

Appendix 1

Task and Finish Group Review: Your Choice Barnet

Final Report

November 2013

Executive Summary

This Task and Finish Group was set up in response to an issue of public concern surrounding the sustainability of the provision of Adult Care Services through the Local Authority Trading Company (LATC), Your Choice Barnet. The scope and purpose of the review was proposed via a Members' Item in the name of Councillor Barry Rawlings and sought to:

- Consider lessons learnt from the outsourcing of the 'Your Choice Barnet' bundle of services to a LATC.
- Evaluate business plans, financial performance and actions being taken to promote business growth.
- Consider evidence from parents and service users about their experience of the services.
- Consider evidence from staff and relevant groups on what impact any restructure is likely to have on services.
- Consider case studies on other local authority experiences in providing similar services.

An overriding consideration for the Task and Finish Group was to consider whether the Your Choice Barnet bundle of services should be brought back in-house. Following consideration of all of the evidence received, the Group made a number of recommendations to Your Choice Barnet regarding process improvements, but did not recommend the return of services back in-house.

The recommendations that were made include:

- Staffing levels for each service area should be identified on the Your Choice Barnet Risk Register;
- Your Choice Barnet should analyse the potential for business growth through in-home respite as an outreach service from Valley Way;
- Your Choice Barnet should explore potential benefits of establishing an overarching charitable arm or friends group to enable access to grants or other funding opportunities and maximise tax efficiencies; and
- The Council should have additional representation on the Your Choice Barnet Board.

The Task and Finish Group considered a wide range of evidence as part of their review including the original Business Case, financial projections, performance reports, operational plans, growth plans, Care Quality Commission (CQC) inspection reports, feedback from consultations undertaken by Your Choice Barnet, submissions from unions and local interest groups.

The Council's Safeguarding Overview and Scrutiny Committee will be requested to consider this report before the findings and recommendations are formally reported to the to the Cabinet. The Group recognise that the recommendations made will be for Your Choice Barnet to implement and respond to.

Notwithstanding that, the Cabinet Member for Adults is the Cabinet Member responsible for the portfolio of services provided by Your Choice Barnet and Cabinet endorsement will be required to give effect to the recommendations.

In order to monitor the implementation of any accepted recommendations, the Safeguarding Overview and Scrutiny Committee (or its successor committee) will be asked to regularly monitor any progress made by Your Choice Barnet in implementing the recommendations.

1 Background Information

1.1 At the Business Management Overview and Scrutiny Committee meeting of 3 July 2013, Councillor Barry Rawlings submitted a Member's Item in relation to Your Choice Barnet. The item outlined a request for a review of the business plan and the sustainability of service provision in view of proposed staffing changes. Following debate on the item, the Committee agreed that a Task and Finish Group should be established to review Your Choice Barnet on the basis of the Members' Item, with the review to be completed by early September 2013.

1.2 The membership of the Group (as appointed by the Conservative and Labour Group Secretaries) was as follows:

Councillor Maureen Braun (Chairman)
Councillor Brian Salinger
Councillor Sury Khatri
Councillor Barry Rawlings
Councillor Arjun Mittra

Substitutes were:

Councillor John Hart
Councillor Rowan Quigley Turner
Councillor Kathy McGuirk
Councillor Gill Sargeant

1.2 The Group held an initial meeting on 23 July 2013 and agreed the following:

Terms of Reference - Your Choice Barnet Task and Finish Group

The Your Choice Barnet Task and Finish Group review will:

- Report on lessons learned from the outsourcing of the 'Your Choice' bundle of adults services to a Local Authority Trading Company;
- Evaluate business plans, financial performance and actions being taken to promote business growth;
- Consider evidence from parents and service users about their experience of the services;
- Consider evidence from staff and relevant groups on the impact of any restructure is likely to have on services; and,
- Consider case studies on other local authorities' experiences in providing similar services.

The Task and Finish Group will provide a report detailing comments and recommendations relating to the sustainability of provision of Adult Care Services through the Local Authority Trading Company.

2 Review Format

- 2.1 The Group anticipated developing up to four recommendations to the Council's Cabinet who are responsible for the performance of Council services regardless of whether these are delivered by internal or external delivery units.
- 2.2 The Group agreed to complete the review by the end of September 2013, with a view to providing a report to the Safeguarding Overview and Scrutiny Committee in November 2013 with the findings being presented to Cabinet at the earliest opportunity thereafter. An update on the progress of the review was reported to the Business Management Overview & Scrutiny Committee (the committee responsible for oversight of the work of overview and scrutiny working groups) on 7 October 2013.
- 2.3 Following protocol guidelines stipulated in the Council's Constitution under Overview and Scrutiny Procedure Rules, the Group undertook to consider a range of evidence, meet with key stakeholders and visit sites run by Your Choice Barnet. The Group considered evidence from:
- Strategic Director for Communities (London Borough of Barnet (LBB))
 - Head of Social Care Commissioning for Adults & Communities (LBB)
 - Commissioning Lead for Adults & Communities (LBB)
 - Head of Finance for Adults & Communities (LBB)
 - Director of Business Services (The Barnet Group Ltd.)
 - Interim Head of Care and Support (Your Choice Barnet)
 - Chief Executive Officer (The Barnet Group Ltd.)
 - PR & Communications Manager (The Barnet Group Ltd.)
 - UNISON (Trade Union)
 - CADDSS (Campaign Against Destruction of Disabled Support Services – a local group representing the families of some YCB service users).
 - Consultation Data – examined feedback from Your Choice Barnet Service Users and their families on services and proposed changes to staffing arrangements.
 - Site Visits – to enable discussion between front line service staff and TFG Members to provide context to the Group's work.
 - Business Plans and financial projections relating to Your Choice Barnet.
 - Performance reports and action plans.
 - CQC inspection reports.
 - Case-studies of local authorities with experience of delivering, or having considered delivering, Adult Social Care services through a Local Authority Trading Company (LATC)
- 2.4 Primary evidence collated by the Group was supported by an analysis of Financial Performance by the Head of Finance, Adults & Communities.

- 2.5 The report summarises the findings of the Task and Finish Group based on the evidence gathered and presented in line with the scope and purpose as detailed at 1.2 above.

3 Your Choice Barnet – An Overview

- 3.1 The key responsibility of local authority Social Services is to design flexible packages of care to meet people's assessed needs (Community Care Act 1990). Social care services can be delivered by the public, private or voluntary sector.
- 3.2 Under the auspices of the national agreement 'Putting People First' in 2007 and the rollout of personal budgets, local authorities were required to develop sustainable arrangements which would allow the personalisation of service need and personal budgets which would follow the individual¹. This was set out in the Learning Disabilities Commissioning Strategy agreed by Cabinet in June 2007.
- 3.3 As part of an authority wide transformation programme, in November 2010 the Council's Cabinet reviewed and approved the decision to proceed with the development of a full business case and business plan to implement a Local Authority Trading Company (LATC) to deliver some elements of Adult Care Services. This would result in the transfer of Learning Disability Services, Physical and Sensory Impairment Disability Services and Mental Health in-house provider services to the LATC.
- 3.4 In May 2011, Cabinet Resources Committee reviewed and approved the Business Case for the Adults In-House Service Review Project, allowing the setup of a Local Authority Trading Company structure, incorporating Barnet Homes (the Arm's Length Management Organisation responsible for managing the Council's housing stock). This was a model that was designed to be able to develop future services, give freedom and flexibility to respond more swiftly to changes in service demand within the wider competitive market and mitigate the potential risk of losing around £3.8m of direct payments income. (Direct payments cannot be used to purchase local authority services and are intended to be used by the service user to buy independent care rather than have services provided directly by the Council².)
- 3.5 In January 2012, Cabinet Resources Committee reviewed and approved the November 2011 Business Plan for the Adults in-house Service Review project and confirmed the transfer of Learning Disability and Physical Sensory Impairment Adult Social Care service provision to the LATC.

¹ a clear, upfront amount of funding which may be available from Adult Social Care to spend on the services and support needed to help people live more independently. Needs are assessed by social workers to establish eligibility to receive a personal budget.

² Guidance on direct payments for community care, services for carers and children's services, para. 121. Department of Health, England 2009.

- 3.6 Your Choice Barnet (the name of the Council's LATC) was launched in February 2012 and was amongst the first social care Local Authority Trading Companies in the UK, providing a wide range of different services to people with learning and physical disabilities; including specialist support to people on the autistic spectrum and complex disabilities, a short breaks service and support for people to live independently in their own homes. The stated vision of Your Choice Barnet is to "empower people to live the lives they choose, as independently as possible".³

4 Key Findings of Review

- 4.1 Your Choice Barnet delivers care services to the quality expected by its customers and independent inspectors. Therefore, the long-term viability of this LATC as a provider of adult social care is a largely financial question (rather than a service quality question) that will be answered through realising cost-saving measures, income sustainability and growth.
- 4.2 Prior to service transfer, The Barnet Group made optimistic revisions to financial projections contained in the approved Business Case. In addition to this, a key cashflow issue had not been identified until the actual use (and subsequent value of the contract) had been realised. It was this issue that necessitated an intra-company loan of £1m and further revisions to financial projections. This 'reality-check' gave rise to public concern and valid questions relating to the long-term financial sustainability of the LATC.
- 4.3 Experience and knowledge gained by Your Choice Barnet in the first 14 months of operation has since informed financial planning and allowed for budget estimates to be appropriately re-appraised. Financial projections for 2013/14 and beyond - now based on known trading figures - take a more pragmatic approach to achieving long-term success and growth, whilst accounting for full repayment of a £1m intra-company loan (and associated costs) within three years.
- 4.4 Concerns over care quality were primarily based on reasonable apprehension towards the impact of staffing changes to morale and future capacity to provide market leading care. In addition, the CQC had identified one area requiring remedial action at Barnet Supported Living. At the time of this report there were no care quality issues warranting further action and feedback on the quality of services demonstrated a high level of satisfaction.
- 4.5 Since its inception, Your Choice Barnet have made significant progress in key areas of staff support and forward planning, but there is still work to be done to achieve stated growth objectives.

³ <http://www.yourchoicebarnet.org/about-us/vision,-aims-and-structure>

- 4.6 Budget pressures across the adult social care landscape would have applied equally whether or not the services were still being provided in-house. Evaluation of provision of these services should focus on care quality outcomes and not simply based on financial arrangements.
- 4.7 The adult social care services personalisation agenda (putting adult social care budget directly in the hands of service users to spend in the way that best suits them) is the driving force for local authorities considering a move to the LATC model. Service users are no longer able to purchase services directly from local authorities requiring alternative models of service delivery to be developed.

5 Basis of Findings

5.1 *Business Plans and financial projections relating Your Choice Barnet (YCB)*

- 5.1.1 On 12 August 2013 the Group invited the Strategic Director for Communities; Head of Social Care Commissioning for Adults & Communities; Commissioning Lead for Adults & Communities; Head of Finance for Adults & Communities; and Director of Business Services for The Barnet Group to consider the Business Plans and Financial Projections relating to Your Choice Barnet.
- 5.1.2 The Group were provided with several documents for consideration:
- Future of Adult Social Services In-House Provider Services Project Business Case (May 2011)
 - The Barnet Group High Level Business Plan (November 2011)
 - Draft YCB Statutory Accounts (14 Months to 31st March 2013)
 - Your Choice Barnet Budget Report 2013/14
 - YCB Annual Service Report 2012/13
 - Your Choice Operational Plan 2013/14
- 5.1.3 The Head of Finance for Adults & Communities provided the Group with a financial appraisal outlining his assessment of the financial position of Your Choice Barnet and analysis of cash flow.
- 5.1.4 **Accounts**
The Group noted that, in respect of the financial evidence presented, initial business challenges faced by Your Choice Barnet identified the need to deliver growth and realise efficiency savings in order to achieve a surplus from 2014/15 – Table 1 below.

5.1.5 **Table 1 – Four Year Financial Summary Projections (Source: May 2011 Business Case)**

Your Choice	2012/13	2013/14	2014/15	2015/16
Income	£6,421,768	£6,608,022	£6,730,782	£6,767,262
Net Profit / (Loss)	(£282,260)	(£48,107)	£106,665	£143,145
Cumulative Profit / (Loss)	(£282,260)	(£330,367)	£(223,701)	£(80,556)

5.1.6 The Barnet Group Ltd. Business Plan published in November 2011 revised these projections to reflect “*robust due diligence undertaken by senior managers in both LBB and Barnet Homes*”. This Business Plan projected Your Choice Barnet being in a profitable position within its first year of operation – Table 2 below – based on assumed business opportunities and the speed and scale of efficiency savings.

5.1.7 **Table 2 – Four Year Financial Summary Projections (Source: The Barnet Group Ltd. Business Plan November 2011)**

Your Choice	2012/13	2013/14	2014/15	2015/16
Income	£5,866,841	£6,221,290	£6,460,470	£6,460,470
Expenditure	£5,781,504	£5,745,104	£5,742,092	£5,756,592
Profit / (Loss)	£85,337	£476,186	£718,378	£703,878

5.1.8 Despite the revised Business Plan which had projected a surplus in 2012/13, the final outturn for during the first full year of operation showed a loss of £68,000. Whilst this was less than the surplus projected in November 2011, it was nonetheless a better position than had been assumed in the original May 2011 Business Case. The Group learned that efficiency savings and income growth had been slow to materialise and management focus had been on the consolidation of services post-transfer. Accordingly, as a result of understanding actual use of services and the impact this would have on future management fees being paid by the Council, the budget approved by The Barnet Group Board for 2013/14 projected a loss of £105,000 (Table 3)

5.1.9 **Table 3 – 2012/13 outturn projection and 2013/14 Proposed Budget (Source: Your Choice Barnet Budget report 2013-14)**

Your Choice	2012/13 (Projected Outturn)	2013/14 Budget
Income	£6,179,000	£5,404,000
Expenditure	£6,247,000	£5,509,000
Profit / (Loss)	(£68,000)	(£105,000)

5.1.10 It was noted that key savings for 2013/14 had been programmed to be delivered at two points in-year. However, savings expected to be realised on the 1 July 2013 had been delayed due to extended consultation and the Group were told that this would not be realised until 1 October 2013, with the remainder on schedule for delivery by December 2013.

5.1.11 **Cashflow**

The Group heard that, whilst the move from block payment in advance (Year 1) to payment by actual use in arrears (Year 2) had been known, underlying cashflow issues were compounded by the realisation that the block payment in Year 1 had been approximately £995,000 more than actual-use based revenue. As a result, management fee income budget for 2013/14 onwards had been revised (reflected within budgeted income for Table 3 above). The issue of cashflow had been addressed by a three-year intra-company loan of £1m from Barnet Homes. The Group noted that full repayment of the £1m and associated interest costs had been accounted for as part of the three-year cashflow modelling which also projected Your Choice Barnet being out of overdraft by August 2014.

5.2 ***Performance reports and actions to improve***

5.2.1 The Group received an update on performance for Your Choice Barnet from the Director of Business Services for The Barnet Group.

5.2.2 Positive performance areas were identified as being:

- Customer satisfaction
- CQC reports
- Quality of services delivered
- Innovation
- Embedding into the Group
- Yearend financial position

5.2.3 Challenging areas of performance facing challenges were identified as being:

- Customer engagement
- Speed of change
- Finance position
- Growth
- Administration (internal audit & CQC)
- Sickness

5.2.4 The Group heard how the Operational Plan for April 2013 to March 2014 addressed these issues through the development of an action plan which would:

- Implement the new staffing structure, embed new teams and new roles, without impacting on service delivery
- Support and increase customer choice and/or maintain people's independence
- Achieve high quality standards and improve outcomes for customers
- Make income go further by maximising revenue and delivering efficiencies
- Raise the profile of Your Choice Barnet and achieve growth and new business for future financial viability

5.3 Care Quality Commission (CQC) inspection reports

- 5.3.1 On 3 September 2013, the Task and Finish Group met to consider CQC inspections, consultation feedback and case studies of three local authorities with experience of delivering, or having considered delivering, Adult Social Care services through a Local Authority Trading Company (LATC). Attending this meeting were the Interim Head of Care and Support for Your Choice Barnet; Chief Executive Officer for The Barnet Group Ltd.; PR & Communications Manager for The Barnet Group Ltd.; and the Head of Social Care Commissioning for Adults & Communities (LBB).
- 5.3.2 At this meeting the Group considered reports, published by the CQC in March 2013, on Barnet Supported Living Services and Valley Way Respite Service. It was noted that whilst standards were considered by CQC as being met across all areas at Valley Way, there had been one area identified as requiring remedial action at Barnet Supported Living. The judgement of the CQC had been that staff were not being adequately supported to deliver care and treatment safely and to an appropriate standard.
- 5.3.3 In its report of March 2013, the CQC stated: *“Staff appraisals were almost all recorded as having taken place. Despite this, training needs identified, such as dementia care, had not been scheduled. Gaps in training had been highlighted but not acted upon.”*
- 5.3.4 The Interim Head of Care and Support for Your Choice Barnet stated that in response to the findings of the report Your Choice Barnet were initiating full appraisals and training matrices for all staff. Staff were now receiving supervision to a newly installed quality assurance framework.
- 5.3.5 Subsequent to this meeting the Group learned that the CQC had inspected Barnet Supported Living again on 9 September and the service had met all the required standards.

5.4 Case-studies of local authorities with experience of delivering, or having considered delivering, Adult Social Care services through a Local Authority Trading Company (LATC)

- 5.4.1 The Group reviewed a report giving an overview of three different Local Authorities' arrangements for Adult Social Care.
- 5.4.2 **Essex Cares Ltd. (Essex County Council).**
Essex Cares Ltd. was set up by Essex County Council in July 2009 and was the country's first Local Authority Trading Company (LATC) providing Adult Social Care services transferred from the public sector to around 115,000 vulnerable people. The decision to change from the in-house service was linked the need to respond to the growth of self-directed support and personalised budgets.
- 5.4.3 Although 90% of Essex Cares Ltd. business was currently generated via the contract with Essex County Council, growth opportunities were being identified through partnerships with clinical commissioning groups (CCGs), increasing private contracts and support to individual budget holders, and providing services outside Essex. Freedom from local authority procurement constraints gave Essex Cares Ltd. greater flexibility to find savings by procuring from a wider range of suppliers.
- 5.4.4 Though the scale of the operation at Essex Cares Ltd. was much larger than Your Choice Barnet, both organisations had highlighted the need for a greater proportion of income to come from provision of services beyond those commissioned by the local authority.
- 5.4.5 It was noted that in continuing to realise operational improvements Essex Cares could demonstrate that a Local Authority Trading Company was a feasible and viable model for delivery of Adult Social Care.
- 5.4.6 **Chelsea Care Ltd. (Royal Borough of Kensington and Chelsea).**
Chelsea Care Ltd (CCL) was brought into operation in February 2009 with the aim of developing and providing a range of services to support people to continue to live independently in the community. The Royal Borough of Kensington and Chelsea awarded two small contracts to Chelsea Care:
- 350 hours of 'practical' home care per week. Covering low level needs such as cleaning and shopping; it did not encompass personal care or nursing care.
 - A brokerage contract worth £250,000 per annum. Brokerage services entailed the arrangement and commissioning of care and support for residents either in receipt of a personal budget or spending their own funds.
- 5.4.7 The Royal Borough of Kensington and Chelsea procured over 8,000 hours of home care each week and thus the limited hours awarded to Chelsea Care meant that overheads remained high for the size of the company and the business in which it operated. Though the non-executive directors had deferred their fees during 2010, these continued to accrue and other costs remained high. The brokerage contract funded

the majority of the company's overheads and the Business Plan was predicated on the contract being renewed in 2012-13. The home care contract was also due to expire in 2012-13 and there was concern that renewal would be based on lower terms and would be unprofitable.

- 5.4.8 Performance of the Chelsea Care Ltd. did not support the Business Plan projections which relied on significant growth in the volume of private clients in an unknown sized and competitive market. As further funding had not been approved by the Borough of Kensington and Chelsea, the directors of Chelsea Care put the company into liquidation.
- 5.4.9 The Group identified that Chelsea Cares Ltd. struggled as it was a 'start-up' company - in contrast to Your Choice Barnet which was a company created for the transfer of existing staff and services. Chelsea Cares Ltd. did not have the business structure or staff to provide care on day one and had to be built from scratch. Setup to primarily provide care to private funders within Kensington and Chelsea it almost immediately suffered from a lack of wider Council sign-up and support which eventually led to its demise.
- 5.4.10 The Chief Executive Officer for The Barnet Group Ltd., highlighted to the Group that, in clear contrast to Chelsea Care, Your Choice Barnet had taken over existing services with experienced staff already in place. Commercially experienced staff at The Barnet Group Ltd. were best placed to meet the challenge of sustaining and growing Your Choice Barnet. Initially, the focus had been to bring costs in line with service use and to understand the challenges before growing services.
- 5.4.11 The failure of Chelsea Care Ltd. had also been attributed to a lack of dialogue between the company management and the Royal Borough of Kensington and Chelsea. In examining the relationship between Your Choice Barnet and the London Borough of Barnet the Group noted that, aside from regular performance reports and attendance at Scrutiny Committees, two Councillors are members of The Barnet Group Ltd. board. In addition, under the new commissioning council structure, there were regular performance and contract monitoring meetings being held between senior officers and staff at Your Choice Barnet to support on-going service improvements.
- 5.4.12 **Hertfordshire County Council.**
The Group noted that Hertfordshire County Council had received an options appraisal in March 2010 which outlined several options for the future market positioning of the remaining Adult Social Care in-house provider services. The appraisal had recommended commissioning a full Business Case for the transfer of services in to a LATC.
- 5.4.13 Hertfordshire County Council ultimately decided not to proceed because of the additional VAT burden on the LATC (which would include day services liable for VAT) and because of the difficulty in reducing the Council's corporate overhead apportioned to the in-house services which

would become the LATC. These were a combined £2m additional burden - and the savings to be generated appeared to be £1.5m - leaving a net £500,000 increase in cost.

5.4.14 The Group enquired as to whether VAT costs were a significant issue for Your Choice Barnet. The Chief Executive Officer for The Barnet Group Ltd. outlined that registered services were exempt but non-regulatory services were subject to VAT and had been factored in to financial projections.

5.4.15 In relation to taxable revenues, the Group learned that a parents group at Rosa Morrison had recently raised around £40,000. Your Choice Barnet had yet to fully investigate fundraising opportunities or possible benefits of charity status for some areas of service provision.

5.5 Consultation feedback on services and proposed changes to staffing arrangements

5.5.1 The original Members' Item had proposed that the review consider evidence from: parents and service users about their experience of the services; and staff and relevant groups on the impact of any restructure is likely to have on services. The TFG Members were aware that a 90-day consultation had been carried out by Your Choice Barnet in March 2013 and another consultation was underway at Valley Way Respite Centre. The Group were concerned that further consultation with service users could lead to a poor response rate and would impact on the timescales of the review (which was due to complete its work by end of September 2013). Members also noted that detailed reports had been submitted by UNISON and a local group representing the families of some Your Choice Barnet Service Users (CADDSS (Campaign Against Destruction of Disabled Support Services)). The Group decided that these reports, alongside data from the consultations provided a significant amount of evidence and feedback. The Group therefore elected to review the existing readily-available information and consider resulting feedback following conclusion of the Valley Way consultation rather than conduct a separate and distinct consultation process as part of the review process.

5.5.2 At the 3 September meeting the PR & Communications Manager for The Barnet Group Ltd., reported that a series of meetings that had been held with users of Valley Way Respite Centre and their families on the proposal to change the waking night staff requirement from two waking staff to one sleeping plus one waking.

5.5.3 Enquiry from the Group confirmed that there had been some difficulty in achieving a full response to the Valley Way consultation though 50% of respondents had been in favour of proposed changes to waking staff hours. Those respondents expressing concerns had sought reassurance regarding safety, security and maintaining service quality.

- 5.5.4 The Group heard that prior to the end of this consultation, those who had not returned questionnaires were telephoned. The relatively low response rate (16 out of 40 families) was attributed to parents' and carers' overall satisfaction with the high quality of care provided by Valley Way or a general lack of enthusiasm for consultation. Reports from Your Choice Barnet staff in their analysis of questionnaires and telephone follow ups by endorsed this view. Out of 16 families' responses one parent stated that if the proposal was implemented they would use the service less. 50% of those responding (8) either agreed or strongly agreed with the recommendation; qualified by the need to be reassured that their children would be safe at all times and that the quality of care would be maintained. Following the consultation, the board of The Barnet Group Ltd. had agreed to implement the proposal, giving service managers the authority to exercise discretion should they identify a need to schedule two waking staff on duty at busy times.
- 5.5.6 External reports on the financial and staffing arrangements for Your Choice Barnet were considered from UNISON and CADDSS. The Group addressed a number of issues raised in the documents.
- 5.5.7 In both papers, references to staff morale had been made. It was accepted that within the sector staff in general there would be some anxieties over job securities due to the impact of austerity measures. However, the Group were concerned that staff working in service areas where structural changes had been proposed would be more affected by uncertainties surrounding their immediate futures.
- 5.5.8 The approach taken by The Barnet Group, in consulting on proposed restructures in light of the need for cost-saving measures, had resulted in calls from UNISON and CADDSS for further engagement and consultation. In complying with this recommendation there had been additional delays in being able to implement changes and realising cost-savings. The Group heard from the Chief Executive Officer for The Barnet Group Ltd. that Your Choice Barnet paid comparatively higher wages than other service providers in the sector which was a factor in the retention of dedicated staff.
- 5.5.9 The Group sought to discover whether Your Choice Barnet had identified opportunities to redeploy existing staff more effectively in order that the reliance on agency staff be reduced. The Interim Head of Care and Support for Your Choice Barnet explained that there had been a need in the beginning to use good quality agency staff though there were plans to move towards permanent staff in the longer term.
- 5.5.10 UNISON had recommended Winterbourne Training for all staff, the Group heard from that Interim Head of Care and Support for Your Choice Barnet that all staff were subject to a criminal records check, given inductions and opportunities to attend training courses. Furthermore an improved monitoring system of close scrutiny of accidents and incidents had been introduced. There had been three safeguarding alerts in the first quarter

of the year, none of which had been upheld. Monthly contract monitoring meetings with the Council considered alerts and outcomes as part of a wider scheme of close working to support improvements.

- 5.5.11 The Group took the opportunity to visit three services run by Your Choice Barnet on 17 September 2013. Meeting with staff and Service Users at Flower Lane Autism Service, CommunitySpace and Rosa Morrison, the Group were pleased to witness the quality of care being provided by the experienced and dedicated staff present.
- 5.5.12 Appeals from CADDSS in the local press and media, encouraging Your Choice Barnet Service Users and their families to submit any comments and concerns to Members of the Task and Finish Group, did not result in additional evidence being received. Despite this, the Group sought assurance that consultation and engagement would become a feature of the on-going approach to service provision at Your Choice Barnet. The Group learned that a consultation with Barnet Supported Living Service Users and families had already been planned. Testimonials were being gathered from Service Users and would be used to inform actions and promote Your Choice Barnet services more widely.

6 Conclusions

- 6.1 Your Choice Barnet provides quality care through a team of dedicated staff. However, as a result of budget-motivated pressures to benchmark salaries and restructure staff, morale among some staff has been low. This has, in turn, had an impact on Key Performance Measures such as sickness absence. Your Choice Barnet should continue to engage with staff and unions on proposals that may affect terms and conditions. However, swift action should be taken to agree core staffing needs in order that staff may know where they stand in the long-term. The Group understood the need for high-quality agency staff to provide auxiliary support, but believes that motivated permanent staff offered a greater commitment to best quality care. Communication with staff, service users, their families and those investigating care options should highlight staff ratios, core staffing levels and the flexibility to adapt and grow.

Recommendation One: Core permanent (non-agency) staffing levels for each service area should be identified on the Your Choice Barnet Risk Register as a Risk to Continuity of Service and Reputation. Risk Management Control should be in place before December 2013 to ensure that the identified number of core permanent staff for each service is maintained or exceeded at all times in order to mitigate any perceived risk posed to quality of present service provision. 'Next Steps/Action' recorded in the Risk Register should describe how this will be communicated across the organisation and more widely to ensure consistency and reassure Service Users and their families.

- 6.2 Growth projections have been slow to materialise since the LATC was created. Group Members were encouraged to note that some positive data was being recorded with around half of all new referrals coming in from outside the borough totalling 14% of income at the start of 2013/14. The Group accepted that each element of the service was being improved and supported the approach taken by YCB to rationalise core business activity before marketing services more widely. Efforts should now focus on delivering growth across the borough and beyond.

Recommendation Two: *Your Choice Barnet should analyse the potential for business growth through in-home respite as an outreach service from Valley Way. Members suggested prioritising focus in this yet to be explored potential growth area in order to deliver before April 2014.*

- 6.3 The Group were pleased to learn that fundraising activity had generated additional income that was intended to be used to improve facilities. It was clear that additional work was required by Your Choice Barnet to maximise the use of revenue generated through fundraising events. As a commercial entity, the opportunity for Your Choice Barnet to pursue grant funding was currently limited. The Group believed that this warranted further examination.

Recommendation Three: *Your Choice Barnet should explore potential benefits of establishing an overarching charitable arm or friends group to enable access to grants or other funding opportunities and maximise tax efficiencies.*

- 6.4 One of the key failures of Chelsea Cares Ltd. Royal Borough of Kensington and Chelsea was due to the lack of dialogue between the authority and the management team. The Group were satisfied that robust arrangements were in place between the Council and Your Choice Barnet Ltd. However, although two Councillors sit on the board of The Barnet Group Ltd., focus on the delivery and performance of services provided by Your Choice Barnet may be further enhanced through representation on its own board.

Recommendation Four: *The Council should have additional representation on the Your Choice Barnet Board. Members of the Task and Finish Group considered that, although two Councillors sit on the board of parent company (The Barnet Group Ltd.), experienced and appropriately briefed Members could serve to strengthen communication and contribute towards the joint aims in achieving strategic objectives and performance targets.*

- 6.5 The Task and Finish Group Review of YCB was initiated partly in response to public concern around its long-term financial sustainability. Ultimately, beyond the issues explored above, the Your Choice Barnet Task and Finish Group review found no evidence to support the call for services provided by YCB to be returned in-house. The Group recognise that the May 2011 Business Case had projected net losses for Year 1 and Year 2 (5.1.5 Table 1 above) and that the projections were revised by The Barnet Group Ltd. in the November 2011 Business Plan (5.1.7 Table 2) to state that a surplus would be achieved. The subsequently reported losses for 2012/13 (5.1.9 Table 3) have not given confidence in the financial planning or understanding of the business. However, the Group did not support the notion put forward by UNISON and CADDSS that the rationale for transferring services to a Local Authority Trading Company arrangement was in itself flawed.
- 6.6 Your Choice Barnet has acknowledged the need for business growth; and, as a LATC, is able to compete for new business more freely than had the same services remained in-house. Your Choice Barnet has already taken some action to improve brand recognition and promote services, resulting in 14% of income in the first months of 2013/14 coming from outside of the borough. The Government's stated aim for move to direct payments was identified in the May 2011 Business Case as giving a four-year total risk of £3.8m lost to the Council (as Service Users cannot buy the in-house services of any Council by direct payment). Taking account of this and given the significant cost savings and efficiencies being implemented at the Council it was clear to the Group that the provision of these services would have faced substantial challenges if they had been retained in-house.
- 6.7 Concerns from UNISON and CADDSS relating to staff provision highlighted a need for greater confidence and transparency in actions being taken by Your Choice Barnet to reduce costs and improve service quality. Lessons learned by Your Choice Barnet on the value of wider engagement has led to improvements in this area – even to the extent that more recently there has been some challenge experienced to receiving full feedback to consultation. The additional consultation by Your Choice Barnet with service users and their families on proposals to reduce waking night-staff levels at Valley Way Respite Service has not shown significant opposition, provided that essential needs are met and the quality of care is preserved. The Group accepted that the approach being taken by Your Choice Barnet would meet the needs of users and support further improvements to current satisfaction levels. Furthermore, the Group had confidence in the comprehensive approach taken by Your Choice Barnet and the Interim Head of Care and Support to increase performance targets, support staff and raise level of quality throughout. Matters relating to individual staff members' terms and conditions are beyond the remit of the Group.