RCN Policy Unit

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Social Enterprise Update

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Introduction

The government White Paper on the future direction of health services "closer to home", *Our Health, Our care, Our Say*[1] was published in February 2006. The Department of Health had already begun to support the idea of Social Enterprise as one of a range of options for increasing the plurality of providers of health and social care services, but the White Paper gave a commitment to their further development. To that end they would;

- look at the barriers to entry (pensions, IT etc) and report on this later in 2006;

- establish a Social Enterprise Unit within the Department of Health; and

- establish a fund to support people developing new social enterprise models.

Each of these objectives had been achieved by February 2007 with the exception of the report on "barriers" to entry which is still awaited. As one further step, the recently formed Social Enterprise Unit at the Department of Health established a pilot project whereby 25 social enterprise initiatives have been sought to test out the viability of re-provision of health services as a means of enabling more rapid and widespread commissioning of this model of provision.

NHS Terms and Conditions; Benefits or Barriers?

It is interesting that the White Paper should identify issues such as pensions as "barriers" to development. In a survey conducted by the RCN in Spring 2006, our members identified a wish to retain NHS terms and conditions of employment as crucial to their support for Social Enterprise models of service. However, we await the DH report on these barriers in the hope that they will make recommendations as to how aspiring social entrepreneurs, including nurses, can overcome such problems with the support of government and establish enterprises which truly benefit patients, users, and communities.

The fact that the White Paper should view terms and conditions of employment as a barrier whilst RCN members consider them to be an essential recognition of their contribution as practitioners gives us an indication about how perceptions can vary about the replacement of public

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[1] Department of Health, Our Health, Our Care, Our Say, (London) 2006

services by 3rd sector organisations. The Social Enterprise Coalition[2] have stated their desire that where social enterprise is used to re-provide health and social care services they wish these organisations to be "part of the NHS family". SEC says that;

…there have always been independent providers in the NHS family, for example most people's first point of contact with the NHS is through their GP and almost all GP practices are privately owned. Social Enterprises want to operate as part of the NHS, not as separate to it.

RCN members have shown that they agree with that sentiment and consider that their continuing entitlement is evidence of social enterprise being part of that NHS family. Without assurance of their continuing entitlement to NHS terms and conditions of employment, RCN members who transfer into a social enterprise can rightly say that they are expected to subsidise the establishment of a new service model.

It is they, as employees, who would be accepting a disproportionate amount of financial risk, not the NHS as their employers who would have commissioned that new service. Clearly there is a need for government, in reviewing barriers to progress, to remedy that anomaly.

What factors would be at risk?

Staff side organisations in the NHS have historically fought to promote the rights and interests of their members. As the industrial profile of the UK has shifted in the technological age, the NHS now faces challenges in recruiting and retaining a highly-skilled workforce in competition with growing sectors such as financial, leisure and retail services. As part of meeting that challenge the staff side organisations and management side of the NHS are engaged in ongoing negotiations on terms and conditions of employment and pay for the employees of the NHS. With the advent of Social Enterprise organisations as providers of NHS services it is important that we consider the present priorities of RCN members in the NHS and the employment issues that would be put at risk if they were to lose membership of the NHS family, in addition to pay and pensions.

Through their work with the Social Partnership Forum, the RCN are taking forward work on incorporating HR standards within contracts for provision of NHS services. Those standards include; employee entitlement to Agenda for Change terms and conditions of employment; employee entitlement to NHS pensions to include all providers who deliver NHS services; contractual obligations on non-NHS providers to be involved in workforce planning; continuing investment in staff training and development which includes investment in Continuing Professional

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[2] SEC, *Health and Social Care Briefing*, August 2006

Development for nurses and Allied Health professionals and continuity in provision of pre-registration clinical placements.

At the same time the RCN are seeking to establish minimum standards in HR management for all NHS providers, including;

- Continuing Professional Development for staff linked to an appraisal system based on Knowledge and Skills Framework (Agenda for Change)

- Workforce data collection, which records race, gender, age, disability of staff linked to payroll information

- A written equal opportunities policy and follow good practice in making appointments, staff management, terms and conditions of employment, training opportunities and promotion

- Agenda for Change implementation

- An HR Strategy, linked to workforce development and service delivery

- An Annual Staff Opinion Survey, which informs the annual review of the HR Strategy

- A mechanism for staff involvement and consultation

- Participation in Department of Health staff census and NHS workforce planning

Collectively, these HR issues illustrate the employment standards being established in the NHS. It is therefore crucial that Social Enterprise and 3rd sector providers address these HR issues within the development of their future services. It is also essential that the Department of Health report on terms and conditions of employment as "barriers" describes the means by which SEs can overcome them without prejudicing the interests of employees from public sector services.

Political Sponsorship for Social Enterprise

If a large scale re-provision of public services by the development of social enterprise and 3rd sector organisations is to be successful it must have specific support from Cabinet members as well as broad political support from the government of the day.

In terms of specific support, the Secretary of State for Health, Patricia Hewitt, has demonstrated her commitment to social enterprise in health and social care services by publishing a pamphlet, *Social Enterprise in*

Primary and Community Care[3] which has been published by the Social Enterprise Coalition. Having established that her admiration for social enterprise dates back to her time as a Minister at the Department of Trade and Industry, she goes on to say that;

"I believe there is enormous potential for groups of NHS staff and social care professionals to come together and create their own social enterprise, possibly organised around a care pathway, say for people following a stroke or for people with a particular long term condition."

Patricia Hewitt foresees other barriers to the progress of social enterprise in health services, not least the need to develop the knowledge and understanding of how to operate social enterprises. In terms of the NHS she says;

"…we need to do more to unlock their potential- by freeing the entrepreneurialism of staff currently within the NHS, by enabling social entrepreneurs in our communities to develop their ideas, and by breaking down barriers in commissioning so more social enterprises can enter the market."

In terms of broad governmental support, in May 2006 a Minister for the Third Sector, Ed Miliband was appointed to the Cabinet Office. His responsibilities include social enterprise and in November 2006 the Cabinet Office published a report *Social Enterprise Action Plan; Scaling New Heights*[4] with 3 forewords; one by the Prime Minister; one by the Lord Chancellor; and one by Ed Miliband. What is more, in an interview for the magazine *Social Enterprise*[5], the Rt. Hon Oliver Letwin MP, emphasised the commitment of HM Opposition to promoting social enterprise as a means of re-providing health and social care services.

Growing Social Enterprise in the Provision of Health and Social Care Services

With this level of political will and commitment behind social enterprise, the newly established Social Enterprise Unit at the Department of Health have quickly reacted to the policies of government to promote alternative provision of health and social care services.

On 10 October interested organisations were invited to apply to be part of the Department of Health (DH) social enterprise "Pathfinder" programme. The Department of Health were looking for up to 15 pathfinders that would

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[3] SEC, *Social Enterprise in Primary and Community Care*, (London) 2006, p.13
[4] Office of the Third Sector, *Social Enterprise; Scaling New Heights,* Cabinet Office (London) 2006
[5] Social Enterprise (Issue 55), *Local Hero?,* (London) 2007, p.10

lead the way in delivering innovative services. They wanted applications in three specific areas;

- Health and/or social care professionals seeking to form a social enterprise to deliver services.

- Multi-agency partnerships, involving statutory services and/or voluntary and community groups and/or the commercial sector, wishing to set up a social enterprise to provide services.

- Existing social enterprises or third sector organisations looking to expand into health and social care.

The DH reported an excellent response to this invitation – 381 applications were received by the closing date of 28th November. Of these, 159 were unsuccessful at the initial sift, 177 were unsuccessful following assessment by the SHAs in partnership with Regional Development Agencies and the Care Services Improvement Partnership, and 45 were forwarded to a multi-disciplinary national panel for final assessment. So great was the interest and so high was the calibre of applications that when the "Pathfinders" were announced on 23rd January 2007 a total of 25 organisations were granted Pathfinder status.

Details of the 25 successful candidates can be found at;

http://www.dh.gov.uk/assetRoot/04/14/23/41/04142341.pdf

(The list of successful applicants for Pathfinder status is attached as Appendix 1.)

The DH has given a commitment to evaluate the impacts and operation of these Pathfinders and to share learning from the progress that they make in providing services.

The RCN is concerned that the views and expectations of our members who are involved in these developments are acknowledged and addressed, either as social entrepreneurs or as employees of the social enterprises involved. To this end a parallel survey will be established by the RCN Policy Unit to establish membership views of their expectations and experiences in the Pathfinder social enterprise organisations.

Investing for a Return; Why Prioritise Education and Training?

Like Patricia Hewitt, RCN members also identified investment in their development as practitioners and leaders as crucial to the promotion of social enterprise. It may be that the expectations of RCN members will

vary from those of the Secretary of State in terms of the level and priorities for investment in education. This was amply illustrated when, as NHS Trusts and PCTs dramatically reduced opportunities for staff to undertake post registration training and education due to financial deficits, the Department of Health withdrew financial sponsorship of an intensive, academically credible scheme to promote nurse entrepreneurs. Albeit only 13 places were available in 2005 but the fact that there were more than 600 applications for the course at the Said Business School in Oxford shows how committed nurses are to developing as social entrepreneurs! The DH have, though, given support to schemes such as *Flying Start* at the University of Central Lancashire which will enable 40 individuals to pursue their ambitions to launch specific social enterprise projects. Each of the 25 Pathfinder organisations have been granted a place on *Flying Start but,* given the massive shortfall in experience and understanding of the workings and management of social enterprise in public services this does appear to be a drop in an ever-growing ocean and an indication of the need for further and more strategic investment in the development of nurse entrepreneurs.

Once more this amounts to public sector workers having to accept an inappropriate level of risk. On this occasion, RCN members have concerns that they will have to subsidise government policy by investing in their own education and training in business studies at the expense of their clinical practice and research.

Like other healthcare practitioners, the primary concerns for practising nurses are their clinical and research activities. Creating opportunities for them to develop as entrepreneurs in a service that is presently reeling from the effects of deficits and service cuts appears not to be a priority. However, now more so than ever, as part of the drive for future development of Social Enterprise and nurse entrepreneurs, it is essential that the growing profile of entrepreneurs in public services is matched by investment in their education and training. Educational planners and providers must be encouraged to address the need for greater awareness of and skills in business planning and financial management for nurses at pre-registration and post-qualifying levels. RCN members would then be able to make the most of opportunities offered by the development of Social Enterprise. The outcomes of the RCN survey suggest that failure to invest in the establishment of social enterprises and the development of nurse entrepreneurs could be viewed with scepticism if the ultimate outcome for RCN members, arising from transfer into a social enterprise, is a loss of pay and terms and conditions of employment.

The RCN will be closely monitoring the development of social enterprise and the progress of the Pathfinder organisations. In the meantime we will continue to lobby for more strategic investment in and scientific evaluation of social enterprise as a parallel model of healthcare provision, complimenting, rather than replacing state NHS services. Our members

need to be certain that this new model of provision has a sustainable part to play in the future of health and social care and their concerns and expectations need to be addressed. If social enterprise is really about sustainability and community engagement; if it is truly a means for achieving greater flexibility and more person-centred services, then it must surely be worthy of a fully funded programme of implementation that includes minimising the risks to public sector employees; investing in the education and research needed to verify its long term viability; and identifying the cumulative benefits that it brings to patient services, compared with the previous models of state-only provision.

Conclusion

Whilst acknowledging the potential for Social Enterprise to develop, compliment and enhance public sector provision of health and social care services, the RCN considers that;

- Social Enterprise models of service provision should compliment rather than replace successful public sector provision,

- Social Enterprise models of service should not be encouraged simply as a means of driving down costs of provision of health and social care,

- The terms and conditions of employment for public sector workers should not be put "at risk" as a result of their transfer into Social Enterprise models of provision,

- The future development of social enterprise and nurse entrepreneurs will depend upon an increasing investment in education, training and skills development for existing practitioners and the NHS workforce of the future,

- Nurses and public sector staff should be involved at the earliest possible stage in any proposal to re-provide services through a Social Enterprise model and have a continuing place in the governance of the service.

We furthermore believe that managerial and business issues relating the successful operation of a social enterprise need to be consider within the context of NHS provision, including;

These represent some of the features that RCN will be considering as part of their survey of the operation and development of social enterprise in health and social care.

If you wish to discuss any of the issues in this briefing or other matters related to social enterprise and nursing, please contact Colin Beacock at colin.beacock@rcn.org.uk

Appendix 1

On 10 October 2006, the Social Enterprise Unit invited applications to be part of its social enterprise pathfinder programme. Pathfinders will be eligible to apply for financial support and will have access to wider support, for example business advice and training. The learning from the pathfinders will be shared across health and social care, so that others can benefit from their experience.

The closing date for social enterprise pathfinder applications was 28 November 2006. The successful pathfinders are as follows.

Lorica Learning Disabilities, is based in Pulborough, Sussex. It proposes setting up a Community Interest Company to provide services for people with learning difficulties and their families, including helping support young adults during the transition to independent living.

Surrey Community Provider Services will be providing community health services to a total population of 1.1 million people in Surrey, and will be exploring using an umbrella model to support a number of social enterprises providing community based services.

SCA Healthcare is an industrial and provident society. It is proposing providing a range of community services including a long term condition resource centre and support to carers and relatives from a community hospital in Southampton.

Milton Keynes Health and Social Care Services will provide health and social care services including older people's services, children's services, adults out of hospital services, and integrated mental health and learning difficulties services.

Community Docs for All is proposing a locally managed primary care medical service for the population of one ward in Weston-super-Mare, and aims to link primary care services with wider health improvement and regeneration initiatives.

Devon Healthy Living Community will be developing cluster multi-disciplinary primary care teams integrated with the voluntary sector, providing advice on early intervention services for patients.

The Bridge is a proposal to set up a social enterprise to deliver alcohol and substance misuse programmes in London. The service will include residential accommodation, therapy programmes, modular treatment centres, and a back to work programme.

Phoenix Care Agency based in London will provide health and social care services to vulnerable adults, including emotional well-being, art activities, horticultural therapies, training, support to employment, and carer's services.

Healthy Living Centre in Southend is proposing developing a healthy living centre with a hub for integrated children's services into a social enterprise. Services will include primary care, children's services, adult mental health, and health enhancing activities.

Lifestyle Solutions in Thurrock will be providing services for disabled people and people with learning difficulties, including social and emotional support, the provision of personal assistants, respite for carers and support towards independent living.

Leicester Homeless Primary Care Service is proposing providing primary medical services to vulnerable patients. Its primary health care centre will be co-located with a 42 bed night shelter and a YMCA drop in centre.

Based in Rushcliffe, Principia Partners in Health is a coalition of GP practices, community professionals, community pharmacy and local people. Principia will provide primary care, including extended hours access, and community services to a population of 118,000.

Willow Bank Community Interest Company based in Stoke on Trent will provide General Medical Services and one stop care, with a particular focus on vulnerable groups including lone-parent families, local homeless people and BME communities.

Coventry based Health Equality Lifestyle Plan proposes transforming a successful healthy living centre into a social enterprise.

The Open Door is proposing providing a wide range of primary care services for vulnerable people in the Grimsby area, in addition to support into employment, gardening and music therapies, exercise and cooking skills.

Hull based City Health Care Partnership Ltd will provide all primary and community health services across the city through a social enterprise.

Salford Health Matters will provide essential medical services and community based enhanced health services, to a population of 12,600. The organisation also aims to provide training and development that benefits the local community and to support social enterprise activity with a wider health benefit in the community.

Cumbrian based Alston Healthcare is proposing to provide community health services, including e-health services, across a rural area, with a particular focus on older people.

Delivering Connected Care in Hartlepool will provide integrated health and social care services, bringing these together with housing, education, employment, community safety and transport, in an area of high deprivation.

DCP is a third sector organisation that will set up a social enterprise in Newcastle to deliver services to people living with dementia, and their carers.

Based in Middlesbrough, the Developing Partners Project aims to develop and provide user led training for health workers, and user led research and evaluation of health services.

The Forest of Dean Health Enterprise Trust proposes providing community health and social services in a rural area, including the operation of existing community hospitals.

London based Service User Led Direct Payments is planning to set up a service user led social enterprise to support and manage direct payments and individualised budgets.

Maternal Link Birth Centres proposes providing antenatal, postnatal and community midwifery services at home or in birth centres in the Trafford area.

Secure HealthCare is bidding to provide prison and offender health care services in HMP Wandsworth, and will consider how to develop and implement innovative ways of delivering care to this complex population and how these services could be applied elsewhere.