

REPORT NO 602/97

ANGUS COUNCIL

SOCIAL WORK COMMITTEE.....27 May 1997

ESTABLISHMENT OF A COMMUNITY CARE TRUST

JOINT REPORT BY THE DIRECTOR OF SOCIAL WORK, THE DIRECTOR
OF HOUSING AND THE DIRECTOR OF LAW & ADMINISTRATION**ABSTRACT**

This report seeks the support of the Social Work Committee, in principle, to the establishment of a charitable company to operate as a community care trust for Angus, and to approve the participation of elected members in the operation of the trust.

1 RECOMMENDATIONS

It is recommended that the Social Work Committee :

- 1 notes the proposal to establish a company limited by guarantee to operate as a community care trust, and agrees for its interest to support this proposal;
- 2 agrees to the appointment of The Mosaic Partnership to assist with the process of establishing the company at a cost to Angus Council of £12,000;
- 3 agrees, in principle, that elected members be appointed as members of the company board;
- 4 notes that the Joint Project Board will be considering, in due course, the identification of members for the company board;
- 5 authorises the Director of Social Work to contribute towards the set up costs of the company, up to a limit of £5,000; and
- 6 instructs the Director of Social Work, in consultation with the Directors of Housing, Law & Administration and Finance, to bring forward further reports, at least annually, to report on the operation of the company.

It is recommended that the Housing Committee:

- 1 notes the proposal to establish a company limited by guarantee to operate as a community care trust, and agrees for its interest to support this proposal.

2 INTRODUCTION

The development of community care in Angus has reached an important stage, through the joint planning and commissioning frameworks which have been developed. Representatives from all agencies involved in the delivery of community care services have been working collaboratively to enhance the level and quality of provision of services available in Angus.

However, a major limiting factor has now been encountered - the difficulty of accessing readily available capital to establish the physical resources and infrastructure which are required.

Alternative methods of accessing capital funding are actively being explored and the proposal outlined in this report represents a realistic method of dealing with this issue.

3 PROPOSAL

It is proposed to establish a charitable company limited by guarantee which would operate as a community care trust. The company would be established with the objective of developing community care facilities in Angus, and its decisions would be informed by the Joint Community Care Plan.

This company would have access to capital from a range of sources not readily open to statutory agencies. These sources include commercial borrowing and accessing special needs housing grants. The company could also act as a vehicle for combining small amounts of capital from the local and health authorities to undertake large projects, which the individual agencies could not contemplate.

The company would be able to build or convert premises which would be financed by ongoing rent income or leasing arrangements. Typically, this would include the construction of very sheltered housing and the provision of day care and residential care facilities.

It is proposed that the board of directors would comprise individuals drawn from the local authority, the voluntary and private sectors, and possibly Angus NHS Trust. Elected Member(s) will be appointed by the Council and the identification of other individuals concerned will be undertaken by the Joint Project Board.

In order to facilitate the establishment of the company, it is proposed to employ the services of The Mosaic Partnership, who have particular expertise in this area. The Mosaic Partnership are the only specialist consultants in this area - combining expertise in health, social work, housing and finance. Another major factor is the need to progress this matter as timeously as possible in order that the Joint Project Board has full option availability regarding funding opportunities that only the establishment of a specific Trust will allow. Accordingly, the Mosaic

Partnership have submitted their tender in line with financial regulation 13.2.3, which permits the appropriate chief officer discretion over the number of tenderers, in certain circumstances. It is proposed that they will assist in the establishment of the trust company; the implementation plan for initial project(s); and business planning.

In order to establish the company, there will be costs associated with its set up - e.g. legal and financial advice. Accordingly, it is proposed that the Director of Social Work is authorised to contribute towards such costs up to a maximum limit of £5,000. Other agencies involved in the delivery of community care in Angus will also be expected to contribute to these costs.

4 FINANCIAL IMPLICATIONS

The cost of employing Mosaic Consultants would be £22,500 plus nominal associated expenses of approximately £1,500, with the costs being evenly divided between Angus Council and Tayside Health Board.

In addition a sum of money up to £5,000 will be identified as Angus Council's contribution towards the set up costs of the company.

The contributions from Angus Council amounting to £17,000 in total will be drawn from the DSS transfer monies, which are intended for the development of community care.

5 CONSULTATION

The Chief Executive, the Director of Finance, the Director of Housing, Tayside Health Board, Angus NHS Trust and Scottish Homes have been consulted in the preparation of this report.

6 CONCLUSION

The establishment of a community care trust would provide access to resources which would not otherwise be available for the development of community care services.

8 May 1997

Catherine Coull
Director of Law & Administration

Ken Fenwick
Director of Housing

W B Robertson
Director of Social Work

NOTE

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above report.

