

**Agenda
Item 10**

This report was previously not for publication pursuant to Section 100(B) of the Local Government Act 1972 on the grounds that the meeting was likely not to be open to the public when the item was considered by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended). This restriction has been removed.

Committee:	Cabinet
Meeting Date:	25th May 2010
Lead Councillor/s:	Cllr Colin Noble, Portfolio Holder for Adult and Community Services
Local Councillor/s:	All Councillors
Director:	Anna McCreadie, Acting Director for Adult and Community Services
Assistant Director or Head of Service:	Guenever Pachent, Service Director for Adult and Community Services
Author:	Richard Hunt, Head of Service Development, Culture, Sport and Communities 01473 264626

THE DEVELOPMENT OF THE SUFFOLK CIRCLE

EXCLUSION OF PUBLIC

1. In considering whether to exclude the press and public during consideration of this report on the grounds that it is likely that exempt information under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 will be discussed, the Cabinet needs to be satisfied that:
 - a) the report contains information relating to the financial or business affairs of a particular person including the authority holding that information, and that
 - b) in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
 - c) although the public might benefit from the decision being taken in public in terms of accountability and transparency, there is a risk that disclosing information about the financial or business affairs of a particular person including the authority holding that information may have an impact on future partnerships and negotiations.

WHAT IS THE CABINET BEING ASKED TO DECIDE?

2. To endorse the County Council's support for the development of a Suffolk Circle Community Interest Company.
3. To agree to the business development plan and financial plan reports (appendix A and B) attached to this report. The business development plan requires a total investment of £680,000 from the County Council over three financial years into a strategic partnership agreement with Suffolk Circle Community Interest Company.

WHO WILL BE AFFECTED BY THIS DECISION?

4. The development of a Suffolk Circle will potentially have an impact on families and communities across Suffolk enabling them to retain the social and community networks that keep them active and included in community life into older age. The Circle model targets membership from people aged over 50, supporting them to live the lives they want to lead, to stay on top of practical tasks, to develop and build social networks and enabling members to use their own skills to help other members.
5. The Suffolk Circle business development plan, "Launching Suffolk Circle" (appendix A) proposes the model for Suffolk and a plan for roll out of the service across the county.

WHAT ARE THE KEY ISSUES TO CONSIDER?

6. The development of the Suffolk Circle is in line with the County Council's new strategic direction. The Circle is an innovative model through which a Community interest Company is formed - the Suffolk Circle. The company draws membership from people aged 50 and over who are interested in offering some of their time or skills for the benefit of people in their community and has members who wish to take up such offers of help and the social networking opportunities that the Circle offers.
7. The County Council has supported an organisation called Participle to develop the Suffolk Circle model based on similar work in the London Borough of Southwark. Participle have done in depth interviews with 70 Suffolk people and have spoken with and observed people in Suffolk going about their daily activities and work.
8. The presentation to Cabinet by Participle outlines the areas of need and support identified as unique to Suffolk communities and these form the basis of the Circle business case.
9. The Suffolk Circle business development and financial plans (appendix A and B) illustrate projected efficiencies and preventive savings of £761,000 to the Suffolk system within the first three years of operation and £2.1 million by the end of the fifth year. These savings have been modelled on local research carried out by Participle. The model projects that a Suffolk Circle Community Interest Company will be self sustainable by the end of its third year on the basis of a minimum target of 3,500 Circle members. The County Council's investment of strategic partnership grant is made over the three financial years to support this business model.

10. The local research findings which will be presented to Cabinet have indicated demand to deliver a sustainable Circle within three years and opportunities to further shape the offer specific to different needs in Suffolk's towns and villages.
11. The intention of this approach is to challenge preconceptions behind how older people want to live their lives and to expand the range of possibilities for a fulfilling retirement.

WHAT ARE THE RESOURCE AND RISK IMPLICATIONS?

12. The business model for the Suffolk Circle Community Interest Company illustrates the following grant requirements from Suffolk County Council:
2010/11 - £350,000
2011/12 - £230,000
2012/13 - £100,000
13. The County Council has grant aided Participle to the value of £100,000 in the research and development of this model. This amount is included in the 2010/11 figure quoted above.
14. The County Council's grant agreement with Suffolk Circle would not carry any liabilities. Public, employer and professional liabilities are the responsibility of the Suffolk Circle.
15. As part of the proposed agreement for grant support to the Suffolk Circle, the Portfolio holder for Adult and Community Services and Director for Adult and Community Services will have places on the Community Interest Company Board. This will ensure ongoing dialogue and action to ensure the tracking, evidencing and realisation of efficiency and preventive savings are achieved.

WHAT ARE THE TIMESCALES ASSOCIATED WITH THIS DECISION?

16. June 2010 – Suffolk County Council / Suffolk Circle grant agreement signed;
17. July 2010 – Board and Managing Director in place, business plan finalised by the Board;
18. August 2010 – Suffolk Circle Operations and Marketing team in place;
19. September 2010 - Launch of Suffolk Circle Community Interest Company;

MAIN BODY OF REPORT

Background

20. Suffolk's population is ageing. By 2021 the number of people aged 65 and over will have increased by 49% against 2001 figures. This means that by 2021 a quarter of Suffolk's population will be aged over 65. Within this timeframe it is projected that over 75 year old populations in Suffolk will grow by 54% and over 85 year olds by 90% (source: EERA 2006). There

are two aspects of this demographic movement to consider in relation to this report.

21. First, that ageing represents an opportunity to build upon the enormous contributions that older people make to communities and the economy as workers, volunteers, and unpaid carers. Research findings from Participle report that nationally older people account for £239 billion in consumer spending each year and that older people hold around 80% of the nation's wealth.
22. In contrast an ageing population brings pressures to the funding and delivery of public services. The expectation is that demand for public services will grow and in particular for the care of older people. Resources to meet care needs for an increasing population, dependent for longer and with more complex needs are under pressure within the current system.
23. The County Council has, in line with our new strategic direction to build stronger communities, been in dialogue with Participle, an organisation leading a new approach to the issues of care and ageing. The outcome of this dialogue is the development of the Suffolk Circle, a model to test a new focus and approach to meeting the needs of people and families to live life with purpose as they grow older.
24. Participle, as a social enterprise has a track record of innovating new approaches to public services, with a focus on social innovation. Their work on the issue of ageing has resulted in developing a new approach and service that goes beyond a traditional care offer to older people. The Circle model has been successfully launched in the London Borough of Southwark and is developing in other local authority areas.
25. The core principles of the Circle model aim to prevent the onset of high level care and health solutions and include:
 - Moving from a system focused on “needs” to one concerned with developing and maintaining capabilities
 - Moving from services that are “targeted” to a preventive model “open to all”
 - Relaxing the absolute focus on the “individual” to include a focus on “social networks”
 - Moving from a narrow financial focus to a broader resource base.

What will a Suffolk Circle provide?

26. The detail of the Suffolk Circle service offer is set out in the business development plan (appendix A) but in its simplest form the Circle:
 - I. connects its members (aged from 50 years and upwards) to get everyday things or practical tasks done, through matching up neighbourhood helpers and other members to supply “on-demand” support services (similar to a time bank model);
 - II. creates social networks to build relationships, develop groups and friendships, learn, travel and simply go out;

- III. makes reliable recommendations for more significant services like plumbing, electricians and cleaners;
 - IV. provides expert advice and information on a range of practical issues from personal finance to technology;
27. The key components underpinning the Circle model are that:
- I. the service is designed to meet people's recurring and periodic needs, offering help in regular cycles and on demand to meet fluctuating needs;
 - II. the service makes it easy for people to get help without asking for help;
 - III. it is a membership organisation with built in opportunities for members to connect with other members;
 - IV. there is a focus on informal and local resources that provide small bits of practical help in a neighbourly way;
 - V. the service promotes a "concierge" approach, which means that the Circle is the only place members will have to go for a wide variety of services;
 - VI. the service provides opportunities for members to give as well as get, encouraging contribution and participation from members at the level they chose.

Consultation

28. Over the past few months the County Council has arranged helpful early discussions with the voluntary and community sector and local strategic partnership officers. The voluntary and community sector currently carry out significant activity to support older people in their communities and homes. It will therefore be important for the developing Suffolk Circle to engage and explore opportunities to collaborate with the third sector, and provide complementary not competitive services.
29. Participle have engaged individually with voluntary and community sector organisations as part of their local audit to find solutions that complement existing services. In recent months it has been working with a range of groups and individuals across communities in Suffolk to better understand issues and needs of older people and communities specifically in Suffolk.

The Suffolk Circle Business Case

30. The Suffolk Circle will be a legally structured Community Interest Company, supported initially by the County Council through the strategic partnership grant process. Suffolk County Council's financial contribution will total £680k over the next three financial years. Included in this figure the County Council has already supported the research stages of the development through £100,000 of grant support.
31. The grant funding represents initial seed investment supporting Circle management and recruitment costs, technology and marketing. The business plan and grant agreement commit the Suffolk Circle to become self sustaining by September 2013. Any surplus that the Community Interest Company achieves operationally before or after this period must be

reinvested into the Suffolk communities that the Suffolk Circle is serving, under the grant agreement.

32. The business development plan, building on the learning from consultations and local focus groups, proposes a three phase expansion with the objective of full coverage across Suffolk within 5 years. The local audit process carried out by Participle has demonstrated that the core Circle offer will fit well within Suffolk's towns and villages.
33. The Suffolk Circle proposition projects a take up of membership during the first three years of 3,500. This represents just 2% of people aged 60 and above and this membership level represents a sustainable social enterprise. The proposed three phase approach set out in appendix A would be finalised and agreed by the Suffolk Circle Board in July 2010.
34. Appendix B presents both the set up and operational costs of the Suffolk Circle, and efficiency and preventative cost savings calculated on the forecast of 3,500 Circle members in year three and the number of Circle activities taken up or contributed by each member. The cost savings and preventive efficiencies across the whole system supporting older people reach £761,000 by year 3 and grow to £2.1 million by the end of year 5.
35. Membership fees for the Circle model generally have ranged between £30 per quarter and £75 per quarter. These figures have been used to support the business model. However, the Suffolk Circle Board will finalise the pricing strategy initially in July, and this will need to be both flexible and connected to the local market.
36. The projected cost savings and efficiencies (appendix B) project a total cost savings to the Suffolk system of £761,608 within the first three years of operation and £2.1 million by year 5. The accumulation of efficiency savings and preventative savings grows more rapidly as the membership network expands.

Launching Suffolk Circle

37. "Launching Suffolk Circle" (appendix A) outlines the next steps for implementing a Suffolk Circle if endorsed by Cabinet. The key stages that will lead to a Circle launch in September 2010 include:
 - I. Strategic partnership grant agreement between Suffolk County Council and Suffolk Circle- sign off;
 - II. Partner development: Ongoing analysis and development of the potential collaborations with existing services;
 - III. Technologies: Building and connecting with existing initiatives and technologies that will enhance the Suffolk Circle, for example Info Link and Customer First;
 - IV. Recruitment: Suffolk Circle will be recruiting for a Managing Director, followed by a Head of Operations and Head of Member Services;
 - V. Operational Set-up: This will include the Company set-up – Suffolk Circle will be set up at Companies House as a Community Interest Company (CIC). In addition, licensing agreements will be put in place with Circle HQ;

- VI. Governance arrangements: for accountability and support for the Suffolk Circle;
- VII. Marketing: All marketing material and a marketing strategy will be ready for launch of Suffolk Circle.

SOURCES OF FURTHER INFORMATION

- a) http://www.participle.net/about/our_mission/

Participle is a social enterprise, launched in 2007 with a focus on designing and developing large scale projects that demonstrate the next generation of public services.

- b) <http://www.southwarkcircle.org.uk>

Southwark Circle was the first 'Circle' to be piloted and launched in 2009. It has grown ahead of membership targets during its first year and drawn national and regional interest for its unique service offering and transformative community engagement model.

