily, but not exclusively, provides short-term interventions often alongside nursing and therapy services for up to a maximum of six weeks using a reablement approach and in doing so promoting independence.

Referrals to the service has increased from between 5 - 10% year on year with the majority of interventions focused upon providing short term and intensive support to older people following hospital admission.

A recent analysis of this service indicated that at the end of the intervention 70% of people require no further support.

The service operates 24/7, 365 days per annum. There are 7 supervisors responsible for 50-55 workers who provide over 1,000 contracted care hours per week. Staffing numbers have been reduced over a number of years and any new staff recruited are done so on casual contracts.

Analysis of the direct care workforce has shown that over 50% of the workers (and supervisors) are over 55 years old. In addition, those staff who have been employed long term in the service have fixed contracts which has led to less flexibility in their approach to working hours which can cause problems for supervisors when allocating work.

Sometime ago this service area introduced a successful Social Care Traineeship scheme that offered people the opportunity to learn about working in care and was linked to a career pathway. Once a 'trainee' successfully completed their induction, they were guaranteed a 20 hour flexible contract of employment. As a result of this scheme staff went on to work in providing direct care as well as moving into other areas of the department such as occupational therapy. Two staff from the scheme are currently undertaking social work degrees.

The second aspect of the DCSS is the 'support' element. This aspect focuses upon non-building based or floating support to people over the age of 18 and is delivered across a range of service user groups, including older people, people with learning disabilities and people with physical disabilities.

This element provides housing related support to people with vulnerabilities that render them in need of support services in order to increase or maintain their independence in their own accommodation and in a community setting. Staffing within this element of service was increased in response to changes in the eligibility criteria for services to ensure the expansion of the provision of low level services, including introducing things like luncheon clubs. Also to provide a broader level of support to people with a learning disability who wish to remain in a community setting rather than be placed in a residential care home.

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This service operates with one supervisory role, six support workers for older people and people with a physical disability and four support workers for people with a learning disability. The majority of service users are older people.



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<b>5. Identify the gaps in the evidence that we presently have?</b>
<ul style="list-style-type: none"> <li>No identified gaps the change to the proposed change to the service is solely about efficiency linked to Business Transformation.</li> </ul>
<b>6. Record what needs to be done to gather further evidence to undertake the impact assessment?</b>
<ul style="list-style-type: none"> <li>All reasonable steps have been taken.</li> </ul>

**Please note:** You will need to have viewed your data or insufficient data before answering the following questions. If no data is available, you will need to make a record of this within your answers below and indicate how this data will be gathered in the future. *(Please refer to glossary for the terms- unmet needs, differential impact, positive impact, negative impact and adverse impact provided in the guidance)*

<b>7. Are there any unmet needs/requirements that can be identified from your research that impact specific equality groups? Which equality groups does it impact?</b>
No
<b>8. Are there any concerns that there could be a differential/positive/negative/ adverse impact on the grounds of gender? Gender refers to male, female and transgender. Please explain your answer.</b>
No. Whilst the majority of the direct care workforce are women so subject to potential contractual changes, any males in the workforce will be subject to the same changes and any future male employees would be employed on the same contractual basis.

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<b>9. Are there any concerns that there could be a differential/positive/negative/ adverse impact on the grounds of racial or ethnic origin? Please explain your answer.</b>
No
<b>10. Are there any concerns that there could be a differential/positive/negative/ adverse impact on the grounds of religion or belief? Please explain your answer.</b>
No
<b>11. Are there any concerns that there could be a differential/positive/negative/ adverse impact on the grounds of disability? Please explain your answer.</b>
No
<b>12. Are there any concerns that there could be a differential/positive/negative/ adverse impact on the grounds of age? Please explain your answer.</b>
No
<b>13. Are there any concerns that there could be a differential/positive/negative/ adverse impact on the grounds of sexual orientation? Please explain your answer.</b>
No
<b>14. Summary of adverse impacts (please tick)</b>
Gender <input type="checkbox"/> <span style="margin-left: 200px;">Disability <input type="checkbox"/></span>
Race/Ethnic Origin <input type="checkbox"/> <span style="margin-left: 150px;">Age <input type="checkbox"/></span>
Religion/Belief <input type="checkbox"/> <span style="margin-left: 100px;">Sexual Orientation <input type="checkbox"/></span>

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**Stage 3 – Consultation**

<b>15. Who have you consulted with?</b>
All staff in the service areas have been informally consulted to work up the various options to generate the efficiency.
<b>16. Summary of findings/recommendations from the consultation</b>
It is recommended that an efficiency of £99,699 is generated from recommendations outlined within the cabinet report. Staffing implications include: Some staff transferred to Learning Disability and Mental Health employment and Support services. One universal contract for all Direct Care Workers rather than a current two tier system. Refresh training for Direct Care Workers in reablement. Deleting 1 x Supervisor post

**Stage 4 – Adverse Impacts**

<b>17. Please give details of what the predicted adverse impact is expected and which groups or individuals it affects.</b>
No identified adverse impact on Service users.
<b>18. Record what immediate actions are taken prior to implementation to address the adverse impact?</b>


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Decision required from Cabinet.
<b>19. Can the adverse impact be justified for any reason? Please explain.</b> (Legislation, promoting equality of opportunity for one group (positive action) etc.)
No adverse impact on service users

**Stage 5 – Action Planning and Publishing**

<b>20. What actions are needed to be taken after the implementation</b>		
<b>Action</b>	<b>Responsible officer</b>	<b>Completion Date</b>
Decision required by Cabinet	Cabinet	11 <sup>th</sup> October 2010
Processes then will be agreed for further consultation with HR	Assistant Director	March 31 <sup>st</sup> 2010
<b>21. What are the main conclusions from the assessment?</b>		
Impact on staff in relation to increased workload is inevitable. Efficiency required is essential in current economic climate. Risks to service users can be managed within identified resource		

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<b>22. How is the impact assessment published/publicised?</b>	
The assessment is part of the report presented to the Corporate Management Team and Cabinet.	
<b>23. How is the impact further assessed after its implementation?</b>	
Care Quality Commission will undertake regular inspection of services.	
<b>Signed:</b>  <hr/> <b>Director/Head of the Service</b>	<b>Date:</b> <b>29 September 2010</b> <hr/>