

7 March 2016**Agenda Item: 9****REPORT OF THE SERVICE DIRECTOR FOR NORTH NOTTINGHAMSHIRE
AND DIRECT SERVICES****FUTURE OF OLLERTON DAY SERVICE****Purpose of the Report**

1. To seek Committee approval to retain the day service building at Ollerton, formerly known as Whitewater, and not to proceed with the previously agreed plan to close this facility at the end of March 2016 as set out in the original Day Service Business Case.

Information and Advice

2. Day services are an integral part of the Council's offer of support to older people and younger adults with disabilities. Day services do not only provide people with an opportunity for social activity or employment support, but are a key point of contact in monitoring the health, safety and wellbeing of individuals attending.
3. The Day Services Modernisation Programme, which commenced in 2011, has seen the Council's day services evolve and diversify to provide a high standard of personalised care and support that focuses on maintaining and promoting independence and these services are an important resource in helping people to remain at home for longer and delay the need for long term residential care, which is a key element of the Adult Social Care Strategy.
4. Although the number of day centre sites has reduced as part of the modernisation programme with 35 day services bases being amalgamated across 10 sites, the quality and suitability of the buildings has been optimised through investment and refurbishment, ensuring that service users are receiving support in high quality, purpose built environments.
5. There are few alternatives in the external market that offer the same level and quality of service at a similar price and current demand is high.
6. Staff changes have also taken place throughout the period of transformation to support a more flexible and adaptable workforce, with significant staff efficiencies of 50% made to create a cost effective model offering integrated services across all care groups under a single staff group.
7. The Day Services Modernisation Programme achieved savings of £3.845m over the period 2011/12 to 2013/14.

8. Following the Day Services Modernisation Programme, the Day Service Business Case (ASC412) in July 2013 set out a plan to achieve further savings of £1.06m through a countywide reduction in the number of day service buildings operated by the Council. To date, a number of service changes have been implemented to support delivery of the business case which has enabled the following savings to be made and/ or identified:
- 2014/2015 - savings of £350,000 were achieved
 - 2015/2016 - savings of £220,000 were achieved
 - 2016/2017 - savings of £490,000 expected through the closure of the Ollerton service
9. However, there are a number of factors which indicate that the Council should review and revise the original decision to close the Ollerton day service.

Impact of Closure on Service Capacity

10. As the reduction in the number of day service buildings and staffing establishment progressed, the project group identified the need to undertake a review of available day service capacity across the County and consider whether the closure of the Ollerton service remained viable.
11. Subsequently, work towards the Ollerton closure was suspended in May 2015 to enable the capacity review to be undertaken and service users and carers were advised of this.
12. The capacity review found that although there was a net reduction of 25 people accessing Council day services across the County between 2013/2014 and 2014/15, levels of need and dependency for both new and existing services users were found to be higher or increasing, requiring increased staffing ratios.
13. The capacity review also concluded that closure of the Ollerton service would impact considerably on the capacity at receiving services and that placing the 95 service users currently attending Ollerton into the day services at Mansfield, Ashfield and Bassetlaw would result in these services being at full capacity.
14. This would mean that these services would be unable to accept new referrals except when there were leavers. Consequently, the Council may have to commission alternative support from the external market at an additional cost in order to meet demand and would have no opportunity for expansion or alternative models of delivery in the future.
15. There continues to be a high demand for the Council's day services, particularly for older people and there is limited alternative local provision available as the external market contracts in the face of its own financial pressures. For example, the Council was informed by Age UK in February that they will no longer operate day services from their Ollerton and Retford sites which again reduces the availability of services in the Ollerton area.

Financial Impact

16. The original Day Service Business Case proposed savings of £490,000 against the closure of the Ollerton service - £149,000 to be saved against running costs and £341,000 against staffing costs.
17. There are no further savings to be made through staff reductions as all current staff will need to transfer to other services as part of the reprovion to support the additional service user numbers and current levels of need.
18. There is potential to make savings against running costs of between £83,000 and £142,000 per annum, depending on the level of budget that would be required to transfer to receiving services to meet the additional costs of serving more people and the proportion of costs retained to maintain the unoccupied day service building.
19. However, the position has shifted regarding savings assumptions set out in the 2013 business case, particularly in relation to additional transport and reprovion costs as the original assumptions were based on the cohort of service users accessing the service at that time. Detailed work based on the current service user group shows that these costs would likely offset any potential saving.

Additional Transport Costs

20. The additional transport costs associated with reprovion the service at Mansfield, Ashfield and Bassetlaw are estimated to be in the region of £133,000.
21. This is based on a requirement for two additional vehicles at a cost of approximately £88,000 (£44,000 per vehicle and driver).
22. Additional escorts would be required for the additional vehicles at a cost for additional staff of £25,000 per annum.
23. Additional mileage costs for those service users displaced by the Ollerton closure are estimated to be in the region of £20,000 per annum.

Staff Relocation Costs

24. Staff disturbance costs would be payable for those staff who currently have Ollerton as their designated base but who will transfer to other day service locations as a result of the Ollerton closure and service reprovion.
25. Disturbance is payable to staff for a period of two years. There are currently 30 members of staff at the Ollerton service who would be eligible to receive this payment at a total cost of £30,375 per annum for the two year period.

Additional Reprovion Costs

26. Savings projections also assume that all current Ollerton service users can be reprovion for in other existing services. If their needs cannot be met within existing services or if they choose to take a direct payment and access alternative services, then the Council will incur additional costs which will further reduce the available savings.

27. In addition, if the capacity issues highlighted above means that the Council has to commission day service support externally, this will result in a further adverse financial impact.
28. For example, the potential cost of commissioning individual services elsewhere for every five service users is around £47,000 per year (based on Matrix rate of £65.28 per day, three days per week service, 48 weeks per year).
29. Although there are potential further savings to be made against non-staff costs, these would likely be offset by the additional costs associated with providing the service elsewhere.

Capital Considerations

30. There is no capital receipt to be gained as previous reviews conducted by Property services have given a zero valuation for the site.
31. The building is a purpose-built facility, extensively refurbished in 2013 to a very high specification, and is in very good condition. The service is sited in the middle of an Academy school campus which is shared with a leisure centre and Fire Authority training centre in a non-residential area.
32. The Council has retained ownership of the day service site by excluding it from the Academy transfer and have access rights over the shared drive.
33. Although a good sized site, open market valuation for the building in its existing form is zero.
34. Alternative uses are limited due to its location. It is unlikely to be attractive as a residential development site and although possibly suited to office accommodation, the market for office provision in the Ollerton area is well catered for elsewhere.
35. Any alternative use would require extensive alterations which would exceed the value.
36. Community use would not create a capital receipt nor would transferring the site to the Academy should they want it as the value in this type of scenario would still be deemed to be zero.
37. In the absence of an alternative use the Council would incur costs, either through the need to maintain an empty building or through the cost of demolition.

Summary of Financial Analysis

38. Once the potential savings against running costs are offset by the transport, relocation and reprovision costs above, the net position is an additional budget pressure of between £68,000 and £127,000 for years 2016/17 and 2017/18 (whilst staff disturbance costs are payable) and a pressure of £38,000 to £97,000 thereafter.

39. However, the £490,000 savings target for 2016/17 can still be realised as this saving can now be made by the service through permanent realignment of existing day service budgets across the County.
40. An example of how savings will be achieved through realignment of budgets is applying a reduction in the budgetary allocation for covering sickness absence. Increased flexibility in the management of the workforce across a geographical area means that staff can be deployed to different sites across the County to cover sickness absence.
41. This could not be achieved previously as staff were contracted to work from a designated day centre base and with a specific service users group. Therefore individual service locations would have to cover their own sickness absence through the use of agency or relief staff.
42. Following service transformation new starters are now required to work flexibly across all geographical areas and services. The shift from designated employment to flexible deployment of staff has been gradual and has only recently reached a level where budget realignment as described above has been possible.

Benefits of Retaining the Day Service at Ollerton

43. The retention of the Ollerton day service would continue to provide a resource to the north of the County, delivering a high standard of personalised care which supports the implementation of the Adult Social Care Strategy.
44. Retaining the service would provide continuity for service users and will avoid additional travel time.
45. The risk of additional reprovion costs as set out above would be avoided.
46. The building would continue to be utilised as a purpose built resource.
47. Capacity would be retained and services would be able to respond to future demand.

Other Options Considered

48. To continue with closure of the Ollerton day service as set out in the original business case.

Reason/s for Recommendation/s

49. Based on the analysis above, retaining the day service at Ollerton is the most cost effective and efficient option for the Council at the present time.
50. If closure of the service goes ahead as planned, the cost of reprovion services elsewhere will offset any potential savings and the impact on service capacity and availability is also likely to create an additional cost pressure.
51. Retaining the service as it is will mitigate the risk of additional reprovion costs, provide capacity to manage demand and does not affect the delivery of agreed savings targets.

52. Retaining the service will provide continuity for service users, families and staff.

Statutory and Policy Implications

53. This report has been compiled after consideration of implications in respect of crime and disorder, 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, sustainability and the environment and ways of working 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

54. As set out in **paragraphs 16 to 42**, opportunities for further savings through the closure of Ollerton day service are limited.
55. Closure will likely result in additional cost pressures which will offset any savings.
56. The £1.06m savings target set out in the Day Service Business Case will be delivered whether the service at Ollerton closes or not.

Human Resources Implications

57. Retaining the day service at Ollerton will negate disruption to staff.

Safeguarding of Children and Adults at Risk Implications

58. The majority of service users at the Ollerton day service are vulnerable adults. Closure of the service and subsequent reprovion elsewhere could affect service users' wish to continue attending and valuable oversight of individuals' safety and wellbeing could be lost.
59. Retaining the day service at Ollerton is likely to result in current service users continuing their attendance and maintaining regular contact with social care professionals.

Implications for Service Users

60. Retaining the day service at Ollerton will reduce/ negate disruption and possible additional travel for service users.

RECOMMENDATION/S

That the Committee:

- 1) notes the impacts of closure in terms of limited potential for further savings, likelihood of additional costs and impact on service capacity.
- 2) agrees to retain the day service at Ollerton in its current form at this time.

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Constitutional Comments (SMG 24/02/16)

61. The proposals set out in this report fall within the remit of this Committee.

Financial Comments (KAS 11/02/16)

62. The financial implications are contained within paragraphs 54-56 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.

Day Service Business Case (ASC412), July 2013

Electoral Division(s) and Member(s) Affected

All.

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