

REPORT TO:	Adult Social Services Review Panel 24th April 2013
AGENDA ITEM:	8
SUBJECT:	Update on the Local Authority Trading Company
LEAD OFFICER:	Pauline French, Managing Director (of Croydon Care Solutions).
CABINET MEMBER and SHAREHOLDER REPRESENTATIVE:	Councillor Margaret Mead, Cabinet Member for Adult Services and Health
PERSON LEADING AT REVIEW PANEL:	Pauline French, Managing Director

ORIGIN OF ITEM:	This item forms part of the Panel's work Programme
BRIEF FOR THE PANEL:	To be informed in relation to the development of the Local Authority Trading Company

1. RECOMMENDATIONS

- 1.1 This report is for information and noting by the Adult Social Services Review Panel

2. EXECUTIVE SUMMARY

- 2.1 Decisions were taken by Cabinet on the 12th July 2010 and then on the 11th October 2010 which lead to the creation of the Local Authority Trading Company in March 2011. The service areas agreed for the initial phase of the Trading Company were, Croydon Equipment Service, Croydon Learning Disability Day Services and the Employment service.
- 2.2 The Adult Social Services Review Panel received a presentation on the Local authority Trading Company at its meeting on 8th October 2012.
- 2.3 Since that meeting the Local Authority Trading Company has appointed a new Chair, Ms Sarah Charles and a new Managing Director Pauline French.
- 2.4 The company is continuing to develop business relationships in relation to equipment and has also been awarded contracts to deliver travel training in Croydon and in Sutton. An Autism service has been launched.

- 2.5 The Local Authority Trading company is a finalist in the prestigious, National Government Opportunities (GO) Excellence in Public Procurement Awards 2013/14. This is a fantastic recognition of progress and achievement for the procurement activity, in the integrated procurement hub and the impact it is having on the equipment market. This is particularly so given the level of competition from across the UK for these Awards.
- 2.6 The Equipment service is the first in the UK to have achieved Community Equipment Code of Practice Scheme (CECOPS) accreditation.
- 2.7 The company focuses upon what will make the most difference to an individual and their lives. As a consequence there are many successful outcomes for individuals some of which are shown in the case studies attached to this paper in Appendix 1 (found in Part B) . It has also highlighted the need to focus upon therapeutic interventions which skill individuals to lead an ordinary life and support families to live as they wish.

3. DETAIL

Governance

- 3.1 The Governance arrangements for Croydon Care Solutions Ltd, is set out in a detailed financial regulation framework for managing the financial and day to day affairs of the company. A board of Directors is in place with a chair and three nonexecutive directors one of whom is the representative of the Council, and the Council section 151 officer, the managing director of Croydon Care Solutions completes the Board membership.
- 3.2 The Chair invites the Shareholder's Stakeholders to meet the Board twice each year to support the annual review process of performance. The Shareholder's Stakeholders are the Member for Health and Adult Social Care, the Executive Director of DASHH additionally the Shareholder's named Director sits on the company Board.
- 3.3 There are three principle areas of business delivered to date by the Local Authority Trading Company, equipment, day opportunities for people with learning disability and employment support.
- 3.4 The company has been compliant with all the requirements of HMRC and Companies House to date.

Croydon Equipment Solutions

- 3.5 Community equipment is largely provided by NHS/LAs, to support care in the home setting e.g. profiling beds, hoists and bath lifts, pressure relieving mattresses, riser recliner chairs.
- 3.6 The equipment service was successful in its bid to the Department of health to become a regional hub for equipment. It has become the "Integrated Procurement Hub" for equipment. The pressure on local authorities to reduce costs has necessitated a radical rethink of how services are commissioned and delivered. This is particularly true in the area of Adult Social Care where the cost pressures

are compounded by an unprecedented growth in potential demand, stoked quite dramatically by an aging society.

- 3.7 These twin pressures are having a profound effect on the service and are the heart of its drive to innovate and improve service delivery. The creation of the Integrated Procurement Hub built and constructed on the foundation of the Croydon Local Authority Trading Company that is wholly owned by the council represents a success story in how the Shared Service concept can be harnessed and stretched beyond its traditional horizons.
- 3.8 It was designed and implemented to provide a platform to bring together many services across Social Care and Health across the UK to grow an economy of scale initially by partnering but ultimately to use this network to drive further innovation through collaboration and by extending the benefits across other areas of Social Care Service delivery. The core vision is to drive down the costs of the service while extending access to absorb greater demand, improve the quality of delivery and innovate to find new solutions.
- 3.9 The IPH provides a compelling example of a sustainable transformational change that is designed to respond to an ever shifting commissioning landscape and to act as a powerful catalyst to managing and reshaping the market. Most critically it provides a service facing solution that is commercially viable, can compete successfully and provide an alternative to a sector that is desperately in need of greater competition and innovation.
- 3.10 The focus of the IPH is upon developing a flexible Hub allowing other authorities to 'pick and mix' for any or all including procurement, management, delivery, collection and recycling community equipment in collaboration with Local Authority and Health partners across London and extend this across the UK.
- 3.11 By working in collaboration with its partners the Integrated Procurement Hub has released cashable efficiency savings of £1.3m. This has been delivered by a powerful combination of the Dynamic Purchasing System coupled with a strategy of unlocking significant overhead savings by tapping into the natural economy of scale of a Shared Service offer. The Dynamic Purchasing System ensures that the service isn't locked into long term expensive procurement arrangements with a small number of suppliers and more vitally allows new suppliers with product innovations and better prices to be admitted at any time. The financial benefit is immediately evidenced in the first Mini-Competition which has secured a saving of 25% on some equipment prices. The aim over the next few years is to grow the IPH by extending its benefits to all Social Care and Health services across London and England.
- 3.12 The IPH is a scalable model that can be extended beyond London to increase the savings further using S75 Health or S101 local authority Shared Service (enabling legislation). For example there are currently discussions with two authorities outside of London with a view to offer a procurement only service.
- 3.13 The work in relation to the equipment service and the development of the Integrated Procurement Hub is gaining interest and has been shortlisted for a national award National Government Opportunities (GO) Excellence in Public Procurement Awards.

Croydon Day Opportunities.

- 3.14 Some years ago Croydon Adult Social Services took a decision to modernize the services for people with learning disability, at that time the programme included a re-provision of day opportunities away from traditional day centres and the industrial work unit to a more bespoke support service based around local resource bases. The services transferred to the Local Authority Trading Company are Peter Sylvester, Beulah, Whitehorse resource bases and Cherry Orchard day service. The employment support service is based at Chatsworth Hall as is the new Autism Service and the growing travel training service.
- 3.15 Following the Winterbourne Review it is now accepted that people with a learning disability should be supported to live as independently as possible and that the reliance upon institutional care should be reduced. This is in line with the long standing policy in Croydon where there has been a commitment to supporting people as close to home as possible.
- 3.16 The Local Authority Trading Company is well positioned to support the Council in this endeavour, supporting people to live independently and in the borough. Croydon Day Opportunities is poised to support the commissioners in their commitment to deliver a unique residential assessment and family support service in the borough. The plans are on hold for this initiative until funding is released. Croydon Day Opportunities has a well qualified and skilled workforce able to work with individuals and their families to deliver a holistic approach to achieving sustained independence. Plans are also well advanced to respond to the requirement for a concierge service. This service will support people who are living in the borough and their carers, offering problem solving and practical support in emergency and unusual circumstances such as losing keys, an urgent admission to hospital for a family member etc.
- 3.17 The centres provide support regularly to over 200 people who live in Croydon, Surrey and borders and Sutton. Bespoke programs are developed for individuals and choice is encouraged. The emphasis upon life skills is important and helping everyone to achieve the life they want to live. There is also care and support for people with significant physical disability alongside their learning disability and several older people with learning disability and dementia are supported.
- 3.18 The new Autism service is focused upon individuals with significant challenges in living with Autism, the work is delivered in an individualized way. The impact upon the lives of the individuals has been significant and the next phase of this work will be the development of working with the whole family to ensure that the progress made by individuals is sustainable in the family unit/ environment.
- 3.19 The employment service is delivering another of the key outcomes of the Winterbourne Review, increasing the numbers of people with learning disability in paid employment. Clearly this is a significant challenge in the present economic climate and the benefit trap that people may find themselves in. The successful work in this area of service is attracting interest from other organizations who have asked for the expert support of our team. Helping people prepare for work for the first time or to return to the workplace includes supporting people who have long term disability, newly acquired disability and people who have been out of work

because of illness and/or redundancy. Amongst the people that the employment service is supporting at present are ten people with learning disability who are working as part of the equipment staff team. During 12/13 forty four people were supported into a work opportunity and a further five were helped to retain their jobs. These figures mask the significant work carried out with individuals to support them to achieve outcomes that make a difference to their lives and means they can achieve a sustainable independent life. During 12/13 the employment service worked on 430 outcomes which were identified by clients as important, 311 of these have been achieved to date.

- 3.20 The expertise of the employment service in delivering travel training – an integral part of helping people participate in the work place has been recognised and the team have successfully won contracts to deliver travel training in Croydon and in Sutton.

4. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 4.1 Croydon Care Solutions has worked with colleagues from the Council to deliver the initial business plan. We have worked with colleagues from the Department of Health to develop and deliver the Independent Procurement Hub. Legal advice has been sought in relation to the use of the section 75 and 101 agreements which are the enabling pieces of legislation to support the partnership working for the procurement hub. Expert procurement support has been supplied through the Council to ensure that the dynamic procurement system is compliant with legal requirements and the necessary governance process has been followed through the Council.
- 4.2 Croydon Care Solutions has set up an Audit and Risk Committee, chaired by one of the non executive directors and a risk register has been created.
- 4.3 The original government target to have 100% of people assessed to be in need of support to be in receipt of a personal budget has been revised down and now is at 70%. The reduction in the target figure from 100% to 70% is a national change. The impact of this change is unknown. To date people with learning disability who are in receipt of a personal budget have chosen largely to continue to spend the budget with Croydon Day Opportunities. Croydon Day Opportunities will be reviewing the present service offer to ensure that it is delivering what individuals need and in a way that is best for them. A pricing scheme for self-directed support will be created.

5. NEXT STEPS

- 5.1 The Local Authority Trading Company is poised to continue to grow in relation to the Croydon Equipment Solution and in relation to best practice in areas of Learning disability, travel training and employment support services. The company will be developing a growth strategy and detailed operational / delivery plans.
- 5.2 In conclusion Croydon Care Solutions is ambitious to secure further growth and make a real difference to people's lives and support the Local Authorities and Health organisations achieve value for money. The Board and staff in Croydon Care Solutions are not complacent and continue to work to make improvements to the company and to the services it provides.

CONTACT OFFICER: **Pauline French, Managing Director**

BACKGROUND DOCUMENTS: **None**