

Cabinet Meeting on Wednesday 20 October 2021

Nexus Trading Services Limited – Annual Report 2020/21



Cllr Mark Deaville, Cabinet Member for Commercial Matters said,

“Our care providers offer services to Staffordshire people who need them. However, independent companies nationally are facing challenges with rising demand, increased costs and difficulties recruiting and retaining staff.

The Council has struggled in some areas of the county to find care providers who offer good quality services at an affordable price. Nexus Care was established to provide care for people when no other provider is available. Nexus Care has also supported the Covid pandemic response by providing a lateral flow device testing service.

This report details the performance of Nexus over the past year.”

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, and the Covid pandemic.

Nexus Care has now been fully operational for over three years. This annual report provides an update to Cabinet on the activities and performance of the company during 2020/2021.

Recommendations

I recommend that Cabinet:

- a. Note the Nexus Care Annual Report

Local Members Interest
N/A

Cabinet – Wednesday 20 October 2021

Nexus Trading Services Limited – Annual Report 2020/21

Recommendations of the Cabinet Member for Commercial Matters

I recommend that Cabinet:

- a. Note the Nexus Care Annual Report

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. This has been exacerbated by the Covid pandemic. 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, and the Covid pandemic.

Nexus Care

4. Nexus Trading Services Limited was incorporated in 2011 as a 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 social 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; and
 - 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. In November 2020 it also took on the contract to provide the lateral flow device testing service across the County.
6. 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 legal person without contracts being subject to competitive procurement processes as long as the following conditions are met:
- a. The legal person 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 legal person 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.
7. Nexus Care has a Board of Directors comprising Council Members and Officers and the Chief Operating Officer, who collectively set the vision and strategy for the business and oversee operational delivery.

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. Nexxus Care's role in cost reduction for the Council.

9. Nexxus Care achieved good performance and rapid growth during 2020/21. The company now has 414 staff and in 2020/21 had an annual turnover of £6.238m, £2.344m (60%) greater than the previous year. Key achievements include:

a. maintenance of care services during the Covid pandemic;

b. establishment of a lateral flow device testing service within a very short timescale, which has now completed over 107,000 tests; and

c. digital transformation across the business.

Legal Implications

10. There are no legal implications arising from this report.

Resource and Value for Money Implications

11. The financial position of Nexxus Care is set out in the Annual Report. The company made a small operating loss in 2020/21 of £19,835. This was after the repayment of the annual market continuity payment of £0.150m to the Council, which is provided to the company to ensure capacity is available to respond to immediate issues in the care market e.g. provider failure at short notice, was not taken during 2020/21. The small operating loss will be met from company reserves.

List of Background Documents/Appendices:

Appendix 1 – Annual Report

Appendix 2 – Structure Chart

Appendix 3 – Customer Survey

Appendix 4 – Annual Accounts 2020/21

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