

Cabinet Meeting on Wednesday 16 September 2020

Nexus Trading Services Limited - Annual Report 2019/2020



Cllr Mark Deaville, Cabinet Member for Commercial Matters

“Our care providers offer good quality services to Staffordshire people who need them. However, independent providers nationally are facing ongoing challenges, such as rising demand, increased costs, and the recruitment and retention of staff.

The county council has struggled in some areas of the county to find care providers who offer good quality at an affordable price. Nexus Care has been established to provide care for people when no other care is available in the market, to ensure people can

still receive the care they are entitled to. This paper details the performance of Nexus over the past year.”

Report Summary:

In Staffordshire the majority of care for people is provided by independent companies. On the whole they offer good quality services and the Council offers a range of support to help them to remain sustainable.

Nationally independent providers of care are facing ongoing challenges from rising demand and costs and difficulty in recruiting staff. There are some services in some parts of the county where the Council struggles to find providers who can offer good quality at a price that taxpayers can afford to pay. Nexus Care (the trading name of Nexus Trading Services Limited) has been established as a county council owned Local Authority Trading Company to provide care for people when no other provider is available in the market at a price that taxpayers can afford to pay.

Nexus Care has now been fully operational for over two years. This annual report provides an update to Cabinet on the activities and performance of the company.

Recommendations

I recommend that Cabinet:

- a. Note the Nexus Care Annual Report; and
- b. Approve the retention of a small surplus of £46k for reinvestment in the business.

Local Members Interest
N/A

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Recommendations of the Cabinet Member for Commercial Matters

I recommend that Cabinet:

- a. Note the Nexus Care Annual Report; and
- b. Approve the retention of a small surplus of £46k for reinvestment in the business.

Report of the Director of Health and Care

Reasons for Recommendations:

1. In Staffordshire the vast majority of care for people is provided by independent companies. On the whole they offer good quality services and the Council offers a range of support to help them to remain sustainable.
2. Nationally, independent providers of care are facing ongoing challenges from rising demand and costs and difficulty in recruiting staff. There are some services in some parts of the county where the Council struggles to find providers who can offer good quality at a price that taxpayers can afford to pay. Nexus Care has been established to provide care for people when no other provider is available in the market at a price that taxpayers can afford to pay.

Nexus Care

3. Nexus Trading Services Limited was incorporated in 2011 as a Staffordshire County Council owned company. In 2017 the Council decided to develop it as a provider of care trading as Nexus Care to address:
 - a. the need for additional reablement capacity to support the urgent care pathway and reduce delayed transfers of care;
 - b. the need for a contingency during the procurement of home care services in case insufficient independent providers were available to award contracts to; and
 - c. the duties to ensure and sustain the market under the Care Act 2014 and the need for a “provider of last resort”.
4. Subsequently Nexus Care was mobilised in January 2018 to provide reablement services; in December 2018 it took on a home care contract following the collapse of Allied Healthcare; and in 2019 it took on an Extra Care contract when providers withdrew from the market. Nexus now has an annual turnover of £3.9m and 295 staff.

5. Nexxus Care has a Board of Directors comprising Staffordshire County Council Members and Officers,(chaired by the Deputy Chief Executive and Director for Families and Communities) and the Chief Operating Officer who collectively set the vision and strategy for the business and oversee operational delivery.
6. The Council trades with Nexxus Care under the 'Teckal' exemption (now Regulation 12 (1) of the PCRs 2015). This allows a local authority to contract with a legally distinct entity that it has control over and which provides the majority of its services to the local authority itself. These arrangements are not subject to competitive procurement processes as long as the following conditions are met:
 - a. The service provider carries out the principal part of its activities (more than 80%) on behalf of the local authority;
 - b. The local authority exercises the same kind of control over the service provider as it does over its own departments; and
 - c. There is no direct private capital participation in the service provider nor any intention that there should be any.

Annual Report 2019/20

7. The annual report describes the vision and strategy of Nexxus Care and gives an overview of services including:
 - a. Commissioned activity;
 - b. Quality;
 - c. Finance;
 - d. Recruitment and Retention;
 - e. Growth; and
 - f. Nexxus Care's role in cost reduction for the Council.
8. 2019/20 has seen many key achievements in performance and growth of Nexxus Care as well as digital transformation throughout the business.
9. The most recent Care Quality Commission (CQC) rated Stafford reablement and home care as 'Good'. The remaining branches are awaiting their first inspection whilst being part of Nexxus Care and there are no current concerns.

Use of Surplus

10. In 2019/20 Nexxus Care generated a small surplus of £46k. The recommendation within in this report is that this surplus is retained by and within Nexxus Care for reinvestment in the company. This would include further investment in digital systems and other technologies to improve quality and productivity as well as providing a contingency against future one-off or capital investment costs.

List of Background Documents/Appendices:

- Appendix 1 – Organisational Chart
- Appendix 2 – Customer Survey 2019 Results
- Appendix 3 – Events Analysis

Appendix 4 – Annual Accounts (2019/20)
Appendix 5 – Annual Report (2019/20)

Contact Details

Report Author:	Richard Harling
Job Title:	Director for Health and Care
Telephone No.:	01785 278700
E-Mail Address:	Richard.harling@staffordshire.gov.uk