

Southend Care Business Plan 2022/23 and future years

1. PURPOSE OF THE REPORT

The purpose of this report is to advise the shareholder of the Southend Cares (SCL) business plan objectives for 2022/23. These objectives build upon the company's successful trading in 2021/22. The report also includes a financial business plan forecast which forms the basis of our business finance planning over the next five years.

2. INTRODUCTION

The company has continued to provide high quality care to the most vulnerable people in Southend, despite the impact of COVID on service delivery.

SCL has reached a 'watershed' moment, moving into a more commercially focused future both in terms of its main customer, Southend City Council (SCC) and through shaping the business to successfully develop the self-funder market within Southend and beyond. Increased commerciality will be reliant on maintaining and enhancing the quality of services provided to people. Therefore, continued investment in services is of paramount importance, ensuring a level of excellence that inspires confidence, increases reputation and results in SCL becoming the first company people turn to for care and support services.

We recognise that as the health and social care landscape changes, in particular through a new health and social care bill and the establishment of Integrated Care Systems, there is a necessity for SCL to adapt and position itself, in particular in developing new productive relationships. We see these changes offering the opportunity for SCL to further shape itself to offer service solutions to different commissioning organisations.

The watershed moment also means embracing the excellent work that has been achieved to date and building on our strengths which notably includes a highly skilled and dedicated workforce. Our special relationship with Southend City Council has been a key factor in the success of the company to date and we look forward to our new ten-year partnership agreement. We have always strived to be a solutions provider for the council be that taking on new services (West Street, Longmans, and Westwood) or fulfilling our responsibilities as the Provider of Last Resort. Overall, since starting trading in 2017 we have grown, stabilised and are ready to move into a new era.

The opening of Brook Meadows House in February 2022 was a landmark for the company. The magnificent building and facilities coupled with the excellent quality of care, offers the people of Southend and the community a vital resource. Our staff have successfully made the transition to Brook Meadows and are enjoying the benefits of working in a modern environment. People who access our services including residents of the care home can now be supported in spacious surroundings and with access to facilities that support their well-being, for example impressive gardens. Within the building we also have a central reception area complete with a coffee bar which will provide work experience and skills training for people with a learning disability who are seeking to gain employment. We have created a central working hub within the care home to encourage joint working with other professionals that come into the service, for example social workers, health workers and G.Ps.

We are delighted to have agreed with Southend City Council new ten-year contracts for all our services. This achievement creates stability for SCL allowing us to work in a more strategic way with commissioners over time. Alongside the contracts we have also agreed a ten-year partnership agreement. This ten-year Partnership Agreement is the commitment of SCL and Southend City Council to develop a long-term relationship that aims to deliver on the Southend 2050 outcomes and on the vision for Southend Care. This agreement provides the vision, strategic objectives, and guiding principles of the relationship. It sets the tone and spirit by which both parties will work together for mutual benefit with aligned interests. This partnership over the next ten years will aim to build upon the special relationship that has been established between the parties.

The trust in SCL to deliver good quality services has grown and the relationship between both parties has been characterised by SCL taking a 'can do approach' supporting SCC wherever possible. This includes responding rapidly and effectively in situations where other providers in the marketplace have failed, as well as taking on very complex individual packages of care that no other provider has been able to support. SCL has also played an important role in the COVID crisis by both establishing a designated COVID unit and by delivering services in an innovative way, for example creating an online digital service for vulnerable people who could not attend Project 49. As a result of the special relationship enjoyed by SCL and SCC by virtue of ownership, the company's manner of working has been different to that of any other local provider. The relationship has very much focussed on SCL being part of the SCC 'family' thereby becoming a key resource for SCC and working in a manner that creates the most value for SCC. From this a number of principles have become central to the relationship, including transparency, integrity, and honesty.

As an employer SCL remains in the upper quartile of care providers in terms of Care Worker wages, and we have continued to implement the Real Living Wage. This ensures that we attract good quality staff and are also able to retain their skills, experience, and expertise. We have created a new Learning Academy for staff which will provide high quality learning and development along with supporting career pathways in care. For example, we have developed an aspiring leaders programme for managers who are seeking to become senior managers, directors of the future. We are confident that this approach to staff wages, training and career pathways will support the challenges faced by a national and local shortage of care workers, particularly filling roles that are based out in the community. We have developed a comprehensive recruitment strategy to address this issue and are seeing good results, however we recognise this will be an ongoing struggle for many care providers who are competing for care staff within a limited recruitment pool.

Our successful trading performance over the last 12 months has enabled the company to deliver a further £233,000 of savings back to the council. The ability to provide savings has been through ensuring services run with greater efficiency for example as staff on council terms and conditions turnover to SCL terms. Under our new ten year contracts the council also enjoys a gain share potential as our self-funder services meet certain profit targets.

As in previous years we have also supported the local provider market by providing management oversight and intervention in several failing home care agencies. Acting as the Provider of Last Resort this work has enabled other providers to either stabilise themselves or to close down in an organised manner ensuring vulnerable adults are safely cared for.

Our Business Plan Objectives for 2022/23 look to build on our trading success and balance maintaining the strong working relationship with SCC with new ventures to generate self- funder income, thereby utilising the 20% Teckal rule regarding growth. This includes income sourced from outside of the borough of Southend.

3. BUSINESS PLAN OBJECTIVES 2022/23

In February of this year the SCL Board signed off a new three-year strategy for the company which sets out a number of strategic aims. Through this strategy by the end of the financial year 2024/25 we aim to have achieved the following:

- Be an established provider of non-SBC funded care services, maximising the 20% Teckal rule, whilst continuing to accelerate growth in this area through a subsidiary company.
- Be using care related technology as part of our mainstream approach to delivering services.
- Have achieved Outstanding ratings in all our Care Quality Commission regulated services.
- Have developed a range of new unique service offers in Southend and beyond (including the South Essex footprint)
- Have established an award-winning learning academy that builds on staff skills base.
- Be nationally and locally recognised for the quality of services that we provide to vulnerable people.

- Have built up a broader relationship within SCC, across the health and social care system and within local communities
- Have successfully redesigned and remodelled services in partnership with SCC.
- Have constantly strengthened and developed our relationship with SCC.
- Be completely fulfilling the objectives of our new 10-year partnership agreement and individual service contracts with the SCC

In terms of the next 12 months the business has a set of objectives which will position the company in the self-funder market, whilst also building some of the foundations for enhancing the quality of services offered.

- **To have developed and fully implemented a new Quality assurance strategy.** The strategic aim is to bring together a range of initiatives within the company that ensure we provide the best possible service outcomes for people, whilst also developing and supporting the wellbeing of our staff. These are set into five quality themes: Compliance; Safety; Transparent Culture; Engagement; and Staff.
- **To have engaged with a digital partner to scope out opportunities for delivering care through technology.** We have partnered with a company called Amba which provides digital care hubs within peoples' own homes, and which use sensors for monitoring well being and care needs. We have already won a national bid to become a test bed for new technology and will be progressing this from September.
- **To have established Meadows Home Care by delivering on the targeted volumes of care hours in the year.** Meadows Home Care is our new services for people who are self-funding their care. This was launched in April this year and is already building up a steady customer base in Southend. Key customer segments are people who are self-funding their own care, as well as self-funders who are the family of a person receiving support, for example the son /daughter of the mother / father. The population range is generally people 65+ but acknowledging that we can deliver care to anyone over the age of 18 identifying a need. The range of needs supported is broad and includes complex needs, dementia, general frailty, end of life, health care, companionship, and social engagement.
- **To have established Brook Meadows private care home beds by reaching the required average occupancy level.** We have 16 care home bedrooms for private use and take up of those bedrooms has exceeded expectations with 13 rooms already filled. We offer a service which can adapt in terms of levels of acuity supported from moderate dementia to more complex needs. Our emphasis is on carrying out in depth assessments of a person's care needs and thereafter utilising the skills and expertise base that already exists in SCL's care home provision. Alongside excellent care, a big selling point has been the brand-new environment and extensive facilities on offer. It has meant we are one of the leading care homes in the community.
- **To have reviewed and remodelled (potentially as a conjoined service offer) Making It Work, Viking and Project 49 services in partnership with SCC.** The review of our learning disability day opportunities services took place in May of this year and focused on the way in which all three services can develop and grow. The type of growth is twofold: the first is to support the services to become more commercial, appealing to people who are self-funding their care and support; the second is to encourage greater use of the services by social workers by developing new pathway models, for example an 'employment first' model for people that includes support to find and secure a job as well as developing peoples' work based skills through Project 49.
- **To have reaffirmed our Values and behaviours throughout the company.** Prior to COVID we created a new set of values and behaviours aimed at developing the culture of the company based on being caring, passionate, diverse, innovative, and empowering. During the pandemic staff displayed these values in their efforts to care for people in unprecedented times. We are now aiming to build on this through new initiatives such as setting up of a staff forum and creating new Values and Behaviour Champions in each service who can lead by example in terms of living the values of the company.

4. SCL FIVE YEAR FINANCIAL FORECAST

Summary of the financial objectives:

- Continuing to build a positive P&L reserve on our balance sheet.
- Planning to deliver an operational profit of £102K (22/23)
- Continuing to drive through year-on-year efficiencies, i.e., continued year on year T&Cs conversion rates, reduction in expenditure on agency staff and effective rostering.
- Targeting of additional non- SBC revenue as a % of overall turnover with mind to any Teckal implications on existing block contracts with the Council, and at the point Private income gets close to 20% of total income Southend Care will need to set up a subsidiary company to operate its private business.

As displayed in Appendix 1, our financial business plan for the next five years demonstrates a proportionate and responsible net profit and margin, with an average net profit to Turnover % margin each per year of 1.2% (2022/23) through to 1.1% (2026/27) on Council run services, and a profit margin of breakeven in (2022/23 – first year) and then a growth of 5.5% (2023/24) through to 10.9% (2026/27) on Private run services.

Growth remains a key strategy in terms of SCL. In addition to the recently secured long term core contracts with the Council, and expectations of securing new long-term contracts on additional services that would add or compliment our existing services and expertise, we hope to further drive our expansion away from just core Council Contracts and increasing our offer to residents who can benefit from the quality of our services. Starting this April'22, we are marketing our Private Care Home offering (Brook Meadows) and developing our private Homecare service (Meadows Homecare), both key to our development vision and growth strategy.

Central overheads are kept in line with a target of circa 8% of total turnover across the five years, which ensures a proportionate central function is maintained. The plan builds in commitment for the continuation of service agreements with the council for HR, Finance, and ICT services.

The plan ensures SCL continues to be in the upper quartile in terms of frontline workforce pay, where possible tracking against the Real Living Wage.

END OF REPORT

Jon Manzoni

Managing Director

Appendix 1 – Southend Care Financial Business Plan 2022/23 + 4 Years (April 2022)