

Adult Social Care Local Authority Trading Company	Status	Date
Objectives: 1. to establish a Local Authority Trading Company for day services and community support 2. to transfer all staff, liabilities and assets in scope to the business safely and effectively so as to preserve service continuity 3. to deliver the business plan objectives and targets as agreed by the Council Shareholder Board	Overall programme: 	5 March 2014

Progress update to COSC (Page 1)

Background:
 Feedback from 2009 consultation and 2012 Learning Disabilities PVR told us what services people want in future and the importance of service continuity throughout any transition
 This supports and compliments the personalisation agenda – people will have more choice about what they buy, from whom, and how they buy it – the Council needs to find ways to meet the needs of a wider group of purchasers
 Significant financial pressures – savings needed across the Council and Adult Social Care: the Council is looking at different models of delivery to respond to financial challenges
 Options Appraisal to Cabinet on 22 October 2013 – recommended a Local Authority Trading Company be explored further LATC as the preferred option for the future delivery of day and community support services

17th December 2013 Cabinet:
 Part 1 report published on the Council website – context and evaluation
 Part 2 financial projections and cost evaluation
 Together Parts 1 & 2 formed the business case to create a local authority trading company (LATC)

Recommendations agreed by Cabinet:
 The creation of an LATC for the services in scope
 Delegated authority to the Council Shareholder Board to form the LATC from April 2014
 The award of a 3-year contract from the Council to the LATC to deliver services on its behalf (with an option to extend for a further 2 years)
 Approval of a loan facility from the Council to the LATC to fund its start-up and running costs
 The proposed consultation and engagement process, to commence with staff and stakeholders in January 2014

Services in scope
Day Services, which provide approximately 790 people with learning and physical disabilities with a range of opportunities for leisure, activities, training, volunteering and work in a variety of locations
 The **AboutUs Team**, who support people using day services with accessible learning programmes and communications projects
EmployAbility, which supports approximately 650 adults and young people with disabilities who are seeking or engaged in work, volunteering or training
Shared Lives Service, which matches Shared Lives carers with people with disabilities and older people, offering short or long term care in a family home environment
 The **Personalisation Team**, which works with adults with learning disabilities to facilitate Supported Self Assessments, uptake of personal budgets and support planning using community support networks

Principles underpinning the business case:
 Minimal impact on staff: from day one ‘as is’ with no significant changes at the point of transfer to the LATC
 Service continuity: minimal change or disruption to services throughout transition to LATC
 Conservative growth and co-design approach to future service development as part of scaling the business and identifying new opportunities
 Enabling approach to the wider Council trading agenda – recognise this is the first LATC of scale and the first of its kind to use Council support services so realistic in terms of timescale and deliverables

Business principles:
 Business case takes a conservative, low risk approach to its commercial projections: the business will be expected to generate £369,000 income and a further £1m efficiencies over the first five year business plan
 Vast majority of LATC business will be via the Council contract for services at first instance
 Income projected from new customers or new services is modest: lesson learnt from other LATC’s
 The projections for expenditure are based current costs, potentially with room for further savings

Progress update to COSC (Page 2)

The Council-commissioned contract:

The Council will award an initial 3-year contract to the LATC to deliver current services:

- Day Services
- AboutUs
- EmployAbility
- Shared Lives Service
- Personalisation Team

The contract value in year one will be £13.7m

Performance will be reviewed throughout the contract against quality and financial KPI's, with an option to extend for a further 2 years

The LATC will be commissioned as per any other supplier, with no favourable terms or exceptions

Governance:

The LATC will adopt a simple corporate governance arrangement with a Board of Executive and non-Executive Directors, supported by an Involvement Board of key stakeholders and people using services, which will report to the Council Shareholder Board annually on performance against its business plan.

The Shareholder Board exercises the Council's shareholding powers over LATC trading activities. The Board acts with the delegated authority of Cabinet to ensure the performance of the LATC is satisfactory.

Select Committees will retain their scrutiny function in relation to the Shareholder Board. The Council's Overview and Scrutiny Committee will be able to call the Board to account for progress in relation to the LATC.

Council support services to be purchased back by the LATC:

The Council assumes the LATC will consider Council support services as the first option for its business and back office requirements, where they are fit for purpose and commercially viable

The Council cannot offer the LATC any unfair advantage when it is set up (or anything that could be seen as 'state aid') so must charge the LATC for any support services it offers e.g. the LATC will pay a market level of rent for the properties it uses etc

SCC will offer the LATC a loan to pay for set-up costs, including purchasing any equipment from SCC, to be repaid including interest

Properties:

There will be no changes on day one to the properties occupied by the LATC for delivering services

Office space will be reviewed in light of ongoing business needs and costs

Licences (to become leases) will permit the LATC to occupy buildings owned by the Council for which it will pay a market rent from day one

The LATC will have service level agreements with the Council for any aspects of facilities management

The LATC is likely to review its use of service-related buildings to develop more local community bases and specialist support

Staff:

All current staff (300) at Senior Manager level and below are proposed to transfer across under TUPE with no changes to terms and conditions

It is proposed that Local Government pension schemes and Teacher Pension Schemes remain open to current employees, with options for new employees under review

Union representatives form part of the Consultation and Engagement project group

Next steps:

Jan – Mar 2014 Work is underway to co-design the final business plan with staff, people who use services, carers, families and other stakeholders

TBC (pending pensions permissions) Formal consultation with staff regarding TUPE transfer

Creating the LATC:

Feb 2014 create the business as a legal entity, once Shareholder Board has agreed articles and Director appointments

April – Jun 2014 establish financial management arrangements, including LATC accounts mechanism

Mar – May 2014 contract with Adult Social Care to deliver services, including KPI's and service specification

Jun 2014 managed services agreement for buying back support services from the Council

Apr – Aug 2014 Transfer of staff, assets and liabilities to LATC as part of phased transition and 'go live'