

**Adult and Family Wellbeing**

# **Local Authority Trading Company for Adult Social Care Provided Services**

P&SD Partnership Board

25<sup>th</sup> July 2013



## **Background**

- Services need to be fit for purpose within the context of **self-directed support**. They must be:
  - Sustainable
  - Value for money for both service users and citizens of Buckinghamshire.
- In House provision is constrained from competing in the market place and can't sell services to people with:
  - A Direct Payment
  - Private funding citizens
- In 2012, AFW undertook market testing exercise with external providers to test for interest in delivering Day Services. This was met with a muted response.
- AFW decided to carry out an options appraisal to consider different models of delivering services.
- The preferred option identified was a Local Authority Trading Company (LATC), which would include the following services:
  - **Day Opportunities Services (including Southern OPMH Day Services)**
  - **Respite (Seeleys House)**
  - **Laundry Service**
  - **The new Reablement service**
- A Strategic Business Case was developed, setting out a clear rationale for the establishment of a LATC that will deliver sustainable services whilst meeting the Council's MTP savings. After in principle approval at Cabinet on 11th March 2013, the final decision was made to transfer services at 24<sup>th</sup> June Cabinet. The plan is for the Company to 'go live' on 1<sup>st</sup> October 2013



## **What is a LATC?**

•A LATC is a trading company which is wholly owned by the Council, as shareholder, but is independent of it. Like other independent providers it will have a contract with the Council to deliver services on behalf of the Council. It provides a sustainable model of provision without the current constraints.

•**Local authority trading companies (LATCs) can transform the delivery of directly provided services through:**

- Making services commercially competitive and able to trade its services
- Reshaping services to become more 'personalised'
- Retaining in-house expertise and skilled workforce while incentivising innovation
- The ability to work collaboratively with other partners who support the client group e.g. Health

•**The Advantages of a LATC over other models of service delivery:**

- Maintains an important link to Local Authority influence branding and Council scrutiny
- Can achieve efficiencies not available within the Council
- The Council and/or company can retain and reinvest any surplus
- It can be more responsive and innovative than the Council
- It is able to trade with all sectors of the market – Direct Payment holders, Private Funders, and bid for Tenders
- It retains the capability and capacity to provide a strategic response to emerging trends and challenges
- Provide the Council's 'safety net' if there is market failure of other providers



## The benefits of a LATC for Bucks CC

- **Improving performance and productivity** - the LATC will achieve improved performance in service delivery by providing the current services in a more flexible and commercial manner with reducing overheads and more efficient delivery.
- **Ensuring future sustainability of services** - the LATC will be more flexible and adaptable than current services which helps these important services to become more sustainable by being able to expand and sell provision to people with personal budgets and direct payments and generating income from other sources, something it is not able to do from within the Council .
- **Managing financial pressures** - through efficiency and additional revenue generation - the LATC provides the mechanism that means Council MTP savings can be delivered without the need to decommissioning services or contract them out.
- **Promotion of choice** – Allows more people to benefit from these services than are currently able (Direct Payments, self funders, people outside of the County)
- **Involving the workforce and customers**- Providing the workforce with an opportunity to become more engaged in their own organisation and to develop an entrepreneurial culture that rewards improved performance, drives productivity and job satisfaction.
- **Allowing clients greater engagement in their services** – The Company as part of the response to self directed support will be keen to engage with clients and involve them more in the development of their services providing more choice and control



## **Timescales**

- The LATC has now satisfied all of the governance gateways with the final agreement to transfer staff to the new Company by Cabinet on 24<sup>th</sup> June.
- Company, Buckinghamshire Care Ltd will 'go-live' on 1<sup>st</sup> October following completion of all due diligence and set-up tasks.

## **Implications of the LATC for staff and service users**

- The LATC will require the transfer by TUPE of approximately 280 staff from BCC to the LATC. Staff will be transferred on existing terms and conditions.
- There be a formal consultation under TUPE legislation later in the summer, and all staff who transfer over to the LATC will do so under TUPE so that employment terms, conditions and pension entitlements will remain unchanged.
- Staff roadshow sessions have already been undertaken across the County to ensure staff are engaged, understand the changes and the benefits
- Service users will not experience any change to their service though more people will be able to access these services in the future. Communication with service users is now being undertaken



## Key Messages

- A detailed communications plan has been developed to ensure that all stakeholders understand the changes and how this will affect them.
- Service users will continue to receive the same service provided by the same staff when the services transfer to the LATC on 1<sup>st</sup> October. In effect it is the same services under new management (and branding).
- This is not a cost saving exercise -it is a means to ensure that strategically important services are sustainable, cost effective and have the same opportunities as other market providers, however it will save money and generate new revenue for the benefit of the Council.
- Services will receive greater Council scrutiny than they currently do through the Shareholder Scrutiny Group – which is the mechanism by which the Council operates its shareholding and also by the monitoring of the contract.
- It ensures that with the increasing shift to Direct Payments people can continue to receive their high quality services and that these services can be more responsive to their service users and carers
- Existing examples of social care LATC's are **Essex Cares**, **Optalis** (Wokingham), **Olympus Care Services** (Northamptonshire), **Your Choice Barnet**

