

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	6 <sup>th</sup> April 2017
<b>Subject:</b>	Sefton New Directions Shareholder Report		
<b>Report of:</b>	Head of Commissioning Support and Business Intelligence	<b>Wards Affected:</b>	All Wards
<b>Cabinet Portfolio:</b>	Regulatory, Compliance & Corporate Services		
<b>Is this a Key Decision:</b>	No	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No		

**Summary:**

To provide members of Cabinet with an update on the Local Authority Controlled Company – Sefton New Directions

**Recommendation(s):**

That the Cabinet:

- (1) Note the report;
- (2) Agree that an annual Shareholder report be provided to Cabinet;
- (3) Reaffirm the Council’s commitment to continue to contract with Sefton New Directions for a further 24 month period to 31<sup>st</sup> March 2019;
- (4) Agree a review of the contractual arrangements and governance of the company, to be reported back to Cabinet in due course;
- (5) Note the ongoing review of the service specifications; and
- (6) Request the Board of Sefton New Directions to submit a report on the use of surpluses identified including the possibility of the payment of a dividend to the Council.

**Reasons for the Recommendation(s):**

The Council is the sole shareholder in Sefton New Directions as it is a local authority controlled company established under the Local Government and Housing Act 1989.

Cabinet is authorised through the terms of delegation contained in the Constitution (Chapter 5, paragraph 59) to take all necessary steps to manage and safeguard any shareholding the Council owns in a company. To improve the Council’s governance of its shareholdings and

oversight of the activities of the local authority controlled company it is recommended that reports of this nature be received by Cabinet.

**Alternative Options Considered and Rejected:** (including any Risk Implications)

It was an option to not bring a Shareholder Report to Cabinet as there is no explicit requirement to do so. This option was rejected as it was considered that receipt of such a report by Cabinet would improve the Council's governance of its shareholdings and oversight of the activities of the local authority controlled company.

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

There are no additional costs arising directly from this report.

**(B) Capital Costs**

N/A

**Implications of the Proposals:**

**Resource Implications (Financial, IT, Staffing and Assets):**

There are no additional resource implications associated with this report. The services provided by Sefton New Directions will continue to be funded from existing approved budgets.

**Legal Implications:**

Sefton New Directions is a local authority controlled company within the meaning of the Local Government and Housing Act 1989. This means that the Council have a 100% shareholding.

The provisions of Regulation 12 of the Public Contract Regulations 2015 apply to the relationship between the Council and Sefton New Directions, allowing for the ongoing direct award of public contracts from the Council to the Company so long as the specific conditions set out by that regulation apply.

**Equality Implications:**

There are no equality implications.

**Contribution to the Council's Core Purpose:**

Protect the most vulnerable:

Sefton New Directions is the Council's principal trading Company and strategic partner in the delivery of a range of adult social care services, commissioned to protect and support the most vulnerable.

<p>Facilitate confident and resilient communities: The ongoing review of service specifications will ensure that the services provided reflect the Council's required approach, including facilitating confident and resilient communities.</p>
<p>Commission, broker and provide core services: Sefton New Directions is the Council's principal trading Company and strategic partner in the delivery of a range of adult social care services.</p>
<p>Place – leadership and influencer:  Not applicable</p>
<p>Drivers of change and reform: The continued delivery of services through a local authority controlled company is wholly consistent with the Council's Framework For Change and Public Sector Reform programme. The ongoing review of service specifications will ensure that the services provided change and reform as required and better enable the company to support/drive change and reform.</p>
<p>Facilitate sustainable economic prosperity: The provision of services through a local authority controlled company retains the Council's investment within the Borough and can help to support the employment of local people.</p>
<p>Greater income for social investment: The status of the company enables it to trade and generate income streams above and beyond those provided directly from Council commissioned services. The Council's 100% Shareholding enables it to receive any and all surplus generated, which it may then use to support social investment.</p>

## **What consultations have taken place on the proposals and when?**

### **(A) Internal Consultations**

The Head of Corporate Resources (FD4593/17) and Head of Regulation and Compliance (LD3876/17) have been consulted and any comments have been incorporated into the report.

### **(B) External Consultations**

The Chief Operating Officer for Sefton New Directions has been consulted in respect of this report. The Chief Operating Officer has in turn liaised with the Board of the company on the preparation and approval of the attached Shareholder Report.

## **Implementation Date for the Decision**

Immediately following the Committee meeting

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**Appendices:**

The following appendices are attached to this report:

Appendix 1 – Report of Sefton New Directions Chief Operating Officer

**Background Papers:**

There are no background papers available for inspection.

## Introduction/Background

1. Sefton New Directions (SND) was incorporated in 2007 as a local authority trading company. Sefton Council is the sole shareholder. The Company is an independent legal entity and operates under the governance of a Board. The Board is responsible for the Governance of the Company and currently consists of the following Directors: Councillor Robert Brennan; Councillor John Joseph Kelly; and the Council's Chief Executive.
2. The Company is registered with the Care Quality Commission and conducts a range of care services, including: day services; reablement; intermediate care; respite services; supported living; shared lives services; and residential homes. The services are provided to older people, adults with learning and physical disabilities, and adults with mental health issues and dementia. The client groups are primarily Sefton residents with some services being provided to Sefton NHS and other bodies.
3. In September 2012 SND and the Council adopted a set of Core Values to provide the foundation for development of the strategic partnership between the two organisations. These Core Values state that: we will demonstrate openness in all our dealings; we will share common goals; and we will work in a way which demonstrates trust and belief in each other.
4. The Council's Adult Social Care Market Position Statement (published May 2014) states that *"SND is the principal trading Company for the Council, and as such will be considered as first choice provider, where it maintains high quality, efficient and outcome-focused service delivery. It is recognised that New Directions will be unable to deliver all that the Council requires and as such others will continue to be commissioned and deliver services where appropriate. When considering the commissioning/procurement of Adult Social Care and similar services the Council will always consider whether those services could be provided by New Directions as its principal trading company and primary provider of such services. This consideration will always be undertaken within the context of the legal and constitutional parameters that apply to the commissioning/procurement of services and with a focus on the quality and cost effectiveness of the service and outcomes delivered"*.
5. The legal framework relating to the award of public contracts has changed since the Company was established and the initial Service Agreement implemented, with the implementation of the Public Contracts Regulations 2015. These regulations impose obligations on public bodies (referred to as contracting authorities) in relation to how they award public contracts for works, goods/products or services. In particular, they set out: the scope of the regulations; general rules and principles that apply; and detailed rules to be followed in relation to procurement procedures. The requirements of the regulations are reflected within the Council's Contract Procedure Rules.
6. The regulations also address the issue of public contracts between entities within the public sector, providing a specific exemption from most of the requirements of the regulations and, in particular, allowing direct award of public contracts by a "contracting authority" to a "controlled person". This exemption applies where:

- (a) the contracting authority exercises over the legal person concerned a control which is similar to that which it exercises over its own departments;
- (b) more than 80% of the activities of the controlled legal person are carried out in the performance of tasks entrusted to it by the controlling contracting authority or by other legal persons controlled by that contracting authority; and
- (c) there is no direct private capital participation in the controlled legal person with the exception of non-controlling and non-blocking forms of private capital participation required by national legislative provisions, in conformity with the Treaties, which do not exert a decisive influence on the controlled legal person.

Paragraph (a) above is deemed to apply where a contracting authority exercises a decisive influence over both strategic objectives and significant decisions of the controlled legal person. This provision applies to contracts awarded by the Council to Sefton New Directions and would continue to apply whilst the above circumstances exist.

7. The attached report of the Company's Chief Operating Officer sets out the current context in which the Company operates, the key achievements made and the challenges the company faces. The primary purpose of sharing it is to enable Cabinet to consider the performance and position, on behalf of the Council, as the sole shareholder of the Company. However, the report will also inform Cabinet's considerations of the Council's ongoing relationship with the Company and the services it provides, as shareholder and commissioner of those services.
8. In the strategic commissioning context, in addition to the issues, challenges and opportunities referred to in the attached report, Members should also be cognisant of:
  - The Council's Framework for Change Programme and Public Sector Reform Projects;
  - Specific funding adjustments/reductions, to be implemented in the first quarter of 2017/18, following completion of the remodelling of commissioned Day Care services, as previously agreed by Cabinet;
  - Potential impact from the review of services as part of the implementation of the Council's new model for Supported Living;
  - The pending roll-out of community referrals into the commissioned Reablement service;
  - Other funding adjustments as a result of any potential cessation, realignment or decommissioning of services by the company for operational purposes
  - The general pressures and difficulties within some sectors of the local care market.
9. There have been significant reductions in Council funding to the Company and the complete cessation of the Community Meals Service which formed part of the original agreement, but the Service Agreement otherwise remains largely unchanged since it was implemented in 2007. The detailed Service Requirements (set out in Schedule 1 to the Service Agreement) relating to Reablement, Day Care, and Supported Living services are currently subject to review, in line with the new service models referred to above, and it would seem timely and appropriate in light of the massive changes faced by local government; the Council's Framework for Change Programme and Public Sector Reform

Projects; and the other issues, challenges and opportunities highlighted above to also undertake a wider review of the service agreement and Company governance. It is recommended that Cabinet reaffirm the Council's commitment to continue to contract with Sefton New Directions and agrees the award of a new contract. It is proposed that the term of that contract be limited to 24 months from 1<sup>st</sup> April 2017, whilst the reviews referred to above are completed.

**Appendix 1 – Report of Sefton New Directions Chief Operating Officer**



**REPORT TO: SEFTON NEW DIRECTIONS SHAREHOLDER**  
**DATE: 6 APRIL 2017**  
**SUBJECT: NEW DIRECTIONS SHAREHOLDER REPORT 2016/17**  
**REPORT OF: CHIEF OPERATING OFFICER**

## 1. CHAIR'S INTRODUCTION

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The Board of Sefton New Directions (SND) are pleased to submit to the Shareholder our Report for the year 2016/17 that sets out below current context in which the Company operates, the key achievements SND has made and the challenges the Company faces. In reading our Report the Shareholder will see that, although there is much more to do to tackle challenges facing the business, the Board has already overseen the delivery of some key achievements that will stand the Company in good stead for the future.

### Key Achievements

Over the past three years we have delivered **the following key achievements:**

- **net operating profit has increased** by £208,000 from 2014 to 2015, with a further increase in this financial year giving a total projected profit of c£1M;
- **reablement productivity has been increased** from 4,000 hours in 2013/14 to 14,000 hours in 2015/16, and in the last year from 1 March 2016 to 1 March 2017, over 1250 people have been supported by the service with over 27,000 hours of care delivered, with outcomes that are well above the average for the North West region as a whole;
- **private client income has increased by** over 55 per cent since 2013/14;
- **sickness absence has reduced** to less than 6 per cent since March 2015, and is now meeting the industry average;
- **SND has been appointed to Liverpool City Council** multiple approved provider lists;
- **SND is one of only six Shared Lives providers** in England appointed to participate in the national pilot scheme to establish Shared Lives 'Home from Hospital', and SND is one of the first three schemes selected to launch the pilot nationally;
- **the SND SMT has been completely restructured** - this has improved the Company's commercial standing and operational service effectiveness and efficiency;
- **staff at all levels have been actively engaged in meetings** over the past three years to explain Company commercial objectives, and encourage their contribution to retaining and expanding services and income whilst reducing expenditure; and,
- **SND Care Quality Forum was set up 2015/16** to explain Company service delivery priorities and to listen to service user and carer service delivery needs.

### Challenges

The SND Board has agreed there are four key challenges that need to be tackled by the Company. These are the need to:

- **rollover the Sefton Council (SMBC) Block Contract by the end of March 2017** with detail required on intended levels of service provision and cost so they can be negotiated with SMBC officers;
- **account for decisions made at national level that will particularly affect health and social care sector employers' finances** including an annual 2 per cent rate of inflation over the period;
- **exert further downward pressure on SND expenditure** such as agency costs – by targeting a reduction in agency costs of 5 per cent in this financial year 2016/17, and further reductions year on year over financial years 2017/18 and 2018/19; and,
- **increase business income**, such as through the continuation of existing contracts with all commissioners, and additional successful tenders.

As Chair, and on behalf of the Board, I commend the Sefton New Directions Report 2016/17 to the Shareholder for consideration. In so doing I look forward to discussing how the Council and Company can continue to build a relationship that will not only mutually benefit both our organisations but perhaps more importantly will build on the support we provide for the most vulnerable service users, their carers and their families in Sefton.

**Councillor Robert Brennan**  
**Chair**  
**Sefton New Directions**

## 2. CHIEF OPERATING OFFICER'S OVERVIEW

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In line with the challenges identified in the Chair's introduction the key operational issues facing the Company can be summarised in priority order as follows:

- the rollover of the Service Agreement between SMBC and SND;
- further improving operational services and expanding service growth, building a sustainable business that offers high quality support to as broad a range of vulnerable people as possible, together with opportunities for career development and long-term jobs for SND staff; and,
- identifying political, economic, social and technological issues that will directly or indirectly affect the Company and its ability to manage a sustainable business.

These issues are explored in detail in Sections 5-8 below.

## 3. OUR TEAM

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### Board Profiles

**Councillor Robert Brennan is SND Chair.** Appointed to the SND Board in January 2007, Cllr Brennan has been an elected member on Sefton MBC since 1994. He has held a number of positions of responsibility for the Council, including Party Spokesperson for Social Services, Chair of Overview and Scrutiny Committee (Children, Schools and Families), Deputy Chair of Housing Committee, and former Mayor of the Authority, and is current Chair of the Audit and Governance Committee and also Armed Forces Champion. Outside of the Council, Cllr. Brennan is an Equalities Officer and national mental health tutor, and he has a background in the legal profession, including welfare law, debt, housing, and mental health.

**Councillor John Kelly.** Appointed to the SND Board in March 2015, Cllr Kelly was elected as a Labour councillor to Manor Ward in May 2012, and has been Cabinet member for Children's Services since June 2016. Cllr Kelly is a qualified social worker who worked for 33 years in Social Services and, from 2000, for the NHS; he has held a number of senior executive roles in both Social Services and the NHS; and he retired from his post as Executive Director of Operations for a large mental health trust in September 2011. Cllr Kelly has considerable experience of large scale change management in public sector organisations, and has professional expertise in specialist mental health services. He is currently a Specialist Professional Advisor to the Care Quality Commission.

**Margaret Carney.** Margaret is Chief Executive of Sefton Council in the Liverpool City Region and has held this position since January 2009, when she was also appointed to the SND Board. In a local government career spanning over 38 years, Margaret has held senior executive positions at Knowsley, Warrington and Rochdale Councils before joining Sefton. Margaret was born in Huyton, Knowsley, and currently lives in Sefton. She was educated at Notre Dame College in Everton Valley and qualified as an accountant at Liverpool Polytechnic (now John Moores University) in 1989. Margaret takes the sub regional lead for healthier and safer communities and is the North West lead Chief Executive on health transition and transformation.

### **Senior Management Team**

**Penelope Fell is Chief Operating Officer.** Appointed in March 2014, Penny heads up the SND team of around 350 qualified staff delivering health and social care services to residents across Sefton. Penny has worked in a range of national and regional strategic roles in partnership with public sector provider authorities (both NHS and local authority) in the North West of England, in London, and across the UK. Her previous role was as Head of Business Development with the South London and Maudsley NHS Foundation Trust that saw her deliver £65M of new business for the Trust inside 20 months, and she has a strong track record in delivering successful multi-million pound pan-national and regional bids, and bringing to the market and delivering a range of innovative new business approaches, including integrated care pathways and support for people with personal health budgets.

**Julie O'Brien is Head of Operational Delivery.** Appointed in March 2015, Julie leads on all aspects of operational delivery across the full range of SND services. Julie has managed services across a range of service models, including supported living, residential care, outreach support, and provider brokerage. She has experience of managing operations across a wide range of client groups including learning disabilities, mental health, complex care, physical disabilities, and children's services, and her experience includes working in both the public and private sector. Julie has also set up and managed a range of innovative services across Lancashire and North West England, responding to both commissioning requirements and national, regional and local policy.

**Sue Bayes-Williams is Head of Care Quality and Service User Experience.** Appointed in November 2014 to a new senior management role, Sue has specific responsibility for ensuring that both established and developing services operate to the highest standards and are responsive to the needs of service users and their carers, whilst remaining fully compliant with the changing legislative framework including the CQC Fundamental Standards.

**Elaine Davies is Head of HR and Organisational Development.** Promoted to the post in January 2015, Elaine leads the HR team with day-to-day responsibility for the operational management of the HR function and, through the change management and organisational development strategy, for ensuring the Company's aims for commercial development are embedded in the HR agenda.

**Diane Harrison is Head of Finance and IT.** Promoted to the post in January 2015, Diane leads the Finance Team with day-to-day responsibility for the operational management of the finance function; assisting managers in the running of efficient and effective services, and on the roll out of the programme of dedicated IT provision, in particular working directly with the NHS to develop robust systems including in supporting the expansion of sharing electronic patient records.

## **4. KEY MEDIUM TERM PRIORITIES**

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### **Strategic Review**

**The Board carries out an annual Strategic Review each year in early summer. The resulting decisions roll forward the Company's three year Strategic Aims and SMART Business Objectives and Activities. They are also communicated to staff at all levels and discussed in detail with in-house trade unions through the Joint Consultative Committee set up in July 2007.**

**The Board have reported annually to the Shareholder on progress made over each previous financial year on the challenging key medium term priorities set to both improve and expand the quality of SND services and to enhance the commercial and financial status of the Company in an increasingly difficult economic and political climate. Current key medium term priorities are as follows.**

## **Rollover of the Service Agreement between SMBC and SND** **See Sections 5-8 below.**

### **Improving Operational Services**

Over the last eighteen months four priorities have been set by the Board to improve way the Company:

- delivers efficient and effective high quality operational services;
- uses effective and efficient financial systems to maintain and improve financial sustainability, increase income and reduce expenditure;
- introduces effective organisational development systems for managers and staff; and,
- communicates effectively with managers and staff.

## **5. OUR BUSINESS AND CUSTOMERS**

### **Main Customer Profile**

The Company's main customer is SMBC for whom the following services are provided:

- day care for people with learning and physical disabilities and older people, including those with a diagnosis of dementia;
- residential and nursing care, including for people with mental health or complex care needs;
- reablement;
- supported living; and,
- Shared Lives.

### **Other Business and Customers**

The expansion of Company's internal business development roles and responsibilities have also enabled it to build its commercial capabilities in tandem with external partners; some examples are as follows:

- partnership working with the SMBC Leisure services team in the SMBC day service transformation project; and,
- enhanced commercial understanding as well as potential joint tendering opportunities with the following partnerships:
  - SMBC – Parks and Open Spaces, Area Coordinators, Transitions Team, and Aiming High;
  - South Sefton and Southport and Formby CCGs – Intermediate Care Gateway Groups, North and South Intermediate Care Development Group meetings, and Shaping Sefton Events;
  - Lancashire Care Foundation Trust; and,
  - Liverpool based Moving on with Life and Learning.

### **Competitive Tendering and Contracting**

Prior to 2014, SND had had no success in its bids in competitive tendering and contracting rounds either in Sefton or in adjacent local authority or health authority areas. However, with both the development of a more structured approach to bids (as described above) as well as access to the skills and experience now available in the SND SMT, SND has had the following recent successes in competitive exercises:

- appointment to multiple approved provider lists for Liverpool City Council;
- one of only six Shared Lives providers successfully appointed to participate in the national pilot scheme to establish Shared Lives 'Home from Hospital' – in effect , intermediate care in Shared Lives settings. SND is one of the first three schemes selected to launch the pilot nationally; and,

- as mentioned above, is currently engaged with Lancashire Care Foundation Trust in multiple collaborative submissions for a range of health and social care services being commissioned by Lancashire County Council.

### **Competitor Analysis**

In order to properly understand SND's current market position in relation to its principle competitors, including cost comparisons, geographic spread and customer base, the SND Board has tasked the Chief Operating Officer with commissioning expert advice and analysis of the local provider market, including pricing structures, market share analysis, and service quality and customer feedback. This report will support SND to structure its service pricing more effectively as well as the best service areas to develop.

### **Private Client Income**

As requested by the Board, during 2015/16 the financial focus of the Company has been to look for efficiencies whilst also gaining income from alternative sources. Despite the difficult external economic and political climate, SND has increased private client income by more than 56 per cent since 2013/14. It is anticipated that, with SND's improved profile and branding and marketing activity, as well as the focus on analysing SND's competitiveness both in pricing and offering best value when compared with other providers, the SND share of the private market will continue to increase.

### **Marketing and Promotion**

Finally, the urgent need to both raise organisational profile with and service users and their families and to market more effectively and efficiently the services SND provides to commissioners has also been addressed by the establishment of the Company's business development roles and responsibilities.

## **7. MANAGING RISKS**

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In order to ensure SND maintains business sustainability and commercial viability, the following risks must be managed:

### **Operational**

Whilst the dedication and commitment of SND staff is reflected on above, there is a clear need for SND to meet the demands set for effective and up-to-date provision by ensuring that:

- staff experience, improved skills, and specialist qualifications continue to be mapped and delivered;
- a refreshed performance management process is implemented so that the dedicated team work taking place throughout the business drives excellence in performance and delivers excellent outcomes for the people SND supports and for those who commission our services;
- staff flexibility is developed to deliver services across more service categories, additional geographic areas, and expanded hours; and,
- improved management structures provide the intended additional capacity supporting effective and efficient service expansion.

Without these issues being effectively addressed, neither the existing or future needs of the vulnerable people SND supports will be effectively and sustainably addressed, nor will the requirements and expectations of commissioners be met.

### **Financial**

As referred to above, SND's principle customer is SMBC and this has the dual potential effect of exposing SND to the risk of losing some or all of its principal source of income, as well as SMBC losing its principal care provider of choice.

The need to introduce new income streams, and to maintain existing business - both personal (for example, in the form of private clients) and commissioned (for example, by SMBC and other local authorities) - is therefore critical in order to ensure sustainability for SND as a business, as well as service provision for SMBC as SND's main customer, with the additional advantage of using any surplus accrued to provide SMBC with enhanced service support. Without developing:

- new relationships that lead to different approaches to delivering public sector services;
- a broader service footprint across additional public sector commissioners;
- improved commercial awareness; and,
- continued brand positioning as the service provider of choice for individuals as well as public sector customers;

SND's financial sustainability will be at risk, and with it the current cost effective and efficient delivery of its existing range of services to vulnerable Sefton residents with disabilities.

### **Reputational**

**As previously reported to the Shareholder, with the implementation over the past two years of an effective and cohesive PR, marketing and communication strategy that has maximised the service improvements delivered by SND as well as the enhanced service environments provided by SMBC through its Transformation programme, SND as a brand has been gaining in overall market recognition. However, heightened brand awareness as well as improved service quality brings with it increased levels of customer expectation and therefore higher brand risk. The need to maintain effective customer communications, as well as a consistent continued presence in the local media is key to managing this risk, as is the need to maintain effective oversight of overall service quality and delivery.**

In addition, improvements to service delivery and quality mean change, and this is not always accepted easily by those affected, both service users and carers alike. In this case, the role of the SND Care Quality Forum - in both supporting effective carer and service user communications, as well as providing the opportunity for consultation, face to face discussions, and information sharing, has proved invaluable - although it is acknowledged there will always be those who are resistant to change, however beneficial to quality service delivery.

## **8. FINANCIAL REVIEW**

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### **Financial Review**

Over the last eighteen months, priority has been given to maintaining and improving financial sustainability, increasing income, and reducing expenditure.

As is noted elsewhere in this Report, private client income has increased since 2013/14, for example by retaining clients at SND services who no longer qualify for all or part of their previous service following client re-assessments by SMBC and who now purchase a private service from SND.

Four brief examples illustrate work underway to improve SND financial sustainability and increase income, namely: SMBC reablement contract variations; appointment to Liverpool City Council's approved provider list; participation in a national pilot programme providing intermediate care in Shared Lives services; and collaborative tender submissions in partnership with Lancashire Care Foundation Trust.

### **Current and Forecast Financial Position**

The Strategic Aims 2016/19 and Business Objectives 2015/16 and 2016/17 set by the SND Board contain a number of ambitious finance, spending and budget monitoring activities intended to support SND Operational Service Delivery and Business, Service and Policy development.

SND's current financial position reflects the existing contractual arrangements with SMBC, services commissioned by other public sector bodies, as well as private client income. The forecast financial position is a small surplus of around £1M year on year projected over the medium term.

In summary, as is noted above, this forecast is subject to:

- timely action that needs to be taken by SMBC in relation to commissioned services;
- other external factors including assumptions about the financial effect of decisions made at national level that will affect all employers generally but in particular those in the health and social care sector;
- internal action by SND, including exerting further downward pressure on expenditure such as agency costs; and,
- internal action by SND including increases in income, the continuation of existing contracts, and additional successful tender submissions.

## 9 CONCLUSION

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Full outcomes from progress made against the Strategic Plan 2016/19 and for Business Objectives 2016/17 will be reported to Shareholder as part of the rolling Strategic and Business planning cycle, together with the necessary Annual Report and Accounts.

The Shareholder is asked to note the contents of this Report.

**Penelope Fell**  
Chief Operating Officer  
Sefton New Directions  
13 March 2017