COMMUNITY MICRO-ENTERPRISE

AS A DRIVER OF LOCAL ECONOMIC DEVELOPMENT IN SOCIAL CARE

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EXECUTIVE SUMMARY

Social care is undervalued. Many of the problems affecting services – including 'factory production line' care, poverty wages and poor working conditions, and the extraction of wealth by private-equity backed chain companies – can be traced back to a lack of recognition. Yet care is, fundamentally, a major economic sector, employing 1.5 million workers in England alone, with a mission to help people to lead the life they want, regardless of age or disability. As such, it has enormous potential to be a driver of inclusive economic development, both locally and nationally.

This report explores the benefits to local economies of one particular approach to care. Championed by social enterprise Community Catalysts, community micro-enterprises are small social businesses that provide care and support in diverse ways. In places like Somerset, where they have been promoted by the local authority, they have proliferated – with numbers jumping from around 50 to more than 450 over five years. A 2017 evaluation showed that the 223 micro-enterprises then up and running were delivering £938,607 in annual savings, while doing a better job of achieving outcomes than traditional home care agencies.

We find that micro-enterprises are:

- **spreading a form of entrepreneurship that is accessible to and benefits a wide range of people**, above all, older women looking for rewarding, flexible work

- **creating roles that offer more autonomy and control than a typical care job** (61% of the micro-entrepreneurs we surveyed feel less stressed and anxious since setting up their micro-enterprise)

- **supporting recruitment and, above all, retention in social care** (35% of the micro-entrepreneurs we surveyed would be unlikely to be working in social care if they had not set up a micro-enterprise)

- **enabling more personalised care**, by devolving decision making to people needing, and those providing, support

- **building social connectedness**, by helping people to participate in their communities and to develop and maintain relationships with others

- **growing resilience, creativity and diversity** in the social care sector, and in local economies more widely

As market shapers, local authorities have a crucial role to play in setting a direction for social care and in strengthening local economies. To promote models like micro-enterprise, we recommend that they:

1. **Break through silos within councils** and collaborate on the development of an innovative local economic strategy for social care

2. **Set and resource a strategic objective for transformative care models** that can support a shift from a 'time and task' approach to more relational practice

3. **Involve people needing support and their families in redirecting investment to where it is most needed**, thinking creatively about wellbeing, social care provision and community infrastructure

4. **Support the development of innovative care models by investing in specialist expertise** and working with organisations that help people to set up sustainable enterprises.

5. **Place a higher priority on collaboration within commissioning**, recognising that this can encourage more personalised care, build provider and sector resilience, and deliver better value for money.

INTRODUCTION

Adult social care is a long way from achieving its mission to support people to lead the life they want, regardless of age or disability. As a sector, it has deep structural problems. In many cases, care resembles a 'factory production line' – a series of tasks focused on the basics of survival, like getting washed, dressed and fed.[1] Tasks are delivered by care workers who have little autonomy in their roles, and do not receive a decent wage or, increasingly, job security.[2] A recent UNISON survey found that the majority of home care workers do not feel they have enough time to provide dignified care.[3] These issues are perpetuated by short-termist, cost-driven and competitive tendering,[4] which is also contributing to a trend of chain companies with debt-laden business models taking on an increased role in the provision of care.[5]

Local authorities have a crucial role to play in redirecting social care towards the goals of helping people to retain control over their lives, to connect with the things that are important to them and to participate in their communities.[6] Social care is an essential public service. It is also a major sector of the economy that employs 1.5 million people in England alone.[7] The sector is rooted in the everyday lives of millions of people, including those needing care, their families and care workers. As such, it has the potential to be a driver of creative new approaches to inclusive economic development. There is a growing understanding among local policy makers that the objective of meeting care needs is connected to a wide range of economic objectives, such as building local wealth, raising job quality, reducing unemployment, improving health and wellbeing, and supporting more connected, resourceful and powerful communities. But even the most persuasive set of economic arguments for a different approach to social care must compete with the reality of severe underfunding. A decade of austerity has left local authorities at breaking point.[8] Change is vital, but it requires leadership and resource.

This report is focused on one particular approach to social care, which is **community micro-enterprise**. These are small social businesses that provide care and support in diverse ways. Their champion is the social enterprise Community Catalysts, which has supported the development of almost 5,000 micro-enterprises across the UK over the past ten years. The quality of their care and support has already been evidenced,[9] and this research is focused instead on understanding the wider benefits that micro-enterprises bring to local economies. It is intended to be of interest to economic policy makers as much as social care commissioners – illustrating through the example of micro-enterprise how social care can be a way to develop and strengthen local economies, starting with the reality of local conditions and building up.
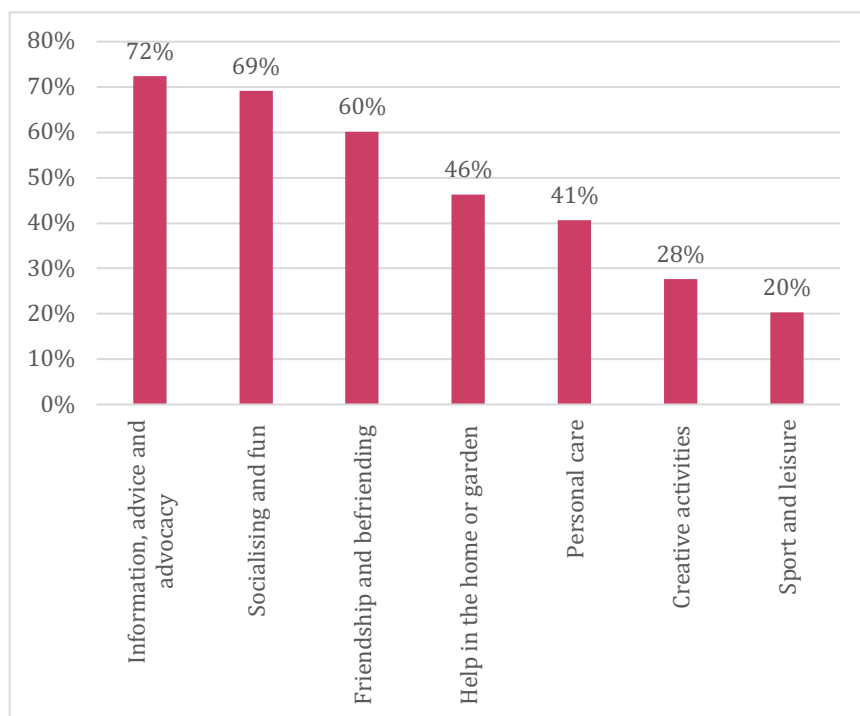
ABOUT COMMUNITY MICRO-ENTERPRISE

WHAT ARE COMMUNITY MICRO-ENTERPRISES?

Community micro-enterprises are very small organisations set up by people looking to provide care and support. Some are run by one person, working on their own, while others employ a small number of staff, generally up to five. The micro-entrepreneurs we surveyed tend to work part time and sometimes have an additional job.

Micro-enterprises are social businesses. Micro-entrepreneurs generally aim to make enough out of their venture only to pay the wages of those involved.[10] Not all choose to earn an income – of those we surveyed, one in five are volunteers. One in three work with volunteers.[11]

Micro-enterprises provide diverse care and support activities. Examples range from home care and home help, to peer support groups, art classes and dance companies. They often work with multiple groups of people, including older people, physically disabled people, learning disabled people, people experiencing mental ill health, and carers. The majority describe their offer as 'socialising and fun', including a number of those that also provide very practical assistance, such as help in the home or garden, or personal care.

Figure 1: Types of care and support provided by micro-enterprises

Source: Analysis of micro-entrepreneur survey data (see methodology section for more details)

HOW DO COMMUNITY MICRO-ENTERPRISES DEVELOP?

Many community micro-enterprises are set up with help from Community Catalysts. Founded in 2010, Community Catalysts is a social enterprise with a mission to ensure that people can access support in ways, times and places that suit them.

The organisation works in a locally embedded way. They employ a single coordinator or 'Catalyst' to help local residents turn their ideas for care into micro-enterprises. Their support is guided by an advice framework in line with the fundamental standards of the Care Quality Commission (CQC) and Community Catalysts' own 'doing it right' standards, designed to ensure that micro-enterprises are viable, sustainable and provide safe, high-quality, person-centred services.

At the same time, they partner with the local authority and support them to understand and create the culture and systems change needed to enable micro-enterprises to flourish. This often involves helping councils to shift away from paternalistic, risk averse and bureaucratic care management models, and to encourage their staff and partners to engage more relationally with residents, while also connecting them with diverse sources of support, including from micro-enterprises.

Case study: Micro-enterprise in Somerset

Somerset is a rural county in South West England. Half the population live in rural areas, compared to one in five across England.[12] Like many rural economies, it is reliant on small businesses. There is a higher level of self-employment in Somerset than the rest of the UK (18% compared to 15%) and that level is above any point in the past 40 years.[13]

As a county, Somerset has one of the fastest ageing populations in the UK. The projected increase in the 65 and over age group is more than four times the expected rate for the population as a whole.[14] Adult social care already creates 19,000 jobs in the area and that number is set to grow steadily over the coming years, making it an even more important sector.[15]

For adult social care commissioners, the imperative, as in many rural counties, is to improve access to home care in remote areas. One of the main reasons the local council approached Community Catalysts is that they recognised that there are people across Somerset who want to participate in providing care and support, but are not looking for a role in a traditional domiciliary care agency. For the council, helping them set up micro-enterprises was part of a wider strategy to shift towards early intervention. Their

original aim was to support the development of 50 micro-enterprises, but they underestimated how responsive local residents would be and they now have more than 450 micro-enterprises operating in Somerset. These are predominantly sole traders, providing home care and home help.

> *We didn't anticipate it being the success it has. It's far exceeded our ambitions. We needed micro-providers in the remote parts of the county. But micro-providers have expanded beyond those areas, and are now county-wide.*
>
> *Stephen Chandler, Former Director of Adult Social Services, Somerset County Council*

A risk of an approach based on dispersed, sole trader businesses is that the work is precarious, the income is unpredictable and the conditions are isolating. In Somerset the micro-entrepreneurs have mitigated against this risk by working collaboratively. With the help of the local Catalyst, who has now been taken on by the council, they have formed a self-organising network. This comprises various different local groups that communicate via WhatsApp and meet once a month to support each other, share good practice, and introduce each other to people looking for care and support. In one area, South Petherton, the group went on to make the decision to set up as a care co-operative. As a network, the micro-enterprises are also connected into a wider infrastructure of community support, in particular the council's village agents programme, which employs people to serve a cluster of parishes and act as first point of contact for local residents who need information and support. The village agents have become an important source of referrals for the micro-enterprises.

A 2017 evaluation of micro-enterprise in Somerset showed that it is an effective and cost-effective way to provide social care. The 223 micro-enterprises up and running were delivering £938,607 in annual savings, while doing a better job of achieving outcomes than traditional home care agencies.[16]

Case study: Micro-enterprise in Thurrock

Thurrock is a unitary authority in Essex, described by the local council as the largest regeneration area in the UK.[17] Because of its proximity to the capital, Thurrock is home to increasing numbers of east Londoners, driven out of the city by unaffordable housing costs. Many commute to London for work, but others find local jobs in sectors like ports, logistics and retail.

The council's work with Community Catalysts is part of a wider effort to take a community development approach to adult social care, and shift the sector towards doing things 'with', rather than 'to', local residents. Once Thurrock had reached what

the council perceived to be a 'critical mass' of between 30 and 40 micro-enterprises, they began to see a steady stream of enquiries coming through to their local Catalyst every month, around half of which result in the setting up of new micro-enterprises. There are now more than 100 micro-enterprises in Thurrock, ranging from home care and home help services, to various different support groups, leisure activities and social clubs.

As in Somerset, the council's support has been crucial. Micro-enterprise is one element of a 'whole system transformation' in Thurrock which has seen changes to social work practice and social care provision.[18] Social workers are now using an appreciative enquiry approach: a model of assessment which aims to build trusting relationships and move conversations away from what's wrong with people and towards what their strengths are. This means that they and the local area coordinators, whose role is similar to that of Somerset's village agents, are not only helping people to access care and support through micro-enterprises, but they are also supporting some of those people to explore whether they might start a micro-enterprise themselves.

> *We've pushed further and faster than we originally thought we would with this place-based and strengths-based model. What's happened, as a consequence of things like our work with Community Catalysts, is that we've gained more evidence for this approach and been able to articulate this transformation more profoundly – being embedded in communities and changing the nature of the relationship between the statutory sector, the third sector and citizens, from a social justice perspective.*
>
> *Les Billingham, Assistant Director for Adult Social Care and Community Development, Thurrock Council*

METHODOLOGY

The research sought to answer the question:

What benefits does community micro-enterprise bring to local economies?

To do so, it considered three sub-questions:-

1. **Why do people choose to become micro-entrepreneurs, and how do they experience micro-enterprise as a form of work?**

2. **What approaches do micro-enterprises take to providing care and support, and what social and economic value do those approaches create?**

3. **What role do micro-enterprises play in social infrastructure?**

The research used a mixed methods approach, involving the collection, analysis and integration of qualitative and quantitative data.

Data collection began with interviews in Somerset and Thurrock. The two areas were selected as case studies because they allow a comparison between a rural and an urban economy, each with relatively large numbers of micro-enterprises.

Interviews were conducted with senior adult social care commissioners and the coordinators – or 'Catalysts' – whose role it is to work with local residents and help them set up micro-enterprises. The questions were open-ended, exploring why the local council had decided to work with Community Catalysts, what their experience of supporting the development of micro-enterprise had been like since then, and what difference micro-enterprise was making in the area.

Interviews were also conducted with micro-entrepreneurs. A sample of 16 micro-enterprises (11 in Somerset and five in Thurrock) was selected by Catalysts, using a purposive approach to capture variety in terms of size and the range of care and support activities on offer. Across those micro-enterprises, 16 micro-entrepreneurs, one micro-enterprise staff member and two micro-enterprise volunteers were interviewed. Again, the questions were open-ended, looking at the micro-enterprise itself and what it does, reasons for running it, working for it or volunteering for it, and any changes to local people or organisations to which it was perceived to have contributed.

The interview findings informed the design of a survey for micro-entrepreneurs, which was predominantly made up of closed questions about them, their micro-enterprise, and their experience of micro-enterprise as a form of work. The survey was sent to all 750 micro-entrepreneurs in Community Catalysts' network and was completed by a total of 123, representing a response rate of 16%. We think that respondents are more likely to

be engaged with current Community Catalysts programmes than a typical micro-entrepreneur in Community Catalysts' network, which means that the survey results may disproportionately reflect the experiences of younger micro-enterprises.

FINDINGS

COMMUNITY MICRO-ENTERPRISE AS A FORM OF WORK

Running a community micro-enterprise can be hard. It requires people to take on more risk than they would in a typical care job. Above all, those working on their own and earning a living from their micro-enterprise need to be able to weather ups and downs in income, as the number of people they support is likely to fluctuate, at least in the short term.

Nonetheless, many people are choosing to set up micro-enterprises, particularly older women with experience of providing care and support. Most micro-entrepreneurs we surveyed (70%) have previously worked in social care. As in the wider sector, they are predominantly women (83%) but they are older than their counterparts – nearly two thirds (64%) are over the age of 50,[Error! Bookmark not defined.] while only a quarter of the adult social care workforce (24%) are over the age of 55.[Error! Bookmark not defined.]

Their choice to do so is the result of push, as well as pull, factors. The transition away from other jobs in social care brings two important advantages. The first is autonomy. Micro-entrepreneurs with a history of working for home care agencies expressed anger and frustration about a culture of 'whistle-stop care', which forces care workers to rush from visit to visit, making it hard to support people to a high standard.

> *I worked for an agency for 21 years. It started off good but, as the years went on, with the cut backs and cut backs the care was not care anymore. The personal touch went out of it and it just got… You were dashing in, not really providing the sort of care that people deserve. So I thought enough is enough, I'm going out on my own. I think there was about ten of us who left at the same time, thinking we can't do this anymore, because it's not care, it's just cramming everything in one after the other, and nobody was getting what they wanted. You would be packed from, say, two o'clock in the afternoon until two o' clock in the morning. […] I can remember going to somebody at twelve o'clock at night, waking him up and he was absolutely fuming. He hadn't had his morning call, lunch call, tea call, and I was turning up at twelve o'clock… So I thought I can't do this anymore.*
>
> *Micro-entrepreneur*

As micro-entrepreneurs, they do not have to follow a schedule designed by someone else. Rather than working within a hierarchical structure where decisions are made at

the top and cascaded down, micro-entrepreneurs can choose who they support, get to know them and ensure they are in control of how their support is provided.

> *I was talking to a micro-provider recently. She had previously worked for a traditional home care agency in Somerset. I said to her, "What's different now with what you're doing in this role?" She said, "I have the ability to do the things I want to do with the people I want to do them with". I said, "But didn't you have that same flexibility when you were working for the agency?" And she said, "No, I was rushing to finish each call, because I had to run off to the next one and then the next one".*

> *Stephen Chandler, Former Director of Adult Social Services, Somerset County Council*

This helps to explain why micro-entrepreneurs find their work more rewarding. Since setting up a micro-enterprise, four in five (81%) of those we surveyed reported an increase in the extent to which they feel that what they do in their life is valuable and worthwhile. Asked to rate on a scale of 0 – 10, where 0 means 'not valuable and worthwhile at all' and 10 means 'very valuable and worthwhile', the average rating across all survey respondents rose from 5.9 before becoming a micro-entrepreneur, to 9.1 now.

Figure 2: Ratings on a scale of 0-10 of the extent to which micro-entrepreneurs feel that what they do in their life is valuable and worthwhile, both now and looking back to before they became micro-entrepreneurs
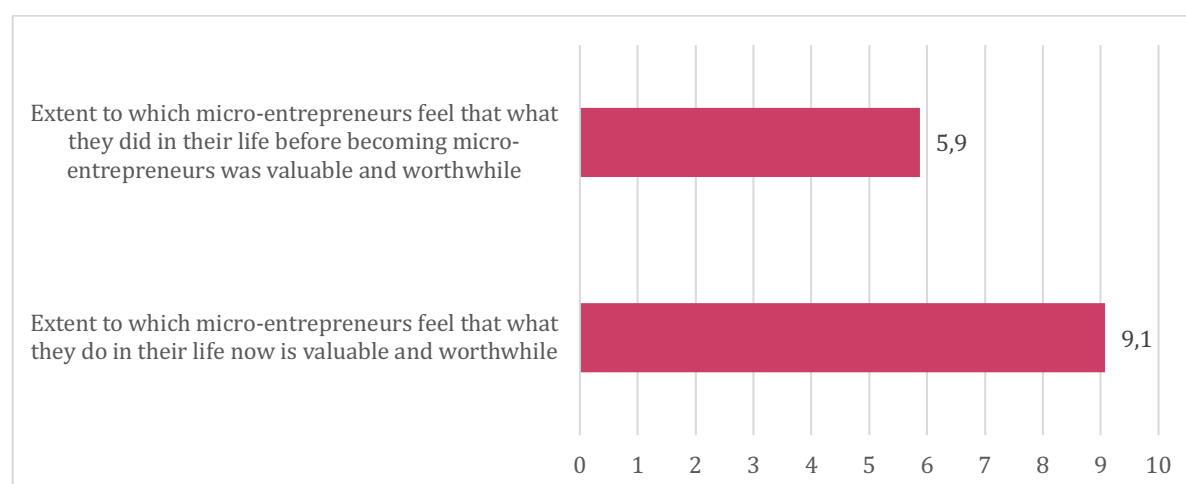
Source: Analysis of micro-entrepreneur survey data (see methodology section for more details)

The second advantage of micro-enterprise as a form of work is control over work time. Those micro-entrepreneurs who had previously worked for home care agencies described getting burnt out because of long, high pressure shifts. Micro-enterprise enables them to decide their workload and organise it in a way that fits around their lives.

I haven't got that many clients because I'm only keeping it to 20 hours a week. I'm not doing any more than that because I want to do the garden, I want to do my painting. I don't want to spend all my time working.
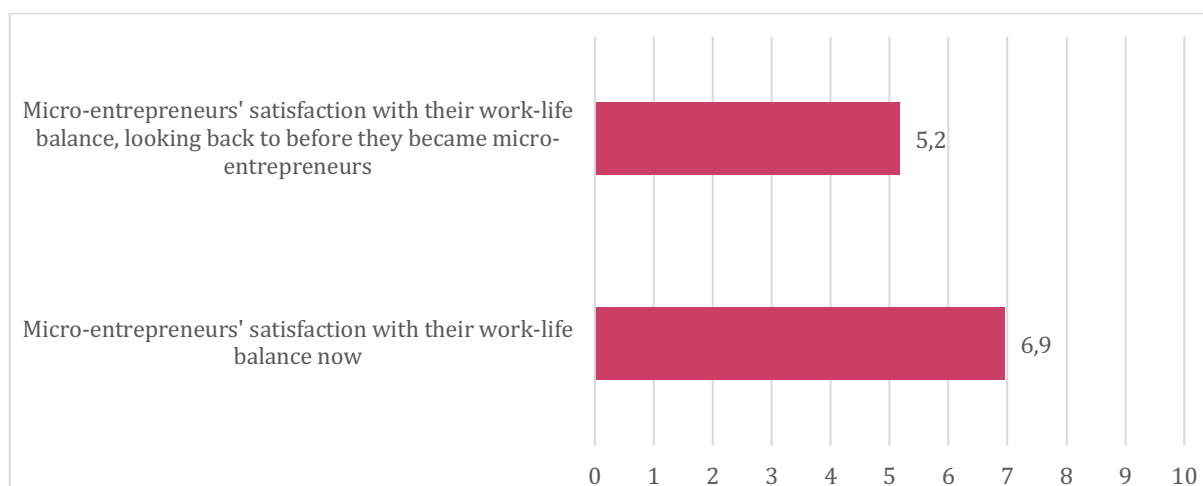
Micro-entrepreneur

I'm only working part time. Part of the reason I gave up full-time employment is because I've got a very elderly father myself, who needs care. And I realised I'd got nothing left to give him. Now I can spend more time with him.

Micro-entrepreneur

Three in five of the micro-entrepreneurs we surveyed (61%) say that their work-life balance has improved since setting up a micro-enterprise. Across all survey respondents, on a scale of 0 - 10, self-reported satisfaction with work-life balance rose from an average rating of 5.2 before becoming a micro-entrepreneur to 6.9 now.

Figure 3: Ratings on a scale of 0-10 of micro-entrepreneurs' satisfaction with their work-life balance, both now and looking back to before they became micro-entrepreneurs

Source: Analysis of micro-entrepreneur survey data (see methodology section for more details)

The same proportion (61%) describe a decrease in stress and anxiety, which fell across all survey respondents, again on a scale of 0 – 10, from an average rating of 6.2 before becoming a micro-entrepreneur to 3.7 now.

Figure 4: Ratings on a scale of 0-10 of extent to which micro-entrepreneurs feel stressed and anxious at work, both now and looking back to before they became micro-entrepreneurs
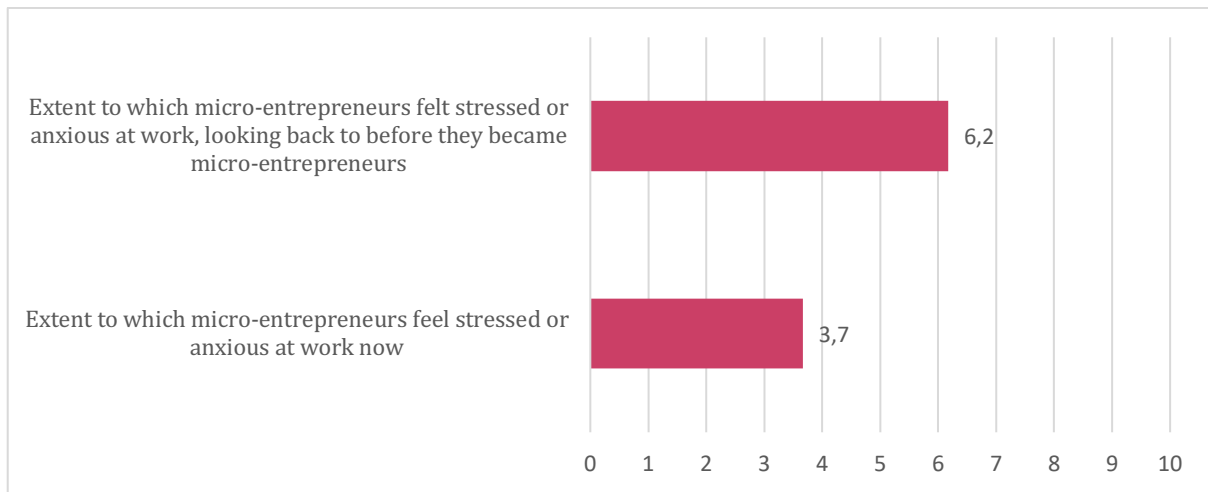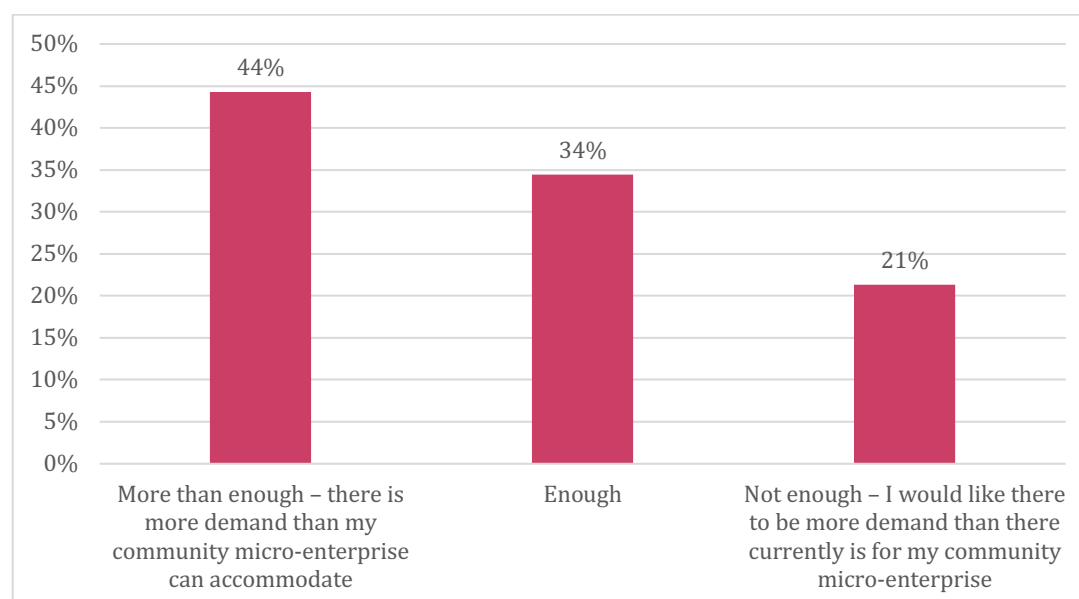

Source: Analysis of micro-entrepreneur survey data (see methodology section for more details)

COMMUNITY MICRO-ENTERPRISE AS A MODEL OF CARE AND SUPPORT

Demand for community micro-enterprise is high. Close to half of the micro-entrepreneurs we surveyed (44%) report that there is more demand for their care and support than they can accommodate.

Figure 5: Percentages of micro-entrepreneurs reporting how much demand there is for the care and support their micro-enterprise provides

Source: Analysis of micro-entrepreneur survey data (see methodology section for more details)

In some ways, this is unsurprising because it reflects high and increasing levels of need for social care.

> *This chap said, 'Take my wife out for two hours'. They'd only met me for half an hour the week before, and I came home and I felt humbled. Obviously he was desperate. He just needed a break and he trusted me, a virtual stranger, to take his wife out. […] I think it shows how desperate people are. […] I just find it amazing how some of these people survived for so long without support.*
>
> *Micro-entrepreneur*

It is also a sign that people are eager for an alternative to mainstream provision.

> *They had terrible trouble with the agencies. They wouldn't turn up on time. It would be a different person every day, she wouldn't know who was coming that evening. It used to drive her up the wall. […] She knows with me, if we say 4.30, I'm there at 4.30.*
>
> *Micro-entrepreneur*

The most obvious thing that distinguishes micro-enterprises from other care models is their size. Being small enables micro-enterprises to be flexible and responsive to people's needs. At scale, a proliferation of micro-enterprises creates, in the words of one commissioner, a 'distributive model of leadership', where decision making is devolved to the lowest possible level: that of the people engaged in the activity of giving and receiving care. They develop the support together.

> *I think the commitment to the individual is much stronger with a micro-provider than with an agency. I know I'll get a lot of flak for saying that, because it sounds like I'm saying that people who aren't micro-providers don't care as much. They do, but sometimes the way the work is organised doesn't allow them to.*

> *Stephen Chandler, Former Director of Adult Social Services, Somerset County Council*

This relational approach enables micro-enterprises to be effective in helping people to live well in their own homes.

> *I was working with a lady who hadn't had a bath or a shower, or washed her hair, in a year or so. She would eat mouldy food and that. I think one of the agencies handed her back because they couldn't cope with her. So I picked it up. She was lovely. You had to build it up and that. She would let me chuck the food away, so I'd chuck it away. Then come the end she'd have a shower three times a week and have her hair washed. Her hair was right down here. She'd let me wash it. I used to take her all over the place, because she used to like going out. Take her down the West Bay for chips. She used to like somebody to talk to. And then she'd say, 'oh, shower day today', when she used to say 'you only need to wash your hair once a year'. […] She did an extra two years, I think it was, at home than she would have done.*

> *Micro-entrepreneur*

It also enables micro-enterprises to be effective in helping people to participate in their local communities. For those who have become lonely or socially isolated, this can involve supporting them to reconnect with things they used to enjoy.

> *There is one lady who hadn't been out for two years. We go into town and she wouldn't have done that with all her family. She's got a huge network of family, none of them could get her out of the house. She just could not get out of the house. She was saying she used to love going to Marks & Spencer for a coffee when she lived in Exeter years ago. I went up one day and said, 'Do you know what we're going to do today? […] We're going to Marks & Spencer for a coffee'. […] 'Do I have to go?' she said. 'You don't have to go, but I would really like you to come for a coffee with me'. She put her coat on, it took her 45 minutes. But now we go twice a week. She's still not comfortable*

going out with members of family but she's absolutely fine with me, she feels safe. That's what she says, she feels safe with me. I think it's because she's done it with me already. One of her granddaughters said, 'I'm going to get her Christmas shopping with me'. Fingers crossed.

Micro-entrepreneur

It can also involve supporting people to try new things, which micro-enterprises – as small, flexible organisations, often connected into a range of local activities – are well placed to do.

You just get to know people. Some people will take a long time to get to know and I take quite a lot of time to give more of myself to them, if you see what I mean, instead of it being me just going in, doing a job and then going. […] You just chat about what you're interested in. I tell them I've sold a painting, they go and have a look where it's being displayed. They give me feedback and then chat about their own ideas. I try to get them to focus on their ideas. […] 'Oh right, what can we do about this then?' Like a lady I'm supporting, she wants to set up a craft group. She always wanted to do one. I think she did one years and years ago, and then she had all her health issues and was very disabled at one point. Now she's getting better and better. So I'm encouraging her. Next year we are going to get posters done, and get things out there on Facebook and stuff to get people to go to this craft group of hers. Then I tell some of my other clients who I know are very lonely and who are crafty but don't do it any more for one reason or another. I tell them about her craft group.

Micro-entrepreneur

COMMUNITY MICRO-ENTERPRISE AS SOCIAL INFRASTRUCTURE

Community micro-enterprises tend to achieve scale by scaling out rather than up – becoming greater in number, not greater in size. They are, by definition, small, generally employing no more than five members of staff. A small majority of those we surveyed (54%) do intend to grow in the next five years,[19] but research suggests that sustainable growth needs to happen slowly.[20] What can be much more rapid is their ability to proliferate. Somerset provides the most striking example: over five years the number of micro-enterprises in the county has jumped from around 50 to more than 450. When they scale in this way and support is put in place to help them to collaborate, they can operate in networks, strengthening social infrastructure, in particular social care systems, in a number of ways.

Encouraging innovation

It has already been established that micro-enterprises are particularly good at certain kinds of innovation: they are more likely than larger providers to be set up and run by disabled people, to offer support to diverse groups, and to be flexible in the way in which they provide care.[21] Through their own diversity they can bring creativity to care.

> *The richness in micro-providers is that – because they emerge from the interests and passions of individual people, and their lived experience – you get a massive variety and diversity of support coming into the sector.*
>
> *Les Billingham, Assistant Director for Adult Social Care and Community Development, Thurrock Council*

In doing so they encourage innovation in others. One commissioner described how micro-enterprises act as 'grit in the oyster', in that their presence in a local area, especially when there are many of them, can challenge other, more traditional providers to start thinking in new ways. This kind of original thinking and practice is urgently needed across social care, including in home care where, despite rhetoric about choice and control, most people still experience a 'tasks in time slots' model of support.[22]

Reducing risk

Fostering an eco-system of small providers, including micro-enterprises, can help build resilience into an increasingly fragile sector. The rise of large companies with debt-laden business models in residential care has been well documented.[23] It is also an issue in home care. In 2018 Allied Healthcare – a company then owned by German private

equity investor Aurelius – put as many as 13,500 people at risk of losing their support when it narrowly avoided going bust. The CQC wrote to 84 local authorities to warn them of a credible risk that the UK's largest home care business would have to cease services when a loan payment became due at the end of the month. These local authorities then had to prepare contingency plans for transferring services to other providers, only to be informed weeks later that Allied had been bought by Health Care Resourcing Group.

Any individual council has no meaningful control over this kind of risk; whatever contract they put together, it will have little to no impact on the resilience of a company as huge and financially complex as Allied Healthcare. There is, however, a great deal of influence they can wield for the good of micro-enterprise. Moreover, when any individual micro-enterprise ceases to operate it is unlikely to undermine the strength of the whole system, in which it represents one very small part.

Addressing spatial gaps in care

Local councils can support micro-enterprise as part of a strategy to focus the development of care and support in particular places where it is lacking. Because micro-enterprises are small and can be set up relatively quickly, they enable policymakers to refine strategies to a more granular local level – "anything from a collection of a few streets with maybe a few hundred people, up to […] a community of thirty or forty thousand people", as one commissioner said. This matters because the under-provision of care has a spatial dimension. Funding cuts have led to the closure of many day centres, for instance, resulting in people finding that their only alternative to more time at home is to spend hours on a minibus travelling to a large centre far from where they live. This can weaken their ties to their local community and has an obvious environmental impact.[24] Birmingham City Council is working with Community Catalysts to help local people in certain areas of the city to establish small ventures that complement established day centres, increasing the diversity of support available in those communities.

Recruiting and retaining care workers

Micro-enterprise is supporting the recruitment and, above all, the retention of care workers, sometimes with decades of experience. Most micro-entrepreneurs want to keep doing what they are doing. Three in five of those we surveyed (60%) expect to continue running their micro-enterprise for five years or longer.

Figure 6: How long micro-entrepreneurs expect to continue running their micro-enterprise
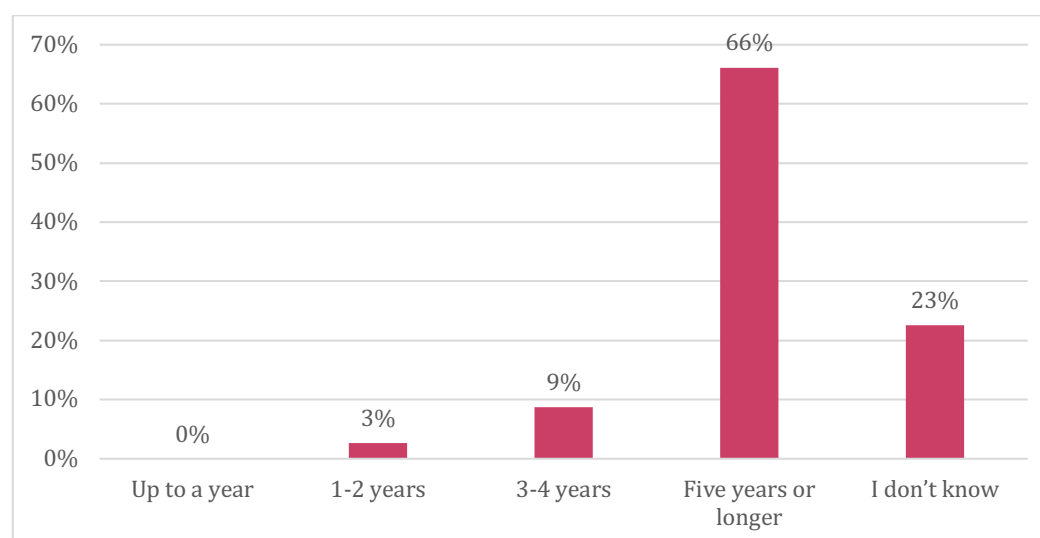
Source: Analysis of micro-entrepreneur survey data (see methodology section for more details)

This is significant against the backdrop of the wider sector. Turnover is high and rising, with nearly one in three people (31%) leaving their jobs each year. Most do not leave the sector, but the level of churn shows that employers are struggling to find and keep people.[25] A third (35%) of micro-entrepreneurs we surveyed say that they would be unlikely to still be working in social care if they had not set up a micro-enterprise.

> *I was getting frustrated in the other job and I did actually go for a job driving minibuses. I didn't get it which I'm quite glad about. But I was thinking of ways to get out, even working in a supermarket or something, because I was getting very demoralised where I was working. […] I know a lot of people who have left. I mean, two of my ex-colleagues are postmen, they're both working for the Royal Mail. Another chap, he's window cleaning, and cleaning guttering and stuff. Unfortunately the care industry has lost a lot of people. I wish I had known about micro providing a few years ago.*
>
> *Micro-entrepreneur*

RECOMMENDATIONS FOR LOCAL GOVERNMENT

As market shapers, local authorities have a crucial role to play in setting a direction for social care and in strengthening local economies. They can let services continue to develop in a way that is economically extractive and puts downward pressure on the quality of care and care jobs, or they can intervene.

A small but growing number of local authorities are setting bold, creative visions for social care. They are recognising the potential of the sector to be a driver of a bottom-up rejuvenation of communities and the economies that serve them. Some are encouraging the spread of community micro-enterprise as part of a family of care models that support inclusive economic development – such as social enterprises, co-operatives, community businesses, user-led organisations and municipal enterprises. These models have shared characteristics: they are often, but not always, locally rooted; they are driven by social purpose and have non-extractive business models; and, in many cases, they develop systems or practices to make themselves accountable to the people involved in the work that they do.

Any local authority wondering how to promote these models in their social care sector can look sideways to learn from other local authorities on the same journey. As a starting point, we suggest five initial actions they might take:

1. **Break through silos within councils.** There is growing interest among local authorities in community wealth building. This could be channelled into care, with collaboration between senior officers working on social care and economic development. A local economic framework for the sector could set out the ways in which care can contribute towards the achievement of valued outcomes – such as health and wellbeing, social connectedness, shared ownership and control, good jobs, reduced unemployment and a diverse, non-extractive and sustainable business sector. It would be the starting point for an economic strategy aiming to shift social care in the direction of these outcomes.

2. **Set and resource a strategic objective for transformative social care models**. There is an urgent need to move away from a 'time and task' approach to more relational practice. This requires ambition to reshape the sector by trialling new approaches. The Centre for Research on Socio-Cultural Change encourages local authorities to embrace radical social innovation: disruptive experiment as part of a collective project that emphasises community-based action, and challenges

established economic interests. Working with economic policymakers, social care commissioners can also seek to ensure that new approaches are geared towards social, economic and environmental outcomes. This might include, for example, using social value clauses to embed local wealth building measures in commissioning.

3. **Think creatively about wellbeing, social care provision and community infrastructure.** Involve people needing support and their families in developing an innovative strategic approach to the sector. What support do they get that they value? What further help would enable them to lead the lives they want? Where is money being wasted? A good spatial understanding of needs and assets can help local authorities to identify how they can best meet their statutory duty to promote wellbeing, while acting as stewards of their place and economy. Supporting small ventures like micro-enterprises enables strategies to be refined to a granular local level.

4. **Support the development of innovative care models by investing in specialist expertise**. There are still relatively few micro-enterprises in most areas, because helping people to negotiate regulations and set up sustainable enterprises requires patient coaching, confidence building and expert advice. Some ventures may also depend on access to feasibility and development grants, affordable workspace and further specialist training. Rather than trying to reinvent the wheel, local authorities can work with organisations like Community Catalysts that have in-depth, practical experience of inspiring and nurturing innovative care models.

5. **Place a higher priority on collaboration within commissioning, recognising that this can encourage more personalised care, build provider and sector resilience, and deliver better value for money.** This requires a shift in mindset from short-termist, cost-driven, competitive tendering to more sustained support for socially-minded partners. By involving people needing support and their families in the commissioning process, local authorities can lead by example and encourage providers to design and deliver services in partnership with the people intended to benefit from them. Those local authorities that provide people with personal budgets to spend themselves might also want to think about how they can help those people to collaborate, perhaps through the development of support networks and mechanisms that allow people to pool their budgets collectively when they choose. Bringing people together in this way could also help to create the conditions for them to initiate new ventures of their own.

CONCLUSION

Community micro-enterprises could be an integral part of every local economy. As social care providers, they strengthen the sector by helping to diversify the range of activities on offer, spread innovation and make use of the talents of new and experienced care workers, who might otherwise not be in the sector at all. As community businesses, they represent a form of entrepreneurship that is accessible to and benefits people who are not, perhaps, 'typical' entrepreneurs. They connect communities, stimulate and support local services, and build resilience, diversity and creativity into local economies.

Economic interventions can help micro-enterprises to thrive. There is a great deal that local government can do to set a new direction for social care – with a much more significant role for micro-enterprises and similar approaches that build community wealth. Change requires resource, as well as leadership, and a new national funding settlement for social care has the potential to drive real transformation, especially if it is accompanied by policies that encourage local authorities to innovate in the way this report describes. Nationally, as well as locally, the sector should be a focus for policymakers seeking to build a more equal, inclusive and prosperous economy.

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