



6 February 2016

Agenda Item: 5

**REPORT OF THE SERVICE DIRECTOR FOR NORTH NOTTINGHAMSHIRE
AND DIRECT SERVICES**

**MAXIMISING INCOME AVAILABLE TO THE COUNCIL'S DIRECTLY
PROVIDED ADULT SOCIAL CARE SERVICES – COMMERCIAL
DEVELOPMENT UNIT PROCESS**

Purpose of the Report

1. To provide an update on the proposal to maximise income in directly provided social care services and set out the intention to engage in the Commercial Development Unit programme for 2017.
2. To seek Committee approval to disestablish the full-time temporary Development Officer post previously approved by Adult Social Care and Health (ASCH) Committee in October 2016.

Information and Advice

3. In October 2016, a report was presented to Committee which set out a proposal to maximise the income available to the Council's directly provided social care services and sought approval for the establishment of a full-time temporary Development Officer post for an initial period of 1 year with potential extension for a further year, subject to review.
4. However, subsequent to this in November 2016, Policy Committee approved a recommendation to continue commercial development support to services for the next two years via the Commercial Development Unit.
5. This means that service areas should not employ their own commercial resources but should instead utilise the support of the Commercial Development Unit. The Council is therefore currently unable to recruit to the Development Officer post previously requested.
6. In order to progress the income maximisation work, Direct Services will engage with the support offered by the Commercial Development Unit, although inclusion in the process will not give the Council any additional staffing capacity to undertake the commercial work required to deliver the income maximisation targets previously agreed of £60,000 in 2017/18 and £70,000 in 2018/19.

7. The Commercial Development Unit will be able to support up to nine services each year and following discussion with commercial colleagues, Brooke Farm has been put forward as an area of commercial potential, in line with the original proposal to maximise income. Brooke Farm is a farm shop and horticultural services commercial operation that provides work and training opportunities for a range of service users with different needs with the aim of preparing them for work outside of the service.
8. The inclusion of Brooke Farm in the next tranche of the Commercial Development Unit process, was approved by Policy Committee on 18th January 2017.

The Commercial Development Unit Process

9. Following approval by Policy Committee, services go into an 8-week intensive discovery phase that helps them to build a full business case for their commercial proposal which is then scrutinised by a panel consisting of the Chief Executive, the Monitoring Officer and the Section 151 officer. They then make a recommendation to Policy Committee so that a decision can be made as to whether the business case should be taken forward.
10. Regular progress reports would then be brought back to the relevant service committee for any areas that receive the go-ahead to implement their commercial plans.
11. Whilst service leads are experts in their own fields, they may lack the confidence or commercial acumen to develop full business plans. The Commercial Development Unit delivers an accelerated learning programme to supply the necessary skills that the service needs.
12. Services are also supported in regular 1-1 sessions as they apply learning to build a robust business case that includes their income and cost projections for the next four years. The intention is to get as many services as possible to a position of zero cost or, ideally, to a position where they are returning an income to the authority which could be used to support other areas.
13. Services that pass the 8-week gateway test are then supported and monitored for the following year as they start to trade during an “incubation” phase. Early interventions will be made where any services fail to meet income or cost projections.
14. It is important to note that the process is intensive and requires a significant time and work commitment from the service’s management team. Individuals, including the Service Director for Direct Services, have been identified to undertake the programme during February and March.
15. Any seed investment for the commercial plans would come from an earmarked reserve of £0.5m in the Strategic Development Fund.

Services recommended for inclusion in the Commercial Development Unit

16. Brooke Farm has been recommended as potentially benefitting from going through the Commercial Development Unit process, with a focus on generating further income from produce and plant sales, events and gardening services as well as identifying any new opportunities.

Other Options Considered

17. As set out in **paragraph 2**, approval was previously sought for the establishment of a full-time temporary Development Officer post. This is no longer viable in light of the subsequent Policy Committee decision and it is recommended that the post be disestablished.
18. To not pursue commercial opportunities would mean that the expected savings over the next two years would need to be met through efficiencies elsewhere in the service.

Reason/s for Recommendation/s

19. In order for Direct Services to reduce the Council subsidy and be more sustainable in the future, it is necessary to take a more commercial focus and identify opportunities for new business and income generation. Participation in the Commercial Development Unit process will support this.
20. Disestablishment of the Development Officer post is in line with the November 2016 Policy Committee decision.

Statutory and Policy Implications

21. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

22. These are contained within the body of this report.

Human Resources Implications

23. The post of Development Officer was not recruited to but requires Committee to formally disestablish the post; any further HR Implications arising from the proposal will be identified in future reports.

Public Sector Equality Duties Implications

24. Depending on the nature of the individual income maximising initiatives, as work to explore them in more detail commences, consideration will be given to the necessity to complete Equality Impact Assessments on a case by case basis.

Safeguarding of Children and Adults at Risk Implications

25. The inclusion of Brooke Farm in the commercial development process will not in itself present any additional risks to vulnerable adults attending or working in the service. Any business development opportunities arising from the process will be risk assessed with regards to the individuals involved.

Implications for Service Users

26. It is hoped that any further business opportunities within Brooke Farm will lead to greater skills, training and employment opportunities for service users.

Ways of Working Implications

27. At this stage, there are no identified ways of working implications, however consideration will be given to this as future business plans for the service emerge as a result of the commercial development process.

RECOMMENDATION/S

That the Committee:

- 1) notes the update on the proposal to maximise income in directly provided social care services.
- 2) notes the planned engagement in the Commercial Development Unit process as a means of maximising incomes in Direct Services.
- 3) approves the disestablishment of the full-time temporary Development Officer post previously approved by Adult Social Care and Health Committee in October 2016.

Ainsley MacDonnell

Service Director for North Nottinghamshire and Direct Services

For any enquiries about this report please contact:

Ainsley MacDonnell

Service Director

T: 0115 9772147

E: ainsley.macdonnell@nottsc.gov.uk

Constitutional Comments (LM 20/01/17)

28. The recommendations in the report fall within the Terms of Reference of the Adult Social Care and Health Committee.

Financial Comments (KAS 23/01/17)

29. The disestablishment of the post will save the Council money although if the increased income does not materialise, this will more than offset the savings.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

Savings and efficiencies update and proposal to maximise the income available to the Council's directly provided adult social care services – report to Adult Social Care & Health Committee on 10 October 2016

Commercial Development Unit - report to Policy Committee on 16 November 2016

Commercial Development Unit – report to Policy Committee on 18 January 2017

Electoral Division(s) and Member(s) Affected

All.

ASCH454