

NORTH LINCOLNSHIRE COUNCIL

PEOPLE CABINET MEMBER

RIGHT TO PROVIDE – EXPRESSION OF INTEREST

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To advise the cabinet member of the opportunity to put forward an expression of interest to access funding to develop a business plan for a staff led social enterprise
- 1.2 To seek approval to develop a full business plan for a staff led social enterprise

2. BACKGROUND INFORMATION

- 2.1 In November 2010, Frances Maude, the Cabinet Office Minister gave the green light for public sector workers to get a 'right to provide' (R2P) - that is a right to take over and run services themselves as an employee led mutual.

In March 2011, the Department of Health published 'Making Quality Your Business, A guide to the right to provide'. The document details the necessary steps to be taken by staff to exercise the R2P, the first being an expression of interest which is supported by the responsible Elected Members to develop a business plan/feasibility document to pursue the development of a Social Enterprise.

- 2.2 The Government has recently committed additional funds to the Social Enterprise Investment Fund (SEIF), the funds are to be prioritised for Health and Social Care 'spin outs' or 'aspiring spin outs' from public sector services.

The SEIF is managed by Local Partnerships (London). Access to SEIF can be achieved once the support of Elected Members to develop a business plan/feasibility study has been gained. The Local Partnerships team will support the Local Authority staff to access funding from SEIF, the funding can be used for backfill of staff working on the project, and/or payments for an expert in the field of business planning for Social Enterprise to work with the staff.

Utilising this funding to develop the business plan does not commit the council to progression with the Social Enterprise, but enables detailed business planning with the support of SEIF funding.

- 2.3 Initial discussions have taken place with Local Partnerships, the outcome being that a spin out service of the Councils Post 16 Supported

Accommodation Team functions would be eligible for financial support from the SEIF.

- 2.4 The initial business plan for the spin out service is attached to this report for consideration by the Council to enter into negotiations to contract services to a staff led social enterprise if feasible.

3. OPTIONS FOR CONSIDERATION

- 3.1 Option 1 - The Council agrees to formulate a business plan to contract services to a staff led spinout, social enterprise. This will enable the Council to access funding to develop a full business case/plan. The full business plan will provide comprehensive details on the makeup of the company, its trading potential; finance and risk that will inform the final decision making on the feasibility of creating a staff led social enterprise.

The initial business plan sets out the potential for innovative ways of providing services to young people. This can be achieved through freedom of local authority constraint, access to grant funding that is not available to local authorities providing the ability to do things differently.

- 3.2 Option 2 – The Council does not approve the development of a full business plan and services remain with the Council.

4. ANALYSIS OF OPTIONS

- 4.1 Option 1 would place the council in a good position with the Government's Big Society Agenda through supporting proposals for a spin out service led by staff.

Through the development of a new social enterprise, third sector provision would be enhanced; additional funding could be brought into North Lincolnshire to enhance the economic development through the possible creation of additional jobs and accommodation for young people.

- 4.2 Option 2 would leave the service within the council, with little scope for attracting any additional funding or job creation.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 5.1 Finance would be available through the SEIF to provide backfill for key staff working on the project, and/or finance to recruit an expert in the field of business planning for social enterprises.

- 5.2 Existing staff working on the project would require dedicated time.

6. OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)

6.1 A Integrated Impact Assessment has been completed for this project; the following provides a summary of the outcomes.

6.2 Community Safety

- the proposal will provide positive benefits through innovative partnership working that's promotes the development of social skills to enable the most vulnerable young people to live positively in local communities.
- Safeguarding responsibilities will be carried out through the same processes that are currently applied by the council run service.
- Building the third sector capacity and providing opportunities for partnership working.

6.3 Health

- Enhance access to services such as Leisure, positive activities, healthy lifestyles, health services, increased housing options and increased educational attainment.

6.4 Economic and Social Inclusion

- Corporate parenting responsibilities will be a key feature of the company, working closely with the councils corporate parents to access opportunities.
- The company will work closely with work based learning providers and FE institutions, alongside developing personalised basic skills courses.
- The company will promote social inclusion through engagement with local communities to ensure participation of young people. Engage with local businesses and FE providers to develop joint opportunities and positive activities for young people to develop the skills required for employment.
- The company will have the potential to access private funding and grants that may be used to create employment opportunities.

6.5 Diversity and Human Rights

- The company will provide services for those assessed as requiring a service, this will include young people who are unaccompanied asylum seekers and young people from BME groups.
- The company will work with local communities to ensure fair access for all diverse groups.

6.6 Risk, Legal and Procurement

- These elements will be worked through within the full business planning process, external funding will be sought for independent legal advice.

6.7 Child Poverty

- The company will work with those assessed as requiring a service to alleviate poverty, this will include the following groups;
 - Lone parents
 - Young people who are not in education training or employment
 - Those young people at risk of homelessness
 - Care leavers
 - Those at risk of/or offending

7. OUTCOMES OF CONSULTATION

- 7.1 Through the development of a full business plan, full consultation will be held with staff, young people and trade unions where appropriate.

8. RECOMMENDATIONS

- 8.1 That approval is given to option 1, in order to enable a full business plan to be created to assess the feasibility of a staff led social enterprise.

DIRECTOR OF PEOPLE

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Background Papers used in the preparation of this report:

Making Quality Your Business - *A guide to the right to provide*