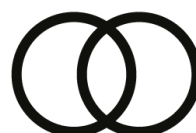


A progressive approach to adult social care

How markets can be made and shaped by policymakers and commissioners



by Tom Lloyd Goodwin



CLES
the national organisation
for local economies

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Executive Summary

Three decades of outsourcing, commercialisation and more recently unprecedented austerity have had an inevitable impact on public services. Within parts of the social care market, local authorities are strongly reliant upon large providers who extract wealth from the care system, wealth that could otherwise be used to provide additional benefits for citizens and the state.

In order to address this situation, the following report uses a community wealth building approach to advocate for a more 'activist' position within adult social care commissioning. This would entail commissioners:

- stepping into the market to enable, mediate and cajole other actors in an attempt to shift the dial towards greater choice and control for service users; thereby,
- ensuring that any provider involved in the delivery of services is as locally generative as possible. (In other words, the wealth and resource they produce remains within the confines of the local economy).

As a result of this activity, a progressive social care marketplace should ideally comprise a blend of the following ownership models.

- Inhouse delivery – e.g. where the service is delivered by the local state;
- Municipal enterprise – e.g. arm's length management organisations and mutually owned companies;
- Worker ownership – e.g. cooperatives;
- Community ownership – e.g. community business, social enterprise and CICs;
- Local private ownership that supports a triple bottom line – namely, a concern for the wider community, the environment and workers, alongside the pursuit of profit.

With respect to the blend between these different models, we recognise that localities, traditions and local economies are very different. Given the history of how a social care service may have developed over time in a particular locality, it may be that inhouse delivery is less of a feature in some areas compared to others. For example, some areas may have a plethora of local charities running their day centres, whereas in other areas the state may still be heavily involved here. As such, this report is not seeking to be prescriptive about what the balance should be in a

particular locality. However, where elements of the service are being provided by organisations that extract profit out of the system, this is where commissioners and policy makers should make changes.

In addition, whilst having more local community involvement in the delivery of services is appropriate in some circumstances (direct payments for example) and calls for some shift in delivery to the local community (namely CICs and other forms of micro enterprise), we should not have outsourcing of already debilitated public services to impoverished communities on the basis of cost. At the local level, we have seen a 49.1% real-term reduction in government funding between 2010 and 2018¹, with communities and individuals suffering social pain. In this context, we recognise that cuts to funding have made things extremely challenging for local authorities. Nevertheless, the last nine years of austerity notwithstanding, councils should only consider further outsourcing to the community if this is the best option for service users. Outsourcing to the community should not be a decision that is solely guided by cost and the notion that CICs and the like constitute the cheaper option.

Furthermore, the Care Act (2014) places new duties on local authorities to facilitate and shape their market for care and support, with a particular focus on person centred care and an emphasis on direct payments as the preferred mechanism for personalised care and support. It is therefore entirely appropriate that citizens and services users are heavily involved in the design and commissioning process via meaningful co-production.

Report summary

As such, the report proposes three conditions for excellence within adult social care commissioning. By taking a deep-dive into emerging commissioning practice within Knowsley council, the report also identifies a series of key mechanisms (tools) that could be deployed in order to meet these conditions. Whilst the discussion in Knowsley was particularly focused on supported living, day services and prevention, the tools proposed here should be applicable in other areas and will hopefully provide food for thought in terms of developing additional strategies for a more progressive approach to adult social care commissioning.

We summarise the three conditions below along with the accompanying tools that could be harnessed to alter practice.

- 1) **As far as possible, commissioners and policy makers should be trying to minimise the presence of extractive providers in local care markets and, instead, utilise local generative alternatives who maximise social value.** Ideally, there should be a mix of provision involving the local state in conjunction with alternative models of ownership such as local charities, co-ops, CICs and community businesses etc.

¹ Ministry of Housing, Communities and Local Government. (2018). 'Financial sustainability of local authorities 2018'. <https://www.nao.org.uk/wp-content/uploads/2018/03/Financial-sustainability-of-local-authorities-2018-Summary.pdf>.

Key tools:

- **Benchmarking local spend** – local authorities should seek to benchmark the extent to which providers are either extractive or locally generative. This can be achieved by analysing spend in conjunction with providers' legal structures.
- **Greater use of direct payments** – this will enable local authorities to move away from provision by large providers, who are often extractive by nature, and make more use of micro providers such as personal assistants, for example.
- **The use of social value within targeted service specifications** – if designed in the right way, specifications can enable more local generative providers to enter the market and maximise social value.
- **Local spend policies** – these can be used to prioritise local providers for spend below £181k. (In other words, spend that is below the Office Journal of the European Union threshold).
- **Training for commissioners** – a potential challenge to shaping markets relates to the skills any capacity of the commissioning team. Local commissioning academies could be established to build skills and capacity.

- 2) **Services should be transformed to facilitate innovation and meet service user needs. This may call for some shift towards community delivery (local charities, co-ops, CICs and community businesses etc).** However, decisions should be guided by the need for choice and control for service users and not the need to make cost savings.

Key tools:

- **Shifting inhouse resource to focus on complex needs** – rather than a wholesale shift from inhouse provision in areas such as day services, resource should be focused on those whose needs are the most complex. Support for those with less complex needs can then be delivered via direct payments, again making use of local generative providers.
- **The use of social growth teams to map alternative provision** – community assets should be mapped to determine what kind of local generative alternatives to traditional services are available for those with less complex needs.
- **Micro funding streams** – these should be deployed to support the development of new local micro providers, particularly in relation to any gaps highlighted by the mapping exercise.
- **Purchasing platforms** – social workers in particular need to know and trust the alternatives to service options such as traditional day services. Local authorities could consider establishing a purchasing platform which offers a menu of

alternative, locally generative, service provision that social workers could purchase via a direct award function.

- **Managing the transition amongst service users and their families** – traditional day centres are the only kind of service provision that some users have ever known. To manage their transition towards support that is delivered out in the community, mentoring or bridging services should be considered as well as the establishment of specialised progression and employment hubs.

3) **Meaningful co-production.** Putting communities and people first and providing them with opportunity dignity and well-being means that service users should be involved in planning and designing services from the outset. As such, professionals and citizens should share power to design, plan, assess and deliver services together.

Key tools:

- **Establish a community of practice** – meaningful co-production will often require deep culture change within an organisation. Communities of practice are a vital tool to drive innovation, helping individuals and organisations to improve practice and performance.

1. Introduction

The negative effects which stem from decades of commercialisation and the last nine years of austerity have been well documented. From the collapse of Carillion² and the G4S scandal³ to the recent chaos on our railways⁴ we have numerous accounts of the way in which public funding has been channelled to shareholder profits while wages have stagnated, terms and conditions have been eroded and tax payers have been left to pick up the bill when companies collapse.

In response, there have been a number of policy proposals ranging from the Labour Party's plan for twenty-first century insourcing⁵ to the suggestion that the market and the state are both discredited and that communities are best-placed to take control when it comes to the commissioning and delivery of public services - the intention being to shift decision-making power out of public service institutions into communities, with changes to governance arrangements⁶.

At the Centre for Local Economic Strategies (CLES), we find both of these policy responses problematic.

First, community involvement in civic life is vital and the community has a key role to play in the delivery of services such as adult social care. It is therefore entirely appropriate for commissioners to seek to involve the many organisations and individuals who, whilst not directly part of local government, are equally passionate about public values and offer a unique contribution to the delivery of public services. As such, to insource all aspects of social care would sever this vital link.

Second, to believe however that the solution to commercialisation and austerity is to be found in the outsourcing of already debilitated public services to impoverished communities is deeply problematic. Not only does it threaten to

² Thomas, D. (2018). 'Where did it go wrong for Carillion?' <https://www.bbc.co.uk/news/business-42666275>.

³ Sommerlad, J. (2018). 'What is G4S and why is it dogged by controversy?' <https://www.independent.co.uk/news/uk/politics/g4s-hmp-birmingham-prison-private-security-contract-scandal-controversies-a8498956.html>.

⁴ Goodwin, T.L. (2018). 'How should our railways be run?' <https://cles.org.uk/publications/how-should-our-railways-be-run/>.

⁵ The Labour Party. (2019). 'Democratising local public services: a plan for twenty-first century insourcing.' <http://labour.org.uk/wp-content/uploads/2019/07/Democratising-Local-Public-Services.pdf>.

⁶ See for example: Lent, A., and Studdert, J. (2019). 'The community paradigm: why public services need radical change and how it can be achieved.' http://www.nlgn.org.uk/public/wp-content/uploads/The-Community-Paradigm_FINAL.pdf; and, The Centre for Social Justice. (2019). 'Community capital: how purposeful participation empowers humans to flourish.' <https://www.centreforsocialjustice.org.uk/core/wp-content/uploads/2019/09/CSJ-Community-Capital-Report-final-version.pdf>.

mask the reality of the brutal cuts to services, it also threatens the scrutiny and accountability that can only be guaranteed by the democratic oversight that the local state provides.

For CLES, what we should be aiming for here is balance. In essence, the intention should be to reshape adult social care markets, so that services are run in conjunction with a plurality of providers who augment existing core services and help to minimise the extraction of wealth and maximise the delivery of social value.

We recognise that this is of course a huge challenge - especially in areas like residential, nursing and homecare which are dominated by large national providers that extract profit from the system, and, where there is often the absence of an alternative socially and economically virtuous market. However, we believe that this report will start to enable a different approach to commissioning by highlighting innovative examples from practice that have been gleaned from an analysis of commissioning activity in Knowsley council.

1.1 Report aims

This report aims to provide directors of adult social care with a means to understand the nature of their local markets and take action to build resilience through the diversification of their supply chains.

By using a community wealth building lens to critically analyse the contemporary policy context for adult social care, along with emerging practice, the report will help senior commissioners and policy makers to adopt a more progressive approach to local commissioning activity, one which is able to navigate the contemporary policy agenda within social care and tackle, head-on, the challenges around commercialisation and austerity.

1.2 Methods

These include:

- desk-based policy analysis and review of the wider literature;
- a 'deep-dive' into Knowsley council, comprising document review, semi-structured interviews and focus groups;
- the use of steering group meetings to test emergent findings; and
- thematic analysis.

1.3 Report structure

The structure of the report proceeds as follows. In section 2, we analyse the current policy context within adult social care, dissecting recent trends and drilling down into themes around austerity and commercialisation, highlighting the effects they have had on adult social care. We then move to analyse the response from practice but suggest that we need to go further if we are to minimise wealth extraction and maximise social value. In essence, we need to embrace the personalisation agenda

within social care whilst also trying to mitigate against the effects of commercialisation and austerity. As such, in section 3, we outline how a community wealth building approach can be used to bridge the gap, proposing three conditions for excellence within adult social commissioning. In section 4, we draw upon the outputs of our Knowsley deep-dive to tease out the key mechanisms (tools) that could be deployed in order to meet these conditions, thereby imbuing adult social care services with greater social and economic justice, in conjunction with more choice and control for service users. Finally, in section 5, we reflect on how these mechanisms could be advanced more broadly within adult social care.

2. Context: dissecting and understanding the current policy environment

The context surrounding the delivery of adult social care has shifted dramatically since the establishment of post-war welfare state. Since the 1950s, there has been a move from institutional to community care due to the belief that this improves the quality of life of older and disabled people⁷.

As a result of this shift, we have seen the introduction of policy mechanisms such as direct payments (DPs) which are paid by a local authority to individuals who are assessed as requiring community care services and are deemed willing to accept and able to manage the payments alone or with assistance⁸. In the field of learning difficulties, DPs have been described as “the single most empowering piece of legislation for people... that has ever been passed onto the statute books⁹”. DPs are therefore viewed as a major step towards the devolution of power and resources towards disabled people¹⁰. They provide a ‘unique’¹¹ and ‘potentially revolutionary’¹² challenge to the historically unequal relationship between the providers and receivers of care¹³. Furthermore, recipients of DPs report enhanced personal autonomy, emotional and psychological wellbeing, raised opportunities and a greater quality of life¹⁴.

Most recently, the Care Act (2014) places new duties on local authorities to facilitate and shape their market for care and support, with a particular focus on person centred care and an emphasis on DPs as the preferred mechanism for

⁷ Thane, P. (2009). ‘Memorandum submitted to the house of commons’ health committee inquiry: social care.’ http://www.historyandpolicy.org/docs/thane_social_care.pdf.

⁸ DoH (Department of Health). (1996). *Community Care (Direct Payments) Act: Policy and Practice Guidance*. London: Stationary Office.

⁹ Holman, A. (1999). ‘Direct Payments: the power to empower.’ *Llais* (Autumn).

¹⁰ Spandler, H. (2004). ‘Friend or foe? Towards a critical assessment of direct payments.’ *Critical Social Policy*, 24(2).

¹¹ Glendinning, C. (2000). *Buying independence: Using direct payments to integrate health and social services*. Bristol: Policy Press.

¹² Glasby, J. and Littlechild, R. (2002). *Social work and direct payments*. Bristol: Policy Press.

¹³ Campbell, J. (1998). ‘From breakout to breakthrough: 25 years of legislative advocacy’. In *International Leadership Forum for Women with Disabilities: Final Report*. New York: Rehabilitation International http://www.rehab-international.org/publications/Leadership_Women/CAMPBELL_Jane.html.

¹⁴ See for example: Carmichael, A. and Brown, L. (2002). ‘The future challenge for direct payments.’ *Disability & Society*, 17(7); and, Stalker, K., Witcher, S., Roadburg, M. and Jones, C. (2000). ‘Direct payments: the impact on choice and control for disabled people’. Edinburgh: Scottish Executive Central Research Unit.

personalised care and support. As such councils must ensure that their markets are sustainable, diverse and offer continuously improving and innovative services.

2.1 The challenge

This presents a significant challenge, however, particularly when considered in conjunction with wider context of how the British state has evolved over the last 40 years.

Since the 1980s, decades of commercialisation and more recently unprecedented austerity have taken their toll on public services such as adult social care. Many elements have been outsourced to the commercial sector, with private sector management techniques now common place¹⁵. In some instances, this has resulted in the spending of public money being understood first and foremost as a commercial market transaction with local government officers duty bound to ensure the much prized 'value for money'. As a result, commissioning (a term more properly used to describe the processes of assessing needs and designing ways to meet them) is sometimes reduced to a competitive tendering activity, often framed by a rigid set of costed outputs and complex contract conditions.

The negative effects of this shift can be summarised as follows.

2.1.1 Commercialisation

Shifts in culture and behaviour have resulted in the large-scale displacement of the public sector from the provision of public sector services, which in some markets has in turn seen public money extracted by a few large market players operating in virtual monopolies. This has undermined democracy, as the unique public values which embody the relationship between the local and national state, and citizens, are now often indistinguishable from that of producers and consumers. In short, the relationship has been commercialised¹⁶.

Whilst the effects of a reliance on private provision have been most dramatically illustrated by the collapse of outsourcing behemoths such as Carillion and G4S¹⁷, the impact of commercialisation on adult social care has been felt acutely, particularly in the residential sector which has been almost completely outsourced to private and independent providers. The precarious nature of this arrangement can be attributed in some areas to the pursuit of profit through debt based financial engineering and complex corporate structures – an approach suited to high risk and high return activities, such as tech start-ups and the like – not the low risk and low return typical of adult social care¹⁸. Consequently, these large

¹⁵ CLES (2018). 'Restoring Public Values in Public Services.' https://cles.org.uk/wp-content/uploads/2018/11/Restoring-Public-Values-in-Public-Services-FINAL-03_12_18.pdf.

¹⁶ Ibid.

¹⁷ Carillion held £1.7 billion of public contracts, cost UK taxpayers around £148 million and left more than 2,300 people out of work. See: National Audit Office. (2018). 'Investigation into the government's handling of the collapse of Carillion.' <https://www.nao.org.uk/report/investigation-into-the-governments-handling-of-the-collapse-of-carillion/>.

¹⁸ Burns et al. (2016). 'Where does the Money Go? Financialised chains and the crisis in residential care.' *CRESC Public Interest Report*. <http://hummedia.manchester.ac.uk/institutes/cresc/research/WDTMG%20FINAL%20-01-3-2016.pdf>.

providers ask for bail outs when they are squeezed between austerity fees and rising wage costs. The risk of home closure places pressure upon commissioners to pay a higher price for services, protecting providers from losses that are an ordinary risk of business. Large provider financial engineering is therefore a major contributor to their fragility, and care quality problems, so that private gain comes at the expense of costs for residents, staff and the state.

A stark example of this is the behaviour of Four Seasons, the UK's largest residential care provider which in 2015 resourced a high-profile media campaign to have the price paid to them for care of older and vulnerable people increased, despite continuing to take a 12% profit¹⁹. Owned by US hedge fund Tera Firma, the company has recently gone into administration. Although in the case of Four Seasons reassurances are provided that care will continue to be offered to its clients, there will be uncertainty and anxiety for many vulnerable people and their families, and for dedicated yet often low paid staff²⁰.

2.1.2 Austerity

The impact of a decade of austerity on our social fabric is unignorable. The recalibration and retreat of the state has exacerbated inequality and poverty²¹, with public sector spending, as a proportion of GDP, falling 6% since 2010²².

Although the recent spending review announced a £13.8bn expenditure package²³, closer examination shows that only a third of the cuts introduced since 2010 are being reversed²⁴. Analysis by the National Audit Office has shown a 49.1% real-term reduction in government funding for local authorities between 2010 and 2018²⁵.

Against this backdrop, the recently announced additional £1.bn for adult social care announced in the February 2020 Local Government Financial Settlement should be understood in this context. The cumulative real change in per-capita departmental expenditure levels – even factoring in these new spending promises – is a 77% reduction for local government spending between 2009 and 2021²⁶.

In short then, whilst spending is back the significant cuts have not been reversed. Although local authorities have been able to increase provider fees, the damage has not been undone with many councils now nearing crisis and significant ongoing risk of provider failure. Recently, Peers including former Conservative and Labour chancellors have called for an immediate £8bn investment to tackle the “national

¹⁹ Ibid.

²⁰ Tizzard, J. (2019). 'Public services and hedge funds do not equate.' <http://www.govopps.co.uk/public-services-and-hedge-funds-do-not-equate/>.

²¹ Alston, P. (2018). 'Statement on Visit to the United Kingdom.' https://www.ohchr.org/documents/issues/poverty/eom_gb_16nov2018.pdf.

²² <https://tradingeconomics.com/united-kingdom/government-spending-to-gdp>

²³ Inman, P. (2019). 'Sajid Javid promises largest spending rise in more than 15 years.' <https://www.theguardian.com/politics/2019/sep/04/sajid-javid-promises-decade-renewal-sets-out-post-brex-it-spending>.

²⁴ Corlett, A et al. (2019). 'Rounding-up: putting the 2019 spending review into context.' <https://www.resolutionfoundation.org/app/uploads/2019/09/Rounding-Up-briefing-note.pdf>.

²⁵ Ministry of Housing, Communities and Local Government. (2018). 'Financial sustainability of local authorities 2018.' <https://www.nao.org.uk/wp-content/uploads/2018/03/Financial-sustainability-of-local-authorities-2018-Summary.pdf>.

²⁶ Corlett, A et al. (2019). Rounding-up: putting the 2019 spending review into context. <https://www.resolutionfoundation.org/app/uploads/2019/09/Rounding-Up-briefing-note.pdf>.

scandal” that has left over a million vulnerable older people without proper social care support. A House of Lords economic affairs committee said this would restore access and quality of social care services in England to pre-austerity levels and relieve unsustainable pressure on unpaid family carers²⁷.

2.1.3 The north west market oversight and sustainability report

In light of the above context, evidence suggests that our adult social care services are indeed facing a perfect storm. The NW Market Oversight and Sustainability Report (NW Markets Report) commissioned by ADASS north west²⁸, highlights the scale of the challenge here, presenting data from all 23 local authorities in the region.

The report reveals that the north west in particular is facing significant challenges.

- 1) 69% of north west local authorities have seen a provider fail in last 6 months.
- 2) Although on the face of it, markets in the north west are large and diverse - with a high amount of small, independent local providers and a proportion of adult social care purchased through DPs - a handful of big national providers continue to dominate. These providers account for between 25%-44% of the share across the 4 north west markets (Lancashire, Cumbria, Blackpool and Blackburn with Darwen; Greater Manchester City Region; Liverpool City Region; and Cheshire and Warrington).
- 3) Fees paid to providers across the north west are relatively low by comparison to the rest of the country. (Since publication of the report, however, many local authorities have now increased their fees).
- 4) Quality of care is an issue with the north west in the bottom 3 for all 4 markets. Quality in some areas is improving, however. The most recent north west ADASS data highlights the fact that CQC rating for ‘good’ within residential care has gone from 68% in 2018 to 73% in 2019. Within the same time period, ratings for ‘good’ in domiciliary care have gone from 75% to 82%.
- 5) 20% of workers in the region are over 55 and recruiting and retaining younger workers is problematic.
- 6) The total cost of care here is forecast to increase from £1.9bn to £2.8bn by 2022-2023

To summarise then, the above context presents a significant challenge for local authorities in the commissioning and delivery of adult social care services. Not only must they be responsive to the increasing use of DPs and service user choice and control, they also have to operate in a context where decades of outsourcing has

²⁷ Butler, p. (2019). ‘Peers call for extra £8bn to tackle social care scandal’
<https://www.theguardian.com/society/2019/jul/04/peers-call-for-extra-8bn-to-tackle-social-care-scandal>.

²⁸ Unpublished.

impacted the quality and stability of local services and a period of unprecedented austerity has now pushed these services to breaking point.

2.2 Emerging practice

In response, there is then an increasing role for commissioners to take a more 'activist' position: stepping into the market to enable, mediate and cajole other actors in an attempt to shift the dial towards greater choice and control for service users, as well as the delivery of greater social value. In other words, acting as market shapers rather than market referees.

Two examples from Greater Manchester highlight how this kind of activity has been applied recently in adult social care. The first is from Wigan Council where they have created a new market based around the establishment of 100 CICs. The second is from Tameside Council where the recommissioning of their home care contract has been used to reshape the market and deliver greater social outcomes as a result.



The use of CICs in Wigan

Before 2014, day services in Wigan were delivered primarily via its 14 council owned day centres. However, the council felt that these centres were outdated and were failing to provide customers with the kind of care and flexibility they wanted. The decision was therefore made to close 10 of the 14 day centres and move towards the provision of day services based around the greater use of DPs.

With a view to creating resilience in adult social care provision, the council used this decision as an opportunity to stimulate the local market and encourage the development of a series of CICs to provide services. As such, the council used its market development team to provide support to day centre staff facing redundancy, enabling them to make the transition into setting up a series of individual CICs. This included linking them to the council's business support offer and helping them to access support from the Community Investment Fund, which is designed to support community based social enterprise and charity work across England. The council were also flexible in how staff could use their redundancy payments to support the development of their new enterprises and in some instances provided loans to

assist with cash flow in the transition to becoming a CIC. A managed process was used to shut down the centres and they were only closed when the new market was deemed to be ready and could transition into service provision by the newly formed CICs.



Home care in Tameside

Prior to 2016, home care in Tameside was based around a “time and task” model whereby providers were paid by the amount of support they provided, divided into 15-minute blocks of time. This model makes taking a person-centred approach difficult, however, as providers respond to incentives by becoming focused on tasks as opposed to the person.

Moreover, the model was also based around low pay, with a lack of opportunity for career progression which led to low levels of job satisfaction. This meant that providers were struggling to recruit and retain staff to deal with the levels of demand.

In short, time and task was not working well for people in receipt of home care, for the staff delivering home care and for the home care providers themselves.

Consequently, Tameside council set about reimagining their service along the lines of the “Buurtzorg”, a Dutch mode of community nursing and care at home. This model advocates person-centred care, with needs assessed holistically rather than being divided into separate health and social care needs. Their service redesign was facilitated by an investment of £3.1m from the GM transformation programme, which was used to fund an increased hourly rate for providers which in turn meant that they could raise staff wages.

In order to achieve their aims, a recommissioning exercise was undertaken which involved a degree of market interference, whereby they brought their existing providers

together to outline their intentions to build a new model of homecare delivery and explain that they would be putting this new service out to tender. They also explained that, as part of their new contract, they wanted their group of providers to work together to help deliver improved outcomes for users. Whilst some of their existing providers decided not to bid for the new contract, this process helped to ensure that those who remained were committed to developing a new model of care.

Following this process, a new six-year contract commenced in October 2016. This initial phase involved honing the outcomes-focused model specification, with roll-out of the new services commencing from year two.

As a result of Tameside's new outcomes-focused model:

- providers are able to use hours more flexibly and creatively to explore options that are not all about paid support, such as connecting service users to local groups and activities and helping to tackle loneliness and isolation;
- care plans are co-produced and support is reviewed regularly, engaging and empowering service users as a result;
- staff are now paid a living wage.

3. The solution: a community wealth building approach

In light of the above challenges, and examples of emerging practice, how then should senior commissioners and local policy makers respond? The examples of Wigan and Tameside begin to highlight the direction of travel, but can we propose a more comprehensive framework which offers a response to the challenges outlined in the previous section?

3.1 Community wealth building

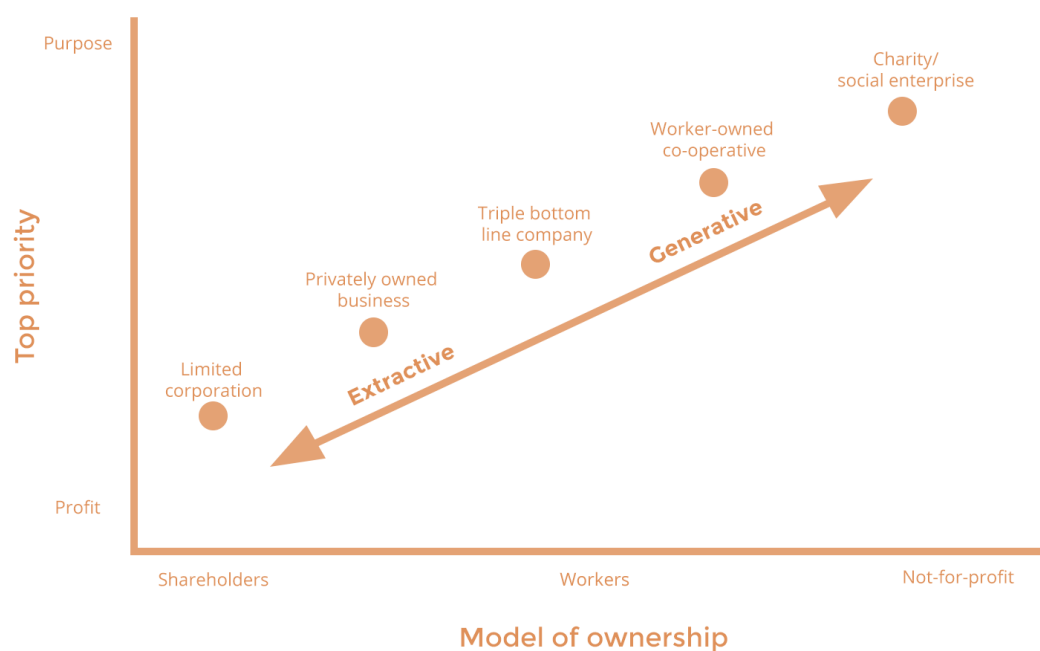
CLES would argue that a community wealth building approach provides the response that is needed here. Community wealth building aims to reorganise and control the local economy so that wealth is not extracted but is instead broadly held and generative, rooted locally, so that income is recirculated, communities are put first and people are provided with opportunity, dignity and well-being²⁹.

Fundamentally, and particularly in relation to public services, this highlights the need for local markets to be reshaped to ensure a plurality of providers that can invigorate the local supply chain and maximise social value. The aim then is to ensure that any provider involved in the delivery of services should be as locally generative as possible. By the 'generative economy', we are referring to businesses with plural forms of ownership such as mutuals, cooperatives, and social enterprises. These ownership models enable public spending to be retained within the local economy. Increased local spend creates jobs, contributing to a multiplier effect which in turn creates additional jobs via increased demand for local goods and services. The more money spent in a local area the higher the multiplier effect³⁰. Figure 1 sets out how businesses with forms of ownership in which purpose is prioritised over profit are more likely to generate wealth for local economies.

²⁹ CLES. (2019). 'Community wealth building 2019: theory, practice and next steps.'
<https://cles.org.uk/publications/community-wealth-building-2019/>.

³⁰ NEF Consulting. (2014). 'Local Multiplier 3 (LM3) Pilot Project for RWE.'
<https://www.nefconsulting.com/wp-content/uploads/2015/09/Case-Study-LM3.pdf>.

Figure 1. Extractive vs generative



As such, a progressive public service marketplace could comprise a blend of the following ownership models.

- Inhouse delivery – e.g. where the service is delivered by the local state;
- Municipal enterprise – e.g. arm’s length management organisations and mutually owned companies;
- Worker ownership – e.g. cooperatives;
- Community ownership – e.g. community business, social enterprise and CICs;
- Local private ownership that supports a triple bottom line – namely, a concern for the wider community, the environment and workers, alongside the pursuit of profit.

But this of course begs the question as to what is the right kind of blend between these different models? More specifically what should be the balance between local state delivery of services and the involvement of local generative providers?

Given the history of how a social care service may have developed over time in a particular locality, it may be appropriate for the state to play more of a role in some areas and less in others. For example, some areas may have a plethora of local charities running their day centres, in other areas the state may still be heavily

involved. Some councils in the UK, in the south west for example, have forged close links with cooperatives and mutual enterprise on the understanding that they can add distinct social, economic and environmental value to the delivery of services. In other words, the local state may play a greater or lesser role depending on the particular context within a given locality. As such, this report is not seeking to be prescriptive about what the balance here should be in a particular locality.

For CLES, as noted, we should be aiming for an intentional progressive balance. In essence, adult social care markets should be reshaped so that services are ideally run by the state in conjunction with a plurality of providers who augment existing core services and help to minimise the extraction of wealth and maximise the delivery of social value.

In all of this, however, we are clear on what should not happen. We should not have outsourcing of already debilitated public services to impoverished communities, on the basis of cost. As noted above, at the local level, we have seen a 49.1% real-term reduction in government funding between 2010 and 2018³¹, with communities and individuals are suffering immense social pain. We recognise that cuts to funding have made things extremely challenging for local authorities. Nevertheless, and the last nine years of austerity notwithstanding, councils should avoid the temptation to push more elements of a social care service out into the community under the guise that this is the best option for service users, when in reality it is a decision about balancing budgets.

Furthermore, it is also entirely appropriate that citizens and service users are heavily involved in the design and commissioning process here via meaningful co-production to facilitate the use of DPs, along with choice and control for service users. Indeed, and again as noted above, the Care Act (2014) places new duties on local authorities to facilitate and shape their market for care and support, with a particular focus on person centred care.

Consequently, we propose the following three conditions for excellence within adult social care commissioning which attempt to address the challenges highlighted in the previous section which pertain specifically to adult social care as well as the wider challenges around commercialisation and austerity.

3.2 Three conditions for excellence within adult social care commissioning

- 1) **As far as possible, commissioners and policy makers should be trying to minimise the presence of extractive providers in local care markets and, instead, utilise local generative alternatives who maximise social value.** Ideally, there should be a mix of provision involving the local state in conjunction with alternative models of ownership such as local charities, co-ops, CICs and community businesses etc.

³¹ Ministry of Housing, Communities and Local Government. (2018). 'Financial sustainability of local authorities 2018.' <https://www.nao.org.uk/wp-content/uploads/2018/03/Financial-sustainability-of-local-authorities-2018-Summary.pdf>.

- 2) **Services should be transformed to facilitate innovation and meet service user needs. This may call for some shift towards community delivery (local charities, co-ops, CICs and community businesses etc).** However, decisions should be guided by the need for choice and control for service users and not the need to make cost savings.
- 3) **Meaningful co-production** – putting communities and people first and providing them with opportunity, dignity and well-being means that they should be involved in planning and designing services from the outset. As such, professionals and citizens should share power to design, plan, assess and deliver services together.

In the light of these three conditions, what is now needed are a series of practical solutions and tools that councils can adopt in the pursuit of excellence in adult social care commissioning.

4. Knowsley Deep Dive

With a view to exploring how local authorities can meet the three conditions for excellence, we examined emerging practice in Knowsley Council.

We conducted a series of interviews and focus groups with officers, members, the VCSE sector and a selection of service providers. This enabled us to explore barriers and enablers and to synthesise a number of key mechanisms (tools) that other councils could potentially adopt, or adapt to fit their particular local context. Discussion was focused on supported living, day services and prevention, as this is where the council's most innovative practice is to be found.

Knowsley at a glance

Like many areas of the country, Knowsley has an ageing population and increasing numbers of people with complex care needs which will increase the demand for and cost of adult social care services.

As a result of austerity, Knowsley Council has had to make cuts in its budget of over £100m since 2010. In real terms, Knowsley has been the hardest hit local authority in the country from the Government's funding cuts. Consequently, its model of adult social care services and support must continue to adapt and evolve in order to meet local needs and deliver a modern and progressive service, within a context where funding for the sector remains uncertain³².

Despite this challenge, we found a strong intent within Knowsley to advance the service in line with our three conditions for excellence.

Taking each of the three conditions in turn, we now highlight the various tools that we identified to enable a more progressive approach commissioning activity.

4.1 As far as possible, commissioners and policy makers should be trying to minimise the presence of extractive providers in local care markets and, instead, utilise local generative alternatives who maximise social value.

Ideally, there should be a mix of provision involving the local state in conjunction with alternative models of ownership such as local charities, co-ops, CICs and community businesses etc.

³² Knowsley Council. (2020). 'Knowsley Adult Social Care: Market Position Statement 2020-2025.'

Unlike many local authorities, Knowsley has resisted the drive to outsource and still has significant amounts of inhouse provision, covering day services, respite, shared-lives, supported accommodation and reablement services.

It also has a strong intention to harness the power of local generative providers, where appropriate, to minimise wealth extraction, with a deep commitment to harness the power of the local economy to realise its aim here. As one council representative stated:

"we've got local people that need local services and ideally we want those to be delivered, if possible, by smaller more local companies, employing local people".

And, from their market position statement,

"[w]e want to ensure there is a strong, sustainable and vibrant social care market in Knowsley. We want to actively encourage new providers to enter the market, particularly small, local providers who know the area and can deliver truly personalised outcomes for people"³³.

4.1.1 Key tools

Benchmarking spend

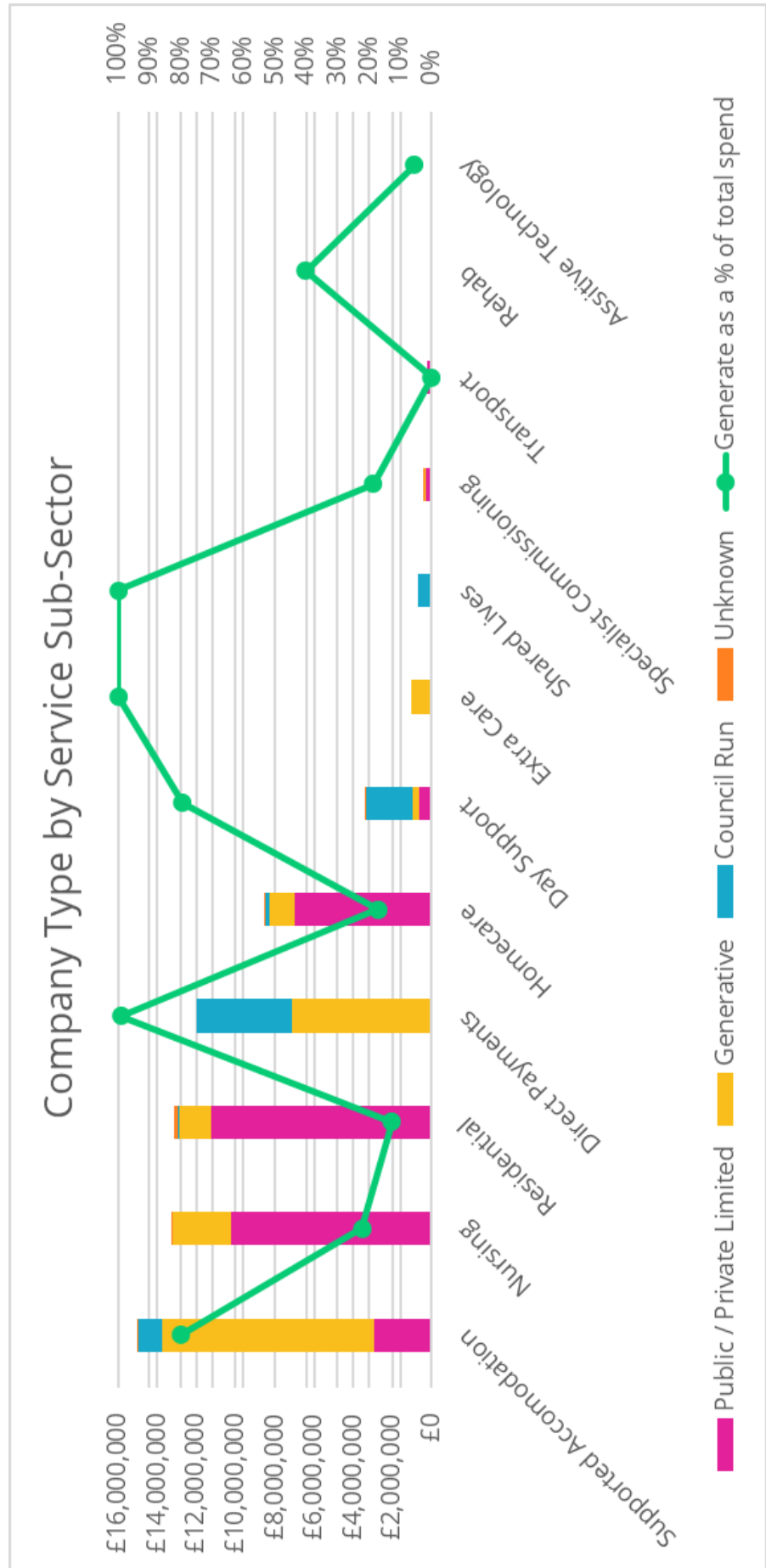
In conducting our research, we therefore sought to benchmark the extent to which the providers of adult social care in Knowsley are either extractive or generative. The process here can be summarised as follows:

- 1) By liaising with Knowsley's corporate procurement officers, we gathered details of total spending within each adult care subsector – e.g. supported living, homecare, residential etc. (This was a case of the council running-off a report from their system).
- 2) We then identified each individual supplier's legal status - as per companies house definitions which are detailed in appendix 1. (This took around 1.5 days to complete).
- 3) We then categorised spend into either public/private limited company (non-generative), council (inhouse) or generative, which included local SMEs, micro enterprises, CICs, and charities etc.
- 4) This enabled us to determine the proportion of 'generative', 'non-generative' and 'in-house' provision for each service subsector, highlighted in figure 2 below.

³³ Ibid.

Conducting a benchmarking exercise is a powerful tool that can enable local authorities to determine where there are concentrations of extractive providers in their local markets.

Figure 2. Company type by service sub-sector



With respect to the benchmarking exercise conducted here, and notwithstanding spend within nursing and residential, figure 2 above highlights how Knowsley is to some degree bucking the outsourcing trend within adult social care and is also on a pathway towards a presumption in favour of more generative providers.

For example;

- There is still a significant proportion of in-house delivery within the council's day support and shared lives services, with some in-house provision within homecare, supported accommodation and residential;
- There are significant amounts of generative providers within supported accommodation, extra care services and within the spending of direct payments;
- The highest concentrations of extractive providers are within nursing, residential and homecare services.

Within the supported living sub-sector, however, there is more nuanced story to tell. Whilst outsourcing here is mainly with generative providers, these providers currently involve a number of larger national charities who are not as locally generative as other kinds of smaller providers would be. Indeed, the council's spending data tell us that out of the £10.8m spent within this sub-sector, the majority (£8.1m) is spent with charitable providers that have a national footprint.

In sub sectors such as its supported living service, and in line with its ambition to encourage more "small and local providers to enter the market"³⁴, the council's intention is to alter the market which is dominated by a number of these national charities.

The use of DPs to stimulate the micro provider market

In terms of a **solution**, with respect to the council's supported living service, **insourcing was discussed** but it is perceived by the council to be **not the most appropriate guarantee of providing more service user choice and control**. Indeed, the council believes that helping individuals to progress and integrate into their local communities requires a specialised form of support that is better delivered by the local community as opposed to an inhouse council service.

As a result, **the council wants to move away from its current block contracts** that enables the larger national charities to dominate supported living **and make greater use of DPs to stimulate the micro provider market**. The belief is that this will engage a greater number of small micro providers who can offer more bespoke person-centred care.

"For the supported living we have got, we'd really like to see local people being employed by maybe smaller local companies and being paid a fair wage for

³⁴ Ibid.

what they're doing. Through direct payments potentially and personal budgets, we've got a route through which to go down".

An added benefit of this approach is that smaller companies and micro providers (often sole traders) have fewer overheads enabling people to be paid a higher wage. As one council representative commented, by shaping the local market in this way, existing staff who work for bigger providers might think:

"[i]f there's an alternative way of me doing what I already do but actually I get paid directly and then I'll get paid at the right rate".

Related to the use of DPs, the council is exploring how it can **make more use of personal assistants** (PAs), in supported living, to give service users a more flexible and bespoke package of support. PAs can help with a wide range of tasks including accessing services in the community, parenting roles, as well as work training and educational activities. As such they offer the potential for service users to develop and flourish in ways that the traditional model does not.

Specifications and local spend policies

In addition to the use of more DPs, there is a continuing need within Knowsley – as with all councils – to utilise the traditional commissioning process to develop and purchase new models of care. Our deep dive identified some key learning, particularly in relation to how the **design of a specification** in conjunction with a **local spend policy** can be used to enable more locally generative providers to enter the market and maximise social value, where appropriate.

For example, Knowsley have recently commissioned a community navigation service to help service users access support that is located within the community. Following a tender exercise, the contract was awarded to Innovate Volunteering, a local CIC. Innovate Volunteering help people discover and become more involved with local people, opportunities, activities and services. They offer a flexible approach, depending on how much individual support is required.

Key to enabling this outcome - where a provider like Innovate Volunteering was able to win the tender - relates to the way in which the specification was designed. Within the specification document, for example, the council stated that the service should be *located firmly within the community, fostering community connections and relations for the benefit of the community residents*. They also specified that the community navigators should be *a recognised and valued resource in the community*. Consequently, by making these kinds of stipulations, this favoured more locally generative providers in the tender process.

Another **key tool** here, is the council's use of **local spend policies** whereby for any spend classified as low value (under 5k) or intermediate value (up to £181k) it has a policy of awarding contracts to local providers. Given that the value of this contract fell within this envelope, it enabled the council to prioritise a local provider.

Furthermore, both the **design of the specification** and the council's **local spend** policy are seen as **more effective** ways of generating social value **compared to the use of social value frameworks**. Indeed, a number of council representatives were sceptical about the use of such frameworks within social care. As one representative explained:

"I think you need to be a little bit mindful about [social value frameworks]. Some of the bids I've seen from the larger providers have scored higher on social value than small local firms".

The reason for this as another representative explained, stems from the fact that,

"the larger providers have people who sit at desks all day churning out bids who lob in a social value commitment just to tick a box and get them in".

In short then, social value frameworks are perceived to be something of a "tick-in-the-box" exercise, as one council representative explained. "I think the whole social value thing feels a bit lip-servicey", remarked another.

Certainly, this perception of social value frameworks tallies with our understanding at CLES and the practical application of social value we have observed. In response to the Social Value Act 2012, our view is that a significant 'industry' has now emerged around social value, with various commercial offerings as to how it is measured and accounted for. As such the real opportunity to embed social value occurs before the tender process and should be considered at service design stage, as illustrated above with respect to the community navigation service.

Training for commissioners

Finally, despite the success around the continued use of traditional commissioning methods, **a potential challenge** highlighted by Knowsley **relates to the skills and experience of the commissioning team**. In short, it was pointed out that there is no professional accreditation associated with commissioning and it can be a challenge in terms of recruiting and training the right people to become commissioners. Consequently, the importance of **training** was mentioned as **a key enabler**, particularly when it comes to shaping the market in the manner advocated here.

Whilst Knowsley has a strong focus on training, councils could benefit from the example of the Greater Manchester Local Commissioning Academy who's core purpose is to build the capabilities and confidence of public service managers working in commissioning roles³⁵. **Groups of local authorities and/or city regions could look to establish similar models to facilitate excellence in adult social care commissioning with a strong focus on a community wealth building approach.**

³⁵ <https://nwemployers.org.uk/wp-content/uploads/2016/04/GMCA-Day-4-Chort-2-main-pdf.pdf>

4.1.2 Summary of key tools

- **Benchmarking local spend** – local authorities should seek to benchmark the extent to which providers are either extractive or locally generative. This can be achieved by analysing spend in conjunction with providers’ legal structures.
- **Greater use of direct payments** – this will enable local authorities to move away from provision by large providers, who are often extractive by nature, and make more use of micro providers such as personal assistants, for example.
- **The use of targeted specifications** – if designed in the right way, specifications can enable more local generative providers to enter the market and maximise social value.
- **Local spend policies** – these can be used to prioritise local providers for spend below £181k.
- **Training for commissioners** – a potential challenge to shaping markets relates to the skills any capacity of the commissioning team. Local commissioning academies could be established to build skills and capacity.

4.2 Services should be transformed to facilitate innovation and meet service user needs. This may call for some shift towards community delivery (local charities, co-ops, CICs and community businesses etc).

However, decisions should be guided by the need for choice and control for service users and not the need to make cost savings.

As part of their objectives for service transformation in Knowsley, the council wants to provide people with high quality information, enabling them to find their own support solutions within their communities. As noted above, they also want to ensure that people are able to exercise choice and control in how support is organised and provided.

The challenge here for any local authority is to offer continuously improving and innovative services in the context of the last nine years of severe budget cuts.

Reflecting on the wider state of the sector within social care, as one council representative pointed out, “[national policy] has pushed us towards third sector outsourcing” with austerity creating “a gap that we can’t meet, so they [the community] are doing it for themselves”. The temptation here therefore may be for councils to push more of their services out into the community under the guise that this is the best option for service users.

This is a dangerous pathway, however. Devolving power and democratising the economy are crucial, but devolving the remnants of a broken social safety net – dressed up in the language of community empowerment – is not a serious solution,

echoing the failed Big Society project advanced by the 2010-2015 Coalition Government. To reiterate, we should not have outsourcing of already debilitated public services to impoverished communities, on basis of cost.

In Knowsley, however, we uncovered some **key learning** around the way in which the **strategic management of day service provision** is being used to **facilitate innovation**, and **meet service user's needs**, whilst avoiding the divestment of services.

4.2.1 Key tools

Shifting inhouse resource to focus on complex needs

Within their day services, the council's intention is to identify those service users who could perhaps progress and move out of a day service setting, to have their support delivered in a different way. They could instead be helped to find volunteering opportunities or employment, for example. By reprofiling the service, the council will be able to focus less day service support on these individuals and shift resources into care for those who's needs are the most complex. For these users in particular, the result will be more care per user as the council is not looking to make any staff redundant or to close any existing centres, but to redirect this resource towards those with the most complex needs.

Knowsley have already identified 48 individuals with less complex needs who have said that they want their support delivered in a different way. As with their supported living service, the council believes that specialised support from within the community is more appropriate than local state provision here and wants to encourage more small, micro and VCSE providers to deliver support through the use of DPs. As one representative explained,

"[t]he clients we are looking to move out of the day care are the target group for the more micro and VCSE sector services. That's where we really want to grow the market".

Social growth teams and micro funds

With respect to the council's ambitions, a **key enabler** here is its **social growth team** that works with the local 3rd sector infrastructure body – One Knowsley - to support local community groups, charities and CICs to play a role in service delivery, helping to formally constitute them and offer training where required. The team has also undertaken a **mapping exercise**, facilitated by a dedicated 12 month fixed-term post, to look at the assets that the council has available to enable the delivery of things like an alternative to traditional day services for those with less complex needs.

As one representative explained, the social growth team takes a **bottom-up approach** where it says to the community, "come to us with your ideas, with what you are trying to achieve". To help bring ideas into fruition, the council has a **micro fund** offering grants of up to £500 to support the development of new ideas and get small organisations off the ground. **Crucially, such funds could be deployed**

in a targeted way to address any gaps in alternative locally generative service provision.

Nevertheless, Knowsley mentioned **two key challenges** here:

- 1) **Raising awareness** of the alternatives to traditional day centre support **amongst social workers to help them to think and act differently**; and,
- 2) **Managing the transition amongst service users and their families.**

With respect to the first challenge, social workers are of course used to referring an individual with a learning disability to a traditional day service, for example. However, if the intention is to utilise day centre support for only those individuals with the most complex needs then this requires social workers to have a knowledge of what the new alternatives are for persons with less complex needs.

This is particularly challenging given the fact that social workers have big case loads and don't necessarily have time to start exploring what the alternatives to traditional services might be. As one council representative explained, when reviewing service user's current service provision, the tendency is for social workers to ask, "are you ok, is it safe?", as opposed to "you've been here for a year, you want to be more independent, how can we enable you to do this?". Despite having the permission to seek more innovative alternatives, a lack of "time, training and risk averseness" were all cited as a reason as to why this is not always happening on the ground.

In order **to enable more innovation here**, the council believe that **a new city region purchasing platform** that is currently being established **will help social workers to think and act differently**. The platform will in effect provide a one-stop-shop offering a menu of alternative service options for individuals that social workers will be able to purchase through a direct award function. Small, local micro providers that are currently known to the council, or who emerge as part of the mapping exercise described above, will be encouraged to join the platform so that they can start supplying their services.

In terms of the second challenge, despite having a clear plan for service transition in terms of day centre provision, and despite the fact that a number of services users have expressed an interest in receiving support in a different way, any kind of change is always difficult to manage.

It was noted, for example, that some people who use day centres have been going there for 30 years and that this is where their social network is. As one council representative explained, when you actually have to tell service users and their families that the service they are currently receiving is going to change, that's when objections arise. This is when people will say, "we haven't agreed to this, we want the traditional day model".

In short then, as another representative explained, "we've got to promote these new models and make people feel like they are safe and that's a huge piece of

work...". The council is currently exploring two solutions that will provide support to this group in particular.

First, it has commissioned a local group called ACT (A Chance To) to help people make the transition from the traditional day centre setting. As a council representative explained "their sole function if you like is not to be another day service provision, it's to be that bridge", taking a person-centred approach and mentoring individuals to integrate into the community.

In order to address the social aspect that traditional day services hitherto provide, ACT will help get groups of service user together in a local café, for example. It will then provide them with an activity, thereby providing the social function that is currently the main benefit of the traditional day service for some people.

Second, the council is in the process of establishing a progression and employment hub under the auspices of its early intervention and prevention workstream. The intention here will be to help individuals gain skills and find employment opportunities out in the local community.

4.2.2 Summary of key tools

- **Shifting resource to focus on complex needs** – rather than divesting from inhouse provision in areas such as day services, resource should be focused on those who's needs are the most complex. Support for those with less complex needs can then be delivered via direct payments, again making use of local generative providers.
- **The use of social growth teams to map alternative provision** – community assets should be mapped to determine what kind of local generative alternatives to traditional services are available for those with less complex needs.
- **Micro funding streams** – these should be deployed to support the development of new local micro providers, particularly in relation to any gaps highlighted by the mapping exercise.
- **Purchasing platforms** – social workers in particular need to know and trust the alternatives to areas such as traditional day services. Local authorities could consider establishing a purchasing platform which offers a menu of alternative, locally generative, service provision that social workers could purchase via a direct award function.
- **Managing the transition amongst service users and their families** – traditional day centres are the only kind of service provision that some users have ever known. To manage their transition towards support that is delivered out in the community, mentoring or bridging services should be considered as well as the establishment of specialised progression and employment hubs.

4.3 Meaningful co-production

Putting communities and people first and providing them with opportunity dignity and well-being means that they should be involved in planning and designing services from the outset. As such professionals and citizens should share power to design, plan, assess and deliver services together.

In its market position statement, Knowsley makes a clear commitment to the co-production of services and support, stating its ambition to plan and design new service models in partnership with local residents through established links with local communities.

Co-production is something that the council feels it is “getting better at” as one council representative explained. It sees itself as “very user focused”, making productive use of user forums to tease out service user input into the design and delivery of services. However, the feedback from some member of the VCSE sector is that co-production is perhaps not yet as comprehensive as it could be, and that some services are being redesigned or modified without sufficient user consultation.

Part of the challenge here is that there is not one definition of co-production that everyone agrees on because the approach is still developing and changing. The consensus from the literature seems to be that co-production is not just word, or a concept. It is, “a meeting of minds, coming together to find shared solutions”³⁶. From a practical point of view, co-production “means that people are truly involved in planning and designing services from the very beginning”³⁷. In other words it involves people being consulted, included and working together from the start to the end of any project that affects them.

An excellent example of this approach is the Greater Manchester Learning Disability Strategy³⁸, written by people with a learning disability in conjunction with the Greater Manchester Health and Social Care Partnership (GMHSCP). In this instance representatives from GMHSCP and Greater Manchester localities worked with Pathways Associates - a local CIC run by self-advocates - to support the process of developing the strategy. After hosting a series of events and discussions between officers, service users and their families, a concise accessible document was produced, reflecting what self-advocates felt should be the strategy for Greater Manchester. Furthermore, in order to drive implementation, and to continue the commitment to co-production, the strategy was presented by self-advocates at GMHSCP Board.

³⁶ https://www.thinklocalactpersonal.org.uk/Browse/Co-production/National_Co-production_Advisory_Group/.

³⁷ <https://www.thinklocalactpersonal.org.uk/co-production-in-commissioning-tool/co-production/In-more-detail/what-is-co-production/>.

³⁸ Heppolette, W. (2018). ‘Greater Manchester Health and Care Board.’ <http://www.gmhsc.org.uk/wp-content/uploads/2018/07/Learning-Disability-strategy-13.07.18.pdf>.

Working in this way is not easy, however, and as Knowsley recognise, part of the challenge here is that true co-production, “requires a culture change in staff”. As such, the sense is that mobilising the kind of knowledge and experience required to enact this change goes beyond simply offering staff a series of training sessions. Consequently, during a steering group with Knowsley Council representatives, the use of **communities of practice as a behaviour change enabler** was positively discussed.

4.3.1 Key tools

Communities of practice (CoPs)

There is an emerging consensus that that conventional linear models of knowledge transfer - where new knowledge or evidence is pushed from one set of users to another in the form of best practice guides or basic training exercises – does not successfully enable the spread of new or emerging practice³⁹. In short, the inner workings, implicit rules, cultures, and realities that dominate the day to day lives of people working in particular organisations can often make it difficult to implement new ways of doing things. New information, particularly that which is codified – in other words arranged in a particular and apparently logical order - needs to be digested by practitioners and made sense of in the context in which it is to be used⁴⁰.

In order to address this disconnect, Communities of Practice (CoPs) are promoted as a tool to enable knowledge to cross the boundary between different users. CoPs are ‘groups of people who share a concern, a set of problems, or a passion about a topic, and who deepen their knowledge and expertise in this area by interacting on an on-going basis’⁴¹. The idea therefore is that meaning and context can be attributed to codified information by discussion with colleagues and mentors or by observing how others apply knowledge and then trying it for themselves. It is argued that CoPs help to nurture and harness knowledge, particularly the facilitation and exchange of tacit knowledge – namely the kind of knowledge that it is difficult to transfer to another person by means of writing it down. CoPs have been found to drive innovation and to help individuals and organisations improve practice and performance. They can range in size and location, they can be homogeneous or heterogeneous, spontaneous or intentional, unrecognised or institutionalised⁴². They are being used in increasing numbers in the health care field with a view to facilitating knowledge transfer⁴³.

³⁹ Lomas, J. (2007). ‘The in-between world of knowledge brokering.’ *BMJ*. 334(7585).

⁴⁰ Li, LC et al. (2009). ‘Evolution of Wenger’s concept of community of practice.’ *Implement Sci*. 1(4).

⁴¹ Wenger, E et al. (2002). *Cultivating communities of practice: a guide to managing knowledge*. Boston: Harvard Business School Press.

⁴² Kislov, R, Harvey, G, and Walshe K. (2011). ‘Collaborations for Leadership in Applied Health Research and Care: lessons from the theory of communities of practice.’ *Implement Sci*. 2011 6(1).

⁴³ Li, LC et al. (2009). ‘Use of communities of practice in business and health care sectors: a systematic review.’ *Implement Sci*. 4(27).

Harnessing their potential for use within adult social care could therefore be a fruitful exercise, particularly when it comes to sharing and embedding practice around co-production. **It could therefore be a mechanism that Liverpool City Region or, more broadly, ADASS north west look to establish.**

4.3.2 Summary of key tools

- **Establish a community of practice** – meaningful co-production will often require deep culture change within an organisation. Evidence suggests that communities of practice are a vital tool to drive innovation, helping individuals and organisations to improve practice and performance.

4.4 Summary

Having analysed emerging practice within Knowsley, we now have a series of tools and solutions that councils could begin to adopt, or adapt, with a view to meeting the three condition for excellence. In our final section, we now consider how these mechanisms could be applied more broadly within adult social care commissioning.

5. Broader application

The above analysis suggests an approach to adult social care commissioning that should enable senior managers and local politicians to more purposefully navigate the contemporary policy context in adult social care, in conjunction with the wider challenges around commercialisation and austerity.

The novelty of this report stems from the application of a community wealth building lens to the issue of adult social care commissioning. It therefore provides a framework to help rid local care markets of extractive providers, whilst meeting service users needs, avoiding cost-driven outsourcing and promoting meaningful co-production. Although the tools outlined above are derived from an analysis of one particular local authority's approach, they should be adaptable elsewhere and will hopefully provide food for thought in terms of developing additional strategies for a more progressive approach to adult social care commissioning.

Furthermore, we now offer some tentative suggestions as to how the above approach could be deployed more broadly within adult social care.

5.1 A broader application

We recognise that the analysis of practice in Knowsley was focused on supported living, day services and prevention. How then could it be applied more broadly within adult social care, particularly in relation to **homecare** as well as **nursing** and **residential services**?

5.1.2 Homecare

Our analysis of the policy context in section 2 highlighted the problem of extractive providers and market fragility within nursing and residential care. In addition, there are similar problems to be found in homecare. A survey of directors of adult social services in 2017 found that 39 per cent had experienced home care providers ceasing to trade in the previous six months and 37 per cent had experienced contracts being handed back⁴⁴. Moreover, recruitment and rates of pay remain an ongoing challenge and many commissioners are said to be frustrated by commissioning on a 'time and task' basis⁴⁵.

Our example from Tameside, in section 2, highlighted the beginnings of a more progressive approach, particularly in its efforts to move away from time and task. However, there would also appear to be scope here to make **greater use of DPs to stimulate the micro provider market**, as Knowsley are doing in relation to shaping their supported living service. Indeed, a review of wider practice reveals

⁴⁴ <https://www.adass.org.uk/adass-budget-survey-2017>.

⁴⁵ Ibid.

that there are currently 32 community micro enterprises in rural Somerset delivering homecare services, funded via DPs⁴⁶. With a view to enabling further market shaping here, the learning around Knowsley's use of its **social growth team to map resources** and its **micro fund to stimulate innovation** could also be applied.

Where homecare needs are more complex, and are less about linking into the community, the question arises as to whether **councils should also consider insourcing as an option**. Given the fragmented nature of the homecare market, however, some commentators have expressed doubts as to whether this would be feasible⁴⁷. Rather than traditional insourcing, the establishment of a **municipal home care company** could however be considered. Groups of care workers could also be encouraged to form **cooperatives**.

5.1.2 Nursing and residential

Within nursing and residential care, however, **the challenge is more acute**. Given the nature of the service – involving older people (often with complex needs) being supported in a dedicated facility – most of the tools identified in this report will not necessarily be applicable in terms of being able to impact local markets.

The solution here though could again be **insourcing**, although cost, would be the obvious barrier. In its recent analysis of insourcing and outsourcing trends, the Institute for Government notes that whilst private care home provision may not provide better value for value for money, it does tend to be cheaper⁴⁸. Add to this the potential capital costs involved in acquiring the care home facility, coupled to the current state of local government finance, and insourcing may not be currently feasible. Nevertheless, the feedback from Knowsley was that there are discussions going on within Liverpool City Region regarding the feasibility of bringing some elements of nursing and residential care back under the provision of the local state. Halton Borough Council, for example, have recently taken over the running of two care homes⁴⁹.

5.2 Conclusion

In services such as adult social care, we should also be building a resurgence of a public service movement based on new forms of democratic and citizen involvement - a resurgence based on an augmentation to that which is delivered directly by the public sector. It is right then that commissioners – as highlighted in the Knowsley deep dive - should seek to involve the many organisations and individuals who, whilst not directly part of local government, are equally passionate

⁴⁶ <https://communitycatalysts.co.uk/wp-content/uploads/2019/09/v2-Community-care-and-health-enterprises-working-at-scale-Feb-2017.pdf>.

⁴⁷ Hudson, B. (2018). How can we turn adult social care around?

<https://socialcarefuture.blog/2018/03/15/how-can-we-turn-adult-social-care-around/>.

⁴⁸ Sasse, T et al. (2019). Government outsourcing: what has worked and what needs reform?

<https://www.instituteforgovernment.org.uk/publications/government-outsourcing-reform>.

⁴⁹ Marles, L. (2019). 'Halton council takes over running of two care homes to "secure their future"'

<https://www.runcornandwidnesworld.co.uk/news/17733701.halton-council-takes-over-running-of-two-care-homes-to-secure-their-future/>.

about public values and offer a unique contribution to the delivery of public services.

Achieving this balance in the current climate is challenging however as the report has made clear. Moreover, localities, traditions and local economies are often very different and the exact form that this balance should take will vary from place to place.

In closing, whilst it is vital to continue to lobby national government for a new funding settlement for adult social care, so too is it essential that we resist recent calls for the widescale devolution of power and control of public services out into our communities. Communities should not be handmaidens to the continued marketisation and erosion of public services. We are in an era of political contestation, and we ignore the UK's austerity addled political economy at our peril.

6. Appendices

Appendix 1: Definition of generative vs extractive

Business forms defined as generative include:

- Community Interest Company
- Industrial and Provident Society
- Registered Society
- PRI/LBG/NSC (Private, Limited by guarantee, no share capital, use of 'Limited' exemption)
- PRI/LTD BY GUAR/NSC (Private, limited by guarantee, no share capital)

Business forms defined as extractive include:

- European Public Limited-Liability Company (SE)
- Investment Company with Variable Capital (Securities)
- Investment Company with Variable Capital (Umbrella)
- Limited Liability Partnership
- Limited Partnership
- Old Public Company
- Other company type
- PRIV LTD SECT. 30 (Private limited company, section 30 of the Companies Act)
- Private Limited Company
- Private Unlimited
- Private Unlimited Company
- Public Limited Company
- Scottish Partnership



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