

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

19th May 2016

**REPORT OF SENIOR
MANAGEMENT TEAM**

CABINET DECISION

Adult Services and Health – Councillor Jim Beall

DEVELOPMENT OF A SOCIAL ENTERPRISE – HOME CARE SERVICES

1. Summary

To present to Members details of a proposal to develop a social enterprise as an additional provider of home care services within the borough.

2. Recommendations

Members support the proposals to:

1. Scope and develop proposals to address the specific gap in the current provision (location, specific client needs etc); and
2. Work with Five Lamps as part of a one year pilot to develop a social enterprise as a solution to the delivery of identified homecare services in the borough.
3. Members note the added value achieved through the use of a social enterprise model.

3. Reasons for the Recommendation(s)/Decision(s)

The Care Act requires Local Authority's to shape the market for the provision of adult care and support. Introducing a new third sector player/players to develop a social enterprise in relation to the delivery of homecare services will provide additional choice and further enable prevention and independence.

4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, consider whether that interest is one which a

member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

Disclosable Pecuniary Interests

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

AGENDA ITEM

REPORT TO CABINET

19th May 2016

**REPORT OF SENIOR
MANAGEMENT TEAM**

CABINET DECISION

Adult Services and Health – Councillor Jim Beall

DEVELOPMENT OF A SOCIAL ENTERPRISE – HOME CARE SERVICES

SUMMARY

To present to Members details of a proposal to develop a social enterprise as an additional provider of home care services within the borough.

RECOMMENDATIONS

Members support the proposals to:

1. Scope and develop proposals to address the specific gap in the current provision (location, specific client needs etc); and
2. Work with Five Lamps as part of a one year pilot to develop a social enterprise as a solution to the delivery of identified homecare services in the borough.
3. Members note the added value achieved through the use of a social enterprise model.

DETAIL

1. As members are aware there are some significant challenges within Adult Social Care. Inflationary pressures on service provision (Including the national living wage), increasing demand for services (ageing population, increased life expectancy etc. and continued strain on financial resources all present a high level of risk to the Authority. Ensuring quality of service provision is also a key issue.
2. Home care is a service provided by paid care workers to provide help in the home to a person who needs support for assessed unmet needs. The service is arranged following a social care assessment carried out by a social worker. This includes practical support to help with activities of daily living such as:
 - Help with getting up and going to bed, dressing, preparing meals and taking medication
 - Help with shopping
 - Helping a person engage in community activities

3. Home care provision is designed to enable people and to promote independence by assisting individuals to remain within their home, delaying, preventing, where appropriate, the need for acute care and residential care. Locally we provide around 10,000 hours of home care a week for around 1,000 service users, 80% of which is provided by two companies (both private sector). The annual value of the work is £4.745 million (2014/15 costs). Our current model of home care is in the main traditional and focused on meeting identified and eligible needs as part of an adult social care assessment process rather than on reabling or preventing needs from escalating.
4. Within our home care services there are some specific pressures
 - Fees (service provider nationally and locally are facing challenges from the National Living Wage, pension reforms and pressure from HMRC over travel)
 - Growth in the volume of hours being commissioned
 - Service providers facing problems such as recruitment and retention of staff and expectations of service users and families.
5. The Care Act 2014 places new duties on Local Authorities to facilitate and shape their market for adult care and support. Market shaping activity should stimulate a diverse range of high quality services (both in terms of types, volumes and quality of services and the types of provider organisations) and ensure the market as a whole remains vibrant and sustainable. There is an emphasis on outcome based commissioning which in the case of homecare could emphasise prevention, enablement, ways of reducing loneliness and social isolation and promoting independence as ways of achieving desired outcomes.
6. Just under 20% of home care calls are 15 minute calls, which are classified as 'welfare calls', that is low level interventions to check someone is well with no personal care. Such visits could involve for example prompting someone to take medication. This provides an opportunity for an alternative service delivery model.
7. Considering the national and local challenges to home care and the risks these pose to the market, there is an opportunity to consider alternative homecare service provision by seeking a partner who could develop a third sector social enterprise. Such a provider would still deliver registered personal care services but could add value by providing some of the welfare calls through volunteering and potentially also providing a personal Assistant 'checking and matching' service plus developing personal assistant peer support. The organisation would be not for profit with any surplus reinvested back into the business to support the growth and development of the business and could for example assist with enhanced staff training/retention, support for volunteers etc. Staff turnover in homecare is high with each new staff member costing circa £4k to get trained and ready to work independently; constant staff turnover can disrupt service delivery and is not desirable from the user perspective as clients generally prefer the same staff to visit. Investment in staff pays proven dividends, and a social enterprise will concentrate on this, resulting in improved quality and consistency of service delivery.
8. We have identified a local voluntary and community sector partner, Five Lamps, who we intend to work with on a twelve month pilot basis initially operating within a defined area of the borough. This will be consistent with the Council's approach to further developing the voluntary and community sector to enable organisation to have improved access to business opportunities. The intention is Five Lamps will:
 - (a) Put additional resource into creating a qualified, motivated high performing workforce reducing staff turnover (and the impact this has on service users)
 - (b) Work in partnership with Stockton Riverside College to develop a professional care workforce
 - (c) Be more flexible to the needs of individuals and help facilitate independence and wellbeing
 - (d) Be rooted in the community

Using a local social enterprise within a profit for social purpose model where profits are reinvested back in to further develop the enterprise and its employees and volunteers is compliant with our Sustainable Procurement Policy and the social value element in particular.

It also supports a model of social capital where the existence and quality of the relationships, social networks and attributes that exist amongst the families, organisations and the local community are built on and developed as an underlying and essential ingredient that supports healthy communities.

The report of the Adult Social Care and Health Select Committee in February 2015 identified the need to continuously improve the quality of home care in our borough. The committee recommended we further diversify the provider market by working with the voluntary and community sector (VCSE) to develop new services. This report is in line with that recommendation.

9. There are a number of requirements in order for the social enterprise to become operational and to meet Care Quality Commission registration standards. A detailed implementation project plan will be drawn up in conjunction with the Council which allows the social enterprise to be an active provider as soon as is practical.

10. Procuring a Partner

The existing contracts for the delivery of homecare end 30th September 2016 with a one year optional extension. We are currently considering taking the optional year extension with the existing eligible providers, but carving out a number of clients, possibly based on a geographical area and awarding a contract to the new social enterprise provider as a pilot scheme. This would allow us to test out new ways of working and specifically develop a welfare approach with the aim of increasing independence and community support. This approach would allow Five Lamps to establish CQC registration and to commence service delivery with a manageable number of clients. Subject to the pilot being successful, Five Lamps would be in a position to compete when the next contracts are tendered for commencement 1st October 2017.

11. The commencement of a new service will have to dovetail with current contract arrangements to prevent duplication or gaps in service.
12. Although initially home care will be the focus of the social enterprise other areas may be developed for example residential care. Colleagues from health may be interested in the development of our new home care model as there could be aspects of health care that could be delivered in the community as part of the welfare visits. We will approach colleagues in health and establish a dialogue around this.

COMMUNITY IMPACT IMPLICATIONS

13. With current home care provision we are at risk of provider failure as so much of the service is provided by two organisations. Bringing in another player could mitigate the risk. It is anticipated that the use of volunteers would provide added value helping to further promote independence and reduce isolation and loneliness.

FINANCIAL IMPLICATIONS

14. The introduction of a third sector social enterprise could give added value to service provision. Profits would be ploughed back into the organisation.

LEGAL IMPLICATIONS

15. The Council has a duty under the 2014 Care Act with regard to market shaping and commissioning of adult care and support. The commissioning of the social care enterprise is consistent with this. We currently have existing contracts with providers and any commissioning arrangements will reflect these.

RISK ASSESSMENT

16. The commissioning of home care via a social enterprise is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.”

COUNCIL PLAN POLICY PRINCIPLES AND PRIORITIES

17. The creation of a new social enterprise to deliver some of our homecare provision in the borough will enhance our ability to protect the vulnerable as there will be further choice. Promoting increased independence and combating loneliness will help develop strong and healthy communities.

CORPORATE PARENTING IMPLICATIONS

18. This report does not contain corporate parenting implications.

CONSULTATION INCLUDING WARD/COUNCILLORS

19. No specific consultation has taken place with members as at this stage we are asking Cabinet to agree with our proposal to create a social enterprise to provide homecare services.

Name of Contact Officer: Julie Nixon
Post Title: Transformation Team
Telephone No. 01642 527072
Email Address: Julie.nixon@stockton.gov.uk

Education related No

Background Papers
None

Ward(s) and Ward Councillors:

Property
None