

DECISIONS OF THE CABINET RESOURCES COMMITTEE

16 JANUARY 2012

COMMITTEE:

*Councillor Daniel Thomas (Chairman)

Councillors

* Brian Coleman AM,
FRSA

* Richard Cornelius

*Andrew Harper

* Sachin Rajput BA (Hons)
PgD Law

* Robert Rams

*denotes Member present

1. MINUTES:

The minutes of the meeting held on 14 December 2011 were approved as a correct record.

2. ABSENCE OF MEMBERS:

There were none

3. DECLARATION OF MEMBERS' PERSONAL AND PREJUDICIAL INTERESTS:

There were none.

4. PUBLIC QUESTIONS:

A number of public questions were received.

ITEM 5 – Adults IN House Service Review

From Julian Silverman:

1. Considering that the purpose of setting up a Trading Company is to trade at a profit, can you give us an idea of how much Barnet intends to profit from how many clients and what the council are going to do with the proceeds?

Answer by the Chairman of Cabinet Resources Committee

The Council does not intend to profit from any adult social care customers and any profit made by the Your Choice (Barnet) will result in additional income to the Council, in the form of dividends, to support Council priorities. This will include being able to meet the growing costs of adult social care as more people are living longer.

The financial appraisals show that the Council will make a loss of £204,000 in the first year with surpluses being made from year 2 onwards. The Council as the only shareholder will determine whether these surpluses should be reinvested back into the LATC company or paid to the Council as a dividend payment. The business plan anticipates an operating surplus of £263k by the end of the third year of operation equivalent to a 4% surplus.

The first year loss will form part of the overall budgetary position for the Council.

Mr Silverman asked a supplementary question.

From Ruth Kutner:

2. What are the "other services" that may be given some of the profits expected from LATC? - your report mentions Adult Social Care and Housing. Please give more specific examples.

Answer by the Chairman of Cabinet Resources Committee

Subsequent financial gains achieved by The Barnet Group will be provided to the Council by way of a dividend payment. This will be spent according to the priorities set by Council Members. These priorities could be within any Council department including Housing and Adult Social Care and Health. Similarly, members could take a decision not to seek a dividend payment to enable reinvestment into The Barnet Group.

Ms Kutner asked a supplementary question.

3. How will the council be monitoring the provision of services to vulnerable people?

Answer by the Chairman of Cabinet Resources Committee

The contract includes the agreed arrangements for contract management and a performance framework.

TheBarnetGroup will be required to submit monthly reports that will be monitored by the Council. These reports will be used to flag any concerns with performance that will need to be covered in the contract management meetings between the Council and TheBarnetGroup.

Adult Social Care and Health will have monthly contract management meetings with TheBarnetGroup to focus on the Your Choice Barnet contract. Initially these meetings will be focused on ensuring a smooth transition for the services transferring and to make sure the reporting is providing the required information. These meetings will review monthly performance and identify operational issues that need addressing to ensure that the outcomes and outputs specified in the performance framework can be delivered. From Adult Social care and Health, the meetings will be attended by the Contract Manager, Heads of Service (Disabilities), Senior Procurement Officer and other staff as required.

There will be quarterly joint Adult Social Care and Health and Environment, Planning and Regeneration contract management meetings with the TheBarnetGroup to review Your Choice Barnet and Barnet Homes contracts. These meetings will monitor the performance of both contracts ensuring any issues and risks identified are being properly managed. This will include the financial position of the services to understand what impact this could have on the provider or Council.

Alongside regular contract management meetings there will be six monthly service reviews that will include the Council visiting the services and speaking to staff, service users, carers and other key stakeholders. Service Reviews will result in a Review Report and if required an agreed Service Improvement Plan.

Complementing the contract management arrangements are the six monthly partnership meetings between the Directors of Adult Social Care and Health and Environment, Planning and Regeneration with TheBarnetGroup CEO and Chair.

Ms Kutner asked a supplementary question.

4. Will the council set the rates on Personal Budgets such that service users will always be able to afford *the same time* and *the same level of service-use* they have now with these services?

Answer by the Chairman of Cabinet Resources Committee

All adult social care service users receive an assessment of their eligible unmet needs. As part of the assessment process a resource allocation system is used to calculate an indicative cash allocation. In conjunction with the service user and family, the support planning process checks that the indicative cash allocation is sufficient to meet the service users' assessed needs. If it does not meet the service user's needs then it can be adjusted. The final agreed cash amount is referred to as the Personal Budget.

Personal Budgets can be used in a variety of different ways, and service users have the option of continuing to purchase the support they have already in place. The support planning process enables the service user and the family to have choice and control about how their needs are met, flexibility about what outcomes they want to achieve, and which provider they want to use.

Each year as part of a review, or if a service users needs change, a reassessment will take place and the personal budget may be increased or decreased accordingly.

5. If Your Choice aim is to generate profit for the council as is implied, how will you ensure that well-to-do self-funders do not get prioritised in allocation of services over service users who are dependent on council funds through their Personal Budgets?

Answer by the Chairman of Cabinet Resources Committee

The allocation of places will be based on the needs of the service users and the ability of the services to meet those needs. That is the LATC will accept referrals from individuals regardless of the source of their funding and will provide services to them on that basis. The fees for services will be set and the LATC will be at no financial advantage if it offers them to self-funders or to Council supported clients. In light of this there would be no advantage given to self funders and therefore they will not be prioritised in any way.

Ms Kutner asked a supplementary question.

From Tirza Waisel:

6. We are aware that day services are already stretched to their limit with staffing ratios going down in some areas - Supported Living/ Agatha House being an example but a couple of day services are also struggling - how are you going to keep up the good reputation and the attractiveness of these services to potential users from Barnet and from other boroughs in terms of capacity? and how are you going to maintain staff satisfaction to enable them to sustain high standards of service provision?

Answer by the Chairman of Cabinet Resources Committee

There has been no reduction in staff ratios in the services referred to. Managers and staff in all services provide a high level of support to all of the service users, often providing one-to-one input where and when it is required. This will continue

to be the case. In the past there have been assumptions about overall staffing and resources have been allocated accordingly. In the future when each of the clients within services has an allocated individual budget, it will become simpler to ensure that the correct level of support is offered to each individual as we are aware that people's needs change over time and they may need more or less support in the future. This will be determined by individual assessment of needs.

With regard to continuing the good reputation of the services, it is very positive that staff have engaged with the process and will transfer to the LATC under TUPE regulations, thus bringing much-needed and indeed much-valued consistency and continuity to the new organisation. Staff will continue to have regular supervision and appraisals, as well as access to training to develop their skills.

Ms Waisel asked a supplementary question.

7. We are aware that some services to adults with learning disabilities in the borough have been suffering from less than satisfactory standards of care. We are aware that concerns and alerts that have been raised by various members of staff and by carers were not fully acted upon by management. How will you ensure that the best interests of vulnerable service users are protected under the LATC Your Choice, once they are farther away from the public scrutinising eye, under the directorship of the same managers who did not act upon the alerts?

Answer by the Chairman of Cabinet Resources Committee

All areas of concern relating to unsatisfactory care and risks to service users that are reported are investigated through the application of the London Procedures for Safeguarding Vulnerable Adults. Once a referral or alert is made, the Integrated Learning Disabilities Service follows up and investigates. The managers and staff of the In House Services fully participate and cooperate in this process, making any necessary changes to practice where required. The key focus of the services is and will continue to be the safety and wellbeing of all its service users. Like other non-council providers, the LATC will adhere to the London Safeguarding Policy and Procedures. The services have also signed up to a non-mandatory charter on managing Challenging Behaviour, which has been endorsed by the Barnet Learning Disability Partnership Board, and which came into being following the scandal of Winterbourne View last year.

Ms Waisel asked a supplementary question.

8. We are aware that you have invited service users and family carers to sit on the board of Your Choice; how will they be elected and by whom, will they be considered as representatives, and if so - what mechanisms are there in place to enable them to genuinely represent the interests of service users from all the different services?

Answer by the Chairman of Cabinet Resources Committee

All service users and their family carers were invited, by way of a letter sent out before Christmas, to express their interest in joining the board of Your Choice Barnet. An open morning was held on 6th January 2012 for all interested parties. Following shortlisting to meet minimum criteria, including receiving a service or caring for someone in receipt of a service, the applications will be voted on by service users and carers respectively. This is a similar selection process to that used by Barnet Homes in appointing a tenant board member.

Ms Waisel asked a supplementary question.

9. On p. 51 of the report, in the table 3rd box you propose to "Close down schemes/ services that cannot support themselves financially longer term"; As this decision would have to be met as soon as by April 2013, which services have you identified as possibly at risk?

Answer by the Chairman of Cabinet Resources Committee

There are not any services identified as being at risk; however they will all come under close scrutiny in the first year of operation. The future of services will be dependent on what service users want to purchase from the organisation and in the first year of operation close attention will be paid to the areas of operation which are most popular and potentially over-subscribed, as well as those which are operating at under capacity.

10. In Cllr Rajput's response to my supplementary questions regarding the LATC in an email correspondence following the CRC meeting 24 May 2011 (received by email 28 June 2011, copied to Kate Kennally) he wrote: 'Response
The business case has been modelled on the assumption that the LATC will become less financially dependant upon the Council in the long run. A number of elements of the current unit cost will no longer be applicable such as a contribution to Democratic Services for example and this will be reflected in lower unit costs which would be charged to service users. The level of saving being sought from this change is small, that is to say £200,000 over a three year period.

Answer by the Chairman of Cabinet Resources Committee

There are no assumptions about achieving this saving through reductions to front line services.

In the light of this assertion:

- a) How do you explain the fact that staffing levels in residential services to adults with learning disabilities are already inadequate to match service users' needs? and

Answer by the Chairman of Cabinet Resources Committee

There are no residential care services within the proposed LATC. The only registered care unit is Valley Way, respite care service. In line with Government policy and best practice, the Council has moved away from the residential model of care and service users are now supported in their own homes in a supported living environment.

Each service user is assessed on an individual basis and within the supported living environment there is an agreed number of core hours that are shared between the service users who live within the complex. Each service user also receives their assessed individual hours.

Managers and staff in all services provide a high level of support to all of the service users, often providing one-to-one input where and when it is required. This will continue to be the case.

By providing care in this way, value for money can be ensured and the individual needs of the service user can be identified. Regular reviews can then determine that care is appropriate and outcomes are being met.

- b) as a lower unit cost is not the same as saying a "a lower personal budget", does this mean that service users will be allowed to purchase more units, or will Personal Budgets be lowered to match the new lower unit cost?

Answer by the Chairman of Cabinet Resources Committee

Commissioners will work closely with the provider to ensure that the cost of services represents good value for money for service users as well as the Council. Through the support planning process service users will be supported to create a plan that meets their eligible needs and the outcomes they want to achieve.

The Resource Allocation System is determined by the funding the Council has available to meet the needs of eligible Barnet residents and the current market cost of meeting assessed needs.

11. In his response to my question submitted following CRC 24 May 2011 (email 28 June 2011) Cllr Rajput wrote: 'Reference is also made to anticipated savings through shared management and support costs.'; if this is so, what is the logic in having separate directors and boards to each of the subsidiary companies in the LATC?

Answer by the Chairman of Cabinet Resources Committee

Each of the subsidiary companies within The Barnet Group are separate legal entities with a requirement for each company to have a separate board of directors. The proposal presented ensures that each of the boards consists of Directors with necessary skills and experience required for effective leadership, management and decision making for each of the companies. To minimise management costs board directors have been shared where they hold the relevant skills and experience for more than one board within the group structure.

There are a number of roles where Directors sit on more than one board, The Chair, Vice Chairs of Barnet Homes and Your Choice and the Executive Directors as an example. Appointing specific additional skills to each Board including three tenant positions on Barnet Homes and two service user positions on Your Choice means that we have a good balance of skills and knowledge about the services themselves so that appropriate levels of scrutiny can be applied to the business and it is managed in a robust way.

12. It was noted in the Overview & Scrutiny Committee meeting 9th January that 'the business case for Your Choice is fragile as these services (social care provision) are not used to the market – they are not tested in a market'; Is this an acknowledgement about what happens to social care services once they are exposed to the full force of the market?

Answer by the Chairman of Cabinet Resources Committee

The response provided recognises that LATCs for the delivery of Adult Social Care services are a relatively new concept in response to the government's personalisation agenda with, the first one being Essex Cares which was established in July 2009. On this basis the Council acknowledges that development of the LATC during the initial term as it enters the market will be crucial. This is reflected by the three year contract term and performance framework enabling the Council to monitor and scrutinise the delivery of The Barnet Group business plan. Following the initial three year term and an in-depth contract review, there is an option to extend the contract for a further two years.

Item 6 – Future of Barnet Housing Services

From Julian Silverman:

13. The options appraisal process seems to have been conducted in a rather careless manner. In particular can you give a clearer explanation for giving such cursory consideration to the clearly most efficient option: taking back Barnet Homes in-house?

Answer by the Chairman of Cabinet Resources Committee

The reasons for not considering bringing the services provided by Barnet Homes back in house are set out in section 3.3 of the options appraisal, and can be summarised as follows:

The council's Housing Strategy agreed in April 2010, identified Barnet Homes as a suitable vehicle for providing additional services its behalf, including an extension of its role as a provider of housing related services.

The council decided to proceed with setting up the local authority trading company in May 2011, which included retaining Barnet Homes as a subsidiary of the Barnet Group Ltd.

In deciding to retain Barnet Homes, the council has taken account of the ALMO's successful completion of the Decent Homes programme, to deliver £189m worth of investment in council homes, and their track record of improving services for council tenants since they were set up in April 2004, as evidenced by improved levels of tenant satisfaction and successful outcomes to Audit Commission inspections in 2004 and 2008.

From Marie Symington:

14. We heard at the Resident Hub meeting for Barnet Homes tenants that the plan is for the council to contract out services to private companies (Capita and/or others), which will then sub-contract some of the services to Barnet Homes; If this is so, where will the private company's profits come from, and how will Barnet Homes get to keep the extra money they claim they'll have, which they propose to use for improvements and provision of new services?

Answer by the Chairman of Cabinet Resources Committee

The private company will price their proposals to include a profit element. They will however, have to keep this as competitive as possible or risk being undercut by the other bidders. As a potential sub contractor we will also be seeking payment for any work that we provide for Capita and from them. This will help support any direct costs we incur as well as support some of our overhead costs. This may also include a small surplus that can then be reinvested back into new or existing services.

15. What does the council do to reduce the risk that Capita or the other private company will have to charge the council and/or the tenants more in order to generate enough profit before paying Barnet Homes as the sub-contractors?

Answer by the Chairman of Cabinet Resources Committee

The competitive process of procuring an external provider will ensure that a competitive price is achieved for the delivery of council services. The final agreement with the supplier will specify how charges are determined and mechanisms for varying these that ensure that these remain competitive.

5. **ADULTS IN HOUSE SERVICE REVIEW: THEBARNETGROUP LTD BUSINESS PLAN (Report of the Cabinet for Adults and the Cabinet Member for Customer Access and Partnerships – Agenda Item 5):**

The Committee received the report and, following assurances that officers would consider the issues raised by Members regarding alternate Directors, for the reasons set out in the Cabinet Member's report, the Committee;

RESOLVED –

1. To agree the analysis and conclusions presented in the current Adults In House Business Plan;
2. To agree the setting up of TheBarnetGroup LTD (the holding company), Barnet First Limited (temporary shell company to enable incorporation of TheBarnetGroup LTD) and Your Choice (Barnet) Limited (the subsidiary established to deliver Adult Social Care services) from 1 February 2012 (adopting the Articles of Association as set out in appendix B, C and D to this report and forwarding to Council for ratification);
3. To agree to the Council entering into a contract with TheBarnetGroup LTD relating to the provision of Adult Social Care services for a three (3) year period with the option to extend for a further two (2) years;
4. To agree to the transfer of Council assets, as listed in appendix I to this report, to Your Choice (Barnet) Limited;
5. To agree as sole member of the Barnet Homes Limited to the transfer from the Council to the TheBarnetGroup LTD;
6. To approve the Council entering into a deed of novation and variation with TheBarnetGroup LTD and Barnet Homes relating to Housing Management services;
7. To approve the appointment of board members to TheBarnetGroup LTD in accordance with the governance arrangements set out in section 5 of the report
8. To authorise the Assistant Director of Legal services to complete any necessary documentation to give effect to the above decisions; and
9. To agree to a waiver of the Council's Contract Procedure Rules for the procurement of Adult Social Care services from TheBarnetGroup LTD without competition for the reasons set out in paragraphs 7.5 to 7.7 of the report.

6. FUTURE OF HOUSING SERVICES IN BARNET (Report of the Cabinet Member for Housing – Agenda Item 6):

For the reasons set out in the Cabinet Member's report, the Committee;

RESOLVED:

1. To approve the Future of the Housing Services Business Case in order that the council can proceed with transferring the Housing Service as set out in recommendation 1.2 of the report.

2. To authorise the Interim Director of Environment, Planning and Regeneration to implement the transfer of the Housing Service to the Barnet Group Ltd, who will sub-contract with Barnet Homes in order for the services to be delivered.

7. GENERAL DEBT, HOUSING REVENUE AND GENERAL FUND (TEMPORARY ACCOMMODATION) WRITE OFFS (Report of the Cabinet Member for Housing – Agenda Item 7)

For the reasons set out in the Cabinet Member's report, the Committee;
RESOLVED –

1. That the Temporary Accommodation charges totalling £97,438.30 and detailed in Appendix "A" to the report be written off.

8. WAIVER OF CONTRACT PROCEDURE RULES FOR THE PROVISION OF EMERGENCY TEMPORARY ACCOMMODATION (Report of the Cabinet Member for Housing – Agenda Item 8)

For the reasons set out in the Cabinet Member's report, the Committee;
RESOLVED –

1. To waive Contract Procedure Rules as identified in section 8 of the report in order to enable the regularisation of existing appointments of landlords (as identified in the, attached, Appendix) and the future appointments of landlords for the provision of Emergency Temporary Accommodation, an EU Regulation Part B Service, pending incorporation of a Procedure for Appointment of Landlords into the Procurement Code of Practice which is pending review and completion Spring 2012.

9. ONE BARNET PASSENGER TRANSPORT SERVICE – SEN CONTRACT EXTENSION (Report of the Cabinet Member for Customer Access and Partnerships – Agenda Item 9)

For the reasons set out in the Cabinet Member's report, the Committee;
RESOLVED –

1. That the SEN Framework Contract for passenger transport, expiring on 29 February 2012, be extended for a second term for a period of 12 months and up to a maximum value of £3.042m to allow adequate time for the West London Alliance (WLA) to procure a region-wide collaborative framework contract for the most suitable provider(s) for the service to benefit both the customer and the Council.

10. DEBT MANAGEMENT STRATEGY (Report of the Cabinet Member for Resources and Performance – Agenda Item 10)

For the reasons set out in the Cabinet Member's report, the Committee;

RESOLVED –

1. That Cabinet Resources Committee approves the attached debt management strategy.
2. That officers take appropriate action to ensure that the recommendations contained within the strategy are followed to enable income targets to be achieved.

11. DOVE HOUSE, BUNNS LANE, MILL HILL (Report of the Cabinet Member for Resources and Performance – Agenda Item 11)

For the reasons set out in the Cabinet Member's report, the Committee;

RESOLVED –

1. To surrender the Council's lease at Dove House on the terms set out in the report and in the exempt report.

12. MOTION TO EXCLUDE THE PRESS AND PUBLIC:

RESOLVED – That under Section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006):

Agenda Item	Subject
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| X1 | Exempt information relating to item 5 in public session - Adults In-House Service Review: TheBarnetGroup LTD Business Plan |
| X2 | Exempt information relating to item 11 in public session – Dove House, Bunns Lane, Mill Hill |

13. EXEMPT INFORMATION RELATING TO ITEM 5 IN PUBLIC SESSION – ADULTS IN-HOUSE SERVICE REVIEW: THEBARNETGROUP LTD BUSINESS PLAN (Report of the Cabinet Member for Adults and Cabinet Member for Customer Access and Partnerships) – Agenda Item X1):

RESOLVED – That the exempt information be noted.

14. EXEMPT INFORMATION RELATING TO ITEM 11 IN PUBLIC SESSION – DOVE HOUSE, BUNNS LANE, MILL HILL (Report of the Cabinet Member for Resources and Performance – Agenda Item X2):

RESOLVED – That the exempt information be noted.

The meeting finished at 8:02pm.