

* Name of proposal/policy	Review of Olympus Care Services	* Budget number	16-001-18
* Service area responsible	Adults	* Cabinet meeting date	14 th February 2017
* Name of completing officer	Anna Earnshaw	* Approved by Director / Assistant Director	Anna Earnshaw
* Version	1	* Date	6 TH February 2017

PART A

* Section 1a: Description of proposal under consideration/development	* Section 1b: Is this new or existing? Does it link to current provision?
<p>Olympus Care Services (OCS) took responsibility for NCC Direct Services in 2012. The services provided by OCS are mainly determined by the block contracts with NCC. These were put in place, initially for a time limited period, with an option to extend, to allow OCS to establish itself as a viable trading entity.</p> <p>Over time OCS, has driven some innovation and service improvements across its business model and has become known as a trusted and respected brand. However while OCS has returned dividends to the Council, there is consistent evidence and data that suggests that OCS costs are high when compared to the wider market rates that the Council obtains.</p>	<p>At this stage we cannot confirm what the final changes to the existing services will be as this is subject to an ongoing review. It is likely that we will look to retain and grow the services that support the key strategies of the service and the wider Sustainable Transformation Plan (STP) around prevention and re-ablement activities.</p> <p>It is important that the services we provide in future also cater for areas where we have poor market provision or where we can evidence that costs in the wider market are high or rising creating a case for cost effective alternative internal provision to help balance the market.</p>

During 2016/17 the Council tried to reduce this cost through variations to the OCS Block contract. These have yielded savings but have not been done as part a comprehensive review of OCS' competitiveness compared to other providers or costs per service users compared to other contracts and benchmarks from other authorities.

The cost of OCS services (particularly residential placements) also rises when the services not fully utilised, as the contract assumes full occupancy, and under-utilisation in effect puts up the unit cost of beds or care per service user.

The service costs are also exacerbated due to the inherited costs of staff who TUPE'd on the Terms and conditions of NCC, which when accommodated within the price, drives service costs up in comparison to other providers.

An external review conducted in January 2016 concluded that while Olympus Care Services was fit for purpose as a trading entity, and capable of delivering social care services, there was also the need to continue work for the rationalisation of inappropriate services and instead it should maintain its focus on prevention and re-ablement activities. Services that require review include

- Day services
- Residential care services
- Social and leisure services for working age adults with a learning disability
- Domiciliary care services

Other services need to be reviewed and potentially refined to ensure that we get real strategic value from them. These include transition and Complex care.

In terms of income generating activity we need to explore how this is best staffed and funded and take the opportunity to review pricing strategy and sales and, marketing activity in the short, medium and longer term.

<p>We also need to take the opportunity to rationalise further the staffing of the service given that in 2017/18 it will sit within NASS and share a common infrastructure, support services, accommodation and systems.</p> <p>We may also want to stop all sales activity for traded services in the short term and consolidate the existing provision. This may mean using all available space for the provision of NCC funded placements (while we have a capacity shortage) and no growth in the self-funded places until we have completed the transformation programme.</p>	
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*** Section 2: How does this align with the Council Plan/ corporate priorities/ partnership strategies and plans/ Next Generation Council?**

Delivers increased wellbeing and/or safeguarding by ensuring that...	✓
People of all ages are safe, protected from harm and able to live happy, healthy and independent lives in our communities	✓
People have the information and support they need to make healthy choices and achieve wellbeing	✓
People achieve economic prosperity, in a healthy, low carbon economy which gives access to jobs, training and skills development	
Communities thrive in a pleasant and resilient environment, with robust transport and communications infrastructure	
Resources are utilised effectively and efficiently, in coordination with partners and providers	✓
Does it align with any NCC/ partnership strategies and plans? (if so, please list below)	
Next Generation Council; Better Care Fund Plan; Sustainability & Transformation Plan	
Does it support the transformation into a Next Generation Council? (if so, please explain below)	
Yes. Service delivery models will be changed and aligned to the TOM (target operating model) for NASS (Northamptonshire Adult Social Services) as part of the overall organisational transformation to implement the federated operating model of the Next Generation Council. The development of this project will put a sustainable structure in place to best deliver the emerging model within the constraints of the available resources, while giving appropriate consideration to anticipated caseloads. In the new model there will be no duplication of roles	

where the function or skills can be provided through existing NCC group capabilities. The new processes within NASS will also ensure more rigorous controls in terms of finance, debt and income.

*** Section 3: If this relates to a statutory duty, please give details of the relevant legislation below:**

Assessment of eligibility and associated service provision is statutory. The principal duties are embedded in the Care Act 2014 and the Mental Capacity Act 2006. Any new structure must be capable of meeting the authority's statutory duties and maintaining safe and sustainable services.

Section 4: Have other alternatives been considered?

Options for the provision of the OCS service:

- No change –retain all OCS services in NASS – this is not believed to be viable as not all services are competitive or now represent value for money as outlined above
- Services from the wider Market – This is the likely option for a number of services where there is adequate provision in the market at cost effective prices and volumes, this will include the voluntary sector

*** Section 5: Financial / resource implications**

a) Costs (e.g. invest to save)

POTENTIAL INVESTMENT ITEMS

- Transitional staffing resource
- Redundancy costs
- Communications
- Project and programme management
- Additional services – LGSS

b) Staffing implications

It is likely that current staffing numbers will be impacted and reduced overall. The final number will be confirmed following some further reviews in December. Wherever possible this will be achieved through routes which do not require compulsory redundancy.

c) Savings

Proposed savings:- £2,000,000 in 2017-18

Section 6: Has a similar initiative/proposal been implemented elsewhere? What were the benefits or risks? Are there lessons that can be learned?

A number of authorities have set up similar companies and faced similar challenges in terms of operating costs and competitiveness. Lessons from these suggest that we cannot continue to salami slice costs from the service and need a more fundamental review of whether we should continue to be a provider of services or where it makes more sense to buy those services in.

THIS SECTION HAS REPLACED THE EQUALITY IMPACT ASSESSMENT FORM AND MUST BE COMPLETED TO DEMONSTRATE COMPLIANCE WITH THE EQUALITY DUTY

*** Section 7: Who will be affected by this proposal? (this may be service user data, or be based on a particular geographical area or more general population data depending on the proposal)**
Include demographic information where this is available e.g. breakdown by gender, age, ethnicity, disability etc. BIPI can support with the provision of data.
You may include staff, partner organisations and any other stakeholders who might be affected by the proposal.

Data Source (include link where published) and summary of what it tells us for example “X number of people use this service, X are male, Y are female etc.”	Why is this relevant to the proposal?
NCC placed clients in OCS services (BIPI)	Daycare <ul style="list-style-type: none"> • Clients with dementia = 83 • Clients with a physical disability = 91 Community opportunities for clients with learning disabilities = 327 Homecare for clients with dementia <ul style="list-style-type: none"> • Standard = 23 • Enhanced = 25 • Intensive = 14 Homecare for clients with physical disabilities = 21 Residential care homes

- Boniface House = 22 (44 places block purchased)
- Evelyn Wright House = 25 (28 places block purchased)
- Obelisk House = 30 (44 places block purchased)
- Ridgway = 30 (34 places block purchased)
- Southfields = 42 (46 places block purchased)

This data does not include clients who have a direct arrangement with OCS because they are self-funders. All OCS service user data will be used to inform the review of services.

*** Section 8: Based on the above information, will this proposal have an impact on the following? ✓ the relevant box for each line and then expand on the reasons why in Section 9**

	Positive	Negative	Neutral	Unsure
Age				✓
Disability				✓
Gender reassignment			✓	
Marriage and civil partnership			✓	
Pregnancy and Maternity			✓	
Race			✓	
Religion or Belief (or No Belief)			✓	
Sex			✓	
Sexual orientation			✓	

*** Section 9: Initial impact**

*** Section 9a: From your analysis in section 8 above, please explain the positive implications**

N/A

*** Section 9b: From your analysis above, please explain why you have categorised any implications as neutral**

We have no reason to believe that the review of OCS will have anything other than a neutral impact on the groups with the protected characteristics indicated above.	
* Section 9b: From your analysis above, please explain the negative implications	* Section 9c: What actions have you identified to mitigate any negative implications?
N/A	N/A
* Section 9d: From your analysis above, please explain the areas where you are unsure of the impact	* Section 9e: What actions have you identified to fill gaps in information?
The services that are potentially seen as uneconomic include Care Home services, Day care and Domiciliary care. These services are provided to service users who are elderly, have physical disabilities and/or learning disabilities. Therefore any changes to these service elements will impact these customers.	Changes to services will need to be planned and consulted on but the Council will be seeking to ensure that the overall provision of services across the county remains suitable, adequate and of the required standards whether it is provided for by the council direct or by the market. All existing providers of services are vetted and monitored to ensure this.

* Section 10: Internal considerations: are there any implications for the following?		
	✓ or X	If there are any implications, please explain them here and identify any actions you may need to take as a result
<u>Staff</u>	✓	There is a risk that a restructure of this scale can impact upon staff morale and performance. It is planned to mitigate this by means of a robust consultation and engagement programme which will emphasise the operational benefits and individual opportunities which the new structure presents. The domiciliary care market and staffing is particularly vulnerable in terms of attracting and retaining staff and these proposals may lead to a loss of staff very quickly.
<u>Financial (NCC)</u>	✓	The staffing reductions may result in significant redundancy payments being due. The loss of sales and marketing staff will slow down any income generation and may lead to a short term reduction in self funder income.
<u>Legal</u>	✓	There could be challenges if the services provided are ended and service users and families have to be placed with different providers or in different locations.

NCC Policy	X	
Performance	✓	There is a risk that a restructure of this scale can impact upon performance. It is planned to mitigate this by means of appropriate transitional arrangements and regular monitoring by SMT during and after transition.
Data quality / information security	✓	There is a risk that a restructure of this scale can impact upon the quality of data provided by teams. It is planned to mitigate this by means of appropriate transitional arrangements and regular monitoring by SMT during and after transition.
IT	✓	As part of the creation of NASS IT will need to be consolidated and rationalised and less staff assets will be needed
Strategic assets	✓	As part of the review we will need to look at the ability to consolidate, rationalise or divest ourselves of the property assets
LGSS / federated bodies	✓	The implementation of a new structure will require input from LGSS HR in order to ensure that the proposed structure is compliant with corporate standards, has robust job descriptions, has an appropriate job evaluation undertaken on all new roles, and ensure that the new structure is input correctly to the ERP system for salaries.
Procurement	✓	We may require support for the placement of service users with market providers.
Project support	✓	Project resource may be needed to support planned changes.
Other (if appropriate)	X	

*** Section 11: External considerations: are there any implications for the following?**

	✓ or X	If there are any implications, please explain them here and identify any actions you may need to take as a result
Community impact	✓	Care will need to be taken in delivery in order to ensure that all sectors of the community are able to access appropriate services during and after the transition to the new structure.

<u>Impact on the consumer (e.g. communication needs, access, rurality, complaints)</u>	✓	As noted, changes to service delivery need to be well understood and clearly communicated to customers in order to ensure that they are not perceived badly and result in appeals/complaints.
<u>Reputation</u>	✓	Changes in service delivery will require clear understanding and effective communication to avoid the perception that staffing changes are equated with service cuts in the minds of customers and the wider public.
<u>Political</u>	✓	See the comment on “Reputation”. The changes in delivery will need to be clearly understood and widely advocated.
<u>Partners</u>	✓	The staff structure changes proposed have the potential to impact upon Health, providers in the Community and Voluntary Sectors, and upon partners in the other NCC federated companies, i.e. Children’s (at point of customer transition) and First for Wellbeing (changes in emphasis and evaluation related to prevention) so early involvement, common understanding and positive communication will be needed as the projects develop.
<u>Human Rights</u>	X	No impact is foreseen
<u>Health impact – individual</u>	✓	The planned transformations in Learning Disability and Mental Health are expected to have a positive impact on the outcomes for these customer cohorts
<u>Health impact – wider community</u>	✓	The planned use of the brokerage is expected to have a positive impact on the use of community groups and other preventative services.
<u>Economic impact - individual</u>	X	No impact is foreseen
<u>Economic impact – wider community</u>	X	No impact is foreseen
<u>Community Safety impact</u>	X	No impact is foreseen
<u>Environmental impact</u>	X	No impact is foreseen
<u>Consultation</u>	✓	See comments in other sections regarding the requirements for consultation and communication.
<u>Other (if appropriate)</u>	X	No other impact is foreseen

Based on the impacts and considerations above, please identify the RAG status

RAG Status	Overall RAG	Time	Proposal Delivery	Cash Saving	Risk	Issue	Dependency
	Amber	Green	Amber	Amber	Green	Green	Green

* Section 12a: What are the risks associated with NOT implementing the proposal? (tick if applicable)	✓	* Section 12b: What actions have you identified to mitigate the risks? Will anything in the current arrangements need to be changed to acknowledge this risk? Is implementing the proposal the only way to mitigate the risks?
Non-compliance with legislation or NCC policy	✓	The current staffing structure is not sustainable going forward in order to meet the needs of service users seeking a provider of last resort
Financial	✓	If the structure and services are not changed, costs will exceed the allocated budget, which will impact upon service provision.
Change in performance/ data quality/ information security		N/A
Reputational/ Political	✓	Any decision to downsize the work of OCS may be seen as contrary to the positive messages about its growth and income generation over the years. The Council has previously stated that it would not make further closures of care homes or day centres and any alternative provision or divestment may be seen as a contradiction to this commitment.
Increase in complaints and/ or legal challenge	✓	There is a risk of legal challenge if customers feel that adequate choice is not available.
Other		No other issues identified

*** Section 13: Budget Delivery Programme Highlight Report information – total amount allocated to savings proposal 2017-18 through to 2020-2021; profiled budget; 2017-18 action plan extended savings narrative; cost code information**

Total amount allocated to savings proposal 2017-18	
2017-18 (£000)	2,000

Impact of saving within the budget profile			
Q1	Q2	Q3	Q4
200	600	600	600

	Milestone	Owner	By when
1	Initial draft structure developed	ALL	
2	Consultation on draft structure	MILESTONES	
3	Final structure published	OWNED	
4	Notification to affected staff	BY	
5	Interim and supporting arrangements developed	ADULT SOCIAL CARE	
6	New structure implemented	SMT MEMBERS	

Cost code	TBC
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*** Section 14: Do you need to undertake further work (e.g. consultation, further proposal development, and further equality analysis) based on the impact and actions identified above? If yes, set this out below and then carry out the work and complete Part B:**

This proposal will form part of the overall budget consultation process. Any feedback received (as well as any further intelligence gathered in the course of developing the project) will inform a final analysis of the impact of the proposal which will be considered by Cabinet and Council in February when taking a final decision on the budget. The EqIA will be updated accordingly.

PART B

Section 15: Consultation, follow up data and information gathered from actions identified above

	What does this information tell us?
This proposal formed part of the overall budget consultation process.	We received several comments relating to this proposal. Some comments expressed the view that OCS should not have budget cuts because the service it delivers is valued and there were concerns that the quality of service would suffer as a result. There was also a personal view expressed in terms of the impact that changes to day service provision and respite would have service users and their families.

Section 16: Final impact analysis (taking the findings from Part B into account) – including review date if required

The final equality impact analysis is neutral for most groups but with an acknowledgement that older adults and people with disabilities will be affected by changes to OCS service provision. Changes will be consulted upon and carefully planned to ensure that services continue to be provided where they are needed, whether this is by the new Northamptonshire Adult Social Services or by the private market.