

## Annex Two: Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

<b>Option 1: Stay “as is”:</b>			
<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunities</b>	<b>Threats</b>
<p>With many services having operated for over 25 years, they are stable and well established - as part of the council they represent a recognisable and trusted brand</p>	<p>The council has a significant market presence, providing day time support to a high percentage of people eligible for social care support. This dominance, certainly prior to personal budgets becoming wide spread, could limit diversity and restrict the choices of people who use services</p>	<p>A willingness to co-design and the dedicated Personalisation Team could lead to focused work networking individuals with similar aspirations looking to use their budgets in creative and shared ways</p>	<p>Within the council framework it may become increasingly difficult to keep prices for services in line with the market.</p> <p>This financial pressure creates two risks; that services fail to achieve the savings required by the Medium Term Financial Plan or that services are decommissioned to address cost issues</p>
<p>Services are delivered by a stable and well trained workforce - as a result risk is managed well and quality standards are maintained</p>	<p>Services have limited ability to innovate - the reduced 'speed of change' compromises opportunities to make decisions that save money (contributing to the Medium Term Financial Plan) or respond quickly to the changing needs of the community</p>	<p>There is an opportunity to develop and focus on more specialist services; AboutUs (accessible learning) is a unique but small service with the potential to work with a wider cohort, a number of services are already NAS (National Autistic Society) accredited, along with this and expertise in providing services for people with dementia, there is potential to grow a county-wide offer</p>	<p>If services have limited ability within existing frameworks to change dynamically in response to 'customer' need, there is not only a risk of loss of current users of services, but also potentially an inability to attract new customers who are less interested in what they perceive to be a 'traditional' style of service provision</p>
<p>Services, whether day centres or community groups, play an active part in their local area. EmployAbility has excellent working relationships with local employers, schools and colleges. Shared Lives is a trusted and respected service working with carers and professionals</p>	<p>Many day service buildings were built in the 1960s; as services have become community focused these buildings have become increasingly under-used and often segregated. The need for modification and ongoing maintenance represents a significant capital budget pressure</p>	<p>Dedicated buildings, a recognised community presence and a tradition of providing safe spaces for vulnerable people suggest services are well placed to support the wider Adult Social Care agenda of developing 'social capital' opportunities within local communities</p>	<p>The emerging personal budget market offers opportunities but is also a significant threat; services are unable to adapt to meet the aspirations of people who will have the freedom to choose to spend their budget with other providers</p>

## Annex Two: Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

<b>Option 1: Stay “as is”:</b>			
<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunities</b>	<b>Threats</b>
With daily rates benchmarking in-line with local providers the services offer a reasonably competitive pricing model	Working within the current council context, services are unable to trade, generate income, retain profit or grow capacity. This significantly limits their offer to people not eligible for social care services and their ability to diversify in to new markets (for example people under 18)	Services have already demonstrated a willingness to develop services in partnership with other day opportunities providers (Cobham Link for example) - potentially mitigating some of the risk associated with their dominant market position	The current operational framework and associated legislation makes it difficult to offer services at any scale to people not eligible for council services - being 'left behind' in the increasingly diverse self funder market is a threat to change within existing services
Staff, managers and people who use services have demonstrated a willingness to innovate and work in new ways. The Shared Lives Service has doubled participation in recent years and the assessment and planning services developed by the Personalisation Team are actively shaping existing services	The scale of some services means there is not a community offer in every local area – leaving some people to travel significant distances to and from their service. This, and a reliance on expensive, segregated transport networks leads to increased budget pressures and a less than ideal option for individuals	Historically services have facilitated quality, well received 'large group' activities (specifically leisure, music, dance, drama and creative arts).  With a focus on inclusion and working with partners this offer could be extended to provide affordable, or free, opportunities with a focus on alleviating isolation, promoting well-being and sustaining friendship networks	The age and condition of a number of the properties accommodating services currently remain an ongoing concern - failure of any one would represent a significant threat to day services
Staying “as-is” represents a stable position for people who use services, carers and families in the short term - the willingness of services to make changes to their offer ensures needs can be met and new opportunities developed			The referral process and financial mechanism for people with personal budgets seeking to buy from the Council 'as is' is complicated, inefficient and off-putting

## Annex Two: Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

<b>Option 2: Close current services and re-commission in the market</b>			
<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunity</b>	<b>Threats</b>
<p>For many of the Threats and Weakness identified in the analysis of option 1, closing and re-commissioning all services offers a potentially attractive financial option – however, this is dependent on the market's capacity to provide</p>	<p>Outsourcing all direct delivery services is a potentially unattractive financial option for the council in the longer term. Gaps may appear in the services the market is able to offer, costs will arguably be less within the council's control - exposing the council to fluctuations in market rates. There remains the risk of market failure, emergency closure or poor continuity planning.</p>	<p>Recommissioning provides a clear Purchaser / Provider split for officers in Adult Social Care, and allows the council to transfer operational risk by becoming a solely commissioning agency</p>	<p>There is a risk of legal challenge to any closure programme associated with vulnerable people - one on this scale would require significant investment in the re-assessment of all c. 1000 people involved. The impact of the change itself and the anxiety caused to people using services and family carers reliant on the respite they provide should not be under estimated</p>
<p>Adult Social Care would have an ability to exert market control through commissioning, robust market testing and evaluation of services - setting performance indicators, methods of payment by result etc</p>	<p>Recommissioning all services could lead to a loss of confidence in the council brand and, once out of operational provision, there would be less opportunity for the council to innovate and test ideas in the market without the need for additional investment (in pilot projects for example)</p>	<p>There is the potential for the council to benefit from the release of capital assets in the short term. Disposal of parts of the owned estate could lead to capital becoming available to invest in other areas of the Adult Social Care or in wider council programmes - there would be an ability to sell or re-use land</p>	<p>Recommissioning poses the risk of needing to deliver a major redundancy programme - and the associated financial implications.</p>
<p>Choice to existing and future customers could increase - with new and diverse providers entering the market</p>	<p>There is an opportunity to part re-commission services taking a phased approach - this would be unlikely to address many of the medium term financial pressures identified and risks increasing the management overhead in services remaining within the council as economies of scale decrease</p>	<p>A more open market place could provide opportunities to attract national and local providers with expertise and strong track record of innovation</p>	<p>Day Services are located within communities throughout Surrey. The seven larger sites are well established.</p> <p>Even with a robust re-commissioning strategy publicised and in-place there arguably remains the potential for adverse publicity and risk of elected members being associated with a perceived closure programme</p>

## Annex Two: Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

<b>Option 2: Close current services and re-commission in the market</b>			
<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunity</b>	<b>Threats</b>
<p>In a totally externalised offer, the council would have limited need for up front capital investment.</p> <p>Not for profit organisations may be able to leverage capital from sources not open to the authority</p>	<p>It is unknown whether the market could respond to the scale and breadth of needs that would be commissioned</p>	<p>There would be an opportunity (and need) in a more diverse market place to increase the council's quality and compliance function</p>	<p>Pre market testing there is no evidence as to which elements of the existing services would be attractive to future providers. There therefore remains a threat that potential new providers may want to 'cherry pick' and provide only high profit services - leaving some people eligible for services with decreased choices</p>
<p>With the closure and recommissioning of services, (and any associated TUPE or reduction in staffing), the council would reduce its corporate need for IT provision, training, procurement function and other services required to sustain a large operational delivery service - this has the potential to reduce the council's corporate overhead</p>		<p>There is potential to develop a co-design approach to commissioning services for groups, or to allow the market to evolve as individuals make personal choices through the Support Planning offered as part of developing Personal budgets / Personalisation in Surrey</p>	<p>There is a risk associated with any major change to an individual's care package, particularly during the transition phase – robust, joined up planning would be essential to mitigate chances of failure in a change of this type.</p> <p>This would increase time scales and defer any potential financial savings offered by the model</p>
			<p>There is a potential threat (as yet unquantified) as to the impact departing staff and reductions in estate would have on corporate departments and / or their overheads - particularly IMT, HR, Procurement and Commercial Services.</p> <p>Whether the withdrawal of the funding associated with this significant operational service would destabilise or make departments financially inefficient (potentially leading to further need for redundancies) is unclear</p>

## Annex Two: Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

<b>Option 3: Adopt a different model of delivery (Local Authority Trading Company)</b>			
<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunities</b>	<b>Threats</b>
<p>Along with all the Strengths and Opportunities identified in the Option One analysis, an alternate model of provision enables the council to retain control but with the flexibility offered by a trading model - they retain the ability to directly influence values and cost</p>	<p>Having operated within a Local Authority throughout the last 50 years there is a lack of commercial awareness within existing management teams.</p> <p>Additional support will be required outside of the council structure (marketing, development etc) potentially adding to overheads</p>	<p>Moving outside the council offers considerable opportunity for growth and innovation. It provides space to change services in a timely and phased way - utilising a strengthened co-design approach. Staff creativity and a tradition of advocacy and involving people who use services in planning suggests there will be no shortage of ideas to diversify</p>	<p>Forming a new entity of this type is complex with a requirement to ensure robust governance structures are in place - establishing a stable legally compliant company outside the council.</p> <p>There remains a threat of legal challenge, but also the threat that potentially restrictive or risk averse structures are imposed reducing the potential for the new services to innovate or evolve significantly – reducing the impact of the model and change proposed</p>
<p>A new model would enable the council, as owner, to shape services, trial ideas and work in partnership (including within joint venture models) to develop and market products beyond Surrey borders</p>	<p>Starting from the existing model of provision there will be a potentially slower change to more integrated and community focused services</p>	<p>The new business would have additional flexibility to work directly within the personal budget and private individual markets - it will have fewer constraints, enabling it to diversify and develop assessment and planning services to deliver local and personal support options</p>	<p>Failure to follow legal and procurement procedures could open the council to challenge by the wider provider market</p>
<p>Although having less control of the day to day operations of an external company, the council, as owner would retain a strong interest in the market - it has continued access to a 'provider of last resort', where all costs fall within its control</p>	<p>As an alternate business model is formed the continued responsibility for resolving building issues remains - and unlike the re-commissioning model it will take time either to seek additional capital investment or divest the organisation of dated accommodation.</p>	<p>With a strong link to the County Council the new business will retain its focus on providing quality services, enabling the mixing of the best of 'public and private sector' ethos, values and expertise</p>	<p>Failure, for whatever reason, of the LATC to deliver business plan targets could lead to a diminished return to the council and impact on delivery of the Medium Term Financial Plan</p>

## Annex Two: Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

<b>Option 3: Adopt a different model of delivery (Local Authority Trading Company)</b>			
<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunities</b>	<b>Threats</b>
<p>By moving outside of the council a new model frees up the business to be entrepreneurial and to develop trading relationships - whilst building on a trusted brand.</p> <p>Trading opportunities provide potential to generate external income; leading to an ability to re-invest more effectively in services / community initiatives, and contribute to cost reduction plans.</p>	<p>Despite any new entity being external of the Local Authority, as 100% shareholder the council potentially remains dominant within the market - this could arguably limit innovation locally or fail to attract national specialist providers</p>	<p>A new model outside of direct council control changes the service's relationship with other providers; opening up opportunities to develop joint ventures, work in partnership, share resources, support emerging and innovative opportunities etc</p>	<p>As a high profile project and a new alternate way of working, failure to achieve the outcomes required could have reputational risk to the council</p>
<p>This model assumes the retention of existing staff (avoiding redundancy costs), but it is also able to provide opportunities for more flexible recruitment in the future</p> <p>A stable and familiar staff team will minimise the impact of change potentially felt by the people who use services and their families and friends</p>		<p>As the proposed model assumes that the council is the 100% shareholder it enables longer term options for the future to remain open.</p> <p>The new business would function along more businesslike lines with a clear contractual relationship with the council. Following any initial contract expiring, recommissioning options become a renewed possibility</p>	<p>An inability to embrace the new culture of innovation and positive risk-taking by any corporately led services within a council 'buy-back' arrangement could stifle or delay change</p>
<p>Although an alternative operating structure would fall outside of the council, there remains the option to 'buy back' corporate functions from the council (IMT, HR, Property Services, Pay Roll etc) which strengthens the council's own corporate offer and mitigates the risk of destabilising departments</p>		<p>Opportunity to expand the service offering of the Assessment and Planning team to meet needs of Strategic Partners e.g. NHS Trusts, neighbouring LAs, those who self fund and people who fall outside our current eligibility as well as carers.</p>	<p>To transfer staff in to any new company TUPE will apply and therefore careful handling and consultation is required throughout the planning phase to keep staff fully informed and mitigate the risk of industrial action</p>