



Submission to inform the preparation of the National Policy on Social Enterprise. May 2019

Introduction

The mission of Sage Advocacy is “to promote, protect and defend the rights and dignity of vulnerable adults, older people and healthcare patients”. The right to have your voice heard and to participate in making decisions which affect you is a fundamental principle in a democratic society. It is a principle simply stated as "Nothing about you /without you".

Sage Advocacy welcomes the National Social Enterprise Policy which is timely and necessary in order to stimulate and develop the potential of local communities to deliver better quality services and optimise the use of available resources. Sage Advocacy believes strongly that social enterprise has considerable underdeveloped potential in the delivery of care and support services to older people in an innovative and people-centred manner which uses resources efficiently and provides excellent value for money.

The guiding principle of all social enterprise developments is (or should be) a constant concern with the quality of peoples’ experiences and the impact of the social investment made from public and community funds. In this regard, there should be a strong policy focus on ensuring that social enterprises are not at a disadvantage in competitive tendering and that full cognisance is given to social goals and social outcomes in addition to specific outputs and costs.

The case for a social enterprise approach to meeting support and care needs of older people.

Given the projections indicating an ageing Ireland and a slowly growing awareness that staff shortages in the health and social care sectors are likely to act as a brake on economic as well as social development, it is the contention of Sage Advocacy that there is now an urgent need to actively encourage the development of a ‘mixed economy’ in the social care sphere to address the dangerously high levels of private control over service delivery that have been allowed to emerge. Central to the development of this ‘mixed economy’ of care must be the strategic development of social enterprise based on a clear commitment to ensure that at least 33% of provision occurs through social enterprise by 2030.

Many people face challenges to their independence due to physical illness or frailty, intellectual, physical or sensory disability, mental health difficulties, lack of family and community supports or an inability to access public services that meet their needs. Some also feel disregarded or let down by healthcare services while some are harmed through

adverse events or medical negligence. In circumstances where people may be vulnerable, or have to depend on others, there is a need to ensure that their rights, freedoms and dignity and will and preferences are promoted and protected.

In 2018 Sage Advocacy had over 7,000 contacts of which over 3,000 related to Information & support and over 1,000 related to advocacy. Two-thirds of advocacy cases were rated 'amber' or 'red' in terms of complexity and level of severity. Clients were based in a variety of settings including home (40%) nursing home (32%) and hospital (21%). A key trend in client data since the establishment of the service in 2014 has been the emergence of 'transitional issues' as the dominant domain; this would relate to problems with vulnerable people moving from one care setting / service to another – usually from a hospital or nursing home back to home or trying, with difficulty, to stay at home in the face of inadequate and inflexible support and care options.

It is the experience of Sage Advocacy that the lack of flexibility and innovation in the social care sector is one of the key reasons why older people are often inappropriately placed in congregated care settings such as hospitals and nursing homes thus driving costs in the acute side of health and social care systems. Since almost all older persons want to live longer in their own homes and since traditional support networks have been weakened, there is a clear need for other support structures which can be delivered through social enterprise.

Current systems of social care are strongly biased towards the statutory Nursing Home Support Scheme, which is means tested, and a non-statutory system of home care, which is not generally means tested. Nursing home care is currently regulated whereas home care provision is not despite legislation for this purpose having been drafted by the Law Reform Commission in 2011. .

The development of home care has seen many voluntary organisation providers pushed out of 'the market' because of their inability to adapt to the commissioning approach of the HSE. This has effectively resulted in diseconomies of scale as 'choice' of providers has not been matched by a choice of models and individual companies send staff to the same area to provide limited hours of support and care to individuals regardless of the wider needs or circumstances of other older people in the area.

A social enterprise approach to delivering community-based services to older persons can build on four principles that are widely recognised as constituting quality in public service delivery:

- 1) Individualisation of support and care according to individual needs and preferences
- 2) Integrated networks of support and care in defined geographical areas
- 3) Innovation with regard to the nature and methods of service delivery
- 4) Ensuring accountability in the best use of resources and in delivering the best possible outcomes for citizens

One of the vehicles for bringing about public sector reform is the ‘purchaser/provider split’. This is one of the enabling conditions for social enterprises where they can demonstrate innovative and cost-effective ways of providing services. A substantial opportunity exists to contribute to providing services for older people, within the existing budgetary framework and through more innovative configurations of services at local level. If the total amount of money available for different kinds of care for older people, within a distinct geographical area, was available for tendering by social enterprises, this would create a significantly different dynamic and would provide a stimulus for innovation and more effective use of resources.

A social enterprise model of integrated service delivery to older persons

In January 2014 a significant report was prepared for the then Fourth Age Trust funded by a range of Area-Based Partnerships, Respond, the Irish Hospice Foundation and Third Age (*Individual Needs - Collective Responses - The Potential of Social Enterprise to Provide Supports & Services for Older People: Assessment of National Business Case*)¹. The report was informed by advanced data analysis using TILDA data.² It suggested a way forward which would focus on overall quality of life and relationships, and on the things necessary to maintain and enhance them.

It suggests a shift from a mindset of ‘command and control’ to one of ‘consult and enable’ and, most importantly, it suggests that social enterprise – business with a social purpose – can be used to protect and enhance the added value of community participation and civic innovation in the context of increased outsourcing of health and social care and the development of public service ‘markets’ (p.v).

The report provides an indicative list of areas where a social enterprise approach could be effective.

At an individual level, people need their homes adapted and their gardens maintained. They need to have transport for shopping, socialising, and medical appointments easily available. Home helps need to be responsive to the broad range of peoples’ needs rather than the narrow rules of commissioners. It is almost certain that group purchase schemes organised under a social enterprise approach would enhance buying power for services such as respite care breaks, home heating, communications and technology.

At a more structural level, employment services need to be developed to enable people hire their own carer without the worries of being an employer. ‘Circles of care’ are needed to support people in the transition from hospital to home and from nursing homes into hospitals. There is potential to transform some old ‘county homes’ into high support

¹ The report authors were Dr Kieran McKeown, Social & Economic Research Consultant with Jonathan Pratschke, University of Salerno and the late Trutz Haase, also a social & economic consultant. The report can be accessed at www.sageadvocacy.ie

² Direct and indirect influences of socio-economic position on the wellbeing of older adults: a Structural Equation Model using data from the first wave of the Irish Longitudinal Study on Ageing Jonathan Pratschke, Trutz Haase and Kieran McKeown, *Ageing and Society* / FirstView Article / June 2016, pp 1 - 28
DOI: 10.1017/S0144686X1600060X, Published online: 20 June 2016
Link to this article: http://journals.cambridge.org/abstract_S0144686X1600060X

villages. Some nursing homes need support to make the move from purely residential facilities into sub-acute hospitals and hospices.

Clearly, a social enterprise approach has the potential to deliver in all of the areas and there is already clear evidence of this in the work and contribution of various voluntary and community organisations.

Funding social enterprise

A key part of the Government's public procurement agenda involves encouraging a spectrum of private businesses, social enterprises and voluntary/community organisations to participate in competitive tendering for public contracts. The scale of funding available for public tender in Ireland is substantial. As suggested above, a social enterprise approach can deliver service contracts to older persons requiring care and support in a meaningful and value for money manner. However, social enterprises may not always be in a position to submit competitive tenders, particularly where social outcomes are not regarded as central to the tender assessment process.

The challenge for new social enterprises, as for any new business, is to find start-up capital in order to build the business to the point where it has the capacity to successfully tender for public service contracts. While loan and equity capital may be available to fund the start-up phase, this would reduce the capacity of the social enterprise to tender for services. The option of borrowing start-up capital for social enterprises is unlikely to be commercially attractive, because purchasers of public services will seek tenders at competitive prices which are unlikely to cover the cost of servicing providers' debts. This is a central issue which need to be addressed in the National Social Enterprise Policy

National dimension

While the local dimension to social enterprise is hugely important, there would be much merit in having a national organisation which would facilitate and support the development of local trusts. The Fourth Age Trust Report highlighted this point:

The preferred structure for the proposed social enterprise involves a national organisation which will facilitate the development of local trusts, but will carry the overhead costs associated with, for example, preparing business plans, tenders and funding applications; developing quality assurance procedures; staff training and development; payroll; publicity and advocacy. This structure is preferred because the home care sector in Ireland (as elsewhere) is increasingly characterised by larger private and voluntary providers, which have considerable economies of scale and can therefore compete on cost as well as quality. (p.75).

Delivering on a social enterprise approach to integrated community-based services

The results of the data analysis carried out for Fourth Age Trust and an outline of how social enterprise could be used to address the challenges of an ageing society were presented to a meeting of the National Economic and Social Council in November 2013. It is significant that despite the considerable interest of the then Minister for Older People, Kathleen Lynch, and the then Secretary-General of the Department of Health, as well as the detailing of a legal

framework for a social enterprise approach, it was not possible to progress from the business case to the development of a business plan. While the data from the 2014 report would require updating, the core analysis and the business case for using social enterprise to develop supports and care for older people still stands and awaits a decision maker.

Sage Advocacy hopes that that a new impetus for social enterprise development, together with an adequate support infrastructure for the sector, will be triggered by the implementation of the National Policy on Social Enterprise and that its obvious benefits in delivering services to older people across a broad continuum of support and care will gain new traction.

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