

5 February 2018**Agenda Item: 5****REPORT OF THE SERVICE DIRECTOR, NORTH NOTTINGHAMSHIRE AND
DIRECT SERVICES****ADULT SOCIAL CARE AND COMMERCIAL DEVELOPMENT****Purpose of the Report**

1. The purpose of this report is:
 - a) to provide an update on the work the County Horticulture and Work Training Service has been doing with the Council's Commercial Development Unit
 - b) to seek approval to commence formal consultation with staff, service users and carers on a proposal to reduce the annual running costs of the County Horticulture and Work Training Service, and to report back to Committee on the consultation
 - c) to provide a summary of the work undertaken to explore alternative models of service delivery for some of the Council's directly provided adult social care services
 - d) to set out the ability of the Council's directly provided adult social care services to trade and to seek approval for these services to continue to be managed under direct Council control and that opportunities are sought to reduce running costs through commercial development where appropriate.

Information**County Horticulture and Work Training Service**

2. The County Horticulture and Work Training Service, also known as Brooke Farm, supports service users with learning disabilities and Asperger's Syndrome to gain horticulture skills through growing seasonal produce and plants, which are sold in a shop at the Linby site and at other locations around the County. A Grounds Maintenance and Golden Gardens Service, employing people with disabilities, delivers garden maintenance and gardening to Council facilities, private establishments and local residents. The service operates from three sites at Linby, Skegby and Balderton.
3. Eight staff with disabilities are part of a workforce of 24.6 full-time equivalent (FTE) workers and 60 work trainees, or service users, attend the service across the week. The service has continued to be supported throughout all of the Council's recent financial challenges out of recognition that paid work and meaningful occupation bring numerous benefits that enhance wellbeing, confidence and quality of life. However, the annual net running costs of the County Horticulture and Work Training Service are £663,000 which presents a challenge for the Council in terms of longer term sustainability.

4. The Commercial Development Unit has been established as a Council wide function to support Council services to develop ideas that will generate new income and reduce service delivery costs. The County Horticulture and Work Training Service has worked with the Council's Commercial Development Unit in order to identify opportunities to increase the income generated from the sale of goods and services to the public and to reduce the cost of providing the service.
5. A range of initiatives have been identified through this work which could be implemented over a four year period. This would support the Council to maintain the County Horticulture and Work Training Service but at a reduced and more sustainable cost.

Proposal to reduce the annual running costs of the County Horticulture and Work Training Service

6. The three main elements of the proposal are:
 - a. to undertake improvements to the Brooke Farm, Linby, site to increase customer numbers and average spend
 - b. to reduce operating costs by vacating the site at Skegby and supporting work trainees to transfer to the Linby or Balderton site
 - c. to cease all Grounds Maintenance and Golden Gardens activity.
7. It is anticipated that the proposal, after four years, will reduce annual running costs by at least £110,000, with the potential for greater savings up to a total of £249,000, during and beyond this period.
8. The reduction in annual running costs anticipated is an amendment to the indicative savings profile previously reported to the Finance and Major Contracts Management Committee as part of an update on the work of the Council's Commercial Development Unit. The amendment reflects both a revised approach to the staffing profile and also further work that has been undertaken to review the income and savings potential. Further progress reports will be brought back to both Committees in due course.
9. The three elements of the proposal are detailed in **paragraphs 10 – 22.**

Proposal to undertake improvements to the Brooke Farm, Linby, site

10. Improvements to the Brooke Farm, Linby, site, which are designed to increase customer numbers and average spend include:
 - a. extending the shop opening hours and improving car parking for customers
 - b. reviewing the product offer sold in the shop, ensuring that more popular and more profitable lines are stocked and that waste is reduced to a minimum
 - c. improving the location and size of the existing café and increasing the range of food and drink available
 - d. developing a purpose built children's play area to encourage families to visit the site
 - e. increasing the range of plants that are available throughout the year and creating a dedicated plant sales area.

11. A one-off capital investment of £353,000 has been requested to support the proposed improvements at the Brooke Farm site. A new Commercial or Retail Manager post will be required to assist in the implementation of the proposed changes.
12. It is anticipated that, by increasing customer numbers and average spend, this element of the overall proposal will reduce the annual running costs of the service by approximately £32,000 after four years. In addition, the proposed improvements will increase the range of work experience opportunities available to work trainees.

Proposal to vacate the Skegby site

13. The site at Skegby has been proposed for potential housing development as part of the Ashfield District Plan and it is possible that the service will need to vacate this site in the coming years to accommodate this.
14. Work trainees who access the service at the Skegby site would be supported to transfer to an alternative County Horticulture and Work Training Service site at either Linby (Brooke Farm) or Balderton. With the proposed improvements at the Brooke Farm, Linby, site there will be a greater range of work experience opportunities for work trainees to choose from.
15. Two full-time equivalent (FTE) Employment Support Workers (Grade 5) at the Skegby site will be at risk of redundancy as a result of this proposal and will be offered support to identify a suitable redeployment opportunity within the Council. A vacant part time (0.5 FTE) Caretaker post (Grade 1) will be deleted from the staffing structure.
16. It is anticipated that, by vacating the Skegby site, this element of the overall proposal will reduce the annual running costs of the service by approximately £94,000 a year. In addition, vacating the site will release an estimated capital receipt of £3.7 million for the Council.

Proposal to cease the Grounds Maintenance and Golden Gardens services

17. The Grounds Maintenance and Golden Gardens services deliver garden maintenance and gardening to Council facilities, private establishments and local residents. The service is heavily subsidised by the Council and costs substantially more to deliver than the income it generates. The service is not commercially viable in a competitive market and customer numbers continue to drop. It is therefore proposed that all of the Grounds Maintenance and Golden Gardens activity is ceased.
18. The Grounds Maintenance and Golden Gardens services employs eight people (7.7 FTE) with disabilities as Horticulture Operatives (Grade1). It is proposed that these individuals are offered the following two options:
 - a. the opportunity to take voluntary redundancy or,
 - b. the opportunity to be retained in supernumerary Grade 1 positions at the Brooke Farm site for up to a maximum period of four years (concurrent with the length of the business case implementation period), during which time they will be provided with support by the Council's I Work supported employment service to undertake additional work skills training to find alternative permanent job roles. If after the four year period any of the Horticulture Operatives have been unable to find an alternative post it is recommended

that consideration should be given as to whether redundancy should be offered again. There is however a good degree of confidence that this will not be necessary, as given the proposed improvements to the Brooke Farm, Linby, site it is anticipated that over the period of the business case implementation, additional employment opportunities will arise.

19. A vacant 1.0 FTE Supervisor post (Grade 4) and 1.95 FTE vacant Horticulture Operative posts (Grade 1) will be deleted from the staffing structure.
20. It is anticipated that, by ceasing the Grounds Maintenance and Golden Gardens services and supporting the Horticulture Operatives to find alternative employment, this element of the overall proposal will reduce the annual running costs of the service by approximately £123,000, after consideration of the loss in income. If all of the eight Horticulture Operatives remain in post for the duration of the four year period the cost to the service would be an additional £16,000 a year when compared to the 2017/18 budget for the service. This is because some income will be lost by ceasing the services.
21. After four years it is anticipated that the overall impact of all of the three initiatives will be a reduction in the annual running costs of the County Horticulture and Work Training Service of between £110,000 and £249,000, depending on the number of Horticultural Operatives that continue to be supported in supernumerary posts over that period.
22. Approval is therefore sought to consult with staff, service users and carers on the proposal to reduce the annual running costs of the County Horticulture and Work Training Service.

Alternative Models of Service Delivery for Adult Social Care Services

23. In addition to the County Horticulture and Work Training Service, the Council runs a wide range of directly provided adult social care services, including:
 - Day Services – day care for all service user groups at 10 locations countywide
 - Short Breaks – three short term respite care sites for younger adults with disabilities
 - Shared Lives – respite and residential care for service users in a carer's own home
 - I Work Team – support to help adults with a disability to find paid or voluntary employment
 - County Enterprise Foods – a community meals and supported employment service
 - Church Street – an 8 bed residential home for service users with a learning disability.
24. These directly provided adult social care services employ approximately 550 staff and provide support to approximately 2,500 service users. In order to ensure that the services can be sustained in the face of ongoing financial challenges, work has been undertaken to explore a range of alternative models of service delivery. Possible options have been explored as follows:
 - continue to manage the services under direct Council control
 - transfer the services into a new Council owned local authority trading company
 - transfer the services into a joint venture company and share ownership with another Council
 - transfer the services into a new social enterprise company

- outsource the services to an existing organisation in the independent care sector.
25. Significant work has been undertaken by Council officers with some external legal and commercial advice to support this. Each of the models explored have different benefits and risks. Whilst all of the models were potentially viable, with the Council able to choose to adopt any of them, a desk top appraisal of the models initially indicated that the transfer of the services into a new Council owned local authority trading company could offer the most potential benefits to the Council, to the services and to service users. The main benefits noted were:
- a local authority trading company could develop new services for the Council and step in to manage failed services in the care market in order to meet the Council's obligations under the Care Act
 - a local authority trading company would have freedom to trade and provide services to organisations and persons other than the Council, provided that this was no greater than 20% of the company's total activity
 - a local authority trading company could introduce changes in order to reduce costs in ways that the Council could not, i.e. differences in employee terms and conditions
 - any profit generated by a local authority trading company could be reinvested back into the services or returned to the Council to reduce the cost of the services.
26. The appraisal also identified a number of risk factors, including:
- the transfer of the services into a local authority owned trading company could involve some disruption to service delivery. Given the current pressures on social care funding and the instability in some sectors of the external care market, any level of disruption could present a significant risk for the Council in terms of its ability to meet its obligations under the Care Act
 - the transfer would require substantial investment. It was not anticipated that there would be a return on investment in the initial two years of trading (in fact costs would be likely to increase for this period) and although the potential for a return on investment was indicated in the longer term, this could not be guaranteed.
27. Subsequently, bearing these risk factors in mind, and in the light of the development of the Council's Commercial Development Unit, which supports services to increase commercial opportunities and reduce costs, combined with the legal advice described in **paragraph 28** about the ability of Council run services to trade, it was perceived that many of the same benefits of transferring the services into a local authority owned trading company could be realised, at a reduced level of risk, whilst retaining the services under direct Council control.

Ability of Council run Adult Social Care Services to Trade

28. Legal advice sought has confirmed that the Council is able to trade, or sell its services, to other local authorities, organisations or private individuals, providing this is not undertaken in order to make an overall profit. This means that the Council could make a charge for a product or service in order to cover the costs of providing that product or service as long as the charge does not exceed the cost to the Council of providing that product or service. In determining the charge, the Council would need to take into account the full cost to the Council of providing that product or service, including any associated central costs.

29. The Council has a duty to provide care and support to people who have eligible adult social care and health needs and a duty to provide financial support to cover the cost of care and support for those people who, after financial assessment, are eligible to receive it. Any work undertaken to develop the commercial potential of the Council run adult social care services will not affect these people. There could be greater opportunities, however, to sell services to people who fund their own care, to other local authorities and to external organisations. Providing it was not on a regular basis, the Council can also sell services to people in receipt of a Direct Payment from the Council. Any additional income that is generated by the services will reduce the subsidy required from the Council to sustain them.
30. Building on the work already undertaken between the County Horticulture and Work Training Service and the Commercial Development Unit, it is proposed that the Council's directly managed adult social care services continue to be managed, as now, under direct Council control and that opportunities are sought to reduce running costs through commercial development where appropriate. The Council may wish to further consider options for alternative service delivery models at a future point.

Other Options Considered

31. In respect of the proposal to cease the Grounds Maintenance and Golden Gardens services (detailed in **paragraphs 17-20**) other options considered were:
 - a. to seek full cost recovery through an increased charge - however it was anticipated that this would make the service unaffordable for the majority of customers
 - b. to continue to operate the services as now - this would mean that the Council would be continuing to provide a heavily subsidised service for private customers and would negatively impact on the overall ability to reduce the running costs of the County Horticulture and Work Training Service.
32. The alternative models of service delivery that were explored for some of the Council's directly provided adult social care services are described in **paragraph 24**.

Reason for Recommendations

33. The proposal to reduce the annual running costs of the County Horticulture and Work Training Service will support the Council to maintain the service but at a reduced and more sustainable cost.
34. The proposal to retain Council run adult social care services under Council control and to seek to explore commercial development opportunities where appropriate will allow the Council to work towards reducing the running costs of the services at a reduced level of risk compared to the alternative models of service delivery considered.

Statutory and Policy Implications

35. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below.

Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

36. The proposal to reduce the annual running costs of the County Horticulture and Work Training Service will allow the Council to reduce the subsidy required to maintain the service by between £110,000 and £249,000 a year (after four years) depending on the number of Horticultural Operatives that continue to be supported in supernumerary posts over that period.
37. A one-off capital investment of £353,000 has been requested through the Commercial Development Unit to support the proposed improvements on the Brooke Farm, Linby site.

Human Resources Implications

38. Subject to the outcome of consultation with the staff group and their trade union representatives, any change to the opening times of the Brooke Farm shop and improved café may require staff to adopt different working hours and to develop a wider range of skills.
39. Two full-time equivalent Employment Support Workers (Grade 5) currently employed at the Skegby site, may be at risk of redundancy because of the proposal to vacate the Skegby site. Subject to the outcome of consultation with affected staff and their trade union representatives, any individuals who are subsequently identified as being at risk of redundancy will be offered the opportunity to seek voluntary redundancy if this is their wish or support to identify a suitable redeployment opportunity, in line with Council policy. A vacant part time (0.5 FTE) Caretaker post (Grade 1) at the Skegby site will be deleted from the staffing structure.
40. Of the Eight Horticultural Operatives (7.7 FTE at Grade 1) who are disabled workers, four are supported through a Department for Work and Pensions specialist disability employment programme and are employed in the delivery of the Grounds Maintenance and Golden Gardens services. Subject to the outcome of consultation it is proposed that these services are ceased and that, as described in **paragraph 17**, the Horticultural Operatives are offered the opportunity to take voluntary redundancy or the opportunity to be retained in a supernumerary position at the Brooke Farm site for up to a maximum period of four years, during which time they will be provided with support by the Council's I Work supported employment service to undertake additional work skills training to find alternative permanent job roles. If after the four year period, any of the Horticulture Operatives have been unable to find an alternative post it is recommended that consideration should be given as to whether redundancy should be offered again. There is however a good degree of confidence that this will not be necessary, as given the proposed improvements to the Brooke Farm, Linby, site it is anticipated that over time additional employment opportunities will arise.
41. A vacant 1.0 FTE Supervisor post (Grade 4) and 1.95 FTE vacant Horticulture Operative posts (Grade 1) linked to the Grounds Maintenance and Golden Gardens services will be deleted from the staffing structure.

Public Sector Equality Duty Implications

42. An equality impact assessment has been undertaken for the proposal to reduce the annual running costs of the County Horticulture and Work Training Service and is available as a background paper to this report. The equality impact assessment will need to be reviewed in response to the consultation on the proposal with staff, service users and carers.

Implications for Service Users

43. The development of an improved shop, café and plant sales area at the Brooke Farm site will increase the range and capacity of work training activities available to service users.
44. Work trainees who currently access a service at the Skegby site would be supported to transfer to one of the remaining County Horticulture and Work Training sites at Linby or Balderton. If, on an individual basis, this was not an appropriate option, alternative service provision may need to be identified.

Implications for Sustainability and the Environment

45. Based on the results of a customer survey within Linby village, it is considered that the proposed developments at Brooke Farm would have a positive impact on the local community in terms of the improved facilities and products that customers would be able to take advantage of.
46. The site at Skegby has been proposed for potential housing development as part of the Ashfield District Plan and it is possible that the service will need to vacate this site in the coming years to accommodate this.
47. Private customers and organisations, including the Council, who are customers of the Grounds Maintenance and Golden Gardens services will need to find alternative suppliers.

RECOMMENDATIONS

That Committee:

- 1) gives approval to commence formal consultation with staff, service users and carers on a proposal to reduce the annual running costs of the County Horticulture and Work Training Service, and to report back to Committee on the consultation
- 2) gives approval for the Council's directly managed adult social care services to continue to be managed under direct Council control at this time and that opportunities are sought to reduce running costs through commercial development where appropriate.

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Constitutional Comments (SLB 22/01/18)

48. Adult Social Care and Public Health Committee is the appropriate body to consider the content of this report.

Financial Comments (DM 19/01/18)

49. The financial implications are contained within paragraphs 36 and 37 of the report.

HR Comments (SJJ 22/01/18)

50. The human resources implications are implicit in the body of the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Equality Impact Assessment for the proposal to reduce the running costs of the County Horticulture and Work Training Service

Commercial Development Unit: service outcomes and approval – report to Finance and Major Contracts Management Committee on 18 December 2017.

Electoral Divisions and Members Affected

All.

ASCPH521