

# Agenda



**AGENDA for a meeting of the ADULT CARE & HEALTH CABINET PANEL in COMMITTEE ROOM B, at COUNTY HALL, HERTFORD on TUESDAY 14 NOVEMBER 2017 at 10.00AM**

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## **MEMBERS OF THE PANEL (12) (Quorum 3)**

**E H Buckmaster; E M Gordon; S Gordon; K M Hastrick; D J Hewitt; F R G Hill (*Vice Chairman*); T Howard; J S Kaye; P V Mason (*substituting for F Guest*) N A Quinton; R G Tindall; C B Wyatt-Lowe (*Chairman*)**

Meetings of the Cabinet Panel are open to the public (this includes the press) and attendance is welcomed. However, there may be occasions when the public are excluded from the meeting for particular items of business. Any such items are taken at the end of the public part of the meeting and are listed under "Part II ('closed') agenda".

Committee Room B is fitted with an audio system to assist those with hearing impairment. Anyone who wishes to use this should contact main (front) reception.

**Members are reminded that all equalities implications and equalities impact assessments undertaken in relation to any matter on this agenda must be rigorously considered prior to any decision being reached on that matter.**

### **Members are reminded that:**

- (1) if they consider that they have a Disclosable Pecuniary Interest in any matter to be considered at the meeting they must declare that interest and must not participate in or vote on that matter unless a dispensation has been granted by the Standards Committee;**
- (2) if they consider that they have a Declarable Interest (as defined in paragraph 5.3 of the Code of Conduct for Members) in any matter to be considered at the meeting they must declare the existence and nature of that interest but they can speak and vote on the matter**

## **PART I (PUBLIC) AGENDA**

### **1. MINUTES**

To confirm the minutes of the meeting held on 18 October 2017

### **2. PUBLIC PETITIONS**

The opportunity for any member of the public, being resident in Hertfordshire, to present a petition relating to a matter with which the Council is concerned, which is relevant to the remit of this Cabinet Panel and which contains signatories who are either resident in or who work in Hertfordshire.

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Members of the public who are considering raising an issue of concern via a petition are advised to contact their [local member of the Council](#). The Council's criterion and arrangements for the receipt of petitions are set out in [Annex 22 - Petitions Scheme](#) of the Constitution.

If you have any queries about the petitions procedure for this meeting please contact Elaine Manzi, by telephone on (01992) 588062 or by e-mail to [elaine.manzi@hertfordshire.gov.uk](mailto:elaine.manzi@hertfordshire.gov.uk).

At the time of the publication of this agenda no notices of petitions have been received.

**3. ADULT SOCIAL CARE PERFORMANCE MONITOR – QUARTER 2 - 2017/18**

- a- Performance Monitor
- b- Care Quality Standard
- c- Quality Monitoring Summary

*Report of the Director of Adult Care Services*

**4. IMPLEMENTATION OF SUPPORTED ACCOMMODATION STRATEGY**

*Report of the Director of Adult Care Services*

**5. ADULT CARE SERVICES SMART WORKING: ESTABLISHMENT OF A LOCAL AUTHORITY TRADING COMPANY TO PROVIDE ADULT SOCIAL CARE SERVICES**

*Report of the Director of Adult Care Services*

**6. OTHER PART I BUSINESS**

Such Part I (public) business which, if the Chairman agrees, is of sufficient urgency to warrant consideration.

**PART II ('CLOSED') AGENDA**

**EXCLUSION OF PRESS AND PUBLIC**

There are no items of Part II business on this agenda. If Part II business is notified the Chairman will move:-

“That under Section 100(A) (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item/s of business on the grounds that it/they involve/s the likely disclosure of exempt information as defined in paragraph.... of Part 1 of Schedule 12A to the said Act and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”

**If you require further information about this agenda please contact Elaine Manzi, Democratic Services, on telephone no. (01992) 588062 or email [elaine.manzi@hertfordshire.gov.uk](mailto:elaine.manzi@hertfordshire.gov.uk).**

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Agenda documents are also available on the internet at:  
<https://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings.aspx>

**KATHRYN PETTITT**  
**CHIEF LEGAL OFFICER**

# Minutes



To: All Members of the Adult Care  
& Health Cabinet Panel, Chief  
Executive, Chief Officers, All  
officers named for 'actions'

From: Legal, Democratic & Statutory Services  
Ask for: Elaine Manzi  
Ext: 28062

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## ADULT CARE & HEALTH CABINET PANEL WEDNESDAY 18 OCTOBER 2017

### ATTENDANCE

#### MEMBERS OF THE PANEL

E H Buckmaster; E M Gordon; F Guest; K M Hastrick; T Howard; D J Hewitt; F R G Hill (*Vice Chairman*); J S Kaye; N A Quinton; R H Smith (*substituting for S Gordon*); R G Tindall; C B Wyatt-Lowe (*Chairman*)

#### OTHER MEMBERS IN ATTENDANCE

None

Upon consideration of the agenda for the Adult Care & Health Cabinet Panel meeting on 18 October 2017 as circulated, copy annexed, conclusions were reached and are recorded below:

*Note: No conflicts of interest were declared by any member of the Cabinet Panel in relation to the matters on which conclusions were reached at this meeting.*

### PART I ('OPEN') BUSINESS

#### MINUTES SILENCE

Prior to the Cabinet Panel commencing, the Chairman led Members in partaking in a minutes silence to remember Cllr Robert Gordon, Leader of the Council, who had died earlier in the month.

#### 1. MINUTES

- 1.1 The Part I and Part II Minutes of the Cabinet Panel meeting held on 8 September 2017 were confirmed as a correct record and signed by the Chairman.

#### ACTION

## **2. PUBLIC PETITIONS**

2.1 There were no public petitions.

## **3. 15 YEARS: FUTURE DIRECTION & STRATEGIC AMBITIONS FOR ADULT SOCIAL CARE IN HERTFORDSHIRE 2018-2033 - CONSULTATION**

Officer Contact Helen Maneuf, Assistant Director Planning & Resources (Tel:01438 845502)

3.1 Members received a report which outlined the draft 15 year forward view for Adult Social Care in Hertfordshire, and provided the strategic ambitions for the future service.

3.2 The Panel heard that due to a number of national and local policy changes and financial challenges, Adult Care Services was one of the most scrutinised services nationally. The challenges and solutions are long term in nature and the document therefore sets out a strategic framework within which future planning for care and support services in Hertfordshire would take place.

3.3 Consultation on the document with partners, service users, and the voluntary sector would be commencing in November and concluding in December, with the outcomes of the consultation being brought back to panel at a later date.

3.4 Members noted that the document focused on four major strategic ambitions and actions in these four areas:

- Information and advice
- Community first
- Valuing Independence
- Caring well

The details for each area were outlined within the document.

3.5 The Chairman stressed to Members that the document was in draft format and acknowledged that the detail was ambitious and would adapt over time, but advised that the outlined key values would be the foundation on which future planning would be built.

3.6 During Member discussion it was established that the outlined ambitions were based on the expectation that the current funding received from partners and central government would continue, and Members expressed some concern at the risk that would be presented to the plan if this were to cease being received. Equally, the plan might need to change to reflect a more positive funding outlook if this were to materialise.

- 3.7 In response to a Member question about the willingness and ability of the NHS in working with the council in co-creating integrated personal care services it was explained that currently the NHS are the only provider of many of the services required, so it was recognised that the market of service providers needed to be expanded.
- 3.8 Members noted that historically there had been national discussion and debate regarding a cap on adult social care costs but the government's intentions in this area are not yet confirmed. It was established that until legislation had been implemented in this area, insurance providers or other financial providers were not prepared to commit to paying for any potential shortfall in funding. Members learnt that recent communications from the Cabinet Minister indicated that the current government were aware of the full extent of the current and future significant financial challenges presented to Adult Care Services, and it was widely recognised that this could not be fully funded through state contributions.
- 3.9 The Panel received confirmation that the amount of adults self-funding their care was highly likely to increase given the increasing population and the holding of capital thresholds at set levels in recent years. Members noted that the strategy aimed to support self-funders through raising awareness of planning and preparing for older age.
- 3.10 In response to a Member question as to what officers defined as 'community' as part of the 'Community First' strategy, it was explained that this could mean friends, family or the voluntary sector. It was acknowledged that in some cases, families might not geographically, emotionally or physically able to support family members in need of support, but assurance was received that each service user's case is looked at individually to see what support network was currently in place and then tailor the package of support accordingly. It was noted that generally a 'strengths-based' approach which focusses on how individuals can be supported through their own networks is preferable creating dependency on formalised long term care wherever possible.
- 3.11 During general discussion, it was requested that Members who also have a dual role as District Councillors work with relevant officers within their districts in ensuring that plans for future housing developments included provision for a sufficient range of suitable accommodation for the increasing number of service users with physical or mental disabilities. It was noted that consideration for young adults with long term needs, which formed part of this, had been considered as part of the strategic aims contained within the document.

All Members

- 3.12 In response to a Member challenge regarding the need to be more explicit and transparent within the document about the significant financial challenges presented now and in the future, it was agreed that consideration would be given to including more information regarding this in the final document or in a covering note. Pressures on private housing sector were also considered as part of this discussion.
- 3.13 Members received assurance that informal discussions on the challenges presented were taking place with local MP's with the hope that this would provide them to make informed decisions and debate in central government.
- 3.14 The Chairman summarised that it was acknowledged that it was a challenge to fully predict future need over such a broad time span, due to a number of factors including the unknown level of need of older people in the future, and the unknown future of funding, but she reassured the Panel that the final document produced would be revisited regularly to ensure that it remained relevant to any future change within the sector.
- 3.14 **Conclusion**  
Panel noted and commented upon the draft Fifteen Year Direction for Adult Care Services.

Helen  
Maneuf

#### 4. ANNUAL SAFEGUARDING REPORT

Officer Contact: Liz Hanlon – Independent Chair, Hertfordshire Adults Safeguarding Board. (Tel: 0758 0744113)

- 4.1 The Panel were presented with the Annual Safeguarding Report produced by the Hertfordshire Safeguarding Adults Board (HSAB), detailing the work of the HSAB between 2016/17.
- 4.2 Members were advised that this was the third year that a Safeguarding Report had been produced and the report had been signed off by Healthwatch, both Clinical Commissioning Groups, the Health & Wellbeing Board and Adult Care Services Management Board.
- 4.3 In response to a Member observation that each of the ten district councils within Hertfordshire had provided differing formats for their individual updates, it was noted that ongoing work is being undertaken to ensure a common template is received for future reports.

- 4.4 It was noted that with regards to the safeguarding issue of self-neglect, there was not a defined threshold of where self-neglect became a safeguarding issue but any reports or current risks of self-neglect were investigated and managed by understanding and working individually with the person involved. The level of intervention and the judgement of the scale of safeguarding risk was dependent of the assessment by the professional involved.
- 4.5 Members were also detailed that a referral to the HSAB is actioned within 48 hours, and there is a clear ongoing learning process with regards how to manage referrals embedded through overarching HSAB action plans, individual service user action plans, and outcomes from Safeguarding Adult Reviews.
- 4.6 The Panel learnt that the method of working with service users on an individual basis was had been strengthened as part of the outcomes from the Making Safeguarding Personal survey that had been carried out on service users earlier in the year.
- 4.7 Members were advised that the HSAB had a strong working relationship with the Hertfordshire Partnership Foundation Trust (HPFT) to support service users with mental health needs and a lot of work had been undertaken to improve practice in this area.
- 4.8 During general discussion it was established that details of how to make a referral were provided through training, the HSAB website and through literature provided through the HSAB. Members noted that any agency can and do make a referral to the HSAB.
- 4.9 Members requested that more detail should be provided in next year's Annual Report of the breakdown of where, what and how referrals were made. It was advised that 38% of referrals related to people living in their own home, and that the collection and presentation of data was something that was being developed in line with the ongoing development of the Board.
- 4.11 It was noted that on the 12 October 2017 a Scrutiny Topic Group was undertaken on the work of the Safeguarding Adults Board's in responding to self-neglect. All reports from the meeting can be found here:  
  
<http://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/792/Committee/127/Default.aspx>
- 4.12 In response to Member concern relating to gaps in partner agencies attending HSAB meetings, it was established that continued work was being undertaken to promote the importance of Board attendance from all partner agencies.

Liz Hanlon

- 4.13 Members asked that thanks be conveyed to the Board for the ongoing work that was ongoing with regards to adult safeguarding and noted the importance of continued vigilance.

**Conclusion:**

- 4.14 Members noted the content of the HSAB Annual report and agreed to provide any further feedback as applicable to inform future business planning.

5. **LOCAL ACCOUNT FOR ADULT SOCIAL CARE 2016/17**  
Officer Contact: Matt Chatfield – Adult Social Care Performance Manager (01438 845387)

- 5.1 Members were presented with the 2016/17 Local Account for Adult Social Care, a statutory document outlining the performance of Adult Care Services, areas of strength and achievement, and plans for improvement.

- 5.2 The Panel attention was drawn to the specific areas of the report as follows:

- A 4% increase in service users since 2015/16
- Ongoing development on information and advice
- The continued good work of the Money Advice Unit
- The initiatives undertaken with Learning Disability Services
- Initiatives undertaken with the physical disability service with an increase of referrals now being received from hospitals.
- Work on partner integration

- 5.3 Further to a Member observation, it was agreed that a link to Annual Complaints Report would be included within the report in order to provide more detailed information on the complaints received within the service.

- 5.4 In response to a Member question it was established that Carers Assessments should occur annually, with the view to them being more regular should the service user or carer's circumstances change.

- 5.5 During general discussion, the subject of Delayed Transfers of Care (DTOC) was debated and it was noted that this remained a challenge in the west of the county, although assurance was received that improvement work was ongoing, and as a result of this Hertfordshire had risen from 132nd to 77th out of 151 in the national table monitoring DTOC statistics for all 151 Local Authorities. Members were advised that a more detailed analysis on DTOC would be presented at the November 2017 Adult Care and Health Panel where quarterly performance statistics for the

All Members

Matt Chatfield

Iain  
Macbeath/Matt  
Chatfield

department was due to be presented.

- 5.6 The Panel also received an update on the April 2017 announcement from the Chancellor of the Exchequer with regard to extra funding being provided for Adult Social Care. Members learnt that negotiations were ongoing with NHS England as to how the allocated funding would be spent and how the national target provided to Hertfordshire had been calculated. Confirmation was received that Hertfordshire's Better Care Fund Plan had now been submitted with the national target and the Panel would be kept updated with any further developments as appropriate.

Iain Macbeath

**Conclusion:**

- 5.7 Panel noted the 2016/17 Local Account for Adult Care Services

**6. OTHER PART I BUSINESS**

There was no other Part I business.

**KATHRYN PETTITT**  
**CHIEF LEGAL OFFICER**

**CHAIRMAN**\_\_\_\_\_

**CHAIRMAN'S**  
**INITIALS**

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**HERTFORDSHIRE COUNTY COUNCIL**

**ADULT CARE & HEALTH CABINET PANEL**

**TUESDAY 14 NOVEMBER 2017 AT 10:00AM**

**ADULT SOCIAL CARE PERFORMANCE MONITOR – QUARTER 2 - 2017/18**

**Report of the Director of Adult Care Services**

Author: Matt Chatfield – Adult Social Care Performance Manager  
(Tel: 01438 845387)

Executive Member: Colette Wyatt-Lowe – Adult Care and Health

**1. Purpose of the report**

- 1.1. To enable the Panel to review the performance of Adult Social Care for the second quarter of the 2017/18 financial year (July 2017 – September 2017).

**2. Background**

- 2.1 Each year the Council are required to submit data on adult social care activity to NHS Digital. This data is used to calculate a number of Adult Social Care Outcome Framework indicators which allows the benchmarking of local authorities' performance. This report provides the latest performance on a selection of these key indicators.
- 2.2 In the report, 2015/16 benchmarking information is used because at the time of writing 2016/17 information has not yet been published. However, when these are published consideration will be given as to whether the indicators presented in this report best present the priorities for Adult Social Care and whether the targets that have been set are appropriate.
- 2.3 At a recent Adult Care and Health Panel meeting, members asked for a further breakdown of delayed transfers of care. Appendix 1 provides this breakdown.
- 2.4 In addition to the above, an overview of the Hertfordshire Care Standard is also included in Appendix Two. The Hertfordshire Care Standard is a performance summary of commissioned provision across day services, residential care and homecare providers. The Hertfordshire Care Standard is also used to monitor performance against a set of regional standards, such as leadership, involvement of service users, level of complaints and safeguarding activity. Targets are set to include, as a minimum, one monitoring visit per provider per year. Visits are prioritised according to a risk rating that takes in to account outcomes of Care Quality Commission (CQC) inspections, financial monitoring and feedback gained from operational teams, the Clinical Commissioning Groups and service users and their families.

### **3. Equalities Impact Assessment**

- 3.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the equalities implications of the decision that they are taking.
- 3.2 Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the County Council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EqIA) produced by officers.
- 3.3 The Equality Act 2010 requires the Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.
- 3.4 No Equalities Impact Assessment was undertaken in relation to this matter. This report is for noting and commenting purposes only and does not require a decision which would have any equality implications.

### **4. Financial Implications**

- 4.1 This report is for noting and commenting purposes only and does not require a decision which would have any financial implications

### **5. Recommendations**

- 5.1 Panel is invited to note the report and comment on the performance of the Adult Care Services Directorate for Quarter 2 of the 2017/18 financial year.

Indicator		2016/17 End of year performance	2017/18 Target	Quarter 1 Performance	Quarter 2 Performance	Quarter 3 Performance	Quarter 4 Performance	2015/16 National average
Percentage of people receiving self-directed support		95.4%	97.0%	95.9%	96.0%			86.9%
	<p><u>Commentary</u></p> <p>As at the 30 September 2017 there were 8,108 clients receiving a long term service of which 7,780 were in receipt of self-directed support. Teams continue to be provided with a list of clients who are not being reported as receiving self-directed support in order for the client to be re-assessed or reviewed.</p>							
Percentage of carers receiving self-directed support		97.6%	99.0%	97.1%	97.2%			77.7%
	<p><u>Commentary</u></p> <p>During the year there have been 1,761 carers receiving a service of which 1,711 have been through a self-directed support process. Teams receive regular information on carers not receiving self-directed support in order to ensure performance is sustained and improves.</p>							
Percentage of people receiving direct payments		28.4%	30.0%	27.5%	27.3%			28.1%
	<p><u>Commentary</u></p> <p>Of the 8,108 clients receiving a long term service, 2,217 are in receipt of a direct payment. Teams are implementing a specific initiative to review long term clients over the next quarter to ensure they are receiving the most suitable form of support.</p>							

Indicator	2016/17 End of year performance	2017/18 Target	Quarter 1 Performance	Quarter 2 Performance	Quarter 3 Performance	Quarter 4 Performance	2015/16 National average
<b>Percentage of carers receiving direct payments</b>	<b>78.2%</b>	<b>85.0%</b>	<b>70.5%</b>	<b>70.9%</b>			<b>67.4%</b>
	<u>Commentary</u> Of the 1,761 carers receiving a service this year, 1,248 have received a direct payment. Carers continue to be assessed and reviewed to ensure they are receiving the most suitable form of support available.						
<b>Permanent Admissions to Care Homes (18-64) (rate per 100,000 population)</b>	<b>13</b>	<b>15</b>	<b>2.96</b>	<b>Quarter in Arrears</b>			<b>13.3</b>
	<u>Commentary</u> Performance is reported a quarter in arrears in order to allow for the time lag in reporting. There were 21 admissions in quarter 1 giving the rate of 2.96 per 100,000 population and it is anticipated that performance will meet the end of year target.						
<b>Permanent Admissions to Care Homes (65+) (rate per 100,000 population)</b>	<b>543</b>	<b>575</b>	<b>138</b>	<b>Quarter in Arrears</b>			<b>628.2</b>
	<u>Commentary</u> Performance is reported a quarter in arrears in order to allow for the time lag in reporting. There were 262 admissions in quarter one giving a rate of 138 admissions per 100,000. This indicator is predicted to meet end of year target. ACS strategy is to reduce the number of people requiring residential care and promote the use of alternative services in order to promote independence. Continued management oversight of all residential placements and the promotion of alternative forms of care have resulted in the level of residential admissions continuing to reduce in line with this aim.						

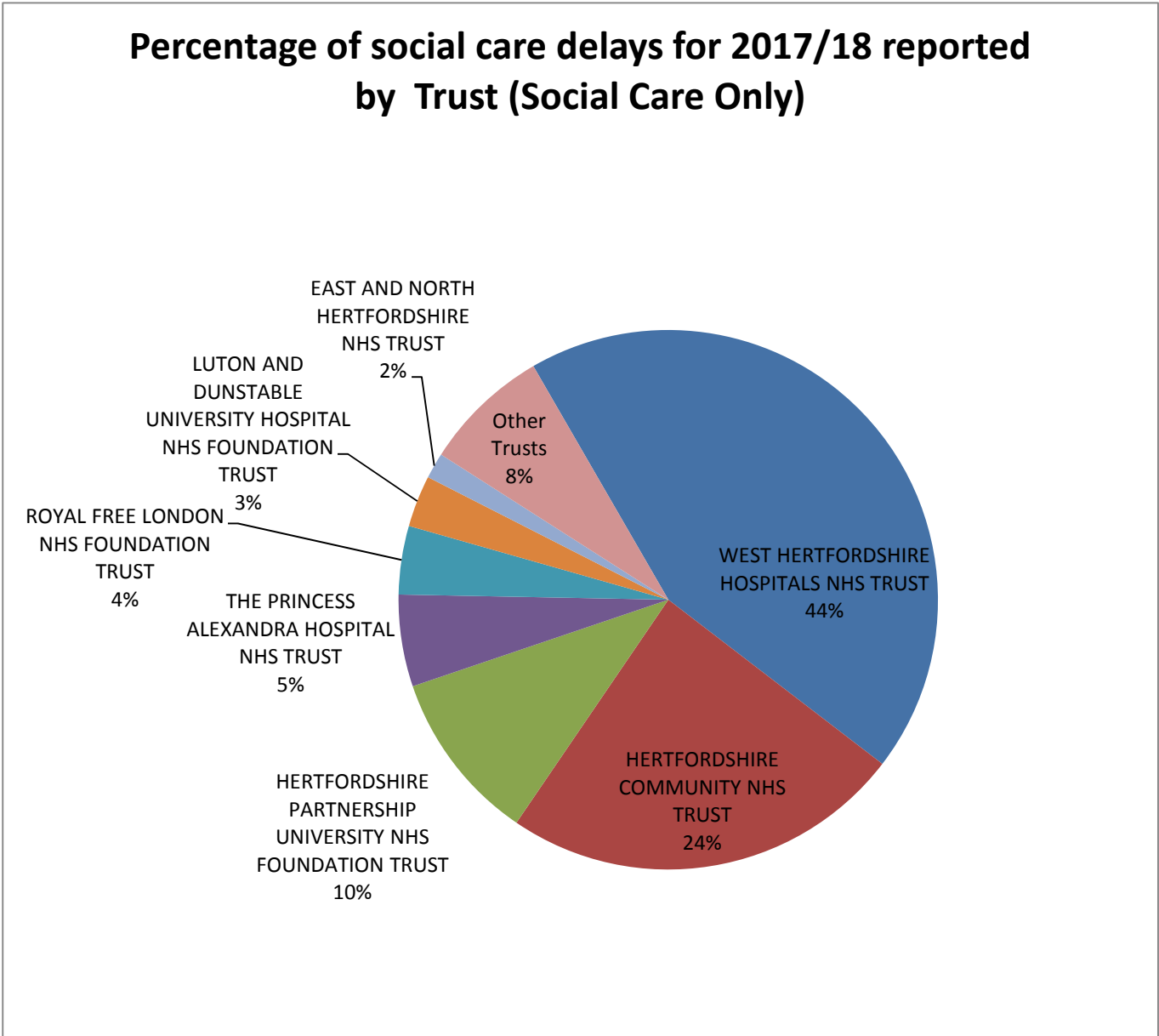
Indicator	2016/17 End of year performance	2017/18 Target	Quarter 1 Performance	Quarter 2 Performance	Quarter 3 Performance	Quarter 4 Performance	2015/16 National average
<b>Older people at home 91 days after leaving hospital into reablement</b>	<b>86.0%</b>	<b>85.0%</b>	<b>90.0%</b>	<b>87.0%</b>			<b>82.7%</b>
	<p><u>Commentary</u></p> <p>Performance has slightly decreased since last quarter although performance continues to be above target. The number of clients entering reablement services continues to increase as clients with more diverse and severe needs are offered this form of support. However, one of the results of offering reablement services to people with more significant need is an increase in the likelihood that they will not be at home after 91 days from discharge.</p> <p>The service continues to be improved by a number of initiatives including working with providers to increase capacity, development of discharge to assess models in order to help people transfer from hospitals into reablement and the recruitment of additional occupational therapists.</p>						
<b>Delayed transfers of care attributable to social services (rate per 100,000 pop)</b>	<b>5.6</b>	<b>5.0</b>	<b>7.8</b>	<b>6.6</b>			<b>4.7</b>

Indicator		2016/17 End of year performance	2017/18 Target	Quarter 1 Performance	Quarter 2 Performance	Quarter 3 Performance	Quarter 4 Performance	2015/16 National average
<u>Commentary</u>  Delayed Transfers of care attributable to social care has reduced from quarter 1. Data relating to delays is published by Trust and for the year to date, the greatest percentage of Hertfordshire's delays attributable to social care have been reported by West Herts Hospital Trust with 44% of all delays occurring at their hospital. Hertfordshire Community Trust (24%) and Hertfordshire Partnership Foundation Trust (HPFT) (10.3%) report the second and third highest contribution to delays. The main reason recorded for social care delays is patients waiting for home care (51%), followed by waiting for nursing care (22%) and then residential care (17%).  Actions to improve performance include ensuring working closely with each individual trust to ensure delays are recorded and reported accurately (resulting in a reduction of delays reported by HPFT) and continuing to work on a number of initiatives including: <ul style="list-style-type: none"> <li>- increasing intermediate bed capacity by using Improved Better Care Fund (IBCF) funding</li> <li>- additional recruitment for Trusted Assessors to help identify suitable care packages for clients in hospital</li> <li>- continuation and further roll out of Integrated Discharge Teams across Hertfordshire hospitals.</li> </ul>								
<b>Number of DOLS applications received</b>		<b>4,493</b>	<b>5,430</b>	<b>933</b>	<b>1,355</b>			<b>N/A</b>
<u>Commentary</u>  Information included for monitoring purposes only – no target set and no comparative benchmarking available								
<b>Number of Safeguarding concerns raised</b>		<b>5,627</b>	<b>N/A</b>	<b>2130</b>	<b>2042</b>			<b>N/A</b>
<u>Commentary</u>  Information included for monitoring purposes only – no target set. Comparative information will be available for the Quarter								

Indicator		2016/17 End of year performance	2017/18 Target	Quarter 1 Performance	Quarter 2 Performance	Quarter 3 Performance	Quarter 4 Performance	2015/16 National average
	3 report.							

**Appendix 1**

The table below demonstrates the percentage of delayed transfers of care reported year to date, broken down by each reporting NHS Trust.





# The Hertfordshire Care Quality Standard

## How we assess the Standard

Commissioners gather information from a number of sources to judge quality:

- Information from the industry regulator – the Care Quality Commission (CQC) following their routine inspections of registered services;
- Quarterly meetings with the CQC to share concerns about quality or practice;
- Whistle-blowing, representations and complaints from people who use services, their family carers, care staff and citizens;
- Feedback from people who use services, and carers through our surveys - 'Have Your Say' and 'ASCOT' satisfaction;
- Information from independent watchdog of health and social care: Healthwatch;
- Feedback from our partners including GPs, Ambulance service and District Nurses
- Intelligence from Environmental Health Officers and Fire Inspections;
- Regular D & B credit checks of care providers to make sure they are financially stable and sustainable;
- Operational team intelligence.

We have set up a 'Hertfordshire Standard' email address as a repository for information which can be used by all stakeholders. Any concerns can be emailed in to:

[careconcerns@hertfordshire.gov.uk](mailto:careconcerns@hertfordshire.gov.uk)

Risk analysis of providers: all providers are formally risk assessed using the East of England regional contract monitoring process. This prioritises providers based on key areas of information and enables better allocation of monitoring resources.

Contract Monitoring: a schedule of contract monitoring visits is undertaken by the council using a regional monitoring tool (PAMMS application). This gives a score against outcome areas, and priorities can be given to certain standards. We can also compare our care quality with our neighbours.

## Status Report –Q2 July to September 2017

Domain 4: Suitability of Staffing	62.5% (Target 90%)	& Safety	
Domain 5: Quality of Management	57% (Target 88%)	Domain 4: Suitability of Staffing	74% (Target 81%)
Overall PAMMS % score	61.1% (Target 92%)	Domain 5: Quality of Management	74.5% (Target 70%)
Complaints upheld	39 (174)	Overall PAMMS % score	70% (79%)
Serious Concerns opened	0 (<3)	Complaints upheld	0 (< 3)
% SU that feel safe	94.8% (95%)	Serious concerns opened	3 (< 3)

## Day Opportunities (42 Providers)

Information	Activity and RAG	
	OPPD	LD
Domain 1: Involvement & Information	0 % (89%Target)	0 % (89%Target)
Domain 2: Personalised care & Support	0 % (93%Target)	0% (93%Target)
Domain 3: Safeguarding & Safety	0 % (77%Target)	0% (77%Target)
Domain 4: Suitability of Staffing	0 % (88%Target)	0% (88%Target)
Domain 5: Quality of Management	0 % (92%Target)	0% (92%Target)
Overall PAMMS % score	0% (85%Target)	0% (85%Target)
Serious concerns opened	0 (1 Target)	0 (1 Target)
Complaints up held	0 (1 Target)	0 (1 Target)

## Learning Disabilities Accommodation

(57 Resi Providers (105Services) & 35 Supported Living providers)

Information	Activity and RAG rate	
	Residential	Supported Living
Domain 1: Involvement & Information	82.5% (Target 86%)	72.5% (81%Target)
Domain 2: Personalised care & Support	82.5% (Target 90%)	75% (87%Target)
Domain 3: Safeguarding & Safety	76.25% (Target 86%)	80% (77%Target)
Domain 4: Suitability of Staffing	81.25% (Target 79%)	72.5% (84% Target)
Domain 5: Quality of Management	80% (Target 72%)	80% (74%Target)
Overall PAMMS % score	81.25% (Target 82%)	80% (80%Target)
Serious concerns opened	0 (<3 Target)	0 (1 Target)
Complaints upheld	0 (<3 Target)	0 (1 Target)

## Older People's Accommodation (67 Provider's - 144 Services)

Information	Activity RAG Rate
Domain 1: Involvement & Information	74% (Target 77%)

## How we enforce the Standard

Any areas of concerns which arise from our care contract monitoring visits result in the council requesting an action plan from the care provider. When the plan is agreed, the provider must act on the plan within agreed timescales. We will support providers to improve, giving advice on best practice and highlighting available training or other support.

Key themes emerging from monitoring visits - and the information gathered from partners and people who use services is collated and used by council staff in the 'Workforce Development Team' and Hertfordshire Care Providers Association to support focused training events for their members.

'Serious Concerns with a Provider' procedure: where a number of concerns about a provider or establishment have emerged and we believe people may be at risk, a serious concerns meeting is called and council staff, management from the provider and key stakeholders share information, highlight areas of concern and agree an action plan for improvement to agreed timescales.

If standards do not improve we will intervene and where necessary contracts are suspended and/or terminated.

Safeguarding meetings - our operational social work teams have responsibility for safeguarding vulnerable people and following the council's 'Safeguarding Adults from Abuse in Hertfordshire Protocol'.

Finally where service users are at risk we will support them and their families to provide alternative provision.

If you are worried about care standards or need more information, please email us at:  
[careconcerns@hertfordshire.gov.uk](mailto:careconcerns@hertfordshire.gov.uk)

- Targets remain as previous year. Averages calculated assigning 100 points to excellent, 80 to good, 50 to RI and 0 to Poor.

## ITEM 3C

Quality Monitoring Summary Quarters 1 and 2 2017/18	Lead team
<p>In April 2017 the ADASS workbook was replaced by the Providers Assessment Market Management Solution (PAMMS application), an online tool which manages the monitoring process. PAMMS has three sections:</p> <ol style="list-style-type: none"> <li>1. The assessor application - this is where the assessments are completed by the monitoring officer</li> <li>2. The assessment portal - This is where completed assessments are stored and can be viewed by the provider</li> <li>3. The reporting tool - this includes the performance dashboards, including providers' performance across the region.</li> </ol> <p>PAMMS was designed to be more user friendly for providers and commissioners, and allows the collation and analysis of the data collected about providers to be used by commissioners across the region to monitor and assess performance and benchmark performance. The aim is to achieve better outcomes for service users and raise quality across all areas of service delivery. The system includes an interactive action planning process, known as smart tool, which is completed by providers following the monitoring visit, to highlight the areas that require improvement. The proposed actions are validated, monitored and approved by the relevant monitoring team until all actions are complete and improved performance can be sustained.</p> <p>PAMMS also helps identify where Hertfordshire County Council and partners can provide additional support to providers through direct interventions such as workforce development, medicines management and specific training such as Mental Capacity Act (MCA) and Deprivation of Liberty (DoLs) workshops.</p> <p>To support the roll out of the new PAMMS system, training sessions were held between January and March 2017, for all providers and staff involved in the monitoring of services. These sessions have continued throughout the implementation phase of the new system. Over 150 providers have attended training sessions to date and sessions continue to be offered to providers. Training was also extended to CCG colleagues, operational teams, and CQC inspectors.</p> <p>In addition, the multi-agency monitoring protocol has been revised to reflect the new PAMMS application requirements.</p> <p><b>Assessing risk and managing the monitoring timetable for 2017/18</b></p> <p>An annual monitoring schedule is developed by each team based on the East of England risk assessment tool. Providers are prioritised on a risk basis, and those with the highest risk rated score receive monitoring visits in Quarters 1 and 2. This means that each year Qs 1 and 2 have a much higher number of providers being rated as Requires Improvement.</p> <p>The data presented for quarters 1 and 2 shows a lower percentage of providers scoring "Good" due to:</p> <ol style="list-style-type: none"> <li>a) The higher risk nature of the providers monitored in Q1 and Q2,</li> <li>b) A reduced number of providers monitored this year as compared to the previous year in Quarters 1 and 2 due to the implementation of the new system</li> <li>c) The PAMMS system reporting the provider's substantive scores differently to the previous system.</li> <li>d) Assessments with PAMMS system enabling a more detailed report compared to the previous system</li> </ol> <p>It should be noted that the initial roll out of the new PAMMS system has resulted in a lower number of providers</p>	<p>Integrated Accommodation Commissioning Team</p>

## ITEM 3C

being monitored overall. An evaluation of the challenges both providers and commissioners have experienced with the initial implementation phase has been carried out and a number of changes to internal processes have been made to improve the process in time for Quarter 3 reporting. This is being done in partnership with regional colleagues.	
<b>Day Services- Older People-</b> ACS commissions 16 Day Services for Older People across Hertfordshire that are delivered by 3 external providers - Quantum, Runwood and Age UK. These services are low risk as they do not involve one to one care or lone working, and historically have low levels of concerns and safeguarding incidents. Therefore monitoring of these services has not been prioritised during Q1 and Q2 of 2017/18 to enable more monitoring resource to be committed to homecare.	Integrated Community Support Commissioning Team
<b>Day Services – Older People – Previous scores for 2016/17 Using the east of England Workbook</b> <b>Excellent – 13</b> <b>Good – 2</b> <b>Required Improvement – 1</b> <b>Poor – 0</b>	
<b>LD Day Opportunities (DO) – Q2</b>  There are 56 Day Opportunity services for people with Learning Disabilities across Hertfordshire and due to a low number of Safeguarding incidents and the type of service being provided they are not prioritised for monitoring unless a specific incident or reason is highlighted. Monitoring resource for LD services is limited and is therefore generally focused on Supported Living services.  2 day services were assessed during Q2 (compared to 2 in Q1). One service was of concern regarding management practise following a whistleblowing incident, the second service was visited due to a possible change/reduction in contract. The first service has achieved a “Good’ rating and evidenced sustained improvement regarding management practise, the second service achieved an ‘Excellent’ rating.	Community Wellbeing Team
<b>Scores on EoE workbook in Q2</b> <b>Excellent – 1</b> <b>Good – 1</b> <b>Required Improvement - 0</b> <b>Poor – 0</b>	
<b>Older People’s (OP) Accommodation – Q2</b>  20 OP accommodation providers were monitored and the final reports published in Q2 (compared to 11 published in Q1) from a total of 144 services. However 57 services in total were visited to conduct a contract monitoring visit during Q1 & Q2. 26 reports are in process of being finalised. Most of the contracts monitoring visits were conducted in at least two working days. In addition to these visits 92 drop in visits were carried out to 48 different services. They were mostly related to providing support to managers in care homes to use the PAMMS application and/or to assess issues coming through care concerns and partnership intelligence. This	Integrated Accommodation Commissioning Team

## ITEM 3C

<p>proactive approach has consistently maintained a lower number of providers failing and entering the serious concerns process.</p> <p>In Q2 60% of providers were rated as either Good or Excellent, which increased from Q1 (27%), but lower than the 82% achieved in the same quarter last year. This is due to the higher number of higher risk rated services monitored in Quarter 2.</p> <p>For Quarter 2, 2 providers received an overall excellent rating, 10 received good and, 8 providers require improvement.</p> <p>The most common standards where providers were under performing were management of medicines, requirements relating to staff recruitment and staff and service users records.</p> <p>All providers that were rated as “requires Improvement” in Quarter 1 have received follow up monitoring visits in Quarter 2 to ensure improvement targets within action plans are all being met.</p>	
<p><b>Score Older People’s Accommodation</b>  <b>Excellent = 2 providers</b>  <b>Good = 10 providers</b>  <b>Required Improvement = 8 providers</b>  <b>Poor = 0 provider</b></p>	
<p><b>Learning Disability Accommodation – Q2</b></p> <p>8 LD providers were monitored and the final reports published in Q2 (compared to 4 published in Q1) from a total of 105. 30 services in Q2 were visited either through a full contract monitoring visit or drop in visit during Q2. The 19 drop in visits was mainly responding to intelligence collected by the commissioning team and/or Adults with Disability Team, in order to assess and prevent provider failure.</p> <p>87% of LD services monitored in Q2 were rated at least good (2 excellent, 5 good and 1 requires improvement)</p> <p>Some of the areas identified as requiring improvement are management of medicines and safety and suitability of premises.</p> <p>Action plans are developed with all providers scoring below Good in any area of the assessment (even if the overall rating is good). Using the smart tool in PAMMS, providers set out key milestones, targets and timescales by which improvements need to be made. Actions are closely monitored by the commissioning team.</p> <p>Monitoring officers have also provided additional training and support for providers to help improve the implementation of the PAMMS system</p>	<p>Accommodation Commissioning Team</p>
<p><b>Score Learning Disability Accommodation</b>  <b>Excellent = 2 providers</b>  <b>Good = 5 providers</b>  <b>Required Improvement = 1 provider</b>  <b>Poor = 0 providers</b></p>	
<p><b>Learning Disability Supported Living – Q2</b></p>	

## ITEM 3C

<p>There are 62 external Supported Living Providers (172 services) across Hertfordshire and 15 of them have been monitored in Quarter 2 (compared to 20 in Q1). Due to a low level of monitoring resource the LD team constantly review which specific services to prioritise and more than two thirds of those rated as Red (high) and Amber (medium) have already been visited this year with the rest booked in the next few months. The team also respond to concerns raised by Operational colleagues, in house services have not been prioritised.</p> <p>Following assessment in Q2 8 providers achieved a 'good' rating and 7 are in the process of completion of their action plans to address the 'Required Improvement' aspects of their assessment. Themes emerging from the 'Required Improvement' reports include Involvement and information, Personalised care and support, Safeguarding and safety, Suitability of staffing, Quality of management.</p>	Community Wellbeing Team
<p><b>Score Supported Living (in house and external house)</b>  <b>Excellent – 0 provider</b>  <b>Good – 8 providers</b>  <b>Required Improvement - 7 provider</b>  <b>Poor - 0 provider</b></p>	
<p><b>Support at Home Quarter 2 activity:</b></p> <p>There are 36 Support at Home providers requiring a PAMMS monitoring visit during 2017/18. 9 PAMMS reports were published during Quarter 2. 3 had previously been published during Quarter 1 (all rated Good).</p> <p>Of the reports published in Quarter 2, 5 were rated Good, 3 Requires Improvement and 1 Poor.</p> <p>The provider rated as Poor is a spot provider currently supporting 66 Service Users in North Herts and Stevenage, Watford and Three Rivers. Concerns were noted regarding the quality of care planning, late and missed visits and medication administration. Care worker interviews raised concerns about the support provided by management to staff. Service User feedback however was primarily positive. The provider is currently suspended whilst the Monitoring Officer supports them with their improvement action plan. New management is in post and improvements have been noted, and it is expected the suspension will be lifted early in Quarter 3.</p> <p>Two of the providers rated Requires Improvement are working through action plans with their Monitoring Officer to achieve the necessary improvements. These providers are not considered high risk – concerns related to office processes around recording and auditing rather than practice. The providers are working with the Monitoring Officers and are committed to improvements. Care worker and Service User feedback was positive in both cases.</p> <p>One of the providers rated Requires Improvement is considered high risk and is currently receiving increased support and additional monitoring. The provider is a spot provider currently supporting 66 Service Users in East Herts, Broxbourne and Hertsmere. High risk concerns relate to the financial status of the provider. ICS are providing intensive support to this provider.</p>	Integrated Community Support Commissioning (ICS)Team
<p><b>Score Homecare</b>  <b>Excellent – 0 provider</b>  <b>Good – 5 providers</b>  <b>Required Improvement = 3 providers</b>  <b>Poor = 1 provider</b></p>	

# HERTFORDSHIRE COUNTY COUNCIL

## ADULT CARE AND HEALTH CABINET PANEL

TUESDAY 14 NOVEMBER 2017 AT 10:00AM

### IMPLEMENTATION OF SUPPORTED ACCOMMODATION STRATEGY

#### Report of the Director of Adult Care Services

Author: Kulbir Lalli, Head of Integrated Accommodation Commissioning (Tel: 01438 843217)

Executive Member: Colette Wyatt-Lowe, Adult Care and Health

#### **1. Purpose of report**

- 1.1. To update Panel on the implementation of the Ten Year Supported Accommodation Strategy ("the Strategy"), agreed in July 2017.

#### **2. Summary**

- 2.1. Panel received the Strategy in July 2017, designed to plan and provide sufficient accommodation for disabled and older people who need social care over the next 10 years. That strategy was agreed by Cabinet in July 2017. <http://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/750/Committee/16/Default.aspx>
- 2.2. The Strategy proposed fundamental changes to our current service models, detailing commissioning intentions to facilitate 1,500 additional Flexicare Housing units for older people, consequently buying fewer residential care home placements. In addition the strategy recognises the increasing frailty and complexity of need of older people who do remain in their own home for much longer, and so projects the need for 1,000 additional nursing home beds required in ten years' time. The Strategy also forecasts the need for 500 additional supported living housing placements for younger people with disabilities, but no more additional residential care placements for them.
- 2.3. This report describes, at Panels request, the three key ways in which the Strategy will be implemented; through progress with Hertfordshire's district and borough councils to identify mutually beneficial opportunities for development; the creation of 'district profiles' to build up a picture of local requirements and; other projects which are underway to meet more specific requirements.

#### **3. Recommendations**

- 3.1. Panel is asked to note and comment upon the progress made on the initial stages of implementation of the Supported Accommodation Strategy.

## **4. Background**

### **4.1 District Boards and local projects**

4.1.1 The County Council is responsible for commissioning adult social care on behalf of Hertfordshire's residents and in addition the ten Districts and Borough Councils of Hertfordshire are the local Housing Authorities. These authorities will work together to ensure that choice and capacity of supported housing are available for local residents. The NHS and other stakeholders also have an interest in the provision of suitable quality accommodation for vulnerable people.

4.1.2 The Hertfordshire Health and Wellbeing Board therefore commissioned a Hertfordshire Adults Supported Accommodation Strategic Board ("the Strategic Board") with representation from County, Districts, the NHS and other stakeholders which has been meeting since June 2016.

4.1.3 The Strategic Board has sought to pursue opportunities for development of supported housing in District and Borough areas; in addition each District has been invited to set up a Local Area Board (LAB) with health and care colleagues.

4.1.4 The purpose of the LABs is to:

- i) Meet the challenge of the diverse characteristics and different patterns of housing and care that will be needed in different areas
- ii) Recognise and work to minimise the impact of any lack of access to the right accommodation on avoidable costs to public bodies, such as:
  - Delayed hospital discharge and avoidable hospital admission
  - Avoidable and permanent admission to care homes
  - Loss of tenancies, build-up of housing related debt
  - Homelessness and rough sleeping
  - Lack of employment or social opportunities
- iii) Ensure future accommodation needs for those people who require care and support will feed into Local Plans (a plan setting out the local planning authority's policies on how land will be used) and strategic housing plans. This will result in greater clarity on growth and reductions in different areas, and on the requirements for mixed markets, catering for social and private needs, as well as affordable housing.
- iv) Ensure the right mixture of tenures and deliver growth in key services, taking into consideration private sector growth and investment, social and private rental markets and incentives for people 'downsizing'. This will allow opportunities for working with a

range of partners to deliver accommodation/housing, beyond the traditional providers

- v) Develop partnerships to identify and secure the funding necessary for the delivery of supported accommodation in Hertfordshire. Potential sources could include private developer contributions, Homes and Communities Agency (HCA) funding, and other assets and capital funding programmes the County Council and partner district and borough councils are able to access.
- vi) The intention is for each District to have a LAB. To date, six district and boroughs councils have an established LAB, with terms of reference and relevant Heads of Housing nominating district/borough representation.

#### **4.2 Case study: Stevenage Borough Council Accommodation Board (a Local Area Board)**

- 4.2.1 The Stevenage LAB has identified an opportunity to develop Extra Care housing in Stevenage in order to achieve objectives outlined in the Strategy and Stevenage Borough Council's emerging local plan
- 4.2.2 Following early discussions with the Extra Care Housing Charitable Trust, the LAB has agreed to develop a joint Hertfordshire County Council and Stevenage Borough Council position on a preferred model of Extra Care housing for Stevenage on which to base future work with the Extra Care Housing Charitable Trust and the wider market if necessary
- 4.2.3 The Stevenage LAB's aim is to deliver a large scale extra-housing scheme in Stevenage by 2020.
- 4.2.4 The scale of the development is yet to be determined. It is expected that a minimum of 200 units will be delivered on mixed tenure model across either a single or multiple sites.
- 4.2.5 The scheme will deliver affordable housing for older people that supports health and wellbeing and prevents or delays escalation of social care, health and housing need.
- 4.2.6 The partnership will produce a joint Hertfordshire County Council/Stevenage Borough Council statement on design principles addressing:
  - Volume and mix of tenure, including affordable rent model.
  - Preferred built environment.
  - Preferred site location, feasibility and viability.
  - Preferred commissioning model (including financial risk) and procurement framework.

- Outcomes based operational model (housing and social care).
- Integration with community and with health, wellbeing and care services.

4.2.7 The project will identify a private or voluntary sector delivery partner to develop and deliver the scheme(s). Consideration will be given to partnership delivery models.

### 4.3 District profiles – a needs analysis

4.3.1 To support the LABs to identify and focus on key opportunities for developments, district profiles have been created that translate the headline requirements from the Strategy into specific property requirements (ranging from essential to ideal). The district profiles set out the accommodation targets in the medium term. Housing providers have used the district profiles to develop their business models for the local area and have commented how informative and useful they were. The district profiles outline building requirements and are comprised of population level data (POPPI and PANSI), layered with existing Adult Care Services service user data and qualitative information from Adult Care Services operational teams.

4.3.2 By way of example, accommodation requirements for younger adults with a disability is summarised in the table below. Similar forecasts are in place for older people including Flexicare, residential and nursing home placements:

District	Accommodation for mainstream Learning Disability	Accommodation for people with Learning Disability/physical disability	Accommodation for people with Challenging behaviour	Accommodation for people with physical disability	Accommodation for people with Apsergers	Mainstream Housing placements a year for move on from Supported living
Broxbourn	30	4	6	4	4	4
Eats Herts	40	12	12	12	12	4
Stevenage( taking into account Scarborough House reprovion)	20	28	4	4	4	4
North Herts	35	18	10	10	10	4
Welwyn and Hatfield	30	6	6	6	6	4
Hertsmere	45	12	12	12	12	4
St Albans	30	12	12	6	6	4
Dacorum	40	6	8	6	6	4
Watford	30	4	6	4	4	4
Three Rivers	30	4	4	4	4	4

#### **4.4 Projects underway to meet specific requirements from Older People's and Adults with Disability services**

- 4.4.1 The Adult Care Services and Resources directorates have agreed high level principles to ensure that sufficient supply of supported accommodation is forthcoming over the next ten years.
- 4.4.2 Hertfordshire County Council will commission Herts Living (the new County Council Property Company) to deliver a proportion of the required units of accommodation on suitable County Council sites. This will deliver approximately 20% of required capacity. Based on the table above, this equates to 137 units across the County. This methodology will also apply to community accommodation for Older People, such as Extra Care schemes.
- 4.4.3 Where appropriate, Hertfordshire County Council will directly commission accommodation in partnership with District and Borough Councils; this may include responding to opportunities identified at the LABs, incorporating growth into existing planned large scale developments or new sites for future development. It may also involve re-provision of existing accommodation that is no longer fit for purpose. This will deliver approximately 70% of required capacity. Based on the table above, this equates to 487 units across the County. This methodology will also apply to community accommodation for Older People, such as Extra Care schemes.
- 4.4.4 Where delivery of the above does not meet demand commissioners will undertake direct engagement with local housing providers, care home providers, residential social landlords and extra care housing providers to develop additional supply. This may involve making use of County Council capital resources which would be subject to business cases brought forward on a case by case basis. This will deliver approximately 10% of required capacity. Based on the table above, this equates to 68 units across the County. This methodology will also apply to community accommodation for Older People, such as Extra Care schemes.
- 4.4.5 In response to the challenges within the residential and nursing care home market (outlined in the Strategy), work is underway to reduce the amount of commissioned long stay residential care and increase the amount of long stay nursing care purchased. This will involve developments to:
- i) **Contract models** – by using information about cross subsidies and complexity of needs, for example, to secure and grow capacity
  - ii) **Financial models** – to create an affordable, sustainable and profitable market that is resilient and able to respond to demand

- iii) **Performance** – by the development of key performance indicators (KPIs), both strategic and for individual services, in line with the incentive models used by NHS and CCG commissioners
- iv) **Quality** – by the development of a quality framework that directly dovetails with the contractual and financial models, to ensure quality services are rewarded.

## **5. Next steps**

- 5.1. The Strategy will be formally launched with housing and care providers and partners on 13 November 2017. An aim of the launch and early market engagement will be to identify ‘trailblazer’ providers who are willing to deliver innovative models of accommodation in support of the Strategy.
- 5.2. A County Council ‘Invest to Transform’ bid will be submitted through the appropriate channels to support the implementation of the Strategy and management of projects delivered in partnership with the Local Area Boards.
- 5.3. The implementation of the Strategy will be monitored. It will deliver financial efficiency savings, to be agreed in the 2018-21 County Council Integrated Plan, pertaining to making fewer residential care home placements by finding alternatives to help people stay in their own home, securing nursing care home fees at a sustainable level through use of County Council capital, provision of more supported living housing for younger people with disabilities and provision of adaptations to people’s own homes to keep people independent.

## **6. Equalities Impact Assessment**

- 6.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the equalities implications of the decision that they are taking.
- 6.2 Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the County Council’s statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EqIA) produced by officers.
- 6.3 The Equality Act 2010 requires the Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.

- 6.4 An Equalities Impact Assessment has been completed for the Strategy and was noted by Panel on the 3<sup>rd</sup> of July 2017. This assessment is available at the link below:

<https://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/750/Committee/16/Default.aspx>

**HERTFORDSHIRE COUNTY COUNCIL**

**ADULT CARE & HEALTH CABINET PANEL**

**TUESDAY 14 NOVEMBER 2017 AT 10.00AM**

Agenda Item No.

**5**

**ADULT CARE SERVICES SMART WORKING: ESTABLISHMENT OF A  
LOCAL AUTHORITY TRADING COMPANY TO PROVIDE ADULT SOCIAL  
CARE SERVICES**

**Report of the Director of Adult Care Services**

Author: Steven Lee-Foster, Operations Director, Community  
& Specialist Services (Tel: 01992 555748)

Executive Member: Colette Wyatt-Lowe, Adult Care & Health

**1. Purpose of report**

- 1.1. To outline to Panel the business case, attached at Appendix 1 to the report, for the establishment of a Local Authority Trading Company (LATC) to provide Adult Care Services and
- 1.2. To seek the Panel's agreement to recommend to Cabinet that Cabinet approve the business case.

**2. Summary**

- 2.1. Adult Care Services in Hertfordshire are facing unprecedented challenges while the demand for care is rising. At the same time there have been a number of cases of providers withdrawing from the market, and occasions in the home care, supported living, and residential care sectors that have required the Council to intervene to source alternative provision or take on the services itself. This has highlighted the need to look at innovative solutions when the Council is required to intervene to stabilise services and ensure continuity of care.
- 2.2. Where alternative providers cannot be sourced, or urgency means it is not feasible to re-procure a service in time, the only option at present is for the Council to take on the direct management of a service. While this can work well, the increasing number of interventions is placing a considerable strain on resources and new ways of addressing the problems in the local care market need to be explored. Officers have undertaken preparatory work assessing various options including the option of creating a Council-owned LATC.

- 2.3. This approach is now well established with many local authorities operating LATCs to deliver Adult Care and other services. The initial feasibility work suggests this would be an appropriate option.

### **3. Recommendations**

- 3.1. That Adult Care and Health Cabinet Panel agree to recommend to Cabinet that Cabinet:
- i. approves the business case for, and the establishment of, the wholly owned trading company as referred to in this report;
  - ii. delegates to the Director of Adult Care Services in consultation with the Director of Resources, the Executive Member for Adult Care & Health and the Executive Member for Resources, Property & the Economy and the Chief Legal Officer the authority to agree such documents and arrangements and to take such other actions as are appropriate to establish the company;
  - iii. authorises the Chief Legal Officer, in consultation with the Director of Adult Care Services, to appoint officers as directors of the company;
  - iv. agrees to provide indemnities (or equivalent insurance) under the Local Authorities (Indemnities for Members and Officers) Order 2004 to employees of the Council who are appointed as Directors of the company and delegates to the Chief Legal Officer the power to finalise and issue the indemnities;
  - v. delegates authority to the Director of Resources to exercise the rights of the Council as shareholder including attending and voting at meetings, and requesting the Directors to take or refrain from taking action.

### **4. Background**

- 4.1 Adult Care Services are facing unprecedented pressures due to the combination of a growing and ageing population, increasingly complex care needs, and rising care costs. There is evidence that care providers are facing significant challenges, and in some areas the provider market is precarious. Alongside this there is significant demand for homecare and supported accommodation of all kinds across the county with particular pressures in certain areas. In addition, while the care market is relatively stable, there are widespread shortages of care workers. Some providers are reviewing their services, and some are withdrawing from the care market altogether. Others are willing to invest and develop services providing adequate funding can be secured.

- 4.2. There is a significant challenge to support providers to ensure that care services can meet the demand for care and deliver high quality services at a price the Council can afford. Where an external provider is no longer able or willing to continue to provide a service, the Council has to source an alternative service or intervene directly to prevent a service from ending prematurely. There are a number of established processes that give rise to the need to intervene in the local care market. The four most common areas are set out below.
- i. Concerns identified through the Adult Care Services commissioning, market resilience and monitoring processes;
  - ii. Serious concerns relating to care quality (including safeguarding);
  - iii. Best value and financial appraisals of services and service providers;
  - iv. Financial failure or a provider withdrawing from a service;
- 4.3 Where the Council is required to intervene in the care market it may have to re-provide a service, or maintain the service and replace the service provider. This can entail complex contractual and regulatory issues as well as all the practical matters related to the service quality and ensuring the safety of those receiving care.
- 4.4 Over the past two years Adult Care Services have been faced with having to source alternative provision – sometimes at very short notice – in the areas of supported living for residents with a learning disability, day opportunities, and home care. In addition, the Council has also had to remedy service failures in the areas of residential care, including taking on the temporary management of a residential care home. Adult Care Services have looked at ways of mitigating the risks associated with these interventions and the development of a LATC will offer a new alternative to existing in-house solutions as this is currently the only option available when time and other constraints mean it is not possible to source a replacement provider.
- 4.5 If a LATC is formed, it will provide a new option to be assessed when responding to events that involve the withdrawal, cessation, failure, or likely failure of an adult care service. The placement of services within the LATC will only be considered for delivery through the company subject to individual business appraisals and while it is likely to undertake services on a temporary basis where necessary to stabilise a service, it would also be able to deliver services for longer periods.
- 4.6 The company's primary focus will be on responding to the need to have in place the option of taking on adult care services where there are no viable alternative options. For any service undertaken by the LATC the approach will involve partnership working, service-user involvement, and adding value to other existing services provided by external providers.

- 4.7 The company would be able to receive services that need to be placed with a new provider because the existing provider is unable or unwilling to continue with the service (this may be for financial reasons, concerns around quality of care, or because a provider is withdrawing from the market or service area).
- 4.8 A LATC would be focused on ensuring the Council can fulfil its requirement to ensure safe care can continue to be provided when a provider is facing difficulties or is no longer able or willing to provide a service. It is currently envisaged that the most likely areas where the LATC could be used as a suitable vehicle are:
- i. Supported living and accommodation-related services;
  - ii. Care at home;
  - iii. Day opportunities;
  - iv. Residential care.
- 4.9. If approved, the LATC would initially be established with directors without any other staff, but as business appraisals are undertaken for future market interventions these would need to consider the staffing and other implications for the Council of using the LATC. If established, the current market resilience and appraisal system would be adapted to include the potential to use the LATC as part of the due diligence and cost-benefit process that is used to assess the options for any service intervention or re-provision. The market resilience work of Adult Care Services has framed the business case for the LATC in order to clearly define what its objectives would be.
- 4.10. The strategic objectives of the company are set out below.
- i. To deliver adult social care services by developing care and support solutions in partnership with other providers and stakeholders.
  - ii. To increase the options available to the Council in order that it can support the care market and mitigate risks of market failure.
  - iii. To be in a position to respond to provider failure if asked to do so, including developing short-notice response and “turnaround” services.
  - iv. To provide high quality services ensuring every customer is safe and has an opportunity to influence and shape the Company’s services.
  - v. To manage the business efficiently so that the LATC is able to provide alternative options to mitigate risk to vulnerable people.
- 4.11. There are a number of alternative options to the limited company approach and these have been explored as the business case has been developed. All of the options below have been considered.
- i. Mutual;
  - ii. Charity;
  - iii. Social Enterprise;
  - iv. Local Authority Trading Company;
  - v. Shared Management Arrangements.

- 4.12. The LATC option has been recommended for a number of reasons. These include the importance of retaining direct influence over activities to ensure the Council's "provider of last resort" responsibility can be fulfilled through the LATC. Market intervention involves the provision of services and therefore there is no need for a vehicle to own any community assets, such as land and buildings. Importantly, the preferred option also has to be flexible enough to adapt and change: some services may only need to be stabilised and managed for a short period, while others may need to be managed for longer periods. To allow for this flexibility, a LATC is considered a good model for intervention.
- 4.13. A LATC would need to develop a strong values-based approach to the work and importantly it would need to offer the same opportunities for co-production, involvement and engagement with service users and residents as other options.

## **5. Legal considerations and governance arrangements**

- 5.1. The provisions of Section 1 of the Localism Act 2011 and the Local Government Act 2003 allow the Council to establish a wholly owned company.

The primary purpose of the wholly owned company is to undertake commercial activities with a view to making a profit. By adopting a company vehicle there will be the ability to pursue trading opportunities if necessary.

- 5.2. A company limited by shares will be set up. This will be a wholly owned company of the Council. The company's day to day governance will be managed by a Board of Directors. The Board of Directors is likely to consist of Council officers and independent directors who can bring commercial and other expertise to the company.
- 5.3. The Council will be the sole shareholder of the company and will have the ability to direct the Directors to take or refrain from taking specified action. This is likely to be achieved through arrangements with the company whereby certain key matters will be reserved for consideration by the Council or its nominated shareholder.
- 5.4. It is proposed that officers will be appointed as Directors to the company and these appointments will be by the Chief Legal Officer – this is in line with the post's general powers in relation to appointments to outside bodies. Such delegation is important to ensure that the Council's nomination can be changed at short notice, which might be necessary from time to time.

- 5.5. In order to manage the personal risk to employees of the Council who are appointed as Directors of the company, it is proposed that the Council provides an indemnity or equivalent insurance to those who are appointed as directors of the company.

## **6. Financial Implications**

- 6.1. There are no immediate financial implications relating to the company at this stage other than the administrative cost associated with the company formation. The business case attached outlines potential set up costs if the LATC were to be used in the way proposed. These costs together with the operating costs for the company will need to be subject to a separate business case and detailed financial appraisal.

## **7. Equalities**

- 7.1. When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the equality implications of the decision that they are making.
- 7.2. Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the County Council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EQiA) produced by officers.
- 7.3. The Equality Act 2010 requires the County Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.
- 7.4. An Equality Impact Assessment (EqIA) has been undertaken and this is attached at Appendix 2 to the report. It has been assessed that currently there will be no negative impact on anyone with identified protected characteristics. There is however the potential for a positive impact on older people, as a clear objective of these proposals is to improve market resilience to help the Council respond effectively to provider failures in order to safeguard service users.

**Background Information:**

Local Authorities (Indemnities for Members and Officers) Order 2004

<https://www.legislation.gov.uk/ukdsi/2004/0110495314>

Localism Act 2011

<http://www.legislation.gov.uk/ukpga/2011/20/section/1/enacted>

Local Government Act 2003

<https://www.legislation.gov.uk/ukpga/2003/26/contents>

**Attached:**

**Appendix 1** - Business Case - Setting up a Local Authority Trading Company for the delivery of Adult Care Services.

**Appendix 2**- Equality Impact Assessment (EqIA)

## **APPENDIX 1**

### **Business Case**

#### **Setting up a Local Authority Trading Company for the delivery of Adult Care Services**

**November 2017**

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## EXECUTIVE SUMMARY

### Introduction

This Business Case assesses the business and financial basis for the setting up of a Local Authority Trading Company (LATC) to deliver adult care services in Hertfordshire.

It outlines the vision for a LATC to be established by Hertfordshire County Council, and describes the company's vision and service objectives. The company will be established to offer the potential to undertake the "rescue" and turnaround of services provided externally but its purpose will be sufficiently broad to allow for it to expand and develop its services in the future as necessary.

If the proposal is approved the company will provide a new option to be assessed when responding to events that involve the withdrawal, cessation, failure, or likely failure of an adult care service.

Services will be considered for delivery through the company subject to individual business appraisals but the LATC will be able to grow and develop if required, as well as undertaking services on a temporary basis where this is necessary to stabilise a service. While being in a position to pursue further commercial opportunities the company's primary focus will be on responding to the need to have in place the option of taking on adult care services where there are no viable alternative options. For any service undertaken by the LATC the approach will involve: partnership working, service-user involvement, and adding value to other existing services provided by external providers, rather than competing to win business from them.

### Mission Statement - Vision and Strategic Objectives

#### Vision

The company will work to ensure that residents who need care and support are able to have the same choices and opportunities as everyone else.

#### Values

The Company's services will be framed around the following values.

**Collaborative** – working with other organisations to minimise market disruption so that customers receive high quality services that are co-ordinated and outcome focused.

**Adaptable** – providing a flexible service that can respond to the changing needs of customers to ensure that the right support is available in the right place at the right time.

**Inclusive** – listening to, and recognising, customers' and employees' needs, goals, and aspirations, and providing opportunities for customers (and future employees) to influence and determine the company's services.

**Enabling** – enabling individuals to participate in the wider community.

**Sustainable** – being future focused, promoting and embracing new technology and new ways of working to ensure services are sustainable.

## **Core Purpose**

Initially, the company would be formed with a view to being able to receive services that need to be placed with a new provider because the existing provider is unable or unwilling to continue with the service (this may be for financial reasons, concerns around quality of care, or because a provider is withdrawing from the market or service area).

Over the past two years adult care services have been faced with having to source alternative provision – sometimes at very short notice – in the areas of supported living for residents with a learning disability, day opportunities, and home care. In addition, the council has also had to remedy service failures in the areas of residential care, including taking on the temporary management of a residential care home. The LATC will offer a potential alternative to existing in-house solutions which is currently the only option available when time and other constraints mean it is not possible to source a replacement external provider.

The company will be focused on ensuring the council can fulfil its requirement to ensure safe care can continue to be provided when a provider is in difficulties or is no longer able to provide a service. It is currently envisaged that the most likely areas where the LATC could be used are in the following areas.

1. Supported living and accommodation-related services.
2. Care at home.
3. Day opportunities; and
4. Residential care.

It is proposed to set up the LATC without any staff initially. However, as service needs are identified for appraisal regarding the potential to use the LATC route, the company would need to employ staff to deliver services and potentially receive staff TUPE transferred with an existing service.

## **Strategic Objectives**

The strategic objectives of the company are set out below.

1. To deliver adult social care services<sup>1</sup> by developing care and support solutions in partnership with other providers and stakeholders.
2. To increase the options available to the council in order that it can support the care market and mitigate risks of market failure.
3. To be in a position to respond to provider failure<sup>2</sup> if asked to do so, including developing short-notice response and “turnaround” services.

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<sup>1</sup> Excluding services that cannot be delegated by Hertfordshire County Council as they are statutory functions.

4. To provide high quality services ensuring every customer is safe and has an opportunity to influence and shape the Company's services.
5. To manage the business efficiently so that the LATC is able to provide alternative options to mitigate risk to vulnerable people.

## **Financial Summary**

The initial creation of the LATC will not involve the employment of staff, and will not require resource associated with terms and condition of employees and systems to support them. Services transferred or undertaken by the company will need staff and the associated office systems and infrastructure, and resource will be required to accommodate this and future requirements. The company will be subject to the usual conditions under the Companies Act and should a profit be made it will be subject to all taxes including Corporation Tax. Where costs exceed income, funding solutions and options to fund will need to be explored, to include loans and guarantees, within regulatory frameworks such as state aid. The market is extremely fragile with recruitment and supply of staff difficult to secure. Profit margins are extremely tight and difficult to achieve especially without high volumes and diversification. It is envisaged that virtually all of the company's income would be derived from a Service Level Agreement (SLA) with the council and as such the LATC is unlikely to be formed solely in order to trade to make a profit. A loan and share capital will be required to set up a company and the amount will need to be thought about in terms of possible business cases coming forward. All financing requirements will be subject to State Aid and other rules relating to LATCs and each business case will highlight the risks associated with the business and associated sensitivity analysis to enable the correct cash and debt to be provided to the company to enable it to operate..

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<sup>2</sup> It is envisaged that the LATC will work with other providers to develop services to the County Council that will help improve residential and home care options where providers face difficulties (including working with HCPA).

## **INTRODUCTION**

### **1.1 National Context – Adult Social Care**

Adult social care services provide personal and practical support to enable adults of all ages (younger adults, older people and working age adults) to retain their independence and achieve the best quality of life possible. Adult social care services are means-tested and constitute the biggest single area of discretionary spend for local authorities.

Adult social care is facing unprecedented funding pressures, due to the combination of a growing and ageing population, increasingly complex care needs, increased care costs and reductions in funding to local government. Over a number of years local authorities have endeavoured to protect social care spending while meeting increased demand through local efficiency initiatives. However, the scope for efficiencies has been largely exhausted leading to service restrictions, smaller care packages, stricter eligibility criteria, and lower prices paid to providers.

There is evidence that care providers are facing significant challenges, and in some areas the care provider market is precarious. Social care pressures have a direct impact on the health service with people having to stay in hospital longer than necessary where social care cannot be provided. The government has responded to these concerns by introducing mostly time-limited funding measures intended to ensure local authorities work in a more joined up way with the NHS to reduce the impact of social care shortages on the health service.

The changing funding environment for local authorities generally has led to a wide range of initiatives designed to increase efficiency, secure commercial income and make best use of assets. A significant number of local authorities, including Hertfordshire County Council, have used alternative delivery models to protect and develop services, including local authority trading companies (LATCs). LATCs now cover a very wide range of services, having developed from their initial focus on property and services into areas such as highways, housing and education. More recently, LATCs focused on the delivery of adult social care services have become common place with a significant growth in this area over the past five years or so.

### **1.2 Local Background**

Adult care services in Hertfordshire are being redesigned around a 15 year plan aligned to the council's Corporate Plan. This sets out a vision for people in Hertfordshire to live healthy and fulfilling lives. The council is an active partner in the NHS Sustainability and Transformation Planning (STP) process which includes working with the NHS around preventing need, joining up health and social care to manage frailty as a growing demographic trend - and playing a key role in urgent and emergency care for people.

Within this framework the local adult social care system also needs to meet rising expectations for personalised services; plan for an expanding and ageing population; and plan for medical advances that mean that children born with disabilities now increasingly survive into adulthood. The fundamental starting point as a council is that we want to delay, minimise, or prevent the need for adult social care altogether.

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The vision in Hertfordshire for adult care services is that the whole council will work to create a county where people lead healthy, purposeful lives and so helps to delay, reduce and prevent care and support needs. The vision is that people who need care and support will have the same opportunities for a good quality of life as people who do not.

In Hertfordshire adult care services are facing specific challenges.

1. The population as a whole is growing with increases in life expectancy.
2. Younger people with disabilities and health conditions are living into adulthood and enjoying much longer life expectancy.
3. Deaths from cancer and heart disease are falling, but more residents will experience chronic illnesses and long-term conditions.
4. The incidence of dementia and frailty in later life is set to increase significantly.
5. More residents are taking on caring roles for family and friends.

Residents' expectations are increasing about the quality of care and more local people want to be involved and have a say in how their needs are met; they want straightforward solutions from care and health services to support them to lead their lives. It will be a challenge to meet rising demand with reducing public funding but generally residents will have more money (especially home owners) which will mean more residents will be responsible for the cost of their own care. Alongside this we need a much wider choice of accommodation for older people and people with a learning disability.

There is significant demand for homecare and supported accommodation of all kinds across the county with particular pressures in certain areas. In addition, while the care market is relatively stable, there are widespread shortages of care workers. Some providers are reviewing their services, and some are withdrawing from the care market altogether. Others are willing to invest and develop services providing adequate funding can be secured. There is a significant challenge to support providers to ensure that care services can meet needs and deliver high quality services at a price the council can afford. The sector is facing unprecedented challenges.

### **1.3 Purpose of this Business Case**

The purpose of this Business Case is to assess the case for setting up a LATC (wholly owned by Hertfordshire County Council). The company will be used initially to focus on services that are handed back by other providers or where there are no other feasible options (due to timing and/or absence of an alternative provider) other than the existing in-house service. The first services likely to be assessed are envisaged to be in the following areas given the pattern of service failures over the past few years.

1. Supported living and accommodation-related services.
2. Care at home.
3. Day opportunities; and
4. Residential care.

At the moment the council's existing in-house service is the only option when other provision cannot be put in place due to timing, or the absence of a provider willing to take over a service at a cost the council is able to meet. The formation of an LATC would allow future business appraisals to consider the LATC option alongside other potential solutions. A business case can then be developed around the service solution and the financial cost-benefit of using the LATC compared to other options.

This Business Case has been developed out of work that is underway as part of the Adult Care Services' prevention and commercial innovation project, which has been set up to identify, test, and take forward alternative delivery models for care services in Hertfordshire as part of a wider range of activities to deliver savings identified under the council's Integrated Plan. This draft plan addresses the following.

1. Identifying the need for an LATC and its role in a wider context of the demands facing adult care services in Hertfordshire.
2. Identifying the costs and benefits of different options.
3. Identifying the threats and opportunities associated with the LATC model.
4. Identifying the risks and mitigating actions.

## **2 BUSINESS NEED**

### **2.1 Business focus**

Adult care services in Hertfordshire are facing unprecedented funding challenges at the same time as demand for care is rising. The 15-year strategy developed for Adult Care Services in Hertfordshire highlights the fact that a “business as usual” approach cannot be sustained in the future and a fundamentally different range of solutions is needed if the council is to continue to maintain services, improve provider capacity and resilience, and ensure quality care services.

Recent provider failures in the homecare and residential care sectors locally have highlighted the need for innovative solutions so that the council has a range of responses available to it where providers’ services are failing or where providers face financial difficulties. Where the council is required to act it needs a wider range of options to intervene, stabilise, and ensure continuity of care.

This creation of a council-owned arm’s-length company will add to the range of potential local solutions available. As mentioned earlier, this approach is now well established, with many local authorities operating trading companies to deliver care and other services. A key driver for this Business Case is to increase the range of options available to the council alongside existing external and in-house provision.

The formation of a council-owned trading company fits with the council’s wider smart working approach and the corporate “smart commercial” initiative, but applies this to adult social care. The LATC will address the following business needs in terms of adult social care.

#### **Market Stability**

A LATC offers the council a wider range of options to intervene in the adult social care market to achieve market stability (this could be both short-term or for longer periods of time depending on the service) where providers withdraw or where the cost of care services is not felt to be good value for money; for example, following a formal best value assessment, or where services are not safe.

#### **Prevention**

In the future it is possible that the company could work with existing providers to ensure a wide range of consultancy, business support, management support, and operational improvement (including services to improve care standards) services are available where providers are identified as needing support to improve care standards, and/or where there are concerns about financial viability. This is not addressed in this Business Case as, at least initially, the company will not be in a position to undertake these activities.

#### **Service Provision**

The company will provide the council with the opportunity to assess a new operating model and compare using the LATC against the cost of existing in-house services or re-procurement of a service. In this way the LATC will provide another option to benchmark the costs of service turnaround and rescue activity currently undertaken against.

## 2.2 Basis of Proposition and Scope

The creation of a LATC and its future development could help the council respond to the challenges facing adult care services in a number of ways. These are set out below.

1. Demand for adult care services is forecast to rise considerably and the LATC will be able to be considered where there are gaps in market; the LATC will be a **“third option”** in addition to existing in-house provision and external providers.
2. A LATC will be able to offer the **option of responding to service failure** where existing providers withdraw services or are unable to continue provision due to care quality and/or financial issues, and where a practical option of enabling services to continue with staff transferring is needed.
3. A LATC will offer the **potential to attract future business** through purchasing via personal budgets including individual service funds (this is something not possible with existing in-house services).
4. The cost of care is an important consideration for local authorities and a LATC will enable the council to **compare market solutions** against the LATC and the cost of providing services in-house.
5. The LATC will have the potential to **offer an alternative route to respond to provider failure** and being Council-owned it will help meet the statutory responsibilities the council has under the Care Act 2014.

It is recognised that in considering how to respond to market challenges Hertfordshire County Council will need to ensure value for money and a range of other solutions may be available that would mean the company would not always be in the most appropriate position to undertake to provide a service.

This Business Case covers the following in the subsequent sections.

1. An options appraisal regarding the LATC model.
2. Identifying the broader considerations and potential future business opportunities.

### **3 POTENTIAL SERVICE FOCUS**

#### **3.1 Overview**

The main focus of a new LATC would be on undertaking activity in order to safeguard services that would otherwise cease and/or have to be re-provided at a higher cost. There are also occasions when providers cannot be sourced in sufficient time (or at all) to take on a service and where the quality of care and safety of those receiving care needs to be protected while alternatives are explored.

In order to perform this function the LATC would need to directly employ care staff and would provide unregulated and regulated care services. This would include managing services through a service level agreement with the Council in the short and medium term. Based on the experience of the past few years there is likely to be a range of services that need solutions where the Council is in the position of having to secure an alternative provider. It is envisaged that the LATC would undertake a range of services but the scale, frequency, and extent of this is difficult to predict at this stage for the purposes of accurate business modelling.

The main rationale for pursuing an arm's-length approach is driven by the need to have a cost effective model for practical service intervention and delivery that would not undermine existing providers or de-stabilise an already fragile care market. However, the model cannot undermine other providers.

#### **3.2 How it might work**

At the moment there are a number of established processes that give rise to the need to intervene in the local care market. The three most common areas are set out below.

1. Concerns identified through the ACS commissioning, market resilience and monitoring processes.
2. Serious concerns relating to care quality (including safeguarding).
3. Best value and financial appraisals of services and service providers.
4. Financial failure or a provider withdrawing from the market.

Depending on the urgency the current approach entails a cost-benefit and appraisal of the options available to the council to re-provide the service or maintain the service and replace the service provider. This can entail complex contractual and regulatory issues as well as all the practical matters related to the service quality and safety of those receiving care.

Where no external provider is available, or where there is insufficient time to source an alternative provider, the council has no other option other than to take on the direct management of the service itself. This can include transferring the incumbent providers' employees to the Council. An LATC would provide an alternative option to this and a way of exploring a different cost-benefit model using different assumptions about staffing costs, overheads, management etc. This business case suggests that an LATC could offer a suitable alternative to the existing in-house and other market solutions, and importantly it would provide an option that could be assessed on a case-by-case basis as the need arises.

## **4 OPTIONS APPRAISAL**

### **4.1 Background**

The options available to a local authority in respect of service provision are either to provide the service directly or to make arrangements for services to be provided by an external organisation either through a grant, procurement process, or through the establishment of one of the following vehicles. As not all functions of a local authority can be delegated or provided by third parties statutory functions will remain with Hertfordshire County Council, and other functions will need to be considered on a case by case basis to determine who can provide such and these would be subject to the council's decision-making process.

- Mutual
- Charity
- Social Enterprise
- Local Authority Trading Company
- Shared Management Arrangements

Each of these forms has its own merits, advantages and disadvantages. In terms of developing the Business Case the options appraisal has assumed that a preferred vehicle has to reflect the vision and values and be matched to the aims of the adult care service in Hertfordshire. The options appraisal looked at the following options in terms of structure and form.

#### **Mutual**

A mutual is a society owned by its members. They are registered under the Co-operative and Community Benefit Societies Act 2014 and are bodies corporate where members have limited liability.

#### **Charity**

A charity must be registered with the Charity Commission and it can only be regarded as a charity if it has been established for charitable purposes and meets a test of “public benefit” as defined in legislation. Charities can only be operated for the purposes of meeting their objectives in relation to their defined beneficiaries.

#### **Industrial and Provident Society**

The Co-operative and Community Benefit Societies Act 2014 replaced the previous Industrial and Provident Society Acts. Industrial and Provident Societies are all treated as societies under the Co-operative and Community Benefit Societies Act 2014.

#### **Community Interest Company (CIC)**

A new form of company created in 2004 designed for social enterprises that want to use their profits and assets for public good. Assets have to be used for the purpose of the CIC and remain “locked in” to use only to further the original purpose.

## **Local Authority Trading Company (LATC)**

A local authority can create a LATC to trade in anything that it is authorised to do under its ordinary functions. It is a common commercial form for trading and is widespread in the areas of commercial services, service provision (i.e. leisure services), development and property, and more recently in social care.

## **Shared Services**

Shared services are common and usually fall into two categories: public-public or public-private. Public-public models involve one local authority sharing a service or staff with another. Public-private shared services involve a local authority sharing a service with a private company often through a joint venture company.

## **Summary**

The options appraisal work has filtered the available options to that of local authority trading company using the following “tests”.

1. There are already a wide variety of existing and potential external providers (charities, mutual and private companies) in the care market in Hertfordshire so to avoid duplication an option that retains direct influence over activities would be preferable given the need to ensure the “provider of last resort” responsibility can be fulfilled through the LATC if necessary.
2. The services do not involve stewardship of community assets, such as land and buildings.
3. Future employees will be recruited on the LATC’s own terms and conditions of employment.
4. Any “new entrant” to the local care market will have to ensure it does not operate at the detriment of existing satisfactory providers (in many sectors these are private providers).
5. There is the potential to grow and develop services in the future so any vehicle must be flexible enough to adapt and change at speed.

The council also has the option of utilising a previously formed LATC called Sure Care Supplies Limited. The company was established in 2011 to initially trade with care homes in Hertfordshire to enable them to access the council’s strategic buying power to purchase items such as beds and hoists. Sure Care Supplies may provide a suitable vehicle for additional adult social care activity and this could be considered particularly where there is potential to trade to make a profit. This business case assumes that a new vehicle focused “inward” on the rescue and turnaround functions outlined would be better suited to take advantage of the exemptions provided under Teckal but the option of using Sure Care Supplies should also be considered.

## **4.2 Why a LATC?**

Adult care services could be operated through a variety of vehicles or operated on an ongoing basis by the in-house team. However, services that are brought in-house mean the council incurs the cost of employing additional staff. An LATC provides the option of transferring services to a trading company owned by the council, and while this would enable the service to continue to provide services it would also introduce the option of employing new staff on the LATC's own terms and conditions of employment (except where TUPE applied).

A LATC would need to develop a strong values-based approach to the work and it would offer the same opportunities for co-production, involvement and engagement with service users and residents as other options. Perhaps most importantly is the need to keep the initial approach as straightforward as possible to allow for a high degree of adaptability to absorb and/or develop new services. To allow for this flexibility a LATC is considered a good model for intervention.

### **4.3 Developing the LATC**

This Business Case is based on the establishment of a LATC to undertake services in the future where other alternatives are either not available or not viable. A service "rescue" function alone will not provide the income required to ensure the company can trade as a going concern but the option would be considered based on the modelled savings compared to using the in-house services as well as other options where these are available. As mentioned earlier, the main anticipated areas of operation are listed below.

1. Care at home.
2. Supported living and related accommodation services.
3. Day opportunities.
4. Residential care.

In the future it is anticipated that the LATC could also look at opportunities to create a staff bank/locum service locally – including supporting the Personal Assistant market – if it can be demonstrated that this would help support the council's wider initiatives to attract local residents into the care workforce and retain and develop existing care workers.

The LATC will be established in such a way as to enable further services to be included in the future, subject to Business Cases and due diligence being carried out. Future Business Cases and any transfer of Hertfordshire County Council services to the company will follow a process that will consider the financial viability of the service and alignment to the LATC's aims and objectives.

A name and brand will be created for the company, as well as a communications and marketing strategy. This will need to be subject to a formal check at Companies House to ensure it is available for use at the time the LATC is formed.

#### **4.4 Governance**

This Business Case assumes that Hertfordshire County Council will use the provisions of section 1 of the Localism Act 2011 to establish the LATC as a wholly owned subsidiary company. The LATC's Articles of Association will be prepared in accordance with this section and the general legal requirements. The LATC will be a separate legal entity from Hertfordshire County Council and would be established in such a way as it would have the freedom and ability to pursue adult social care trading opportunities as necessary.

The LATC will be a company limited by shares and will be a wholly owned company of the Council. The company's day to day governance will be managed by a Board of Directors. The Board of Directors is likely to consist of council officers and/or Members, and independent director(s) who can bring commercial and other expertise to the company.

As the Council will be the sole shareholder of the company it will have the ability to direct the directors to take or refrain from taking specified action. It is anticipated that this will be achieved through arrangements with the company whereby certain key matters will be reserved for consideration by the Council/its nominated shareholder. The LATC will want to explore ways in which staff and service users can be represented on the Board, and this will be addressed in a way that ensures a balance – as far as practical – between the interests of staff and service users with the commercial and business needs of the company.

## **5 FINANCIAL CASE**

### **5.1 Summary**

The LATC's main purpose is to offer an alternative option to other external providers and the existing in-house service. This section sets out the basis and assumptions for growing and developing the LATC. The following parameters are suggested for measuring the LATC's success.

1. Delivers value for money for the Council compared to the alternative options.
2. Works with the Council to ensure the Council can meet its obligations including those relating to the "provider of last resort" responsibility.

Individual cost-benefit and risk appraisals will need to be developed for services and these would need to form a robust Business Case prior to the transfer of any service to the LATC. A full income and expenditure and cash flow forecast will need to be prepared to support any activity should this outline Business Case be approved.

#### **Company Set Up Costs**

In order to establish a LATC the Council would need to provide working capital, in a manner consistent with state-aid rules, in order for the LATC to commence trading. This would need to be in the form of share value and/or a loan on terms that comply with state aid rules to the LATC. Initial set-up costs are estimated to be in the range of £40-£60,000. This is principally related to costs of ensuring the LATC has access to the necessary systems and other arrangements to be provided via a series of service level agreements with the council. The areas where costs will be incurred by the LATC are listed below.

#### **Staff**

It is assumed that LATC could receive staff transferred from existing providers and Hertfordshire County Council and in these cases it is assumed that TUPE (Transfer of Undertakings, Protection of Employment) regulations will apply. In addition to any posts transferring to the LATC in the future, the recruitment of additional staff directly by the LATC is also envisaged; for example, if staff leave a service prior to, or after, it being transferred to the LATC.

It is assumed that the company's terms and conditions of employment may have to broadly reflect other private companies (save for staff protected by TUPE) operating in the adult care sector. This is so that it would not undermine existing providers to the extent they are unable to provide adequate services. Where feasible the company could to a large extent mirror the terms and conditions of Herts Catering Limited – an existing LATC owned by Hertfordshire County Council – but the LATC will need to independently assess and determine the level of pension contributions it will make to new employees, and matters such as annual leave entitlement, sickness pay etc for the reasons mentioned earlier.

## **Support Functions**

Support functions would be provided through a Services Level Agreement (SLA) with Hertfordshire County Council. This Business Case assumes that the LATC could need to have admitted body status within the Local Government Pension Scheme (LGPS). In addition, a separate pension arrangement may need to be made for future employees and this will need to comply with pension regulations.

The following support functions will be provided to the LATC initially via SLAs with Hertfordshire County Council.

1. HR – transactional HR including safer staffing requirements.
2. Recruitment services.
3. Certain training (i.e. safeguarding).
4. Payroll.
5. Finance – transactional finance functions and financial controller activities.
6. Provision of IT equipment and services and IT support.
7. Insurance.
8. Audit.
9. Communications.
10. Property services.
11. Legal support.
12. Tax.
13. Travel and expenses.
14. Pensions.
15. Bank account investment/working capital.
16. Advice on company compliance and submissions.
17. IT, web-site and domain name.

## **Use of External Suppliers**

It is not anticipated that the LATC will need to enter into any significant contracts initially with external suppliers. However, it may be necessary for the LATC to acquire goods and services such as IT software and support. It is anticipated that where possible arrangements could mirror those the Council has used for Herts Catering Limited (an existing LATC).

## **Accommodation**

A LATC would either operate from a Hertfordshire County Council-owned property or rent its own premises, or a combination of both. The LATC would need to review its use of office accommodation on an ongoing basis to ensure premises are fit for purpose and cost-effective. The cost of office accommodation will need to be accounted for on the same basis as any other supplier even where this is within premises owned by the Council. It is not envisaged that the LATC would seek to acquire land or buildings.

## **Policies and Procedures**

The LATC would use relevant Hertfordshire County Council policies and those adapted and developed by other LATCs owned by the Council (i.e. Herts Catering Limited).

## **Information Sharing**

An Information Sharing Agreement would be put in place between the company and Hertfordshire County Council that mirrors agreements used with other external suppliers.

## **Data Protection**

The LATC would need to comply with the relevant legislation and guidance concerning data protection, including adopting suitable policies and practices to ensure data is adequately stored and safeguarded.

## **Freedom of Information**

This Business Case assumes the LATC will be subject to requests for the disclosure of information under the Freedom of Information Act 2000 in its own right. As such, the LATC will maintain a records management system that complies with the relevant guidance concerning the maintenance and management of records.

## **Training**

The LATC could access Hertfordshire County Council training via a SLA that will be put in place with the Council.

## **Care Quality Commission**

The LATC would need to register as a provider if it were to undertake regulated services and pay the necessary fees.

## 6 DELIVERY

### 6.1 Constraints, Assumptions and Dependencies

#### Key Constraints

1. Transfer of business to the LATC will be subject to individual feasibility and cost-benefit analysis.
2. Where alternative external providers are not able or willing to receive a service the cost of placing the service within the LATC will be benchmarked against the cost of the equivalent service being provided via an in-house service solution.
3. Services, if placed within the LATC, will be operated for differing degrees of time depending on the nature of the service.

#### Key Assumptions

1. The LATC will be established on or before 1 April 2018.
2. The LATC will not initially employ any staff or undertake any activities but will be ready to be considered for various service solutions as set out in this business case from the date it is incorporated.
3. Initial funding and set-up costs will not be incurred until a business case relating to the initial service(s) to be undertaken is considered.

#### Key Dependencies

1. Comments will be invited from wider stakeholders and will inform final arrangements for setting up the company.

### 6.2 Implementation

The implementation phase will contain the following areas.

<b>SLAs</b>	Defining the service level agreements and pay rates, including finalising initial costs and on-going charges.
<b>Service Provision and Development</b>	Ensuring systems, policies and procedures are in place for day one. Considering the potential for future growth.
<b>Communications and Engagement</b>	Agreeing key messages and communications including meeting service users and family carers. Developing a LATC website.
<b>HR and Employment</b>	Ensuring any future recruitment or TUPE transfers are implemented smoothly including having in place necessary pension arrangements; recruitment, training and induction processes etc.
<b>Legal/Regulatory</b>	Managing CQC registration and employment status
<b>Finance</b>	Creating the budget and agreeing the finance SLA processes and associated payment schedules
<b>IT, Property and Equipment</b>	Making the practical arrangements to enable the LATC to trade and function.

A high level timeline for implementation is shown below.

	Sep t 17	Oct 17	Nov 17	Dec 17	Ja n 18	Feb 18	Mar 18
<b>Finalise Business Case</b>							
<b>Consideration of Business Case</b>							
<b>Communications and Engagement</b>							
<b>Finalise set-up costs and on-going SLA costs.</b>							
<b>Form LATC</b>							

### 6.3 Stakeholders

1. Adult Care Services.
2. Other Hertfordshire County Council departments
3. Relevant trade unions.
4. Providers/Provider associations.

### 6.4 Risks

A detailed issue log and risk register have been developed to support the formation of this Business Case. These registers will be pro-actively monitored and maintained together with appropriate rating and controls. High impact issues and risks will be escalated by the Project Manager to the Sponsor as appropriate within Hertfordshire County Council. Key risk areas are set out below.

- LATC cannot offer a cost-effective alternative to other options.
- Use of a LATC indirectly undermines other services.
- LATC is unable to achieve service targets and agreed service outcomes.
- LATC is unable to safeguard service users.

## Key Risks

Summary of Key Risks	Probability	Impact	Risk Rating	Mitigation
LATC is unable to offer cost-effective alternative.	Possible	Medium	Material	LATC will have to use commercial approach and principles to price and deliver service solutions.
There is a risk that a LATC delivering services would undermine other services.	Unlikely	Medium	Material	The LATC will not seek to compete against existing providers for new work and will be a party to existing protocols on service standards, staff recruitment, and partnership working.
There is a risk that the LATC will not achieve service targets and outcomes.	Possible	High	Significant	There is a requirement to put in place a service Service Level Agreement for the service and the LATC will be regulated and monitored in the same way as any other provider.
LATC is unable to safeguard service users	Possible	High	Significant	The LATC will be regulated by the Care Qualities Commission for any regulated activities it undertakes. Robust standards will need to be in place for any service including compliance with the Herts' Care Standard; safe staffing etc.

## Equality Impact Assessment (EqIA)

### APPENDIX 2- EQUALITIES & IMPACT ASSESSMENT

#### STEP 1: Responsibility and involvement

<b>Title of proposal/ project/strategy/ procurement/policy</b>	Setting up a new Local Authority Trading Company for the delivery of adult care services	<b>Head of Service or Business Manager</b>	Steven Lee-Foster
<b>Names of those involved in completing the EqIA:</b>	Matthew Peirce	<b>Lead officer contact details:</b>	Steven.lee-foster@hertfordshire.gov.uk
<b>Date completed:</b>	September 2017	<b>Review date:</b>	July 2018

#### STEP 2: Objectives of proposal and scope of assessment

<b>Proposal objectives:</b> –what you want to achieve –intended outcomes –purpose and need	<p>Adult care services in Hertfordshire are facing unprecedented challenges while the demand for care is rising. At the same time there have been a number of cases of providers withdrawing from the market, and occasions in the home care, supported living, and residential care sectors that have required the council to intervene to source alternative provision or take on the services itself. This has highlighted the need to look at innovative solutions when the council is required to intervene to stabilise services and ensure continuity of care.</p> <p>Officers in Adult Care Services (ACS) have been looking at ways of mitigating the risks associated with these interventions and the development of a Local Authority Trading Company (LATC) will offer a new alternative to existing in-house solutions as this is currently the only option available when time and other constraints mean it is not possible to source a replacement provider.</p> <p>If a LATC is formed it will provide a new option to be assessed when responding to events that involve the withdrawal, cessation, failure, or likely failure of an adult care service. The placement of services within the LATC will only be considered for delivery through the company subject to individual business appraisals and while it is likely to undertake services on a temporary basis where necessary to stabilise a service it would also be able to deliver services for longer periods.</p>
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## Equality Impact Assessment (EqIA)

	<p>A LATC would be focused on ensuring the council can fulfil its requirement to ensure safe care can continue to be provided when a provider is facing difficulties or is no longer able or willing to provide a service. It is currently envisaged that the most likely areas where the LATC could be used as a suitable vehicle are:</p> <ul style="list-style-type: none"> <li>i. Supported living and accommodation-related services.</li> <li>ii. Care at home.</li> <li>iii. Day opportunities; and</li> <li>iv. Residential care.</li> </ul> <p>The vision and service objectives are sufficiently broad to allow for the LATC to expand and develop its services in the future. The draft Business Plan identifies the potential to develop further services within the LATC, or establish further LATCs if necessary to meet the wider objectives of the council, and the context of this in terms of the challenges facing adult care services.</p> <p>If the draft Business Plan is approved it will be used to develop and consult on any service model and an updated operational plan will need to be produced prior to the LATC going live.</p> <p>Service developments will be subject to individual business cases. In this way the LATC can grow and develop incrementally if necessary. This has been recommended as the best approach given that the services to be provided by the LATC could be relatively small in scale and the company's primary focus would be on innovation, partnership working, service-user involvement, and adding value to other existing services provided by external providers, rather than competing to win business from them within Hertfordshire.</p> <p>The strategic objectives of the company are set out below:</p> <ul style="list-style-type: none"> <li>i. To deliver adult social care services by developing care and support solutions in partnership with other providers and stakeholders.</li> <li>ii. To increase the options available to the council in order that it can support the care market and mitigate risks of market failure.</li> <li>iii. To be in a position to respond to provider failure if asked to do so, including developing short-notice response and "turnaround" services.</li> <li>iv. To provide high quality services ensuring every customer is safe and has an opportunity to influence and shape the Company's services.</li> </ul>
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## Equality Impact Assessment (EqIA)

	v. To manage the business efficiently so that the LATC is able to provide alternative options to mitigate risk to vulnerable people.
<b>Stakeholders:</b> Who will be affected: the public, partners, staff, service users, local Member etc	<ul style="list-style-type: none"> <li>• Service Users</li> <li>• HCC Adult Care Services               <ul style="list-style-type: none"> <li>• Commissioning</li> <li>• Operational Teams</li> <li>• Social Care Access Service (SCAS)</li> </ul> </li> <li>• Care Providers in Hertfordshire</li> <li>• Herts Care Providers Association</li> <li>• Members</li> </ul>

### STEP 3: Available data and monitoring information

Relevant equality information For example: Community profiles / service user demographics, data and monitoring information (local and national), similar or previous EqIAs, complaints, audits or inspections, local knowledge and consultations.	What the data tell us about equalities
<b>Population, demography and demand (focusing on Age and Disability)</b>  In Hertfordshire adult care services are facing specific challenges. <ul style="list-style-type: none"> <li>• The population as a whole is growing with increases in life expectancy.</li> <li>• Younger people with disabilities and health conditions are living into adulthood and enjoying much longer life expectancy.</li> <li>• Deaths from cancer and heart disease are falling, but more residents will experience chronic illnesses and long-term conditions.</li> <li>• The incidence of dementia and frailty in later life is set to increase significantly.</li> <li>• More residents are taking on caring roles for family and friends.</li> </ul>	<p>The specific challenges facing adult care services means that there will be increasing demand for services for older people, disabled people and people with long term health conditions, including mental health problems. There is also likely to be greater demands on the working age population and potentially young people who provide informal care for their family or friends if there are capacity issues with paid-for care providers.</p> <p>Funding and recruitment challenges will also mean that there is greater pressure on providers who deliver these services, which may increase the risk that providers will fail. This creates the potential for a differential and negative impact on the above groups.</p>

## Equality Impact Assessment (EqIA)

<p><b>Gender reassignment</b>  <b>Pregnancy and Maternity</b>  <b>Race/Ethnicity</b>  <b>Marriage and Civil Partnership</b>  <b>Religion or Belief</b></p> <p>No meaningful local data is held in relation to the above protected characteristics in relation to demand for and access to adult care services.</p>	<p><b>Gender Reassignment</b>          If the rate of 20 per 100,000 people estimated for the UK is applied to Hertfordshire for those aged 15 or over, it would mean there were around 183 transgendered people in the County. It is difficult to predict the extent to which transgender people access or face barriers accessing adult care services in Hertfordshire.</p> <p><b>Race/Ethnicity</b>          Ethnicity of our population is changing. The proportion of people from black and minority ethnic groups living in Hertfordshire has increased over the past decade. While it remains lower among over 65s, there are still clear implications for the design and delivery of services, which will need to meet various communication and cultural needs – partly due to the number of care staff in Hertfordshire who are from black or minority ethnic backgrounds.</p> <p><b>Religion/Belief</b>          It has been clearly established that within the care sector vulnerable people should be supported with their religious needs (or if they are not religious) regardless of what religion the care staff are following. Although it is evident from countywide data that Christianity is more prevalent among people 65 and older than in younger generations, a range of religions are practiced which means there is a need to consider how to deliver culturally appropriate care and support.</p>
<p><b>Sexual orientation</b></p> <p>Data on Sexual Identity is not available at any areas lower than regional level. No meaningful data is held on the sexual orientation of service users.</p>	<p>The LATC will need to make sure that the services(s) it delivers are appropriate to meet the needs of service users regardless of their sexual orientation.</p>
<p><b>Sex</b></p> <p>National data suggests that more females than males access care services.</p>	<p>The LATC will need to make sure that the services(s) it delivers are appropriate to meet the needs of both male and females and the company may need to consider taking action to make it more accessible to males.</p>

## Equality Impact Assessment (EqIA)

<p><b>Carers</b></p> <p>All available data indicates there is a significant number of carers not currently receiving support or known to services. The Census 2011 reported that there were 108,615 carers living in Hertfordshire, equivalent to 9.8% of the population; the number of carers reached by <i>Carers in Hertfordshire</i> was 12,914 and the number of carers accessing carers breaks through Crossroads Care in 2013/14 was 1,311.</p>	<p>Whilst some carers may not want to receive support or be “known” this data and information on the health and economic impacts of caring highlights the need to identify and provide support and help to more carers in the county. Research has shown that carers are more likely to have health problems than those who do not have a caring responsibility. We also know that whilst carers continue to provide a range of support, they come to rely on the additional and sometimes specialist support they get from services such as Support at Home, which will need to factor in this element of support and have contingency to respond when needed. Carers also need to be acknowledged in their own right.</p>
<p><b>Sources of data for this EqIA</b></p> <ul style="list-style-type: none"> <li>– Community profiles</li> <li>– Census 2011</li> </ul>	

## Equality Impact Assessment (EqIA)

### STEP 4: Impact Assessment – Service Users, communities and partners

Protected characteristic	Potential for differential impact (positive or negative)	What reasonable mitigations can you propose?
<b>Age</b>	<p>It is not currently anticipated that the proposal to set up a LATC will negatively affect people due to their age.</p> <p>There is however the potential for a positive impact on older people, as a clear objective of these proposals is to improve market resilience to help the council respond effectively to provider failures in order to safeguard service users.</p>	<p>It is important that correct governance procedures are in place to hold the LATC to account for the delivery of services and the potential positive impacts identified.</p> <p>The proposed vision and values of the LATC include a commitment to work in a collaborative way and to engage and consult with service users and stakeholders to develop services.</p>
<b>Disability Including Learning Disability</b>	<p>It is not currently anticipated that the proposal to set up a LATC will negatively affect people due to their disability, impairment or health condition.</p> <p>There is however the potential for a positive impact on these groups, as a clear objective of these proposals is to improve market resilience to help the council respond effectively to provider failures in order to safeguard service users.</p>	<p>The LATC will be set up in a way that ensures it is compliant with relevant frameworks relating to discrimination, including making reasonable adjustments for staff and service users.</p> <p>A communications / engagement plan will set out how the LATC will share and agree new requirements and service offers with internal teams and external partners.</p>
<b>Race</b>	<p>It is not anticipated that there will be a differential impact on people due to their race or ethnicity.</p>	<p>This will continue to be monitored and if any issues are identified, actions will be taken accordingly.</p>
<b>Gender reassignment</b>	<p>It is not anticipated that there will be a differential impact on people due to gender reassignment.</p>	<p>This will continue to be monitored and if any issues are identified, actions will be taken accordingly.</p>
<b>Pregnancy and maternity</b>	<p>It is not anticipated that there will be a differential impact on people due to pregnancy or maternity.</p>	<p>This will continue to be monitored and if any issues are identified, actions will be taken accordingly.</p>

## Equality Impact Assessment (EqIA)

Protected characteristic	Potential for differential impact (positive or negative)	What reasonable mitigations can you propose?
<b>Religion or belief</b>	It is not anticipated that there will be a differential impact on people due to their religion or belief.	This will continue to be monitored and if any issues are identified, actions will be taken accordingly.
<b>Sex</b>	It is not anticipated that there will be a differential impact on people due to their gender.	This will continue to be monitored and if any issues are identified, actions will be taken accordingly.
<b>Sexual orientation</b>	It is not anticipated that there will be a differential impact on people due to their sexual orientation.	This will continue to be monitored and if any issues are identified, actions will be taken accordingly.
<b>Marriage &amp; civil partnership</b>	It is not anticipated that there will be a differential impact on people due to their marital status.	This will continue to be monitored and if any issues are identified, actions will be taken accordingly.
<b>Carers</b>	It is not anticipated that there will be a differential impact on people due to their caring responsibilities.	This will continue to be monitored and if any issues are identified, actions will be taken accordingly.
<b>Opportunity to advance equality of opportunity and/or foster good relations</b>		
<p>The LATC option has been recommended for a number of reasons. These include the importance of retaining direct influence over activities to ensure the council's "provider of last resort" responsibility can be fulfilled through the LATC. This will help ensure that the needs of some of our most vulnerable residents will continue to be met in the event of a provider failure – and in a way that meets the strategic objectives of the council.</p> <p>The LATC will develop a strong values-based approach to its work and importantly it will offer the same opportunities for co-production, involvement and engagement with service users and residents as other options.</p>		

### Impact Assessment – Staff

It is not anticipated that staff will be negatively impacted due to any of the protected characteristics (except potentially Disability, see below). However, the information in this section is currently theoretical as no decisions have yet been taken about the staff and services that will transfer into the company.

When staff transfer over to the LATC, their current terms and conditions will be retained and a consultation and engagement process will take place prior to them transferring over to the LATC.

## Equality Impact Assessment (EqIA)

Potential issues have been highlighted below, which will all be considered as part of developing new terms and conditions for the LATC – and as part of full business appraisals prior to the transfer of any services.

### Disability

Any staff with a disability may be disadvantaged if opportunities are not provided to engage with the consultation and transfer process via reasonable adjustments. Staff can raise any pertinent issues including during 1-1's and as part of any handover arrangements. Staff can access HR and /or staffing support groups including Care well as appropriate. Reasonable adjustments will be supported to ensure equality of opportunity. Employees with a disability, with two years continuous service, who are under notice of dismissal on the grounds of redundancy (covered by the Equality Act 2010) will be given preference under the HCC Priority Application Process for suitable alternative vacancies.

### Carers

Some staff and potential new staff may have caring responsibilities including for a family members with a disability/illness/frailty – for some this may mean they can only maintain caring and work with flexible working arrangements.

### Impact on care market

Terms and conditions for staff will need to broadly reflect those currently offered by the market in order to avoid destabilising the care market in the county.

### STEP 5: Gaps identified

<b>Gaps identified</b> Do you need to collect more data/information or carry out consultation? (A 'How to engage' consultation guide is on <a href="#">Compass</a> ). How will you make sure your consultation is accessible to those affected?	No gaps identified however information relating to the impact of services transferred to the LATC will be collected following implementation and closely monitored.
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### STEP 6: Other impacts

N/A

## Equality Impact Assessment (EqIA)

### STEP 7: Conclusion of your analysis

Select one conclusion of your analysis	Give details
<input type="checkbox"/> <b>No equality impacts identified</b> – No change required to proposal.	
<input type="checkbox"/> <b>Minimal equality impacts identified</b> – Adverse impacts have been identified, but have been objectively justified (provided you do not unlawfully discriminate). – Ensure decision makers consider the cumulative effect of how a number of decisions impact on equality.	
<input checked="" type="checkbox"/> <b>Potential equality impacts identified</b> – Take ‘mitigating action’ to remove barriers or better advance equality. – Complete the action plan in the next section.	<p>It is not anticipated that there will be any negative equality impacts as a result of these proposals; and there is significant potential for a positive impact on older people, young people, disabled people and people with long term health conditions and mental health problems in particular.</p> <p>A governance framework will be in place to ensure there is effective monitoring of the delivery of outcomes; and all services proposed for transfer to a LATC will be subject to individual, robust business appraisals before a decision is taken - this will include a full equalities impact assessment.</p>
<input type="checkbox"/> <b>Major equality impacts identified</b> – Stop and remove the policy – The adverse effects are not justified, cannot be mitigated or show unlawful discrimination. – Ensure decision makers understand the equality impact.	

### STEP 8: Action plan

Issue or opportunity identified relating to:	Action proposed	Officer Responsible and target date
Individual business appraisals	Individual business appraisals subject to the council's decision making process will be carried out for each service proposed for transfer over to the LATC. This will	Project Team ongoing

## Equality Impact Assessment (EqIA)

Issue or opportunity identified relating to:	Action proposed	Officer Responsible and target date
	include a full equalities impact assessment, and consultation and engagement as appropriate.	
Robust governance arrangements	The final implementation plan will include details of robust governance arrangements that will ensure that the council retains influence over the service and future direction of the LATC	Steven Lee-Foster April 2018
Monitoring	An update report will be prepared following the first six months of the new service, setting out progress on plans to develop and deliver services.	Steven Lee-Foster Winter 2018

**This EqIA has been reviewed and signed off by:**

**Head of Service or Business Manager: Steven Lee-Foster      Date: 31/10/17**