



CABINET – 9TH APRIL 2013

**SUBJECT: CAERPHILLY AND BLAENAU GWENT SOCIAL SERVICES
INTEGRATION PROGRAMME – DECISION TO PROCEED OR NOT**

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND S151

1. PURPOSE OF REPORT

1.1 The purpose of this report is to:

- Outline the work completed to date on the programme of integration of Caerphilly CBC and Blaenau Gwent CBC Social Services Directorates;
- Inform Members of the detail of the financial analysis undertaken by the Section 151 officers;
- Recommend a way forward in terms of a decision to proceed or not to an integrated model of working.

2. SUMMARY

2.1 The Executive/Cabinet of Caerphilly and Blaenau Gwent endorsed mandates to progress with the integration of Social Services in June/July 2011 with the aim of the new Social Services Directorate being to:

'Deliver high quality, citizen centred, integrated Social Services to the residents of Caerphilly and Blaenau Gwent County Borough Councils, which helps them to achieve their potential and keep them safe, and to do this in the most effective and efficient way'

2.2 Plans were in line with, and support the principles of the Welsh Government's 'Sustainable Social Services for Wales: A Framework for Action'. The high level outcomes that the Programme sought to achieve were as follows:

- Better outcomes for service users (Effectiveness);
- Reduced cost of Service Provision (Economy);
- Better use of existing resources (Efficiency);
- Improved access, range and availability of services (Promoting Equality)

3. LINKS TO STRATEGY

3.1 The Integration Programme is in line with the principles contained within the Welsh Government's 'Sustainable Social Services for Wales: A Framework for Action'.

4. THE REPORT

- 4.1 Since commencing in 2011 the programme has progressed well and there have been some significant developments/achievements. These are detailed in Appendix 2 attached, but in summary include:-
- The appointment of a dedicated Programme Manager and Team working across Blaenau Gwent and Caerphilly Councils;
 - A Programme Management Delivery Framework has been put in place;
 - A Programme Board lead by the Chief Executives of Blaenau Gwent and Caerphilly County Borough Councils. Membership includes Council Leaders, Executive/Cabinet Members, Directors of Social Services and other Council Heads of Service. There is also co-opted representation from the Welsh Local Government Association (WLGA), Social Services Improvement Agency (SSIA), and key partners such as Health and Police;
 - A Programme Team lead by the Directors of Social Services. Membership includes Assistant Directors/Heads of Service in Social Services, lead officers for Finance and HR and co-opted representation from the Care and Social Services Inspectorate (CSSIW);
 - Key documents developed and in place such as a Communication and Engagement Strategy and a Risk Management Strategy.
- 4.2 The initial focus for the integration work was the development of an Interim Joint Workforce Development Service. This work came to a successful conclusion with the interim service being launched at the beginning of April 2012. The initial focus of the Team was to conduct a number of service reviews. The service reviews will conclude with the formulation of proposals for a fully integrated service specification and staffing structure that will provide a joint workforce development service for staff in Social Services and the Social Care Sector across Blaenau Gwent and Caerphilly. Various accommodation options have been considered for a Joint Workforce Development Training facility. A central geographical site has been identified that will provide accommodation for the joint Team and a central hub for learning and development. The new joint facility will ensure that local delivery, to meet local need, remains a priority. Existing local venues will also continue to be used to ensure equality and ease of travel access for front line care sector workers. The new facility will lead to savings in accommodation costs and will further reduce the use of other costly venues.
- 4.3 In addition to the above staff from both authorities also began exploring further work streams across Social Services to determine further opportunities for collaboration. These work streams included Access to services, Carer Services, Performance/Service Improvement, Substance Misuse and Family Support.
- 4.4 Following the departure of the Assistant Director Children's Services from Caerphilly CBC to another position, with effect from the 1 September 2012, Mr. Nigel Brown took on the responsibility for being the joint Assistant Director for Children's Services across both authorities. This was an interim arrangement deemed viable in the longer term only on the basis that a fully integrated Social Services was created. Mr Brown has since left both Authorities for a key role in the Welsh Government. The joint appointment will no longer continue.
- 4.5 In terms of political engagement a Joint Scrutiny Panel has been established and held its first meeting in July 2012. The Panel consists of 5 non-Executive/Cabinet Members currently serving on Social Services Scrutiny Committees from Blaenau Gwent and Caerphilly County Borough Councils. The principal aim of the Joint Scrutiny Panel is to perform the overview and scrutiny function for the Integration Programme and its work streams on behalf of the partnership Authorities.
- 4.6 In addition to the progress outlined above, in respect of the integration, an essential requirement has always been the consideration and development of a formal business case to support the continuation of the integration model. To this end, the Section 151 Officers have met during this period.

4.7 It is clear from the Financial Analysis attached as Appendix 1 that the overall financial position of both authorities has changed since the inception of this project and there is a considerable distance between both authorities in terms of their current financial positions and their position in terms of Medium Term Financial Planning. An Integrated Social Services would undoubtedly involve pooling of budgets and with any full integration of services on this basis there would always be a risk of one Authority cross subsidising another at some point in time. To safeguard against this there should be evidence that both Councils can deliver their current and future levels of service from current budgets and there should be medium-term plans that show that these service levels are affordable and sustainable by each Authority.

4.8 At the present time, the Financial Analysis attached in Appendix 1 would place Caerphilly CBC at significant risk of cross subsidising services in another Authority. This is not legal. Hence Cabinet are requested to consider the options in view of the Financial Analysis detailed in Appendix 1.

4.8.1 **Option 1 – Do Nothing**

Due to the significant challenges facing Social Care from demographic change and the pressure on funding and budgets, doing nothing is not an option. Services will need to be transformed to meet increasing demand and this will either need to be delivered through both Councils focusing on their own medium-term financial strategies or through collaborative arrangements where there is a robust business case.

4.8.2 **Option 2 - Proceed with working up a business case for full integration**

Due to the financial issues raised in Appendix 1 the Acting Director of Corporate Services and S151 Officer recommends to Cabinet that this option is not pursued.

4.8.3 **Option 3 – Proceed with a Joint Management Team only**

A Joint Management Team running 2 separate Social Services would introduce an additional level of bureaucracy and complexity. It is recommended that this option is not pursued as the end destination of a full integration is not an option that can be implemented due to the financial issues raised.

4.8.4 **Option 4 - Explore the potential for further collaboration on an individual Business Case basis**

The focus would change to considering individual service specific collaborative arrangements at a Local Authority, regional and national level where there are individual robust Business Cases to proceed for specific service areas, proceeded by a risk analysis and outline Business Case.

5. **EQUALITY IMPLICATIONS**

5.1 This report does not need to be equality impact assessed. Further Equality Impact assessments will be carried out as part of the individual business cases for any new proposed service models.

6. **FINANCIAL IMPLICATIONS**

6.1 The WLGA and SSIA have supported the programme management arrangements with funding of £35k for 2011/12. Further funding has been made available for 2012/13 of £150,000 from the ADSS.

6.2 A financial analysis to support the recommendations in Option 2 and Option 3 above is included as Appendix 1.

7. PERSONNEL IMPLICATIONS

7.1 There are no direct Personnel implications other than the joint project management arrangements that have been put in place. These will be reviewed following the decision by Cabinet. It is acknowledged that over the past 18 months, a number of posts within the Directorate have been filled on a fixed term basis, pending integration. These posts will now be reviewed and where appropriate, be made permanent.

8. CONSULTATIONS

8.1 All consultation responses have been incorporated into this report.

9. RECOMMENDATIONS

9.1 That Members note the considerable progress made in scoping the potential integration together with the successful outcome in relation to the Interim Joint Workforce Development Service.

9.2 That Members support Option 4 in that the authority does not proceed to work up the case for full integration or a Joint Management Team but explores the potential for further collaboration on an individual Business Case basis.

10. REASONS FOR THE RECOMMENDATIONS

10.1 That Members note the progress made to date and make a formal decision to proceed or not in respect of a Business Case for a fully integrated arrangement.

11. STATUTORY POWER

11.1 The proposal is in line with current legislation and the direction of travel stipulated by the Welsh Government in the White Paper 'Sustainable Social Services for Wales: A Framework for Action'.

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Appendices:

Appendix 1 Financial Analysis
Appendix 2 Detail of Work undertaken
Appendix 3 Analysis of Service demands
Appendix 4 Social Services Budgets 2012/13