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# Scrutiny Report Budget 2017/18

January 2017  
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## **Budget 2017/18 Budget Scrutiny Task Group Membership**

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## Chairman's Foreword

The budget process is never easy, we have scrutinised the budget in a short period, set against strict timetables and tried to make meaningful recommendations. I must thank all the Officers of the Council who have provided help and the support to make this possible.

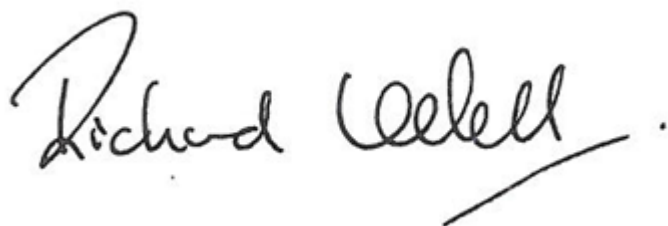
We believe the budget to be legal and sound. Naturally we have political differences and varying priorities and these have been discussed and considered. However, we have tried to put our differences to one side in order to challenge, question and suggest alternatives.

The recommendations we have made will involve more scrutiny work, we need to ensure resources are available to scrutiny to enable this to happen.

The funding gap of £2.9M was discussed at length. We came to the view that this should not be found by the removal of front line services. We believe it can be found by using alternative measures as discussed within the report.

Clearly we are facing yet another uncomfortable year for the Council, it will be difficult but I feel confident that we have made the recommendations which will help the Cabinet to implement a budget without causing too much pain for the service users who depend on our help and support.

I would like to thank all those members who worked so hard to deliver this report and all who gave us evidence.

A handwritten signature in black ink that reads "Richard Udall". The signature is written in a cursive style with a long horizontal stroke at the end.

**Cllr Richard Udall**  
**Lead Member, 2017/18 Budget Scrutiny Task Group**

# Budget 2017/18 Scrutiny Report

## Background and purpose of the scrutiny

1. On 13 September 2016, the Overview and Scrutiny Performance Board (OSPB) agreed to set up a Scrutiny Task Group led by the Chairman of OSPB as part of scrutiny of the 2017/18 budget. The Task Group was set up as a cross-party group of Members whose aim was to provide a more in-depth challenge to the Overview and Scrutiny Panel Chairmen on their findings.
2. The Terms of Reference were:
  - To examine how the Council is planning to meet funding reductions whilst delivering its Corporate Priorities.
  - To consider whether the proposed budget is achievable and realistic, and meets residents' needs in the medium term.
  - To consider the level of risk associated with the budget changes.
  - To understand the impact on residents of the budget proposals and how they are being managed and mitigated.
3. Since October 2016, the Task Group has met with Panel Chairmen to discuss the Panels' views on the outcomes of corporate strategy planning and emerging budget proposals, and in January 2017 discussed 2017/18 budget proposals with the Leader, Chief Executive and Group Leaders.
4. The following evidence was considered:
  - FutureFit – Proposals for Change and Reform to Support the Medium Term Financial Plan as detailed in 17 November 2016 Cabinet Report
  - 15 December 2016 Cabinet Report 2017-18 Budget and Council Tax
  - Briefing for County Councillors 2017/18 Budget and Medium Term Financial Plan

## Conclusions and Recommendations

5. The Budget Scrutiny Task Group recognises the challenging financial circumstances the Council finds itself in, as a result of the continuing reduction in funding from central government and the increasing demand for services. The Task Group has concluded that the budget as proposed is sound and legally robust.
6. The Scrutiny Task Group makes the following recommendations. Further details on the background to these recommendations are given later in the report.

## Recommendations

### *General*

7. The Task Group identified a number of initiatives that may help to bridge the £2.9 million forecast financial planning gap:
  - Trading of intellectual assets
  - Use of assistive technology
  - Sale and leaseback of Council property
  - Investment in key worker housing via the Revolving Door Investment Fund
  - Sale of small pieces of Council-owned land
  - Residents zonal parking schemes and additional car parks
  - The Council's role in post-Brexit subsidy mechanisms for rural activities.

Overview and Scrutiny should be supported to look into these areas as a priority following County Council elections in May 2017 in order to identify further potential savings.

8. If, following this further work, sufficient savings cannot be identified and a financial planning gap remains, the Task Group would not wish to see a reduction in funding to front line services.

### *Health Overview and Scrutiny Committee (HOSC)*

9. The possibility of further links between HOSC, the Health and Well-Being Board (HWB) (in terms of holding the HWB to account) and Healthwatch should be explored so that HOSC members are able to fully scrutinise all issues relating to health budgets.
10. We believe that money should follow the patient to ensure the best interests of patients as they transfer from hospital to community care; we note with on-going concern that patients are often looked after in hospital when their care would be more appropriate in their home or in the community; and we strongly recommend that the NHS and Adult Social Care work much more closely together to improve the situation.

### *Corporate and Communities Overview and Scrutiny Panel*

11. With reference to FutureFit Theme 2 Commissioning: Achieving Extra Savings from External Contracts, the Task Group was concerned about the effect the proposals might have on quality assurance and sought reassurance of the mitigation that would be put in place to protect service users. The Panel would welcome a report back to explain how this will be achieved.

### *Adult Care and Well-being Overview and Scrutiny Panel*

12. The Task Group was concerned that Directorate reserves had been used to fund the overspend in the Adult Social Care budget and queried why the underspend in the Better Care Fund had not been used instead, recognising that decisions on the use of the Better Care Fund are made by partners on the Health and Well-being Board. Members would also like to have further clarity on how the budget reserve is constructed and how it is replenished once it has been used.



13. A more detailed explanation should be provided of how savings will be achieved as a result of assistive technology.
14. With reference to FutureFit Theme 9 Commissioning: Shaping the Market to Achieve Better Outcomes for Older People, the Task Group was concerned about the timescales suggested for the work and would wish to see further evidence that the outcomes can be achieved within the proposed timeframe.
15. The Chairman of the Adult Care and Well-being O&S Panel felt that there was a need for greater collaboration between WCC's quality assurance of care homes and that carried out by the Care Quality Commission (CQC). The Task Group recognised that both have responsibility for quality assurance and would welcome further information on how inspection work could be undertaken in a more joined-up way. It is suggested that the Panel should consult the 'CQC and Council Scrutiny: Working Together – A Briefing for Councillors (2015)' Guidance to help facilitate this.

#### *Children and Families Overview and Scrutiny Panel*

16. Although the Children and Families Overview and Scrutiny Panel acknowledged that they had been invited to make suggestions to fill the forecast financial planning gap, they were not minded to make suggestions at the time given that the outcome of the Ofsted Inspection of Children's Services was awaited and could influence the direction of the savings plans. The Task Group agreed that any action as a result of the Ofsted Inspection report should be considered by the Children and Families Overview & Scrutiny Panel.
17. OSPB supports the Children and Families O&S Panel to fully follow up on the comments and recommendations of the Ofsted inspection of Children's Services in Worcestershire. The Panel should discuss Ofsted's findings with the Cabinet Member and Officers, review the improvement plan to ensure it is adequate for the job, ensure the Directorate has been provided with sufficient funding, and report back to a future OSPB.
18. Also, in view of the comments in the Ofsted report about scrutiny and in preparation for the next Council, OPSB should review the training it provides for members of scrutiny panels to ensure they are encouraged and enabled to challenge. Too often Members are willing to accept what they have been told by Cabinet Members and Officers. Scrutiny members need to learn from this how to better hold the Cabinet and Executive to account.

#### *Economy and Environment Overview and Scrutiny Panel*

19. The Task Group was concerned about the impact of reduced levels of bus subsidies on the availability of public transport in rural areas. Further information should be provided to the Economy and Environment Overview & Scrutiny Panel on levels of subsidy and the basis on which subsidies are allocated.
20. In order to ensure efficient use of funds, Local Members should have a greater input into road and footway maintenance projects and should be consulted when work is planned in their division. The Task Group recognised that this should be done as part of an asset management approach.
21. Further work should be undertaken to ensure that the Council is getting best value and quality from current contractors in order to inform any future tendering process.

*Other*

22. The Task Group is aware that the proposal for 100% business rates retention will be implemented with an 'equalisation' element. The County Council should continue to lobby for fair equalisation that recognises both rural and urban needs.
23. Legal and Democratic Services should be properly funded to allow Scrutiny Members and Officers to continue to do a good job.
24. As the County Council matures as a commissioning authority, contracts should continue to retain a degree of transparency to ensure that contractors are not making excessive profits at the County Council's expense. Whilst recognising issues of commercial confidentiality, Scrutiny Members should be encouraged to be aware of contract terms in order to ensure taxpayers' money is safeguarded.

*Recommendations for future scrutiny*

25. A scrutiny task group should be set up to look at the future use of the County Council's agricultural assets.
26. A scrutiny task group should be set up to undertake an in-depth review of Place Partnership, including details of budgets and savings achieved, and whether the potential commercial benefits of the Council's property portfolio are being properly explored.
27. With reference to Learning Disability Services, further scrutiny work should be undertaken to look at the transition from children's to adults' services. The Task Group was concerned that, although there was an excellent service up to the age of 18/19, this was not the case when a service user moved within the realm of adult services as a young adult.

28. The Task Group discussed the 2017/18 budget with the Leader of the Council and the Chief Executive in January 2017. At this stage, there remained a £2.9 million forecast financial planning gap and Scrutiny Members were invited to identify any initiatives that might help to bridge this gap.
29. Members were concerned to hear that, at the time of the meeting, the Council had yet to receive confirmation of figures relating to £70 million worth of specific grants including the Public Health Ring-Fenced Grant (worth approximately £30 million). Members acknowledged that it was very unhelpful to budget planning for the Council to receive announcements so late. However, the Task Group welcomed reassurances from the Leader that there was no indication of any issues in relation to the Grants concerned.
30. Members discussed proposals for the Revolving Door Investment Fund and heard about a similar project being developed by Wyre Forest District Council (WFDC), a key difference being that WFDC would be borrowing to fund its project whereas WCC was using cash. The Task Group heard that Members would be closely involved in decisions in Wyre Forest with each business case going through Cabinet and Scrutiny processes, in order to promote transparency. Although governance systems for the County Council project were yet to be determined, the Leader acknowledged that there would need to be a balance between delegation to Members and Officers in order to promote nimble decision making and discussion at public meetings to maintain transparency. The Task Group was keen that best practice and evidence of what has worked in other authorities should be used when developing governance arrangements for the Fund.
31. The 2017/18 budget includes a proposal to increase Council Tax by 2.94%. Members noted that Council Tax could have been raised by a further 1% while still remaining within Government rules. This additional 1% would have raised an additional £2 million. Although some Task Group members would have supported this, Members acknowledged that this was a policy decision made by the Conservative administration.
32. The Task Group noted that the budget contained no new proposals in relation to fees and charges and the Council's existing policy would continue (an increase of RPI plus 2%).
33. The Task Group identified a number of initiatives that should be further investigated to assess their potential for income generation or savings.
  - Although in recent years the Council has done much to increase income generated from its property assets, the same focus has not yet been placed on **maximising the income generation potential offered by the Council's intellectual assets**. The Task Group recognised that, in looking at the possibility of using specialist expertise to generate income, there were a number of issues to consider, such as management capacity and ensuring a focus on the 'day job'. However, as a vehicle for income generation, Members felt this should be further investigated.

- The Adult Care and Well-being Overview and Scrutiny Panel was not clear on how savings will be achieved from **the use of assistive technology** and requested further detail on how this might be delivered. The Task Group would welcome the opportunity for further scrutiny work to be done into how technology might be used within Adult Social Care to improve outcomes and reduce costs.
  - With reference to the proposals for Better Use of Property, the Task Group suggested that the potential for **sale and lease back of Council-owned property** should be further investigated, possibly as part of a wider scrutiny exercise on the Council's Property Strategy. The Task Group recognised that the Council's current policy was to use the property disposal programme as a way of reducing debt and acknowledged that disposal of property needed to be done at the most opportune time.
  - The Task Group would like Scrutiny Members to investigate further whether the Revolving Door Investment Fund might be used **to invest in key worker housing**, to support recruitment and retention of social workers and other key workers who choose to work for the County Council.
  - One Member informed the Task Group of a recent example where a small piece of County Council-owned land had been sold to a Housing Association to allow them to successfully complete a housing project. The Task Group felt it would be a useful exercise to see whether other **small pieces of land owned by the County Council** could be identified and sold at a profit to other organisations who might make better use of them.
  - The Task Group discussed whether any initiatives relating to the County Council's responsibilities for **parking enforcement** might have potential for income generation. Members heard about a scheme for zonal residents' parking in Gloucestershire which had been popular with residents and had also generated income for the Council. A further suggestion was that the County Council might consider whether it could identify parcels of land that might be used to provide additional parking provision in areas of high demand. The Task Group suggested that both these initiatives should be investigated further.
  - A Member reminded the task group that, following Brexit, there would be a number of **agricultural and rural activities**, such as work on rights of way, that would be taken on by farmers. It was not yet clear how **funding mechanisms** for this work would be administered and it was suggested that the County Council might have a role to play in this. Further work should be done to identify whether this might generate further income.
34. In identifying these areas for further investigation, the Task Group is mindful of the comments arising from the Corporate Peer Review in relation to guarding against initiative overload and the impact this might have on management capacity.

## The Views of the Overview and Scrutiny Panels

35. The detailed findings of the Overview and Scrutiny Panels and the Task Group's views are summarised below. The summaries cover discussions at Panel meetings in November 2016.

## ***Adult Care and Well-Being Overview and Scrutiny Panel***

36. The Panel was very aware of the immense responsibility it had to scrutinise a massive Council budget. By and large, it felt that a good job was being done to ameliorate the impact of the budget cuts. The Panel had been impressed by the performance of the Cabinet Member with Responsibility (CMR) and her readiness to engage with scrutiny.
37. With reference to FutureFit Theme and Overview 9. Commissioning: Shaping the Market to Achieve Better Outcomes for Older People, the Panel had been informed about a review which had been commissioned to look into the domiciliary care market in Worcestershire. This had revealed that the market in Worcestershire was unusual in that it was made up of a large number of relatively small providers, which led to less resilience in the market to deal with reductions in funding.
38. The Directorate now intended to block providers together in order to increase resilience and hopefully retain providers. There had been no increase in funding for 10 years and with overheads such as energy costs increasing, there was concern that some providers would not survive. The Panel felt that the concept was sound but there remained an element of risk, including whether this could be achieved within the timescale.
39. The Directorate's intention was to reduce the number of nursing care beds and support people in their own homes for longer, with extra care provision bridging the gap between domiciliary care and residential care. The Panel suggested that, in developing a care village, the County Council could provide an exemplar. Although it was acknowledged that this would save money, it was also important to keep in mind what the experience would be for the individuals concerned.
40. The Task Group discussed whether in reality all older people did wish to stay in their own homes for as long as possible. Given concerns about the mental health of older people, the isolation of staying in your home might not be the best option for all. Members acknowledged that it was difficult to measure meaningful outcomes, such as happiness and feelings of security, rather than simply the process.
41. Retention and recruitment in domiciliary care remains challenging. The Panel recognised that increases in the minimum wage had put pressures on providers but, at the same time, many jobs remained low status and low paid. There is a need to improve the status of the job and not just in terms of money.
42. Adult social care still received a significant part of its funding from central government and the level of this funding was often not known by February, making it tricky to set budgets. The service would welcome greater certainty for the short and medium term.
43. Panel Members identified a degree of duplication between the County Council and the Care Quality Commission in terms of inspection regimes. It was suggested that the two organisations were often looking at the same things but not always coming to the same conclusion.

44. The use of reserves was discussed. The Panel recognised that the nature of the service meant that it was not possible to simply turn off the tap at the end of the year when there was a need to continue providing services. It was a demand led service, with infinite demand but finite funding. Panel Members understood that the Directorate relied on reserves, but it was not clear how and when these reserves were replenished.
45. As in previous years, the CMR and Director have not claimed that the Directorate was a special case and have taken their share of Council-wide cuts. This has meant a seismic reduction in the budget over several years. At the same time the Directorate has attempted to improve outcomes, rather than doing the same with less money. However, it was not always clear whether the driver for change was service improvement or reductions in funding.
46. The Task Group discussed whether it was reasonable to give up reserves to fund the overspend in adult social care when the underspend in the Better Care Fund could be used instead.
47. The Panel expressed concern about services provided for adult service users with learning disabilities. It was suggested that Children's Services were able to fund a more comprehensive service which became reduced once a service user reached the age of 18 or 19. The impact of budget cuts on transition arrangements should be carefully assessed.
48. The Task Group discussed profit margins in the home care market; with one Member suggesting providers were taking huge profits with sometimes a 200 or 300% profit margin. In response it was pointed out that percentages could be very deceptive. However, for reassurance, there may be a need to examine the contracts and implement an 'open book policy'.
49. The Chairman of the Adult Care and Well-being O&S Panel informed the Task Group that he did not recognise the huge profit margins quoted and this was not his experience of the current market, which had seen rising costs while funding plateaued. He quoted an example of a care provider who had recently spoken to the Panel of his concerns about the future viability of his business. This provider also supported a resident from Surrey who received the same level of care but for a higher level of funding than Worcestershire residents.
50. At the time of the discussion, it was not clear what might happen to the Better Care Fund next year. Members recognised that it was extremely difficult to set a revenue budget when a key component was unknown.
51. Although use of assistive technology appeared to promise much, the current lack of detail meant it was difficult to see where the actual savings would be found, although the Task Group acknowledged that the CMR saw massive potential in this area.
52. Members felt that the planning authorities should be more receptive to the development of more care villages like, for example, Clarence Park Village in Malvern. The extra care model was safer and more human.
53. Members heard about a warden supported housing development in Worcester that had recently seen its warden service reduced, something that may result in greater pressure on other services.

54. Both the Panel and the Task Group were concerned that the timescale for the suggested changes to Adult Social Care was too short. The proposed reforms may take a decade to be fully realised.

### ***Children and Families Overview and Scrutiny Panel***

55. In general, the Panel supported the Directorate's plans outlined in the FutureFit concept paper. However, it did not feel able to offer comments at this stage as the Directorate awaited the findings of the recent Ofsted report. Following the publication of the report, a detailed action plan would be produced and this may indicate the need for additional investment. The Scrutiny Panel would consider the Ofsted report and the action plan at its January meeting.
56. However, Members acknowledged that the savings plans would probably need to be taken forward anyway.
57. The Task Group would wish to ensure that any action taken as a result of the Ofsted inspection was considered by the Scrutiny Panel.
58. The Task Group also noted that the Home to School Transport budget showed an 82% variance. The projected savings had not been achieved.

### ***Corporate and Communities Overview and Scrutiny Panel***

59. The Panel meeting had started with a discussion about the County Council's smallholdings which are currently worth in the region of £34m with a net yield of £100k. Rents were low in comparison to the value of the land due to the recent increase in the land's value. The asset could be seen as a land bank, ie something to borrow against.
60. Some Panel Members felt that it was important to keep the land to help local people into farming. However, others felt there was a need to look again at the land's financial use. Although the possibility of a rent review was suggested, Members also acknowledged that many rents were fixed as part of tenancy agreements. Officers within Place Partnership were looking at this issue.
61. Although some smallholding sites had been disposed of for housing development, eg Perryfields in Bromsgrove, the pattern of the land held by the County Council was not suitable for housing development, being small patches of land spread out across the County. The Panel felt there was a need for a cold, hard look to be taken at this issue.
62. It was suggested that the County Council should not be just another landlord, but should offer something different, such as farming apprenticeships and training, allowing the land to be used for a better purpose. However, the Task Group also acknowledged that many farms were currently let on the basis of a lifetime tenancy and so change would take time. It was suggested that a Scrutiny Task Group should be set up after the elections to look at this in more detail.
63. The Panel expressed concern about the late despatch of the FutureFit paperwork which had left little time for the Panel to fully analyse the figures.

64. Although the Panel had received an update on Place Partnership at a recent meeting, Members would like the opportunity to undertake a more in-depth scrutiny, looking at figures relating to the new service, such as rent arrears recovered and savings achieved, as well as whether commercial property was being used properly. It was suggested that a Scrutiny Task Group should be set up following the 2017 elections to fully investigate all aspects of the Council's relationship with Place Partnership.
65. The Budget Task Group was reminded of the comments made by Cllr Lunn as part of last year's budget scrutiny about maximising the commercial use of County Hall. It was suggested that 'sale and leaseback' of properties should also be explored by the County Council as a way of releasing resources.
66. With reference to the revolving door investment fund, the Task Group felt that this was a radical departure, with the County Council moving into the role of property investor/manager with a view to income generation. However, it was not clear what the role of Members would be. The Group felt that Members should have input into individual business cases and they should come back to the relevant scrutiny Panel for consideration.
67. Members also discussed the County Council's membership of the Local Government Investment Trust which provided the biggest return of any fund in the city. It was not clear to the Task Group why Worcestershire County Council was also attempting to invest separately.
68. The Task Group was concerned about FutureFit Theme and Overview 2. Commissioning: Achieving Extra Savings from External Contracts. It was suggested that this concept paper could not be implemented without an impact on quality assurance. It was not clear what mitigation there would be to protect service users.

### ***Economy and Environment Overview and Scrutiny Panel***

69. The Task Group acknowledged that, when capital expenditure was included, the Economy and Infrastructure Directorate was the biggest spending directorate.
70. When looking at comparator figures, it could be seen that Worcestershire County Council currently provided bus operators with half the level of subsidy funding as some other local authorities. This was having a serious impact on local communities and contributing to social isolation. Relying on community action to fill the gap was not acceptable. The Scrutiny Panel was not clear which services were currently subsidised and on what basis. How were decisions made about which routes to subsidise?
71. The Task Group felt that Councillors should have more of an input into decisions on spending on roads and footways to ensure a more efficient use of funds. In particular, local members should be consulted when schemes were planned within their division. Work should be done to establish whether the County Council was getting best value from the current provider in order to inform any future tendering process.



## ***Health Overview and Scrutiny Committee (HOSC)***

72. The focus of HOSC's discussion had been on the Public Health Ring-Fenced Grant, which had also been the subject of a detailed discussion at a previous HOSC meeting. The Committee had agreed with Cllr Vickery that there should be a plea for Public Health which was seen as one of the Council's main responsibilities.
73. HOSC Members would have liked to see more money for public health but were aware that it was HOSC's job to look at proposals for the available money. Members had not attempted to re-prioritise the available budget as they were aware that asking for more funding for one area would inevitably mean less for another. No one had a strong view that one area should be cut at the expense of something else.
74. The Committee had received a presentation from the Director of Public Health and agreed that the priorities given were about right and it was the best balance that was likely to be achieved.
75. In response to a suggestion that HOSC could lobby for more funding for Public Health, the Task Group was reminded that HOSC could not act as a lobbying group. It was the Committee's role to analyse the budget as it was. For example, with reference to pharmacy services, it was not HOSC's job to say there should be more money; rather the Committee should analyse the impact on services of the existing budget. It was pointed out that, if Members felt funding was inadequate, they would be within their rights to comment on this to the Cabinet Member who could lobby for more funding.
76. The HOSC Chairman informed the Task Group that, for him personally, cuts to anti-smoking services were a concern.
77. The Task Group discussed the Sustainability and Transformation Plan which was bringing new structural change to Worcestershire. The STP was a strategic document covering the next 5 years, although some changes had already been implemented on an emergency clinical basis. If the changes outlined in the plan were not carried out, health services in the area would have a shortfall of £350m. HOSC's focus was to ensure fair consultation was being carried out.
78. When asked about the interface between health service budgets and County Council budgets, the HOSC Chairman informed the Task Group that it was his view that the money should follow the patient. This was not currently that case, something that was a national issue and affected the County Council indirectly via the impact on adult social services. However, the Task Group acknowledged that the County Council had no control over health service budgets.
79. The Task Group expressed concern about the effectiveness of the Health and Well-being Board in Worcestershire. Further concern was expressed that the Chairman of HOSC was not currently a member of the HWB, as this would allow HOSC to have a greater grasp of wider budgetary issues.
80. With reference to income generation, the Chairman of HOSC suggested that this should be approached with extreme caution. Any form of sponsorship raised concerns about privatisation.

Appendix – Schedule of Activity

| <i>Date</i>      | <i>Event</i>  |
|------------------|---|
| 14 November 2016 | Scrutiny Task Group Meeting with the Chief Financial Officer. Also attended by members of OSPB      |
| 15 November 2016 | Corporate and Communities O&S Panel meeting to discuss Corporate Strategy Outcomes                  |
| 16 November 2016 | Health Overview and Scrutiny Committee to discuss Corporate Strategy Week Outcomes                  |
| 21 November 2016 | Adult Care and Well-being O&S Panel meeting to discuss Corporate Strategy Week Outcomes             |
| 22 November 2016 | Children and Families O&S Panel meeting to discuss Corporate Strategy Week Outcomes                 |
| 23 November 2016 | Economy and Environment O&S Panel meeting to discuss Corporate Strategy Outcomes                    |
| 1 December 2016  | Budget Scrutiny Task Group Meeting to receive feedback from the Chairmen of the O&S Panels and HOSC |
| 11 January 2017  | Budget Scrutiny Task Group Meeting with the Leader and Chief Executive to discuss budget proposals  |
| 26 January 2017  | OSPB to discuss Budget Task Group draft report  |
| 2 February 2017  | Cabinet budget discussion   |
| 9 February 2017  | Budget agreed by Council  |

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Overview & Scrutiny

# Commissioning: Staff Terms and Conditions Review

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**Report of the Commissioning: Staff Terms  
& Conditions Scrutiny Task Group**

# Commissioning: Staff Terms and Conditions Scrutiny Task Group Membership

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(Lead Member)



Rob Adams



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Stephen Peters



Dr Ken Pollock  
(until 13 January 2016)



Tom Wells



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## Chairman's Foreword

Councillor Kit Taylor  
Lead Member, Commissioning:  
Staff Terms and Conditions Task Group

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This Scrutiny Task Group was set up following a request from the late Councillor Jim Parish who expressed concerns primarily regarding the pay and conditions of workers within the homecare sector but which soon expanded into a general examination of staff conditions following the commissioning of a service.

The expansion of the terms of reference coupled with changes in the Task Group membership and lead scrutiny officers has made this a challenging scrutiny and one which has run for far longer than usual but has allowed an examination into the commissioning process that may not have otherwise happened.

The recommendations that the Task Group have arrived at are simple and achievable even if they do not go as far as some Members may wish and allows a review of the process within 12 months.

I am grateful to all Members past and present who have contributed and would like to thank the service providers who agreed to be interviewed for their time and straightforwardness in assisting us.

Finally, I would like to thank all the officers and Cabinet Members for the information provided and especially the Scrutiny Officers for their guidance and patience in the preparation of this Report.



# Commissioning: Staff Terms and Conditions Report

## 1. Background and purpose of the Scrutiny

1. The aim of the scrutiny was to examine what influence the Council has to ensure that those it commissions from are fair employers.
2. In July 2015, the Overview and Scrutiny Performance Board agreed to scrutinise the way the Council commissions services and what influence it has on terms and conditions of staff employed by external providers.
3. The scrutiny was initially prompted by concerns raised about the terms and conditions of some staff employed by the Council's contractors, in particular relating to the minimum wage, travel time, zero hours contracts and access to union representation.
4. It was agreed that the exercise would be led by the Scrutiny Board Member with responsibility for commissioning processes, Cllr Kit Taylor.
5. A Task Group was set up to look at:
  - What powers or duties the Council has when commissioning providers in relation to staff terms and conditions
  - Whether and how the Council monitors contractors' employment conditions
  - How the Council evaluates tenders and what account is taken of employee conditions
  - How the Council monitors the quality of services provided by contractors which may be affected by staffing quality or turnover
  - How the Council ensures that there is a provider market

## 2. Methodology for the Review

6. The scrutiny exercise started with an overview of commissioning from the Council's Director of Commercial and Change (COaCH) who has responsibility for commissioning, and the Head of Commercial. The Task Group was provided with information on the Council's commissioning

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cycle, processes, the Procurement Code, options for delivery models and draft commissioning plans.

7. The Task Group went on to meet with those responsible for commissioning services within each service area (Strategic Commissioning Officers), as well as some of the managers who oversee specific services.
8. An important part of the scrutiny process was to hear from some of the companies commissioned to provide services for the Council, and discussions took place with a small group of providers including the account managers for IT, customer service and a domiciliary (homecare) provider.
9. Information was also sought on Transfer of Undertakings (Protection of Employment) (TUPE), employment legislation and the Council's contract specification.
10. A list of Documents reviewed as part of the Task Group review and a Schedule of Task Group Activity are attached as Appendices A and B respectively.

### 3. Findings of the Review

#### A. Commissioning processes - What powers or duties does the Council have when commissioning providers in relation to staff terms and conditions?

11. The Council has set itself the task of becoming an excellent commissioning authority, to source the right service from the right provider at the right price for the taxpayer.
12. There are hundreds of contracts with the Council, wide ranging in time, complexity and delivery. Although the Council's decision to become a commissioning authority is relatively recent, many services have been commissioned out for a long time, specific examples being domiciliary (home) care, the majority being small contracts and highway maintenance, which is a large, high value contract.
13. The Director of COaCH in his original briefing and subsequently the Head of Legal and Democratic Services made clear that the Council does not interfere directly with contractors' employees' Terms and Conditions and that it is a matter for all providers to decide and consult on their own employment practices. The Director and Strategic Commissioning Managers were clear that the Council commissions for outcomes and providers are responsible, through the contracts, for delivering those outcomes.
14. The Director pointed out that the delineation of responsibilities is not only important to ensure that outcomes are delivered effectively; it also avoids any expensive duplication between different teams or between the commissioner and the provider. Although, depending on the service, there can on occasion be small areas of overlap. It is key to the success of the commissioned service that the commissioner does not assume the role of the provider and vice versa.
15. However, the Director, Head of Legal and Democratic Services and Commissioning Managers were also clear that the Council can and does ensure that all providers comply with all relevant

legislative requirements, including those relating to employees including compliance with regulations relating to payment of the National Minimum Wage (NMW). The NMW applies to all employees regardless of age whereas, the National Living Wage (NLW) only applies to employees aged 25 and over. The NLW for these employees is the same as the NMW so we have referred throughout the Report to the NMW as this is the most appropriate description.

16. The Regulations relating to public sector procurement are stringent although, nationally, there is an increasing emphasis being put on the social value of award criteria. Social value is viewed as how the money a council spends on external contracts can help and support the local community. Examples could include volunteering by supplier members of staff, apprenticeships, work experience, using the local supply chain, or sponsoring a local sports event.

### B. Commissioning Models

17. The commissioning programme has so far resulted in a variety of different models with different types of provider, for example:

- **The Voluntary and Community Sector (VCS)** - some libraries now being managed by community groups and the drug and alcohol service and Living Well are now being provided by a VCS provider.
- **The Private sector** - the Council's IT Infrastructure service is now being provided by Hewlett Packard (HP) and the shared customer service HUB has successfully transferred to Civica.
- **Partnership models** - the innovative Place Partnership Ltd is a commercial joint property vehicle wholly owned by six public sector partners in and around Worcestershire.

18. In general, the responsibilities relating to commissioned services are split as follows:

- Strategic and Lead commissioners have remained within service areas (mainly the Directorates of Economy and Infrastructure, Children's Services and Adult Services or joined with other partners such as the NHS) and are fully responsible for the **outcomes** delivered to service users and customers. This includes the initial setting of the outcomes and developing and monitoring the performance measures against those outcomes as well as monitoring of the quality of the services delivered.
- The Commercial Team takes full responsibility for the process of managing the market, sourcing the contracts and monitoring and managing the **commercial** performance of the service including financial and legal compliance.
- The provider takes full responsibility for the **delivery** of the services and will design and manage all elements related to that service including customer interaction, structure, staffing, price, income generation and collection within the boundaries of the contract to deliver the defined outcomes.

19. The commissioning cycle is made up of four stages: evaluate, design, source and review, this is a robust way of determining the most efficient and effective way of commissioning a service. Procurement rules are adhered to and Strategic and Lead Commissioners in each Directorate are responsible for outcomes, whilst providers are responsible for delivery.

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20. Once an invitation to tender is published there is no ability to change it, except in limited circumstances, therefore market engagement is vital. The Regulations in relation to tendering are tight and aspects could be challenged if not adhered to.
21. The social value aspect of the procurement process is increasing nationally and the Director felt that criteria may change in time to reflect a greater emphasis on this aspect, in line with the Public Services ("Social Value Act 2012").

### C. Social Value

22. The Director of COaCH has revealed that the Council are already looking to do more with the Social Value Act 2012 in commissioning. For example:
  - Implementing social value more consistently into the Tender process.
  - Officers formally measure annually how much of Council spend ends up in the local economy. The formula is an industry standard measure called Local Multiplier 3 (LM3). LM3 shows that for every £1 coming into the organisation the local economy benefits by £2.12 - this is a high figure as the theoretical maximum is £2.50.
23. The Chairman of the Task Group met with Council Officers on behalf of the review to discuss the Social Value Act 2012, how it was being applied in Worcestershire and what benefits it could bring to the Commissioning process. The importance of social value in the commissioning process has never been greater, at a time when budgets are under constant pressure, it is even more critical to remember that the lowest offer is not necessarily the best one and that worth cannot be judged on price alone.
24. The Social Value Act 2012 sets a legal requirement on public bodies to consider improvement of economic, environmental and social benefits when procuring services. As a commissioning body, Worcestershire County Council already has some good examples of using social value as detailed by the Director of COaCH. However, there is no clear statement, framework or agreed definitions of what social value means to the Council.

### D. How does the Council ensure that there is a provider market?

25. Market analysis and engagement is a key element of commissioning. Prior to any formal procurement process, there is a requirement to understand the market, its strengths and whether there is a sustainable market to commission services from.
26. In relation to Homecare contracts, it was suggested to us that there could be a review of the market to ensure provider resilience, in fact a Review had already been commissioned by the Council and reported early 2016. This has also been monitored by the Adult Care & Well-being Overview and Scrutiny Panel. Some initial findings from the Review highlighted the financial challenges facing providers and the Council and the need to review the commissioning models and significant issues with recruitment and retention of staff.

### E. How does the Council evaluate tenders and what account is taken of employee conditions?

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27. The Director is clear that the Council does not engage directly with contractors' employees' Terms & Conditions; it is a matter for all providers to decide and consult on their own employment practices. The Council can and does require that providers comply with all relevant legislative requirements including those related to employees, and this includes compliance with regulations relating to payment of the NMW. The Council cannot go beyond this and make a contractor's terms and conditions a criterion against which to award the contract. This would potentially result in a challenge.
28. Across directorates, the tender process sets out clear expectations of providers including meeting NMW requirements and being able to demonstrate their track record as an employer. Staff are expected to be properly employed and trained.
29. The Domiciliary (Homecare) Contract Monitoring Team advised that all providers were subject to employment legislation, which includes the HM Revenue & Customs Regulations about ensuring the NMW is paid. The monitoring team checks staff pay rates and levels of travel time when undertaking a quality monitoring check.
30. The Task Group sought clarification on travel time payments for staff, this being one of the issues which prompted the scrutiny exercise and information was provided by the Council's Legal Services team. Taking domiciliary care as an example, the Council requires providers to ensure that staff salaries are no less than the NMW, taking time to travel from one visit to another into account. Depending on the provider, staff may be paid a higher rate for 'client' time, and a lower rate for travel time, but the average overall must be no less than the NMW.
31. The Council does not require the contractor to pay for travel time between the worker's home and the first/last visit of the day – recent European case law<sup>1</sup> has not yet affected this and in fact the NMW regulations specifically exclude time spent travelling between home and the workplace.

### F. How does the Council monitor the quality of services provided by contractors which may be affected by staffing quality or turnover? Does the Council monitor contractors' employment conditions and, if so, how?

32. The Task Group met with Commissioning Managers across a range of service areas. The consensus is that the County Council is not the employer and is therefore not responsible for staff terms and conditions of providers. There is no follow-up to see how many employees continue with the provider after a defined period of time, since the Council is no longer the employer.
33. However, the example of highway maintenance was highlighted, where there are staff that have remained on their original terms and conditions after 3 or 4 contract transfers, helped by the fact that their skills are in demand.

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<sup>1</sup> *Federación de Servicios Privados del sindicato Comisiones obreras (CC.OO.) v Tyco Integrated Security SL, Tyco Integrated Fire & Security Corporation Servicios SA*. In this case, the European Court of Justice held that where workers have no fixed workplace, the time that they spend each day travelling from home to their first customer and from their last customer to their homes should be counted as working time and not a rest period under the Working Time Directive.

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34. The Council can and does require providers to pay at least the NMW. Commissioners are clear on expected outcomes. There is also an annual review of performance, against objectives with measured steps taken for any issues.
35. Commissioning Managers are clear that once a contract is in place, these elements are not proactively monitored, mainly because this would mean a 'huge resource commitment' – for example, the Directorates covering Adult Services and Health deals with over 70 providers.
36. However, service monitoring takes place through various channels, for example visits, spot checks, mystery shopper exercises and data analysis. Commissioning managers expect providers to demonstrate a culture of quality assurance.
37. Sub-contracting is more common as part of large contracts, particularly for specialised services. Contracts contain a number of controls and the Council's reputation is an important factor.
38. The Commissioning Managers who met with the Task Group would expect an open culture from providers, although a culture which enabled employees to report certain types of wrongdoing (whistleblowing) was not referred to in actual contracts.
39. Commissioning Managers pointed out that it was absolutely in the employers' interests to treat staff well and generally there was a relationship between how an organisation treats staff and the quality of work produced.
40. The providers who met with the Task Group were open in their praise for the Council monitoring teams and the good working relationships they build with council officers. Both the providers we spoke with and the Commissioning Managers reported that some new employee's terms and conditions may be more favourable.
41. Although staff could remain on original terms and conditions indefinitely, providers suggest that nationally, there is a trend to move towards the company terms as they were more favourable.

### G. Homecare (Domiciliary Care) Staff

42. This scrutiny exercise was prompted by members' concerns about staff terms and conditions within the care sector in particular.
43. The Strategic Commissioner for services such as Homecare told us that within Adult Services and Health, providers were risk assessed using a range of criteria, including the number of hours' service provided, or whether the manager was new in post. There were spot checks on time sheets, wage levels and analysis of complaints. Intelligence was also gathered from those who actually saw the older person eg social workers and safeguarding mechanisms.
44. Providers receive annual monitoring visits, the detail of which depends on other intelligence received. If problems are discovered, the Council takes immediate action, which could be an unannounced visit the next day, and checks through the Care Quality Commission. Action taken would depend on the circumstances and sometimes problems were resolved by raising quality assurance. Suspension of business was an option used if necessary. The provider would need to

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prove it was once again compliant, although repeated fails prompted questions about whether the provider should continue to be used.

### H. Scrutiny's Role in Quality Assurance

45. The Scrutiny function is keen for scrutiny to have a greater role in quality assurance, which is being progressed separately (by the Vice Chair of the over-arching Overview and Scrutiny Performance Board, also a member of the Task Group).
46. The Commissioning officers were clear that services, for example, a care home, were seen as very much part of a local member's 'patch', and that local members should be informed where information was likely to reach the public domain. Members of the Task Group would very much welcome this approach.

### I. Terms and conditions of staff transferred from Council employment to an external provider

47. Providers informed members that although TUPE Regulations specified that staff transferring to a new employer had the right to keep their existing terms and conditions indefinitely (although as paragraph 51 specifies, changes to terms and conditions can be made in limited circumstances), many staff chose to transfer to employers' terms in time, as they were often more favourable.
48. Some discussion was given to terms and conditions of staff transferred from council employment to a new provider - although the remit of the scrutiny was staff terms and conditions of staff employed across all providers.
49. TUPE Regulations protect employees indefinitely. Therefore existing terms and conditions remain the same, unless the employee wishes to change.
50. The Task Group was provided with the Council's own staff guide for staff going through the TUPE process, which states that 'the new employer inherits the contracts of employment of the people employed by the County Council immediately before the transfer. Employees have the right to transfer on the same terms and conditions of employment.' TUPE does however allow for external providers to make minor changes to employment arrangements after the transfer, and under the TUPE regulations these are called "measures". In this case the employers must consult about any measures they are thinking about or intend taking as a result of the transfer. Some minor changes to terms and conditions may be included as measures although there are tight restrictions under TUPE on when terms and conditions may be altered.
51. The guide also states that 'the general rule is that your contract of employment cannot be changed if the sole or principal reason is the TUPE transfer'. However, a new employer was able to consult about changes to working practices, for example work hours, and the Commissioning Managers agreed that any changes needed to be properly consulted on and handled well. If there is any intended change then existing contracts of employment can only be varied with the agreement of both parties either on an individual basis or through a collective agreement (ie: agreement between employer and employee or their representatives).



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52. Opportunities exist for contractors to speak to the Council informally and there are clauses within contracts to ensure shared understanding. However, the contract is between the Council and the provider.
53. The Director responsible for commissioning felt that building good relationships with providers was the key to success.

### J. Feedback from Unison – Commissioning Expertise

54. Scrutiny and monitoring of contracts requires a high level of in-house expertise and detailed knowledge and this was acknowledged to be an issue. The Directorate of Adult Services had recently reviewed its commissioning structure and quality assurance capacity. The Economy and Infrastructure Directorate maintained its in-house design team and had to keep in mind the long-term management of the Council's assets.
55. The Council's reluctance to interfere directly with contracted employees' terms and conditions was questioned by Unison, West Midlands office – their understanding was that Councils could stipulate that contractors complied with specific clauses, such as complying with the living wage. Unison advised that a number of public sector employers were including this as a requirement in contracts.

### K. Feedback from Providers

56. Having heard from the Council's officers, it was important to hear from some providers themselves, and we met with three providers of different services (customer service, IT support and home care).
57. Providers were involved in regular, often monthly meetings to monitor performance, and those we met could see no reason why performance information could not be shared with councillors – they saw it as a transparent process.
58. Recruitment was highlighted as an issue for the homecare market, which in general was not seen as a profession, and suffered from low pay rates in comparison to other sectors, such as retail – this perhaps, explained the number of staff from other countries, which have different work ethic values.
59. Commissioning managers told us that staff training was expected of providers; however a homecare provider told us that whilst training had a high value within their own company, and helped staff retention – anecdotally, elsewhere it could be an area which is overlooked when finances are stretched.
60. A homecare provider has said that that the contract rate for homecare had not increased over time, yet more is expected in terms of service delivery.
61. Travel time is a complex issue, especially for rural areas of Worcestershire, where there may be some distance and time between visits. At the time of the Scrutiny, we were concerned to hear that the contract rate was for contact time only, therefore travel time and waiting time was not factored in. Generally, calls were scheduled to try and minimise travel time and employees had



hand held devices which were swiped in the home on entry and exit, (sometimes their car may be parked some distance away from the property).

62. We have, however been subsequently advised by the domiciliary provider we visited, (a provider that has participated in the Council Directorate's own review of the care market) that it is not technically correct that travel time is not factored in as the Council has taken some account of travel time more recently but the figure used is not supported by realistic data and the figure is much too low. In the case of waiting time it is true that this is not factored in and it can amount to a substantial figure.
63. This provider also pointed out that the current approach to commissioning and in particular the large number of suppliers makes it almost impossible for a sensible and realistic figure to be calculated and added into the contract rate for both travel and waiting time, so the nature of current commissioning drives providers towards non compliance with NMW regulations as unless there are sufficient calls in a tight geographic area, the logistics simply do not work.
64. We also heard that employees could transfer to standard company terms and conditions if they wish and we heard examples where terms were more favourable with the new organisation. Indeed through transfer, some employees may have access to new or extended career paths, and the protection of being part of a larger organisation.
65. The providers were also of the opinion that in general local authorities are not always proactive in tackling individuals about under performance, whereas they thought that there was closer monitoring within the external marketplace. In general they thought that the staff that transferred were really good and had specialised knowledge.
66. When asked about the mood of staff being transferred, providers acknowledged nervousness, but Providers encouraged us to talk with staff to see whether they were happy with their transfer.

### 4. Recommendations

In drawing up the recommendations, the Task Group has been mindful of what the County Council can and cannot influence. Although not socially ideal, there is a clearer understanding that the County Council is the Commissioner and responsible for outcomes, the provider is responsible for delivery and both parties are responsible for monitoring performance.

The Commissioning: Staff Terms and Conditions Scrutiny Task Group therefore recommends that the Cabinet Member with Responsibility for Transformation and Commissioning:

1. Ensures that appropriate mechanisms are in place for the monitoring of the Council requirement for domiciliary care providers to ensure that staff salaries are no less than the NMW, including travel time and taking into account variances in approach but ensuring that the average overall was no less than the NMW.
2. Advise in relation to Homecare, how contract rates are being updated to take account of the duty of care within the recent Care Act legislation.
3. Develops a Social Value Policy and Framework that sets out the Council's approach to social value, addressing the value of weighting of social value for economic, social and environmental wellbeing and ensuring social value considerations throughout the Procurement Process. This will ensure that the Council develops a more consistent approach to social value within its commissioned services in order to ensure maximum social value benefit for our communities is achieved. It is important that the Council makes a clear statement on the importance of social value and ensure that all staff commissioning and procuring services have the necessary understanding and tools to ensure social value is clearly examined and quantified.
4. Reports back to the relevant Scrutiny Body in 12 months' time to, explain how social value has been incorporated more consistently into the commissioning process and how maximum social value benefit has been achieved for our communities.
5. Explores the possibility of how trade union recognition rights can transfer with County Council employees to new employers as a condition of the contract after commissioning has taken place.
6. Considers in the spirit of openness and transparency, introducing a voluntary staff feedback scheme for those staff, who have transferred to providers – this would help to inform the County Council in its mission to become an excellent Commissioner.
7. Ensures that there are mechanisms to share quality assurance information with Scrutiny, especially as the providers we talked to saw no reason why performance information could not be shared with Councillors and that Scrutiny has a legal and constitutional right to information held by the Executive relating to decisions made (including exempt commercially sensitive information).

## Appendix A -Documents reviewed as part of the Task Group Review

| Document  |
|---|
| Extracts from the Council's Procurement Code  |
| Extracts from Standard Council Contracts requiring compliance with the Law  |
| Contract Monitoring Information from the Council's Website (Example Of Domiciliary Care) – Extracts From: Domiciliary Care Contract, Service Specification and Guidance to Providers on monitoring processes                  |
| Clarification on travel time payments (via The Council's Legal Services Team)   |
| Transfer Of Undertakings (Protection Of Employment) Regulations (TUPE) – Staff Guide<br><a href="http://Resource/Sites/Sidtools/Eig/Toolkit/TUPE%20faqs.Pdf">Http://Resource/Sites/Sidtools/Eig/Toolkit/TUPE%20faqs.Pdf</a> . |
| Information Responses From The Council's Directors, Legal Services And Unison   |

## Appendix B - Task Group Activity

| Date & Activity  | Purpose   |
|--|---|
| <p>Task Group Meeting - 5 November 2015</p> <p>Witnesses:</p> <ul style="list-style-type: none"> <li>• Sander Kristel, Director of Commercial and Change</li> <li>• Simon Mallinson, Head of Legal and Democratic Services</li> <li>• Jo Charles, Head of Commercial</li> </ul>  | <p><b>Briefing on commissioning processes, models and procurement law</b></p>   |
| <p>Task Group Meeting - 10 November 2015</p> <p>Witnesses:</p> <ul style="list-style-type: none"> <li>• Peter Bishop, Strategic Commissioner for Service Transformation</li> <li>• Richard Keble, Strategic Commissioner for Adult and Health</li> <li>• Hannah Needham, Strategic Commissioner for Children's Services</li> <li>• Nick Twaite, Infrastructure Asset Manager</li> </ul>        | <p><b>The role of the Council's commissioners</b></p>   |
| <p>Task Group Meeting - 17 November 2015</p> <p>Witnesses:</p> <ul style="list-style-type: none"> <li>• (IT services – Hewlett Packard) - James Crosby, Service Delivery Manager</li> <li>• (Customer Service - Civica) - Paul Higgins, Director of Business Process Outsourcing and Fiona Harris, HR Consultant</li> <li>• Dawn Brant - ICT Commercial and Contracts Manager (WCC)</li> </ul> | <p><b>Discussions with providers</b></p>  |
| <p>Task Group Visit on 30 November 2015 to Eclipse Homecare (Head office, Hallow)</p>  | <p><b>Visit to a provider</b></p>   |
| <p>Task Group Meeting - 19 April 2016</p>  | <p><b>Discussion of evidence gathered so far – further clarification sought from Council Directors, the Council's Legal Services and Unison</b></p> |
| <p>Task Group Meeting - 24 May 2016</p>  | <p><b>Discussion of information received to date</b></p>  |
| <p>Task Group Meeting – 10 January 2017</p>  | <p><b>Discussion of emerging findings with the Cabinet Member for Transformation and Commissioning and the Director Commercial and Change</b></p>   |

## Worcestershire County Council Overview & Scrutiny

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# Scrutiny Report

## Effectiveness of the Prevention and Recovery Drug and Alcohol Misuse Service

January 2017

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## Chairman's Foreword

I am delighted to provide a foreword to this scrutiny report. When given the opportunity to investigate how the County Council, with partners are developing a prevention and recovery approach and an effective service to help reduce drug and alcohol misuse, it was admittedly a significant challenge.

The task group has been impressed with the work of our partner Swanswell and are confident it is meeting the desired outcomes. Task members have been impressed by the joined up working of the Council, police, Swanswell and other partners. Progress is being made, best practice shared and most importantly service users are confident and positive about the service.

At the time of writing this report we were informed that Swanswell has merged with a similar group called Cranstoun. It is obviously frustrating to task group members that after a thorough scrutiny exercise on such a key service, that there is the potential for changes to the service. It is with that in mind that task group members believe it is vitally important that a review of our work is completed by the new Council early in its first year.

It has been deeply frustrating to be unable to publish some of the encouraging statistics we have seen to show the welcome progress being made by Swanswell and the service. Strict government guidelines mean that for at least 12 months the statistics must be kept confidential.

It is vital that in the coming months, when making difficult budgetary decisions are being made that this key service is protected to ensure that the incredible work that is being done can continue for the benefit of some of our most vulnerable residents.

It has been a long task group and I am grateful to the task group members Graham, Rob and Matthew for their hard work and dedication to scrutinise such an important area and the Council's scrutiny team officers Emma and Jo for their valued support throughout the process.

A handwritten signature in blue ink, appearing to read 'Christopher Bloore', with a horizontal line underneath.

**Cllr Chris Bloore**

**Lead Member, Effectiveness of the Prevention and Recovery Drug and Alcohol Misuse Service Scrutiny Task Group**

# Effectiveness of the Prevention and Recovery Drug and Alcohol Misuse Scrutiny Report

## Background and Purpose of the Scrutiny

1. At the Annual Crime and Disorder Meeting held by the Overview and Scrutiny Performance (OSPB) on 7 July 2015, the £4m commissioned treatment and recovery services in respect of drug and alcohol misuse for adults and children and young people was discussed and it was noted that the contract for this Service was re-commissioned from 1 April 2015 with Swanswell Charitable Trust.
2. Historically, service performance has been poor under the previous contractor, for which the Directorate of Adult Services and Health was subject to scrutiny during the previous Council. It is anticipated that Swanswell's new integrated recovery service will lead to significant improvement against national performance indicators.
3. In anticipation of improvements arising from Swanswell's new integrated service, the Council's Overview and Scrutiny Performance Board was keen for some scrutiny of the Prevention and Recovery Drug and Alcohol Misuse Service.
4. A Task Group of cross-party scrutiny councillors was formed, led by Cllr Chris Bloore, lead scrutiny councillor for crime and disorder.
5. The scope of the scrutiny exercise was to investigate:
  - how the County Council, with partners (including the Police) is developing a prevention and recovery approach and an effective service to help reduce drug and alcohol misuse
  - how effectively the Council is working with other agencies to improve the help and advice provided to addicts and their families.

## Methodology

6. Evidence has been gathered from a wide variety of sources including Worcestershire County Council itself, as commissioners of the service, Worcestershire Acute Hospitals NHS Trust, the Office of the West Mercia Police and Crime Commissioner, Public Health England and we also visited the provider Swanswell at its Worcester base.
7. Members of the Task Group who are also members of the Council's Adult Care and Well-being Overview and Scrutiny Panel, were involved in the Panel's March 2016 discussion with the Council's Director of Public Health, service commissioners and the provider Swanswell. During this discussion we heard from peer mentors.
8. The Task Group members also considered relevant publications and reports, which are listed in Appendix 1.

# Recommendations

9. In drawing up the recommendations, the Task Group has been mindful of what the County Council can and cannot influence from a Public Health perspective.

## **Effectiveness of Services to Reduce Drug and Alcohol Misuse**

Recognising and fully respecting that it has to be on individual basis, we recommend a more aspirational approach be taken on the numbers of people who abstain from drug and alcohol misuse, without losing sight of the fact that substitutes such as methadone, often produce more stable and productive members of society and can be a route to becoming drug free.

## **Commissioning of Services**

In relation to the commissioning approach, we recommend that in the future, when a contract involves a change in provider, consideration be given to award a four year contract with the opportunity for an extension, so as to allow for a planned period of change which does not destabilize a service.

Acknowledging that there is a legal framework around tendering, we recommend that the Council provides opportunities to promote dialogue between organisations to investigate whether consortiums or sub-contracting would support a more local provision of services to the population of Worcestershire.

## **Engagement and Advice to the Public**

We believe many members of the public may be unaware of the dangers of their alcohol consumption. We recommend greater consideration is given as to how the Council can embed the public health message about the risks of regular drinking, for example media campaigns and circulation of publicity material.

We recommend specific awareness-raising to reach rural communities.

We believe that knowledge about services is varied and recommend circulation of Swanswell contact details through the 'Your Life Your Choice' website, clinical commission group newsletters, and to elected members.

## **Partnership working**

We recommend that the Council's Public Health Directorate works with partners to try and address the availability and licensing of alcohol, primarily with District Councils, where Planning and Licensing Committees are responsible for granting applications. Availability and supply plays a big part in increased use and restrictions can be enforced.

We also recommend that consideration be given to training for licensees in enforcing sensible drinking.

We further recommend the need for partnership working to raise awareness within communities, including for example in Schools.

## Future Funding and Support – the Bigger Picture

From what we have heard, we believe that Swanswell is working very effectively and is improving the service provided, and as such, we recommend that provision of this contract needs to be continued and supported.

We recommend early communication to and work with providers regarding funding levels, to provide a level of assurance around future funding to enable long-term planning.

We recommend that the impact of Swanswell's merger with Cranstoun be reviewed in twelve months' time by the Director of Public Health, and reported to Scrutiny.

## Worcestershire Recovery Partnership

10. Worcestershire Recovery Partnership, commissioned by Worcestershire County Council, takes a whole systems approach to recovery for adults, young people and families. The service covers alcohol and drug misuse, requiring a stronger emphasis on tackling the misuse of alcohol, which was identified as a key priority in the 2013-2016 Worcestershire Health and Well-being Strategy, and which is now being taken forward as a key priority to 2021.
11. The Council's commissioning approach is to commission for outcomes, therefore the specification for the Prevention and Recovery Drug and Alcohol Misuse Service isn't a prescriptive model, instead, it outlines the key outcomes that Commissioners wish to achieve, and the principles and parameters of a service delivery.

*'the service will have prevention and recovery at its core, and will be driven by three overarching principles – wellbeing, citizenship and freedom from dependence. This puts more responsibility on individuals to seek help and overcome dependency and supports them to develop their potential, work productively and creatively, build strong relationships with others, and positively contribute to their own communities'*

12. The Public Health Outcome Framework (PHOF), produced by government, sets out the desired outcomes for public health and how they will be measured. The Council's specification intends to contribute directly to these PHOF indicators:
  - Successful completion of drug treatment for opiate users
  - Successful completion of drug treatment for non-opiate users
  - Successful completion of treatment for alcohol users
  - Alcohol related admissions to hospital
  - Under 75 mortality rate from liver disease
  - Deaths from drug misuse.
13. The service is also expected to contribute to a wide range of strategies relating to health and wellbeing, children and families, community safety, safeguarding children and vulnerable adults, homelessness, police and crime.

## Swanswell

14. Worcestershire Recovery Partnership was recommissioned in April 2015 in a competitive tendering process. Swanswell Charitable Trust (Swanswell) was successful in being awarded the contract. Initially planned as a £4.3million a year contract for three years, it has been subject to a 15% reduction over the lifetime of the contract, due to the national Public Health Ring-fenced Grant reductions. The reductions were 10% to 2016/17 (5% in 2015/16 and a further 5% in 2016/17), then a further 5% in 2017/18, giving a total of 15%, as per the reports to Cabinet (in July and November 2015) The contract is also subject to payment by results against specific targets in years two and three.
15. There is also provision for the contract to be extended for up to a further two years until 2020. The contract is commissioned by the Council's Public Health Directorate. The Office of the West Mercia Police and Crime Commissioner provides additional funding of £105,000 per year to improve performance in relation to criminal justice outcomes.
16. Historically, service performance under the previous provider was lower than expected, for which the Council's Directorate of Adult Services and Health was subject to scrutiny during 2012, by the Council's Adult Care and Well-being Overview and Scrutiny Panel.
17. Swanswell's focus is ensuring that treatment for substance misuse is available to all residents of Worcestershire via an easily accessible service. The model includes both targeted and specialist evidence based treatments to include psychological, prescribing and dispensing medication. Services are based in localities and GP surgeries, with involvement of pharmacies and primary care services in GP shared care. The model is flexible to enable service users to move rapidly through an appropriate care pathway to meet their needs. They focus on outreach and community based work in localities and schools, including floating support to access accommodation and employment, which is thought to be more appropriate for rural Worcestershire. Swanswell's service model also includes peer mentors and recovery champions who can present information about their journey to support the recovery journey for individuals in treatment and post treatment providing 1:1 and groups, in various community settings.
18. The model includes:
  - easily accessible services to meet the needs of individuals across Worcestershire
  - specialist clinics at various locations
  - shared care in GP settings, including 50% of GP practices in Worcestershire and additional locality based prescribing services in primary care. These are delivered through a patient's own GP with support from a Swanswell Substance Misuse Worker or in GP locality settings
  - Pharmacy dispensing across 62 locations and the needle syringe programme through up to 49 pharmacies and four fixed base sites
  - Criminal justice settings – services delivered with criminal justice partners in HM prisons, Police custody suites, probation settings
  - Working in partnership providing outreach services to venues including hospitals, schools, prisons, job centres, homeless centres, street patrols, mental health residential settings, children's centres and home addresses.
19. It is understood that during the commissioning process, Swanswell stood out as the best provider by far, with a new service design for Worcestershire, which offered value for

money and a focus on achieving successful outcomes with links to primary care. It was a quality service, which was evidence-based, with recovery focused treatment interventions and which utilised community assets. Swanswell is a national recovery charity, with over 46 years' experience.

20. The service model used by Swanswell Worcestershire is illustrated at Appendix 3.

## Context

21. It was important for us to be aware of national strategies and changes in approach over time, since those commissioning prevention and recovery drug and alcohol misuse services are very much governed by the national lead and national public health outcomes.
22. The latest national strategies are awaited for both alcohol and drugs. Strategies have changed over time and we understand that whereas in 2007/2008 the focus was on getting people into treatment, in 2010 there was a shift away from outcomes based on maintaining people in prescribing treatment to reduce offending, to outcomes based on abstinence and recovery.
23. The 2010-2015 Strategy had clear ambitions to reshape the approach to alcohol and reduce the number of people drinking to excess. The 2010 National Drugs Strategy had two over-arching aims with regard to treatment; to reduce illicit and other harmful drug use, and to increase the numbers recovering from dependence.
24. Recovery is described as an individual, person centered journey, as opposed to an end state, and one that means different things to different people. The Strategy sets out that the individual should be placed at the heart of any recovery system, and a range of services must be commissioned at the local level to provide tailored packages of care and support.
25. Services used to be commissioned by the Council's Drug Action Team, often provided by the NHS and commissioners have explained that over time, health and care trusts could no longer afford to provide services, since a model involving psychiatrists, doctors and nurses was expensive. Additionally, service users themselves preferred to be treated in a community, primary care based setting, which was seen as important to achieving abstinence based recovery. Commissioners and the provider have highlighted to us that that specialist prescribing services are still necessary for a group of complex, vulnerable service users who may have associated physical or mental health problems.
26. From 1 April 2013, Local Authorities have been responsible for improving the health of their local population and for public health services and as such commissioning of specialist drug and alcohol services also transferred to the Council's Public Health Directorate.

# Findings

## What are the issues for Worcestershire?

27. We wanted to understand why historically, under the previous service provider, performance of specialist treatment for drug and alcohol misuse had been poor, especially the numbers of service users who were not reaching the recovery stage, in particular drug users. What were the issues for Worcestershire and what made the profile of users so difficult to treat?
28. We looked at headline facts from Worcestershire's Joint Strategic Needs Assessment summary for substance misuse (for the period 2014-15), therefore before Swanswell took over the service). This includes a range of statistics for alcohol, drugs and young people - some examples include the number of clients who successfully complete treatment, the number of new presentations to treatment, the proportion of clients who successfully completed treatment and who did not return in 6 months, alcohol-specific hospital admissions for those under 18 and the number of those leaving young people's services in a planned way and then re-presenting to either young people's or adults services within 6 months.
29. Data released in October 2016, for the period 2013 – 2015 (before Swanswell was awarded the contract) suggested that there was 59 drug related deaths in Worcestershire, which is similar to the national picture. In 2014-2015 numbers of alcohol related hospital admissions had dropped to 286, from 312 the previous year.
30. The scrutiny officers asked Public Health England (PHE) about examples of particularly successful drug and alcohol treatment models, and were advised that it is difficult because each area will need a different model to suit local circumstances and local needs. PHE advises areas to look at their needs assessments/Joint Strategic Needs Assessments (JSNA), to really identify what they need their services to deliver and how these services will fit into the wider landscape within each area.
31. Members of the Task Group who are also members of the Council's Overview and Scrutiny Panel which oversees Adult Care and Well-being, benefitted from earlier scrutiny discussion of historical poor service performance. Commissioners explained that Worcestershire's complexity and poor performance against some targets requiring complete abstinence from all drugs was partly due to a relatively high proportion of service users with complex dependency needs in treatment for injecting drugs particularly opiates. It was apparent that patterns of drug use had increased 15 years ago in many areas, not just Worcestershire, but treatment services here had not necessarily been able to engage users, which now made it harder for them to recover. Swanswell's work focused on engagement, rather than just continuing substitute prescription drugs
32. Worcestershire County Council's Health and Well-being Board has identified 'reducing harm from alcohol at all ages' as one of its priorities for the next five years.
33. Swanswell has found that Worcestershire has a disproportionately high number of low complexity cases, but also a disproportionately high number of very high complexity cases, which influences the effective deployment of the staff team, particularly if they are



not effectively resourced. Swanswell see more service users from North Worcestershire in drug treatment and in South Worcestershire for alcohol treatment.

34. Across the scrutiny task group, our roles as local councillors cover both urban and rural areas, and it is important to stress that problems with drugs and alcohol are not confined to urban areas, although that may be the common perception; the need for services and prevention work is just as strong in rural areas.

## Effectiveness of Services to Reduce Drug and Alcohol Misuse

35. Swanswell told us that the biggest challenge for them in taking over the contract from 1 April 2015, was that the outgoing service had been an outcome driven, payment by results contract, which by its very nature drives providers to focus on areas of treatment that incentivise payments. Swanswell initially had to focus heavily on reviewing and updating existing service delivery arrangements. This included improving staff competencies and achieving quality standards and reviewing cases of all service users in treatment to ensure that all of those service users on substitute subscriptions were receiving an appropriate level of medical input, and transfer, if appropriate, to primary care.
36. Historically, the Drug and Alcohol Misuse Service in Worcestershire has been subject to scrutiny because of poor performance figures. The Task Group has had access to notes from 2012 scrutiny discussions, which formed part of the Adult Care and Well-being Overview and Scrutiny Panel's performance monitoring. These discussions took place to address performance under the previous provider from 2012 to March 2015.
37. Members of the Task Group, who are also members of the Council's Adult Care and Well-being Overview and Scrutiny Panel, benefitted from an early discussion with Swanswell, one year into the new contract, as part of the Panel's remit to monitor performance of council services. At this early point in time, the Director of Public Health spoke positively about the new provider and observed that things were definitely being done differently, with energy and enthusiasm, although time would tell whether this transferred to improved results.
38. Headline statistics supplied to us early on in our scrutiny, from the Substance Misuse Joint Strategic Needs Assessment Summary indicated that many fell below the national average, although some were improving.

## Performance against Public Health Outcomes Framework Performance Indicators

39. Provision of drug and alcohol misuse services is very much driven by the National Public Health Framework.
40. Effectiveness of drug treatment is measured in various ways, including the Public Health Outcome Framework (PHOF) targets:
  - Successful completion of opiate users treatment – proportion of all in treatment who successfully completed treatment and did not represent within 6 months (opiate and non-opiate)

- Successful completion of non-opiate users in treatment who did not represent in 6 months
  - Successful completion of alcohol users in treatment who did not re-present in 6 months
  - Drug related deaths.
41. A broad range of other information is also used, reflecting the breadth of the service itself, such as National Drug Treatment Monitoring System reports, information from the service provider, external providers, service users, the Joint Strategic Needs Assessment, community safety information and return on investment tools.
42. We discussed performance data for Swanswell with the relevant Council's Public Health Commissioning Manager, at the start and end of our scrutiny work.
43. At the start of our scrutiny, we learned that prior to the Swanswell contract, successful completion rates for opiate users in Worcestershire over the period 2010-2014, ranked Worcestershire at 136 out of 149 authorities in 2014, and after peaking at 6.8% in 2012, had not done well since, although this was also the case nationally. Figures for 2014 showed 4.9% successful treatment of opiate users. This has increased to 5.1% in 2015 and the national completion rate has reduced. Although still below the national average, Swanswell is seeing more service users in treatment and completion rates in some areas are improving significantly, particularly for clients in the criminal justice system.
44. Quarterly diagnostic outcomes monitoring also look at figures for those re-presenting within 6 months of completing treatment, as well as areas such as reduced drug use, housing, employment outcomes, waiting times, early unplanned exits, time in treatment. Harm reduction and living with children.
45. We learned that monitoring performance is very complex and publically available data continues to relate to a time before Swanswell's contract began in April 2015. Bound by PHE reporting restrictions, we learned that under Swanswell every outcome has improved, and while performance has still not reached national averages, national averages are coming down as Worcestershire's performance improves. It must also be recognised that because of poor historical service performance, Swanswell is starting from a low base.
46. The Commissioning Manager pointed out to us the importance of additional support, employment and housing to the service user in achieving good outcomes.
47. A comparison tool is used to gather data on treatment outcomes, which is mapped every 12 weeks and links to the national database. Both commissioners and the provider Swanswell have stressed the fact that the national performance indicators do not necessarily capture a service user's progress and stability – they may not be categorised as having reached recovery for 6 months, but may have achieved greater stability and a greatly improved quality of life through being in treatment, which may include improved health, being able to work or to see their children.
48. During our scrutiny Swanswell Worcestershire was inspected by the Care Quality Commission (CQC) and inspection reports are available on the CQC website. The CQC does not currently rate independent standalone substance misuse services. However, both CQC reports list many areas of good practice, and refer to well- maintained

services and procedures, holistic assessments, trained staff, timely treatment and work with other agencies, although we observed that the inspections took place before the latest public health ring-fenced grant reductions, which necessitated changes by Swanswell to absorb a funding reduction of 12%.

49. In November 2016 Swanswell was working with 2560 drug and alcohol cases, of which approximately 50% were alcohol alone and approximately 30/40 provided support to family members. A caseload of 70 was common and staff diaries were carefully scheduled to accommodate this.
50. The three year contract is short, when considering the time that it takes time for a new provider to pick up provision of a complex, historically underperforming service, where service users often need to go through more than one cycle of treatment to learn what does and doesn't work for them as an individual.
51. Task Group members heard from ex-service users who attended the Adult Care and Well-being Overview and Scrutiny Panel public discussion, who spoke passionately about the service, and the use of peer mentoring, which they themselves were now involved in. Commissioners have told us that from a service user perspective, Swanswell is doing a fantastic job.
52. Drugs treatment under Swanswell appears to be an improvement and Swanswell itself believes it has a grip on drug use. However, Swanswell believes that that alcohol is a big problem for Worcestershire, which is reflected in the Health and Well-being Board Strategy.
53. Provision of drug and alcohol misuse services is very much driven by the National Public Health Framework.
54. Task group members feel that the approach to recovery could be more aspirational and aimed at encouraging greater numbers of people to abstain from drugs and alcohol and away from substitute prescriptions. We have also become more aware through our scrutiny, of the prevalence of alcohol in British society, and need for wider discussion of the role and promotion of alcohol, which is a view shared by Swanswell and the Health and Well-being Board.
55. There appears to be various ideas, but no real consensus around how people become dependent on alcohol, for example social conditioning, genetics or learned behaviour.
56. It is acknowledged that the transition to recovery has to be managed very carefully, as there are risks. It has also been pointed out to us that the recovery approach can be controversial and that some users still describe themselves as addicts even though they have not touched alcohol or drugs for 25 years, and that addiction is an illness, which may need lifelong treatment, just like many other illnesses.
57. Overall, our discussions with commissioners, partners and with service provider Swanswell itself, indicate that services for drugs and alcohol addiction are person-centered, competent, dedicated and professional. Swanswell's approach is engaged, positive and has good credentials.

## Engagement and Advice to the Public

58. We have learned that drug and alcohol addiction takes the form of many patterns, for example a new problem arises from performance enhancing drugs for middle aged male cyclists. Society's attitude to alcohol is often very dismissive, compared to drugs or smoking and alcohol supply is very evident.
59. We are concerned that many members of the public may not be aware that their alcohol consumption poses a danger to their health and wellbeing.
60. We are also aware that alcohol and drugs issues may be perceived by the general public as an issue for urban areas, whereas in our role as county councilors, we are aware that in fact rural areas can hide many problems, with individual's access to services and help often being hampered by rurality?
61. Figures from Swanswell to show the breakdown about age for adults in structured treatment, set out below, indicate that the highest numbers fall into the 35-44 age group, followed by the 25-34 age group, and the 45-54 age group – the middle aged.

| Age                | Numbers all Drug type   |
|--------------------|---|
| 18                 | <i>Data suppressed due to small numbers, in line with national guidelines</i> |
| 19-24              | 133   |
| 25-34              | 736   |
| 35-44              | 1011  |
| 45-54              | 596   |
| 55-64              | 213   |
| 65+                | 56  |
| <b>Grand Total</b> | <b>2746</b>   |

*Information from Swanswell about age breakdown for adults in structured treatment (May 2016)*

62. Prior to their involvement in this scrutiny, Task Group members did not feel they would have known where support services could be accessed, or where to signpost someone with concerns about their drug or alcohol use.
63. As mentioned earlier in the report, across the task group our individual councillor areas cover both urban and rural areas, and it is important to stress that problems with drugs and alcohol are not confined to urban areas. Indeed, problems in rural areas may be more hidden and access to services less obvious.
64. This points to a greater role for the Council's public health function in raising awareness about the dangers of everyday drinking and the potential impact on a person's health and wellbeing.

## Partnership Working

65. Overall, partnership working appears to be effective, and we met with representatives from the Office of the West Mercia Police and Crime Commissioner, Worcestershire Acute Hospitals NHS Trust, the from the Council, the Director of Public Health and the Commissioning Manager. Third sector providers such as housing were co-ordinated by the Community Safety Partnership, but it was Swanswell's role to put the service user at the centre of working.
66. The latest Worcestershire monitoring outcomes data for 2016-2017, Quarter 2, shows the number of those in treatment who live with children as 27.0% for alcohol clients (252 out of 935) and 25.8% for opiate clients (341 out of 1322) – need to check if this is public.
67. As part of the Council's early help services (which aim to intervene early where parents, children and young people need support), individuals would be supported to access Swanswell services as appropriate.
68. Swanswell understood the budget pressures on councils, but worried about the impact on those involved as more services became limited and scope for educating and raising awareness was beyond the capacity of specialist services like Swanswell. However, they took a positive attitude to reducing their spend and their recovery plan was safe and showed improved practice.
69. Swanswell's work with GPs was referred to by the Commissioning Manager as ' a massive change', which has been well received. Shared care is where a Substance Misuse Worker and GP work together to share the care of a patient. This provides a more holistic and accessible approach, around the family; people can prefer to see their GP whereas visiting a fixed Swanswell base can sometimes be a barrier for those who nonetheless want to access support. The which was well received by both service users and GPs. Swanswell had been working to try and shift the resource intensive cohort of patients towards shared care with GPs, although GPs were able to refer patients back to specialist treatment if needed.
70. Swanswell works very closely with the Police, which differs again from its predecessors, for example work with highest offenders who receive very strong, specialist services, since it is known that a small percentage of drug users commit a high percentage of serious crimes.
71. The Task Group was given information on Swanswell's criminal justice work in Worcestershire, including prevention and early intervention, engagement events and work around anti-social behaviour, arrest, probation services and prisons. One example was an engagement event when West Mercia Police identified hot spots and peak times of alcohol use in Kidderminster, and organised the Outreach Awareness Event. Swanswell workers delivered brief interventions to those using substances to raise awareness, educate, support people into further treatment if required and reduce the night time economy.

72. The Commissioning Manager for the Office of the West Mercia Police and Crime Commissioner told us that the current commissioning model was an improvement on the previous model and to date, Swanswell was working well in Worcestershire. We heard about the unseen impact on the criminal justice system from individuals who committed crimes, citing the Court Service and probation in particular and was pleased to hear about the preventative work being undertaken with individuals and families, including visits to schools. It is felt that partnership working is key to improvement across the system.
73. The Alcohol Liaison Nurses we spoke with, from Worcestershire Acute Hospitals NHS Trust, told us that persistent treatment resistant drinkers were very hard to engage, and their many years' experience suggested that alcohol addiction was a chronic relapsing condition and in the long-term, many would relapse. They referred to a campaign in Ipswich 'Reducing the Strength', where the Police, County Council and the NHS had had some success in working to persuade local traders not to sell super strength ciders and beers, alongside a worker placed in the area, to reach hardcore drinkers, who could influence others.
74. There are a lot of tools available to treat substance misuse, but something stressed to us many times is that the affected person has to want support and treatment – 'they hold the key to their recovery within themselves'.

### Future Funding and Support - the bigger picture

75. We have learned that alcohol and drug use is part of, and symptomatic of a bigger picture, which often involves issues such as mental health, loneliness, physical health, domestic abuse, employment. Dr Steve Brinksman, Medical Director at Swanswell, pointed out that some people may turn to drugs and alcohol as a way of 'wrapping up their problems in cotton wool'.
76. Support services therefore need to be integrated in order to address the problem in a holistic way, which appears to be very much the view and approach of Swanswell.
77. However, the Council's Public Health function is under great pressure to optimise the use of the Public Health Ring Fenced Grant, with priorities for investment in prevention targeted at those areas which deliver most impact in terms of delivering strong services which reduce demand and ensure compliance with statutory duties.
78. The Council's commissioning approach focuses very much on outcomes and demonstrating value for money. There is understandable pressure to evidence results for a service which caters for a relatively small number of people. This makes non-mandated services such as this particularly vulnerable, as outcomes may be 'softer' and less easy to demonstrate on a spreadsheet.
79. Both the Council's commissioners and the provider emphasise the social and financial contribution of substance misuse treatment services to many other areas of society. Public Health England provided information for the Task Group's use that tries to illustrate the impact of drug and alcohol services on other services and the range of other outcomes that are affected by drug and alcohol services.
80. Swanswell, as provider, is clearly very worried about the potential impact of further budget reductions, which makes it hard to plan for the longer term. The organisation has

already needed to do things differently to absorb a funding cut of 15% across the three year period. Measures taken included less 1-2-1 work and more group work, fewer staff, less buildings, and reduced opening hours. Worcester, as the biggest centre was open for scheduled and drop in visits Monday to Friday 9am-5pm, with a late opening on Tuesdays until 7pm, however the drop in service previously available at any time, from November 2016 has been available three days a week during set hours.

81. The Council's budget for specialist drug and alcohol treatment services, at £4.323million, is 2% less than the national average. Since November 2016. Swanswell has also needed to absorb a 15% funding reduction (over three years 2015/16 to 2017/18), due to unexpected government cuts announced in 2015 to the Public Health Ring-fenced Grant.
82. As a relatively small organisation, Swanswell may have less access to expertise around financial management, infrastructure and IT. Commissioners have told us this has been an area of concern at times, although is now being demonstrated and monitored.
83. Whilst acknowledging budget pressures, we are very concerned about the potential impact of any further reductions to the budget for specialist drug and alcohol services, which cater for a comparatively small group of people and deliver 'softer', less demonstrable outcomes.
84. Value for money is needed, but savings asked from specialist drugs and alcohol services will inevitably lead to greater costs elsewhere in the economy. Support for families, physical health, crime levels, and ambulance call outs are all examples of areas where costs would rise.
85. Support for families affected by parental misuse can be complex, with multiple needs and costs. Public Health England's 2016 guide to local authorities states that the government estimated the cost of a 'troubled family' is an average £75,000 per year. It also states that 'costs of addressing these can be substantial and can fall across local authority housing, education, antisocial behavior and children's services, as well as the criminal justice and health systems.'<sup>1</sup>
86. Whilst acknowledging the increasing need for the Council to target its resources to greatest effect, the potential impact on a non-mandatory service such as this, are extremely worrying; the financial cost to the Council may not show up on a spreadsheet, but savings here will inevitably lead to greater costs elsewhere in the economy.
87. In the final meeting of this scrutiny exercise, when we discussed our emerging themes with the Cabinet Member and Director responsible for Public Health, we were informed that Swanswell had merged with another comparable organisation, Cranstoun, and as a result hope that the merger will provide some stability for the services provided.

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<sup>1</sup> Estimating the social return on investment of treating substance-misusing parents: a guide to collecting local data – Public Health England, February 2016

## Appendix 1 - Information provided to the Task Group

- The specification for provision of the Worcestershire Recovery Partnership
- Swanswell alcohol and drug recovery service - presentation
- Performance highlights from Swanswell data 2015-16
- Diagnostic outcomes monitoring executive summaries 2014-15, 2015-16, 2016-17
- Worcestershire Recovery Diagnostic Toolkit – March 2016
- Age Breakdown of Swanswell service users
- Swanswell meeting notes on criminal justice
- Worcestershire residents: Analysis of Drug and Alcohol deaths registered between 2006 and 2014
- Substance Misuse – Worcestershire Joint Strategic Needs Assessment Summaries April 2014-March 2015
- Care Quality Commission Quality Report on Swanswell Worcester and Swanswell Kidderminster (September 2016)
- National Drug Treatment Monitoring System, the national outcomes framework document for Q2 and the annual report 2015-6 for comparison
- Public Health England Local Area Trend Report 2015-16
- Minutes from the Adult care and Well-being Overview and Scrutiny Panel discussions on 16 March 2016 (Swanswell) and on 11 July and 7 March 2012 (performance monitoring of previous contract provider)
- Health and Well-being Board Strategy

### National reports and work elsewhere

- Estimating the social return on investment of treating substance misusing parents; a guide to collecting local data (Public Health England, February 2016)
- Social return on investment – cost calculator for Worcestershire
- Protecting and Improving the nation's health – Drug and alcohol recovery capital grant application form 2015-16 (Public Health England)
- Quality Governance Guidance for local authority commissioners of alcohol and drug services (Public Health England 2014)
- Blue light project – working with change resistant drinkers
- Ipswich's 'Reducing the Strength Campaign' - involving Ipswich Borough Council, Police, Suffolk County Council and the NHS (Jan 2015)
- Alcohol Concern: Inquiry into the impact of alcohol on emergency services (Sept 2015)
- The contribution of substance misuse (drugs and alcohol) treatment to the Public Health Outcomes Framework, (Presentation slides from NHS National treatment Agency for Substance Misuse)



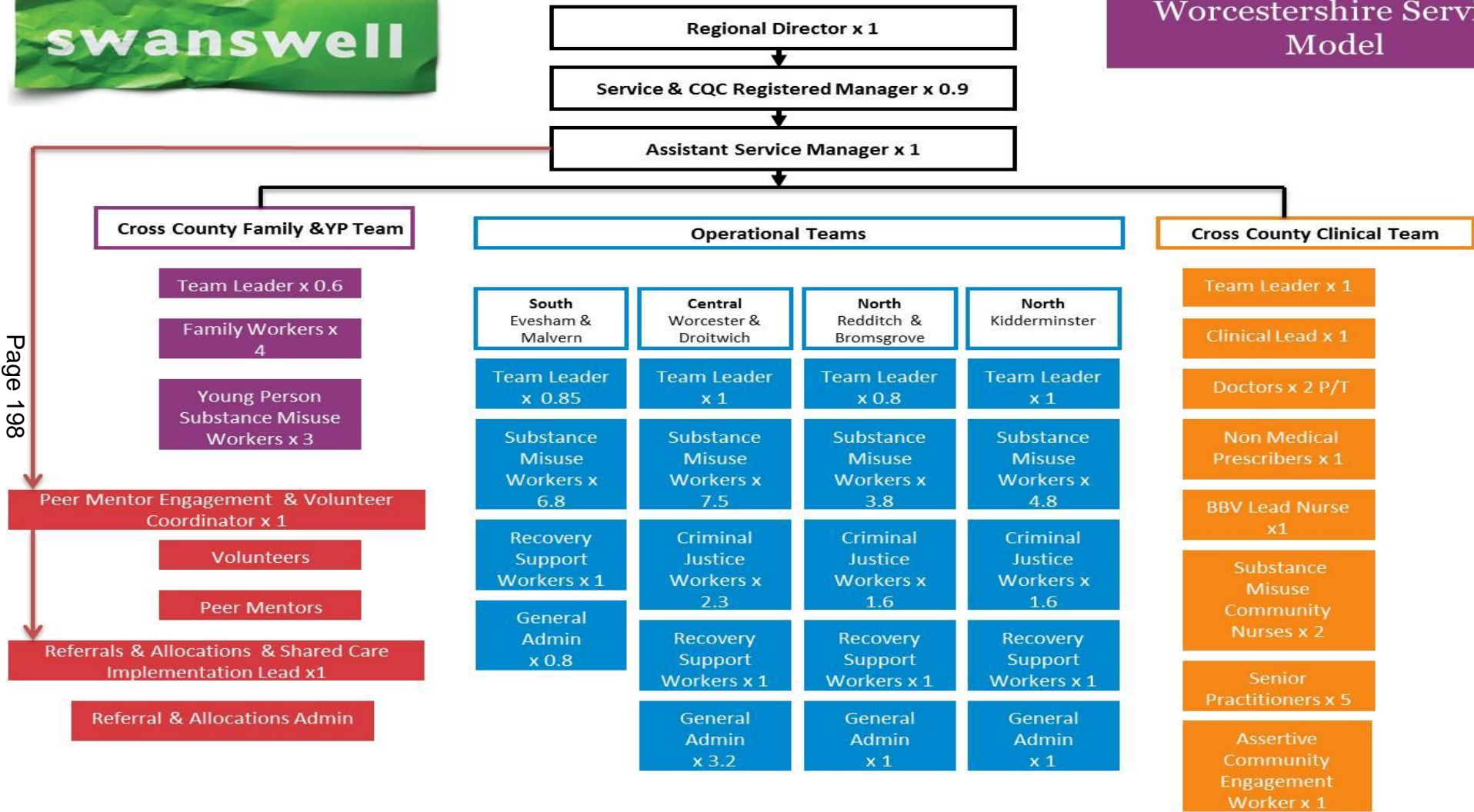
## Appendix 2 - Schedule of Activity

| Date             | Event  |
|------------------|--|
| 26 April 2016    | Scrutiny Task Group meeting with Rosie Winyard, the Council's Public Health Commissioning Manager  |
| 3 May 2016       | Scrutiny Task Group meeting with Glyn Edwards, Commissioning Manager for the Office of the West Mercia Police and Crime Commissioner   |
| 16 July 2016     | Scrutiny Task Group meeting with Emma Davies and Mark Vardy, Alcohol Liaison Nurses at Worcestershire Acute Hospitals NHS Trust  |
| 2 November 2016  | Scrutiny Task Group meeting with Swanswell Worcestershire, a national drug and alcohol charity, and current provider of the Council's Prevention and Recovery Drug and Alcohol Misuse Service.<br>Sian Battle-Welch, Service Manager and Matt Burke, Assistant Service Manager |
| 17 November 2016 | Scrutiny Task Group preliminary discussion of findings   |
| 5 December 2016  | Scrutiny Task Group meeting with Rosie Winyard, Public Health Commissioning Manager  |
| 16 January 2017  | Scrutiny Task Group Meeting with John Smith, Cabinet Member for Health and Well-being, Frances Howie, Director of Public Health and Rosie Winyard, Commissioning Manager   |

Appendix 3 Swanswell Worcestershire Service Model from October 2016



Worcestershire Service Model



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