

Classification: Open	Decision Type: Key
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Report to:	Cabinet	Date: 13 March 2024
Subject:	Proposed Review of the Persona Shareholder Agreement	
Report of	Cabinet Member for Health and Wellbeing	

Summary

1. Persona Group Ltd (Persona) is a not-for-profit Local Authority Trading Company (LATCO) wholly owned by the Council set up to deliver a wide range of care and support services for older adults and people with learning disabilities. Its current contract with the Council was signed in April 2021 and has a ten-year term until 31st March 2031.
2. It provides supported living accommodation based services to people living with learning disabilities as well as shared lives, respite and day support.
3. For older adults it provides day care, respite and intermediate care.
4. It is rated Good by the CQC, is financially stable and has good employee relations, it is a real living wage provider and most recently acquired the Good Employment Charter. It has proved itself to be well led and successful.
5. Set up with its own Board of Directors it operates with the Council as its sole shareholder. A Shareholder Agreement entered into in 2015 is currently in place which governs the relationship between the two bodies.
6. Whilst the Shareholder Agreement entrusts the day to day running of the company to the Board of Persona it still requires many elements to be referred back to Committees of the Council for a decision. This relates in particular to decisions regarding growth, service expansion and change.
7. In recognition of the success of Persona, its proven ability to deliver high quality services and its smooth-running working operation, it is felt that now is the appropriate time to review the Shareholder agreement. This is with a view to explore if it can be adapted to deliver greater flexibility to Persona and its Board whilst not affecting the necessary control powers the Council retains.
8. This will ensure the company's ability to grow as well as adapt its care models more rapidly in response to its users preferences enabling more highly person centred care, ensuring its sustained position as a high quality care provider of choice

Recommendation(s)

9. The Cabinet Member for Health and Adult Care requests authorisation from Cabinet to review the Persona Shareholder Agreement and report back with recommendations at a later date.

Reasons for recommendation(s)

10. To explore the potential for providing Persona with greater flexibility in decision making to facilitate growth in high quality service delivery by a local company which provides giving a strengths-based approach to care and support of older residents and those living with learning disabilities.

Alternative options considered and rejected

11. Do nothing – Persona will be unable to respond fully to the department of health and adult care commissioning intentions and potentially miss out on growth opportunities.

Background

12. As a LATCO Persona working with the Council has benefitted from use of the *Teckal* exemption, now referred to as a vertical arrangement under the Procurement Act 2023. It permits organisations wholly owned or controlled by a public body to avoid the requirement to carry out competitive procurement. This should make the company more responsive and able to align service development and delivery to the strategic and operational commissioning requirements of the adult social care department. This greater opportunity for co-operation between the Council and the company should enable both to thrive.
13. During recent commissioning and service development programmes carried out by the Health and Adult Care Department despite increased cooperation between the Council and Persona and the availability of the *Teckal* exemption Persona has been unable to respond with the agility required to meet the commissioning requirements of the Health and Adult Care department.
14. In 2023 the Cabinet agreed an ambitious housing strategy for people with care and support needs. This has seen many new housing developments totalling over £2.5m bought into the borough already and much needed care provision developed within these new housing schemes, all at no additional cost to the council. Despite the Council being able to use a *Teckal* exemption for procuring services from Persona, our borough's largest provider of learning disability services, Persona has not been able to benefit from the opportunity to deliver some of these services and as such has missed out on growth.
15. An analysis of the reasons why has found that some elements of the decisions required to grow the Company required referral back to council committees and

this delayed the development of the services. In a number of instances independent providers progressed offers at greater pace and were able to respond in a timelier fashion to the commissioning needs of the Health and Adult Care department.

16. In addition, it is also common for care providers to develop their own housing and care schemes and offer these to the Council, again this is something that Persona is currently unable to do.
17. Work has started to explore how the company could cooperate more greatly with the health and care department in service development. This has identified that changes to the shareholder agreement need to be explored to make this happen. It is important to enable the company to be responsive and nimble whilst at the same time ensuring the parameters of utilising the *Teckal* exemption are not exceeded.
18. This is a complex piece of work and will require support from Persona, the health and adult care department and the Council's legal team that may result in review of the governance of Persona, how they decide what activity they currently do and what they might do in the future.

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Links with the Corporate Priorities:

19. Local – persona is a local company, supporting local people with care and support needs and employing local people in good quality jobs
 20. Enterprising – delivery of a refreshed shareholder agreement will ensure Persona is able to maximise its potential.
 21. Together - the Persona Shareholder Agreement review will be a joint participative exercise between Persona and the Council.
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Equality Impact and Considerations:

22. Not applicable at this stage
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Environmental Impact and Considerations:

23. Not applicable at this stage

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation

Legal Implications:

It is clearly desirable to review the 2015 Shareholder Agreement to ascertain if it is fit for purpose and is sufficiently flexible to meet the needs of stakeholders going forward. However, Cabinet in agreeing any changes in due course will need to be satisfied that appropriate controls remain in place enabling the Council to deal with any future problems which might arise.

Financial Implications:

The recommendation is to review the shareholder agreement, therefore there will be no financial implications.

Appendices:

None.

Background papers:

None.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
LATCO	Local Authority Trading Company