



NEW NAME –

Community Response & Equipment Services

Business Plan

Non – Confidential Version

March 2013

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1. Executive Summary

This Business Plan has been prepared to obtain approval from the City of York Council (CYC) Cabinet for the Community Equipment Loan and Telecare Service (CELTAS) to 'spin-out' and become an independent social enterprise, in the form of a Community Interest Company (Company Limited by Guarantee). It covers:

- Our vision;
- An analysis of the market place we will operate within;
- An explanation of the range of services we will offer;
- A description of our legal form and our governance arrangements;
- An overview of the infrastructure needed to underpin our business;
- Our financial forecasts demonstrating the viability of our business; and
- An implementation plan outlining how we will establish the new organisation.

Our business plan sets out our ambition to build on the established track record of our staff and their outstanding skills and expertise to deliver high quality, professionally delivered Community Equipment Loan and Telecare Services and represents the navigation document for our formation and early period of operation. The name of our new social enterprise will be **NEW NAME**.

1.1 Drivers for change

The economic downturn in 2008, signalled a new era of austerity for the public sector. Pressure to cut public spending is leading to difficult choices within local government. Rather than eroding the CELTAS services over time to help meet these budget pressures, CYC has taken the positive decision to enable staff to take ownership of these valued services as members of a Community Interest Company (CIC) form of a social enterprise, ensuring future supply and enabling the services to develop as a separate legal body.

As a result of the reduction in funding for the public sector the council needs to become even more efficient and reduce its spend. It is believed that the social enterprise will help meet both aims: modernisation and the reduction of costs. The team believe that developing as a social enterprise will help the service, which is highly valued by the people who use it, to survive and develop in a competitive market.

Another major change impacting upon social care services is "personalisation". The relationship between customers and providers will become more direct, and there will be far more competition between providers. City of York Council's services will need to change, to become more competitive and to keep up with these developments, if they are to survive and thrive.

1.2 Vision for the future

NEW NAME being an independent social enterprise will provide a unique service for both statutory agencies and the general public through the provision of Community Equipment Loan and Telecare Services.

NEW NAME will be the answer to the increasing demand for community response and equipment services. The public want easy access to the services, and for self-funded customers at a cost they can afford. Statutory agencies want (1) access to services and equipment in a timely manner that is responsive to their service user's clinical/social needs and (2) to work as part of the integrated pathway of care providing expert support and advice.

The purpose of **NEW NAME** is to be the organisation of choice that works in partnership with their customers to best understand their needs through the provision of a community response service, equipment and expert advice and support to assist people to live their chosen lifestyle. We will raise awareness and increase access of our services and equipment to the local community (both statutory service users and the general public) by sharing our specialist knowledge with health and social care professionals and the public, and offer a wide range of services and products so that individuals have access to services/products and the knowledge to assist others and/or help themselves when faced with an environmental challenge or functional limitation that impacts on their lifestyle.

We believe that CELTAS services are best delivered through a social enterprise as it will:

- Make the services more flexible and responsive to client needs;
- Enable new business opportunities to be realised to help secure financial efficiency and sustainability;
- Encourage staff working within the new organisation to be more motivated and driven to work harder, smarter and more consistently as they have greater ownership of and involvement with the business; and
- Ensure the service is as good as it can be by re-investing its financial surplus in the organisation to fund development of the service, technology and workforce.

Our vision describes our ambition and what it is we hope to achieve:

We will create a high quality, comprehensive and sustainable telecare and equipment service that redefines care delivery, and helps people manage their lives and stay independent in their own homes through life enhancing equipment solutions.

Our mission sets out how we will achieve this vision. We will achieve our vision by:

- Supporting social, health and well-being by offering advice, signposting and a wide range of solutions to our customers;
- Working with partner organisations across all sectors to prevent hospital admissions and prolonging, wherever possible, a quality of life at home;
- Providing support and reassurance for both formal and informal carers; and
- Being committed to equality and fairness.

1.3 Differentiators

Being a social enterprise is important for the branding of the new enterprise. It will set the new enterprise apart from the competition and provide commissioners and users with assurance about the motives and focus of the service. Our key differentiators/selling propositions for service include:

- Unique combination/range of services provided – we would be able to provide more customers with a range of equipment solutions to meet their needs. This would ensure the customer receives a 'one-stop' shop approach allowing them to have access to a wider range of options. This single access point will benefit many customers and where possible we would also signpost to other services that may be of benefit to them.
- Fully managed service provision to stakeholders (assessment, delivery, installations, monitoring, response and review). This permits any future partnerships to benefit from the fact that our service contains everything that can support a single provider option.
- Social Values of the organisation (local employment, greater, more creative and wider use of new technology, local employment, giving back to local communities – trips or social events)
- We will work as part of an integrated care pathway supporting delivery of health and social care packages.
- We will be a not-for-profit-distribution social enterprise and therefore will not have shareholders to make profits for, instead we will re-invest our profits back in to the organisation to meet our strategic and social objectives.
- The staff within NEW NAME will work closely with health & social care practitioners to find the right solution carrying out joint visits when needed.
- We work closely with clinicians to ensure the most appropriate equipment is prescribed to meet their client's needs.
- We have a detailed and wide knowledge of all the equipment that we issue/use.

1.4 Service Delivery

In designing the social enterprise, we have been acutely aware of the competing tensions between the need to realise efficiencies through standardisation and scale and the need for locally delivered, flexible, responsive services that meet the needs of customers within York (and beyond). To ensure our long term viability we need to grow our business but we must not forget our roots or our primary customer base in York. Accordingly we will pursue a two-pronged development strategy: enhancing and broadening our range of services for existing customers whilst also extending our reach into new geographical areas.

Developing the social enterprise provides us with a great opportunity to transform the way we deliver some of our important services. Our staff, customers and other key stakeholders will have greater opportunity to shape the way our services are delivered than ever before. It is envisaged that customers will have an on-going role in the development of services through feedback and quality assurance mechanisms.

The services that will be provided initially are:

- Warden Call/Telecare;
- Community Equipment Loans.

The services that will be provided in the future (and the year they will commence) are:

- Lone worker monitoring (year 1)
- Tele-Consultancy and Marketing (year 1)
- Telehealth (year 1)
- Retail – online/outlet (year 2)

1.5 Organisational form, ownership and governance

Our recommendation is that **NEW NAME** is established as a Community Interest Company (CIC), in the form of a Company Limited by Guarantee. As a CIC we would have the flexibility to offer staff ownership in the form of membership of the enterprise. This would be difficult if not impossible as a charity as Trustees of charities must be unpaid. The Community Interest Company form also provides a degree of regulation and an asset lock. The asset lock ensures that assets are only ever used to deliver our business/social objectives.

NEW NAME will have a governance structure that is proportionate and appropriate to the scale of the organisation. We propose two forms of membership of the new enterprise. Staff would be “Staff Members” with the power to nominate and elect a “Staff Director” from their group to take a position on the Board of the new enterprise. There will be five “Members” who will be responsible for the strategic management of the business and will hold the statutory responsibilities of Company Directors under Company Law. Alongside the “Staff Director”, will be the Chief Executive Officer and three Non-Executive Directors. We propose that the City of York Council in the first instance appoints the Chief Executive Officer (with future performance management, removal and appointment of this position then becoming the responsibility of the Board). The Local Authority will retain the power to appoint one Non-Executive to the Board, thereby having direct influence on the new organisation but avoiding the need to consolidate accounts or take on any future liabilities of the enterprise – the Local Authority would effectively retain 20% ownership through the Non-Executive Director.

The Board will delegate the day to day running of **NEW NAME** to a Management Team which besides the CEO will include the Head of Operations and Head of Finance. **(Note: The Head of Finance is a function and not a separate post)**. The management team will report performance to the Board on a regular basis, possibly every 2 months initially.

In addition to the governance structure proposed above, one or more Advisory Committees will be established to enable different key stakeholders/stakeholder groups, including users, to be involved and have their input to the new organisation. Whilst these committees would not have any formal decision making abilities, we anticipate that any key outcomes/requests/etc. from these meetings would be tabled at the Management Team meeting, and latterly the Board meeting.

As well as user representation on one or more Advisory Committees, a user could also be appointed as a Non-Executive Director provided that they have the appropriate skills and experience.

Finally, we propose that the above governance structure is established and run in shadow form (pending the decision of the Cabinet to proceed) in March 2013 up until go-live in October 2013.

1.6 Our staff and leadership

Our people are our biggest asset and we recognise the need for strong and visible leadership and the need to form a management team with the appropriate blend of capabilities.

Our Board of Directors and Management Team would be in place by October 2013, having run in shadow form for at least six months (pending the decision of the Cabinet in March 2013). Specific individuals for each position are yet to be identified, apart from the Chief Executive Officer. We propose that the Chief Executive Officer of the new organisation is Heather Barden, the current service manager for CELTAS.

Whilst running in shadow form we will seek to strengthen and develop the skills and expertise of the Management Team (and Board) through specific training courses (possibly via CYC's Corporate Training and/or York CVS) and mentoring from external specialists/existing successful social entrepreneurs. This period will also enable any issues to be identified and rectified before the new organisation is formally awarded the CELTAS contract.

1.7 Resources

The new organisation will need to use existing resources (or equivalent levels of) both initially and in the future. These resources include staff, premises and assets.

NEW NAME will be based in the current CELS building. Further detailed work is required to plan the reconfiguration of the building, and agreement from the landlord is currently being sought. We have assumed that the relocation of staff to the CELS building will take place by April '13 as this is a requirement of the current Warden Call/Telecare and CELS service review process (and is not related to the proposed spin-out);

We propose that assets will be transferred to **NEW NAME** at market value (given the relatively low value of the equipment and also that no buildings or land is being transferred), else they will be leased at a 'peppercorn rent' rate.

If the latter approach is used (which is the default method that has been used by groups spinning-out under 'Right to Provide') the responsibility for the maintenance and replacement of assets would lie with the new organisation (or if CYC prefers the responsibility could remain with CYC). This avoids the issue of state aid¹ as these assets would be made available to the successful bidder as part of the contractual terms, rather than specifically to **NEW NAME**.

To ensure the smooth transition from the council, it has been assumed that support functions (such as HR/payroll, Finance, Legal and ICT) will initially be purchased from CYC (and will continue to be delivered by CYC providing that charges are competitive).

1.8 Sustainability

We will establish a sustainable organisation that our customers want to buy from and of which staff are proud to be a part. We will explore further opportunities to grow our customer base beyond York without compromising the delivery of services to our core customer base.

We believe that "one size does not fit all" and therefore we will seek to work with our customers and deliver services with them and for them, not to them. We will differentiate our services to meet their needs by involving stakeholders in an Advisory Committee to review operational performance and consult on key business development matters.

1.9 Financial Viability

NEW NAME is being established against a challenging financial backdrop. Specifically, the eroding of the CELTAS budget over time to help meet these budget pressures faced by CYC.

With support from external independent advisors we have undertaken a detailed analysis of future financial projections for **NEW NAME** and conclude that it does represent a financially viable business opportunity. (A full list of the planning assumptions used to develop these projections can be found in Sections 2.2 and 11.2).

¹ The total de minimis aid provided to any undertaking must not exceed 200,000 Euros over any period of three fiscal years.

The summary five year forecast Income & Expenditure and Cashflow statements, and monthly Cashflow statement for year one, for the future social enterprise are set out below with further commentary following each table.

Income and Expenditure – 5 Year Summary (Simplified statement)

Income	2013/14	2014/15	2015/16	2016/17	2017/18
Telecare, Wardencall, CELS	£2,342,512	£2,324,993	£2,305,153	£2,285,310	£2,270,856
New Services (Loneworker, Telehealth, Tele-Consultancy, Retail)	£187,878	£314,476	£385,231	£456,711	£499,818
Total Income	£2,530,389	£2,639,469	£2,690,384	£2,742,021	£2,770,674
Expenditure					
Direct Costs:					
Telecare, Wardencall, CELS	(£1,627,549)	(£1,667,685)	(£1,683,044)	(£1,695,634)	(£1,710,250)
New Services	(£156,400)	(£236,656)	(£300,084)	(£344,194)	(£362,989)
Total Direct Costs	(£1,783,949)	(£1,904,341)	(£1,983,128)	(£2,039,827)	(£2,073,239)
Indirect Costs:					
Telecare, Wardencall, CELS	(£424,600)	(£425,518)	(£428,193)	(£427,422)	(£428,410)
New Services	(£5,650)	(£18,125)	(£46,156)	(£46,194)	(£46,265)
Back Office and One-off Costs	(£220,506)	(£127,453)	(£117,827)	(£120,772)	(£123,792)
Total Indirect Costs	(£650,756)	(£571,095)	(£592,176)	(£594,388)	(£598,467)
Depreciation	(£100,040)	(£102,340)	(£102,340)	(£102,740)	(£102,740)
Tax	-	(£12,338)	(£2,548)	(£1,013)	-
Gross profit	£746,440	£735,128	£707,255	£702,193	£697,435
EBITDA / Operating Profit	£95,684	£151,694	£112,532	£106,792	£98,968
Net profit (after tax and depreciation)	-£4,356	£49,354	£10,192	£4,052	-£3,772
Gross profit margin	29.5%	27.9%	26.3%	25.6%	25.2%
EBITDA / Operating Profit margin	3.8%	5.7%	4.2%	3.9%	3.6%
Net profit margin	-0.2%	2.3%	0.5%	0.2%	-0.1%

The table above shows the forecast five year Income & Expenditure statement for the NEW NAME. It can be seen that the business broadly breaks-even in years one and five with modest net profit figures in the intervening years. It should be noted that, due to the asset intensive nature of the business, the net profit is diminished by the considerable depreciation charge. On this basis, we would draw attention to the EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation; equivalent to 'operating profit') figures, highlighted in green which represents a better basis on which to assess financial viability (further emphasised by the cashflow analysis below).

The EBITDA shows strong earnings in each of the years covered by the model. The slight drop off from year 2 to 5 is due to the fixed parent contribution for funded customers and the built in cost savings. N.B. there is an expectation that once the volumes pass a to-be-agreed threshold the contract value will be re-negotiated to reflect the new volumes. (Funded customer volumes are expected to grow between 3-5% year-on-year).

Cashflow – 5 Year Summary (Simplified statement)

	5 Year Summary				
	2013/14	2014/15	2015/16	2016/17	2017/18
Balance b/f	-	£88,997	£241,079	£333,758	£425,575
Total cash in	£2,526,939	£2,638,579	£2,689,454	£2,741,051	£2,769,664
Total cash out	(£2,437,942)	(£2,486,497)	(£2,596,775)	(£2,649,233)	(£2,681,274)
Balance c/f	£88,997	£241,079	£333,758	£425,575	£513,965

Annex 3

The table above shows the summary Cashflow statement for the first five years. The important point to note is that the forecast shows the service being in a cash surplus throughout each of the first five years, removing the need for any capital injection or bridging loan (that would often be required by a new business).

Cashflow – Year 1 Detail (Simplified statement)

	Year 1 Detail											
	Qtr 1			Qtr 2			Qtr 3			Qtr 4		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Balance b/f	-	£305,541	£152,661	(£219)	£326,654	£175,499	£26,070	£354,668	£205,238	£55,808	£384,406	£236,702
Total cash in	£567,189	£28,392	£28,392	£568,914	£30,117	£31,842	£570,639	£31,842	£31,842	£570,639	£33,567	£33,567
Total cash out	(£261,648)	(£181,272)	(£181,272)	(£242,041)	(£181,272)	(£181,272)	(£242,041)	(£181,272)	(£181,272)	(£242,041)	(£181,272)	(£181,272)
Balance c/f	£305,541	£152,661	(£219)	£326,654	£175,499	£26,070	£354,668	£205,238	£55,808	£384,406	£236,702	£88,997

The year one cash flow statement indicates that there may be a small cash deficit (c.£200) in month 3 of year one. This is due to our assumption that the parent bodies are made quarterly in advance. A deficit of this level would be very manageable, particularly as the remaining months indicate a growing and healthy surplus, but it may be prudent to have an arranged overdraft facility in place.

Our projections demonstrate that this does represent a financially viable business opportunity. In the medium to long term we will develop our services to offer a selection of tailor-made services to both statutory agencies and the general public. We will also develop the appropriate charging models to ensure the organisation is able to grow and have long term sustainability.

We believe that this plan is achievable and represents significant short-term financial benefits for CYC whilst ensuring the longer term survival, development and growth of our services which are so important for our customers in York. We are confident that this is achievable because:

- Existing service teams have established a good reputation for high quality service delivery.
- There is significant opportunity to develop services in tangential markets with modest additional investment.
- The sole focus of the enterprise is on delivery services that enable and support independent living – less distraction for management team.
- The management team are driven and committed – support by appropriately qualified and experienced Board members.
- Managed transition from CYC – run in “Shadow form” for initial period prior to transition.
- Financial projections are balanced (and not unduly optimistic).

However we recognise that realising this plan will be challenging and accordingly it will be important to establish **NEW NAME** with the right leadership and culture and manage the transition from CYC as professionally and effectively as possible.

Parent Body Commitments

An implicit part of the creation of an independent organisation (and indeed the status quo with the creation of most public service mutuals) is for the Parent Body (CYC) to make a financial contribution to the nascent organisation during the early years of operation. This reflects the fact that the new organisation will continue to provide a public service and also to allow the organisation to build solid foundations as an independent commercial enterprise.

An important part of the financial viability note is to quantify the contribution required / requested from CYC, detailed below:

		2013/14	2014/15	2015/16	2016/17	2017/18
Wardencall / Telecare:	CYC Contract *	£710,209	£670,499	£625,149	£575,149	£525,149
	Capital Grant	£250,000	£250,000	£250,000	£250,000	£250,000
	Supporting People	£312,000	£312,000	£312,000	£312,000	£312,000
CELS:	CYC Contract **	£405,040	£405,790	£405,790	£405,790	£405,790
Total		£1,677,249	£1,638,289	£1,592,939	£1,542,939	£1,492,939

* the Wardencall / Telecare CYC contract is made up of the current 5 year budget (including pay increments), plus half of Heather Barden's budgeted salary.

** the CELS CYC contract equates to the current 5 year budget.

The CYC financial commitments are included in the summary I&E figures above within the income figures for each service but have been presented separately here for the purposes of clarity

1.10 Implementation

To maximise the 'early mover' advantage that we currently enjoy we would like to establish **NEW NAME** by January/April 2014, running in shadow form from May/June 2013.

2. Introduction

2.1 Context and drivers for change

CYC CELTAS provides a 24 hour monitoring and response service to approximately 3,000 customers in York. The telecare service has over 1,600 customers who have at least one piece of telecare equipment installed.

In 2004/5, the Community Equipment Loan store provided 19,000 pieces of equipment which has seen a year on year increase to 46,046 being provided in 2011/12, this includes health and social care products. This represents a 142% increase over this period.

CELTAS's services are available to vulnerable adults of any age who would like to feel safer, more protected and independent in their own home. The system also provides numerous benefits for:

- Older, infirm or disabled people;
- Individuals who have been discharged from hospital and require additional support and assistance at home;
- Those living in high crime areas;
- Vulnerable people of any age living alone; and
- People with sensory impairments.

The key drivers for considering the transfer of the services to a social enterprise model are:

- There is a major change impacting upon social care services as a result of "personalisation". The relationship between customers and providers will become more direct, and there will be far more competition between providers. CYC's services will need to change, to become more competitive and to keep up with these developments, if they are to survive and thrive;
- There is a reduction in funding for the public sector, and as a result the council needs to become even more efficient and reduce its spend. It is believed that the social enterprise will help meet both aims: modernisation and the reduction of costs. The team believe that developing as a social enterprise will help the service, which is highly valued by the people who use it, to survive and develop in a competitive market; and
- To mitigate potential risks of the service being outsourced. With our costs increasing year-on-year we are seeking to take a positive step to keep the whole of this service in our control as we recognise the value to York of the keeping whole service together.

When established and working outside of local government control the **NEW NAME** expects to be:

- More flexible and responsive to client needs;
- Able to realise new business opportunities to help secure financial efficiency and sustainability;

- More motivated and driven to work harder, smarter and more consistently as they have greater ownership of and involvement with the business;
- Able to invest financial surplus back into the organisation to fund development of the service, technology and workforce to ensure the service is as good as it can be; and
- Able to market services to a wider audience which will raise public awareness and understanding of how equipment and technology can support independence.

2.2 Planning Assumptions

With support from external independent advisors we have undertaken a detailed analysis of future financial projections for **NEW NAME** and conclude that it does represent a financially viable business opportunity. However, the financial viability of **NEW NAME** depends on:

- Current services being delivered from the start of Year 1 onwards (to City of York Council, Harrogate and District NHS Foundation Trust, Vale of York CCG and North Yorkshire County Council), with three of the future services (Telehealth, Tele-consulting and Lone Worker Monitoring) commencing at staggered points throughout Year 1, and the remaining future service, retail outlet/online commencing from Year 2 onwards;
- **NEW NAME** will be awarded the current contracts via an uncontested route – this was discussed and agreed in a meeting with Graham Terry, Glen McCusker, Mark Stower and Oliver Cappleman (Mutual Ventures) on 23rd November 2012;
- Growing income sufficiently to offset the recurring efficiency savings (£50k/annum from Year 2 onwards; equates to a total saving of £200k over the 5 year period) required by CYC;
- The PCT health gain money (to pay for telecare technicians) of £75k/annum will continue beyond 2014/15, or equivalent funding will be provided by CYC;
- Making year-on-year efficiency savings to offset annual real terms reductions in funding from CYC (i.e. c. £303k to cover the additional cost of inflation over the 5 year period - which has not been included in the contract value);
- The proposed 2 (or 3) tiered charging model has not been used for the financial projections and as such private customers of Warden Call/Telecare services will continue to pay the current rate to use the service;
- The CYC contract value for funded customers is fixed, requiring the additional costs of a growing customer base to be absorbed by **NEW NAME**, but there is an expectation that once the volumes pass a *to-be-agreed* threshold the contract value will be re-negotiated to reflect the new volumes. (Funded customer volumes are expected to grow between 3-5% year-on-year);
- The current CELS income (from a variety of sources) remaining the same over the 5 year duration;
- Capital budget (£250k/annum) continues and is spent in full each year (covering replenishment also);
- The new organisation will seek to recruit at (or above) the living wage threshold;
- Payment terms of contracts will remain the same, and specifically for CYC contracts will be quarterly in advance, otherwise a bridging loan will be required during the start-up phase of the new organisation. (See section 11 for full details of payment terms assumptions);
- Assets will be transferred to **NEW NAME** at market value (given the relatively low value of the equipment and also that no buildings or land is being transferred), else they will be leased at a 'peppercorn rent' rate. If the latter approach is used (which is the default method that has been used by groups spinning-out under 'Right to Provide') the responsibility for the maintenance and replacement of assets would lie with the new organisation (or if CYC prefers the responsibility could remain with CYC). This avoids the issue of state aid ²as these assets would be made available to the successful bidder as part of the contractual terms, rather than specifically to **NEW NAME**; and
- CYC will act as guarantor/underwrite all/some of the Redundancy and Pension Liabilities. (Note: The specific value of these liability amounts will be calculated during the implementation phase).

Additionally, below are the key assumptions that have been used to develop the financial projections:

² The total de minimis aid provided to any undertaking must not exceed 200,000 Euros over any period of three fiscal years.

- The new enterprise will be based in the current CELS building. Further detailed work is required to plan the reconfiguration of the building, and agreement from the landlord is currently being sought. We have assumed that the relocation of staff to the CELS building will take place by April '13 as this is a requirement of the current Warden Call/Telecare and CELS service review process (and is not related to the proposed spin-out);
- Back-office support functions (such as HR/payroll, Finance, Legal and ICT) will initially be purchased from CYC (and will continue to be delivered by CYC providing that charges are competitive);
- All applicable staff will be able to stay in the Local Government Pension Scheme; and
- An additional warden will be required for every 200 additional customers.

The full list of assumptions used in developing the financial projections are shown in Section 11.2.

3. Introduction

3.1 Context and drivers for change

CYC CELTAS provides a 24 hour monitoring and response service to approximately 3,000 customers in York. The telecare service has over 1,600 customers who have at least one piece of telecare equipment installed.

In 2004/5, the Community Equipment Loan store provided 19,000 pieces of equipment which has seen a year on year increase to 46,046 being provided in 2011/12, this includes health and social care products. This represents a 142% increase over this period.

CELTAS's services are available to vulnerable adults of any age who would like to feel safer, more protected and independent in their own home. The system also provides numerous benefits for:

- Older, infirm or disabled people;
- Individuals who have been discharged from hospital and require additional support and assistance at home;
- Those living in high crime areas;
- Vulnerable people of any age living alone; and
- People with sensory impairments.

The key drivers for considering the transfer of the services to a social enterprise model are:

- There is a major change impacting upon social care services as a result of "personalisation". The relationship between customers and providers will become more direct, and there will be far more competition between providers. CYC's services will need to change, to become more competitive and to keep up with these developments, if they are to survive and thrive;
- There is a reduction in funding for the public sector, and as a result the council needs to become even more efficient and reduce it's spend. It is believed that the social enterprise will help meet both aims: modernisation and the reduction of costs. The team believe that developing as a social enterprise will help the service, which is highly valued by the people who use it, to survive and develop in a competitive market; and
- To mitigate potential risks of the service being outsourced. With our costs increasing year-on-year we are seeking to take a positive step to keep the whole of this service in our control as we recognise the value to York of the keeping whole service together.

When established and working outside of local government control the **NEW NAME** expects to be:

- More flexible and responsive to client needs;
- Able to realise new business opportunities to help secure financial efficiency and sustainability;
- More motivated and driven to work harder, smarter and more consistently as they have greater ownership of and involvement with the business;
- Able to invest financial surplus back into the organisation to fund development of the service, technology and workforce to ensure the service is as good as it can be; and
- Able to market services to a wider audience which will raise public awareness and understanding of how equipment and technology can support independence.

3.2 Planning Assumptions

With support from external independent advisors we have undertaken a detailed analysis of future financial projections for **NEW NAME** and conclude that it does represent a financially viable business opportunity. However, the financial viability of **NEW NAME** depends on:

- Current services being delivered from the start of Year 1 onwards (to City of York Council, Harrogate and District NHS Foundation Trust, Vale of York CCG and North Yorkshire County Council), with three of the future services (Telehealth, Tele-consulting and Lone Worker Monitoring) commencing at staggered points throughout Year 1, and the remaining future service, retail outlet/online commencing from Year 2 onwards;
- **NEW NAME** will be awarded the current contracts via an uncontested route – this was discussed and agreed in a meeting with Graham Terry, Glen McCusker, Mark Stower and Oliver Cappleman (Mutual Ventures) on 23rd November 2012;
- Growing income sufficiently to offset the recurring efficiency savings (£50k/annum from Year 2 onwards; equates to a total saving of £200k over the 5 year period) required by CYC;
- The PCT health gain money (to pay for telecare technicians) of £75k/annum will continue beyond 2014/15, or equivalent funding will be provided by CYC;
- Making year-on-year efficiency savings to offset annual real terms reductions in funding from CYC (i.e. c. £303k to cover the additional cost of inflation over the 5 year period - which has not been included in the contract value);
- The proposed 2 (or 3) tiered charging model has not been used for the financial projections and as such private customers of Warden Call/Telecare services will continue to pay the current rate to use the service;
- The CYC contract value for funded customers is fixed, requiring the additional costs of a growing customer base to be absorbed by **NEW NAME**, but there is an expectation that once the volumes pass a *to-be-agreed* threshold the contract value will be re-negotiated to reflect the new volumes. (Funded customer volumes are expected to grow between 3-5% year-on-year);
- The current CELS income (from a variety of sources) remaining the same over the 5 year duration;
- Capital budget (£250k/annum) continues and is spent in full each year (covering replenishment also);
- The new organisation will seek to recruit at (or above) the living wage threshold;
- Payment terms of contracts will remain the same, and specifically for CYC contracts will be quarterly in advance, otherwise a bridging loan will be required during the start-up phase of the new organisation. (See section 11 for full details of payment terms assumptions);
- Assets will be transferred to **NEW NAME** at market value (given the relatively low value of the equipment and also that no buildings or land is being transferred), else they will be leased at a 'peppercorn rent' rate. If the latter approach is used (which is the default method that has been used by groups spinning-out under 'Right to Provide') the responsibility for the maintenance and replacement of assets would lie with the new organisation (or if CYC prefers the responsibility could remain with CYC). This avoids the issue of state aid³ as these assets would be made available to the successful bidder as part of the contractual terms, rather than specifically to **NEW NAME**; and
- CYC will act as guarantor/underwrite all/some of the Redundancy and Pension Liabilities. (Note: The specific value of these liability amounts will be calculated during the implementation phase).

Additionally, below are the key assumptions that have been used to develop the financial projections:

- The new enterprise will be based in the current CELS building. Further detailed work is required to plan the reconfiguration of the building, and agreement from the landlord is currently being sought. We have assumed that the relocation of staff to the CELS building will take place by April '13 as this is a requirement of the current Warden Call/Telecare and CELS service review process (and is not related to the proposed spin-out);

³ The total de minimis aid provided to any undertaking must not exceed 200,000 Euros over any period of three fiscal years.

- Back-office support functions (such as HR/payroll, Finance, Legal and ICT) will initially be purchased from CYC (and will continue to be delivered by CYC providing that charges are competitive);
- All applicable staff will be able to stay in the Local Government Pension Scheme; and
- An additional warden will be required for every 200 additional customers.

The full list of assumptions used in developing the financial projections are shown in Section 11.2.

4. Vision and Purpose

4.1 Vision

Our vision describes our ambition and what it is we hope to achieve:

We will create a high quality, comprehensive and sustainable telecare and equipment service that redefines care delivery, and helps people manage their lives and stay independent in their own homes through life enhancing equipment solutions.

4.2 Mission

Our mission sets out how we will achieve this vision. We will achieve our vision by:

- Supporting social, health and well-being by offering advice, signposting and a wide range of solutions to our customers;
- Working with partner organisations across all sectors to prevent hospital admissions and prolonging, wherever possible, a quality of life at home;
- Providing support and reassurance for both formal and informal carers; and
- Being committed to equality and fairness.

4.3 Values

Our customers are at the centre of everything we do; we know that every customer is unique and we will treat them that way. Our values will be at the heart of the organisation and will create our culture and influence the way our organisation and its members conduct themselves:

- **COMMITMENT** - We pride ourselves on our commitment to maintaining the public trust and respect through a commitment to the highest standards of customer service.
- **INTEGRITY** – We will be truthful, open and honest; we will maintain consistency in our actions, values and principles.
- **RESPECT** – We keep our promises. All actions are guided by absolute honesty, fairness and respect for every individual.
- **SERVICE EXCELLENCE** - We strive to be the best that we can be and to deliver excellence in everything we do.
- **PASSION** – We will use energy, dedication and commitment to make a difference by helping our customers improve their health and to change their lives for the better.
- **COMMUNITY** - We are perceived as a trusted partner and dependable community resource.
- **TEAMWORK** - Respect the value and contribution of each individual.

4.4 Initial Services

NEW NAME will be led by a staff group that has worked for a number of years within Warden Call, telecare and community equipment field. The nominated Chief executive has been managing this service for the last 5 years and has been responsible for the successful growth of the telecare service over that time.

Staff within the services work closely with both health and social care clinicians to ensure the most appropriate solution is found to meet their clients' needs or to support their intervention. For example, the provision of falls packages, which will be one of a number of possible combinations of telecare and/or other pieces of equipment. Our staff are well trained and have vast experience in the logistics of delivery equipment and also the provision of a fast, professional and effective response service.

The initial services to be offered by **NEW NAME** will be those that are currently delivered by CELTAS, and are described below. See Appendix 1 for a detailed Service Specification for each of the services.

Warden Call/Telecare

To provide a social alarm monitoring and response service 24hrs a day, 7 days a week to support vulnerable customers. We will continue to offer a tiered pricing model for the service (that we have assumed will be implemented in early 2013, i.e. prior to spinning-out) to ensure we are providing customers with the level of service they require. We will provide a range of telecare packages which can be for a specific purpose or to provide peace of mind for the customer and or their family or carer. We would work to support timely hospital discharges and prevent hospital admission where possible.

Community Equipment Loan

To provide Health & Social aids to customers and their carers to enable people to recover from surgery, daily living aids to enable the elderly to stay living independently in their homes, to provide equipment to assist with disablement, and to provide equipment to palliative patients to ease end of life.

We will closely monitor stock levels to ensure that equipment is delivered to customers within the agreed timescales. The organisation will maintain the training and assessment of its drivers to ensure they remain capable to fit certain pieces of equipment to enhance the customer experience.

5. Organisational Form

NEW NAME will be a social enterprise. The objects of the business will be community focused and any surpluses will be reinvested into the service to improve the range and quality of services we offer and enhance value for money for customers.

There are a variety of potential legal forms we could adopt to fulfill the requirement of being a social enterprise; however there are numerous inter-related matters to consider when selecting the most appropriate legal form. For example:

- **Function** – The services we deliver, the way we deliver them and the way users use our services can all influence the selection of legal form;
- **Pensions** – We are currently exploring whether the new enterprise can be an admitted body with the Local Government Pension Scheme (LGPS). We may need to adopt particular legal form to satisfy the criteria for admitted body status;
- **Tax efficiency** – Some company forms are able to apply for charitable status and benefit from tax breaks. We need to consider whether the benefits of these tax breaks outweigh the additional constraints, administrative and regulatory burdens associated with being a charity;
- **Ownership** – Preferences or requirements regarding ownership are important for selecting appropriate legal form;
- **Financing** – Some legal forms are easier to invest in and/or take a return from. For example if we needed significant external investment we would probably need to consider a form that allowed us to pay a dividend/interest;
- **Regulation** – If we felt that our enterprise needed to be regulated in some way that might lead us to select a legal form that was monitored in some way by an external regulator (e.g. Community Interest Company Regulator); and
- **Use of Assets** – Some legal forms come with an asset lock preventing assets from being sold below market rate and/or for purposes other than delivering defined community benefits.

We have taken expert legal advice from Bates, Wells and Braithwaite (the UKs leading charity and social enterprise lawyers) on appropriate legal forms for our new enterprise⁴. They have recommended two potential options as being the most appropriate for meeting our requirements, both of which would involve constituting the new enterprise as a Company Limited by Guarantee.

A **Company Limited by Guarantee** is an incorporated legal form meaning that it is able to enter into contracts (including employment contracts) and own property in its own right. It has limited liability so that its members cannot be held liable for more than the nominal guarantee of £1. Members will generally not incur personal liability unless it can be shown they failed to fulfill their duties.

The first option would be to establish the enterprise as a Company Limited by Guarantee in the form of a **Community Interest Company (CIC)**. A CIC is a particular type of company that uses its assets and profits for the community benefit and is regulated by both Companies House and the CIC regulator. To be registered as a CIC, a company must show that it is established in the interests of the community; and each year the directors must complete a form demonstrating how it has met the community interest. The Articles must also conform to the statutory requirements; in particular it must have an asset lock which means that the wealth of the company can never be distributed privately to individuals or for non-community interest purposes. Therefore, the assets must be used solely for the community interest or transferred to another organisation which also has an asset lock such as a charity or another CIC.

The second option is to establish the enterprise as a Company Limited by Guarantee in the form of a **Charitable Trust**. Charity is a status that attaches to an underlying legal form rather than a legal form of itself. There are potential financial benefits associated with Charity status. The first is that any surpluses generated by the enterprise would be exempt from Corporation tax. The second is that the enterprise may be able to benefit from zero rated VAT on some of its services as a charity, meaning that the new enterprise would not be required to charge customers VAT and would be able to recover any VAT it is charged on supplies and other inputs.

Our recommendation is that the new organisation is established as a Community Interest Company (CIC), in the form of a Company Limited by Guarantee. As a CIC we would have the flexibility to offer staff ownership in the form of membership of the enterprise. This would be difficult if not impossible as a charity as Trustees of charities must be unpaid. The Community Interest Company form also provides a degree of regulation and an asset lock.

By way of comparison we also reviewed the legal form of some existing social enterprises that offer similar services to the new organisation. Sunderland Home Care Associates is a staff-owned social enterprise that (we believe) is a Co-operative Society (a form of Industrial and Provident Society). Essex Cares is a provider of social care services delivering support to thousands of people every year so that they can live active lives and remain independent at home. Essex Cares is a Local Authority Trading Company (LATC) in (we believe) the legal form of a Company Limited by Shares, with the Essex County Council being the sole shareholder. Both of these legal forms were considered by BWB and the CELTAS team but were not deemed to appropriate for our requirements. *A summary of some of the service delivery models available (including LATC) are discussed at the end of section 6.1.*

6.1 Ownership and Governance

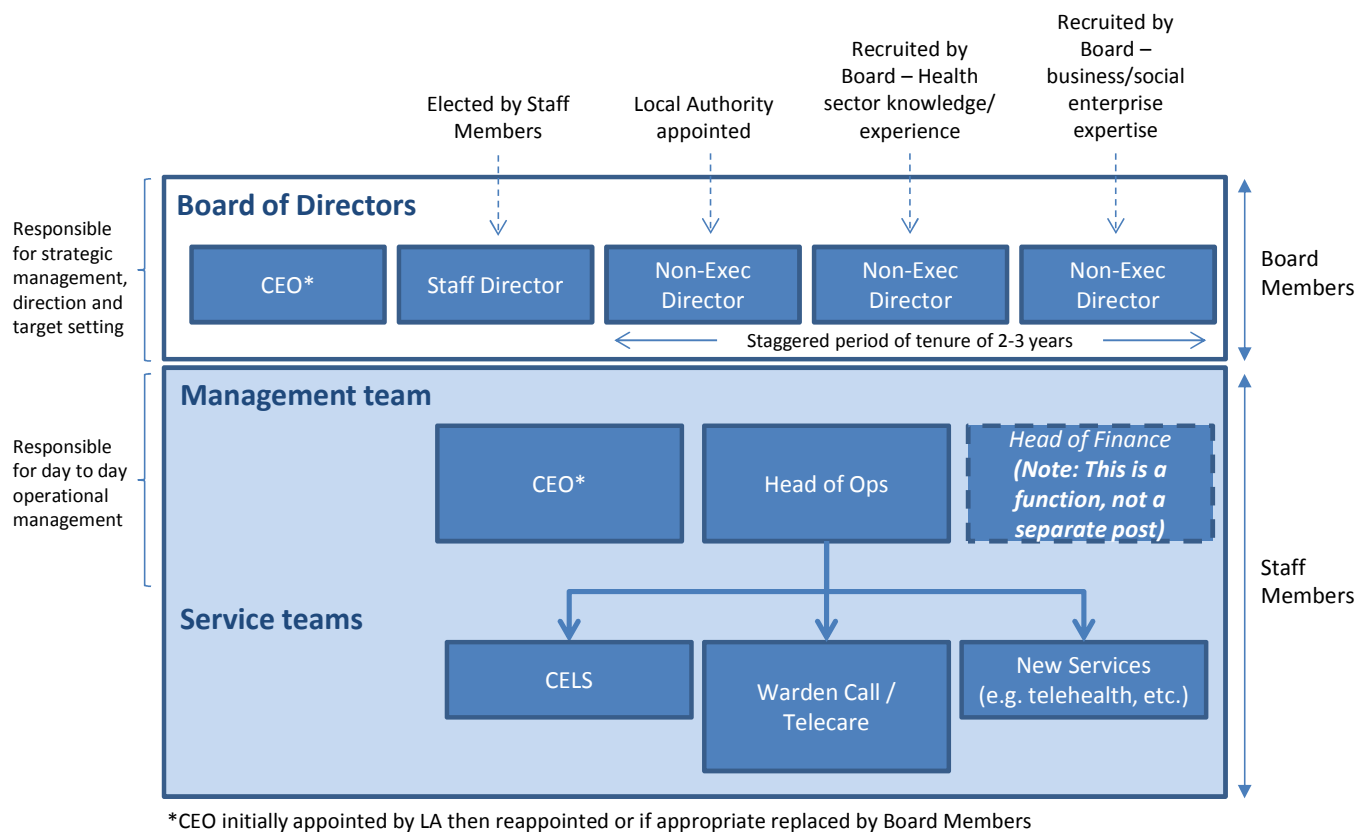
It is important to us that staff play an integral role in not only the way services are delivered but also the ethos and future direction of the enterprise. To that end we propose a structure that enables staff to own the enterprise. Evidence indicates that staff-led mutuals have significant benefits over other forms of organisation in terms of innovation, productivity, resilience and customer satisfaction⁵.

We propose two forms of membership of the new enterprise. Staff would be “Staff Members” with the power to nominate and elect a “Staff Director” from their group to take a position on the Board of the new enterprise. There will be five “Members” who will be responsible for the strategic management of the business and will hold the statutory responsibilities of Company Directors under Company Law.

⁴ Refer BWB options paper

⁵ Refer Taskforce report

Alongside the “Staff Director”, will be the Chief Executive Officer and three Non-Executive Directors. We propose the City of York Council in the first instance appoints the Chief Executive Officer (with future performance management, removal and appointment of this position then becoming the responsibility of the Board). The Local Authority will retain the power to appoint one Non-Executive to the Board, thereby influence but avoiding the need to consolidate accounts or take on any future liabilities of the enterprise – the Local Authority would effectively retain 20% ownership through the Non-Executive Director.



The Board will delegate the day to day running of **NEW NAME** to a Management Team which besides the CEO will include the Head of Operations and Head of Finance. **(Note: The Head of Finance is a function and not a separate post)**. The management team will report performance to the Board on a regular basis, possibly every 2 months initially.

In addition to the governance structure proposed above, one or more Advisory Committees will be established to enable different key stakeholders/stakeholder groups, including users, to be involved and have their input to the new organisation. Whilst these committees would not have any formal decision making abilities, we anticipate that any key outcomes/requests/etc. from these meetings would be tabled at the Management Team meeting, and latterly the Board meeting.

As well as user representation on one or more Advisory Committees, a user could also be appointed a Non-Executive Director provided that they have the appropriate skills and experience.

We propose that the above governance structure is established and run in shadow form (pending the decision of the Cabinet to proceed) in March 2013 up until go-live in October 2013. This will enable coaching and mentoring of the Management Team (and Board), as well as any issues to be identified and rectified before the new organisation is formally awarded the CELTAS contract.

Service Delivery Model Options

The options and recommendations presented above regarding the legal form and governance structure for an independent social enterprise assumes that CYC, by approving the Expression of Interest, have agreed that the preferred option for the future service delivery of CELTAS is by an independent social enterprise.

Annex 3

However, during the development of the Business Plan to assess the viability of ‘spinning-out’ the CELTAS to an independent social enterprise, CYC requested that we summarise the key differences between some of the other service delivery options, including via a Local Authority Trading Company (LATC).

Below is a summary of the main options that we believe are available to CYC/CELTAS team and the impact that each option has on the key considerations addressed during the development of the Business Plan. The ‘Do Nothing’ and ‘CELTAS is outsourced’ options have not been covered below as it is felt that these options are least in-line with the intention of the Business Plan. (Note: This summary focuses on the delivery models rather than different legal forms, as this has already been addressed in the BWB Governance and Legal Form Options Paper).

Key Considerations	Alternative Options		
	1	2	3
	CELTAS as a subsidiary organisation of CYC (i.e. LATC).	CELTAS as an independent social enterprise with part ownership by CYC.	CELTAS as an independent staff-owned social enterprise.
Ownership	100% owned by CYC (A ‘call option’ mechanism could be written into the Articles of Association of the new organisation enabling CELTAS staff to transfer the ownership of the organisation to themselves’ at an agreed point).	20% ownership by CYC, 40% by staff and 20% by each of the two other Non-Executive Directors.	100% owned by CELTAS staff.
Asset (and Liabilities) Transfer	More straightforward than transferring assets to 100% staff owned organisation.	It is proposed that assets will be transferred to NEW NAME at market value (given the relatively low value of the equipment and also that no buildings or land is being transferred), else they will be leased at a ‘peppercorn rent’ rate. If the latter approach is used (which is the default method that has been used by groups spinning-out under ‘Right to Provide’) the responsibility for the maintenance and replacement of assets would lie with the new organisation (or if CYC prefers the responsibility could remain with CYC). This avoids the issue of state aid as these assets would be made available to the successful bidder	As per option 2.

Annex 3

		as part of the contractual terms, rather than specifically to NEW NAME .	
Procurement / commissioning route	Procurement exemption available for CYC contracts (using Teckal exemption) but not for non-CYC contracts.	No automatic procurement exemption for any contracts, but uncontested contract agreed for initial (current) contracts.	As per option 2.
Access to Local Government Pension Scheme	<p>If staff are TUPE'd to the new organisation, the new organisation would need to apply to North Yorkshire County Council LGPS to gain admitted body status (ABS), or possibly the comparable admitted status for community bodies (CAB) - the appropriate route for the new organisation will be decided by the LGPS.</p> <p>If staff are not transferred (and are seconded instead) they would continue to have access to the LGPS.</p>	The new organisation would need to apply to North Yorkshire County Council LGPS to gain admitted body status (ABS), or possibly the comparable admitted status for community bodies (CAB) - the appropriate route for the new organisation will be decided by the LGPS - to enable continued access to the LGPS.	As per option 2.
Mutualisation Benefits (i.e. from staff ownership)	Greater autonomy likely to drive some benefits and efficiencies, although evidence shows that this will not be as great as when organisations have a level of staff ownership.	As a 40% staff owned organisation, Mutuals Taskforce evidence would suggest that the benefits and efficiencies will be greater than an LATC but less than a 100% staff owned enterprise.	Evidence shows that the greatest benefits and efficiencies are achieved when organisations are wholly owned by the staff.
Consequences of failure (i.e. making continual losses)	CYC cover the shortfall. CYC could also decide to TUPE the staff back to CYC, however, there would be no onus on the Council to transfer staff back if services run by the new organisation proved unviable in the same way that the Council cannot continue its own services if they become unviable.	Limited liability status would protect staff/owners against liability of losses. Service would be closed or staff could be TUPE'd back to CYC/to a new provider and staff continue to run the service.	Limited liability status would protect staff/owners against liability of losses. Service would be closed or staff could be TUPE'd back to CYC/to a new provider and staff continue to run the service.
Summary &	<ul style="list-style-type: none"> • Similar levels of 	<ul style="list-style-type: none"> • Similar levels of 	<ul style="list-style-type: none"> • Similar levels of

<p>Conclusion</p>	<p>transitional activities required to establish organisation as a staff-owned social enterprise.</p> <ul style="list-style-type: none"> • 'Safety net' (CYC) if service fails/ continually operates at a loss. • Some benefit from mutualisation. • Some flexibility to grow and diversify service although decision/approval would be by CYC. <ul style="list-style-type: none"> • This option is least preferred because the LA owned company is still a centrally organised approach and so also doesn't address the business need identified. It also doesn't realise some of the potential key benefits of bringing in funding from other sources and being able to respond more quickly to commercial opportunities. 	<p>transitional activities required to establish organisation as a CYC-owned organisation.</p> <ul style="list-style-type: none"> • Through its ownership (20%) there is, to an extent, a 'safety net' if service fails/continually operates at a loss. (CYC ownership of >20% would mean that the Council would be required to consolidate the accounts of CELTAS and therefore any liabilities of the organisation would still fall to the Council should the organisation fail. • Joint ownership increases buy-in and involvement in design and delivery of services, possibly including a user as a Non-Executive Director. • Aligns with Localism Act, Open Public Services, National policy and changing delivery landscape. • High level of benefit from mutualisation. • High level of flexibility to grow and diversify service. <ul style="list-style-type: none"> • This is our preferred option as it provides the non-centralised approach required to grow the business, whilst also having direct involvement and ownership from key stakeholders, including CYC. 	<p>transitional activities required to establish organisation as a CYC-owned organisation.</p> <ul style="list-style-type: none"> • No substantial 'safety net' if service fails/ continually operates at a loss. • Aligns with Localism Act, Open Public Services, National policy and changing delivery landscape. • Greatest benefit from mutualisation. • Greatest flexibility to grow and diversify service. <ul style="list-style-type: none"> • This option provides the non-centralised approach required to grow the business and the ability to tailor the governance and management models provide some further advantages over an LATC.
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Although the LATC model may appear offer a low level of risk, it also does not address some of the key drivers for the creation of an independent social enterprise. Not least of which is the culture attached to the new organisation as an LATC - it is unlikely to feel very different and there are also concerns around the continued levels of decision making within the hierarchical structure of the Council that may prevent this new entity from achieving the flexibility it needs to become a competitive, sustainable organisation in the open market. This could impact on the ability of the organisation to make savings for the Council in the future.

6.2 Distribution of surpluses

It is our intention to reinvest any surpluses we make back into the service to offer enhanced service offerings to our customers. We do intend to enable staff to have a direct say in how a proportion of surpluses are used. Current thinking is that staff may have the opportunity to vote on a number of options for use of some surpluses (c.25%) presented to them by the Management Team.

We are currently exploring options for distribution of a share of any surpluses to CYC. Our proposed legal form would mean that it would not be possible to pay a dividend directly to CYC, however one option we are exploring is the possible payment of a share of surpluses via lease arrangements for Local Authority owned assets that are used by the enterprise.

6. The Team

7.1 Leadership

The proposed Chief Executive Officer of **NEW NAME** is Heather Barden. She has driven this idea from an initial thought through to staff consultation and a successful SEIF (Social Enterprise Investment Fund) application - which has been used to fund external expertise to support the business planning process. Heather has shown tenacity and determination to get to this point and is confident and passionate about the possibilities for this new organisation. She has also accessed a Finance course to assist her in her new role.

She will be supported by a Management Team comprising of her, a Head of Operations and a Head of Finance. ***(Note: The Head of Finance role is a function and not a separate post, and will initially be fulfilled by the Chief Executive Office with external support from our Financial Services provider).***

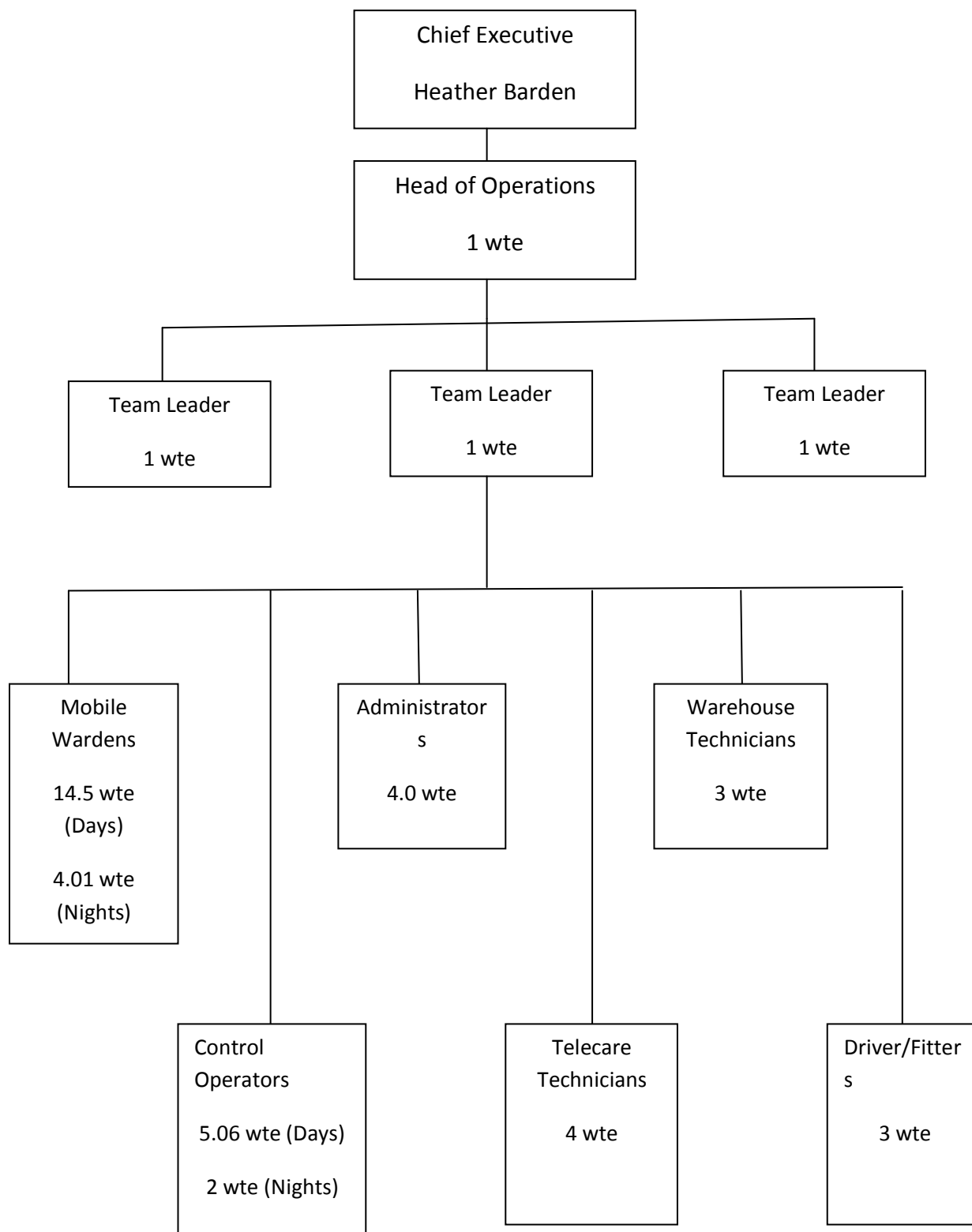
Our Board of Directors and Management Team will be in place by October 2013, having run in shadow form for at least six months (pending the decision of the Cabinet on 12th February 2013). Whilst running in shadow we will seek to strengthen the skills and expertise of the Management Team through specific training courses (possibly via CYC Corporate Training or York CVS) and mentoring from external specialists and/or existing social entrepreneurs.

The Management Team will have the ability to support staff along the transition journey from being council employees to providers of a professional service.

7.2 Team Structure

We believe that our proposed team structure, shown in the diagram below, will provide us with the capacity to consolidate business operations and expand our range of services as described in section 5.

The Team structure will inevitably change over time as the new organisation evolves to adapt to the changing market/opportunities and as it seeks to become more efficient. For the purposes of financial modelling, we have assumed that an additional warden will be required for every 200 additional customers.



7.3 Roles

The roles within the new organisation's structure are described below:

- **Chief Executive Officer** – Strategic leader of the organisation and primary tele-consultant. The CEO will also assume the Head of Finance role initially, with external support from our Financial Services provider.
- **Head of Operations (Service Lead)** – Responsible for over-seeing the day to day running of the organisation and will take a lead on managing the budgetary responsibilities.

- **Team Leader** – They will be the first line managers of the team. Staff will report directly to the team leaders and they will provide performance monitoring and quality assurance functions.
- **Mobile Wardens** – Responsible for visiting new customers and responding the emergency situations.
- **Telecare Technicians** – Responsible for the assessment and installation of all telecare equipment.
- **Control Operators** – Responsible for the 24hr monitoring of all equipment and deciding when an emergency response is required.
- **Warehouse Technicians** – They will ensure all equipment is stored appropriately and prepared for delivery and logged accordingly prior to leaving the warehouse.
- **Administrators** – Provide all reception, phone calls and administrative functions for the whole service. They will also manage the customer database and information and liaise with other departments/organisations as required.
- **Driver Fitters** – They will ensure that they take the correct equipment on rounds that are in set geographical areas, and deliver and fit pieces of equipment as required.

7.4 Capabilities

The capabilities required to perform each role within the new organisation's structure are described below:

- **Chief Executive Officer** – Providing vision, leadership and future direction for the service ensuring the culture of the organisation reflects the vision, mission and values of the organisation. Ability to produce reports, analyse financial and statistical data and to understand and influence to direction of the organisation.
- **Head of Operations (Service Lead)** – Knowledge of managing equipment and telecare services. Ability to manage budgets. Experience of managing multiple service areas and responsible for the day to day running of the organisation.
- **Team Leader** – Experience of managing absence, discipline and performance to ensure high quality is maintained. To be able to communicate directly with customers (and/or carers) sometimes in difficult or stressful circumstances.
- **Mobile Wardens** – Manual handling and first aid training and the ability to remain calm in a crisis/emergency situations. Documentation and IT skills in order to maintain customer records accurately. To be able to communicate directly with customers (and/or carers) sometimes in difficult or stressful circumstances.
- **Telecare Technicians** – Responsible knowledge and experience of fitting and assessing for telecare equipment. Ladder and asbestos training.
- **Control Operators** – Understanding of how to use the call handling system and ability to make decisions under stressful circumstances. To be able to communicate directly with customers (and/or carers) sometimes in difficult or stressful circumstances.
- **Warehouse Technicians** – Ability to work to tight deadlines and to use the stock control systems. To maintain warehouse functions in an organised and systematic manner.
- **Administrators** – To be able to use/learn a number of systems both manual and IT based in order to support the day to day functions of the organisation.

- **Driver Fitters** – To be able to drive and fit equipment (having completed the necessary competency based training). To be able to communicate directly with customers (and/or carers) sometimes in difficult or stressful circumstances.

7.5 Training and Development

Training and development will be a priority for the new organisation. It will be important that all staff are inducted into the new organisation to ensure that the values of the organisation are embedded as early as possible. A detailed training needs analysis will be completed as part of the implementation phase to enable a training programme to be developed and put in place. There will also be a focus on developing product knowledge amongst the staff and putting a system in place to keep product knowledge up to date.

An annual appraisal programme will be established using the existing Knowledge and Skills framework to ensure that staff maintain and develop their competences. This will be supported by a supervision programme that will include 1:1 and peer group supervision sessions and identified mandatory training to meet Care Quality Commission standards.

Policies will be developed in-line with the Code of Practice for Community Equipment Services (England 2011), the Care Quality Commission Standards and the Telecare Services Association accreditation standards.

We would also expect that within any contract agreed between the new organisation and CYC or NHS there would be stipulated requirements regarding staff skills and required training.

The table below indicates the mandatory training requirements that we currently access along with some additional training that we access through colleagues in the NHS – this is an informal arrangement and we feel this could be reciprocated by the new organisation in that we would provide NHS professionals telecare training at no cost.

Course Title	Mandatory / Other Training (Supplied by CYC)	Other Training (Supplied by NHS colleagues)
First Aid – 3 day	Mandatory	
Essential Care Skills- 3 day	Mandatory	
Infection Course	Mandatory	
Medication	Mandatory	
Mental Health First Aid	Mandatory	
People Handling	Mandatory	
Hoist Training	Mandatory	
Lone Working	Mandatory	
Safeguarding - Level 1 & 2	Mandatory	
Ladder & Step Ladder Training	Mandatory	
Asbestos	Mandatory	
Fire Awareness	Other	
Welfare Benefits	Other	
Food Hygiene	Other	

Annex 3

Contenance		Other
End of Life		Other
Epilepsy Awareness		Other
Stroke Awareness		Other
Parkinson Awareness		Other
H.I.V Awareness		Other
Diabetes Awareness		Other
Bereavement		Other