

Care Dorset Shareholder Committee – 1 July 2024

Report from the Chair of the Board of Directors

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Title: Managing Director
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NOTE FROM THE CHAIR OF THE BOARD OF DIRECTORS FOR CARE DORSET

Dear Shareholder Committee Members,

As Chair of the Board of Directors, I am pleased to submit this Shareholder Report to the new administration for Dorset Council. Care Dorset has now been operating for 20 months and in that time has been focused on driving up quality across its portfolio of services as well as growing its provision of services. Dorset Council's own quality monitoring team have commented positively on the noticeable improvements being made. Both acuity and occupancy levels have increased.

Care Dorset is also playing a pivotal role with the wider health and social care system both with its reablement beds and using its long-term block purchased beds in a flexible way. However, we are keen to do more, and our emerging strategy will set this out in greater detail.

We have highlighted some of our achievements from the last year and half in this paper.

Finally, we remain pleased and grateful for our positive relationship with Dorset Council officers.

Sincerely,

Caroline Tapster CBE
Chair of the Board of Directors

BRIEF SUMMARY:

This report provides an update on pertinent matters relating to Care Dorset. It includes a progress report in matters relating to operational delivery, workforce, strategy and finance.

The aim is to offer an overview of the current situation within Care Dorset, ensuring stakeholders are well-informed about the ongoing efforts and achievements in these critical areas.

RECOMMENDATION(S):

The Shareholder is asked to note the contents of this report.

COMPANY OVERVIEW

1. Care Dorset is formed of two companies – the Holding Company and the operational company. The Shareholder owns the holding company, and it is this company that is commissioned by Dorset Council to deliver care and support services. The Holding Company subsequently sub-contracts the operational company (Care Dorset Ltd) to deliver these services.
2. Care Dorset has a strong set of values and accompanying behaviour statements. The values are **people focused, integrity, genuine, develop** and **team**. These were co-created with colleagues across the organisation and are used to provide a compass for decision-making.
3. Care Dorset's vision is "**A world where people can thrive**" which conveys the ambition to have a society in which individuals have the conditions, opportunities, and support to lead fulfilling, successful and meaningful lives.
4. The organisation's mission is: "**Delivering excellence in high quality, safe services, driven by informed, passionate colleagues and inspired by continual improvement and positive impact**" which articulates the commitment to providing outstanding services, going above the minimum requirements and standards and this is underpinned by our commitment to safety. It also underlines the commitment to our colleagues who are critical to Care Dorset's shared success.
5. Care Dorset operates 23 sites across Dorset, employs over 800 colleagues and supports close to 1,000 people. Care Dorset operates six residential care homes, thirteen day service locations, three supported living services, and a community reablement service delivering over 2,500 hours per month.
6. Care Dorset's annual turnover for the year ending September 2023 was £29,583,496.
7. Care Dorset is working to be an agile organisation with the ability to be adaptable to changing market conditions. As part of this it is fostering an approach of innovation and continuous learning.

ACHIEVEMENTS

8. Care Dorset is proud of what it has achieved over the first 20 months and the following is a sample of these.
 - 8.1. Increase in the level of occupancy across its residential care homes. At the point of transfer occupancy was at 76% and is now 92%. The level of acuity has also increased. Although there is no comparable data for the period prior to October 2022, for the three months ending May 2023, the average percentage of people we support requiring a high level of support was 41%.
 - 8.2. Care Dorset operationalised 18 reablement beds within three months of the commencement of its operation and a further 12 beds in June 2023. The latter being at Castleman Plus in Blandford which Care Dorset acquired for lease in December 2022. These have been seen as a significant assistance to the 'system' by supporting hospital discharges.
 - 8.3. Care Dorset has also been using its residential beds to enable hospital discharges, particularly in times when the hospitals are at opal 4 status.
 - 8.4. Shortly after launch, Care Dorset launched a recruitment campaign – '*A career in care is not for everyone...but it could be for you*' and the organisation has been successful in filling the vacancies it heard were persistently unfilled prior to transfer. In the period June 2023 to April 2024, Care Dorset received 1,019 applications, and started 169 colleagues.
 - 8.5. Care Dorset has also opened, in partnership with Advance Housing and Dorset Council, a new service in Weymouth supporting four people aged between 18 and 25 who have a learning disability and/or autism.
 - 8.6. Care Dorset estimates that its community reablement support has saved 5,000 weekly care homes in the last year.
 - 8.7. Care Dorset has also been driving up quality across all its services and has introduced a set of quality standards which go beyond the regulatory requirements. This approach is also supported by the investment in two experienced quality consultants who work with operational managers to raise standards. There have been improvements across most Care Dorset's locations since October 2022.
 - 8.8. The organisation has also placed a strong emphasis on encouraging employees to voice any concerns they may have. Through its "speak up" initiative, colleagues are given the opportunity to raise issues confidentially.
 - 8.9. Care Dorset has introduced a listening group which is a panel of people who have used or are using a Care Dorset service. The group meets quarterly and examine two 'incident' case studies. This is an opportunity for Care Dorset's complaints to be looked at from a different perspective and the group's thoughts are fed back to the Executive Team. An article about this initiative has recently been published on our website which can be found [here](#).

FINANCIAL PERFORMANCE

9. In the seven months to April 2024 Care Dorset made a loss of £0.9m on revenues of £18m. Use of agency is a significant contributing factor to the financial position. However, increased energy prices and other inflationary pressures have contributed to the current picture. Agency usage is now on a downward trend following the implementation of stringent controls. There is room for cautious optimism that the beneficial effects are being seen in the numbers.
10. Efficiency plans are in place to deliver a position closer to profitability before the year end (30 September 2024). Care Dorset has agreed a memorandum of understanding with Dorset Council's property team in relation to the rent position which is in line with the valuations and condition surveys conducted by Hartnell Taylor Cook earlier this year.
11. Having made progress with rent, in the next phase of the efficiency plan, savings are being sought in facilities management, property repair and maintenance costs, rates and utility costs, especially how costs are apportioned in shared buildings. Care Dorset also continues to seek efficiency in 'hoteling' costs such as catering, cleaning and consumables. Part of this will be to review the effectiveness of procurement arrangements.
12. Care Dorset's cash position is sufficient to meet its liabilities. Debtors are well managed with no significant write offs.

OPERATIONAL DELIVERY

13. Care Dorset has recently employed a nurse manager for the residential care home in Wimborne in order that the development of a nurse-led model can begin.
14. The 30 reablement beds (funded by the Better Care Fund) had an average occupancy level of 80% in the three months to June 2024 and has supported 173 in the same period. The average length of stay was just over six weeks. There have been several individuals stay longer than the usual six week maximum, this is largely due to Care Dorset supporting with hospital pressure when they have declared an opal 4 status and are looking to create bed capacity.
15. The Board of Directors have taken the decision to end the provision of care and support services at Sidney Gale House (Bridport). The announcement of this happened on 17 June 2024. The top floor of the building has been mothballed since prior to transfer due to the poor condition of the building. Since transfer Care Dorset has had 29 beds available, however only 17 have been occupied with a further 7 vacant due to size, position and condition. A recent stock condition survey identified £1.3million of expenditure required in the coming years, with £375k being required in this year. The building was originally earmarked for closure nearly 10 years ago. Plans are being drawn up for a replacement which will increase bed capacity for short and long-term care in a modern, therapeutic environment.
16. Over the few months, Care Dorset has had three quality monitoring visits from Dorset Council. These happen as part of normal business. Each reported noticeable improvements since their previous visits and recognised the efforts that were being made to drive up quality.

WORKFORCE

17. Care Dorset continues to keep pace with its recruitment needs. In the three months to April 2024, it had received 117 applications, held 88 interviews and made 28 offers.
18. Retention levels across Care Dorset remain high with voluntary turnover being over 13% lower than the sector average.
19. Our organisational culture is the cornerstone of our success, fostering an environment where innovation, integrity and collaboration thrive. We are on a journey to implement an 'upside down management' culture that will emphasise the leader's role as a supporter of their team, prioritising the growth and wellbeing of individuals. This builds on the organisational values that were implemented shortly after its inception. As we continue to evolve, our steadfast dedication to nurturing a strong, positive organisational culture remains a fundamental driver of our long-term strategic goals.

GOVERNANCE

20. Both companies have the same set of Directors which consists of four non-executive directors and two executive directors. Caroline Tapster CBE is the Chair of the Board and was appointed into this role in June 2023. The two executive directors appointed to the Board are the Managing Director and the Finance Director. Care Dorset's senior independent director, vice chair and chair of the remuneration and nomination committee is Nicola Rowland. Chris Brophy and Andrew Billany are non-executive directors.
21. The Board are currently undergoing a governance review. This will be a self-led review to ensure Governance is robust, that the Board is fulfilling its responsibilities, and we are a well led organisation. The review is expected to be concluded by August 2024 and any areas for development will be folded into an action plan.
22. The Managing Director, Chris Best, was appointed permanently into the role in April 2024 following a two-day recruitment process which included family members and people we support as well as the Executive Director for Adults, Health and Housing. Chris was the interim Managing Director from September 2023 and prior to that was the Director of HR and OD. He has been involved with Care Dorset since March 2022 and supported its creation and transfer from the previous provider.
23. Chris is supported by an executive team which consists of Paul Oliver, Finance Director, Allyson Prince, Director of Operations and Quality and Sally Longman as Company Secretary.

STRATEGIC INITIATIVES

24. Care Dorset is also in the final stages of preparing for the opening of St Martins Extra Care scheme in Gillingham. It is anticipated that people will start to move in from the Autumn. Significant work is underway to recruit the colleagues, with plans to provide a good period for orientation.

25. Care Dorset is actively pursuing additional business development opportunities that align with its strategic goals and those of its shareholders.
26. To support this, the organisation has established a Business Development Committee and has appointed a Business Development Partner to oversee business development opportunities. Care Dorset has a clear business opportunity assessment criterion and is beginning to network beyond its geographical boundaries for possible growth avenues. In this context, Care Dorset is particularly interested in exploring investment capital opportunities.

STRATEGIC RISKS

27. Care Dorset consider the following risks to be significant for the organisation.
 - 27.1. Workforce. While Care Dorset performs well in respect of recruitment, it is important that the organisation remains well paced to respond to the candidate market challenges and this includes ensuring it remains competitive with its rates of pay. Another area of focus is retention. Care Dorset invests in the training and development of its workforce including ensuring that new colleagues have a positive induction experience. Further work on recognition is needed to support workforce retention and the organisation's forthcoming people strategy will set out plans to delivery improvements in this area.
 - 27.2. Quality. Care Dorset continues to make improvements in the delivery of quality services, and this remains a key focus for the organisation. Care Dorset maintains a strong relationship with its regulator, the CQC, and Dorset Council's quality monitoring team. The organisation has invested significantly in its own quality team to support this.
 - 27.3. Financial sustainability. Care Dorset is principally funded by a block contract with Dorset Council. This is a cost recovery arrangement which provides limited bandwidth for investment. Care Dorset is looking to explore opportunities for investment.
 - 27.4. Business systems. The organisation inherited numerous business systems, including some from Dorset Council. In an environment of rapidly advancing technology and evolving cyber risks, Care Dorset must have the appropriate architecture to enhance performance with improved data, better reporting, and increased integration. To address these challenges, a systems review has already been commissioned.

COMMUNITY DEVELOPMENT FUND

28. Care Dorset has recently launched its community development fund. This new fund will allow Care Dorset to sponsor community projects with partners either corporately or through individuals. The monies will come from the inherited amenity accounts which transferred from the previous provider, and which have now been consolidated into a single account.

29. Awards will be made by the board of Care Dorset, advised by the Chair's Advisory Group consisting of people we support, families, local people and employees, the chair, senior independent director, the company secretary (added since the board meeting), the managing director and finance director. The Chair's Advisory Group will meet quarterly to make recommendations to the Board.
30. The Community Development Fund offers three grant categories: Little Big Things awards (up to £1,000 for personal projects, especially by Care Dorset colleagues), Better Together Awards (up to £10,000 for local projects breaking down barriers), and Your Way Awards (up to £50,000 for countywide personalised inclusion initiatives).

ENVIRONMENTAL AND SOCIAL MATTERS

31. Care Dorset is actively working on the development of an ESG (Environmental, Social, and Governance) charter. This comprehensive document will encompass several key pillars, each outlining the organisation's firm commitment to addressing environmental sustainability and social responsibility. The charter aims to detail the specific strategies and actions Care Dorset will undertake to meet its ESG goals. It is anticipated that the final version of this significant charter will be made publicly available by the end of 2024.

FIVE YEAR STRATEGY – “YOUR LIFE, YOUR WAY”

32. The Board of Directors met in July 2023 to commence the discussions on the five-year strategy. From this, five areas were identified that the strategy should include. These were: focus on families; developing a professional workforce; reaching beyond our boundaries; focusing on technology enabled care & support; and being person-centred/person focused.
33. The strategy is born from a strong desire to make a significant and positive difference in social care in Dorset as well as having a strong presence in the communities within which it works and to be aligned with Dorset Council's commissioning strategies.
34. The draft strategy is structured around four strategic pillars. These being quality, reputation, effectiveness and growth. The pillars are interdependent and should not be viewed in isolation. Over the course of the lifespan of this document, business strategies and the annual operating plan will charter the delivery of the strategy.
35. The strategy has a series of aims and statements to be delivered by 2029 under each of the four pillars.
36. The strategy will be submitted to the Shareholder later in the year for approval.

OTHER RELEVANT MATTERS

37. Care Dorset recognises that it has not got everything right in the recent past and this has resulted in negative public relations. It is committed to improving its approach going forward.
38. Replacement and repair work on the defective fire doors across the six residential care homes has now been concluded although some snagging is still being completed. Further work is required on fire prevention measures identified following in-depth fire risk assessments undertaken by Dorset Council.
39. Mitigating actions are in place which include additional colleagues deployed on the night shifts to act as fire marshals as well as ensuring all personal evacuation plans are updated and regular fire drills are undertaken. Where necessary, notifications to CQC have been made.

APPENDICES

40. There are no appendices to this report.

BACKGROUND PAPERS

41. There are no background papers included with this report.

June 2024