

Report of Chief Officer Care Delivery

Report to Director of Adult Social Care

Date: 18th September 2014

Subject: Creation and Registration of a Legal Vehicle for the Social Enterprise

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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" 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. Following an Executive Board decision in February 2014, transitional arrangements are being put in place in preparation for a proposed transfer of the Learning Disability Community Support Service from the Council to a staff-led mutual in the form of a social enterprise.
2. In order to contract with the Council, appoint board members and protect the name it is necessary to undertake the preparatory step of creating and registering a legal vehicle which can be used by the social enterprise following, and contingent upon, approval of the proposals for the transfer by Executive Board.
3. Approval is being sought for the Head of the Learning Disability Community Support Service to be authorised to undertake all necessary actions for the creation and/or registration of the legal vehicle.
4. A further report will be submitted to Executive Board in autumn 2014 seeking formal approval for the proposed transfer..

Recommendations

5. The Director of Adult Social Services is recommended to authorise the Head of Service (Learning Disability Community Support) to take the preparatory step of creating and registering the legal vehicle. This vehicle can then be used by the social enterprise following, and contingent upon, approval of the proposals for the transfer of the Learning Disability Community Support Service by the Executive

Board. Should Executive Board approval not be given then the vehicle will not be used and will be withdrawn.

1 Purpose of this report

- 1.1 This report seeks formal approval to create and register the legal vehicle which can be used by the social enterprise.

2 Background information

- 2.1 The Learning Disability Community Support Service is seeking to develop a staff-led mutual in the form of a social enterprise.
- 2.2 In February 2014 Executive Board approved the establishment of transitional arrangements in preparation for a full transfer from the Council to the social enterprise, subject to a positive staff response to the proposal and subject to further approvals by the Board.
- 2.3 Extensive consultation was undertaken with staff, culminating in a survey of all staff within the service. In May the survey returned a result of 78.4% of staff indicating their support for the proposal.

3 Main issues

- 3.4 Transitional arrangements are being put in place in preparation for the proposed transfer of the Learning Disability Community Support Service so that the Service will be able to deliver the same service, to the same customers, from the same buildings in the form of a social enterprise.
- 3.5 In order to be ready to contract with Leeds City Council, appoint board members and protect the name, it is necessary to undertake the preparatory step of creating and registering a legal vehicle which can be used by the social enterprise following, and contingent upon, approval of the proposals for the transfer by Executive Board.
- 3.6 Approval is therefore being sought for the Head of the Learning Disability Community Support Service to be authorised to create and register the legal vehicle.
- 3.7 This is a low-cost preparatory activity which creates no risk or commitment for the Council.
- 3.8 A further report will be submitted to Executive board in autumn 2014 seeking formal approval for the proposed transfer..

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Extensive consultation has been undertaken with staff and trade unions about the proposed transfer at a number of levels over the past 18 months. The management team is proactive in ensuring regular opportunities are offered to staff to discuss the proposals and raise questions and there is an ongoing programme of engagement and consultation. This dialogue has ensured contributions from staff have helped to influence the Business Plan. Trade Union convenors from GMB and Unison sit on the Strategic Board.
- 4.1.2 All family carers have been informed of the proposed transfer and offered the opportunity of a one-to-one meeting or telephone call to discuss any questions or concerns. Only a small number of people have taken up the offer and all were reassured that the service their relative receives will not be changed as a consequence of the proposal.
- 4.1.3 The executive member for Adult Social Care has been fully consulted on the proposed transfer and is supportive of this.
- 4.1.4 The proposed transfer, including the legal form of the social enterprise, is subject to approval by Executive Board.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 Both an Equality Screening and an Equality, Diversity, Cohesion and Integration Impact Assessment have been completed in relation to the proposed transfer to ensure that equality considerations are fully considered both currently and in respect of anticipated future needs. There are no impacts arising from the creation and registration of the legal vehicle.

4.3 Council policies and City Priorities

- 4.3.1 The proposal to deliver the Learning Disability Community Support Service through a staff-led mutual supports a number of the Council's strategic objectives (i.e. Better lives through enterprise, Promoting sustainable and inclusive economic growth, and civic enterprise).

4.4 Resources and value for money

- 4.4.1 The key driver for the proposed transfer is to provide arrangements that can protect current services and jobs at a time of unprecedented austerity in relation to public funds. It is anticipated that financial benefits will materialise in the form of efficiencies generated through a managed reduction in the purchase of back-office functions from the corporate centre, thereby supporting the delivery of the enabling corporate centre programme with the financial benefits of these savings remaining within the Council.
- 4.4.2 The creation and registration of the legal vehicle has minimal resource implications, and is a low-cost preparatory, but necessary, step.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 Advice has been sought from Legal Services, and advice on the most appropriate type of legal vehicle will be sought from Legal Services. Advice will also be sought from Geldards Solicitors, who will act for the social enterprise, once created.
- 4.5.2 Creation and registration of the legal vehicle is simply a preparatory step which creates no commitment or risk for the Council.
- 4.5.3 This paper seeks authorisation for the Head of the Learning Disability Community Support Service to be able to create and register the legal vehicle. It is an Executive Decision suitable for a Delegated Decision by the Director of Adult Social Care and is not subject to Call-In.

4.6 Risk Management

- 4.6.1 A number of risk areas have been identified in respect of delivering the Learning Disability Community Support Service through a social enterprise. Mitigation plans for both the Council and the potential social enterprise have been addressed by the CLT working group and are, with the support of the Risk Management Unit, Procurement Unit and Taxation Team, incorporated into the Risk Log.
- 4.7 Creation and registration of the legal vehicle is simply a preparatory step which creates no risk for the Council.

5 Conclusions

- 5.1 Transitional arrangements are being put in place in preparation for a proposed transfer of the Learning Disability Community Support Service from the Council to a staff-led mutual in the form of a social enterprise.
- 5.2 In order to be ready to contract with the Council, appoint board members and protect the name, it is necessary to undertake the preparatory step of creating and registering a legal vehicle which can be used by the social enterprise following, and contingent upon, approval of the proposals for the transfer by Executive Board.
- 5.3 This is a low-cost preparatory activity which creates no risk or commitment for the Council.
- 5.4 A further report will be submitted to Executive Board in autumn 2014 seeking formal approval for the proposed transfer to the social enterprise..

6 Recommendations

- 6.1 The Director of Adult Social Services is recommended to authorise the Head of Service (Learning Disability Community Support) to take the preparatory step of creating and registering the legal vehicle. This vehicle can then be used by the social enterprise following, and contingent upon, approval of the proposals for the transfer of the Learning Disability Community Support Service by the Executive Board. Should Executive Board approval not be given then the vehicle will not be used and will be withdrawn.

7 Background documents¹

7.1 Nil

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.