

Background to the SEQOL Contract

- 1.1 Swindon Borough Council and Swindon Primary Care Trust commissioned SEQOL as an employee owned social enterprise in 2011 as part of the NHS reorganisation programme 'Transforming Community Services'.
- 1.2 An options appraisal was approved by Cabinet in October 2010 (Cabinet Minute 47, 2010/11 refers), which set out the benefits of the social enterprise as:
 - 1.2.1 That the integrated model of service delivery continues and is positioned to support the unprecedented transfer of care and treatment from the hospital to the community setting thus reducing the spend on acute care.
 - 1.2.2 Employee owned and therefore able to reinvest profits into front line services, drive innovation and change in the development of services in health and social care, lower turnover and higher staff satisfaction.
 - 1.2.3 Potential access to different funding mechanisms and sourcing that is not available to statutory organisations and ability to reinvest profit.
 - 1.2.4 Ability to support the future operating model and, deliver on the projected savings and quality improvements.
- 1.3 "Locally, a social enterprise is the best innovative option that gives maximum flexibility to deliver efficiencies resulting in further improved services to meet growing demand within budget. Consistent with national policy it fully supports delivery of the operating model, it has the highest savings potential and it starts to open the market..."
- 1.4 Cabinet did consider alternative options of providing integrated health and social care services as a local authority and vertical integration with Great Western Hospital.
- 1.5 The option of Swindon Borough Council as the provider was discarded because as a provider Swindon Borough Council, would also have greater pension liabilities, particularly for NHS staff and less focus as a corporate organisation on provider development and innovation.
- 1.6 At the time vertical integration with Great Western Hospital was recognised as having potential to deliver whole system pathways and optimise urgent care service. In addition, the Great Western Hospital had the potential to shift resources from acute to community to prevent readmissions within 30 days of discharge and reduce financial penalties on acute provider, greater level of income could enable significant economies of scale and smooth transfer for health staff.
- 1.7 The option was discarded on the basis that, at the time, the weaknesses were felt to outweigh the benefits with the risk of production of a monopoly provider. It was felt that this could reduce choice and contestability within the local

health economy and risk community services not getting appropriate focus against urgent acute priorities. At the time, there was no apparent focus or expertise within the acute trust that would secure on-going improvements in the service and being part of a wider organisation there may be a struggle to ensure focus on provider development and revenue generation. In addition, it was perceived that there could be a likely future requirement for all NHS trusts to become Foundation Trusts and subsequently become Social Enterprises, thereby merely delaying a Social Enterprise option.