

Cabinet

28 January 2025

Care Dorset Holdings Ltd Annual Performance Report for the period September 2023 to October 2024

For Review and Consultation

Cabinet Member and Portfolio:

Cllr S Robinson, Adult Social Care

Local Councillor(s): All

Executive Director:

J Price, Executive Director of People - Adults

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Report Status: Public

Brief Summary:

This paper provides a review of the second year of Care Dorset's operation, covering 1 October 2023 to 30 September 2024.

Recommendation:

Cabinet is asked to note the contents of the report and the updates/progress reported therein.

Reason for Recommendation:

Care Dorset is a major delivery partner to Dorset Council for adult social care and support.

Much remains to be done to drive improvements to Care Dorset's operation and to grow the organisation, both in volume and revenue.

This paper describes the work completed over the last 12 months to achieve Care Dorset and Dorset Council's shared ambitions. It will then chart work planned for the coming year.

1. COMPANY OVERVIEW

1.1. Care Dorset's strategic vision is "A world in which people can thrive" and this is supported by the organisation's values of ***We are People-focused, We have Integrity, We are Genuine, We will Develop*** and ***We are a Team***.

1.2. The company operates:

- five residential care homes, with 187 beds;
- three supported living locations, supporting 28 people;
- 30 reablement beds across three locations;
- community reablement, totalling 1,875 hours;
- day services at 13 locations, and
- St Martin's House Extra Care in Gillingham (the most recent service addition), with 55 homes.

1.3. Dorset Council's block contract is the primary source of funding for Care Dorset and accounts for over 80% of all its revenue.

1.4. A number of support services are purchased from Dorset Council including payroll, ICT, accounts payable, occupational health and employee counselling.

1.5. The Dorset Council is Care Dorset's landlord for five residential care homes and 13 day services – the majority of the buildings we occupy. Care Dorset pays rent for these buildings at a total cost of £1.57m per annum.

1.6. Care Dorset employs 795 colleagues (with a full time equivalent of 553.81).

1.7. Care Dorset has an annual turnover of £33m.

2. DORSET COUNCIL EXPECTATIONS

2.1. The Cabinet paper from 8 November 2021 set out a series of measures for the success of Dorset Council's Local Authority Trading Company. These being:

- £3m gross saving by April 2025.
- Access to up to 220 beds.
- Recovery flow capacity for 80 people per week, 75% of people returning to their normal place of residence.

- Comprehensive local network of community opportunities
- Effective relationship between the Council and the Local Authority Trading Company (LATC).

2.2. Care Dorset has now been operating for just over two years, the following progress can be reported against these measures.

2.3. Savings

- Care Dorset delivered the year one savings of £635k within the first six months of its operation and delivered the second-year savings of £675k. It is on track to deliver the balance of these savings.

2.4. Access to up 220 beds

- The number of beds within the block contract and reablement beds innovation agreement totals 234. With the closure of Sidney Gale House, this has reduced the number to 217.
- The Dorset Care Framework work undertaken by Dorset Council and Care Dorset's response is reprofiling the beds across the estate. Care Dorset is seeking to provide more of the category of beds required by Dorset Council in its demand modelling.
- Levels of occupancy within the residential beds have averaged 89% over the last year (excluding Sidney Gale House). This represents a rise of 12.3% from the date of transfer to Care Dorset. Castleman House and Streets Meadow continue to support a higher proportion of people with needs that are considered high; Streets Meadow's focus is on supporting people with advanced dementia.

2.5. Recovery flow

- Bedded Reablement occupancy has averaged 83%, with the average length of stay being just over six weeks. Some 263 people have been supported, with the majority returning home.
- Care Dorset is delivering an average of 3,200 hours of community support per month, and this translates into around 2,500 direct hours of reablement when travel time is removed from the figures along with senior officer time to support with quality assurance and initial assessment. There is work to do to improve overall usage.
- 100% of people remained in their normal place of residence after reablement period.

2.6. Comprehensive local network of community opportunities

- Ongoing work has been undertaken over the course of the last 12 months in working with the communities in which Care Dorset operates. This includes engagement with local Scouts and Brownie groups, fundraising for various charitable organisations and support groups.

2.7. Effective relationship between the Council and the LATC

- Care Dorset continues to benefit from productive and effective relationships with its local authority partners. Care Dorset has met regularly with commissioners to discuss and explore strategic challenges and initiatives.
- Care Dorset also meets quarterly with local authority service support and delivery partners such as Information Technology, Human Resources, and Property.
- There are some ongoing challenges with properties owned by Dorset Council. See section 8 for more detail.

3. **PERFORMANCE AGAINST THE SERVICE CONTRACT**

- 3.1. In the period January to October 2024, Care Dorset estimates it has saved the local authority over £600k based on the difference between the package of care identified for the person upon discharge from hospital and what was required at the end of the reablement period. This equates to a weekly saving of upwards of £12k.
- 3.2. Over the last 12 months, we have continued to over deliver in day services against the specified capacity in the service contract by 50%. In six day service settings, the level of over delivery is in excess of 100% more than the contract.
- 3.3. Care Dorset delivers 1,346 hours of support across the three supported living settings, and this remains in line with the contract.
- 3.4. On average, Care Dorset converts a community reablement referral into a package of support within two days.

4. **BUSINESS GROWTH**

- 4.1. Care Dorset commenced the care provision for the new Extra Care service in Gillingham in late 2024. St Martin's House is a new Extra Care development in the heart of Gillingham in North Dorset. It offers 55 one and two-bedroom

apartments, for people who need some additional support to live independently in their own home.

- 4.2. The organisation also began operating a new transition service for younger adults with learning disabilities and/or autism in Weymouth. The people have been gaining work experience, developing independent living skills, and building new friendships.

5. **FINANCIAL STATEMENT**

- 5.1. Care Dorset's second financial year ended on 30 September 2024. The year-end process has therefore only just commenced. The accounts will be presented to Shareholder in Spring 2025.
- 5.2. The provisional year end result indicates that Care Dorset remains behind budget, with a small operating profit of £79k although profit was forecasted to be £735k. The year result has been impacted by the delay in opening the St Martin's Extra Care service, whilst costs are lower for the same reason, they have not been totally offset due to challenging agency costs, service and property costs. A series of options to improve financial efficiencies are being explored by Care Dorset.
- 5.3. This result is provisional whilst some outstanding recharges are resolved between Dorset Council and Care Dorset in respect of property occupation, including the impact of rent re-valuation, and maintenance charges incurred over the year. These are likely to impact the final outturn and are nearing resolution.
- 5.4. Contract negotiations have progressed well, with volumes of support agreed for each service type and recognition that the inflationary pressures over the last two years will be addressed in the Year 3 contract price. The government's National Insurance increase announcement has required some financial remodelling.
- 5.5. Care Dorset's fiscal year will be aligned with Dorset Council's in April 2026. In achieving this, the current financial year will run from 1 October 2024 to 31 March 2026.

6. **WORKFORCE**

- 6.1. The launch of the new services referenced in section 4 above have led to significant recruitment and onboarding activity. St Martin's alone required the building of a new team of around 25 people.
- 6.2. The ending of care and support at Sidney Gale House in Bridport affected 81 colleagues. Some 10 were successfully redeployed, with the remaining

leaving Care Dorset. A lack of reasonable alternatives close to the area, and the lack of transport options were, for many, decisive factors.

- 6.3. Care Dorset recruited 125 contracted operational colleagues throughout 2024 across all settings. The organisation has always sought to emphasise that a career in care is not for everyone, and this been our ongoing recruitment campaign. Care Dorset invests significantly in recruitment advertising, including the Indeed job board and also adopts CV searching and headhunting methods to attract candidates with the right values and skills. Care Dorset typically receives over 100 applications per month. Care Dorset does not actively recruit candidates from overseas but does have a registration with the Border Agency to enable the organisation to recruit colleagues who require sponsorship.
- 6.4. All colleague turnover is currently 25%. This is consistent with the sector average of 24.8%, and better than the Southwest and Dorset County averages of 26.1% and 36.5% respectively for 2023/2024. Voluntary colleague turnover for the previous rolling 12 months is at 17%.
- 6.5. Tackling absence remains both a priority and challenge. The average absence is approximately 14 days per full time equivalent, a statistic which remained static across the year.
- 6.6. Care Dorset has invested heavily in learning for colleagues and since April 2023 to September 2024 has spent over £430k on a range of training to ensure our colleagues are skilled and confident. A recent review of the learning function has resulted in some changes in the structure for the learning team with the introduction of internal trainers aimed at improving efficiency and enhance effectiveness of training interventions.
- 6.7. Care Dorset has a positive relationship with its three recognised trade unions with regular interaction and discussions.

7. **REGULATION**

- 7.1. The Regulator, Care Quality Commission, has inspected one registered location over the past year but at the time of writing, the report had not been issued.
- 7.2. Care Dorset meets monthly with its liaison inspector in order to be proactive and provide necessary assurance.

8. **PROPERTY MATTERS**

- 8.1. Significant works have been undertaken over the course of the last year to ensure the registered services owned by Dorset Council are fire compliant.

This has involved repairs or replacement of fire doors and improved fire compartmentalisation. Some works remain outstanding which are to be concluded in the early part of 2025.

- 8.2. The Occupation Agreement which sets out the terms of the relationship between Care Dorset and Dorset Council on property-related matters remains outstanding but is being progressed with the support of colleagues in the Adults and Place Directorates.
- 8.3. Care Dorset plans to bring forward an Estates Strategy in the first year of its five-year strategy and will work with Dorset Council partners in respect of this.

9. **RISK MANAGEMENT**

9.1. The adult social care sector in the UK faces risks which have the potential to impact quality of care, financial stability, and regulatory compliance. Care Dorset is no different in this respect.

9.2. The most significant risks for our organisation include:

i. **Regulatory compliance**

- Cause: Complex and frequently changing regulations.
- Effect: Fines, legal action, and damage to reputation if compliance is not maintained.
- Mitigation: Training and support for registered managers, and regular dialogue with the regulator.

ii. **Quality of care**

- Cause: Inadequate training, insufficient staffing, and lack of resources.
- Effect: Poor outcomes for people we support, negative inspections, and loss of trust.
- Mitigation: Investment in learning team and training, regular review of dependency requirements of people we support, continual focus and investment in recruitment.

iii. **Data protection and cybersecurity**

- Cause: Inadequate IT infrastructure, lack of staff training, and increasing cyber threats.
- Effect: Data breaches, loss of sensitive information, and regulatory fines under GDPR.
- Mitigation: Support for ICT purchased from Dorset Council, regular review of training and training compliance, and strong GDPR controls.

iv. **Health and safety**

Cause: Inadequate safety protocols, lack of training, and poor maintenance of facilities.

Effect: Increased risk of accidents, injuries, and potential legal liabilities.

Mitigation: Strong health and safety training, regular health and safety auditing and monitoring of action planning, regular and focused discussions with landlords and development of annual schedule of maintenance.

v. Technological adoption

Cause: Resistance to change, lack of funding, and insufficient training.

Effect: Inefficiencies, inability to leverage new technologies for better care, and falling behind competitors.

Mitigation: Significant feature in strategy for next five years. Development of target operating model (TOM) will also support the mitigation of this risk.

vi. Workforce shortages

Cause: High turnover rates, low wages, and challenging working conditions.

Effect: Reduced quality of care, increased workload for existing colleagues, and potential regulatory non-compliance.

Mitigation: Regular pay benchmarking, regular engagement with workforce, development of clear people strategy.

10. CORPORATE GOVERNANCE

- 10.1. Care Dorset has a Board of Directors which consists of four non-executive directors and two executive directors. The non-executive directors are Caroline Tapster MBE (Chair), Nicola Rowland (Vice Chair and Senior Independent Director), Chris Brophy and Andrew Billany.
- 10.2. Two executive directors are Chris Best (Managing Director) and Paul Oliver (Finance Director).
- 10.3. The Board has been conducting a governance review to ensure the function operates effectively and executes its obligations under the Companies Act. Resulting actions have included improvements to the role profile for the non-executive position, a review of Care Dorset's strategic risk framework (facilitated with support from Gallagher Bassett), and also a learning event facilitated by Care Dorset's lawyers to refresh knowledge of director requirements under the Companies Act.

11. COMMUNICATION / PUBLIC RELATIONS

11.1. Care Dorset's Reablement Team were nominated for Care Team of the Year in the National Care Awards. Unfortunately, the Team didn't win the award but being a finalist is a notable achievement.

11.2. There was media coverage about the closure of Sidney Gale House with the focus being on the replacement build rather than the closure itself.

11.3. There has also been media coverage of:

- Chris Best's appointment to Managing Director.
- A sensory/nostalgia event run by a museum at one of our sites (BBC Radio and TV).
- The positive effect of Reablement on the regional NHS.
- An op-ed by Chris Best in regional and trade media, reflecting on his desire for a better financial settlement for the adult social care sector and higher wages for frontline colleagues.



12. PEOPLE WE SUPPORT HIGHLIGHTS

12.1. In September Ridgeway, a day service in Weymouth, held their own annual festival – "Ridgestock." Local musicians and colleagues played live sets to the crowd, and a neighbouring service came along to join in.

12.2. The people we support, their families and our colleagues held a very unofficial Olympic Games in the summer at The Hayes in Sherborne.

Indoor events were held in the morning and outdoor events – heavy on water pistols – in the afternoon.



12.3. Castleman House in Blandford Forum were joined by two alpacas for the day earlier in the year.

Our activities coordinator at Castleman House said: "The people we support always mention how they enjoy animal visits."

People we support in nearby Blandford Connect also came along.



12.4. After requests for adventure, 35 people we support at The Hayes went on a series of walks adding up to 53.52 miles over the course of April and May.

They raised over £200 for the Alzheimer's Society in the process.



12.5. In June, colleagues at Ridgeway in Weymouth took a group of 12 people they support on holiday to Cornwall.

Some were able to see Tom Jones, Gabrielle and Sophie Ellis-Bextor in an open-air concert.



Manager Toby Alltoft said: “Many of the people we support don’t get to experience holidays at all or, if they do, have never been away without their families. A holiday seemed like a great way to have fun and provide a memorable experience.”

12.6. Listening to the people we support

- Care Dorset is dedicated to involving the people we support, ensuring their voices directly influence their services and practices.
- Three groups meet regularly, fostering a space for ongoing feedback and collaboration. Together, they have reviewed complaints, refined templates and ensured accessible information does its job.
- An important outcome has been co-production of a Quality-of-Life Assessment, to be rolled out during 2025. Lived experience groups offered invaluable feedback, which has influenced the assessment’s design and content.
- A stakeholder survey has been co-produced, exploring the Care Dorset Quality Standards. It was shared with people we support, ensuring it’s both accessible and meaningful. The results of the survey will be known in late Spring 2025.



13. **SUMMARY**

13.1. Care Dorset is delivering on the original ambitions for the LATC as set out in the Cabinet paper dated November 2021. While the closure of Sidney Gale House (SGH) has reduced the overall available beds within the block contract, the decision to rebuild SGH is an important milestone in realising Dorset Council’s ambitions for reablement centres.

13.2. The reablement beds across the three locations continue to play an important role in the health and social care system. Occupancy levels across the reablement beds have averaged 83% and investment has been made in supporting the discharge from hospital process.

- 13.3. Levels of workforce turnover are below sector averages at 25% and voluntary turnover being at 17%. Care Dorset has significantly invested in training and development to ensure that colleagues are skilled, confident and knowledgeable to provide the high-quality care and support.
- 13.4. Care Dorset is delighted to have begun operating St Martin's House in Gillingham. This growth has meant that a whole support team of 25 colleagues has been recruited, inducted and deployed. The feedback already being received from the people we support at St Martin's is very positive.
- 13.5. While there remains work to do in turning around aspects of the business inherited from the previous provider including deep-rooted cultural-related challenges, the investments made in driving these improvements forward are bringing about the required changes.
- 13.6. The new transition service in Weymouth for younger adults with learning disabilities is a positive addition to our provision. Positive outcomes for the people we support are already being delivered.
- 13.7. With the approval of Care Dorset's strategy, work is underway to ensure that it has the necessary organisational capacity to deliver its ambitious plans, and this includes the appointment of a Commercial Director and permanent Finance Director.
- 13.8. Care Dorset remains focused on delivering the ambitions of its commissioners and shareholder and its strategy – "Your Life, Your Way" provides the structure for this.

14. **Background Papers**

There are no background papers.

15. **Report Sign Off**

This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s).