

For: (x) <table border="1"> <tr> <td>Executive</td> <td><input checked="" type="checkbox"/></td> </tr> <tr> <td>CLMT</td> <td><input type="checkbox"/></td> </tr> </table> Meeting Date: 04.03.13 Report of: Head of Adult Social Care Report author: Fiona Green	Executive	<input checked="" type="checkbox"/>	CLMT	<input type="checkbox"/>	Agenda Item Number: 10
Executive	<input checked="" type="checkbox"/>				
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Subject: Extra Care Services Review – subsequent to 90 day consultation on proposals (For Executive Only) Lead Executive Member(s): Cllr Hussain Wards Affected: All Wards	Consultations: Councillors <input type="checkbox"/> Scrutiny <input type="checkbox"/> Stakeholders <input checked="" type="checkbox"/> Others <input type="checkbox"/>	(x) <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
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Recommendations 1. That Executive is recommended to: (i) Authorise commencement of the tendering process for the onsite contract at Jill Jenkins Court and Betty Dodd Court, which includes the 24/7 onsite care provision and all personal care on these sites which is currently commissioned through Luton Borough Council. (ii) Authorise an extensive review of the LBC-staffed service at Abigail Court, Applegrove and Colwell Court, with a view to identifying budget savings through increased operational efficiency.
Background 2. On 22nd October 2012 Council Executive granted permission to consult with service users, staff and the public on a proposal to go out to tender for the onsite care contract at five Extra Care sites. The proposed option offered the Council the potential to deliver up to £500,000 per annum and to improve service quality by developing a clear service specification. 3. Under this proposal, a tender would be conducted for the onsite care contract at Jill Jenkins Court and Betty Dodd Court (currently held by Westminster Care). 4. Also under this proposal, a tender would be conducted for the onsite care at Abigail Court, Applegrove and Colwell Court, where care is provided (in the main) by Luton Borough Council staff. Under this proposal, 55 LBC staff would potentially be subject to a transfer to partner organisations under TUPE arrangements. 5. The proposal offered the opportunity to consolidate the care being delivered in individual Extra Care Schemes with one provider, as there are currently multiple providers working within each Scheme. 6. The projected savings of up to £500,000 were based on the two assumptions listed below (with figures shown in the chart): <ul style="list-style-type: none"> That a third party provider could achieve a reduction in the number of onsite hours across all sites, based on more efficient rostering. The assumption was that the proportion of time that daytime staff were delivering care could increase from 70% to 80%. That tendering for the service could reduce the cost per hour of care for the onsite care at

Luton Borough Council sites, closer to benchmarks of £13.00 per hour (with an allowance for the financial impact of a potential TUPE transfer), from current estimates of £18.

Extra Care Projections <i>Figures as at Q3 2012</i>	Current Service			Projected Commissioned			Saving
	Jill Jenkins & Betty Dodd	Abigail, Applegrove & Colwell	Total	Jill Jenkins & Betty Dodd	Abigail, Applegrove & Colwell	Total	Saving Delivered
Total Cost	£937,723	£1,748,002	£2,685,725	£875,420	£1,314,144	£2,196,473	£489,252
Cost per Onsite Hour	£13.01	£18.05	£15.90	£13.00	£15.60	£14.49	
Onsite Hours	1386	1862	3248	1295	1620	2915	
... of which daytime	1106	1442	2548	1015	1200	2215	
Care Package Hrs	812	960	1772	812	960	1772	
care hrs as % of onsite time (DAY)	73%	67%	70%	80%	80%	80%	
care hrs as % of onsite time (ALL)	59%	52%	55%	63%	59%	61%	

7. The consultation period for the proposal to go out to tender for the onsite care contract at five sites closed on 29th January 2013, so it is now possible to report on the outcome of the consultation and next steps.

The current position

8. In light of feedback from stakeholder consultation, consideration should now be given to the option to tender only for the contracts at Jill Jenkins and Betty Dodd and to look to make changes to the LBC-staffed service at Abigail Court, Applegrove and Colwell Court to deliver budget savings and service improvements whilst retaining staff in-house. The rationale for this is outlined in below:

Opportunity to deliver efficiencies within the existing LBC Service

9. Data presented to Council Executive in October 2012 suggested that there was significant downtime within LBC's staff rostering pattern and consultation with staff has validated that there is opportunity to address this. On average LBC staff are onsite for around 1400 hours a week, to deliver 530 hours of planned care, an estimated 25 hrs of unplanned care and approximately 420 hours of waking night provision.

10. 10 out of 55 staff submitted a questionnaire during the consultation process and when asked to make suggestions about alternative ways to achieve savings, staff suggested:

"Flexible contracts to get rid of down time and so eliminate the need for agency - some carers have consistently 1 call in the morning while agency still working when not needed."

"I feel the number of staff per shift could be revised and staff given more work to carry out in the same amount of time they currently work."

"If management can cut the cost of agency by reducing the number of agency staff we use and also reducing the hours given to agency staff, if the company needed to use agency and allow staff to do overtime but short hours e.g. 7-1 can be reduce to 7-11."

"Re-organise night shifts to include sleeping hours."

11. In November 2012, as part of a separate project which was subject to full staff consultation, Administration Committee approved a proposal to alter staff contracts with effect from 1st April 2013, which could help to reduce the volume of hours which are rostered on to sites. This change will enable shifts to be altered more easily and staff to be asked to work at different locations.

12. There are currently approximately 200 hrs - 250 hrs per week of 'onsite hours' rostered into the

sites which are delivered by agency staff rather than contracted LBC staff, equating to approximately seven vacant posts. Any reduction made to the number of onsite hours rostered on to the site would realise financial savings through reduced use of agency staff and overtime spend.

13. Whilst estimates of the potential saving can be generated at this stage, it is recommended that a three month bedding-in period from the start of new contracts on 1st April 2013 is allowed for, after which point a revised assessment of the efficiency of the service can be generated.

Outcome of consultation with residents

14. As part of the consultation service users, their families/representatives, staff and stakeholders were consulted through group and one-to-one meetings, a customer survey, and an online question-and-answer inbox. A full consultation report is enclosed as an appendix.

15. Within the sites staffed by LBC carers, 29% of all Extra Care residents responded to the question 'Do you have any concerns about the proposal?' and 60% of these answered in the affirmative. The majority of concerns were centred on whether the quality care would be compromised and whether there be a change in the staff currently working onsite.

16. The concerns of residents regarding the proposal – around continuity of staff and quality of care – could be mitigated by a TUPE transfer and strong quality monitoring. However, these concerns, coupled with the budget reduction suggestions from staff, would argue for due consideration to be given to the potential for savings to be made through changes to the existing service.

TUPE

17. Any tender process involving a potential TUPE transfer of LBC staff to be subject to the stipulation that 'new employees working alongside employees who originally TUPE transferred from Luton Borough Council will be employed on either the same or broadly similar terms and conditions of employment'. This stipulation is likely to make a competitive tender for the onsite care contract at Abigail, Applegrove and Colwell Courts challenging to achieve.

Goals and Objectives

18. To go out to tender for the onsite care contracts at Betty Dodd and Jill Jenkins, with a view to delivering both budget savings and an improved model of support.

19. To conduct an extensive review of the service at Abigail Court, Applegrove and Colwell Courts, with a view to delivering budget savings and service improvements, whilst retaining LBC staff, as outlined in the proposal below.

Proposal

For the onsite care at Jill Jenkins Court and Betty Dodd Court:

20. A tender should be conducted for the onsite care contract at Jill Jenkins and Betty Dodd which incorporates both the Westminster contract for 24hrs provision and all care which is currently commissioned through Luton Borough Council (totalling 595 hours). An improved specification and associated monitoring offer the potential to improve this service. The annual saving is estimated to be between £30,000 and £85,000 per annum, with 25% of this realised in 2013/14.

21. In retendering, consideration should be given to the night provision in these sites which is currently underutilised. The consideration of a move to sleeping night staff (rather than 2 x waking nights) in these schemes could realise a saving of up to £125,000 per annum, though this needs to be

scoped further with potential providers and appropriate risk strategies developed.

For the onsite care at Abigail Court, Applegrove and Colwell Courts, a phased approach to delivering efficiencies in the current service is recommended:

22. Allow three months from 1st April (until 1st July) for the new contracts to take effect, making amendments to rostering arrangements to optimise efficiency, reducing agency hours and overtime payments where possible.
23. By improving the percentage of contact time to contractual paid time it is anticipated there could be savings in the region of £120,000 per annum through a reduction in agency staff and overtime spend.
24. Use the three month contractual 'bedding in' period to consider whether changes to night provision across the sites could be implemented to make savings; currently there are two waking night staff in each site, but only 30% of this time is utilised delivering packages of care.
25. At the end of the three month period (1st July), consider whether any further contractual changes need are required to optimise the service and reduce downtime, including exploration of alternative contracting models, specifically annualised hours. This will include exploring the potential to transfer existing P & V commissioned packages back to the in-house extra care provision at no additional cost to the Council. Any contractual changes that are proposed will be subject to full consultation with Trade Unions and staff.

Key Risks

26. There is a risk that not all those clients in Jill Jenkins and Betty Dodd whom LBC would seek to move from another P&V provider to the new Extra Care provider might not wish to have their care move across, and that instead would choose to take up a Direct Payment, which would impact on the financial efficiency of the schemes. Consultation with the 25 service users affected will help to evaluate and mitigate this risk.
27. Moving to sleeping nights in Jill Jenkins and Betty Dodd could realise significant savings but it is yet to be firmly established that this is viable. Soft market testing can be used to establish viability.
28. The changes to the scope of the project ultimately pose a risk to the £500,000 per annum (full year from 2014/15) savings potential that was originally outlined. All actions outlined above will be deployed to deliver against the budget projections.

Consultations

29. Extensive consultation has been conducted on the proposal to go out to tender and the recommendations have taken this into account. A full consultation report is enclosed.

Appendices attached:

Appendix A: Integrated Impact Assessment – Service
Appendix B: Integrated Impact Assessment – Staff
Appendix C: Consultation Report

Background Papers:

None

IMPLICATIONS

		Clearance – agreed by:
Legal	The Council will need to comply with the usual tendering requirements.	Brenda Vale, Legal Services, 11/02/13
Finance	The savings potential will need to be closely monitored and reviewed to establish whether the target of £500,000 is still achievable in the long term given that the scope of the project has changed following the outcomes of the consultation.	Helen Lambert Senior Accountant, Housing & Community Living, 11/02/13
Integrated Impact Assessment (IIA) – Key Points		
Equalities/ Cohesion/Inclusion (Social Justice)	An IIA has been completed and signed off by the Social Justice Team.	Sandra Legate, Social Justice Unit, 14/02/13
Environment	There are no direct environmental implications to this report.	Strategy & Sustainability Officer, 13/02/13
Health	There are no significant health, wellbeing or inequalities impacts to this report. An IIA has been seen by the Public Health team on 12.02.13	Wayne Thompson, Public Health, 12/02/13
Community Safety	N/A	N/A
Staffing		Annie Davies, Transformation Manager, 08/02/13
Other	N/A	N/A

FOR EXECUTIVE ONLY - Options:

Not to approve the proposals

To approve alternative proposals