

# Business Planning Business Case Proposal

**Project Title** Community Catalysts – Micro-Enterprise Development Roll-Out supporting the Homecare and Personal Assistant market

**Committee** Adults Committee / General Purposes Committee

1. Saving/ Income amount		BP Reference	
	<p>This Business Case Proposal outlines a request for transformation funding to undertake a two year exercise to test and evaluate the impact of increasing the micro-enterprise market in Cambridgeshire.</p> <p>It is anticipated that this project will result in cost avoidance, whilst also releasing capacity in the homecare market and increasing the pool of Personal Assistants (PA's) within Cambridgeshire.(please see section 7)</p> <p>During late 2019 and early 2020 a review was undertaken of the homecare contract and provision across Cambridgeshire and Peterborough from which a range of key themes were identified. Those themes included market capacity gaps in rural locations and around Cambridge City, recruitment in the care and PA market and low engagement from providers in certain locations. Previous research undertaken when developing the Market Position Statement also identified the potential positive impact that supporting and increasing the diversity of provider types in the market could have in our communities.</p> <p>People who use homecare services tell us the current range of providers do not always adequately meet their needs, particularly in terms of flexibility or where support required is outside of, or in addition to, assessed care and support needs.</p> <p>Traditionally mainstream providers deliver a solution based on their capabilities in line with LA commissioning specifications and are incentivised to charge for work carried out on an hourly basis. This does not necessarily build on the inherent assets of the service users and does not lend itself to working flexibly.</p> <p>There are a range of challenges within the current market:</p> <ul style="list-style-type: none"> <li>• Sustainability for providers and cost of care to the local authority</li> <li>• High numbers of people waiting for mainstream care who are in 'pending arrangements' such as:</li> <li>• Bridging in reablement</li> <li>• Utilising block car time for longer than six weeks</li> <li>• Using interim or residential beds due to lack of availability of mainstream care in the community.</li> </ul>		

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	<p>People tell us this shortfall in flexibility and responsiveness means they do not have as much choice and control as they would need to remain independent and well at home, which in turn can prevent or reduce their need for longer term care. This means we need to change the nature and type of some provisions available to people.</p> <p>Commissioners can fill the gap in the market by:</p> <ol style="list-style-type: none"> <li>1. Changing the specifications and payment incentives</li> <li>2. Finding and commissioning different and specialist providers such as micro-enterprises, to meet the specific needs</li> <li>3. Rolling-out a Community Catalysts model to test and evaluate different ways of working while supporting the development of a market which provides early intervention and prevention options from the local micro-enterprise, voluntary and community sector. Detail on the Community Catalysts model can be found in Section 3 of this document.</li> <li>4. Ensuring the specifications and contract arrangements allow for a more flexible, holistic approach which blends statutory and non-statutory solutions.</li> </ol> <p>Research undertaken by the University of Birmingham found that micro-enterprise provision within care and support offers a more personalised approach than larger providers which stems from three main aspects:</p> <ul style="list-style-type: none"> <li>• autonomy of frontline staff (often the sole worker) to vary the service being offered.</li> <li>• greater continuity of frontline staff compared to larger providers.</li> <li>• high level of accessibility of staff member to people using the service.</li> </ul> <p>Micro-enterprises are a small but growing sector of the care market. In Somerset where micro-enterprises have been promoted by the local authority, they have risen in numbers from around 50 to more than 450 over five years (Source: Community Micro-enterprise: As a driver of local economic development in social care, NEF, 2020).</p> <p>Research and evidence from pilots in other local authorities indicates that micro-enterprises can add choice and diversity to the care and support market whilst also increasing employment opportunities for people in our local communities. This is further supported by the recent publication of the LGA Adults Social Care: Seven Principles for Reform which highlights the need for traditional services (such as residential care, domiciliary care and day centres) to be part of a “much broader local offer including smaller, more bespoke providers, micro-enterprises and wider community assets. These help bolster community resilience and their potential to help secure a more preventative approach to</p>		

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	<p>wellbeing that supports people to live safely and well at home must be harnessed”.</p> <p>Anecdotal evidence has found that such micro-enterprises:</p> <ol style="list-style-type: none"> <li>1. Deliver £1.30 benefits for every £1 invested (which improves on mainstream providers). This is based on comparing the current domiciliary rates paid to mainstream providers with the typical direct payment rates made to PA's and micro-enterprises.</li> <li>2. Suffer from many barriers to entry into mainstream markets i.e. <ul style="list-style-type: none"> <li>• Do not have experience of delivering similar LA contracts</li> <li>• Do not have the knowledge or experience to undertake a LA bid process</li> <li>• Do not have all required policies and procedures to meet LA expectations</li> <li>• May not have the financial records to meet due diligence].</li> </ul> </li> <li>3. Do not have the experience of entering into LA contracts as they are predominantly care/health professionals with less experience or expertise in business skills.</li> </ol> <p>We therefore have an unmet need and a potential solution which we cannot connect because of market barriers and wish to undertake the pilot, supported by Community Catalysts who are the only expert organisation specialising in this area with evidenced results, to test and prove the concept can work in Cambridgeshire.</p>		
Date of version		Business Leads / Sponsors	

## 2. Please describe what the proposed outcomes are?

The outcome of a recent review and development of the Vision for Homecare in the Future has identified that the stimulation of a buoyant micro-enterprise market could support the homecare market; particularly in some of the identified hard to reach localities.

Learning from our Neighbourhood Cares pilot and the Innovate & Cultivate funded Connected Communities project suggests that building reliable and sustainable social enterprises within the care market is a specialist skill. Knowledge of the care sector, alongside understanding of business and CQC regulations (especially in regards to regulated activity) is paramount.

We know that acting as a sole trader in a one-to-one working relationship does not require people to be CQC registered, however there is a risk that people in this situation can go unchecked and quality of service can be poor. The Community Catalysts model works within the regulations but also ensures that quality provision is in place through their own systems of checks and balances.

Working with Community Catalysts will allow us to access specialist support, giving the programme a high chance of success. Developing a healthy micro-enterprise market may

**2. Please describe what the proposed outcomes are?**

also make the option of a direct payment more attractive as there would be an increase in the delivery of local services.

The project is seeking to commission a project that will enable the council to test and evaluate the impact of implementing the proven Community Catalysts model to develop the micro-enterprise market in a specified area of Cambridgeshire; the aims of which will be to increase the range and supply of micro-enterprises; which in turn will deliver the following outcomes:

- Delaying and reducing the need for regulated care, which could therefore release capacity in the mainstream homecare market
- Increase the choice, diversity and options available to people who need care and support, or who have been identified as on the fringes of meeting assessed need criteria and would benefit from low levels of support to retain their independence; reducing or delaying their need for long term regulated care
- Person-centred, co-produced, place-based care and support plans/options for people (blended statutory and non-statutory solutions)
- Develop the personal assistant market and supply (whilst managing the potential for negative impact on recruitment in the regulated care market)
- Providing further choice for people who access a personal budget via direct payments, but who prefer not to directly employ a PA
- Target an area where gaps in the regulated care and support market have been identified
- Develop the skills and knowledge required to support and grow the micro-enterprise market to enable scale up
- Support a place-based ethos; developing the assets within a local community to remain sustainable in the longer term.

Taking the outcomes identified into account, the brief to Community Catalysts will be to achieve the following deliverables; based on the outcomes achieved in Somerset:

**By the end of year 1:**

- Survey the current micro-enterprise market in Cambridgeshire and provide a "state of health report" which identifies barriers to success, levels of micro-enterprise already in the market and which gaps in the care and support market have been identified.

Once we understand the base-line levels the following targets will be finalised and agreed :

- Record 200+ enquires from local people expressing interest in running micro-enterprises
- Add 50+ new community micro-enterprises delivering 250 help and care hours to people at home (per week)
- Produce an interim lessons learnt report for Commissioners to help shape the micro-enterprise market for year 2. This will include recommendations about the skills and knowledge required by commissioners to support and grow the micro-enterprise market to enable scale up.

**By the end of year 2:**

- Record 400+ enquires from local people expressing interest in running micro-enterprises

## 2. Please describe what the proposed outcomes are?

- Add 125+ new community micro-enterprises delivering 750 help and care hours a week to people at home
- Put in place a sustainable approach to continue to grow and develop the micro-enterprise market place including peer-to-peer network meetings. It is anticipated that this will form part of the infrastructure of Library Services linking with the Think Communities team
- Produce a lessons learnt report for Commissioners to help shape the micro-enterprise market of the future.

The effect of the intervention to the micro-enterprise market will in turn deliver the following outcomes:

- At least 50% of people who receive care and support in the roll-out area:
  - agree they now have increased choice, diversity and options available to them
  - agree they have a more person-centred, co-produced, place-based care and support options
  - agree they better understand and have considered access to a personal budget via direct payments for services such as PA's.
- At least 67% of the new micro-enterprises:
  - agree the facilitation from Community Catalysts has positively helped their business.
- Develop the personal assistant market and supply (whilst managing the potential negative impact on the regulated care market recruitment). This will be measured against a starting base line against the number increase in PA's and feedback from regulated providers with regard to recruitment.
- Support a place-based ethos, developing the assets within a local community.

## 3. What evidence has been used to support this work, how does this link to any existing strategies/policies?

This project will incorporate the learning from the Neighbourhood Cares and Connected Communities pilots with the Think Communities aims and outcomes from the work completed/being undertaken in our community hubs whilst dealing with the Coronavirus pandemic.

### Commissioning Intentions

It will link with the vision and strategy for direct payments and homecare (homecare vision and actions are also included in the recovery and resilience strategy). It also supports the ongoing market shaping and actions identified in the Market Position Statement.

### Think Communities

The proposal is aligned with the Think Communities programme, which puts our citizens at the heart of collective decision-making, with a greater emphasis on 'place-based' delivery to ensure there is a deep understanding of local needs, challenges, assets and opportunities.

### Changing the Conversation

The current proposal sits comfortably within this approach (devised by *Partners4Change*), the aim of which is to remove the traditional 'assessment for services' model and create a new culture where practice is based on three conversations:

3. What evidence has been used to support this work, how does this link to any existing strategies/policies?

**Conversation 1**

How can I connect you to things that will help you get on with your life – based on your assets and strengths, and those of your family and neighbourhood?

What do you want to do? What can I connect you to?

**Conversation 2**

Applicable to people who are at risk.

What needs to change to make you safe? How do I help to make that happen?

What offers do I have at my disposal – including small amounts of money and my knowledge of the community – to support you? How can I pull them together in an ‘emergency plan’ and stay with you to make sure it works?

**Conversation 3**

What is a fair personal budget and where do the sources of funding come from?

What does a good life look like? How can I help you use your resources to support your chosen life? Who do you want to be involved in good support planning?

**Adult Positive Challenge**

The roll-out will support Cambridgeshire County Council’s stated priority outcome of “A good quality of life for everyone” and the Peterborough City Council vision of improving quality of life for all its people. The Adults Positive Challenge Programme supports better outcomes for individuals, carers and communities, whilst managing demand and this proposal clearly fosters these outcomes.

## **Community Catalysts Model**

Community Catalysts are a social enterprise who specialise in micro-enterprise development and community led support within the health and social care market. They have developed successful programmes previously, for example in Somerset ([Community Catalysts - Releasing Somerset's Capacity to Care](#)). The roll-out will conclude with an independent evaluation to ensure that we have an evidence base which will support the council to use the learning to scale up.

To date, Community Catalysts have worked in 49 areas, supporting the development of more than 1,800 community enterprises. Community Catalysts use a proven model which scales through a single coordinator or catalyst supporting up to 200 small, self-organising enterprises.

Independent evaluation of the Community Catalysts approach suggests that their method works across any demography, is replicable and delivers good outcomes. Evidence also suggests that this approach creates local choice and will typically, over two years, help nearly 125 would-be entrepreneurs and see nearly 60 community enterprises successfully established.

These successful community enterprises will support on average over 700 older or disabled people. Alongside this the Community Catalysts model can create over 100 jobs and 70 volunteering opportunities. Working alongside Community Catalysts mitigates the risk of failure which was experienced through the Connected Communities pilot and turn around the failure rate for micro-enterprise - over 2 years fewer than 4% compared with an average failure rate for micro-business of 90%. This is due to the specialist support, skills and knowledge that the Community Catalysts model brings in supporting enterprises in the health and social care marketplace.

3. What evidence has been used to support this work, how does this link to any existing strategies/policies?

Somerset County Council challenged Community Catalysts to support home-care start-ups in the most rural parts of the county. They had already made substantial investment in community infrastructure and that, together with courageous leadership and a decision to provide everyone who needed homecare with a direct payment and full information about what was available (and an extremely talented catalyst/coordinator) led to rapid growth in the numbers of community enterprises. Over the 4 years Community Catalysts were there, their employee supported 362 'start-up' enterprises. The enterprises in Somerset supported 1500 people and created 372 local jobs. Collectively they provided 12000 hours of care or support a week.

The model below illustrates the role of the community catalyst employee and the skills and knowledge they need to have:

### Role of our local community catalyst



4. Has an options and feasibility study been undertaken? Please explain what options have been considered.

The following options were considered and discarded:

1. Do nothing;

This option has been discounted as a review of the market has identified the immediate need to address shortfalls and supply issues in the mainstream homecare market and this action is included in the homecare vision and recovery and resilience strategy.

2. Cambridgeshire County Council carries out the market facilitation work;

This option has been discounted because of a lack of capacity and expertise for the requirements of this project in the existing LA workforce.

3. Competing for the market facilitation work;

This option has been discounted as Community Catalysts are the only provider operating in this specific segment of care micro-enterprise development nationally. For this reason, it is proposed that a direct award is viable.

4. Delay the start of the activities;

**4. Has an options and feasibility study been undertaken? Please explain what options have been considered.**

This option has been discounted as there is an immediate need to address the supply issues in the Home Care market. However, if the roll-out is implemented in the right way, we could potentially transfer skills to Cambridgeshire County Council Libraries to enable a more sustainable approach to be taken in the future but upfront investment will be needed to do this.

**5. Use Transformation Funding to work with Community Catalysts to develop care micro-enterprises in a 2-year roll-out.**

This is the preferred option and reason for the current bid.

**5. What are the next steps/ actions the Council should take to pursue it? Please include timescales.**

The business case has been developed working with the transformation team, commissioning, strategic development, finance, commercial and contracts; this group will also form the Project Board who will oversee the development and progress of the roll-out.

It is anticipated that ongoing resource/support from the transformation team will be required to work with the project group to implement, engage with stakeholders, deliver and monitor the roll-out; this would in the region of 2/3 days a month.

There will also be a service user and provider group set up to ensure that we continue to shape the delivery and outcomes of the roll-out; this feedback will then be reviewed regularly within the project board and with Community Catalysts; also feeding into the transformation bid/review process.

There will be regular communication with Healthwatch to ensure that feedback can also be facilitated from the community via their regular countywide forums and partnership boards.

## High Level Timetable

Task	Start Date	End Date	Lead Responsibility
Set up Project Board	Aug 2020	30 Sep 2020	Karen Chambers
Advice and guidance from transformation team	Aug 2020	Aug 2020	Transformation Team
Develop business case and financial information for submission to JCB	Aug 2020 Submit to JCB 19th Aug	JCB 25 <sup>th</sup> Aug	Project Group Graeme Hodgson Sundeep Singh Louise Tranham Gurdev Singh Karen Chambers Paula Spelman
Business case to Adults Committee	22 Sept 2020	12 Nov 2020	Karen Chambers
Develop detailed specification/outcomes	26 Aug 2020	31 Oct 2020	Project Group
Procure/award	Nov 2020	Dec 2020	Karen Chambers
Implementation plan	Dec 2021	Jan 2021	Project Group
Commence roll-out	Jan 2021	Jan 2023	Community Catalysts

5. What are the next steps/ actions the Council should take to pursue it? Please include timescales.

Quarterly progress reviews	Apr 2021	Jan 2023	Transformation Team Project Team
Evaluation	Feb 2022	Feb 2023	Internal resource in partnership with Healthwatch

6. Could this have any effects on people with Protected Characteristics or the other two groups protected by the Council of poverty and rural isolation? If so please provide as much detail as possible.

The risks should be potential risks in accordance with the Equality Impact Assessment process.

We are mindful of the emerging data and evidence of the disproportionate adverse effects of COVID-19 on people with protected characteristics specifically Gender, Pregnancy and Maternity, Black, Asian, and Minority Ethnic (BAME) people, LGBTQ+ people, Disabled People and Older People. These impacts must be born in mind when making decisions about business planning and recovery.

Has this group been disproportionately affected by COVID-19 compared with other groups e.g. mental and/or physical health, isolation, housing, domestic abuse and financial impacts etc. If so, how have you considered this in your planning and decision-making?

This proposal seeks to develop a network of micro –enterprises in a location yet to be identified during the diagnostics phase of implementation. This will develop a more diverse care and support market which in turn will create more choice and enable control over how an individual's care needs are met. The table below outlines the impact this project will have on the following groups:

Category	Positive	Negative	Neutral impact
Age	X		
Disability	X		
Gender reassignment			X
Marriage and civil partnership			X
Pregnancy and maternity			X
Race			X
Religion or belief			X
Sex	X		
Sexual orientation			X
Poverty			X
Rural isolation	X		

To ensure that the roll-out has considered what the needs of people who access services with protected characteristics will need/want, the project team will engage with relevant groups/advocates during implementation and throughout the life of the project.

**POSITIVE IMPACT** to key groups/ localities of protected characteristics and those adversely affected by COVID:

1. Older people and those with physical disabilities and care support needs living at home in roll-out areas – increase and diversification of care supply in market, increased choice and flexibility.
2. Roll-out area communities – stimulation of economic activity and new job opportunities for minimum wage sector which is likely to be hardest hit by forecasted COVID-related recession and redundancy/unemployment; particularly applicable in rural areas.

**NO NEGATIVE IMPACT** to those with protected characteristics as provision will be open to all and will seek to ensure community catalysts are inclusive and fully representative of the communities they serve.

Mitigating actions: Not applicable

Please detail any actions that will be taken to reduce any negative impacts on people with protected characteristics

Not applicable

7. What financial and non-financial benefits are there and how will you measure the performance of these? Are there any dis-benefits? These MUST include how this will benefit the wider internal and external system.

Financial Benefits

Levers to deliver cost avoidances

There are a number of ways that the proposed Community Catalysts approach could achieve cost avoidances:

1. Delay/Diverting ASC demand for long term care
2. Channel shifting some home care work from DPS to micro-enterprise (lower overheads)
3. Reduced travel cost of carers in rural areas
4. Reduction in high-cost Direct Payments to entice providers to pick up packages in these areas
5. Reduced of block cars/interim beds/respite beds with early intervention/ support options available within their local community. Ensuring the people can access low level support at an earlier stage to maintain their independence for longer and delay their need for long term care.

We would expect that by investing in the Community Catalysts approach we would be better able to support older and vulnerable people to maintain independence as long as possible, thus diverting some people away from needing long term social care intervention.

There may well be increased options for social inclusion/befriending/work experience/volunteering and Community Catalysts can support the development of enterprises to meet the needs of people with mental health needs and learning disabilities in the home or community. They are also moving into the disabled children space and their initial diagnostic analysis would help identify the real areas of need.

To support the case for investing in this model it is essential to demonstrate how the service could help manage demand for long-term statutory social care services.

## Cost avoidance breakeven point

The cost of the service over two years is expected to be £160,000. The following section establishes a financial breakeven point considering only the channel shifting method of cost avoidance. As other methods may bring forward the breakeven date there is a margin of safety built in.

It is assumed with the facilitation work of Community Catalysts the traditional hour of support would be replaced with that from a micro-enterprise. The difference in hourly rates is estimated to be nominally £4.50ph (this is based on the current difference between the CCC framework hourly rates and Direct Payment rates for Personal Assistants). Given a steady rise to 750 hours per week of delivery from micro-enterprises over the two years we would expect the roll-out to break-even in Q4 Y2 (as per the cash flow table below).

Element	Frequency	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Work delivered by enterprises	Hours per week	0	100	175	250	375	500	650	750
Work delivered by enterprises	Hours per quarter	0	1300	2275	3250	4875	6500	8450	9750
Cost avoidance using £4.50ph	£ per quarter	£0	£5,850	£10,238	£14,625	£21,938	£29,250	£38,025	£43,875
Expenditure from C/Catalysts	£ per quarter	£25,000	£25,000	£25,000	£25,000	£15,000	£15,000	£15,000	£15,000
Net cash flow	£ per quarter	-£25,000	-£19,150	-£14,763	-£10,375	£6,938	£14,250	£23,025	£28,875
Cum cash flow	£ per quarter	-£25,000	-£44,150	-£58,913	-£69,288	-£62,350	-£48,100	-£25,075	£3,800
									Break Even

This suggests the roll-out would payback just within 2 years. Further investment may be required to sustain this approach beyond the two year roll-out and this will be identified in year one and built into future development plans.

## Non-Financial Benefits

The primary non-financial benefit is to grow the micro-enterprise market to deliver 750 hours a week of support by the end of the second year. This will prove the validity and necessity of this market sector.

Key Benefit	Measure	Baseline	Target & Timescale
Development of new and established micro-enterprises	Micro-enterprise numbers (existing and new)	To be established during month 1 of the project	125 more in delivering 750 hours of support per week at the end of the second year
Local employment opportunities for people to become self-employed	Number of new micro-enterprises	First 3 months to identify baseline	20 WTE by the end of Year 2
Satisfaction rates for people who use the provision.	Independent survey	NIL	Greater than 50% when asked at the end of the first year and the second year

	Include a questionnaire for people who use current services		To be established	
	Satisfaction rates for people who are supported by Community Catalysts	Independent survey	NIL	Greater than 67% at the end of the first year and the second year
	Reduction in the number of people on the pending list for care.	Current information	To be established and target for impact agreed	Estimated to reduce pending list by 25% (to be confirmed)

8. Are there any identified risks which may impact on the potential delivery of this? What is the risk if we do not act?

Risk	Mitigation	RAG (should the risk occur)	Overall Responsibility
We know that acting as a sole trader in a one-to-one working relationship does not require people to be CQC registered however there is a risk that people in this situation can go unchecked and quality of service can be poor.	The Community Catalyst model works within the regulations but also ensures that quality provision is in place through their own systems of checks and balances.	Green	CC
Governance process related to exemptions completed as appropriate.	See below	Green	LGSS/KC
Risk of challenge from other providers due to a direct award of contract.	Committee Approval Issue a VEAT notice	Amber	LGSS/KC
Recruitment risk in mainstream care market from increasing number of Personal Assistants recruited	Community Catalysts will work pro-actively with the market to manage this risk	Amber	CC

Drop-out risk / financial risk if further COVID waves (i.e. cost of PPE etc.)	Community Catalysts specification will include working with micro-enterprise/sole traders to support development of policies/procedures/business continuity plans etc. LA to provide relevant support.	Amber	CC/ LA
Quality and contract management of Community Catalysts and ME's etc.	This will be incorporated in the specification and subject to relevant monitoring.	Green	
Failure to meet agreed targets	Quarterly performance review meeting	Green	Project Group and Transformation Team

## 9. Scope- What is within scope? What is outside of scope?

The location of the roll-out will be identified based on current intelligence relating to market capacity gaps and input from Community Catalysts based on prior experiences. The people who will benefit from the roll-out will be across the whole child and adult population of the identified location and who would receive homecare through the current contractual arrangements of the Dynamic Purchasing System in CCC, where an early intervention has been identified through the appropriate channels, or where they are in receipt of a personal budget via direct payments, this will also include people who self-fund.