



**Report of** Chief Officer Resources and Strategy

**Report to** Director of Adults and Health

**Date:** 14<sup>th</sup> November 2018

**Subject:** Adult Operational Services – Service Review

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

### Summary of main issues

1. This report sets out the findings from the recently completed full service review of the current Adult Operational Services. The report seeks to find a permanent solution to:
  - current delays or backlogs of work;
  - work areas struggling with current resources;
  - address clarity of roles that have not been reviewed in 10 years;
  - address service planning issues; and
  - provide opportunities to develop and maximise income collection in line with approved policies.
2. On 15th August 2018 Adults & Health DLT supported proposals to increase resources in the team and agreed to further consultations with staff and Trade Unions based upon these proposals.
3. Consultation is now complete.

### Recommendations

1. The Director of Adults and Health is recommended to approve the request for additional resources of **11 FTE's** within the Adult Operational Service at an annual cost of **£397k** plus one off additional costs of **£11k** for laptops (in 18/19). It is anticipated that these costs can be met by a variety of sources and are critical to improving the Council's income collection performance in relation to Adult Social Care client contribution.

2. The Senior Finance Manager will implement this decision directly after it has been taken, subject to the necessary clearance process being completed.

## **1. Purpose of this report**

- 1.1 Following a full service review of the Adult Operational Services this report seeks to find a permanent solution to:
  - current delays or backlogs of work;
  - work areas struggling with current resources;
  - address clarity of roles that have not been reviewed in 10 years;
  - address service planning issues; and
  - provide opportunities to develop and maximise income collection in line with approved policies.

## **2. Background information**

- 2.1 The current Adult Operational Service consists of 6 teams, undertaking a variety of functions in relation to Clients' finances and income collection through client contribution.
- 2.2 In October 2016 the team were transferred from the Financial Management Service within the Resources and Housing Directorate to Adults and Health Directorate.
- 2.3 Prior to transferring, decisions were made to reduce the workforce and 6.35 (FTE) ELL's were agreed by the Resources and Housing Directorate and the business case deleted the posts. The savings from these posts were £253k pa. The business case assumed that the introduction of CIS would make efficiencies in the working processes. However, when CIS was introduced in August 2015, whilst it did change the emphasis of the role of Finance, it also created additional work and workarounds for current staff because the system was not completely developed as a financial payments system. The combination of existing backlogs of work and ongoing pressure to develop the CIS system from a finance perspective has resulted in the current service delivering below the level of performance required to effectively support the Directorate's ambitions in spending money wisely and delivering a quality service to providers and clients.
- 2.4 With the benefit of hindsight it is now clear that posts were deleted prior to the introduction of clear policies, better working arrangements, more transparent processes being developed and without an understanding of the requirements of workloads that have increased rather than decreased. Within the current service there is very little capacity to change processes and the teams are currently working reactively rather than proactively, creating a difficult and challenging working environment, where sometimes errors occur and the result is poor customer experience.
- 2.5 Other changes in Government requests for information, such as monitoring of Deferred Payment Agreements and the Office of Public Guardian annual reports for Deputyship function have also had an impact on stretched resources.

- 2.6 The introduction of a new management team have uncovered a variety of historic practices rather than clear policies, together with unsuitable processes and resources to manage the current workloads. Some headway has been made with the introduction of some more obvious better ways of working, however it is clear that the teams are struggling under the current workloads and are unable to make the improvements that are required and investigate a better use of technology.
- 2.7 A recent report to DLT highlighted that Leeds falls short of its comparators in relation to income generated from client contributions. The Directorate's Income Project will be reviewing this, however it will require significant input and leadership in relation to changes within the Adults Operational Service and therefore additional capacity is required to manage the anticipated workloads in order to maximise income due to the Authority.

### 3. Main issues

3.1.1. The Adult Operational Service consists of 6 teams.

3.1.2. Each team have been consulted extensively and have expressed their frustrations with regard to their ability to provide a quality service for the citizens of Leeds. Many of the frustrations were around clarity of role, inadequate resources for the volumes of work, and antiquated procedures. The teams have generated many ideas regarding opportunities that can be investigated to maximise income collection but feel frustrated that there is not the time to be able to explore these.

3.1.3 Below details a summary of each team's role and issues currently facing the team

- Community Care Finance (CCF) team

*Role* - Carry out a means test by way of a financial assessment for clients being placed in a care home to ascertain if they qualify for financial assistance

*Performance Information* – The team receive approximately 230 new referrals each month. Once all evidence has been received the team complete the assessment within 39 days.

*Opportunities* - Residential clients have increasing complexities regarding their finances, with an increased client base owning a property and/or having fragmented families. There are a growing number of cases where we are seeing clients depriving themselves of their assets for paying for their care. Work has commenced to enhance public information, but more is needed to work with partner organisations and Social Workers to find working solutions within the constraints of Care Act and GDPR. More resources are also needed to work with the Financial Queries Team to speed up responses in relation to payments and reduce the financial pressure for the providers.

- Financial Assessments & Benefits (FAB) team

*Role* - Carrying out a means test by way of a financial assessment for clients with assessed community services needs to ascertain if they qualify for financial assistance

*Performance information* – The team receive between 500-600 new referrals cases per month (excluding reviews). The team are also required to undertake home visits for the Welfare & Benefits service in respect of Housing Benefit and Council Tax Support claims. Approximately 90% of the assessments are performed by visiting the clients in their own homes. The average time taken to complete a non-residential financial assessment is 10 days from referral.

*Opportunities* - The Income Project has already highlighted a number of current client groups e.g. short breaks for Shared Lives clients (although it is likely that there are other services with the same issues as the project develops) who have not been financially assessed and are therefore not being invoiced appropriately for chargeable services. The financial assessment team is currently struggling to keep on top of reviews (current caseload in excess of 9,000 clients and delay of 6 months to undertake). An additional workload would encounter a number of delays in the assessment and inevitably, due to current resources and systems/procedures would mean that clients would not pay for the chargeable services they receive from the date that they receive them. Developments are currently underway to automate and have better IG controls in this area, and to ensure all clients receive a financial assessment. However, additional resources will be required to maintain an excellent response rate for the additional workload.

- Billing Team

*Role* - Coordinate information in respect of provided services for clients receiving chargeable services (excluding DP, and general Residential placements, but including Local Authority Residential homes) and ensure they are billed.

*Performance Information* – The team currently raise approximately 26,000 invoices per annum from 13 sources, generating a total annual income of approximately £8.2m for the Authority.

*Opportunities* - Better systems and additional resources are required within the Billing function to enable more timely and effective recovery of monies due, and reduced write-offs (2017/18 write offs are £385k). Current systems for data capture of services provided require manual input and it is often difficult to capture all information regarding services provided, therefore leading to missed income opportunities. The billing process requires a fundamental review of how data is captured for invoice generation, this is included as part of the Directorate's Income Project.

- Debt Recovery team

*Role* - Manage loans in relation to Deferred Payment Agreements or the Directorates Court of Protection policy, ensures recovery of overpaid care home fees are promptly dealt with, and involvement in Sundry Income and Legal services cases where all normal channels of recovery have been exhausted.

*Performance Information* – There are currently 40 Court of Protection loan cases and 84 Deferred Payment Loan Agreements (48 Care Act cases). In 17/18 the team have recovered £2.8m relating to overpayments to residential Care Homes, £848k in debts

outstanding for Deferred Payment Agreements and £44k in defaulted client contributions.

*Opportunities* - Better systems and additional resources within the Debt Recovery functions will enable more timely and effective recovery of monies due, and reduced write-offs (2017/18 write offs are £385k)

- Deputy & Estates team

*Role* - Undertake the corporate deputy and appointee function, acting as last resort for clients without capacity to deal with their own finances, ensuring all financial affairs of these clients are dealt with in the best interest of the client. The team also undertake an estate function to ensure assets are secure and funerals are duly paid where there is no known relative to organise.

*Performance Information* – There are currently 157 Deputyship cases and 591 Appointee cases. In 17/18 the team paid for 55 funerals

*Opportunities* - The deputyship function is currently inadequately resourced for the current number of clients. There are currently 4 caseworkers for 748 clients. The caseload is likely to increase following the implementation of GDPR and more awareness around capacity and consent, and there may be an impact following the Income Project. Universal Credit will also impact on the workload. Currently there are numerous delays in payment for services and clients' monies are not being managed effectively to maximise benefits or investments and we fall short of our requirement for welfare checks on the clients. Without a contract framework the team struggle to perform certain roles e.g. selling properties for clients. It is also felt that there is a risk to council income streams due to these delays, until adequate procedures and better use of technology is investigated and developed, as the team are very reactive and not pro-active. Additional resources would ensure that we could manage individuals' finances in their best interest and ensure that financial portfolios are managed and monitored appropriately.

- Direct Payment Audit team

*Role* - Undertake periodical audits of clients who are in receipt of a Direct Payment to ensure funds are appropriately managed, and issues regarding care are duly reported.

*Performance Information* – There are currently 1117 clients in receipt of a direct payment. In 2017/18 the team undertook 75% of audits. Children's Services are currently in the process of transferring the function of auditing their 200 clients in receipt of a DP to this team. An additional resource has been recruited to cover this function and it is funded from Children's Services.

*Opportunities* - Additional resources in the Direct Payment Audit team are required to ensure 100% annual audits are undertaken (currently 75%). The potential gains for this could be up to £800k. It is also anticipated that the introduction of pre-paid cards will assist with more efficient audits.

## 3.2 Structure/FTEs

3.2.1 Based on the detailed reviews that have been undertaken with the teams between January and September 2018 a revised structure is now proposed.

Attached at Appendix A is the current structure

Attached at Appendix B is the proposed structure

3.2.2 A Summary of the proposed substantive structure includes an additional 11 FTEs as follows

<b>TEAM</b>	<b>Current FTE</b>	<b>Proposed FTE</b>	<b>Variance</b>
Community Care Finance (CCF)	8.08	10.08	2.0
Financial Assessment and Benefits (FAB)	11.3	13.3	2.0
Billing	5.93	7.0	1.07
Debt Recovery	2.31	3.31	1.0
Deputy & Estates	5.0	9.0	4.0
Direct Payment Audit Team	6.69	7.69	1.0
<b>TOTAL</b>	<b>39.31</b>	<b>50.38</b>	<b>11.07</b>

3.2.3 The current structure and job descriptions included a number of linked grades at B1/3, C1/3, C3/S02, SO2/PO2. Following discussions with TU's and the management team it was felt that these posts did not give clarity on career progression. The proposal includes fixed grades for B1, B3, C3, SO2 and PO2 and this has been positively received by staff and TU.

3.2.4 Where possible it is the intention to recruit apprentices to be held against vacant B1 posts. This should help give opportunities and potential career progression for apprentices.

3.2.5 It is intended that the proposed structure will enhance career progression for all staff, provide consistency in terms of job descriptions and grades, and be appropriate to the current and future known workloads of the team. It is also reflective of ensuring that staff are supported to achieve the values of the council and services are developed, fully utilising up to date IT solutions, to provide a quality service on behalf of Adults and Health for the citizens of Leeds.

3.2.6 It is also intended that the Adult Operational Service, once appropriately resourced, will be enabled to be more proactive and lead on performance management information for better decision making and maximisation of income collection.

3.2.7 Job descriptions have been submitted for job evaluation, both in draft and as final following staff and TU consultation, see 3.2.6 below.

3.2.8 As a result of staff consultation it is recognised that the various teams are undergoing a period of change, and new processes will need to be managed in the

short term. Staff put forward strong arguments that have been considered positively by the Senior Finance Manager and the Chief Officer Resources & Strategy, and resulted in 3 opportunities for honorariums to SO1 to reflect additional management support needed through this time of change. It is proposed that this be for a period of one year and the 3 teams be reviewed throughout to ensure this resolves a short term issue. The additional duties required have been considered and evaluated against the SO1 profile.

Additional duties will include;

- Assisting with management support and appropriate training for new staff
- Assist with additional support to staff through period of change
- Assist with monitoring performance
- Take a lead on developing quality control measures
- Assist with developing and implementation of new working processes supporting staff appropriately
- Support to Assistant Finance Manager for more complex case management

3.2.9 The structure will be managed by a Management Team of 3 members of staff not included above, and this will be reviewed at a later stage following more work in relation to the Income Project. However, it is appreciated that the staff currently graded at PO3 are undertaking additional responsibilities in relation to maximising income collection. Whilst the whole management function is reviewed it is proposed to offer honorariums to these two staff members to PO4 to reflect that additional duties being carried out until a full review of the Management function can be undertaken. The additional duties have been matched to the PO4 profile.

Additional duties will include;

- assist in providing leadership and strategic planning in relation to the management of change and achieving and monitoring of continuous service improvements
- assist with the design, test and implementation of IT solutions
- lead on procurement exercises for services required within corporate policies
- represent the Authority at a national level to ensure best practice and information.

## **4 Corporate considerations**

### **4.1 Consultation and engagement**

4.1.1 Trade Unions have been consulted throughout and praised the process taken with staff engagement.

4.1.2 Staff engagement has also taken place throughout the process

4.1.3 The draft proposal was presented to Trade Unions on 21st August and Staff on 23rd August.

4.1.4 Since then a series of discussions have resulted in some amendments to job Descriptions. The amended Job Descriptions have been resubmitted for Job Evaluation and are reflected in the final proposal.

4.1.5 As a result of staff consultation it is recognised that the various teams are undergoing a period of change, and new processes will need to be managed and supported in the short term. Staff put together some strong arguments that have been considered positively by the Senior Finance Manager and the Chief Officer Resources & Strategy, and resulted in 3 opportunities for honorariums to SO1 to reflect additional management support needed through this time of change. It is

proposed that this be for a period of one year and the 3 teams be reviewed throughout to ensure this resolves a short term issue. The additional duties required have been considered and evaluated against the SO1 profile.

## 4.2 Equality and diversity / cohesion and integration

- 4.2.1 An Equality & diversity impact assessment has been completed and is attached as Appendix C
- 4.2.2 There is a positive impact as there is more clarity of roles and there are more opportunities for all staff as additional resources are required. Additional resources will be subject to the Authority's Recruitment Policy

## 4.3 Council policies and best council plan

- 4.3.1 The proposals support the Best Council Plan and Better lives Strategy – Health & Wellbeing

## 4.4 Resources and value for money

### 4.4.1 Budget implications

The cost of the additional 11 staff required, and five temporary honorariums (three at SO1 and two at PO4 - at top of grade less 3% turnover and including travel costs) would be **£397k** per annum above the current base budget for 2018/19. Costs would reduce when the honorariums ended and staff returned to their substantive posts.

There would be a one off cost in year one for additional laptops of **£11k**  
Breakdown of costs (full year effect);

Base Staffing Budget (18/19)		£1,374,540
Cost of proposed structure (fye)	£1,820,080	
Less turnover (staffing)	-£54,600	£1,765,480
Net increase in staff costs		£390,940
Other associated expenditure Travel (2 visitors incl essential user allowance)		£6,000
<b>Total Cost</b>		<b>£396,940</b>

### 4.4.2 Proposed Funding

- i. It should be noted that the service already has agreed income of £32,390 from Childrens Services for undertaking Childrens Direct Payment Audits and an additional 1.0 FTE has been recruited. This is reflected in the base budget for 2018/19.
- ii. It is anticipated that the above additional cost of £397k can be met by a variety of sources

- Better Care Fund - £100k pa for 2018/19 & 2019/20
  - Additional income from CCG's for DP Audit work - £32k pa
  - Release of revenue reserves £10k for 2018/19 & £65k for 2019/20
  - Income generated from increased resources and ability to undertake a more proactive approach to maximising income – income targets to be increased by £200k pa
- iii. It is considered probable that the potential for maximising income collection far outweighs the additional requirements for resources.
- iv. A recent report to DLT highlighted the potential gain available if the Directorate improved its income collection from assessed client contributions. Leeds collected approximately 9.49% of its gross expenditure on Adult Social Care in 2016/17, compared to other Core Cities this was the lowest with Sheffield collecting 13.77% being the highest. If Leeds aimed initially for a median position in relation to core cities this would increase the potential income from client contributions by approximately £7m pa.
- v. The five year plan for the funding of the additional resources, taking account of the potential targets for maximising income is as follows;

	2018/19	2019/20	2020/21	2021/22	2022/23
Cost of additional resources	£77k*	£397k (fye)	£393k**	£293k***	£293k***
Funded by:					
CCG funding for DPA work		(£32k)	(£32k)	(£32k)	(£32k)
BCF	(£77k)	(£100k)			
Release of Revenue Reserves		(£65k)			
Maximising Income Collection to fund resources		(£200k)	(£361k)	(£261k)	(£261k)
Existing/Potential Income Target		(£1,000k)	(£2,000k)	(£3,000)	(£7,000k)
<b>Revised Income Target</b>		<b>(£1,200k)</b>	<b>(£2,361k)</b>	<b>(£3,261k)</b>	<b>(£7,261k)</b>

\*anticipates 2 months additional staffing costs in first year + 11 laptops @£1k each

\*\*anticipates 3 honorariums to S01 ceasing

\*\*\*anticipates efficiencies through enhanced processes and use of ICT

#### 4.5 Legal implications, access to information, and call-in

- 4.5.1 This is a Key Decision and subject to call-in as this report proposes changes that will require additional expenditure of more than £250k.
- 4.5.2 This report does not contain any exempt or confidential information under the Access to Information Rules.

#### 4.6 Risk management

- 4.6.1 The Adult Operational Service has not been reviewed for ten years and required a service review to ensure the resources are appropriate to current and known future demands and that opportunities for change could be developed.
- 4.6.2 If this review is not actioned the risk would be that an inappropriate service is provided to the citizens of Leeds, staff would continue to work in stressful situations and there is a risk of absences increasing. It is likely that complaints would increase

regarding the unacceptable service provision, there could be reputational damage and the Authority would lose out on significant income collection opportunities.

4.6.3 It is intended that as processes are developed and information technology is enhanced the service will realise efficiencies which would be used to reduce the cost of the service and therefore the associated funding gap/reliance on higher income targets. Turnover within the service is such that over time the service could be reduced through natural staff turnover as required.

## **5 Conclusions**

5.1 In order to address the current and known future pressures it is proposed to increase resources to be able to react to demand, reduce potential reputational damage by being proactive in case management and providing a high quality and responsive service to the citizens of Leeds. The team is critical to improving the council's income collection performance in relation to Adult Social Care client contributions.

## **6 Recommendations**

6.1 The Director of Adults and Health is recommended to approve the request for additional resources of 11 FTE's within the Adult Operational Service at an annual cost of £397k plus one off additional costs of £11k for laptops (in 18/19). It is anticipated that these costs can be met by a variety of sources and are critical to improving the Council's income collection performance in relation to Adult Social Care client contribution. The Senior Finance Manager will implement this decision directly after it has been taken, subject to the necessary clearance process being completed.

## **7 Background documents<sup>1</sup>**

7.1 None

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<sup>1</sup> The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.