

DRAFT

DUNDEE CITY COUNCIL

REPORT TO: CHIEF EXECUTIVE

REPORT ON: FURTHER EXTERNALISATION OF HOME BASED SOCIAL CARE SERVICES

REPORT BY: THE DIRECTOR OF SOCIAL WORK

REPORT NO: 679-2010

1.0 PURPOSE OF REPORT

1.1 The purpose of the report is to consider the proposal to further externalise home based social care provision in Dundee.

2.0 RECOMMENDATIONS

It is recommended that the Social Work and Health Committee:

2.1 Agrees to the further externalisation of home based social care services in Dundee as outlined in the report.

3.0 FINANCIAL IMPLICATIONS

The financial implications of further externalising social care services are outlined in section 4.2 of this report. This would generate a saving of £320,000 per annum.

4.0 MAIN TEXT

4.1 Introduction and Context

4.1.1 Dundee City Council currently provides a mixed economy of social care with approximately 75% of social care services being provided internally and approximately 25% externally purchased. The split is inconsistent with the Scottish average which is 50% internal and 50% external service provision. The UK national average is 80% external and 20% internal. The proposal is to move to a 60% internal and 40% externally purchased split.

4.1.2 In line with national policy and practice, social care services within the city are currently being remodelled to take a more focused approach. At present both internal social care services and externally purchased services, currently provide a range of supports from the simplest 1hr per week packages of care, up to the complex 10 hr plus packages of care.

4.1.3 We recognise the need to provide specialist teams within internal social care. This includes the further development of the enablement teams, as agreed in committee report 529/2009, an enhancement of the specialist services for people with mental health problems, and services for adults with the most complex needs.

4.1.4 The long term proposal is that internal services will provide these specialist teams, whilst the externally purchased services will provide the lower level mainstream services. We would anticipate that a reinvestment in the service will be required to progress this remodelling.

4.1.5 The further externalisation of social care services addresses Dundee City Council Key Objective 'Deliver efficient services and keep council tax increases low', and the Service Objective as

outlined in the Social Work Service Plan (2007 - 2011) 'Achieve best practice in managing our people and resources', and 'Increase the range and scale of home care services'.

4.2 Current Position Regarding External/Internal Provision

4.2.1 The Social Work Department has recently re-tendered its external provision, and increased the externally contracted hours in line with demand for services. The tendering process took into account the cost of the provider and the quality of the service. As a result there are 5 external providers whose costs range from £11.44 per hour to £15.25 per hour. A breakdown of the current level of social care service is provided below.

| | Hours per week | Average Direct Unit Cost per hour | Total Cost per annum |
|---|----------------|-----------------------------------|----------------------|
| In House Established Hours | 12,295 | £15.57 | £9,955,000 |
| <i>Less: Transferred Hours to Direct Payments / Existing Contractual Payments</i> | <i>(598)</i> | | <i>(£484,000)</i> |
| Revised In House Hours | 11,697 | | £9,471,000 |
| External | 4,400 | £12.55 | £2,871,440 |
| Total | 16,097 | | £12,342,440 |

4.2.2 The internal service is provided across geographical areas by 14 locality teams with each team having an established budget of 445 social care hours per week, giving a total of 6,230 hours per week. On average each team has 15 staff. In addition, there are a number of specialist teams (eg Community Alarm, early supported discharge teams, mental health team for older people) with total budgeted hours of 6,065 hours per week. In order to reflect demand for Direct Payments and other externally purchased services, the equivalent of 598 in-house hours of service per week in total have been transferred from the established hours to leave a revised in-house provision of 11,697 hours per week.

4.2.3 In order to move to a position of 60% in-house provision and 40% external provision, a transfer of 2,039 hours per week would be required from in-house services. This is the equivalent of approximately 5 locality teams.

4.2.4 The number of hours provision would therefore be as follows:

| | Hours Per Week | Cost Per Annum |
|--------------------------------|----------------|-----------------|
| In- House Provision | 9,658 | £7,819,500 |
| External Provision | 6,439 | £4,202,091 |
| Total | 16,097 | £12,021,591 |
| Current Expenditure | | £12,342,440 |
| Projected Annual Saving | | £320,849 |

4.2.5 The infrastructure supporting the current model of service delivery will require to be changed as the process of further externalising services progresses. While there will be scope for further efficiencies from this, the role of the management and support staff within the service will change with a focus on the quality of external provision and other aspects of contract management. The changes required to support this will be the subject of a separate report.

4.3 Implementing the Charges

The early retirement / voluntary redundancy scheme , staff turnover, current vacancies and potential redeployment opportunities will provide the Social Work Department with the

opportunity to transfer hours to external service providers. In addition, new referrals will be directed to external providers for delivery of service, to facilitate the further shift of care.

4.4 Impact on Service Users

While there may be some disruption to service users due to the move from internal to external providers, this will be continually monitored by the Social Work Department and appropriate action taken if required. Service users who are moving to an external provider will be offered self directed support (e.g. Direct Payment) which may in turn increase the uptake of direct payment recipients.

The quality of services delivered will be carefully monitored under the terms of contract with external providers with changes in the role of management and support staff, as outlined in paragraph 4.2.5, further strengthening the quality agenda.

5.0 POLICY IMPLICATIONS

This Report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management.

Appendix 1 details the level of risk with regard to the Financial impact on Dundee City Council, the outcome for service users and the impact on shifting the balance of care, for each of the options.

6.0 CONSULTATIONS

The Chief Executive, Depute Chief Executive (Support Services), Director of Finance and the Trade Unions have been consulted in preparation of this report.

7.0 BACKGROUND PAPERS

None

Alan Baird
Director of Social Work

DATE: 17 December 2010

