I&DeA
improvement and development agency

lessons from outsourcing adult social care:
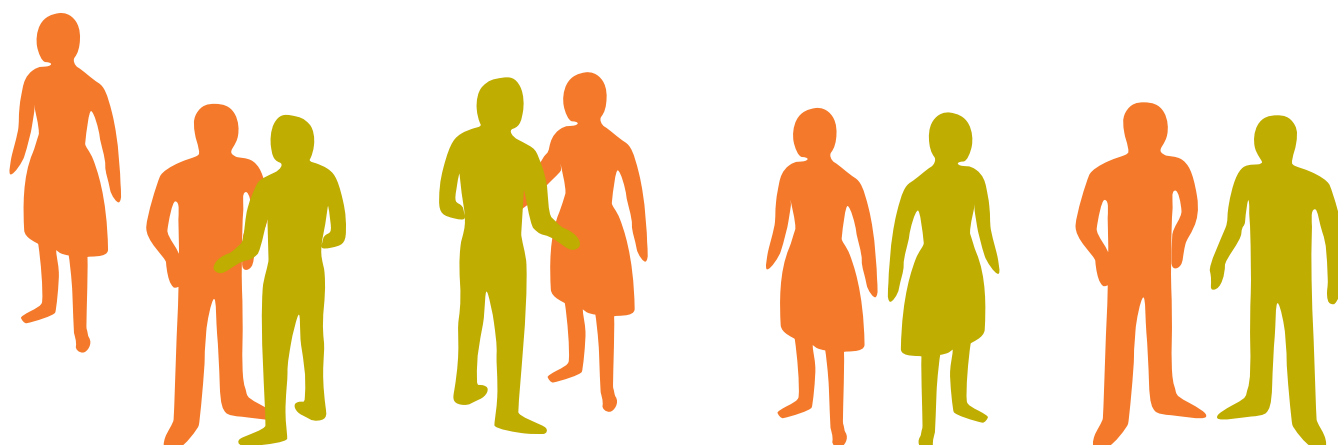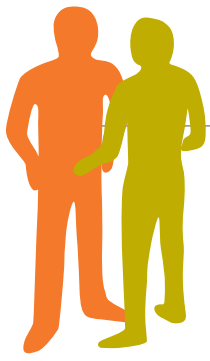# the workforce issues

SOCIAL
CARE
WORKFORCE
RESEARCH
UNIT

KING'S
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contents

executive summary

This report presents the findings of a study commissioned by the IDeA to explore how outsourcing within adult social care has affected the workforce. It examines the lessons for the rest of local government.

Over the last decade in England, local government has outsourced major parts of adult social care. Most services are now delivered by the private sector, with the remainder provided by councils or the voluntary sector.

Services are delivered by a large, diverse and dispersed workforce of around one million workers employed by over 30,000 employers from individuals and small businesses to large corporations. This is now one of the largest workforces in the UK.

Rising numbers of people using social care services are becoming employers themselves, adding to the complexity of workforce relationships. The numbers are currently small but the government would like them to grow.

The impact of these changes in adult social care has been considerable, with fiercely held views about the costs, quality, and the reality of enhanced choices. The effects on the workforce have been significant, with some concerns that the workforce challenges have been exacerbated by outsourcing.

The government is challenging the rest of local government to consider the benefits of outsourcing more of its services.

This report offers a set of 'messages' for other parts of local government on how they might manage workforce issues positively if and when they consider outsourcing. These are:

carefully manage the transfer

- focus on improving outcomes for service users and make clear links to the overall objectives of the council and the local area
- adopt a clear modernisation strategy with a strong message that staff are valuable but need to change with the service
- communicate the reasons for the transfer to those staff directly involved, other staff who work with that service and end users. This can help to prevent cynicism and the breakdown of established partnerships and teams
- involve human resources (HR) specialists within the council and the receiving organisation in the transfer process as soon as possible
- work in partnership with the receiving organisation to help it manage the change process. Manage the contract with regular meetings and an open relationship
- value experience and skills within the workforce and seek to retain them.

consider the whole financial impact

- focus on outcomes. Consider whether paying a premium for better services, staffed by skilled workers, will offer better value for money as it will deliver better outcomes
- reward innovation where possible and to encourage a positive long term impact on quality
- don't neglect budgets for training, service development and improvement. Ensure that margins are not too tight to prevent time for training and development over the life of the contract
- consider the knock on effects for other services/partners. For example, changes to social care services have had an impact on the demand for primary care in some areas.

strengthen strategic and operational partnerships

- foster a sense of shared endeavour to improve staff morale, team working, the quality of services and good outcomes for individuals
- develop a set of shared values and principles between the local authority, the provider, service users and other key stakeholders
- secure senior commitment to partnership working, including involving elected members
- develop and maintain regular forums between the local authority and outsourced providers to discuss operational issues and ongoing improvements
- involve providers in service design and process mapping to encourage commitment to partnership working. Draw on their experience and knowledge and provide good quality information so they can understand what the service is delivering and how improvements can be made
- identify resources that can be used to address problems that may arise as the outsourced service develops.
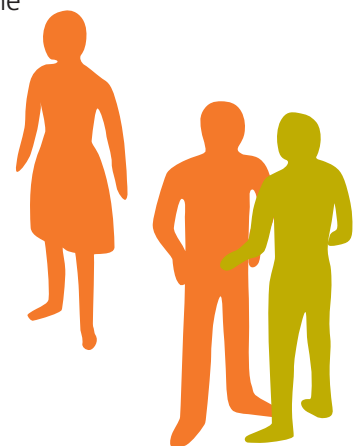
**consider the impact of commissioning on the workforce**

- avoid rigid, task-orientated commissioning and contracting which can have a negative impact on service quality and staff morale
- take a broad approach which includes an assessment of the impact on job satisfaction, team ethos, cross-organisational working and recruitment and retention
- provide development and career paths for all staff that match their aspirations and meet the longer term needs of the local community
- attract, develop and retain excellent managers and inspirational leaders in both outsourced services and in the authority.

value and invest in the whole workforce

- provide leadership. Ensure there is a designated leadership role, at director level, responsible for workforce and outsourcing issues
- forecast trends. Think about how to support providers and the workforce while changing patterns of delivery and meeting futures service needs and preferences
- provide good career paths to meet the aspirations of people entering the workforce
- consider how people are recruited. Think about innovative ways of bringing different people into the workforce and ensuring diversity.

involve service users

- involve service users in decisions about outsourcing
- value their knowledge of workforce issues and their emerging expertise as employers or trainers
- support them in navigating the complexity of provision
- involve them in monitoring performance of outsourced services
- ensure that staff fully understand their challenges and learn from the experiences of other agencies and sectors.
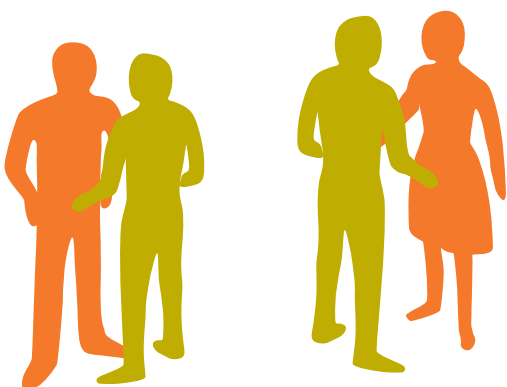
about this study

This paper reports the findings of work that was commissioned by the IDeA to:

- explore how outsourcing practices and processes within social care have had an impact on current workforce challenges;
- identify any general issues and lessons relevant to other areas of local government planning to outsource services.

A total of 19 interviews were conducted, either by telephone or face-to-face over the summer and autumn of 2007 with key stakeholders from a range of organisations and bodies. These include people working with the independent sector, local authorities, government departments and trade unions.

Further exploration and clarification of the issues were undertaken at a seminar for key individuals who have experience of outsourced services and additional comments on the report were received from members of the Directors of Adult Services Workforce Development Network. Appendix 1 lists the names and organisations of the contributors.

people's experiences

This report identifies the key isssues raised with the benefit of hindsight by those with a wide range of interests in the social care workforce.

The extent of outsourced adult social care services is now substantial. There are over 30,000 employers, covering anything from laundry services through meals on wheels to 'back office' functions. Procurement processes vary depending on the type of service being outsourced. At one end of the spectrum, adult social care helps meet the changing daily needs of people who are often in vulnerable situations. At the other end, some back office functions deal with a fixed procurement process, for example buying stationery.

In this study, most experiences and comments were based on services where the needs of the end user are variable. This was particularly in the home care sector and, to a lesser degree, care homes. This is probably because home care is a vital, face-to-face service with major budgetary implications. Other reasons may be that this service has a high public profile, and is subject to inspection and regulation that contribute to media and political attention. Home care and care homes are also the areas where there has been the greatest recognition of recruitment difficulties and quality concerns. Home care outsourcing has been particularly challenging for some councils.

issues and concerns

The findings of this work have been grouped below to provide insights into common perceptions and experiences of how processes and practices on outsourcing affect the workforce. These experiences may help to inform other areas of local government.

These shared experiences reveal that there have been, and remain, shortcomings in some councils' current approaches to outsourcing services. Yet positive developments were also highlighted. The views expressed need to be considered in the context of changing policy environments and from the perspectives of different groups.

managing the transfer from local authority provision to outsourced
Interviewees had concerns about the way some councils have managed the transfer of local authority services to outsourced provision. There was general agreement that managing the change process well was critical, if staff that are transferred to a new employer are not to become disenchanted.

Interviewees who had experience of this felt strongly that it was important not to underestimate the potential negative impact on morale. For example, one spoke about how home care staff often see themselves as part of the wider community care or primary care team, working with community nurses in particular as part of a core service. Outsourcing home care can negatively affect their morale, their perceptions of the value of their service and their contribution to community care. Staff may perceive, correctly or not, that outsourcing is being introduced to cut costs and that this will lead to a reduction in the time spent with service users and in the quality of the service. These factors are important motivators for home care staff.

People also spoke about the potential impact of outsourcing on well-established teams or systems and the need to ensure that good partnerships are maintained. Some care managers, arranging care plans for service users, also reported less ability to influence outsourced services compared to in-house services. Others felt that good contracting meant that they should have more control and influence.
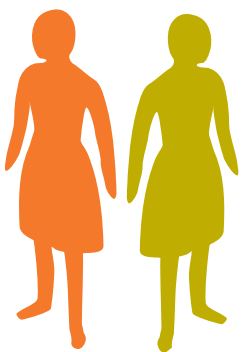
One council described how it was able to manage the transfer of a significant number of services to outsourced providers in a positive way, as part of a wider modernisation programme. The council has re-deployed over 300 staff to new providers, with no redundancies and only a small number of voluntary early retirements.

Key factors that helped them to manage the change process included:
- adopting a clear modernisation strategy with a strong message that staff are valuable but need to change with the service
- explaining the rationale for the changes to staff
- keeping a focus on improving outcomes for service users and making clear links to the overall objectives of the council and the local area
- adopting a view that the workforce has experience and training which are important to retain
- being in the fortunate position of being able to invest in some 'double running money' (paying for a new service while keeping the former one running) through a modernisation fund during the change process. In some instances, this allowed the council to develop the market where there had not been any alternative provider.

financial pressures
A number of interviewees highlighted the negative impact of local authority budget constraints on the workforce and on the quality of outsourced provision. This was a particular problem when services have been outsourced to save money rather than to make improvements through innovation.

How budget constraints affect the workforce varies and depends on how staff are managed, supported and appreciated. Numerous studies have found that, despite low wages, care staff often say that they enjoy their work and choose to work in the sector because it suits their family commitments (The King's Fund inquiry into care services for older people and research by Skills for Care 2007a).

The Skills for Care research found that staff report that independent sector providers often recognise the importance of retaining staff and as a result try hard to accommodate people's circumstances. Dissatisfaction occurs if people feel unappreciated, are poorly managed and have to put in extra unpaid time to deliver what they perceive to be an adequate service.

Some interviewees suggested that financial pressure cause or contribute to a number of key workforce issues, such as:

• Difficulties in recruiting and retaining good frontline staff. This sector is more likely to pay just around the minimum wage than any other sector and increments are small or non-existent (Low Pay Commission 2007). The private sector pays on average less than the public or voluntary sector (Skills for Care 2007a). Some people reported home care staff leaving a service to work for people receiving direct payments because salaries are higher due to lower overheads. Whether this will be a widespread problem is not clear yet but the sector faces a workforce employed on a much more casual basis. Others said that because both the public sector and the NHS offer better terms and conditions, staff were flowing from private to public services. One council said that outsourcing all home care rather than having a mix of provision reduced resentment by staff because they felt that an even playing field had been established.

• Losing staff because travel time and mileage are often not paid for home care workers. This can be upsetting and frustrating, especially when people are not always made aware of these conditions when they are recruited. Interviewees reported staff leaving, and low morale due to a feeling of low parity with other professionals. In some areas this issue is being addressed by 'zoning' contracts so that staff travel is kept to a minimum although it may still be considerable.

- Insecure working conditions. Home care staff do not always have guaranteed hours, so a worker can lose a proportion of their income if a regular client goes into hospital. This may force them to look for work elsewhere, making them unavailable when their regular client comes home. So, what is a flexible system for the service can cause people to leave and disrupt continuity of care for the client.

- No time for service development or improvement. The study found examples where contracts are so tight that supervision takes place, if at all, in unpaid time and there were no funds for staff development. Interviewees wondered how outsourced services could improve and develop in line with government expectations if budgets/profit margins are so tight.

- Limited budgets for training. People were concerned about whether there is always enough money for training in the budget or elsewhere. These issues should be considered in the contracting process and training plans should be included in the specification. Providers need to be able to demonstrate that training is available to deliver a quality service over the life of the contract. Commissioners can then question the provider to check how they will deliver training and that money is available. This may have cost implications, but it is essential for quality. In practice some councils have found that some providers have genuine difficulties releasing staff for training because recruitment problems mean that cover is not available. Some areas are finding different ways to address this issue as in the example on the next page.

- Care home closures. Staff can lose jobs and residents their home if the financial margins are too tight for the business to survive.

In Buckinghamshire, Milton Keynes and Oxfordshire councils are working with Learn to Care to deliver an e-learning training programme in care homes, rather than off-site. The courses are facilitated by staff trained by Learn to Care to use materials available on CD rom and delivered to small groups of staff using laptops. Programmes include induction courses, dementia awareness and safeguarding vulnerable adults. Over 1,000 staff have been trained on at least one of the training modules. The programme is being used by both large and small organisations. More information is available at: www. logontocare.org.uk

Learn to Care also develops individual programmes to support care homes that have had problems with quality of care identified through commissioning or by the regulator (Commission for Social Care Inspection). Individual training programmes are developed to address identified problems. The work is funded by Department of Health grants.
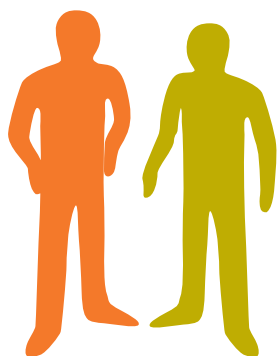
partnership working

Many interviewees raised the issue of poor relationships between councils and outsourced services and the destructive impact that these have on the workforce and on services. In such cases, there was little evidence of shared values or agreements about how the service will be delivered and what it should achieve. Concerns and suspicions about competition resulted in missed opportunities to share learning, resources and experiences. Examples were given where councils have worked hard to change the relationship to one based on collaboration and trust.

A key trigger to changing the relationship was often recognition that service improvements were essential. One council had changed its whole way of working with the independent sector because it believed that it was possible to move to a 'win win' situation which would deliver better outcomes for individuals and enhance the council's performance and inspection ratings. It did this by improving outcomes and satisfaction, reducing complaints and delivering more effective partnerships.

Despite such positive examples, some interviewees felt that there was still a lack of fairness towards outsourced providers. People spoke of a 'lack of an even playing field', and 'lip service to devolution' and said that councils expect independent providers to be better than in-house services and harder on their workforce.

Linked to this is an overarching concern about the procurement methods used by some councils. These see outsourced services

as agents delivering a task, rather than part of a team delivering a service. This can have a negative effect on the relationship between the council and provider. This rebounds on the workforce and the quality of the service. A number of key issues were identified that can have a negative impact on the relationship between authorities and providers. These are:

- A lack of common values or shared principles between the council, the provider, service users and other stakeholders. No shared endeavour to enhance staff morale, team working, quality of services and good outcomes for individuals.

- A lack of trust between the local authority and the provider leading to tensions and missed opportunities to share learning.

- Practical problems for private providers, such as difficulties accessing local authority resources that would benefit the people they support e.g. occupational therapy. This is supported by other research which has highlighted the comparative ease with which in-house home care services have been able access other local authority services (Patmore, 2005).

- Some private providers have difficulties accessing local authority training that would benefit their staff. This is sometimes because courses are not offered or they cannot release staff even when places and funding are available because recruitment problems make it impossible to find staff to provide cover.

Partnership working can find positive solutions to common problems as the example on the previous page and the one on the next page demonstrate.

In 2007/8 Birmingham City Council and its key partners in the voluntary and community sector received Beacon Status for their partnership working and collaborative service delivery. The work focussed on changing the relationship between the council and the third sector from one that focussed on simply allocating funding, to one that recognises the sector's role in planning, delivery and scrutiny of public services. A key change has been the development of a strategic partnership with the third sector using the Birmingham City Compact as a framework. Members and officers have developed a shared understanding with the third sector of a partnership of equals, with both parties working together to achieve shared objectives for Birmingham.

The change process has been supported by:

• strong member leadership and corporate governance. For example, corporate co-ordination groups have been established to ensure consistency in culture and practice across the council.

• Establishing assistant directors as formal champions within their directorates, to ensure that officers at all levels comply with the compact commitments e.g. longer term funding, full cost recovery, adequate advance warning of changes to funding and monitoring arrangements.

• Encouraging openness and transparency. For example, membership of council internal working groups has been opened up to the sector.

This example illustrates that it is possible to develop a working relationship with third sector providers and that this can lead to improved partnerships which are mutually beneficial. Further information is available at: **http://www.birmingham.gov.uk/beaconcouncil**
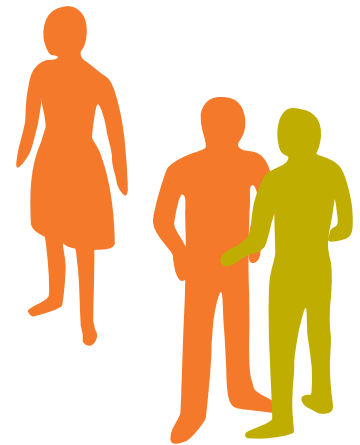
commissioning processes

Several interviewees criticised commissioning processes which focused on delivering rigid, task-orientated services rather than outcomes for individuals. These affect the quality of the service and experience for service users and job satisfaction for care workers. The Skills for Care (2007a) analysis of early returns from the NMDS (National Minimum Data Set for Social Care) shows that many home care staff enjoy their job and believe that they can make a difference to people's lives if they feel involved in how support is delivered.

Rigid, task-orientated home care can affect staff morale, particularly if staff are under pressure to complete their work within a tight timetable. Research elsewhere has shown that if services are commissioned in this way, some home care staff will still try to meet individual needs in a flexible way. This usually involves using spare time to provide extra support on a small scale or covertly (Patmore, 2005). Concerns were raised during this study (and repeat others' findings) that if home care staff are not encouraged to provide what they see as quality care, they will leave (Patmore, 2006). Losing experienced, good quality staff when recruitment is difficult presents serious problems for some outsourced services.

Interviewees were also concerned that some local authority purchasers do not delegate power and decision making to providers. For example, many providers have a limited role in re-assessment, although others spoke of their involvement with care managers in this process.

workforce planning and development

Concerns were voiced about a lack of strategic workforce planning by many councils. Interviewees felt it was still commonplace for workforce planning and development strategies to ignore the needs and contributions of outsourced providers. People spoke of the need to see outsourced services and the people who work for them as 'an extension of the local authority'. A number of issues were raised about workforce planning and development:

• The lack of career paths for some people working in outsourced services. This was not felt to be an issue for staff who were satisfied with their position and had entered social care late in their working lives. However the lack of a career path for others was a serious problem which led to people being lost to the service.

• The need to recruit, support and develop managers. The service needs inspirational leaders both in outsourced services and in local authorities who have the skills to transform and improve services and to support and develop the workforce.

• Forecasting future needs. It is important to support outsourced services to develop a workforce that delivers support to match people's aspirations and expectations, in line with changes in government policy.

• The need to ensure a sustainable workforce. It is important that providers are able to access a workforce in order to enter the market or expand. If not, the gains will be short term and the workforce will need to be rebuilt at a later date.

• Making workforce issues a priority.

Directors of Adult Social Services' new role in leading strategic workforce planning was welcomed but concerns were raised about the danger of the priority slipping as busy and conflicting agendas pull Directors away from this significant task (ADASS, 2007).

- The need to address these issues on an inter-agency basis. This was highlighted in the context of shifting boundaries and responsibilities, and because staff are often recruited from the same pool of labour (ADASS, 2007). The implications of commissioning strategies on the workforce will vary from council to council. Strong and vibrant local economies present different challenges to areas of high unemployment and ill health.

ability to achieve government policy

Interviewees raised a number of questions about the ability of outsourced services to keep abreast of policy changes. There were doubts about the ability of some parts of the independent sector to develop services in line with government policy that is now focussed on flexible, person-centred support (HM Government 2007). There was also a perceived lack of understanding and preparation by many independent providers, particularly the smaller ones, about the potential impact of Personal Budgets on their business. People detected an anxiety among some providers and staff about these developments and limited understanding of how these might affect them. Other providers and staff could see opportunities but had concerns about what the changes might mean to them.

Interviewees also spoke about the wider role of authorities in the achievement of their other policy objectives. For example, tensions were highlighted about authorities' role in generating 'community capacity'. Should they contract with the larger, perhaps more efficient providers, or generate capacity by contracting with smaller local providers?

Local authorities are also responsible for developing the local community and investing in its citizens. There were examples where migrant workers had been recruited into social care and this development had destabilised the current workforce by reducing opportunities for staff on basic grades to move into higher grades. Other staff found it difficult to make the case that their experience, commitment and skills merited higher pay when a pool of new labour was willing to work for lower wages.
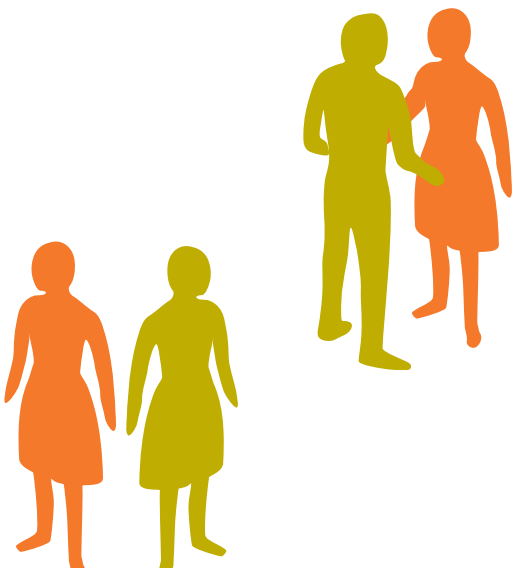
regulation and monitoring

Increased regulation was seen as an important part of the checks and balances of outsourcing, and some people noted that the costs were not always included in calculations of savings or resource distribution. Regulation of the workforce was described as increasing rapidly, with employers themselves undertaking many regulatory activities around staff. The impact of these could be heavy for small providers who did not have human resource specialists.

Self-assessment requirements from regulators were seen as increased work. The regulatory burden was therefore not always lifted, but sometimes redistributed. The impact of outsourced services outsourcing parts of their own work, for example in personnel, was not yet known in social care. However it appeared to be a trend in industry, where such services could be provided by larger corporations on a global basis. Regulation of international corporations providing social care among a range of other services was not an area where social care leaders had much experience so far. The impact of multinational employers on the social care workforce remains to be explored.

Concerns were voiced about the effectiveness of monitoring systems. For example, staff working in outsourced services should be able to provide evidence of their Continuing Professional Development (CPD). This is usually specified in the contract but monitoring mechanisms were not felt to be sufficiently robust to check this. Other concerns were also raised about the monitoring of TUPE (Transfer of Undertakings of Employment) and the Two Tier Workforce Code.

robustness of systems to protect vulnerable people

An important part of the system to protect vulnerable adults is the checking of criminal records done by the Criminal Records Bureau (CRB checks). Doubts were raised about the reliability of these checks for migrant workers who have recently entered the UK and are recruited into outsourced services. Some independent providers work hard to ensure that CRB-equivalent checks are reliable by working with the police in the country of origin. However it was reported that some providers only check UK criminal records rather than the country of origin. These are not necessarily issues connected to outsourcing. Yet they were raised in a context of uncertainly about the ways in which workforce issues seem to have slipped away from local authority control. They do have an impact on local authority responsibilities in other areas, such as adult protection or safeguarding.

support and involve users

Many issues were raised about people using services. For example. many interviewees felt that it would be beneficial to enable some staff to understand better the experiences and challenges faced by service users. People felt that there should be more opportunity to involve service users in training programmes and that such training programmes should be consistently promoted by the independent sector.

People also spoke about the complexity of the social care market for service users and their carers and whether providers should make further investment in roles to support consumer choice and power. It was not clear what the role of outsourced services would be here. For example, where would they fit in where service users make use of the advice and management support of 'brokers'? Can outsourced providers truly be impartial here? Locating such services outside the local authority looks likely and the workforce implications of this new type of worker need to be considered.

Concerns were also raised about the lack of routine involvement of service users in monitoring performance. People spoke of service users and carers as potentially strong partners in quality monitoring. It is important that they, like frontline staff, understand why changes are being made and have a clearly defined role in monitoring performance. One small-scale development was described where home care brokers are employed to check performance with service users and then feed back the results to the workforce and commissioners. There did not seem to be an even pattern of such developments and little shared learning.

agency staff
Within social care, it was reported to be common practice for outsourced providers to make heavy use of agency or temporary staff. People had a number of concerns about:

- how quality is maintained when the service is further outsourced
- whether it was harder to ensure policy implementation e.g. continuity of care and dignity
- whether agencies are fulfilling their human resource role, for example, CRB checks and the supervision of staff and monitoring of continuing professional development.

Some people highlighted the positive impact that agency staff can have on the service, particularly if existing staff are entrenched in their practice. Examples were given where agency staff have helped to challenge blanket policies which have become embedded in some authorities. However, the concerns about temporary staff and high turnover were major, and outsourcing was seen to have increased the use of temporary and agency staff. This needs to be addressed in contracts. The pre-qualification process can be used to ask questions about capacity and the use of agency staff, so that an authority can decide whether a provider is good enough to do business with.

protecting terms and conditions

A number of interviewees spoke about the challenges of protecting the terms and conditions of employees working for outsourced services. Concerns were voiced that outsourcing services could threaten efforts to address unequal pay issues around gender.

TUPE is designed to protect the terms and conditions of employees when a business is transferred to a new employer and the Two Tier Workforce Code was developed to ensure that new recruits to public services that have been outsourced receive comparable treatment to staff that were transferred from the local authority.

Concerns raised included:

- Monitoring of TUPE and the Two Tier Workforce Code can be patchy. Breaches are not always identified or remedies enforced, resulting in staff protection being lost.
- Breaches of the Two Tier Workforce Code can result in staff working under different terms and conditions in the same team or offices. This can have a serious negative impact on the workforce as it leads to division and conflict.
- TUPE terms may be agreed when the service is initially outsourced but some providers find it difficult to manage financially under the terms negotiated and later alter the terms and conditions for staff.
- Local authorities may manage the outsourcing process by offering staff voluntary redundancy, so avoiding TUPE. Experienced staff can be lost to the service. This has been a particular problem in home care services.

Serious concerns were raised by some about the impact of these issues on morale, recruitment and retention.

messages from adult social care for other parts of local government

In this section, we identify the messages for other parts of local government considering outsourcing, to share the workforce lessons from adult social care. A prominent theme is the need to consider the impact that commissioning and contracting have on job satisfaction, morale, recruitment and retention.

managing the transfer from local authority provision to outsourced

Key issues for other parts of local government to consider about the initial transfer were:

- Involve human resources (HR) in the transfer process from the start.
- Work with the receiving organisation to help it manage the change process. This should be a contractual obligation along with good HR management.
- Communicate the reasons for the transfer. There should be good communication with those staff directly involved, other staff who work with that service and end users. This can help to prevent cynicism and the breakdown of established partnerships and teams.
- Work in partnership. Contract management which involves regular meetings and a more open relationship means that emerging issues can be addressed in partnership.
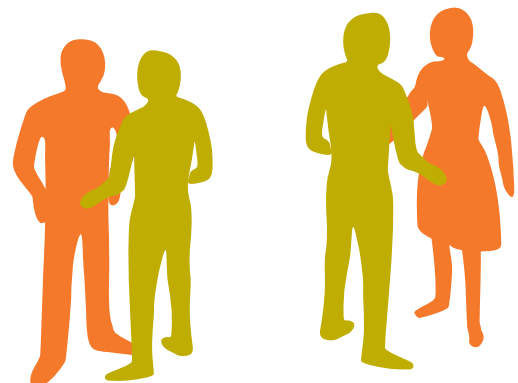
financial pressures

A number of interviewees felt strongly that outsourced services would not improve unless pay issues are addressed and resolved. Fundamental issues for other parts of local government to consider about financial pressures were:

- Consider the implications of driving down costs. Ensure that margins are not too tight to prevent time for workforce development and service improvement. Think about including training plans in the specification. Test whether providers can demonstrate that training resources are available to deliver a quality service or product over the life of the contract. Consider how to deal with complaints if this doesn't happen. Think about the implications for other services/partners - for example, will reducing social care drive up demand for health services? Think about how these issues can be properly considered in the contracting process.

- Focus on outcomes. Consider whether paying a premium for better services, staffed by skilled workers, will deliver better outcomes.
- Extra resources. Look at whether it is possible to invest in some 'double running' money, funding innovation and existing services, to help manage the change process and support market development.
- Reward innovation. Consider whether rewarding innovation is possible and assess the long term impact on quality.
- Look at incentives. Think about whether contracts might include incentives. For example, in adult social care, offering home care providers incentives to support people at home longer and explaining the reasons why to the workforce.

develop partnerships

Some interviewees felt uncomfortable about developing partnerships with outsourced service providers because previous experience of poor provision had involved serious neglect or abuse. Their concerns at the time did not appear to have been fully addressed. However, despite such experiences, most felt that such negative experiences should not influence all future relationships. People spoke of the importance of both strategic and operational partnerships.

Key issues for other parts of local government to consider about developing partnerships were:

- Foster a sense of shared endeavour. This is important for staff morale, team working, the quality of services and good outcomes for individuals. Think about the benefits of the authority developing relationships with a small number of providers.

- Develop a set of shared values and principles. These need to be set between the local authority, the provider, service users and other key stakeholders.

- Secure senior commitment to partnerships. For example, one authority hosted an event for local providers, which was attended by the Director in recognition of the good work undertaken locally. It is also important to draw attention to such work with elected members.

- Involve providers in service design and process mapping. This encourages commitment and also draws on the experience and knowledge of private providers, in particular about operational detail. Share good quality information on costs, needs, volume with commissioners and providers so that they can understand better what the service is delivering and how improvements can be made. The South East Improvement & Efficiency Partnership reports cost savings and better outcomes for individuals as a result of this approach.

- Consider the implications for the workforce. These will vary depending on the type of service being outsourced. Each area of procurement will benefit from a strategic workforce assessment, which includes the impact on the overall economy, different services and agencies.

- Develop and maintain regular forums between the local authority and outsourced providers to discuss operational issues and ongoing improvements;

- Identify resources that can be used to address problems that may arise as the outsourced service develops.

commissioning

Interviewees and participants at the seminar felt that there were messages that could be shared with other areas of local government about the impact of commissioning on the workforce. In adult social care issues that have emerged about the impact that rigid, task-orientated commissioning and contracting have on the quality of the service, on outcomes for individuals and on the satisfaction of the workforce.

Important issues for other parts of local government to consider about commissioning were:

- Avoid rigid, task-orientated commissioning and contracting which can have a negative impact on service quality and staff morale.
- Take a broad approach which includes an assessment of the impact on job satisfaction, team ethos, cross-organisational working and recruitment and retention.
- Provide development and career paths for all staff that match their aspirations and meet the longer term needs of the local community.
- Attract, develop and retain excellent managers and inspirational leaders in both outsourced services and in the authority.

value and invest in the whole workforce

A key lesson from adult social care was the need to commission workforce capacity on a strategic and multi-agency basis.

Relevant issues for other parts of local government to consider about workforce capacity were:

- Provide leadership. Ensure there is a designated leadership role, at director level, responsible for making sure this important task is taken forward.
- Forecast trends. Think about how to support providers and the workforce while changing patterns of delivery. Identify what interventions and investments are needed to ensure that the workforce has the skills and competence to meet changing needs and preferences.
- Sustainability. Ensure that that there will be a sustainable workforce that is able to enter and expand as the market develops.
- Importance of reputation. Consider the impact that perceptions of a service may have on the morale and self-esteem of the workforce.
- Ensure right skills. Consider what skills are needed to meet the needs of the people receiving the service.
- Consider how people are recruited. Think about innovative ways of bringing different people into the workforce. Local government has experience of addressing equalities issues through workforce development and this might be extended to other providers and shared with outsourced services.

involve service users

Issues for other parts of local government to consider about involving service users were:

- Involve service users in decisions about outsourcing.
- Value their knowledge of workforce issues and their emerging expertise as employers or trainers.
- Support them in navigating the complexity of provision.
- Involve them in monitoring performance of outsourced services.
- Ensure that staff fully understand the challenges faced by service users and learn from the experiences of other agencies and sectors.

agency staff

Important issues for other parts of local government to consider about involving service users were:

- Capacity. Ensure a provider can demonstrate that they have enough capacity to deliver the contract and check if it will be heavily dependent on the use of agency staff and whether this acceptable to the council.
- Quality. Ensure that quality is maintained if/ when the service is further outsourced to subcontracted agencies.
- Policy. Ensure policies are fully implemented by agency staff, for example, the move to greater choice and control.
- Human resources. Ensure that agencies are fulfilling their human resources role, for example in the supervision of staff and monitoring of continuing professional or practice development.
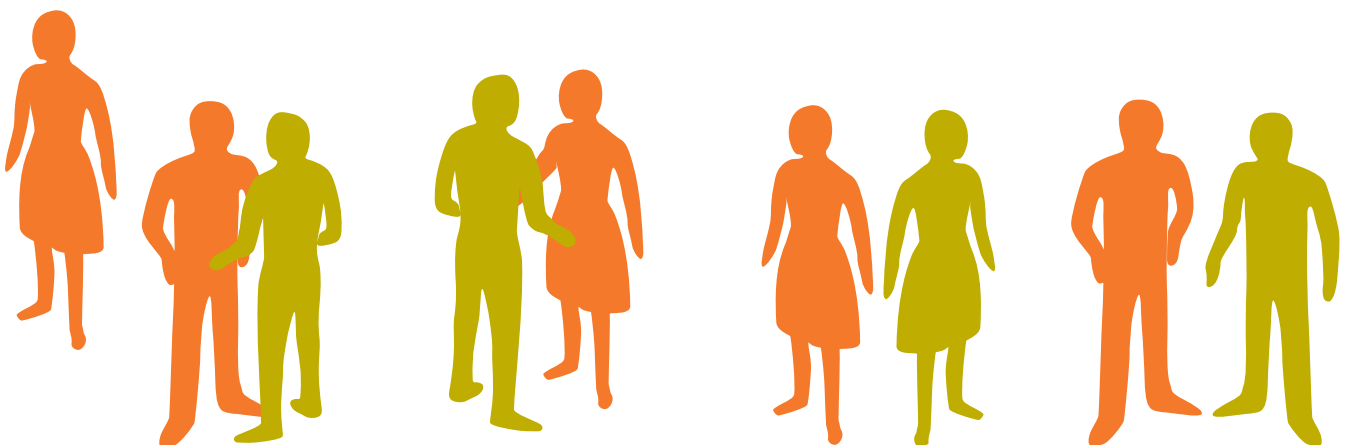
endnote

Despite outsourcing, or even because of it, the role of the local authority remains central to social care. The council's role is changing. It now lies in shaping the market – with the resultant need for a workforce that can work in new ways, in new services and in new roles.

People using services, their neighbours, family, advisers, advocates, brokers acting on people's behalf and local groups are setting up their own services with numerous workforce implications and challenges. At the same time, care home provision and much home care are being provided by large companies that have many market interests, not just social care.

Regional government or groups of local authorities may benefit from working together more to manage the market and to shape the workforce in partnership with education and training bodies.

The final message from this consultation is that outsourcing has not reduced the role of local government in dealing with workforce issues in social care; indeed it may have enlarged it.

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