

Report of Head of Service, Learning Disability Community Support Service

Report to Member Management Committee

Date: 24th February 2015

Subject: Appointment of Elected Members to the Board of Aspire Community Benefit Society

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 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. The Learning Disability Community Support Service is the Council's in-house provider of care services. The service is seeking to develop a social enterprise in the form of a staff led public service mutual which will 'spin out' of the Council.
2. A report was submitted to Executive Board in February 2014 detailing the progress made to date in relation to the development of a social enterprise and Executive Board was supportive of the proposal.
3. Significant progress has been made since February 2014 and formal approval is being sought to launch the social enterprise as Aspire Community Benefit Society in early 2015.
4. In preparation for launching the social enterprise the Board is being established. Member Management Committee is invited to appoint up to 3 Elected Members to the Board – one from each of the major parties - in accordance with Leeds City Council's Appointment to Outside Bodies Procedure Rules.

Recommendations

The Member Management Committee is recommended to:

5. Appoint up to 3 Elected Members to become Directors on the Board of Aspire Community Benefit Society.

1 Purpose of this report

- 1.1 This report seeks nominations from up to 3 Elected Members to become Directors on the Board of Aspire Community Benefit Society.

2 Background information

- 2.1 The Leeds Learning Disability Community Support Service is the Council's in-house provider of care and support for adults with learning disabilities.
- 2.2 A number of different options were explored to identify how the service can have a long term sustainable future given demographic trends and budget pressures. The development of a social enterprise in the form of a staff-led mutual was identified as the preferred option and an Integrated Business Plan was developed.
- 2.3 A report was submitted to Executive Board in February 2014 detailing the proposal to develop a social enterprise for the Learning Disability Community Support Service, and Executive Board was supportive of the proposal.
- 2.4 Executive Board authorised further work be undertaken to prepare for shadow arrangements prior to implementation.
- 2.5 A further report will be submitted to Executive Board in February 2015 detailing the significant progress that has been made and seeking formal approval to 'spin out' of the Council and launch the new social enterprise, to be known as Aspire Community Benefit Society.

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. It provides the council with an opportunity to adopt a different method of market retraction to that which has taken place in other areas of its provider services. This approach will put the Learning Disability Community Support Service in a much stronger position to meet the needs of some of the most vulnerable citizens in the city by providing long term continuity of care whilst securing jobs and prospects for staff.
- 3.2 The proposal to provide the Learning Disability Community Support Service through a social enterprise model will 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 will be an exemplar employer and thus that such staff will continue to enjoy Council terms and conditions of employment.

- 3.2.1 A Strategic Board (chaired by the Executive Lead for Adult Social Care) has been established which includes senior officer representation across the Council and representation from Trade Unions.
- 3.2.2 Work-streams are being managed within the directorate and across corporate services.
- 3.2.3 An appropriate governance structure for the social enterprise has been proposed which has every employee of Aspire Community Benefit Society as an equal member. The Board will comprise of an independent chairperson, 6 staff (3 of whom will be nominated by Trade Unions), 3 customers, up to 3 non-executive specialists as well as 3 places for the Council.
- 3.3 If Executive Board gives formal approval for the service to spin out, the Aspire Community Benefit Society will launch on 1st June 2015.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 There has been extensive engagement with staff and trade unions about the proposal.
- 4.1.2 The Learning Disability Community Support Service is a highly regarded service and all customers and family carers have been informed of the proposal and offered the opportunity 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 proposals and is supportive of them.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.4 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 including continuity of quality service provision, increased job and apprenticeship opportunities plus payment of a Living Wage, and increased job security and career development opportunities for the current workforce.
- 4.2.5 If Executive Board gives approval the move to 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.

4.3 Council policies and City Priorities

- 4.3.1 In taking the step of supporting the innovative proposal to develop a staff-led mutual social enterprise a number of the Council's strategic objectives will be supported i.e. 'Better lives through enterprise', 'Promoting sustainable and inclusive economic growth' and 'Civic enterprise'.

4.4 Resources and value for money

- 4.4.2 The key driver for the proposal to spin out of the Council is to provide a new service delivery vehicle that can protect current services and jobs, at an unprecedented time of austerity in relation to public funds. The proposal will ensure that current staff working on the main contract will suffer no detriment as a result of transferring employment from the Council to the social enterprise.
- 4.4.3 Financial benefits will materialise in the form of efficiencies generated from reducing the cost of providing back office functions over the course of the contract.
- 4.4.4 The proposed legal status of the Social Enterprise is a Community Benefit Society, with an 'asset lock' to ensure that private profit cannot be distributed by way of dividends.

4.5 Legal Implications, Access to Information and Call In

- 4.5.5 The procurement implications have been considered by the Chief Officer, Procurement.
- 4.5.6 The contract between the Council and the newly-formed social enterprise will provide an appropriate balance between ensuring that the social enterprise becomes a sustainable provider whilst customer needs and statutory requirements are sustained or improved.

4.6 Risk Management

- 4.6.1 A number of risk areas have been identified and mitigation plans for both the Council and the 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.

5 Conclusions

- 5.1 February 2014 Executive Board gave broad support to the proposal to deliver the Learning Disability Community Support Service as a social enterprise.
- 5.2 Significant progress has been made and a further report is being taken to Executive Board in February 2015 seeking formal approval for the Learning Disability Community Support Service to 'spin out' of the Council.
- 5.3 If approval is given, Aspire Community Benefit Society will launch in June 2015. In preparation for this the Board is being established on which there are places for Leeds City Council to appoint up to 3 Elected Members – one from each major party.

6 Recommendations

- 6.1 That Member Management Committee appoint up to 3 Elected Members to become Directors on the Board of Aspire Community Benefit Society.

7 Appendix

- 7.2 Aspire – Director Recruitment Pack
- 7.3 Quick Guides for SE

8 Background documents

None