

# Outline Business Case

<b>Project Name</b>	BAC Future Planning		
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<b>Sponsoring Cluster</b>	Corporate Services (ALEO)	<b>Version</b>	3

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## 1. Executive Summary

*Provide a clear, concise summary of the key features of the business case, briefly describing what the project will deliver, any key decisions associated with it, the expected costs and the funding position (showing any budgets already identified/expected and the ask of Capital). Include an outline of the benefits, and any disbenefits, what risks and assumptions are associated with the project, and summarise planned or agreed dates and time constraints. Indicate who is the project sponsor and how the project will be owned and governed and what form the project board will take.*

**What:** This outline business case (OBC) sets out the transformative change required with Bon Accord Care's (BAC) operational model to ensure the future sustainability of the organisation. Need for this transformation arises from the increasing demand for health and social care services, the complexity of needs, and the financial pressures faced by BAC. The current operational model of delivery does not support long-term strategic and financial sustainability. BAC is facing a potential budget gap of £2.8M for 2026/27, which is 8% of its total budget. This position raises question over the long-term sustainability of BAC, if it continues to operate as it is now.

This OBC outlines transformation that is required to promote sustainability of BAC, shifting the strategic focus of BAC to early intervention and preventative health through social care support for the citizens of Aberdeen. It includes care and support at home; day services; occupational therapy; enablement support; health and social care training; equipment provision and telecare.

Furthermore, it identifies three alternative organisational models to deliver sustainable transformation for consideration:

- A. Remaining as an Arms-length External Organisation (ALEO)
- B. Full amalgamation with Aberdeen City Council (ACC)
- C. Partial amalgamation with ACC.

**So What:** By adopting the proposed transformative change, modelled on Option A above, BAC aims to align more closely with Aberdeen City's strategic aims, enhance its relevance, and ensure financial sustainability. This will help BAC continue to make a meaningful contribution to health and social wellbeing services in Aberdeen, with the aim of reducing hospital admissions and promote active aging and wellbeing across the city.

### *Risks and Assumptions:*

- Risks if we do not transform include reduced relevance and strategic misalignment; increased operational and financial pressure; reduced ability to deliver key outcomes; potential loss of public trust and reputation; missed opportunities for innovation and collaboration.
- Assumptions include the availability of funding, support from key partners, and the successful implementation of the proposed changes.

**Now What:** This OBC considers current and future business continuity capabilities. BAC continue to identify gaps, prioritise critical functions, and develop tailored delivery and sustainability strategies. Shareholders and BAC Board are asked to consider the below options and reflect on scoring of these. A full business case will then be made in detail for the selected option.

### *Key requirements/decisions:*

- A shared understanding of a clear, shared vision, for Bon Accord.
- The decision on which organisational model to adopt (ALEO, full amalgamation with ACC, or partial amalgamation with ACC).

## 2. Project Overview and Business Need

### 2.1 Project overview

This OBC sets out transformative change that is required within BAC to secure the future sustainability of the organisation; namely, a transformative shift in strategic focus to 'upstream' early intervention and preventative health and social care support for citizens of Aberdeen.

It should be noted that to deliver the abovementioned transformation, a shift in the operational model is required. To deliver this transformational change, three organisational models are outlined below.

- A. Remain as an ALEO
- B. Full amalgamation with ACC
- C. Partial amalgamation with ACC

### 2.2 Business need

National spending has seen public service budgets reduced, with early intervention and prevention being subject to reduced investment for many years (["Difficult" budget cuts to health and care](#); [Spending on public health | The King's Fund](#); [End decades of primary care policy failures, says think tank | The BMJ](#)). However, the Scottish Government is committed to supporting people to stay at home or in a homely setting, with maximum independence for as long as possible. There is a significant focus on how people can be supported to remain at home and be supported to live within the community. In line with this, there has been a substantial rise in the number of people being supported in the community, often with the complexity of their needs increasing.

BAC are responsible for delivering contracted health and social care at home across Aberdeen City in a safe and quality-assured manner. This is provided by BAC and commissioned via the Aberdeen City Health and Social Care Partnership (ACHSCP) on behalf of ACC. BAC is a key provider, working collaboratively with ACHSCP to deliver a range of services to meet their strategic objectives. These services include Care and Support at Home, Care Homes, Day Services, Occupational Therapy and Enablement Support, Health and social Care Training, Equipment provision, Telecare and Intermediate Care. Many of BAC's services are aimed at prevention and early intervention, to enable independence, reduce hospital admissions, and promote active aging and wellbeing. Significant changes are required to secure BAC's unique and valued contribution to health and social care across Aberdeen City in the future and support the increasing number of people to live at home.

The financial sustainability of BAC, and methods of provision of statutory services in adult social care, need to be reviewed to ensure BAC can continue to make a meaningful contribution to health and social wellbeing services in Aberdeen.

As part of horizon scanning and Medium-Term Financial Forecasting (MTFF) activity, BAC have identified that, as an Arms-length External Organisation (ALEO) (Est. 2013) of Aberdeen City Council (ACC), the current operational model does not support long-term strategic and financial sustainability of statutory health and social care services. The impact of the annual pay award, reduction of support from Scottish Government to support those uplifts, and a significantly reducing flat-cash funding envelope for BAC have compounded this position and BAC have been proactive in monitoring the impact of these factors. Forecasting based on recently agreed pay awards indicates that BAC's costs will rise by a further £0.9m in 2026/27.

ACHSCP has identified a gap in its budget of £14.0M for 2026/27 and BAC is expecting to be allocated a budget for 2026/27 that is up to £2.0M lower than 2025/26, as a result. These two factors combined result in a potential budget gap for BAC of £2.8M for 2026/27, or 8% of BAC's total budget, increasing further in subsequent years.

A paper submitted to the BAC Board on 21<sup>st</sup> March 2025, highlighted concerns around the sustainability of BAC/BASS in the current health and social care landscape in the face of increasing cost pressures and operating parameters that are out with the full control of BAC.

### 2.3 Risk of doing nothing

If BAC fails to transform its operating model to adapt to the evolving health and social care landscape, align more closely with Aberdeen City's strategic aims, and adopt a more financially sustainable approach, it could face several significant risks and consequences.

#### ***Reduced Relevance and Strategic Misalignment***

- The Local Outcome Improvement Plan (LOIP) sets out Aberdeen's collective vision for a prosperous, equitable, and sustainable city. If BAC does not enhance its alignment with this, it risks becoming disconnected from city-wide priorities, weakening its influence and role within the Community Planning Partnership.
- This could lead to reduced support or investment from key partners like ACHSCP.

#### ***Increased Operational and Financial Pressure***

- Without transformation, BAC will struggle to manage:
  - Rising demand for services (e.g. ageing population, increase in complex needs).
  - Workforce shortages and burnout.
  - Fixed-price contracts that do not reflect inflation or cost pressures.
  - Changes to employment costs caused by changes in taxes and levies, e.g. increases in employers' national insurance contributions.
- This could result in service degradation, higher staff turnover, and unsustainable financial performance in the form of overspend.

#### ***Reduced ability for ACC and ACHSCP to Deliver on Key Outcomes***

(Discussed further in [Section 6](#))

- The LOIP includes stretch outcomes such as:
  - Reducing health inequalities.
  - Increasing healthy life expectancy.
  - Supporting people into good-quality employment (including in care).
- BAC's services are central to achieving these. Without adapting, it may fail to meet expectations, affecting the wellbeing of vulnerable adults and communities.

#### ***Potential loss of Public Trust and Reputation***

- If BAC cannot deliver responsive, person-centred care, it risks losing the confidence of service users, families, and the wider public.
- This could also impact staff morale and recruitment, creating a negative feedback loop.

#### ***Missed Opportunities for Innovation and Collaboration***

- The LOIP promotes digital transformation, early intervention and prevention, and integrated care.
- Without embracing these, BAC may miss out on:
  - Funding and pilot opportunities.
  - Collaborative projects with NHS Grampian, third sector, and community groups.

### 3. Aim & Objectives

#### **Aim/Purpose**

To **outline** proposed transformative changes to the operational model that aim to sustain the future provision of BAC services and **identify** organisational models to achieve and implement the required transformation.

#### **Objectives**

1. Delivers savings on current BAC model, enhancing financial resilience, efficiency and sustainability.

2. Responds to increased demand, enhancing operational flexibility, efficiency, resilience and sustainability.
3. Fits with BAC/ACC/ACHSCP strategic direction.
4. Enhances synergy of ways of working across ACC/ACHSCP – workforce integration and development
5. Enhances the longevity of BAC's contribution to promoting health and wellbeing of citizens.
6. Minimises disruption to service users, informal carers and families – continuity and impact.
7. Promotes governance and accountability and reduces risks to BAC and/or ACC, including implementation risk.
8. Promotes innovation and enhances digital transformation.

## 4. Current State

### 4.1 About BAC

BAC provides social care, occupational therapy, equipment services and enablement support and intermediate care to the citizens of Aberdeen City. BAC's contribution to health and social care in Aberdeen city helps ACC to effectively discharge its statutory responsibilities, policies, strategies and objectives in respect of the delivery of adult social care in the community.

BAC currently employs 625 permanent staff with a further 210 (n=835) who are accessed through a support pool. 89 of these staff are aligned to BASS (including 12 City Home Helpers staff) and the remaining 746 staff aligned to BAC (correct at time of writing).

Based on the figures in [Appendix 1](#) (with annual figures being divided by 12), **BAC are supporting c.8099 service users, residents and learners per month**, in a variety of ways.

BAC staff occupy several locations across the city. BAC does not own any of these locations but rents operational and office spaces from ACC. See [Appendix 2](#) for details.

BAC's operating model has been evolving in response to sector-wide challenges outlined above, such as workforce shortages, financial constraints, and complex governance, over many years. To improve access and equity, BAC has been expanding preventative and reablement services; adapting to policy changes; investing in digital tools and data analytics, to enhance service delivery and planning. These developments have helped BAC to continue to deliver high standards of care and work more efficiently, maximising time spent with service users. The organisation has prioritised service user and staff wellbeing, career development, and a strong values-based culture to improve recruitment and retention of staff.

Financially, BAC is focusing on efficiency and innovation within a fixed-price contract, while collaborating with partners to manage rising demand. Governance is being strengthened through clearer accountability and strategic alignment with local health and care bodies. However, with increasing cost pressures and a restricted ability to respond to these under the current ALEO organisational model, alternative delivery methodology must be considered.

BAC has previously identified a significant reduction in funding due to ongoing financial pressures in health and social care and addresses this annually through scenario planning. Following recent discussions with ACHSCP regarding budgetary position for 2025/26, BAC's financial sustainability in the face of significant rising operational costs and rising demand for services, balanced against legislative safe-staffing requirements, has been brought into sharp focus. Scenario planning and care delivery is changing in response to increased demand and smaller funding streams with which to meet that demand.

## 4.2 Current social care operating environment

The social care sector faces significant challenges across several key areas. Workforce pressures are acute, with ongoing difficulties in recruitment and retention, staff shortages, high workloads, and burnout—exacerbated by terms and conditions and limited career progression. Nationally, the financial sustainability of health and social care is under strain as services contend with rising demand, inflation, and workforce costs, forcing tough funding decisions by local authorities and Health and Social Care Partnerships.

Access and equity around health and social care remain a nationwide issue, with growing waiting times, geographic disparities, and challenges in delivering coordinated care for those with complex needs. Digital transformation is a key feature of national and local policy, with the impact anticipated to relieve some of the pressures. However, its practical implementation is hindered by infrastructure gaps and limited digital literacy, alongside a pressing need for improved data sharing and analytics to support planning and outcomes.

As demand for care increases and based on the assumption that BAC are asked to meet those demands, operational costs are expected to rise year-on-year. After accounting for inflationary and other cost pressures, the total saving required for 2025/26 has been identified as £4.6M. Scenario planning and budgeting work has identified £1.9M of efficiency savings achievable in 2025/26, with the remaining savings to be met through reduction and closure of services. Anticipated increased recurring cost pressures include (but not limited to): NIC; pension contributions; increased ACC SLA costs; Corporate Landlord cost increases; COSLA annual pay award.

## 4.3 Workforce challenges

For 2025/26, BAC staffing costs are budgeted to equate to 88% (2024/25: 89%) of total costs, with circa 90% (2024/25: 90%) of those being attributed directly to front line service provision. BAC employees are engaged under ACC Employment Terms and Conditions and are members of the Northeast of Scotland Pension Fund (NESPF). This has resulted in higher operating costs in comparison to other providers in Aberdeen city.

There are also additional workforce pressures in relation to legislative safe staffing levels which can lead to an increase in support pool and agency costs. These costs can be incurred during periods of planned leave (such as annual leave), and unplanned leave (sickness absence) which presents challenges across the sector.

Recruitment of suitable candidates to undertake roles can also be a challenge in a marketplace with competing priorities. Higher turnover levels in the role of Service Supervisor also contributes to increased recruitment and training costs across the organisation. It is anticipated that a review of key roles (as detailed in section 8) will help to address this.

The development of a Recruitment Strategy and People Delivery Plan has assisted with recruitment challenges faced. However, recent changes to the Service Delivery model have presented a workforce challenge in relation to the redeployment of staff. Any subsequent changes to the Service Delivery model may continue to present these challenges and our risk-based recruitment approach is critical to ensure that suitable redeployment opportunities exist.

## 4.4 Financial situation, requirements and forecasting

### 4.4.1 *Situation - In-year financial position*

BAC is commissioned by ACHSCP to provide services for a fixed contractual amount; a breakeven position is required each year, with no reserves or capacity to borrow. All of BAC's net spend must be met by AHCSCP funding. BAC budget in 2024/25 was GBP £34.361M and the budget for 2025/26 is GBP £34.94M. A combination of increasing costs and reduced funding will result in significant budget gaps for BAC, potentially of the order of £2.8M for 2026/27, with the gap increasing in subsequent years.

BAC staffing costs represent 88% of total costs. BAC has limited ability to reduce these costs as the number of care hours being delivered is dictated by safe staffing regulations and the cost of each care hour is set by COSLA negotiations; therefore, BAC's costs are on an upward trajectory, with limited scope for any further efficiency savings.



The COSLA pay awards were recently agreed at 4.0% for 2025/26 and 3.5% for 2026/27. The 3.5% increase for 2026/27 will add £1.2M to BAC's costs, with a further £0.1M cost pressure coming from general inflation on non-staff costs. Savings of £0.4M compared to 2025/26 are anticipated as BAC will see the full-year impact of the closure of the ICAH service and the recently implemented reduced bed capacity at Kingswells and Balnagask care homes.

The limitations in the funding envelope are anticipated to be further exacerbated in future years. ACHSCP's Medium-Term Financial Forecast shows that they are required to find savings of £14.0M for 2026/27, an additional £1.9M for 2027/28, and an additional £1.6M for 2028/29. A large fraction of ACHSCP's budget is effectively ringfenced for non-social care spend, so it is anticipated that a disproportionate share of these savings will be required to be met via reduction of contracted commissioned social care services. Early conversations with ACHSCP indicate that the savings required from contracted social care services commissioned from BAC in 2026/27 could be £2.0M.

#### **4.4.2 Situation - Income**

In line with BAC's 2023-2026 strategy, a review of BAC's external income generation activity is underway, exploring how commercial activity can be expanded, whilst identifying new areas of business growth for consideration. Preliminary scoping indicates that areas for development and expansion include:

- L&D offering including SVQ to a wider external market and include a range of health, sport and wellbeing qualifications.
- Additional income from the expansion of modern / foundation apprentices across the integrated ALEO structure.
- Increase revenue through the expansion of further wellbeing and preventative programs / initiatives by creating a charging structure.
- Ability to expand provision of charged-for social care and related services that are not covered by ACHSCP commissioning arrangements, e.g. City Home Helpers (CHH).

External income generation was £1.3M in 2024/25 and is budgeted at £1.2M for 2025/26. Income generation is likely to be developed over the next three years but will require initial investment and **will not be sufficient to address funding gaps** in the meantime.

#### **4.4.3 Requirements - In-year savings plan**

The in-year savings plan agreed as part of BAC's budget process for 2025/26 is £1.9M of efficiency savings and £2.8M of savings from a reduction in commissioned services, namely the cessation of the Interim Care at Home Service (ICAH), from 1 May 2025, reduction in capacity at Balnagask from 30 beds to 20 beds from 1 July 2025, and reduction in capacity at Kingswells from 50 beds to 40 beds from 1 July 2025.

The efficiency savings are all on track and forecast to meet the target by the end of the year.

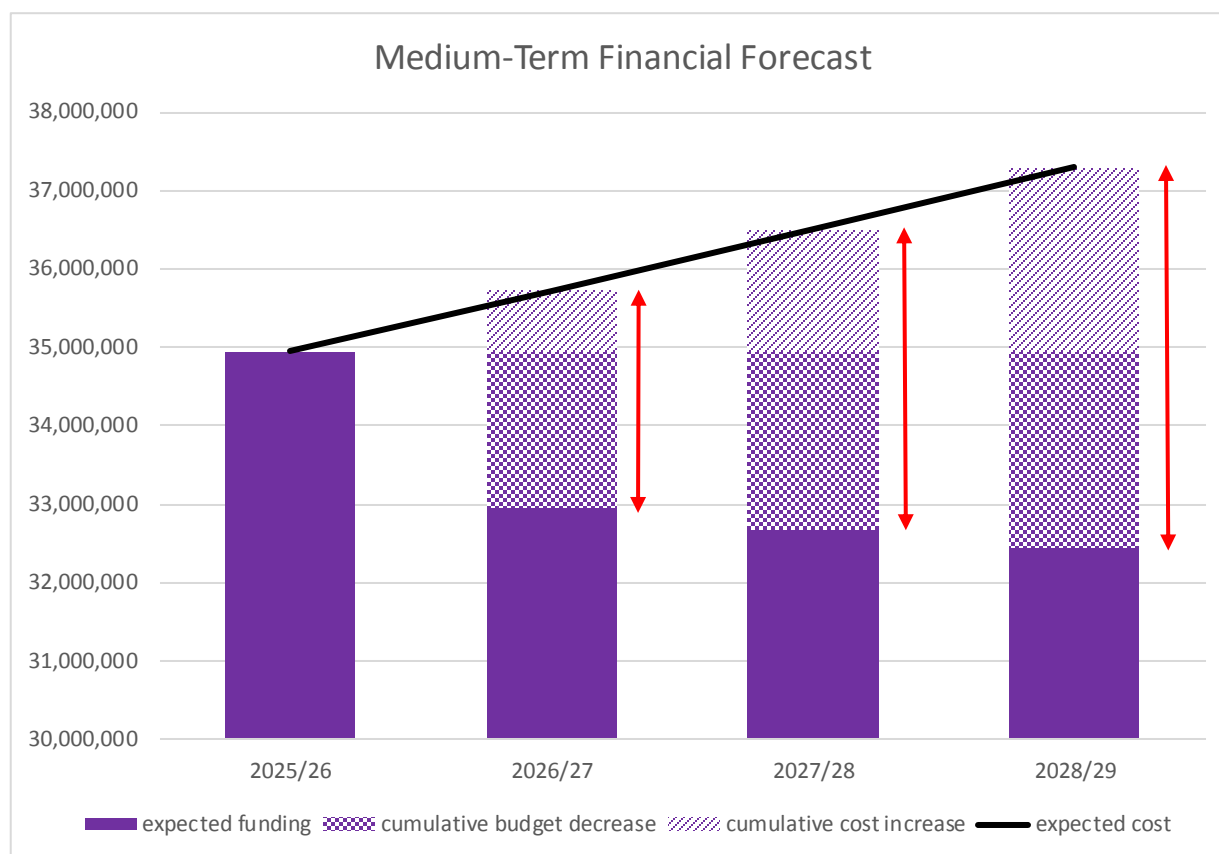
The capacity reduction savings are somewhat behind schedule: the ICAH service ended a month late and beds have not become vacant as quickly as requested (By ACHSCP) at Kingswells; therefore, expected capacity reduction savings are projected to be slightly less than budgeted.

Projections beyond 2025/26 include full-year savings from the above service cessation and capacity reductions, so the delays in achieving them have no lasting impact.

#### **4.4.4 Forecasting - Medium-Term Financial Forecast (MTFF)**

BAC's current (draft) MTFF runs to 2028/29 and is based on a business-as-usual operating model. Only currently agreed changes to operations are included in the MTFF; it **does not** include any of the transformational changes outlined in subsequent sections of this paper (N.B. an updated forecast will be produced along with any subsequent full business case for the agreed preferred option).

BAC's MTFF shows potential budget gaps of £2.8M for 2026/27, £3.8M for 2027/28, and £4.8M for 2028/29, as illustrated below:



Additional unquantifiable risks not included in the MTFF model include:

- Discussions with ACC about the scope and cost of the support functions it provides to BAC are ongoing and may result in significant cost increases
- Discussions with ACC about the cost of the premises occupied by BAC are ongoing and may result in significant cost increases
- Annual pay awards and general inflation may be higher than budgeted
- NESPF employer pension contributions may be increased from 2027/28 after the triennial actuarial valuation
- Budgetary pressure on central government may result in further employment tax increases
- The number of service users and complexity of care needs continues to evolve and may result in capacity pressure and an increasing cost base

## 5. Outline of Transformative Operating Model

### 5.1 What - Enhanced strategic focus - Early intervention and prevention

As described above in Section 4.4, financial performance of BAC is restricted by COSLA-negotiated terms and conditions, meaning that operational costs are significantly higher than those for other social care provider organisations. To respond to this, BAC proposes a strategic shift toward a social wellbeing model that prioritises timely, community-based support. By focusing on upstream interventions such as Enablement, Reablement and Prehabilitation, the aim is to maintain independence and reduce avoidable hospital admissions.

### 5.2 So What – How do we make it happen and why it is important

#### 5.2.1 Requirements for change

*Organisational Restructuring Review*



Current job descriptions have not been reviewed in several years. These job descriptions are generic in nature across all BAC settings, with some people not fulfilling the entire job description, as certain parts may not be required in their area. An example of this is support workers and administration of medication, in some services this is entirely a support worker responsibility and in others it is the Service Supervisor or nursing team. This generic approach has also reduced exploration of new and different roles to support alternative ways of working.

An Organisational Restructuring Review would involve a review and potential redesign of current job profiles, and the dis-establishment of non-essential vacant posts to ensure that BAC can deliver services in the most efficient way to maximise Value Adding Activities (VAA) and focus on prevention and early intervention/harm reduction, in line with local, national and international social care policy and guidance.

This review is central to BAC's transformation programme, enabling a shift toward proactive, community-focused care. It will ensure roles and responsibilities are aligned with service needs and safe staffing requirements, supporting more efficient and responsive delivery.

To progress with a large-scale review and any organisational change that accompanies that, robust governance process is essential to its successful delivery. As an ALEO, approval to set the change in strategic direction must come with approval from our board. Currently, oversight is delegated to the People Governance Committee, with escalation to BAC Board as appropriate. However, as the above outlined transformation and required organisational changes directly address wider health and social care system challenges, wider governance processes should also be considered.

Work on the Organisational Restructuring Review is pending. The focus of any Organisational Restructuring Review will be on what is required for the organisation to provide safe and effective person-centred care. As this work is still to be undertaken, the magnitude of any savings is not yet clear. For example, if all of BAC's 293 G9 Support Worker positions were to be re-evaluated and, in the event that they were graded at G7 or G8 (which still represents an hourly base cost higher than commercial competitors), then the annual savings could be of the order of £2.2M or £1.4M respectively. However, this is based on an assumption, namely, that those roles are re-evaluated and that the outcome is a lower grade. The certainty of this outcome is not guaranteed.

### *Transfer commissioning of some statutory activity*

During discussion for budget planning 2025/26, ACHSCP indicated that BAC Care Home services (n=3) could be commissioned elsewhere from an alternative provider(s) at an estimated cost reduction of 50% (in comparison to the cost of commissioning BAC to operate these care homes). BAC's own analysis indicates that a 30% saving may be more realistic. BAC are proposing that all three Care Homes are transferred to alternative provider(s). A critical aspect of releasing savings from Care Home services by recommissioning elsewhere is ensuring that the savings are reinvested in upstream, community-based support that prevents escalation of care needs.

Care home name	Current annual operating cost	50% saving	30% saving
Kingswells Nursing Care Home (currently 40 beds, potential to increase 60+)	£3,880,000	£1,940,000	£1,164,000
Balnagask Residential Care Home (20 beds, potential to increase to 30)	£1,800,000	£900,000	£540,000
Fergus House Residential Care Home (42 beds)	£2,870,000	£1,435,000	£861,000
<b>Total</b>	<b>£8,550,000</b>	<b>£4,275,000</b>	<b>£2,565,000</b>

BAC's enablement services offer specialised, high-quality support that helps avoid hospital admissions, accelerates discharge processes, and improves overall system flow across health and social care. BAC can significantly enhance upstream access to the right services at the right time in the right location across Aberdeen communities. This could be considered in one of two ways:

- One option is to retain *savings* (meaning the difference between the cost of commissioning BAC to deliver Care Home services Vs another provider Care Home services) within ACC's

community portfolio, aligning with BAC's strategic focus on proactive wellbeing and public health. This could involve revising the Scheme of Integration to support upstream preventative social care services, before delegation of all other social care to the IJB.

- Alternatively, *savings* could be retained in BAC's budget to support upstream services commissioned via the ACHSCP. This would enable BAC to continue contributing to ACHSCP and ACC's strategic goals through targeted, early-stage support. This would require a formal contractual agreement between BAC/ACC/ACHSCP to that effect.

### *Value Adding Activities (VAA)*

Although VAA and subsequent savings are considered as 'business-as-usual' within BAC, this option promotes the possible provision of services that meet citizens' needs in a more efficient way, at a time when demand for services is high and the financial envelope for their delivery is restricted. This includes:

- Improve BAC network connectivity – improved connectivity would enhance productivity and provide foundations for increased digitalisation, providing greater oversight of robust data to support improvement in standards, contributing to more efficient operational activity.
- Invest in technology solutions – improved information systems would improve productivity and modernise working practices. Person Centred modern systems directly contribute to meeting outcomes, better management and increased productivity. In addition, technology and systems have potential for enabling independence in keeping with the prevention and early intervention agenda.
- Regular reviews of staffing levels in line with safe staffing legislation is ongoing in addition to reviewing more efficient ways of rostering and deploying staff.
- Reduction of absence target, and reduced agency costs – provides increased consistency and efficiency.
- Workforce Role Review – All roles as part of workforce planning considering more effective and efficient ways of working (in addition to above outlined Organisational Restructuring Review).
- Full commercial review of all external contracts including meal provision, ground maintenance, confidential waste, window cleaning etc.

## **5.2.2 Key areas of statutory activity**

### *Housing for Varying Needs (HFVN)*

A joint initiative aims to modernise Sheltered and Very Sheltered Housing in Aberdeen through three projects focused on transitioning housing types, reviewing special lettings, and integrating technology. The goal is to improve citizen outcomes, be cost-neutral, and potentially unlock efficiencies across services.

### *Responders Review*

Demand for community care response is rising due to reducing informal support within our communities and society. Many people who would once have been informal carers are in employment, reducing availability and increasing reliance on statutory services. BAC is exploring two transformation areas: rapid response collaboration with Scottish Ambulance Service, and a chargeable community alarm service. The goal is cost-neutral change with increased capacity, supported by planned care and new income streams.

### *Clashieknowe enablement facility expansion (CAH)*

Clashieknowe is a 19-bed intermediate care service with strong early intervention and prevention outcomes, but it is limited by small flat sizes that restrict equipment use. Through ongoing scenario planning discussions, BAC and ACHSCP are exploring the possible relocation of this service to the Rosewell site to expand capacity and improve functionality. This move would enable new care pathways, including early intervention, outreach support, and training space; it aligns with a strategic shift toward prevention and would require significant budget realignment. Transferring BAC care homes to another provider could release the necessary resources. Estimated costs could rise from £1.2M to £3.5M. The current Clashieknowe site could be repurposed to improve facilities for Wernham House.

#### *Proportionate care (risk assessed care)*

BAC is testing a new model of risk-assessed care in a Very Sheltered Housing site to overcome cultural barriers around equipment use. The pilot uses coaching and mentoring and, if successful, will support citywide rollout. The Rosewell site would provide space for training and practice. Expansion will need resource re-alignment, potentially supported by OT and Learning & Development redesign.

#### *Joint Equipment Store (JES)*

ACHSPC, NHS Grampian, and BAC are refreshing the Joint Equipment Service (JES) agreement, aiming to modernise its operating model to better support early intervention, prevention, and safe discharge. Integration with Telecare, OT, and Reablement services is planned to improve coordination and responsiveness. Operational improvements will focus on streamlining referrals, enhancing data use, and aligning staffing. There is potential to expand technology-enabled care and smart sensors. The work is cost-neutral and aims to optimise existing resources while improving service impact and reporting.

#### *Occupational Therapy (OTs)*

Aberdeen's OT services are undergoing change to improve efficiency and responsiveness. A review of capacity and a mobile working pilot (Skedulo) are informing improvements. Integration with JES, Telecare, and Reablement is being explored to streamline access and support early intervention. A joined-up, multidisciplinary model could reduce costs and improve outcomes, with potential annual savings of £220,000 if 10% efficiency is achieved.

### **5.2.3 Key areas of commissioned activity**

#### *Enablement Team (expansion)*

The Enablement Team is an internal support function accessible to all BAC services, to support with the assessment and goal-orientated reablement planning and upskilling of staff in using an enablement approach. The function of the team is to provide a range of support including teaching / coaching, assessment and promotion of enablement approaches across the organisation.

The aim of the service is to provide assessment, goals and treatment plans for service users within reablement pathways, reviewing and monitoring to ensure support is proportionate to meet the service users' needs. Staff are provided with a comprehensive enablement training suited to their role. The outcome is that all service users are enabled to lead the lives they wish, are fulfilled and supported to be as independent as they can. There has been a significant shift in policy, focusing on how people are supported to live within the community. To continue to support people in their choice to remain at home, an enablement ethos is required across wider services to meet increasing need.

At present this team is an internal function unique to BAC. To maximise impact and support whole system change, BAC would propose consideration is given to commissioning this support for other social care partners across the city. This has the potential to be nearer cost neutral if efficiencies can be made by other providers or result in greater capacity.

By expanding the enablement ethos, and promoting tools to monitor baseline abilities, we will provide the opportunity to identify and intervene at an early stage, preventing further deterioration. The Learning and Development Team work jointly with the Reablement Facilitators in the education and coaching of

staff. Consideration is being given to how this education could be expanded to include services users, families and unpaid carers too.

#### **5.2.4 Key areas of commercial activity**

City Home Helpers (CHH) is a commercially focused, non-commissioned service that plays a vital role in early intervention and prevention across Aberdeen. Positioned at the frontline of community-based support, CHH offers a flexible, responsive model that can identify early signs of deterioration in individuals' wellbeing and act as a signpost to wider services. With the right investment and governance, CHH can deliver measurable value to the system while progressing toward financial sustainability.

While CHH has operated in a preservation mode for a period, the past six months have demonstrated its potential. With dedicated leadership and operational focus, CHH has significantly improved rota efficiency and job completion rates. It is now close to breaking even—exceeding Q1 financial projections—and a new business plan is being developed to confirm its strategic direction.

To support its continued growth, CHH now operates under an aligned governance framework with clearly defined KPIs covering service quality, financial performance, and workforce stability. Policies have been aligned with BAC standards while reflecting CHH's commercial nature. A comprehensive review of staff and customer contracts, risk assessments, and operational procedures has been initiated to ensure consistency, compliance, and readiness for future service expansion.

#### **5.2.5 Anticipated outcomes and impact of future developments**

The transformation programme outlined above will reposition BAC as a financially sustainable, prevention-focused organisation delivering integrated, person-centred care. Anticipated outcomes include reduced reliance on high-cost statutory services, improved access to early intervention, and enhanced system-wide efficiency through multiagency working.

To achieve these outcomes, the transformation should be structured as a programme with thorough project management and clearly defined interdependent timelines. These timelines will require substantial concurrent work and significant stakeholder engagement. By synchronising the transfer of services with the introduction of new methods, resources can be reallocated to facilitate the adoption of these approaches and transition them into business as usual.

To embed these changes, the programme will be delivered through structured workstreams with clear governance and defined leadership. Transition work will include aligning policies and KPIs, reallocating resources, and redesigning roles to reflect new service models. Using evidence-based models, such as the [9 pillars of integration](#), may serve as an effective framework for planning and implementation.

Implementing all projects is necessary to alter the organisation's direction and achieve the required savings to maintain financial and strategic sustainability. This approach would enable BAC to respond to increasing demand on statutory health and care services.

During this transition period, identifying and assigning key leaders to guide new services and support teams through changes is vital. A phased delivery plan will ensure services are operationally ready before legacy models are stepped down, with dedicated leads supporting staff and stakeholders throughout the change process.

### **5.3 Now What - Further areas for development**

BAC are commissioned by ACHSCP and are actively exploring further partnership working with ALEOs, exploring new and innovative ways of working with other wellbeing organisations, to further their work around prevention and early intervention. A number of business development areas have been identified below, speaking directly to both statutory and commercial services. However, further analysis is required if funding released from Care Homes is made available to BAC.

#### **5.3.1 Future Statutory/Commissioned services**

- Virtual Very Sheltered Housing

or

- Transfer Clashieknowe and its resource to Rosewell, along with all interim flats/beds across the older adult's social care portfolio:
  - o 'Community Integrated Enablement Facility (CIEF)'

### **5.3.2 Future commercial services; non-statutory; do not meet the criteria for commissioned services**

#### *Enablement Team*

The Enablement Framework mentioned above has potential for commercialisation (beyond the boundaries of Grampian region). As wider health and social care organisations, sectors and systems look to shift their focus to early intervention and prevention through enablement, the RF Framework – Commercialisation could be a source of income. This could be two-fold, with need for a patent commercialisation of the framework itself, and the commercialisation of training for external provider companies and Higher Education Institutions.

#### *Joint Equipment Store*

There is an opportunity to explore commercial growth beyond commissioned activity. This could include offering JES expertise, equipment, or services on a cost-recovery or income-generating basis—such as private sector equipment loans, training provision, or telecare packages.

#### *Community responders (CAH2)*

This area looks to explore the possibility of introducing a chargeable service to act as the main response to community alarms as this is not considered a statutory service. This would allow individuals and families/informal carers to have an alternative choice where they can pay for a response service if families/informal carers cannot / do not wish to support this themselves.

#### *Learning and Development*

The expansion of the internal SVQ centre could see income generation for SVQ levels 2,3 and 4. In addition to this, places can be sold within courses to external partners ensuring there is a standard of training across care provisions. This increases continuity of care and supports staff wellbeing as they have transferable knowledge. Further expansion of the Modern Apprentice Programme and the Foundation Apprentice programme across Aberdeen can be explored. This could enhance a 'carer-ready' pipeline or support staff and contribute to the future-proofing in the care sector of Aberdeen city.

#### *OT services – Lower-level needs assessment and purchase of equipment?*

Establish accessible drop-in and appointment-based clinics as early contact points for individuals needing support. Led by Occupational Therapists (OTs), these clinics could deliver timely advice, early intervention, and preventative support, reducing escalation of need. OTs could assess needs and determine next steps. Those meeting statutory thresholds (e.g. for funded equipment) could be referred for follow-up with fieldwork OTs. Others could receive on-the-spot advice, signposting, or preventative input. For those not eligible for funded provision, clinics can showcase and promote commercially available aids and adaptations. OTs can demonstrate solutions that support independence and safety at home, while generating additional income.

#### *CHH – Expanding the business*

CHH is exploring new service lines including respite care, for example, staff staying with customers, personal care, and medication reminders. These services respond to unmet needs but may require CHH to register with the Care Inspectorate, and for staff to be Scottish Social Services Council (SSSC) registrants if they fall under regulated activity. CHH's strength lies in its ability to intervene early, building trust with individuals before crisis, identifying risks, and connecting them to appropriate services. This



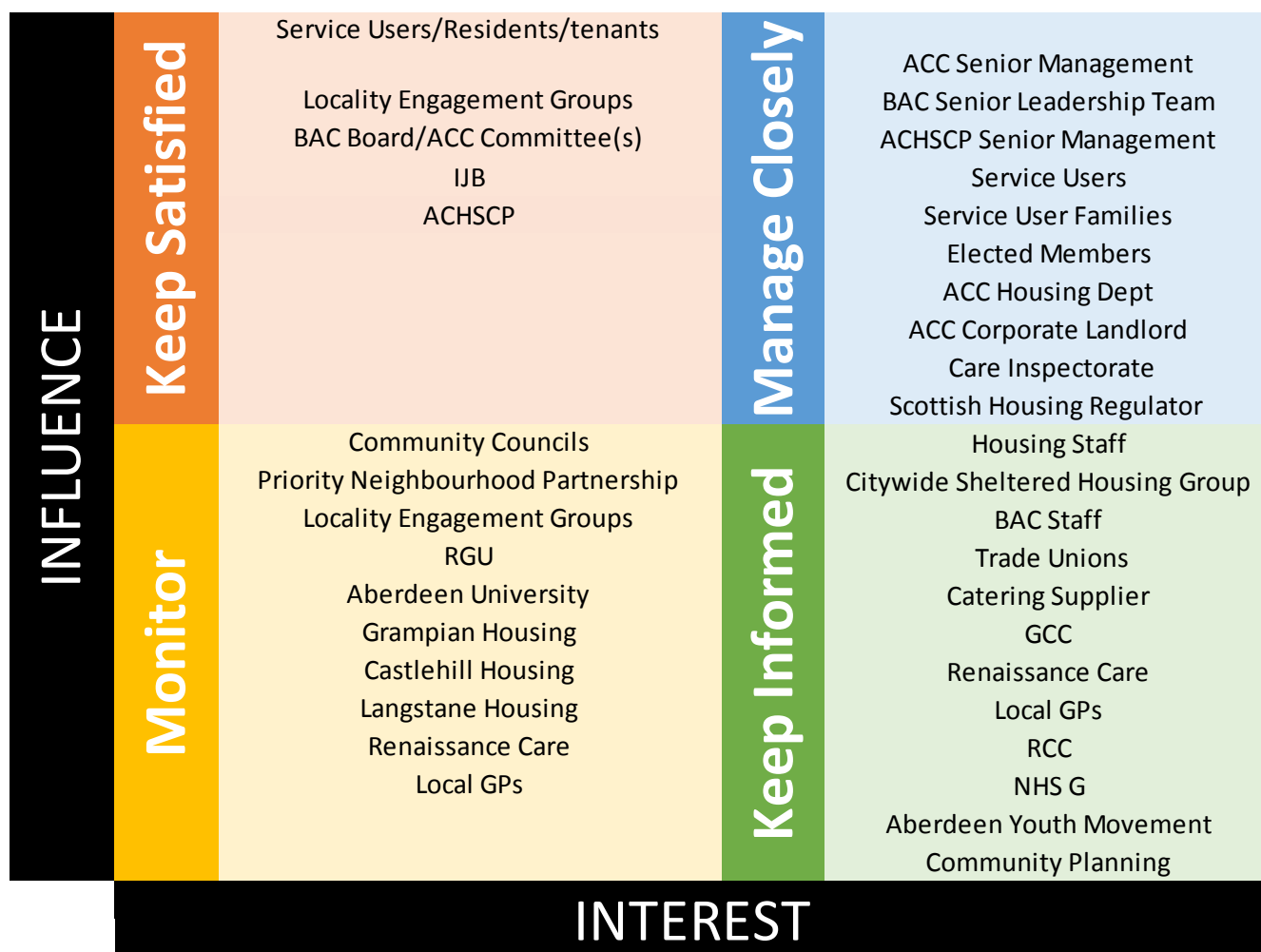
reduces pressure on statutory services and supports better outcomes. There is also a clear opportunity to strengthen service delivery by developing a more integrated, multiagency approach. This could involve aligning CHH with Voluntary Sector Partners, Occupational Therapy, the Joint Equipment Service (JES/Telecare), Reablement Facilitators, and related functions to deliver early intervention and comprehensive assessment. Such integration would create a single, streamlined point of access for individuals seeking support.

Review of smaller company CHH (various operating models could be considered) only servicing commercial activity (e.g. CHH, external L&D) but could still be supported by centralised support services (with BAC being the sole shareholder) or a competitive alternative. Areas for expansion include:

- Foot care
- Medication support, linking with technology for this and linking with pharmacy partners to adopt TEC approach to medication management.

### 5.3.3 Stakeholder Engagement

Below is a map of stakeholders with indicative level of required engagement. This will be reviewed and used as the basis of an engagement plan following the outcome of the options appraisal.



## 6. Strategic Fit - Alignment to the LOIP, ACHSCP delivery plan and wider council strategies

### 6.1 Local Outcome Improvement Plan (LOIP)

BAC's contributions to the LOIP are recognised through workforce development, preventative health and care, and community wellbeing. BAC supports Aberdeen's strategic objectives by delivering integrated, person-centred services that reduce inequalities, promote independence, and contribute to



a resilient local economy and healthier communities. BAC's contribution to the LOIP is reflected through workforce and service sustainability and alignment with shared strategic objectives:

### ***Workforce and Service Sustainability:***

- The LOIP recognises the **pressures on health and social care services**, including workforce shortages and financial constraints. BAC, as a key delivery partner of adult social care services, is implicitly included in the improvement projects aimed at:
- Supporting people into **health and social care jobs** (Stretch Outcome 2.2).
- Increasing uptake of **Real Living Wage** (Stretch Outcome 2.3), which supports staff retention and morale.
- Enhancing **early intervention and preventative care** to reduce long-term demand on services (Stretch Outcomes 10 and 11).

### ***Alignment with Strategic Objectives***

- ***Prosperous Economy***
  - BAC contributes to economic sustainability by being a major employer and supporting workforce development in care.
  - Projects like supporting people into care roles and promoting the Real Living Wage align with economic inclusion and resilience.
- ***Prosperous People (Children & Young People)***
  - While BAC focuses on adult care, its integration with family and community services supports a **whole-family approach**, which is essential for early intervention and breaking cycles of disadvantage.
- ***Prosperous People (Adults)***
  - BAC's services directly support this theme by addressing health inequalities, mental health, substance use, and homelessness.
  - Stretch Outcomes 10–12 (e.g., increasing healthy life expectancy, reducing drug-related deaths, and tackling homelessness) are areas where BAC's preventative and reablement services are crucial.
- ***Prosperous Place***
  - BAC supports community wellbeing through place-based care, enabling people to live independently in their communities.
  - Its role in climate-conscious service delivery (e.g., efficient buildings, digital care solutions) aligns with the city's sustainability goals.

## **6.2 ACHSCP delivery plan and ACC Housing Strategy**

BAC plays a key role in supporting the city's strategic goals around health, wellbeing, and community resilience. The proposed changes enhance Aberdeen City's response to managing wider determinants of health (Marmot Places). Furthermore, they contribute to Aberdeen City's strategic aims in the ACHSCP delivery plan, ACC Housing Strategy and through:

### ***Modernised Service Delivery***

- Implement Technology Enabled Care (TEC)
- Redesign care pathways
  - Contribute to transformation projects

### ***Support Workforce Development***

- Align with ACHSCP's workforce plan
- Ensure staff are skilled and supported

### ***Deliver Preventative Care***

- Expand community-based services
  - Promote health activities

### ***Collaborate on Strategic Aims***

- Participate in joint initiatives like:
- HFVN
  - Discharge Without Delay
  - Community mental health support

Please note, all options included below aim to deliver the above outlined transformation and promote the strategic directions of BAC, ACC LOIP, and ACHSCP delivery plan.

## **7. Options Appraisal Scope**

Scope – all of BAC and BASS (staff, contracts, assets, care homes, external providers). Nothing is out of scope.

BAC's current operational model, along with the proposed transformation models (for all options explored below) are outlined in [Appendix 3](#). A high-level risk log has also been completed and embedded within [Appendix 4](#).

## 8. Options Appraisal

### 8.1 Option A – Remain as an ALEO

<p><b>Description of this delivery option</b></p> <p>OBJECTIVE 5 <i>Enhances the longevity of BAC's contribution to promoting health and wellbeing of citizens.</i></p>	<p><i>Indicate whether the service would remain as an ALEO or fully/partially amalgamated.</i></p> <p>In <b>Option A</b>, BAC would <b>remain an ALEO</b> to deliver the above outlined transformation. BAC would continue to operate with the allocated funding envelope commissioned via ACHSCP, which is expected to reduce annually.</p> <p>Financial pressures and provision of transformed services will be continually managed through review of 'Value Adding Activities' (VAA). Any post-transformation savings realised through VAA, may include further reduction of the BAC portfolio and closure of services if/when cost pressures reach an unsustainable level in future.</p> <p>Commercial activity of CHH would continue under its current operating model.</p>
<p><b>Impacts of implementing this option</b></p> <p>OBJECTIVE 6 <i>Minimises disruption to service users, informal carers and families – continuity and impact.</i></p>	<p><b><u>People</u></b></p> <p><i>What impacts (both perceived positive and negative) are there to service users/informal carers/staff or Council establishment/staff (TUPE etc)?</i></p> <p><i>Service User impact</i></p> <p>Some services will continue contact with service users as in previous model. Care homes would be transferred to alternative providers, but staff will TUPE to the new provider, minimising the impact upon service users and families.</p> <p>There is potential risk of further changes to service provider(s) in the future, as funding envelope reduces, savings targets increase, and cost pressures continue to rise; in turn, this could affect continuity of care and continuity of contact.</p> <p><i>Staff</i></p> <p>Staff will remain in current role, on existing T&amp;Cs. As per transformation requirements outlined above (Section 5.2.1), an organisational structure review would be undertaken to identify potential cost savings that could mitigate the need to reduce/close services <i>for a period</i>. However, if further services were to be reduced/closed this, combined with ACCs position of no compulsory redundancies, would further compound the challenges around suitable redeployment of staff to other services. BAC's Risk Based Recruitment approach, whilst helping to manage these challenges, will become less impactful should further services reduce or close.</p>
<p><b>Expected financial impact to implementing this option</b></p>	<p><b><u>Assets</u></b></p> <p>BAC services will continue to operate from existing buildings for early intervention and prevention services only (as outlined in Section 5). However, Organisational Restructuring Review and VAA may result in under/over occupation in these buildings. An example of this could be the utilisation of the learning hub. If face to face training requirement is reduced through a revised model of virtual/digital L&amp;D delivery, it may be that this space is under-occupied by staff who will be delivering L&amp;D services directly in services.</p> <p>Ongoing discussions with ACC, as Corporate Landlord, are anticipated to be one of many increasing cost pressures as rent, utility prices and other overhead costs rise year on year. A review of the current SLA for corporate services and asset occupancy are underway at ACC and BAC/ACC have identified that the current SLA and rental agreements require review, modernising and accurate revised costings applied to them.</p>

<p>OBJECTIVE 1</p> <p><i>Delivers savings on current BAC model, enhancing financial resilience, efficiency and sustainability.</i></p>	<p>Further to the above, the governance of building fabric maintenance and the pressures on the ACC budget are impacting the environment that individuals cared for by BAC live in. This can have a negative impact upon Care Inspectorate regulatory inspection ratings (Grades), presenting challenges to the reputation of BAC, ACC and ACHSCP from a public/press perception perspective.</p>
<p>OBJECTIVE 8</p> <p><i>Promotes innovation and enhances digital transformation</i></p>	<p><b><u>Spend</u></b></p> <p><i>Will there be an increase in spend as a result of implementing the option? What reduction in spend will there be as a result of implementing the option?</i></p> <p>If BAC contract value and operating spend is reduced through the above outlined transformation (reduced, more targeted services), Organisational Restructuring Review, and through VAA.</p> <p>The above would result in ACHSCP giving BAC a reduced flat cash funding award. The destination of savings from this reduction would need to be established. ACC's contribution to IJB could change to reflect the reduction in commissioning costs for care homes. However, these funds would need to be reserved to commission the above outlined expansion of Clashieknowe or Virtual Very Sheltered Housing model. There would be need for a contractual agreement between BAC/ACC/IJB for repurposing of these funds.</p> <p>Organisational Restructuring Review and VAA will be undertaken in line with the transformation outlined above (Section 5). These activities are anticipated to reduce spend in other areas out with staff, through digitalisation of processes and review of ways of working.</p>
	<p><b><u>Income</u></b></p> <p><i>What additional income will be received as a result of implementing the option?</i></p> <p>In response to ongoing ACC/BAC SLA discussions, ACC are likely to receive additional rental income through BAC's continued occupation of any remaining council premises from which BAC operate (including Marischal College). However, note that a reduction of occupation is anticipated as Care Home services are transferred to other providers <i>potentially</i> resulting in a loss of rental income but presumably generating income from sale of buildings), and any increase in rent further compounds BAC's financial pressures.</p> <p>Transformation of commercial activity within BAC is included in Section <a href="#">5.3.2</a>, it is anticipated that in time these activities would be profit making. As indicated in Section <a href="#">4.4.2</a>, this will not be sufficient to meet anticipated cost pressures. However, this income could be used / re-invested to partially meet gaps in funding for lower/medium levels of need.</p>

### **Costs**

*Are there any costs required to deliver the option? For example, additional staff to implement the option, additional capital investment, consultants, etc. This is not the impacts on spend going forward so should not be duplicated with data in this section.*

This option presents an opportunity for BAC to respond to new and innovative ways of working that maximise VAA within a transformed portfolio of services, enhanced performance, and to reach financial sustainability. The level of savings that are required year-on-year (c.£2M and rising), Terms and Conditions that are fixed to COSLA, and with 88% of all costs being attributed to staffing, significant reduction and closure of services could be required in future.

To achieve required transformation, especially around digital and tech enabled care, there would likely be an initial requirement for investment around infrastructure. However, a delivery and repayment plan would be required to recoup this via the initial savings in new ways of working. To oversee transformational changes, a Transformation Lead (temporary additional cost) would be required, along with project support (currently inhouse).

Organisational Restructuring Review of roles would require a focused approach through BAC's People & Performance team, alongside additional support from ACC (PO&D), and may also require the input of a dedicated lead e.g. from within BAC, or from an external agency which may attract additional cost.

Please note, discussions regarding the SLA for ACC's existing provision of corporate services support to BAC would continue. Furthermore, Corporate Landlord discussions are also required to review rent charges. The expected outcome of both is anticipated increased cost to BAC.

<p><b>Expected benefits and advantages of implementing this option</b></p> <p>OBJECTIVE 2 <i>Responds to increased demand, enhancing operational flexibility, efficiency, resilience and sustainability..</i></p> <p>OBJECTIVE 4 <i>Enhances synergy of ways of working across ACC/ACHSCP – workforce integration and development</i></p> <p>OBJECTIVE 8 <i>Promotes innovation and enhances digital transformation</i></p>	<p><i>What are the measurable benefits if this option is implemented?</i></p> <p><b>Expected Benefits of remaining as an ALEO</b></p> <p><b>1. Operational Flexibility</b></p> <ul style="list-style-type: none"> <li>• ALEOs can operate with more agility than traditional local authority departments.</li> <li>• They can adopt innovative practices, streamline decision-making, and respond more quickly to service user needs.</li> </ul> <p><b>2. Focused Expertise</b></p> <ul style="list-style-type: none"> <li>• These organisations are typically specialised in a particular area (e.g., adult social care, mental health support), allowing them to build deep expertise and tailor services more effectively.</li> </ul> <p><b>3. Improved Service Quality</b></p> <ul style="list-style-type: none"> <li>• With a dedicated focus and performance targets, ALEOs are incentivised to improve service delivery and user satisfaction.</li> <li>• They may also be subject to external inspections (e.g., by the Care Quality Commission in the UK), which can drive quality improvements.</li> </ul> <p><b>4. Enhanced Accountability</b></p> <ul style="list-style-type: none"> <li>• Although at arm's length, they are still accountable to the local authority and have governance structures that include service users or community representatives.</li> <li>• This can lead to more transparent and community-responsive services.</li> </ul> <p><b>5. Access to Additional Funding</b></p> <ul style="list-style-type: none"> <li>• ALEOs <i>may</i> be eligible for funding streams not available to local authorities, such as charitable grants or social investment.</li> </ul> <p><b>6. Staff and Organisational Development</b></p> <ul style="list-style-type: none"> <li>• A Organisational Restructuring Review of job roles could generate some efficiencies around delivery of services.</li> </ul> <p><b>7. Innovation and Piloting</b></p> <ul style="list-style-type: none"> <li>• ALEOs can serve as 'testing grounds' for new models of care or service delivery, which can later be scaled up if successful.</li> <li>• Potential to improve and enhance digital transformation (with support from ACC).</li> </ul> <p><b>8. Economic contribution</b></p> <ul style="list-style-type: none"> <li>• BAC could continue to employ staff direct, in a range of roles with some potential changes to the way that services are delivered i.e. Organisational Restructuring Review.</li> <li>• Reduced spend through efficiencies</li> <li>• A modernised way of working</li> <li>• Opportunity to operate in a commercial early intervention and prevention space, dovetailing with statutory services.</li> </ul>
<p><b>Disadvantages / risks of this option</b></p> <p>Objective 7 <i>Promotes governance and accountability and reduces risks to BAC and/or ACC,</i></p>	<p><i>What are the disadvantages we would get from implementing the option?</i></p> <p>As cost pressures continue to rise, BAC's ability to fully deliver services within the allotted funding envelope in any given year could be compromised. There is a risk that this option could expose BAC to unrealistic and unachievable savings targets from commissioners, that are outside its control. These savings targets could result in reductions in service delivery and decommissioning of services over time. This is attributed to the significant proportion of staff costs with potential for redundancy for staff if services are not funded to continue.</p>



including implementation risk	
<b>Key milestones and indicative timeline to implement option</b>	<b>Transformation only, remaining as an ALEO</b> <ul style="list-style-type: none"> <li>• VAA – 12 months</li> <li>• Organisational Restructuring Review - 12 months?</li> <li>• Transfer of Care Homes - 6 months</li> <li>• Refocus of services – 12-18 months?</li> </ul>
<b>Future transformation</b>  <b>OBJECTIVE 5</b> <i>Enhances the longevity of BAC's contribution to promoting health and wellbeing of citizens.</i>	<p>BAC are commissioned by ACHSCP and are actively exploring further partnership working with ALEOs, exploring new and innovative ways of working with other wellbeing organisations, to further their work around prevention and early intervention.</p> <p>Integration of ALEOs that have natural synergies, for example, Aberdeen Sports Village (ASV) or Sport Aberdeen (SA) could further promote partnership working to meet the outcomes and objectives of the ALEOs (financial efficiencies, social outcomes, preventative, early intervention). This could involve shared corporate services resources and leadership, collaboration, and co-location of services. Furthermore, it could allow opportunities to explore new and innovative ways of working that would facilitate achievement of cross-pollinated strategic aims, around early intervention and prevention of ill health across multiple ALEOs.</p> <p>Although efficiency savings are considered as business-as-usual within BAC, this future area for development promotes services that meet citizens' needs in an efficient way, at a time when demand for services is high and the financial envelope for their delivery is restricted. A further Organisational Restructuring Review of the ALEO organisations could lead to additional savings being generated, which reduces the risks around future service reductions to meet cost pressures.</p>

## 8.2 Option B – Full ACC Amalgamation

<p><b>Description of this delivery option</b></p> <p>OBJECTIVE 5 <i>Enhances the longevity of BAC's contribution to promoting health and wellbeing of citizens.</i></p>	<p><i>Indicate whether the service would remain as an ALEO or fully/partially amalgamated.</i></p> <p>In <b>Option B</b>, BAC would <b>not</b> remain an ALEO, being <b>fully amalgamated into ACC</b> as an 'in-house' resource to deliver the abovementioned transformation. Bon Accord Care Limited and Bon Accord Support Services Limited would cease trading as limited companies and would be closed down. Amalgamation could be delivered in one of two ways:</p> <ol style="list-style-type: none"> <li>1. All BAC staff would be TUPE transferred to ACC, being <b>aligned to an executive portfolio (e.g. communities)</b>.</li> <li>2. All BAC staff would be TUPE transferred to ACC, subsequently being <b>devolved to the Integrated Joint Board (IJB)</b>. They would remain employees of ACC, being absorbed into the ACHSCP structure.</li> </ol> <p>In both instances, commercial activity would continue through the CHH brand within ACC.</p>
<p><b>Impacts of implementing this option</b></p> <p>OBJECTIVE 6 <i>Minimises disruption to service users, informal carers and families – continuity and impact.</i></p>	<p><b>People</b> <i>What impacts (both perceived positive and negative) are there to service users/informal carers/staff or Council establishment/staff (TUPE etc)?</i></p> <p><i>Service user impact</i></p> <p>There is potential for reputational impact amongst service users, with BAC ceasing to be a stand-alone provider following full amalgamation with ACC. Care homes would be transferred to alternative providers, but staff will TUPE to the new provider, minimising the impact upon service users and families. All other service users would continue to receive care and support from their existing services and staff members.</p> <p>As in Option A, there is potential for further changes to service provider in the future as funding envelope reduces, savings targets increase and cost pressures continue to rise; in turn, this could affect continuity of care and continuity of contact. However, this is likely to be on a longer timeframe, than with Option due to some cost pressures being 'shared' cross-group.</p> <p><i>Staff impact</i></p> <p>This option would require future root and branch Organisational Restructuring Review to remove duplication, rationalising service provisions between BAC and the receiving organisation. In line with ACC's policy, careful management of restructure following TUPE transfer would ensure that lawful transfer took place and redundancies are avoided.</p> <ul style="list-style-type: none"> <li>• In case 1, Organisational Restructuring Review would primarily include corporate services at ACC as resource across both BAC and ACC could be rationalised.</li> <li>• In case 2 above, Organisational Restructuring Review would be extended to include BAC, ACC, and ACHSCP.</li> </ul> <p>In both cases, rationalisation supports efficiency savings through new ways of working, the review and potential redesign of current job profiles, and the dis-establishment of non-essential vacant posts to ensure that services are delivered</p>

	<p>in the most efficient way, to maximise VAA and focus on prevention and early intervention/harm reduction, in line with local, national and international social care policy and guidance.</p> <p>There would be a requirement for additional Legal support to manage a large TUPE exercise of 835 employees, with regards to consultation with Trade Unions / Employee Representatives and affected employees in both organisations. There is potential that the same HR and Legal teams may need to provide support in the two organisations in two capacities: consulting on behalf of BAC on the Tupe transfer out of BAC, as well as consulting on behalf of ACC as the receiving employer; there may be a conflict of interest in this practice.</p> <p>ACC Payroll and the Pension Office would also be required to carry out admin relating to the transfer, although employees are already on the ACC CoreHR system – they are attributed to BAC as a separate employer and not ACC. There would be ongoing requirement for an increased workforce, with regards to HR, Admin, IT, Finance and Payroll support.</p> <p>Other than TUPE and potential rationalisation of roles, disruption would be minimised as staff would remain in the same roles on the same T&amp;Cs. Integration may also enhance career progression and workforce planning.</p> <p>ACC's larger HR infrastructure can better support recruitment, retention, redeployment, and potentially reducing long-term sick leave.</p>
<p><b>Expected financial impact to implementing this option</b></p> <p>OBJECTIVE 1</p> <p><i>Delivers savings on current BAC model, enhancing financial resilience, efficiency and sustainability.</i></p>	<p><b><u>Assets</u></b></p> <p>Services will continue to operate from existing buildings for early intervention and prevention services only (as outlined in Section 5). However, Organisational Restructuring Review and VAA may result in under/over occupation in these buildings. An example of this could be the utilisation of the learning hub, as outlined in sections above.</p> <p>The governance of building fabric maintenance and the pressures on the ACC budget are impacting the environment that individuals cared for by BAC live in. This can have a negative impact upon Care Inspectorate regulatory inspection ratings (Grades), presenting challenges to the reputation of BAC, ACC and ACHSCP from a public/press perception perspective. Further work would be required internally to ensure appropriate governance and response to any maintenance and repairs.</p> <p><b><u>Spend</u></b></p> <p><i>Will there be an increase in spend as a result of implementing the option? What reduction in spend will there be as a result of implementing the option?</i></p> <p>This option offers an opportunity to share Executive/Senior leadership and back-office functions that could increase ACC establishment. There would be a requirement to find additional money for ongoing staffing costs that would transfer to the new employer, and as ACC promotes no compulsory redundancies, any displaced employee would remain on redeployment on full salary until a suitable alternative role was found.</p>

Conversely, the role reorganisation referred to in the staff section above may result in long term savings if efficiencies from a reduction in duplication in roles can be realised.

There is potential for rebranding and associated costs, and it may no longer be possible to recover VAT on some spend as BASS currently does (currently recover c. £600k of input VAT). Furthermore, a Members' Voluntary Liquidation (MVL) process would need to be followed to wind up BAC and BASS, incurring professional fees.

It should be noted that revisions to ACC/BAC SLA would also present additional costs to BAC.

There is the potential for enhanced procurement efficiency using ACC's buying power and financial mechanisms. A 5% saving on BAC's non-staff costs would amount to £200k.

### **Income**

***What additional income will be received as a result of implementing the option?***

Potential delivery of BAC commercial entities could continue and expand as ACC can support commercial activity. As part of ongoing commercial review, there remains significant scope to grow commercial activity with robust planning and investment (outlined in Section 5.3.2).

Transformation of commercial activity is included in Section [5.3.2](#); it is anticipated that in time these activities would be profit making. As indicated in Section [4.4.2](#), this will not be sufficient to meet anticipated cost pressures. However, this income could be used / re-invested to help citizens meet any gaps in funding for lower/medium levels of need as the criteria for access to statutory health and social care is revised in response to population a demand and funding revisions.

This option offers an opportunity to share Executive/Senior leadership and back-office functions that would reduce establishment and promote cost savings for ACC. Post TUPE, shared resources and efficiency savings may lead to cost reduction where there are opportunities to perform Organisational Restructuring Review of all non-front-line staff (e.g. head office and leadership).

In case 1, influence of commissioning spend is anticipated to be retained by ACC as the primary provider of statutory social care and community occupational health services, safeguarding funding for upstream activity. In case 2, responsibility for 'upstream activity' and its funding is retained by ACHSCP.

Further cost reductions may be forthcoming due to the recent national insurance increase being part-funded by Scottish Government, but there is no guarantee that this funding would extend to staff being moved back to ACC. ACC may also have access to other additional government grants, capital funding, and borrowing powers.

### **COSTS**

***Are there any costs required to deliver the option? For example, additional staff to implement the option, additional capital investment, consultants, etc. This is not the impacts on spend going forward so should not be duplicated with data in this section.***

	<p>Additional HR input may be required to support the transition and amalgamation of staffing resources.</p> <p>It is likely that existing project management (BAC and ACC) could ensure that the transition is effectively planned, managed and delivered within the timeframe and budget.</p> <p>Legal and professional fees associated with winding up two limited companies should also be anticipated.</p> <p>The Board structure of BAC/BASS would no longer be required and there may be costs associated with terminating non-executive director contracts.</p>
<p><b>Expected benefits and advantages of implementing this option</b></p> <p>OBJECTIVE 2 <i>Responds to increased demand, enhancing operational flexibility, efficiency, resilience and sustainability.</i></p> <p>OBJECTIVE 4 <i>Enhances synergy of ways of working across ACC/ACHSCP – workforce integration and development</i></p> <p>OBJECTIVE 8 <i>Promotes innovation and enhances digital transformation</i></p>	<p><b><i>What are the measurable benefits if this option is implemented?</i></b></p> <p><b>1. Focused Expertise</b></p> <ul style="list-style-type: none"> <li>Citizens and staff <i>may</i> have greater trust in a ‘unified public provider’ with local expertise, especially in times of crisis or scrutiny and a single ACC brand may reduce confusion and improve service visibility.</li> </ul> <p><b>2.. Improved Service Quality</b></p> <ul style="list-style-type: none"> <li>In case 1, opportunities for greater cross-organisational alignment and cost-sharing could be possible; for example, the roll-out of community ill-health prevention programmes across the city linking with the community Hubs in public Libraries (i.e., the Evergreen Programme).</li> </ul> <p><b>3.. Enhanced Accountability</b></p> <ul style="list-style-type: none"> <li>Streamlined services that are directed by ACC.</li> <li>With full amalgamation there is potential for streamlined decision-making and resource, clearer accountability, and further alignment with ACC’s strategic priorities; potentially, leading This could lead to more transparent and community-responsive services.</li> <li>Unified governance and accountability: Full amalgamation allows for streamlined decision-making, clearer accountability, and alignment with ACC’s strategic priorities.</li> </ul> <p><b>4. Access to Additional Funding</b></p> <ul style="list-style-type: none"> <li>There is scope for NIC to be recovered as a result of being a local authority status.</li> </ul> <p><b>5. Staff and Organisational Development</b></p> <ul style="list-style-type: none"> <li>An Organisational Restructuring Review of job roles could generate some efficiencies around delivery of services.</li> <li>Terms and Conditions, salary scales and pension fund would remain.</li> </ul> <p><b>6. Innovation and Piloting</b></p> <ul style="list-style-type: none"> <li>Further enhanced partnership working arrangements and relationships.</li> <li>Potential to improve and enhance digital transformation.</li> <li>In case 1, ACC provides early intervention and preventative social care under one organisation.</li> <li>In case 2, the creation of new integrated teams, for example bringing BAC Reablement Team and Wellbeing and Fitness coaches together, could</li> </ul>

	<p>enhance promotion and use of social prescribing. It could enhance access to health and wellbeing services for citizens, as well as reducing the impact on formal social work and health services.</p> <p><b>7. Economic/Finance</b></p> <ul style="list-style-type: none"> <li>• Cost savings through rationalisation (in addition to transformation) because of shared resource and efficiency savings.</li> <li>• Cost savings through rationalisation (in addition to transformation) around rationalised staffing model.</li> </ul>
<p><b>Disadvantages / risks of this option</b></p> <p>Objective 7 <i>Promotes governance and accountability and reduces risks to BAC and/or ACC, including implementation risk</i></p>	<p><i>What are the disadvantages we would get from implementing the option?</i></p> <ul style="list-style-type: none"> <li>• Loss of unique ALEO approach.</li> <li>• There is a risk of perceived 'loss' of Aberdeen's largest 'independent' statutory Care provider.</li> <li>• ACC T&amp;Cs would remain in place for staff, continuing to place financial pressure on ACC.</li> <li>• Loss of VAT recovery (BASS currently recover c. £600k of input VAT).</li> <li>• Implementation risk of executive and management staff of BAC/ACC being overwhelmed by implementing the transformation projects referred to in section 5 while also implementing this Full Amalgamation project.</li> </ul>
<p><b>Key milestones and indicative timeline to implement option</b></p>	<p><b>Stage 1 - Transformation</b></p> <ul style="list-style-type: none"> <li>• VAA – 12 months</li> <li>• Transfer of Care Homes - 6 months</li> <li>• Refocus of services – 12-18 months</li> </ul> <p><b>Stage 1 - Amalgamation into ACC</b></p> <ul style="list-style-type: none"> <li>• TUPE transfer - 6 months from the point of agreement that the proposal will happen to transfer into ACC</li> </ul> <hr/> <p><b>Stage 2 - Alignment to ACC portfolio</b></p> <ul style="list-style-type: none"> <li>• Organisational Restructuring Review and rationalisation of corporate services across BAC and ACC – 3 - 6 months for TUPE transfer depending on scale of integration proposals</li> </ul> <p><b>OR</b></p> <p><b>Stage 2 - Devolved to IJB</b></p> <ul style="list-style-type: none"> <li>• SLA/JWA required?</li> <li>• Organisational Restructuring Review rationalisation of corporate and clinical services across BAC and ACHSCP</li> </ul>
<p><b>Future transformation</b></p> <p>OBJECTIVE 5 <i>Enhances the longevity of BAC's contribution to promoting health and wellbeing of citizens.</i></p>	<p>This option presents an opportunity to further explore new ways of working under a 'group structure' across ACC, IJB and BAC. There is scope to extend this further to other ALEO organisations.</p>



### 8.3 Option C – Partial ACC Amalgamation: Group Structure

<p><b>Description of this delivery option</b></p> <p>OBJECTIVE 5 <i>Enhances the longevity of BAC's contribution to promoting health and wellbeing of citizens.</i></p>	<p><i>Indicate whether the service would remain as an ALEO or fully/partially amalgamated.</i></p> <p><b>Option C</b> involves all support functions (BASS) (n= 89) and their relevant Senior Leadership transferring via TUPE (retaining T&amp;Cs) into ACC under the relevant existing functional structures.</p> <p>For clarity the functions involved are –</p> <ul style="list-style-type: none"> <li>• Finance</li> <li>• ICT</li> <li>• People &amp; Performance</li> </ul> <p>All operational staff (BAC) would remain as part of BAC as an ALEO (n= 746).</p> <p>To minimize line management, Senior Leadership (minimum of Operational Leads, Managing Director and Non-execs) could remain within BAC to provide leadership and governance via a revised Board to deliver the required transformational activity.</p> <p>Staff from CHH (n= 12) and Modern Apprentices (n= 9) would be retained within 'BAC' (currently contracted via BASS).</p> <p>CHH would continue under its current operating model.</p>
<p><b>Impacts of implementing this option</b></p> <p>OBJECTIVE 6 <i>Minimises disruption to service users, informal carers and families – continuity and impact.</i></p>	<p><b><u>People</u></b></p> <p><i>What impacts (both perceived positive and negative) are there to service users/informal carers/staff or Council establishment/staff (TUPE etc)?</i></p> <p><i>Service User impact</i></p> <p>Some services will continue contact with service users as in previous model. In line with transformation above, care homes would be transferred to alternative providers, but staff will TUPE to the new provider, minimising the impact upon service users and families. As in Option A, there is potential for further changes to service provider for wider services in the future as funding envelope reduces, savings targets increase and cost pressures continue to rise; in turn, this could affect continuity of care and continuity of contact. However, this is likely to be on a longer timeframe, than with Option A, due to some cost pressures being 'shared' cross-group.</p> <p><i>Staff impact</i></p> <p>There would be a need for harmonisation of corporate services via Organisational Restructuring Review across ACC post-transfer to rationalise resource. Rationalisation supports efficiency savings through new ways of working, the review and potential redesign of current job profiles, and the dis-establishment of non-essential vacant posts to ensure that services are delivered in the most efficient way, to maximise VAA and focus on prevention and early intervention/harm reduction, in line with local, national and international social care policy and guidance.</p> <p>There would be a requirement for additional legal support in order to manage a smaller (than Option B) TUPE exercise, with regards to consultation with Trade Unions / Employee Representatives and affected employees in both organisations. There is potential that the same HR and legal teams may need to provide support in the two organisations in two capacities: consulting on behalf of BAC on the TUPE transfer out of BASS staff (excluding CHH), as well as</p>

	<p>consulting on behalf of ACC as the new employer; there may be a conflict of interest in this practice.</p> <p>ACC Payroll and the Pension Office would also be required to carry out a smaller amount of admin relating to the transfer (in comparison to Option B), although employees are already on the ACC CoreHR system – they are attributed to BAC as a separate employer and not ACC. There would be ongoing requirement for HR, Admin, IT, Finance and Payroll support for remaining BAC/BASS employees, with no in-house resource. To this effect, a partnership approach with ACC post-transfer would be required to manage cross-organisational workload.</p> <p>As Senior Leadership of Managing Director, Non-Executive Directors and Operational Leads will remain with BAC, there will require to be contractual changes to support the move from BASS to BAC contracts.</p> <p>This will allow for a modified Board / Governance Structure to remain in place and allow for necessary oversight of the remaining BAC legal entity.</p>
<p><b>Expected financial impact to implementing this option</b></p> <p><b>OBJECTIVE 1</b>  <i>Delivers savings on current BAC model, enhancing financial resilience, efficiency and sustainability.</i></p>	<p><b><u>Assets</u></b></p> <p>BAC services will continue to operate from existing buildings for early intervention and prevention services only (as outlined in Section 5). However, Organisational Restructuring Review and VAA may result in under/over occupation in these buildings. An example of this could be the utilisation of the learning hub (as outlined above)</p> <p>Ongoing discussions with ACC, as Corporate Landlord, are anticipated to be one of many increasing cost pressures as rent, utility prices and other overhead costs rise year-on-year. A review of the current SLA for corporate services and asset occupancy are underway at ACC and BAC/ACC have identified that the current SLA and rental agreements require review, modernising and accurate revised costings applied to them.</p> <p>Further to the above, the governance of building fabric maintenance and the pressures on the ACC budget are impacting the environment that individuals cared for by BAC live in. This can have a negative impact upon Care Inspectorate regulatory inspection ratings (Grades), presenting challenges to the reputation of BAC. ACC and ACHSCP from a public/press perception perspective.</p> <p><b><u>Spend</u></b></p> <p><i>Will there be an increase in spend as a result of implementing the option? What reduction in spend will there be as a result of implementing the option?</i></p> <p>Increase in spend initially to ACC due to exit costs and TUPE processes (albeit, to a lesser degree than in Option B due to it involving only a proportion of staff).</p> <p>There is potential for rebranding and associated costs, and it may no longer be possible to recover VAT on some spend as BASS currently does (currently recover c. £600k of input VAT). Furthermore, a Members' Voluntary Liquidation (MVL) process would need to be followed to cease / revise BASS activity, incurring professional fees.</p> <p>It should be noted that revisions to ACC/BAC SLA would also present additional costs to BAC.</p>

	<p><b><u>Income</u></b>  <i>What additional income will be received as a result of implementing the option?</i></p> <p>In response to ongoing ACC/BAC SLA discussions, ACC are likely to receive additional rental income through BAC's continued occupation of any remaining council premises from which BAC operate (including Marischal College). However, note that a reduction of occupation is anticipated as Care Home services are transferred to other providers, <i>potentially</i> resulting in a loss of rental income. However, there is also potential for ACC to increase charges to tenants for housing support.</p> <p>Transformation of commercial activity is included in Section <a href="#">5.3.2</a>, it is anticipated that in time these activities would be profit making. As indicated in Section <a href="#">4.4.2</a>, this will not be sufficient to meet anticipated cost pressures. However, this income could be used / re-invested to help citizens meet any gaps in funding for lower/medium levels of need as the criteria for access to statutory health and social care is revised in response to population a demand and funding revisions.</p> <p><b><u>COSTS</u></b>  <i>Are there any costs required to deliver the option? For example, additional staff to implement the option, additional capital investment, consultants, etc. This is not the impacts on spend going forward so should not be duplicated with data in this section</i></p> <p>It is anticipated that there will be costs initially around staff transfer / exit costs and (albeit, to a lesser degree than Option B).</p> <p>A new service level agreement would require to be agreed between BAC/BASS and ACC in relation to support services and assets (such as ICT, HR etc.) following partial amalgamation of corporate services.</p> <p>Please note, discussions regarding the SLA for ACC's existing provision of corporate services support to BAC would continue. Furthermore, Corporate Landlord discussions are also required to review rent charges. The expected outcome of both is anticipated increased cost to BAC.</p>
<p><b>Expected benefits and advantages of implementing this option</b></p> <p>OBJECTIVE 2  <i>Responds to increased demand, enhancing operational flexibility, efficiency, resilience and sustainability.</i></p> <p>OBJECTIVE 4  <i>Enhances synergy of ways of working across ACC/ACHSCP – workforce integration and development</i></p> <p>OBJECTIVE 8</p>	<p><i>What are the measurable benefits if this option is implemented?</i></p> <p>The expected benefits of BAC remaining an ALEO are outlined in Option A.</p> <p>In addition to those outlined above, the benefits of adopting a 'hybrid' group structure (ALEO to deliver BAC services, and BASS services amalgamating with ACC) are outlined below:</p> <ul style="list-style-type: none"> <li>• Improved alignment of operational processes across ACC/BAC.</li> <li>• Potential to improve and enhance digital transformation (with support from ACC).</li> <li>• Maintaining a modernised way of working, with flexibility/agility to respond quickly to evolution of health and social care.</li> <li>• Opportunity to operate and enhance in a commercial early intervention and prevention space, dovetailing with statutory services.</li> </ul>

<i>Promotes innovation and enhances digital transformation</i>	
<p><b>Disadvantages / risks of this option</b></p> <p>Objective 7 <i>Promotes governance and accountability and reduces risks to BAC and/or ACC, including implementation risk</i></p>	<p><b>What are the disadvantages we would get from implementing the option?</b></p> <ul style="list-style-type: none"> <li>• Separation of BAC/BASS and CHH.</li> <li>• There is a risk that disconnect of responsibility, governance between BAC and BASS staff.</li> <li>• There is a risk of diluting the identity of BAC by having dispersed staff groups.</li> <li>• Loss of VAT recovery</li> <li>• Governance Complexity <ul style="list-style-type: none"> <li>○ Split leadership and oversight: Retaining BAC as an ALEO while transferring BASS to ACC creates a fragmented governance model, risking misalignment and diluted accountability.</li> <li>○ Legal and operational ambiguity: The need for new SLAs and governance structures introduces complexity and potential delays.</li> </ul> </li> <li>• Limited Financial Impact <ul style="list-style-type: none"> <li>○ Partial savings only: Option C delivers fewer financial efficiencies than Option B due to retained duplication in leadership and support services.</li> <li>○ Ongoing SLA costs: BAC would still rely on ACC for corporate services, potentially at higher cost due to revised SLAs.</li> </ul> </li> <li>• Operational Disconnection <ul style="list-style-type: none"> <li>○ Dispersed teams: Separation of corporate and operational staff may hinder communication, collaboration, and strategic alignment.</li> <li>○ Diluted identity: BAC's brand and culture may be weakened by partial integration, affecting morale and stakeholder confidence.</li> </ul> </li> <li>• Transformation Delivery Risk <ul style="list-style-type: none"> <li>○ Complex change management: Managing transformation across two organisational structures (BAC and ACC) increases risk and resource requirements.</li> <li>○ Reduced agility: BAC may struggle to implement system-wide changes without full integration into ACC's strategic and operational frameworks.</li> <li>○ Implementation risk of executive and management staff of BAC/ACC being overwhelmed by implementing the transformation projects referred to in section 5 while also implementing this Full Amalgamation project</li> </ul> </li> </ul>
<p><b>Key milestones and indicative timeline to implement option</b></p>	<p><b>Stage 1 -Transformation</b></p> <ul style="list-style-type: none"> <li>• VAA – 12 months</li> <li>• Organisational Restructuring Review - 12 months</li> <li>• Transfer of Care Homes – 6 months</li> <li>• Refocus of services – 12-18 months</li> </ul> <hr/> <p><b>Stage 1 – Corporate services amalgamation into ACC</b></p> <ul style="list-style-type: none"> <li>• TUPE transfer -</li> </ul> <hr/> <p><b>Stage 2 - Alignment to ACC corporate portfolios</b></p>

	<ul style="list-style-type: none"> <li>Organisational Restructuring Review of appropriate departments in ACC and rationalisation of BAC and ACC corporate services</li> </ul>
<b>Future transformation</b>  <b>OBJECTIVE 5</b> <i>Enhances the longevity of BAC's contribution to promoting health and wellbeing of citizens.</i>	<p>As in Option A, there is scope to consider further efficiency and harmonisation of corporate services across wider ALEO partners. This option offers an exemplar to other ALEOs in paving the way towards greater integration and harmonisation of common shared functions.</p>

## 9. Scoring of Options Against Objectives

Use the table below to score options against the objectives in order to create a shortlist of options to be considered.

Objectives <i>(focus on methodology for delivering)</i>			
	A <i>(ALEO)</i>	B <i>(Full amalgamation)</i>	C <i>(Partial amalgamation)</i>
<b>Aim</b>			
To <b>outline</b> proposed transformative changes that aim to sustain the future provision of BAC services and <b>identify</b> delivery models to achieve and implement the required transformation.			
<b>Objectives</b>			
1. Delivers savings on current BAC model, enhancing financial resilience, efficiency and sustainability.	2	2	2
2. Responds to increased demand, enhancing operational flexibility, efficiency, resilience and sustainability.	2	2	1
3. Fits with BAC/ACC/ACHSCP strategic direction, including LOIP.	3	3	3
4. Enhances synergy of ways of working across BAC/ACC/ACHSCP – workforce integration and development.	2	3	2
5. Enhances the longevity of BAC's contribution to promoting health and wellbeing of citizens.	2	3	2
6. Minimises disruption to service users, informal carers and families – continuity and impact.	2	1	1
7. Promotes governance and accountability and reduces risks to BAC and/or ACC.	2	3	2
8. Promotes innovation and enhances digital transformation.	1	2	1
<b>Total</b>	<b>16</b>	<b>19</b>	<b>14</b>
<b>Ranking</b>	<b>2<sup>nd</sup></b>	<b>1<sup>st</sup></b>	<b>3<sup>rd</sup></b>

### Scoring

- 3 Fully delivers
- 2 Mostly delivers
- 1 Delivers to a limited extent
- 0 Does not deliver
- 1 Will have a negative impact on objective



10. Governance		
Include any plans around the ownership and governance of the project and identify the people in the key project roles in the table below.		
Role	Name	Service
<b>Project Sponsor</b>	Louise Henderson/ Andy MacDonald	BAC/ACC
<b>Project Manager</b>	Nicky Fraser/ David Leslie	BAC/ACC
<b>Transformation Lead</b>	<i>(Required)</i>	BAC
<b>Decision makers/ Governance</b>	ACC Shareholder - Angela Scott BAC Board <i>N.B. There may be need to identify further governance routes</i>	BAC/ACC

Indicative Timeline	
Event	Date
<u>Selection of Option A, B or C</u>	
Outline Business Case finalised for presentation to Decision Makers	15/08/2025 & 18/08/2025
Preferred option selected	18/08/2025
Full Business Case prepared and finalised for preferred option	15/09/2025
Full Business Case [or summary report?] taken to ACC Full Council for approval - TBC	01/10/2025 or 10/12/2025
Implementation of preferred option	31/03/2026
<u>Transformation Projects</u>	
Transformation projects initiated (in parallel with above sequence of events) – see 'Key milestones and indicative timeline to implement option' sections at the end of each option – 6 to 18 months	01/10/2025 - 31/03/2027

11. Resources			
List the staff resources and expertise required to implement the project. Ensure support services are included, such as Project Management, Legal, Procurement and Communications.			
Task	Responsible Service/Team	Start Date	End Date
Project Management	BAC/ACC	22/09/2025	TBC
Legal	ACC/Independent	22/09/2025	TBC

Procurement	BAC/ACC Finance	22/09/2025	TBC
ACHSCP representation	TBC	22/09/2025	TBC
? Scottish Government (if scheme of integration is to be amended)	TBC	TBC	TBC
Communications	BAC/ACC & ACHSCP	22/09/2025	TBC
People and Performance	BAC & ACC	22/09/2025	TBC

## 12. Stakeholders

List the key interested individuals, teams, groups or parties that may be affected by the project or have an interest in it, including those external to the organisation. Show what their interest would be and their level of responsibility.

BAC Board and employees and ACC; ACHSCP; citizens and communities of Aberdeen.

## 13. Document Revision History

Version	Reason	By	Date
1	Initial draft - Archived	LH	01/08/2025
2	New version started for updates following AMac feedback (01/08/2025 - LH).	ST	07/08/2025
3	Revisions following feedback from Future Planning Group.	LH	15/08/2025
4			

# Guidance for estimating Project Costs, including ongoing costs

(this page can be deleted on completion of the Business Case)

[\(Return to Contents page\)](#)

## Project Costs

- Costs should include both **capital investment** *and* **the ongoing revenue costs**. This is especially relevant where the project involves a new or upgraded building, a new IT System or new personnel. Where ongoing costs are identified these must be budgeted for in advance of the project being approved.
- Expected Costs and Benefits should be considered over at least a five year period. It is an estimate of the resources and capabilities (people, physical resources and funding) needed to deliver the project and sustain the benefits. The estimates need to cover both the direct project costs and the ongoing (business as usual) costs for the lifetime over which the benefits are to be considered.
- **Costs should include all internal and external costs over the lifetime of the benefit realisation.** Make sure that all costs carried by the organisation are included, in particular remembering that benefits in one part of the organisation may result in costs elsewhere in the delivery chain, and the non-direct project costs. Costs should be separated into capital and revenue expenditure.
- Costs can be shown in a number of ways, from a simple table to a complex spreadsheet. The business case should contain an overview and any additional detail from the financial model should be included in the appendices.
- The appropriate cost areas to consider will vary depending on the type of project. Immediate project costs are straightforward to identify. However, indirect costs will require further effort. Always consider what activities are impacted by the delivery of the programme or project and how any work products will be sustained, eg ongoing support and maintenance costs. The benefits identified can be a good starting point for identifying costs that are often overlooked.

### The following costs should be included:

- Capital expenditure e.g. acquisition costs of equipment, support equipment. Include the cost of premises/fixed assets.
- Operating and maintenance costs for the entire expected economic life of the project, eg computer processing time, network charges, space allocation, lease or rental of specific equipment.
- Labour costs for the life cycle of the project, e.g. salaries and direct non-wage costs (training, supplies, travel).
- Any costs associated with taxes, insurance, penalties, eg Carbon Reduction Commitment, landfill tax.
- Costs associated with communications and promotion.
- Costs of outputs.
- Start-up costs, eg disruption of business processes due to the conversion to the new business process, extra work hours required to compensate for lower productivity in the start-up phase.
- Costs of reorganisation towards the business as usual process, eg redesigning a job, hiring or reassigning people, developing new policies, developing and deploying new systems.
- Research, design and development costs.

# Appendix 1

## Service users supported

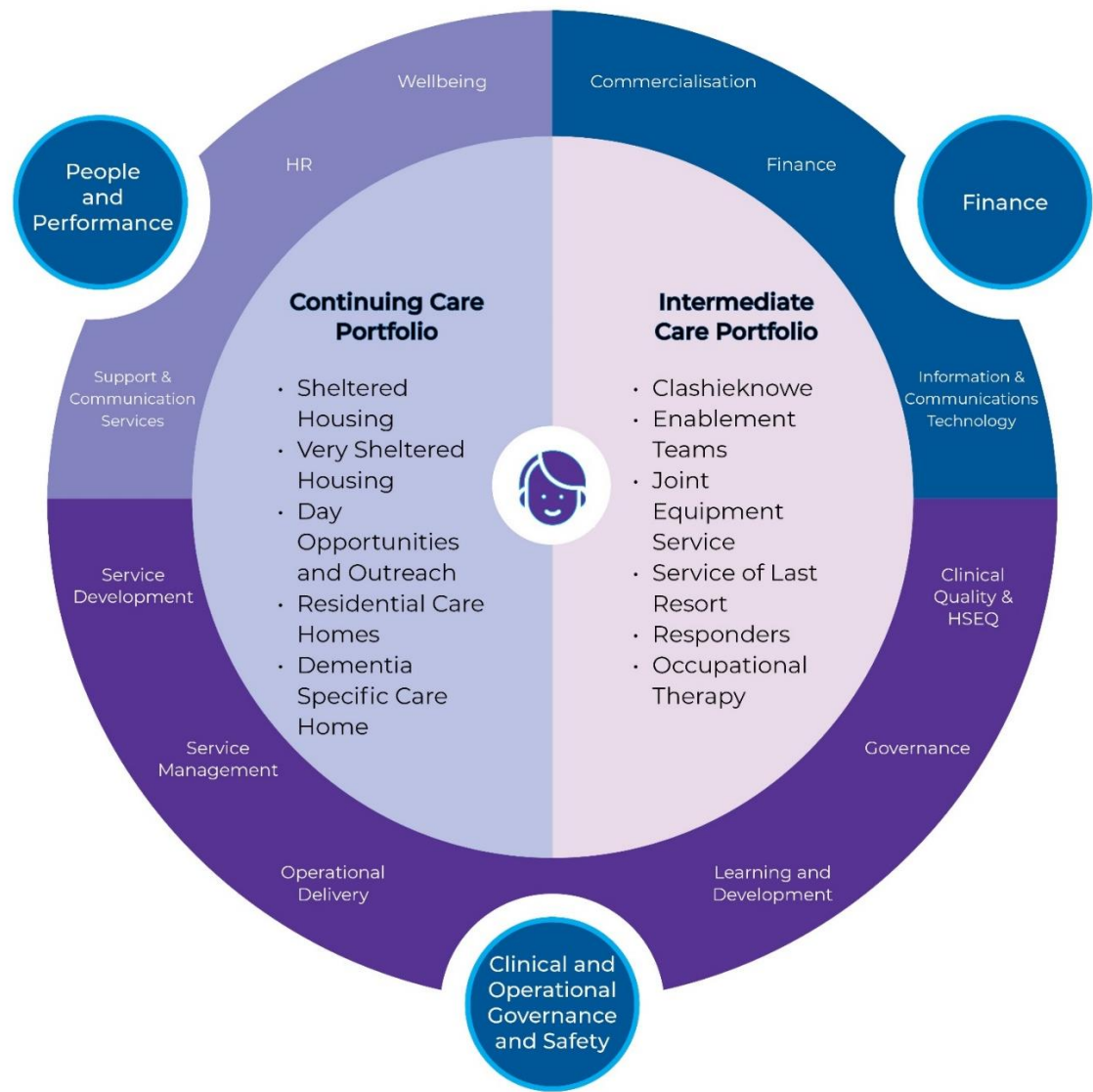
Service	No.	Measure	Timeframe
Care at Home1	942	Service Users	At any given time
Care at Home 2	856	Service Users	
Care at Home 3	176	Service Users	
Day Centre	65	Service Users	
Clashieknowe	19	Service Users	
Fergus House Care Home	43	Residents	
Kingswells Care Home	44	Residents	
Balnagask Care Home	20	Residents	
City Home Helpers	58	Service Users	
Telecare	2781	Service Users	
Learning & Development	835	Learners supported	
Total people supported:		5839 at any given time (Circa)	
Enablement team			Per annum
<ul style="list-style-type: none"><li>Referrals in previous 12mths</li><li>Enablement training courses supported</li></ul>	409	People supported	
	186	People trained.	
Blue Badge	1800	Cases	
Fieldwork OT	4800	Cases	
Joint Equipment Store	19,935	Deliveries	
Total people supported:		27,130 per annum (Circa)	

## Appendix 2

### Operating Locations

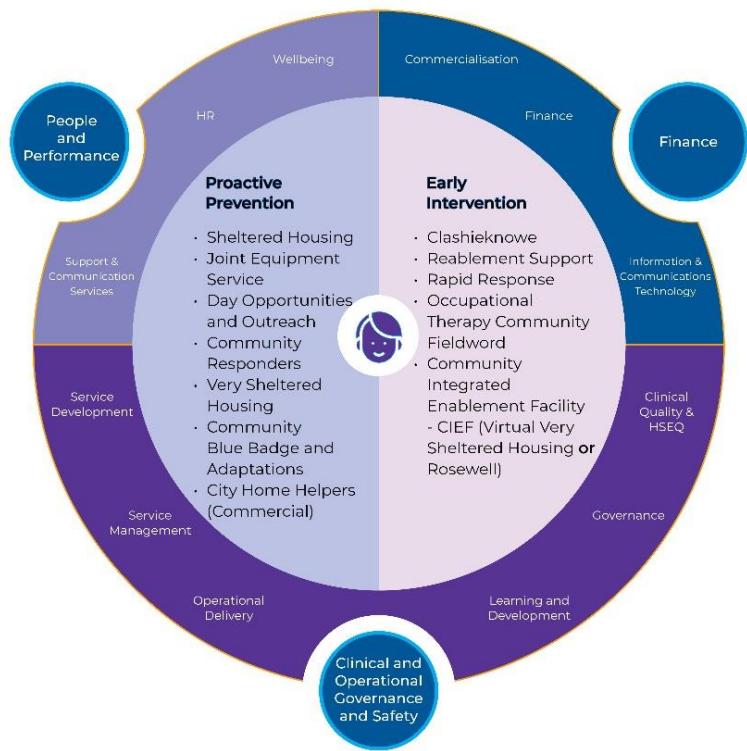
Name of Asset	Address of Asset	Owned/Rented	Landlord	Annual Rent
Balnagask House	North Balnagask Road Aberdeen AB11 8LQ	Rented	Aberdeen City Council	£120,000
Fergus House	Fergus Place Aberdeen AB21 7DD	Rented	Aberdeen City Council	£245,000
Kingswells Care Home	Kingswood Drive, Kingswells, Aberdeen, AB15 8TB	Rented	Aberdeen City Council	£250,000
Clashieknowe	Scotstown Road, Aberdeen, AB23 8NA	Rented	Aberdeen City Council	£86,000
Learning Hub	2 Croft Road, Aberdeen, AB16 6RB	No lease Agreement	Aberdeen City Council	£-
Joint Equipment Store (JES)	Unit 3 & 4 Whitemyres Avenue, Aberdeen, AB16 6HQ	Rented	Aberdeen City Council	£120,000
Head Office Marischal College	Marischal College, Broad Street, Aberdeen, AB10 1AB	Rented	Aberdeen City Council	£80,000
Stocket Grange	Stockethill Crescent, Aberdeen, AB16 5TN	Rented Rooms	Aberdeen City Council	£5,000
Dominies Court	Dominies Court, Aberdeen, AB16 5JQ	Rented Rooms	Aberdeen City Council	£5,000

Current BAC Operating model

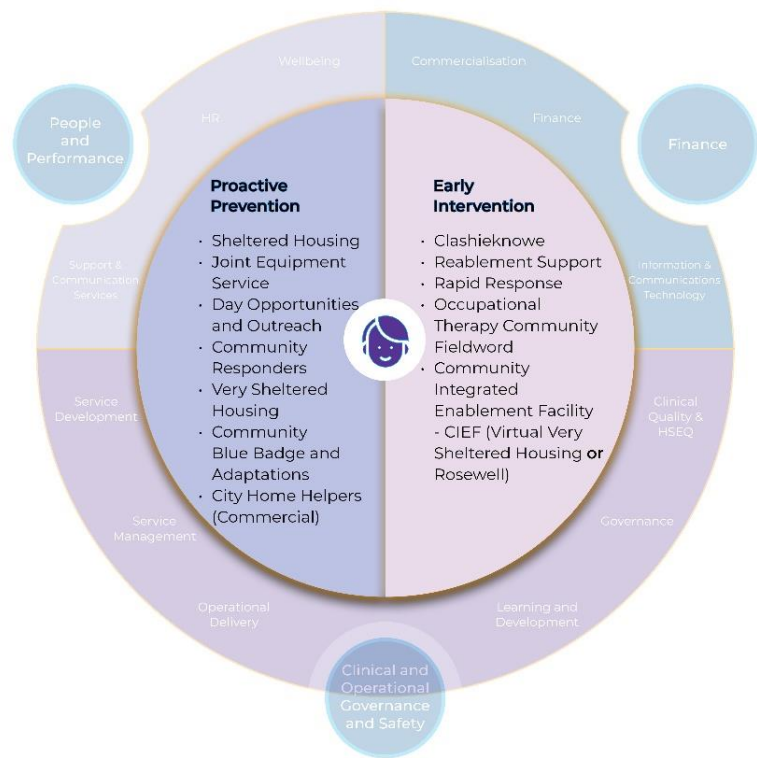




Transformation Operating model (DRAFT)



Option A - remain as ALEO



Option B and C - full/partial amalgamation with ACC (corporate services harmonisation)

## Appendix 4

### Risk Log

[placeholder for adding a copy of, or a link to the live version of, the RAID log contained within the same Teams folder]

[Future Planning RAID Logs.xlsx](#)