

Sample Case Studies – alternative delivery options

Adult Social Care

Hull City Council

The review of new service delivery models for adult social care services focuses on the following options:

- A review of the existing service's in-house provision, the costs associated and the risk of sustaining the current arrangements.
- The creation of a stand-alone social enterprise for the delivery of some elements of Adult Social Care across the city together with a review of different company structures.
- To join with an existing social enterprise for the delivery of some elements of Adult Social Care delivery.
- To create a Council "wholly owned company" for the provision of Adult Social Care.
- To externalise the whole (or parts of) services to specialist providers – testing the services through a formal tendering process.

The main findings of the review were:

- There is a need/desire for services to be capable of successfully implementing important programmes, such as the personalisation agenda and the introduction of personal care budgets.
- There is a clear recognition that the existing service provision is too expensive and therefore not sustainable without a programme of transformational change.
- It was found that maintaining current delivery models (direct provision by the Council) will not yield the same level of savings as other new delivery options without significant service reductions and a potential detrimental impact on people.

The review identified three organisational arrangements and new delivery models that should be tested further before any implementation phase – these are:

1. Create a stand-alone social enterprise that promotes independence and supports the most vulnerable across these service functions.
2. Join an existing social enterprise and benefit from all associated governance and contracts already in place.

3. Establish a Council wholly owned company for the provision of Adult Social Care.

The review found that complete externalisation of the service is not a viable option at this stage.

The alternative delivery models have the ability to reduce costs due to their tax and charitable status (in some models) and from savings in labour costs and overheads which are simply not available to a public authority such as the Council. In all of the various alternative delivery models, the Council is able to retain control and influence over service quality. The three models highlighted above will also supports the City Plan ten year vision around sustainable jobs and the creation of employment opportunities locally to Hull.

Example Adult Social Care delivery models elsewhere in England

Some examples of successful Adult care service spin offs from the Public Sector include:

- Essex Care Ltd – spun out 20 as a Local Authority Trading Company by Essex Council as a provider of social care services.
- Sussex Council – ASPIRE Sussex Ltd (Adult and Community Learning Services)
- Aberdeen Council – Local Authority Trading Company for social care.
- Swindon Council – Social Enterprise for Integrated Social Care. (SEQOL) Integrated Health and Social Care.

Anglian Community Enterprise (ACE)

Governance - Community Interest Company, commenced trading on 1st January 2011 and provides more than 40 NHS community healthcare services across north Essex. Formerly part of NHS North East Essex, a key aim of ACE is to improve the health and well-being of local communities.

Range of services - Children, Community, Health and Wellbeing, Adult Therapies, Learning Disabilities, Long Term Conditions

Workforce and financials - over 1,000 staff and an income of approximately £45m it seeks to invest any surplus into the local community.

Social Mission – ‘to maximise our role as a service provider, employer, purchaser, community member, partner and potential investor to improve the health and well-being of the communities in which we work’.

Medway Community Healthcare

Governance- Community Interest Company, commenced trading on 1st April 2011, like ACE, is part of the new enterprise culture and one of the first phase of social enterprises delivering high quality community health care to local people. Range of services - from community nurses and health visitors to speech and language therapists and out of hour's urgent care.

Workforce and financials - 1,250 staff providing a wide range of both planned and unscheduled care in local settings such as healthy living centres and is a £50 million business with inpatient units and people's homes.

Your Healthcare (Richmond upon Thames)

Governance Community Interest Company, commenced trading on 1st August 2010.

Range of services - community healthcare and clinical services to local populations including people with learning disabilities in Richmond;

Workforce and financials - over 600 staff.

Your Healthcare CIC turnover for the 15 month period to March 2012 was £16.7m. This was generated mainly from clinical service provisions. Of the total income 97.6% was from NHS organisations and 2.4% from other public sector organisations, mainly local authorities. The period posted a £60,000 operating surplus.

Yorkshire and Humberside Sector Led Improvement Initiative

Across the region, local authorities providing adult social care have participated in an improvement initiative that focuses on peer review and learning from each other. This included work with Barnsley and Calderdale adult social care departments, which had performed well in areas in which it was identified NEL needed to improve.

A recent report by the East Coast Audit Consortium has shown that our integrated approach to commissioning has delivered real success in seeking to live within our means:

- Reduced dependence on placements to long term care for people with high levels of need
- Through tendering, reducing the unit costs of care at home whilst achieving improvements in services

- Reinvestment of savings in the intermediate tier and in prevention and wellbeing services
- Returning people to NEL from expensive placements outside the area
- Reducing management costs.

The CCG has been nominated for the national Best Commissioner Award, and won the Independence Award 2013 for best commissioner based on the work we have undertaken to develop and shape the local care market for people with learning and physical disabilities.

Delivering personalisation is a key part of our local strategy:

- In 2012/13, 2483 people had the opportunity to access services of their choice through receipt of a managed budget.
- In 2012/13, the proportion of people using social care who received a direct payment to allow them to purchase the care and support they need directly, increased to 21.1%; this puts us in 4th position out of all local authorities in the region.

When asked how much control people have over their daily lives, 93.3% said they had full control; again, this is a major improvement on last year, and puts us in top position for local authorities regionally.

Place-based Services

Wolverhampton City Council and Enterprise

The 14 year contract was awarded in 2006. Annual spend on Environmental Waste Management £152,732.

Enterprise and Wolverhampton City Council have been working closely together since 1994, when Enterprise began providing elements of the city's operational services. Ten years of close working evolved in 2005 when Enterprise and Wolverhampton City Council formed the Wolverhampton Waste Partnership. This partnership is responsible for the collection of household refuse, trade waste and environmental waste. It also manages two Household Waste Recycling Centres in Wolverhampton.

Wolverhampton City Council required a collaborative partnership to provide refuse and environmental services that would align and assist with its transformation strategy. This strategy included:

- Setting clear strategic aims and objectives
- Creating a focused operational culture

- Establishing a rigour to performance management
- Focusing on upper quartile service performance in recycling levels and customer satisfaction

The Waste Partnership was innovative in its use of the Retained Employment Model, which seconds rather than transfers staff. It allowed trust in the private sector to be established, which smoothed the transition process and has contributed to the achievements recorded by the Partnership.

Key Achievements are:

- The 2008 Place Survey recorded 83% of people either very or fairly satisfied with the refuse collection service and 73% with doorstep recycling. This exceeds the national average of 78% and 70% respectively.
- In waste statistical terms, the Partnership has helped transform service quality standards, achieving;
- 95% improvement in recycling levels, recording in excess of 33% for 2008/09 and achieving the Partnership target one year ahead of schedule.
- Top Quartile performance for waste diverted away from landfill providing the eleventh best record for landfill diversion in England and Wales in 2008/09.
- In December 2009, APSE awarded Enterprise's Wolverhampton Waste Partnership with the industry coveted "Most Improved Performer" award, in recognition of the transformation in service quality standards.

Further enhancements planned for the service include the introduction of commercial waste recycling, which will aim to recycle cardboard, paper, glass and plastic from trade waste customers. This will reduce disposal costs and minimise the use of landfill, encouraging a more sustainable approach to meet Wolverhampton City Council's objectives.

Customer Services

Oldham Council Customer Service Re-wiring Public Services

The Vision of the Customer Service Re-wiring Public Services is to:

- Provide a common ownership and direction for all first contact activities, creating a consistent approach to customer service delivery across the organisation.
- Ensure a whole organisation/one Council response to changing customer needs and behaviours.

- Provide the information and insight needed to work with services to enable them to reposition services around the customer.
- Make best use of our resources and our access channels to give our customers choices about how they contact us.
- Make web the channel of choice for accessing Council services, with our aspiration to achieve 75% of relevant customer interfaces being undertaken on line.
- Reduce the number of services delivered through the more expensive access channels such as face to face is reduced.

There are five key areas of activity in the delivery of the Customer Service Re-wiring Public Services:

1. Migration of new services to the Corporate Contact Centre (April – October 2013)

Eleven new services were identified where there was opportunity to migrate calls and emails contact to the Contact Centre. These are:

- School admission
- Elections / Land Charges
- Galleries
- Community Safety
- Licensing
- Libraries
- Registrars
- Environmental Health (additional calls)
- Highways
- Parks/Street cleaning

2. Implementation of Agilisys Digital Platform (My Account) November 2013 – April 2014)

The implementation of the Agilisys Digital Platform will allow residents to create their own account giving them the facility to carry out a range of on line transactions. The portal will integrate with a range of existing Council systems allowing customer data and requests to be passed directly to the back office.

3. Introduction of a mediated support model in Access Oldham
The move to online services for Revenues and Benefits will mean a significant change to the service delivered through Access Oldham. Staff will be providing support to residents to undertake online transactions but will continue to provide a mediated support service for those who are unable to self-serve on line.

4. Introduction of improved telephony to the Corporate Contact Centre including an automated switchboard facility. The programme introduces a 'virtual operator service' which provides automated call answering capabilities to the Oldham Council switchboard using state of the art speech recognition and call routing technologies.

5. Communications / marketing to deliver channel shift and change management support to deliver 75% of in scope transactions online within six months. A marketing and communication campaign will be rolled out to current and potential users of these services.

Alternative operating models

Barnet Easy Council Model

The outsourced customer services and back office contract would be worth £320m over 10 years. Barnet believes that the two contracts will deliver £165m in savings over ten years.

Barnet Council will cut 70% of staff from the back-office functions it is outsourcing to Capita.

Kari Manovitch, project director for the outsource at Barnet Council, said a major component of £70m savings the Council expects to make from the 10-year, £320m deal will come from staff cuts.

Manovitch confirmed that Capita's profit margin will come roughly from the difference between the 45% saving it makes in the operating costs of its acquired services and the 18% saving it passes on in contract fees to the Council - making the 27% as profit.

By the end of the contract in 2023, 147 of the 515 posts will be held by people working under contract to Capita in the London borough. Another 192 Capita staff will run Barnet's back-office from shared service centres in Banstead, Belfast, Blackburn, Bromley, Carlisle, Chertsey, Chippenham, Darwen, Sheffield and Swindon.

Barnet Council said Capita would underpin its back-office automation with an £8m investment in computer hardware and software. This would include a customer system to give people "Amazon-style" accounts with the Council, while Capita's fees have been tied to the volume of citizens it handles online.

Barnet's system, called its "Insight engine", would use data about citizens and Council activities to provide personalised services and "insight" into how those services were performing.

Capita has a business intelligence system called Insight it sells to local authorities, which is based on Microsoft's Business Intelligence Technology Stack and SQL Server Reporting Services.

The Council executive claimed Capita's methods would save Barnet £70m over 10 years. The contract will cost £320m. The authority said it would cost £380m to continue running its own services, and ruled out the possibility that it might modernise its own services.

The Service Provider guarantees that during the Contract Period it will achieve the minimum savings and income generation in the provision of the Services as set out in the table below.

The Service Provider shall demonstrate to the satisfaction of the Authority that such savings have been achieved.

Some key objectives include:

- Improves in-year Council Tax collection to 98% and overall Council Tax collection to 99%
- Improves NNDR in-year collection to 98% and overall NNDR collection to 99.5%
- Processes HB/CTB claims in 10 days and changes of circumstance in 5.5 days
- Achieves accuracy levels of at least 95% and guarantee that LA Error and Admin Delay Overpayments will be below the lower DWP threshold.

Lambeth Co-operative Council

Lambeth wishes to be the only local authority in the country to secure four 'outstanding' awards in children's services for adoption, fostering, looked after children and safeguarding; and to be the only authority in the country to be empowering young people to shape and fund their activities through the ground-breaking Young Lambeth Cooperative.

The cooperative Council initiative has seen over 5,000 tenants have helped shape Lambeth's standard for Council homes, one of the largest engagement processes undertaken, and we are confident that our plans for a record £450 million investment will bring about the kind of transformation that our tenants

and leaseholders want and have waited too long to see. And we also know through our work as a cooperative Council that our response is more creative when we work closely with the community: there is some excellent innovation in the personalisation of adult care.

Through working together with our citizens we have developed this plan which sets out our aspirations for Lambeth for the next three years through the delivery of three overarching outcomes:

- More jobs and sustainable growth
- Communities feel safer and stronger
- Cleaner streets and greener neighbourhoods

We believe that the challenges facing the borough can only be met by fundamentally changing the relationship between the Council and our citizens so that we work together on a basis of mutual respect. The cooperative Council ambition is about finding new ways in which citizens can participate in everything the Council does from understanding the strengths and needs of local communities through to buying, delivering and monitoring services.

We are changing the whole way the Council works and how it is structured so that the community is at the centre of everything we do.