

PART I

DRAFT REPORT TO CABINET

Title: **ADULT SOCIAL CARE – SERVICE PROVIDER REVIEW**

Date: 29 July 2010

Member Reporting: Councillor Dudley (Lead Member for Adult and Community Services)

Contact Officer: Chris Thomas, Head of Housing & Residential Development – 01628 796091
Keith Skerman, Head Of Adult Care - 01628 683701

Wards affected: All

1. SUMMARY

- 1.1. This report sets out the strategic options for the future procurement and provision of adult social care services. The key objectives of the approach set out are to prepare for the commissioning changes that will arise under the “Personal Budgets” with the transformation of social care, and to commission services that provide appropriate quality at the best price, and within anticipated resources in accordance with the Council’s medium term financial plan.
- 1.2. A report to cabinet in July 2009 identified the need to review in-house social care services as they were likely to be “uncompetitive” and unsustainable under the personalisation agenda, and an externalisation strategy was approved subject to a supporting business case in each instance. In November 2009, Cabinet agreed to a consultation and communication process on the externalisation of all in-house social care services. Following on from views gathered in the consultation process and from work on the various business cases, an alternative strategy has been developed. A business case with financial modelling and option appraisal for each service area was developed, and PA Consulting were commissioned to assist with this (see Appendix 1 Outline Business Case).
- 1.3. Three options were identified for full appraisal, the “status quo” option 1, an option 2 of immediate externalisation of all in-house social care, and a third option of a phased approach with partial externalisation, and a review in a years time. These 3 options are described in full in this report and are analysed in the business case. The third option best meets the key objectives of Value for Money, of feasibility, and for promoting personalised social care, and therefore is the recommended option.
- 1.4. Option 3, includes homecare contracts due for renewal by March 2011. This tender would be expanded to cover specialist personal care and extra care services, and

personal assistants to ensure a range of personalised care is available. This would also allow for the in-house homecare service to be replaced by services provided externally. The in-house “shared-lives” (adult placement) service would be separately externalised and expanded to meet the demand for local capacity to meet those with complex needs. The remaining in-house services, day and residential, would continue to be operated by the Council in order to further develop the range of personalised support during the implementation of personalisation process, and then be reviewed in 2011/12. The re-ablement service, which is jointly funded with the PCT, would remain in-house and be expanded as the market cannot currently deliver such a service. This service would form a key part of a new joint prevention strategy, with the PCT, to reduce demand for care and support services.

- 1.5. This report sets out how the proposal in Option 3 assists the Council in delivering value for money social care, and generates efficiencies starting this year as individual users are found alternative services through personalisation. The full year effect and its impact on the Adult Social Care financial profile is set out to show how this would support the Council’s medium term financial plan.
- 1.6. The report also details the outcome of the consultation process which has taken place between January and May 2010 with staff, Unions, service users, and carers as required over any proposed externalisation of social care services currently delivered directly by the Council. Concerns raised and ways of addressing them are set out at in Appendix 2. If agreed the externalisation will include the involvement of service users and carers in the development of service specifications, so that commissioned services meet identified needs and maintain the quality of services.

2. RECOMMENDATION: the strategy set out in this report is agreed, namely that:

- a) **tenders should be sought for the Shared Lives service, in 2010/11;**
- b) **homecare contracts terminating in March 2011 should be re-tendered along with other Council funded social care that fall within personalised care as set out in this report (namely extra care support, replacement services for in-house homecare, and personal assistants);**
- c) **the Council ceases to provide a direct homecare service by 31 March 2011**
- d) **there is a review of day and residential in-house adult social care services in 2011/12.**

What will be different for residents as a result of this decision?
Residents with personal budgets will have greater choice and control of social care support through the wider range of services, and providers available in the borough;
Adult social care support will be more sustainable, and a more cost effective use of the Council’s resources;

3. SUPPORTING INFORMATION

3.1. Background

3.1.1. National and Local Policy Framework

It is a Government requirement (under Putting People First guidance 2007) from April 2010 to offer all new service users self-directed support, assessments of need, and personal budgets, and to progressively offer these to all those with existing council funded support. It is important to have social care and other services that can adapt to the changing market, be cost effective, and meet the demand for support by residents, or others on their behalf, through self funding or personal budgets. Social care services must be fit for purpose in the future self-directed support environment. Disabled and other people increasingly do not want to use building based, and other high cost, services such as day centres, but would rather access support through community facilities. The vast majority of social care services in RBWM (over 80%) are already provided through the independent, private and voluntary sectors.

3.1.2 Access to Services

The DoH published in February 2010 new mandatory guidance on eligibility criteria 'Prioritising Need, a whole system approach to eligibility for social care' which requires local authorities to reconsider their strategy towards prevention, to minimise the need for high cost traditional or institutional services, and to implement self-directed support. RBWM has an excellent record in investing in prevention and the re-ablement service jointly with the PCT, and the fact that a lower than average number of people are placed in residential / nursing care by this Council is testimony to this. However the guidance acknowledges that imaginative and innovative commissioning to reflect changing demands is a long term strategy, which has led to this review and to the recommendation.

3.1.3 A project group was set up to consider the possible externalisation of services under the role of project manager, the Head of Housing & Residential Development, in September 2009. This is a major council project and reports to the Adult Social Care Transformation Board chaired by the Director of Adult & Community Services. It was agreed that external resources were required to do the work necessary to identify detailed information about each service area, and this work has been carried out by an external consultant with a social care background. Business case options about how to proceed were then commissioned from PA Consulting who helped produce the Outline Business Case in Appendix 1.

3.1.4 Summary of Existing In House Adult Social Care Services

SERVICE	Annual Revenue Spend £/m Direct Cost	Staff FTE
Homecare and Specialist Homecare; circa 60 users at any one time.	£1.7m	41
Re-ablement Community Support Service, jointly funded with E. Berkshire PCT; 800 referrals per year; Free service, available for up to 6 weeks.	£1.7m	48
Day Care for Older People - 2 centres, Gardner House M'head, 25 places; and Windsor Day centre, 20 places.	£0.5m	11.5
Day Care for People with a Learning Disability; 2 centres, Brunel Centre M'head, 110 people supported; and Oakbridge in Windsor, 40 people supported.	£1.3m	43
Residential Care for People with a Learning Disability. There are 2 x 8 bed homes in M'head supporting 40 families over the year, usage varies but averages 3 nights per month each.	£1.4m	32
Shared Lives for People with a Learning Disability; currently managed CTPLD staff. There are currently 6 ongoing and 6 respite placements.	£0.1m	1
Employment schemes; Ways into Work, ongoing support to 100 people; and Bridge That Gap, more intensive support to 12 people.	£0.3m	9

4. Consultation

- 4.1 As significant changes are proposed, previous reports to Cabinet covered the need to consult. A summary of the responses to this consultation is set out in Appendix 2.

The analysis takes account of equalities and disability discrimination legislation. A brief summary of feedback includes the following:

4.2 User & Carer Consultation

Generally most users and their carers would prefer the service to remain the same. None the less, there was a strong interest in involvement by users and carers in the development of any specifications of service, and letting of contracts, and a wish to see sustainable quality of supply with continuity of care as well cost effectiveness.

4.3 Consultation with Staff

As the proposed changes would have implications for provider staff, there have been a series of meetings with staff and the Trade Unions. Staff were concerned about impact on their jobs and quality of service for users. Assurances were given that if the business was transferred TUPE would apply (such as under Option2). Where potential redundancies might arise then redeployment would be sought, and as in Option 3 in-house homecare staff could be considered for the re-ablement or new dementia services. Quality would be part of the service specification and subject to quality assurance and monitoring by the commissioning unit.

4.4 Provider Market Testing

Providers expressed a strong preference to expand from their existing services (mainly homecare), recruit their own staff (i.e. not use staff under TUPE), and diversify without asset based services such as day centres.

The providers' views were sought as to what potential there was for options (such as the transfer of all in-house social care, or elements phased over time). Meeting the objectives of personalisation through diversification in the personal care support market was broadly supported, which supported the proposed tender for a wider range of personal care and support. There was reluctance to consider asset based or TUPE based procurement.

5 **Options appraisal:**

5.1 The work to consider how best to maximise efficiencies whilst improving choice, price, and control by users and their carers has now been completed by Officers in conjunction with the PA Consulting. Three business case options are outlined below and described in more detail in Appendix 1 in a full Outline Business Case.

5.2 **Option 1: Status quo:**

This option would rely upon the market taking its course as the Personal Budgets expanded user and carer choice for procurement of care and support from a wide range of suppliers. Under personalisation, providers will have to adopt retail models of delivery to meet personalised outcomes. Sound management of the transition to personal budgets over the next few years will be required in order to maximise cost effectiveness and deliver appropriate safe outcomes for vulnerable people. With this option there is a risk of in-house services and staff being increasingly expensive, and

“voids” in services, as the activity reduced with diversification of supply at lower cost.

5.3 **Option 2: Externalise all in-house social care services this year:**

Option 2 considers the externalisation of all in-house social care services (except for Re-ablement) through a tendering process in 2010/11. Current external Homecare and Extra Care contracts due for renewal would be included in this process..

This option would seek to attract inward investment to the Borough to transfer most in-house social care services “as is”, including the TUPE of Council staff, and improve a diversification of supply in care support as well as drive efficiencies through strategic partnership with one, or a small number, of providers.

Option 2 has the following potential benefits: attracting large regional or national providers to the area with the economies of scale, and expertise to both drive efficiencies and diversify the range of services to offer choice; reducing the transaction costs and monitoring that might be required for a larger range of providers; ensuring continuity of care through TUPE of existing council staff.

The potential risks of option 2 are: the RBWM is a small authority which cannot compare with other authorities undertaking similar exercises in this region in the next year such as Surrey County Council, and therefore may not attract large providers; providers will load the cost of TUPE risks onto the price making any efficiencies hard to achieve; diversification may occur in the market regardless due to self funders and the impact of personal budgets which is making providers cautious of accepting transfers of this kind.

There is a risk of the development of new or more flexible services to meet the personalisation agenda (including those at the Boyn Resource Centre opening in May 2011) would be restricted by the externalisation process.

Intermediate Care

There is a statutory requirement to provide intermediate care with the PCT. Currently there is a S75 partnership agreement to cover this in this authority. As health services are free at point of delivery these services cannot be subject to local authority charging, hence the argument in this report that this service should use of in-house home care staff in the absence of alternative suppliers of multi disciplinary services of this type. The PCT have already agreed to invest £40k more in 2010/11, additional to their current £500k per year contribution. Increasing this service will offset demand of growing numbers of older people and reduction in hospital acute beds, from the evidence of the last 2 years which show over 50% of the users avoid hospital or residential admissions, and need low or no support afterwards.

This option would exclude this re-ablement service from a tender. The reasons for this are:

Re-ablement services are jointly managed and jointly funded with the East Berkshire Primary Care Trust (PCT), with £560k investment by the PCT. The positive impact on hospital and residential admissions being diverted, as well as reduced number and

volume of support to people in their own homes is such that the PCT and RBWM officers recommend that this service is not outsourced. In addition a “LEAN” review undertaken in 2010 shows that costs can be significantly reduced through internal management changes and investment in new ICT systems.

5.4 Option 3: Phased part – externalisation, with a review in 12 months.

Option 3 considers the outsourcing of all Homecare and the Shared Lives Service in conjunction with the re-letting of existing homecare services in the independent sector during 2010/2011 with a view to awarding contracts from the end of March 2011. The remaining in-house social care services would continue to be run by the Council but would be reviewed in 12 months once the new market conditions for these services is evaluated in the light of personalisation of social care and support.

The aim of Option 3 is to obtain the maximum cost effectiveness from the development in the private and independent care sector of a wider range of diverse care and support services to meet the likely demand under Personal Budgets.

The volume of RBWM funded care in the independent sector homecare and related market in 2011/12 is in the region of £3million/year with an additional £0.5-1million derived from Personal Budget developments. The re-letting under Option 3 of homecare contracts to attract investment in a wider range of services such as specialist homecare (dementia care, complex needs support) and personal assistants offering flexible support under Personal Budgets would offer sustainable alternatives to in-house homecare and day services.

The differential in cost between the private and independent (P/I) homecare sector and in house is significant (approximately double) hence the recommendation to end this service after careful individual reviews and personalised care alternatives are found (see the Outline Business case in Appendix 1). The development of new specialist homecare services with the P/I sector has succeeded in other authorities that have taken this route, and achievement can therefore be predicted by April 2011. This will cater for those with complex needs, which the in-house service currently meets. The redeployment of staff to other services would be programmed carefully to ensure this is not posing risks to current users, pressures on the P/I sector, nor creating spare capacity with Council staff.

The Shared Lives scheme is a regulated (by the Care Quality Commission) service offering family placements for vulnerable and disabled adults. It is a small scheme capable of expansion and diversification if transferred to the independent sector where recruitment and management can be more effectively delivered than in the limited manner currently offered in-house. There are no TUPE considerations and the specialist market this operates in would require a dedicated tender process to secure an appropriate provider. The potential benefits include the avoidance of high cost placements for those with learning and other disabilities coming through Transitions from Children’s Services. In addition this service would provide increased opportunity for respite to carers and families of disabled and learning disabilities people, who are currently limited to offer of residential respite care. The proposed service would be both more personalised, with better outcomes at much reduced costs (average of £15k/year less per person).

The same exemption of re-ablement and respite services would apply under Option 3 as in Option 2 above. The expansion of joint re-ablement services with PCT investment is likely to require internal redeployment of in-house homecare staff in 2010/11 and become ongoing reducing capacity to meet that homecare demand through in-house services in any event.

Potential risks with Option 3

Under personalisation residents will have the choice whether to use their budget to "buy" in-house services or to use their budget to meet their outcomes in alternative ways such as by joining a group of people in similar circumstances and arranging activities or outings. In-house services will operate on a trading basis as funding goes first to a personal budget, which is then used to purchase services including in-house provided services. Due to the high unit cost of in-house services, there may well be an increasing number of residents who opt not to buy into them. In these circumstances vacancy rates would increase and there would be trading losses as a result.

This scenario would apply to the day centres for the elderly and for people with a Learning disability, and to residential respite care for people with a Learning disability. This would not apply to the Council's two residential homes as residential care is not within the scope of personal budgets, nor would it apply to the Re-ablement service and this is intermediate care and therefore must be free of charge.

The mitigation of this risk would require careful management, and will lie in the timing of the proposed changes. Firstly, in the early stages of the roll-out of personal budgets, there will not be many alternatives to the existing council run services, as the market is immature. Brokerage functions capable of aggregating budgets for like minded people and arranging services for them, will be in their infancy and unlikely to significantly distort the current pattern of service demand. In addition it will be very difficult to convince a resident already in receipt of in-house services to change.

However as the market matures, new service users arrive, and alternative options are evidenced to succeed, then the position could change rapidly. Therefore it will be important to monitor developments closely and review the position of in-house services as soon the impact of personalisation becomes clearer. It is currently anticipated that a review will be appropriate towards the latter part of 2011/12.

Other mitigation options would be considered, such as re-skilling some of the day care workforce to provide those services likely to be required under personalisation.

In summary a budgetary impact of vacancies under personalisation is inevitable, therefore it will be important to plan for this, recognise it early, and to have strategies ready for dealing with this.

The new Boyn Grove Resource Centre is scheduled to open in May 2011, and will offer a new dementia service as well as new styles of learning disability services to replace the Brunel Day Service. Additional specialist staff redeployed from the in-house homecare service would offer a better opportunity for the skills and experience required especially in dementia services.

Independent Provider consultation demonstrated the reluctance of the sector to take TUPE or asset based day services, and Option 3 delays the testing of this until the market has developed specialist services further.

The business case analysis goes into more detail about the options, but Option 3 is the recommended option as efficiencies and savings can be achieved fairly quickly during 2011 and 2012 with maximum redeployment and minimum redundancy being required or funded. Current estimates are that at least two thirds of the current workforce of 54 people might be redeployed to either the rehabilitation service or the new dementia service.

Option 3 would lead to the remaining in-house day and related services to be operated by the Council making the ongoing changes to meet personalisation objectives. This would continue until 2011/12, when market conditions would better understood after the impact of personal budgets on the demand and cost effectiveness of these day and other services is evaluated in review to find options for either externalisation or other cost effective solutions that apply at that point.

6 Implications

6.1 LEGAL COMMENTS

6.1.1 Procurement

Although the Services are “Part B services” as defined in The Public Contracts Regulations 2006 and as such are not subject to the full rigor of the regulations, there remains an obligation to ensure that the EU principles are adhered to, namely non-discrimination, equal treatment and transparency.

It should be noted that any required extension or variation of contracts with current external care providers (In accordance with Contract Rule G16) may give rise to the obligation to follow a competitive process (failure of which may result in a breach of the public contracts regulations). The fact that the services are Part B and that any extension/variation will be for a limited period may mitigate any risks however specific legal advice will be sought where variation or extension of current contracts is required.

Employment

The Council’s statutory responsibility to assess individual needs, the Council’s power to provide or arrange services that meet those needs, and to provide home care services stems from the National Assistance Act 1948 and subsequent legislation. Should the Council decide to transfer the provision of this service under option 2 to external providers this will be a relevant transfer within the terms of the Transfer of Undertakings (Protection of Employment) Regulations 2006. These succeeded the 1981 regulations. Compliance with the law means that the Council is required to comply with all the consultation, information and other provisions within those regulations or the employees may have a right to make an application to an Employment Tribunal and awards against the Council may be made, and the transferees could also take action against the Council. Should the Council wish to ensure that the staff currently undertaking these roles are not transferred out, case law shows that it must comply with the TUPE requirements until it is clear that there will be no transfer of staff or risk challenge in the Employment Tribunal. There may be some members of staff who wish to transfer with their roles.

TUPE potentially applies under Option 3, and therefore staff and Trade Unions would need to be consulted on that basis as well as on redeployment and other appropriate measures that mitigate risks of redundancy or challenge under Employment law which the person centred approach would entail.

The Council is considering option 3 of redeploying staff members into existing roles when their work ceases. If it takes that action then it needs to bear in mind that these staff will have become redundant within the definition of the Employment Rights Act 1996, and will need to comply with the procedures set out in the Trade Union and Labour Reform Consolidation Act 1992, and any redundancy procedure it has which has been incorporated into its employees contracts. The Council will need to serve the correct notices under s.188, and comply with the consultation requirements or risk applications being made to the Employment Tribunal. It will need to satisfy itself that the posts considered constitute suitable alternative employment when viewed objectively and note that once that is achieved, that for the employee who is being redeployed the test of suitability is objective. There remains the risk that some staff will be eligible for redundancy payments either because there are insufficient roles or because the role offered is not a suitable alternative.

6.1.2 TUPE

The Council's Head of Human Resources has considered the attached report and advised on implications of TUPE (Transfer of Undertakings - Protection of Employment Regulations 2006) and Circular 03/2003. These comments have been incorporated within the reports previously considered by Cabinet. If a Service is to be outsourced to make the necessary savings, which secures best value for RBWM and its Service User and Carers, then consultation of staff will be required. Section 13 of the TUPE regulations requires RBWM as the transferor to consult and inform the following: employees who will transfer, those employees who will not transfer but will be affected by the transfer and the union representatives of the staff involved. There is no time restriction when consultation should take place but staff should be consulted and informed within "good time". Failure to comply means RBWM may pay compensation up to a maximum of 13 weeks pay per affected employee. The redeployment options outlined in Option 3 that would be formally consulted upon alongside any other considerations, would mitigate this risk as it has done in many other local authorities in similar exercises.

6.1.3. Redundancy

If the RBWM Option 3 process results in making employees redundant, legislation states an employer wishing to make persons redundant must begin the consultation process in "good time" and legislation imposes specific consultative notice periods depending on the numbers who will be made redundant. Failure to comply with the legislation could result in the Redundancies being considered unfair. If the recommendations are accepted then formal consultations would be carried out promptly, and preliminary indications of this have made to staff and Trade Unions for that event.

6.1.4 Best Value

A best value authority must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of

economy, efficiency and effectiveness for these purposes there is a general duty on Councils to consult stakeholders, which include representatives of persons who use or are likely to use services provided by the authority (Local Government Act 1999). Legal understands that a communication strategy will be carried out with Service Users to gauge their view as to the provision of services and those views will be taken into account in considering which outsourcing model is finally adopted. Any consultation process will have to take into account the requirements under the Discrimination Acts and in particular RBWM duties under the Race Relations Act.

6.2 FINANCIAL IMPLICATIONS

6.2.1 The following analysis is supported by the business case set out in full in the appendix to this report.

Option 1

6.2.2 Under the Council's medium term financial plan the Directorate is required to make significant savings over the next 4 years. The Directorate is already committed to budget savings of £2.25m in the current year. Should the current in-house service provision remain unchanged at a time when residents are given personal budgets and thereby are able to choose their services, there will be a significant risk that residents will progressively reduce their purchases of in-house services due to the high unit cost of these services. This would give rise to high vacancy levels and therefore an inefficient use of resources. Alternatively the Council could choose to subsidise these services, however a subsidy will again result in inefficiencies. Therefore "doing nothing" in current circumstances will not meet the Directorates financial targets, indeed budgets pressures would be forecast to increase.

Option 2

6.2.3 The option of externalising all or most in house services at this time is unlikely to result in significant savings as most of the cost of these services is staffing and under TUPE it is difficult to reduce these costs. Indeed given the high unit cost issue noted in the previous paragraph, any contractor taking over these services would face the same difficulties in respect of high cost services that the Council wishes to avoid.

Option 3

6.2.4 The proposed option is anticipated to result in an improved range and flexibility of services at appropriate quality that will meet residents' outcomes within their personal budget envelope. The personal budget allocation will not have to be increased to meet the higher unit cost of in-house homecare services, and nor will these services have to be subsidised. Savings from the replacement of in-house homecare by a range of domiciliary services provided externally are estimated to reach in the region of £0.9m in a full year.

6.2.5 The externalisation and expansion of the shared lived service (adult fostering) should result in lower placements for people with a learning disability, and in improved outcomes. Savings from this are very difficult to estimate, however an annual sum of over £150k is anticipated, (see attached business case).

- 6.2.6 The position in respect of day care and residential care is even more difficult to estimate, however no savings can be anticipated for 2011/12 as a review of these services is not proposed till the next financial year. Over the next 12 months the delivery of outcomes under Personalisation is likely to require a different pattern of provision of services. This is expected to allow for additional saving from these in-house services and £120k has been estimated at this stage in both 2012/13 & 2013/14.
- 6.2.7 Gross annual savings rising to £1.3m are expected as set out in detail in the OBC attached. In 2011/12 the saving are expected to be £1.0m. However there may well be one-off redundancy costs resulting from this strategy estimated at £70k. Whereas this strategy is not expected to fulfil all the Directorate's requirements in respect of the financial targets in the Council's medium term plan it is expected to make a significant contribution towards these targets, and be the most cost effective option available to the Directorate.
- 6.2.8 The contract value with PA consulting is a maximum of £54,650, and the contract value for service specifications is a maximum of £20,000.

6.2.9 Summary of Option 3 implications:

<u>OPTION 3 FINANCIAL SUMMARY</u>	£'000	£'000	
	2011-12	Annual ongoing cost (+) or saving (-)	Notes
<u>Shared Lives - Adult placement</u>			
Additional Administration	20	60	Current cost £30k
Savings from reduction in residential placements	-75	-225	£15k saving on 5 placements per year, rising to 15 permanent placements in 3 years.
<u>In-house homecare</u>			
Replacement by standard service at £15/hour	-275	-550	20,000 hours at £27.50 less
Replacement by specialist service at £22/hour	-615	-410	20,000 hours at £20.50 less
<u>Day and Residential care</u>		-240	target saving equal to 10% of current cost of services
Total ongoing revenue saving	-945	-1365	

Other financial considerations

Expected one off cost of redundancy	70	Charge against reserves
Estimated cost of external support	100	Legal, HR, & Procurement support, - however it may be possible to reduce this cost using in-house resources

6.3 Equality Impact Assessment:

6.3.1 A full Equality Impact assessment would be necessary if the Option 3 recommended is approved. An interim assessment is as follows:

6.3.2 The current position for people receiving homecare services is that self funders and the majority of council funded users receive private homecare, with less than 20% receiving a service from the in-house service. Choice, Self Directed Support and person centred care will all be enhanced by an open market in homecare and related services as proposed in Option 3. Contract specifications and monitoring and advocacy support ensures that providers supply an equitable access to all care and support in users' own homes under this proposal. Each person would have their needs reviewed and alternative care and support agreed with them and their carers/advocates prior to any changes, with appropriate "handover" by the in-house homecare service.

6.3.3 Day and other social care services (residential and respite) would need to be replaced on a needs basis through self directed support reviews and reassessments if they were either withdrawn, externalised, or reviewed, to ensure appropriate and equal treatment of users and carers. This is not yet available, and therefore the phasing of externalisation of these services would secure a more managed transition, which meets the views of users and carers through consultation to date.

6.3.4 The diversity of people receiving social care and support poses challenges given the population profile of RBWM The personalisation of assessment and delivery of care and support set out in the recommendations will present improved opportunities to meet cultural and diversity needs and choices.

7. OPTIONS AVAILABLE

7.1 Summary of Options considered:

	Option	Comments	Financial Implications
1.	Option 1 Status quo	With personal budgets residents, the demand for in-house services is likely to fall due to their high unit cost. This would result in their becoming increasingly uneconomic and therefore	A reduction in demand for in-house services would result in either a planned subsidy or a loss would result from vacant places. This could be considered an

	Option	Comments	Financial Implications
	Not recommended	unsustainable in the longer term.	inefficient use of resources.
2.	Option 2. Externalise most in-house services in 2010/11 Not recommended	The likely lack of engagement from Providers in relation to Day Services, and the TUPE implications with related costs make this option unlikely to meet the objectives.	Significant savings would not be delivered due to the impact of TUPE. See the risks outlined in the Legal comments.
3.	Option 3. Phased externalisation Recommended.	Providers have expressed an interest in the contracts arising from this option. Efficiencies and savings can be achieved in the short and longer term. The review in 12 months of other in house social care services once the market has developed is more likely to succeed in meeting all key objectives.	Savings will be delivered that go further to meeting the financial objectives than either of the previous two options. The TUPE costs & risks are minimised.

8 CONSULTATIONS CARRIED OUT

- 8.1 A strategy, as any employees of RBWM who are assigned to the provision of any service which is subsequently transferred under the resultant framework agreement, will transfer under the TUPE Regulations 2006.
- 8.2 Consultations were carried out with a wide range of stakeholders, including users, carers, and staff in all the day centres and related services, the homecare users were asked in a survey for their views, and providers. A summary of the feedback is in Appendix 2

9 COMMENTS FROM THE OVERVIEW AND SCRUTINY PANEL

- 9.1 To follow

Financial	Legal	Human Rights Act	Planning	Sustainable Development	Diversity Equality &
Yes	Yes	Yes	N/A	N/A	Yes

Background Papers:

Cabinet Report on In-house social care provision – 23rd July and 26th November 2009

DoH Use of Resources in Adult Social Care (2009)

DoH Prioritising need in the context of Putting People First
A whole system approach to eligibility for social care (2010)

