

## **Cabinet Meeting on Wednesday 19 October 2022**

### **Nexus Trading Services Limited – Annual Report 2021/22**



**Cllr Alan White, Leader of the Council said,**

“Nexus was created to help care for the people of Staffordshire when there was no-one else to turn to.

Since then, it has grown both in size and importance so that it is now provides vital care across the county, delivering home care where there are shortages in the private sector and maintaining residential care when needed.

Turnover has increased by more than a third in 12 months, delivering a modest profit, and now employs 340 people, each essential to this success story.”

#### **Report Summary:**

In Staffordshire the majority of care for older people is provided by independent companies. The Council offers a range of support to help them remain sustainable.

Nexus Care (trading name of Nexus Trading Services Limited) was established as a Council owned Local Authority Trading Company to provide care for people when no other provider is available in the market. The company is also available to support the Council where it needs to respond rapidly to specific incidents such as failure of a care provider.

Nexus Care has now been fully operational for over four years. This annual report provides an update to Cabinet on the activities and performance of the company during 2021/2022.

#### **Recommendations**

I recommend that Cabinet:

- a. Note the Nexus Care Annual Report; and

- b. Note the in-year trading profit of £18,791 which has been transferred to company reserves.



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### **Nexus Trading Services Limited – Annual Report 2021/22**

#### **Recommendations of the Leader of the Council**

I recommend that Cabinet:

- a. Note the Nexus Care Annual Report; and
- b. Note the in-year trading profit of £18,791 which has been transferred to company reserves.

#### **Local Member Interest:**

N/A

#### **Report of the Director for Health and Care**

##### **Reasons for Recommendations:**

1. In Staffordshire the majority of care for older people is provided by independent companies. The Council offers a range of support to help them remain sustainable.
2. Nationally, independent care providers of care are facing challenges from rising demand, increasing costs and difficulty in recruiting staff. In some parts of the county the Council has struggled to find care providers who can offer good quality services at a price that taxpayers can afford.
3. Nexus Care (trading name of Nexus Trading Services Limited) was established as a Council owned Local Authority Trading Company to provide care for people when no other provider is available in the market. The company is also available to support the Council where it needs to respond rapidly to specific incidents such as failure of a care provider.

##### **Nexus Care**

4. Nexus Trading Services Limited was incorporated in 2011 as a Staffordshire County Council owned company. The Articles of Association of the company enables the provision of a wide variety of services, and 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 care providers were available;
  - c. the Council's duties to ensure and sustain the market under the Care Act 2014 and the need for a "provider of last resort".
5. Nexus Care was mobilised in January 2018 to provide reablement services. In December 2018 it took on a home care contract following the national collapse of Allied Healthcare. In 2019 and 2020 it took on Extra Care contracts when providers withdrew from the market. During the Covid pandemic it took on the contract to provide a lateral flow device testing service across the County and continued to provide this until 31<sup>st</sup> March 2022. In July 2021, Nexus took over the running of two residential care homes at short notice, Meadowyrthe in Tamworth, and Bracken in Burntwood, when the Council and the then current provider decided to terminate the contract between them. The smooth transfer and subsequent successful running of these homes represents a major achievement for the Company.
6. Nexus Care has a Board of Directors comprising of Council Members and Officers and the Chief Operating Officer, who collectively set the vision and strategy for the business and oversee operational delivery.
7. As part of the continued business expansion in 2021/22, the directors reviewed the operations and governance of the Company and decided for reporting, monitoring, and accounting purposes, to split the operations into three distinct divisions: Home Care (including reablement), Extra Care, and Residential Care.

## **Annual Report**

8. The Nexus Care annual report attached at Appendix 1 describes the vision and strategy of the company and gives an overview of services including:
- a. Commissioned activity
  - b. Quality
  - c. Finance
  - d. Recruitment and Retention
  - e. Growth; and
  - f. Nexus Care's role in cost reduction for the Council.

9. Nexus Care achieved good performance and continued to see growth during 2021/22. The company now has 340 staff and in 2021/22 had an annual turnover of £8.444m, £2.205m (35%) greater than the previous year. Key achievements include:
- a. maintenance of care services during the Covid pandemic
  - b. takeover and running of two residential care homes
  - c. continued provision of a lateral flow device testing service; and
  - d. digital transformation across the business.

### **Legal Implications**

10. The Council trades with Nexus Care under the “Teckal” exemption (now Regulation 12 (1) of the Public Contract Regulations 2015). This allows a local authority to place contracts with a legally distinct service provider without contracts being 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 a similar control over the service provider as it does its own departments; and
  - c. There is no direct private capital participation in the service provider nor any intention that there should be any.

### **Resource and Value for Money Implications**

11. The financial position of Nexus Care is set out in the Annual Report. The company made an operational profit in 2021/22 of £18,791 which has been transferred to reserves. Company reserves on 31<sup>st</sup> March 2022 were £78,305.

### **Climate Change Implications**

12. Nexus Care is conscious of the importance of minimising its carbon footprint and makes a contribution through optimising travel times and distances for reablement and home care services.

### **List of Background Documents/Appendices:**

- Appendix 1 – Annual Report
- Appendix 2 – Structure Chart
- Appendix 3 – Customer Survey
- Appendix 4 - Annual Accounts 2021/22

## Contact Details

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