

Report of Director of Adult Social Services

Report to Executive Board

Date: 14th February 2014

Subject: Creation of a Social Enterprise to deliver the Council's Learning Disability Community Support Service

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The 'Better Lives' vision for the delivery of social care and support is the Council's commitment to ensuring that Leeds positions itself nationally as the best city for people with care needs, including those with a learning disability. Nationally, the number of people with learning disabilities continues to rise, which results in an increasing demand for care and support. The increased demand coincides with a time when council budgets continue to be severely constrained, hence the need to look creatively at ways of delivering services that continue to give citizens best-quality support, provide staff with good pay and working conditions and deliver best value to local authorities.
2. The Learning Disability Community Support Service is the Council's in-house provider of care services which provides support to over 1000 adults with learning disabilities with a staff team of over 700. The service provides care and support services to some of the city's most vulnerable citizens. It has recently undergone a transformation from old-style, segregated, hostel-based accommodation and care to small clusters of flats and bungalows located in communities, where 'residents' have become 'tenants' in their own right and are supported for personal care and daily living needs by the Community Support Service.
3. The service also extends to supporting people in a range of daytime activities in small bases in the community, a service which has similarly been modernised as a locally-based, personalised range of daytime activities. It is highly regarded by the people who use the service as well as their family carers, who have seen their sons and daughters grow in confidence and independence, asserting their rights as members of the

community. The service has an annual budget of £20.9M of which £17.2M relates to employees.

4. The service is seeking to develop a social enterprise in the form of a staff-led public service mutual, to:
 - establish a vehicle that can deliver a long term sustainable future for the current service, protecting current high quality services and jobs;
 - create a significant socially responsible employer in the city that can deliver 'good growth', the Living Wage and raise employment standards in the sector; and
 - help mitigate cost pressures that the council is facing as a result of demographic pressures in learning disability services, which currently stand at £4M per year across Council and health budgets, and to
 - develop in line with the Council's objectives for becoming a more efficient and enterprising organisation, by providing civic leadership in developing a care market which is more diverse and buoyant. It would promote sustainable and inclusive economic growth and provide the staff of the social enterprise with the means of competing successfully in that market. In turn, users of the service would benefit from a wider range of choices.
5. An Integrated Business Plan has been developed which clarifies the sustainability of the proposed staff mutual and identifies a range of benefits to the Council and the local community, which supports the ambitions of the Council and the propositions of the Commission for Local Government in relation to:
 - Delivering the Better Lives programme
 - Promoting sustainable and inclusive economic growth
 - Becoming an efficient and enterprising Council
6. Approval is now being sought to formally consult with staff and engage with stakeholders about the proposal which would, if supported, see the development of transitional arrangements in advance of a full staff transfer from the Council to the proposed social enterprise. This consultation would include a poll to ascertain the opinion of all staff within the Learning Disability Community Support Service employed by Leeds City Council. In addition, customers, service users, families and relatives will be engaged about the proposals particularly to provide assurance about the on-going delivery of quality services, and the scope to extend them further.
7. Assuming positive progress with all the above, it is intended that the proposal is further developed and a further report will be submitted to the Executive Board in December 2014, requesting approval to formally launch the social enterprise in early 2015.

Recommendations

The Executive Board is recommended to:

8. Note the progress made to date in relation to the development of a social enterprise for the Learning Disability Community Support Service, including the production of an Integrated Business Plan, an executive summary of which is attached to this report as Appendix 1.

9. Authorise formal consultation to be undertaken with staff regarding the proposal to establish a staff mutual in the form of a social enterprise and, subject to a positive staff response, establish transitional arrangements, as recommended at 10, 11 and 12 below.
10. Authorise full engagement with a wide group of stakeholders including elected members, customers and family carers.
11. Authorise the setting up of a Shadow Board to oversee the development of the social enterprise, which will include membership from the Council.
12. Authorise the preparation of a detailed service specification and the negotiation of a contract for services for a period of 5 years, which achieves the balance of benefits and risks for both the Council and the social enterprise, as identified in the body of this report.
13. Note that (subject to a positive staff response through the consultation process) a further report will be brought to Executive Board, during the transitional arrangements, which will request approval to launch the social enterprise.
14. Approve the next steps as follows:

March – May 2014:	Formal consultation on the proposal
June 2014:	Establishment of shadow arrangements
December 2014:	Report to Executive Board requesting approval to launch the social enterprise
Early 2015:	Launch of social enterprise
15. Note that the Head of Service for the Learning Disability Community Support Service is the lead officer.

1 Purpose of this report

- 1.1 This report describes the proposals for a potential development of a social enterprise in the form of a staff-led public service mutual to deliver the Learning Disability Community Support Service. It seeks approval to undertake formal consultation with staff and engagement with a range of stakeholders on these proposals.

2 Background information

National trends

- 2.1 The 'Better Lives' programme details the Council's commitment to making Leeds the best city in the UK for people with social care needs, giving residents the best possible support for maintaining their health and wellbeing. The 'Better Lives' vision refers to greater integration of services, and improved range of daytime activities for people with eligible needs and the development of a new kind of enterprise in the Leeds care market, which will provide a variety of services geared to responding to people needing all levels of support and care, including those with learning disabilities.
- 2.2 Thanks to medical advances, people with learning disabilities are living longer, with the number of elderly adults with learning disabilities increasing as a national trend. The demand for support for adults with learning disabilities has thus increased rapidly, especially in the areas of
- Specialist services, particularly for customers with challenging behaviour
 - Step-down care, following crisis interventions
 - High-level outreach services to help customers remain in their family homes
- 2.3 Demographically, Leeds is following national trends and the number of adults with learning disabilities in need of services is increasing and will continue to increase. The estimated total adult population with a learning disability is 16,315, with a predicted figure of 17,350 by 2020 and 19,014 for 2030 (an increase of 22%).
- 2.4 For people with moderate or severe learning disability (and those likely to be eligible for services) the current figure is estimated at 3,697 with an anticipated rise to 4,125 in 2030, an increase of 26%. Given this trajectory there is likely to be sustained growth in the need for social care services for adults with learning disabilities.
- 2.5 The number of adults in Leeds whose learning disabilities are severe and complex is increasing, again in line with national trends. A large number of adults with learning disabilities live with carers (usually their parents) who are elderly; many are living with parents who are in their 80s or 90s. This continues to place significant pressure on both respite and crisis services. In line with national trends, there is also evidence that younger parents are now seeking more independent living options for their children with learning disabilities, either when they transfer from children's services or in early adulthood, which results in increased demand for supported living, respite and crisis services.
- 2.6 The Council has a duty to assess and arrange support for those with eligible needs. From a financial perspective, providing for those needs has resulted in a year-on-year growth in commissioning spend from the learning disability pooled

budget and also continuing health care spending. This increase in spend to face the challenge of meeting the growing demand for care services for people with learning disabilities comes at a time when councils across the country are required to operate within a reducing financial envelope.

The Learning Disability Community Support Service

- 2.7 The Leeds Learning Disability Community Support Service is the Council's in-house provider of care and support for adults with learning disabilities. The service meets the needs of some of the most vulnerable citizens in the city whose requirements range from advice and support for managing their own affairs, to those with complex multiple needs who require hands-on personal care with all aspects of their lives, including assistance with eating, bathing and postural management.
- 2.8 The purpose of the service is to deliver the very best care services and outcomes to both customers and their families to ensure that they can benefit from all that the city has to offer. These services are provided through three main functions: Supported Living services (support for people in their own homes), Respite Care Services (short breaks for family carers) and Fulfilling Lives services (day time support). The breakdown of numbers of customers and staff currently in post can be found at Appendix 2.
- 2.9 The Learning Disability Community Support Service has come a long way over the last five years and has undergone a significant transformation through the Independent Living Project and Day Services Modernisation. These programmes are delivering the types of services that will meet the needs and aspirations of some of the city's most vulnerable citizens both now and in future years. The service now has a solid base and a model of delivery that people want, being delivered by staff at a consistently high standard, with high levels of customer regard and carer satisfaction. Increasingly the service is more integrated, with customers and staff becoming more involved in the communities in which they live and work. This is achieved through involvement in tenant schemes, being co-located in sports centres and other community bases and bringing life back to community cafes in some of the city's parks and countryside.
- 2.10 The service has embraced and embedded customer involvement with, for example, almost a quarter of all customers putting themselves forward for last year's Customer Council elections. The Customer Council is now in its fifth year of operation and provides a direct link between end users and senior management, so that customers are able to influence key aspects of service delivery.
- 2.11 Similarly the service has developed a range of mechanisms through which staff are involved in helping to influence the shape of the service, which has seen a significant improvement in staff satisfaction in recent years. The service has developed strong partnership arrangements with voluntary sector partners in the city and has taken a lead in the delivery of the Safe Places and Changing Places initiatives.
- 2.12 In addition to this transformation, the service has delivered efficiencies in the form of cashable savings from the controllable budget of 14% over the last four years. Despite these efficiencies, the service still finds itself unable to compete in the marketplace in terms of price.

- 2.13 From a commissioning perspective, the demographic trends have seen a pressure on the learning disability Pooled Budget between health and social care for almost £4M in each of the last 10 years. There is little indication that this demographic trend will change.
- 2.14 Given the in-house provider's inability to compete in the marketplace on price, all this additional growth has therefore been commissioned from providers who are external to the Council. The service's inability to compete on price has seen the service experience a reduction in its market share from just under 40% to just over 20% in recent years.
- 2.15 A number of different options have been explored to identify how the service can have a long term sustainable future. These options included:
- Retaining services in-house
 - Externalisation / Outsourcing
 - Locally Authority Trading Company
 - Social Enterprise

Proposal: The development of a social enterprise

- 2.16 In view of the above, it has been concluded that the development of a social enterprise would both offer the Council an organisational structure that can protect jobs and services, whilst at the same time providing the city with a service that can deliver 'good growth' and a commitment to the Living Wage. There is thus an opportunity to secure new business arising from the demographic pressures highlighted above. Current customers and their families will be assured that they will continue to receive the high quality services that they do now.
- 2.17 The service obtained funding from the Social Enterprise Investment Fund to explore whether or not there was a viable business case to develop a Social Enterprise to deliver these services. This led to the development of an Integrated Business Plan (Executive Summary at Appendix 1). Whilst the Business Plan has been written primarily from the perspective of the proposed Social Enterprise, it offers commentary on all aspects of the proposal including implications for the Council, and has had internal officer scrutiny at Directorate Leadership Team, Corporate Leadership Team and Leader Management Team.
- 2.18 A Project Board chaired by the Chief Officer has been established which has overseen the work of the project team to date. The Project Board has included Lead Member representation alongside Trades Unions representation and with appropriate support from HR, finance and procurement.

3 Main issues

- 3.1 The development of a Social Enterprise offers an exciting opportunity to realise the Council's ambition to become smaller and more influential and support the development of civic enterprise from within, particularly when set within the context of the comprehensive spending review and increasing demographic pressures. Importantly, it also provides the Council with an opportunity to take a different approach to the market retraction that has taken place in other areas of its provider services.
- 3.2 By taking this approach the service will find itself in a much stronger position to provide long term continuity of care to those customers and families with whom it

has built up such strong links, and from whom it has enjoyed such strong support over the years.

- 3.3 Whilst an option of competitive outsourcing may offer the prospect of more immediate financial savings for the Council, this is unlikely either to have strong stakeholder support, or to help address low pay issues in the care sector in Leeds. Equally, whilst the development of a wholly owned trading company may appear to some stakeholders as a more traditional and safer option than the development of a Social Enterprise, it too would face difficulty competing on price in the market.
- 3.4 Whilst there was broad support for the direction of travel towards the development of a social enterprise, further work was requested to be undertaken following discussions with the Trades Unions to test out a range of alternative models, including secondment of staff, which maintained employment for the workforce with the Council. These options have been explored in some detail, though upon examination they do not provide the range of benefits to the Council that is presented through the social enterprise model. The Trades Unions' position throughout the engagement to date is that they are opposed to any form of externalisation, regardless of its organisational form.
- 3.5 The proposal to provide the Learning Disability Community Support Service through a social enterprise model would lead to the TUPE transfer of around 700 staff from the Council. The business case for the social enterprise confirms the intention that the organisation would be an exemplar employer and thus that staff would continue to enjoy Council terms and conditions of employment. New staff working on the main contract will also enjoy those terms and conditions, which significantly exceed the legal requirement.
- 3.6 Importantly, a key objective of forming the social enterprise is to provide a vehicle for the service to obtain new work in competition, at a rate which is advantageous to the Council and therefore to the pooled budget which funds new packages of care and support for people with learning disabilities. In relation to its ability to win new work there are two factors of relevance: firstly that the Social Enterprise will be able to achieve general efficiencies through reducing overhead costs; and secondly it will be able to quote for new work packages at a competitive rate by employing new staff on salaries which will be higher than the market average and commensurate with the Living Wage.
- 3.7 If the proposals contained in this report receive support, the social enterprise would commit to the following:
- To lead the way in civic entrepreneurship as a socially responsible local employer, sustaining and developing good quality jobs locally;
 - To maintain and grow a quality service for customers and commissioners, retaining our position as trusted provider of choice;
 - To deliver all back office efficiencies through a negotiated process with the Council, which is in line with the Enabling Corporate Centre programme.
- 3.8 In return it would seek from the Council:
- An agreement for the provision of learning disability community support services in Leeds for five years

- The TUPE transfer of all staff members from the current service into the Social Enterprise, subject to statutory consultation arrangements;
- Access to the range of assets required to deliver the current service: in the case of IT and office equipment this would be a transfer of those assets; in the case of buildings it would be the permission to occupy those currently used by the service. In both cases the business plan provides for agreements being in place and charges paid by the social enterprise at a market rate.
- The Council to support transferring staff to remain in the authority's pension scheme and indemnify the spin-out for any historic losses in the pension scheme related to this group of staff. Whilst these costs are not inconsiderable, they are one-off costs and are met by the savings to the Council identified in the Integrated Business Plan

3.9 A significant amount of work has been undertaken to date in developing the proposals for a Social Enterprise. It is considered important to maintain the momentum and with this in mind the following high level timetable is proposed:

- February 2014: Approval sought to consult
- March to May 2014: Formal consultation
- June 2014: Establishment of shadow arrangements
- December 2014: Report to Executive Board requesting approval to launch the Social Enterprise
- Early 2015: Launch of Social Enterprise

4 Corporate Considerations

Consultation and Engagement

4.1 This report seeks authority to formally consult with staff and key stakeholders.

4.2 To date there has been extensive engagement with staff and trade unions about the proposals at a number of levels which include:

- Over 250 staff attended an initial round of meetings, at which unions were provided with time to speak to their members;
- A FAQ was produced for all staff following those meetings;
- These were followed by the establishment of monthly 'Future Matters' meetings attended by representatives from each of the 20 individual services, with between 20 and 50 staff attending regularly;
- Senior managers make themselves available to attend monthly staff meetings, which take place in each of the 20 services, when they are able to respond to issues raised by front line staff;
- Every member of staff has been offered face to face discussions;
- Union convenors from GMB and Unison are on the Project Board and their contributions have helped influence the proposals;

- The subject of the potential social enterprise is also a standing item on the monthly business meeting between management and unions.
- The proposal to establish a social enterprise will not lead to any change for customers and carers, as services will continue to be delivered by the same members of staff in the same buildings. The learning disability community support service is a highly regarded service and there is a plan in place to engage with customers and carers regarding the proposals and to reassure them that their quality of service will be maintained.
- The executive member for adult social care has been fully consulted on the proposals and is supportive of them. Subject to Executive Board approval of these proposals, it is intended to engage more widely with members on these proposals.

Equality and Diversity / Cohesion and Integration

- 4.3 An Equality Screening and an Equality, Diversity, Cohesion and Integration Impact Assessment have been completed to ensure that equality considerations are fully considered both currently and in respect of anticipated future needs. A range of positive impacts were identified in terms of:
- There will be continuity of quality service provision from the customers' and carers' perspectives in that staff and the use of buildings will continue;
 - Achieving sustainable economic growth will enable the creation of new job opportunities, paying a Living Wage and providing opportunities to create apprenticeships in the care sector.
 - There will be increased job security and career development opportunities for the current workforce and it is expected that, in a staff-led mutual, greater commitment will lead to a lower turnover of staff and increase attendance;
- 4.4 The Equality, Diversity, Cohesion and Integration Impact Assessment is available at Appendix 3.

Council policies and City Priorities

- 4.5 Like many local authorities, Leeds City Council faces a transformation challenge with regard to Adult Social Care in the scope of what it can sustainably fund as demand continues to increase whilst funding is under pressure. There is the additional challenge of how it moves from being a provider-council to one which mainly commissions services and develops community capacity.
- 4.6 The Integrated Business Plan makes the case that the best way for the Council to meet this challenge in learning disability services is to set up a Social Enterprise in the form of a staff-led mutual. In doing so, the proposals contained in this report will contribute to a number of Council's strategic objectives i.e. 'Better Lives through Enterprise', 'Promoting sustainable and inclusive economic growth' and 'Civic Enterprise' as proposed by the recent Commission on the Future of Local Government.
- 4.7 In developing our business plan we have considered how best to meet the Council's priorities which are summarised as:

- Civic enterprise: a new leadership style for local government where councils become more enterprising, businesses and other partners become more civic and citizens become more engaged;
- Better lives through enterprise: a revised role for Adult Social Care, as it moves from being a direct provider of services to being a co-ordinator of the provision;
- Ensuring quality services that are viable and sustainable;
- Protection of terms and conditions for staff;
- Socially responsible employers in the marketplace, stimulating jobs and good growth locally.

4.8 In addition, within our plan, we have sought to address Leeds City Council's Learning Disability strategy and the priorities of customers:

- More opportunities to be available for learning disabled people in mainstream services e.g. leisure, education and employment;
- More choice and easier access to housing;
- A skilled workforce able to meet a diverse range of need in the community and at home;
- Innovative ways of meeting the needs of individuals within shared support environments;
- Specialist services to support individuals with very complex needs in Leeds and prevent them from being sent out of area away from their communities.

Resources and value for money

4.9 In 2013/14 the net budget for the Council's Learning Disability Community Service is £20.9M. The service has generated cashable efficiencies from their controllable budget of over £3M over the last four years thus demonstrating a commitment to delivering an efficient service whilst maintaining the quality of the services delivered.

4.10 From a council- and city-wide resources perspective, the key driver for these proposals is to provide a new vehicle that can protect current services and jobs, at an unprecedented time of austerity in relation to public funds. The proposals are in line with the authority's 'Best Council', 'becoming civic entrepreneurs' and 'stimulating jobs, homes and good growth' visions

4.11 Financial benefits will however materialise in the form of future efficiencies generated from reducing the cost of providing back office functions over the lifetime of the contract. The current cost of these overheads is £3.7M and the business case concludes that that the social enterprise will be able to operate satisfactorily with support at a lower cost than this. It is recognised however that whilst the social enterprise would see the immediate benefit of lower costs, through a reduced unit cost, the delivery of the savings would only be achieved by the Council reducing back-office resources currently employed on these activities. The business case

proposes that this reduction be managed over the course of the contract in order to enable a smooth transition for both the Council and the emerging social enterprise itself. As such the proposal will support the delivery of the enabling corporate centre programme with the financial benefits of these savings remaining within the Council.

- 4.12 In relation to the impact on staff, the proposals contained in this report will ensure that staff working on the main contract will suffer no detriment as a result of transferring employment from the Council to the social enterprise. From a resources perspective therefore there is no plan to reduce pay, terms or conditions.
- 4.13 The social enterprise will offer the opportunity to develop a provider service in the market place that is committed to the Living Wage for all elements of its growth activity. The value to the Council and the city will therefore be the certainty of having a provider in the market place that can be competitive in terms of both price and quality, and which helps deliver the aspiration of the Living Wage to a traditionally low paid workforce.
- 4.14 The proposed legal status of the social enterprise is a Community Interest Company, with an 'asset lock' to ensure that private profit cannot be distributed by way of dividends. Following the options analysis of the type of legal form, the preferred option is a CIC by guarantee which will allow:
- Surplus to be reinvested in the organisation
 - Stakeholders to be members
 - A variety of funding streams/investment including grants
 - Regulation by the CIC regulator

Legal Implications, Access to Information and Call In

- 4.15 This paper sets out a direction of travel that could ultimately lead to the TUPE (Transfer of Undertaking Protection of Employment) transfer of staff from the Council to the social enterprise. As such this is a Key Decision for the Council and is subject to Call-In.
- 4.16 In the context of the Localism Act and other legislation, the Council has the power to set up a social enterprise. The Council must comply with procurement law when considering how any contract for the services is awarded and does have the power to issue a contract to the social enterprise.
- 4.17 The procurement implications have been considered by the Chief Officer, Procurement. The services proposed to be subject of the social enterprise model are Part B services under the EU procurement regulations which means that, whilst the value of the services is above the relevant EU Services threshold, the full notice and award requirements do not apply, however the Council is required to advertise the contract if it believes the proposed scope of service would be of interest to organisations in other EU member states.
- 4.18 Part B Services will become subject to the full EU procurement regime when the new EU draft Directive becomes law in the UK (expected sometime in the latter part of the next financial year), however there is a proposal in the Directive to exempt contracts offered to a newly formed staff mutual, subject to certain conditions.
- 4.19 In light of the above there is a risk associated with the course of action proposed however in light of the nature of the contract that risk appears low and can be

mitigated in advance of contract award by publication of a transparency notice under the EU processes. Additionally Contracts Procedure Rules will need formally to be waived.

- 4.20 There is a need to ensure that the Council's needs and outcomes for the service are contained in a specification and terms and conditions, and that an appropriate Procurement Plan and Contract Management Plan are in place, with resources to support their development and implementation.
- 4.21 The contract between the Council and the newly-formed social enterprise will need to provide an appropriate balance between ensuring that the social enterprise becomes a sustainable provider; customer needs and statutory requirements are sustained or improved in accordance with the ongoing needs and outcomes of the Council; and flexibility for the Council to meet increasing budget pressures during the period of contract. The contract will also address issues of profit sharing, should the social enterprise generate surpluses which exceed its' requirements to operate as a sustainable business.
- 4.22 The business plan is predicated on a five-year business model to achieve the optimum benefits for both the Council and the social enterprise. The business plan will be subject to further review and refinement prior to any final report to Executive board. The business plan is based on arrangements between the Council and the social enterprise being undertaken on a normal commercial basis.
- 4.23 None of the proposals contained in this report seeks to (and cannot) divest the Council of its statutory duties in relation to the assessment of social care need and provision of social care. Rather, the proposals are concerned with contracting the provision of services to meet the assessed needs.

Risk Management

- 4.24 The development of a social enterprise is not without risk and despite constructive involvement in the project to date, the national trade unions' position remains opposed to any form of externalisation whatever its shape.
- 4.25 A number of risk areas have been identified and mitigation plans for both the Council and the emerging social enterprise have been addressed by a CLT working group. With the support of the Risk Management Unit, Procurement Unit and Taxation Team, these have been incorporated into a risk register. The key risks (and mitigation) are:
- Potential for legal challenge due to changes in current legislation
 - Legal advice from both the Council and independent consultants determine that the risk of an uncontested contract being let is low (see 4.5.5 above)
 - Failure of the Social Enterprise
 - The financial model within the business case is built on sound assumptions and has had significant officer scrutiny including consideration of how this proposal helps the Council manage a growing market with affordable and sustainable solutions
 - Governance arrangements are proposed which provide places for the Council on the Board of the Social Enterprise
 - Contractual Heads of Terms are proposed which include the ability for the Council to 'step in', in the event of failure.

- 4.26 A risk register identifying the risks for both the Council and an emerging social enterprise is available as a background document.
- 4.27 The current learning disability service has gained a good reputation for the quality of service provided to customers. Continued delivery at this level will be dependent on having a motivated workforce which contains personnel with the full range of skills and expertise in place. In addition it will be important that the social enterprise board has the right mix of skills and experience to both support and develop the organisation.

5 Conclusions

- 5.1 The Council faces a range of unprecedented financial challenges whilst having an ever increasing demographic demand pressure, particularly for users of Adult Social Care services.
- 5.2 The proposal provides an opportunity to contribute to the Council's ambitions for delivering the 'Better Lives' programme; for becoming an efficient and enterprising council; and for stimulating jobs, homes and good growth.
- 5.3 A comprehensive Integrated Business Plan has been developed which proposes the development of a social enterprise as the most appropriate way forward as a viable and sustainable option for delivering the Learning Disability Community Support Service.
- 5.4 Extensive information and engagement has been undertaken with staff and Trades Unions to date. It is therefore now proposed to undertake a formal consultation process with staff over the development of a social enterprise prior to establishing transitional arrangements, in preparation for full implementation and launch of a social enterprise in early 2015.

6 Recommendations

That the Executive Board:

- 6.1 Note the progress made to date in relation to the development of a social enterprise for the Learning Disability Community Support Service, including the production of an Integrated Business Plan; an executive summary of which is attached to this report as Appendix 1.
- 6.2 Authorise formal consultation to be undertaken with staff regarding the proposal to establish a social enterprise and, subject to a positive staff response, establish transitional arrangements as recommended at 6.3, 6.4 and 6.5 below.
- 6.3 Authorise full engagement with a wide group of stakeholders including elected members, customers and family carers.
- 6.4 Authorise the setting up of a Shadow Board to oversee the development of the social enterprise, which will include membership from the Council.
- 6.5 Authorise the preparation of a detailed service specification and the negotiation of a contract for services for a period of 5 years, which achieves the balance of benefits and risks for both the Council and the social enterprise.

6.6 Note that (subject to a positive staff response through the consultation process) a further report will be brought to Executive Board, during the transitional arrangements, which will request approval to launch the social enterprise.

6.7 Approve the next steps as follows:

March – May 2014:	Formal consultation on the proposal
June 2014:	Establishment of shadow arrangements
December 2014:	Report to Executive Board requesting approval to launch the social enterprise
Early 2015:	Launch of social enterprise

6.8 Note that the Head of Service for the Learning Disability Community Support Service is the lead officer.

Appendices

Appendix 1 Executive Summary – Integrated Business Plan

Appendix 2 Breakdown of numbers of customers and staff

Appendix 3 Equality, Diversity, Cohesion and Integration Impact Assessment

Background documents¹

1. Full Integrated Business Plan [exempt under Access to Information Procedure Rule 10.4 (3)].
2. Financial Summary [exempt under Access to Information Procedure Rule 10.4 (3)].
3. Risk Register.

¹ 1 The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.