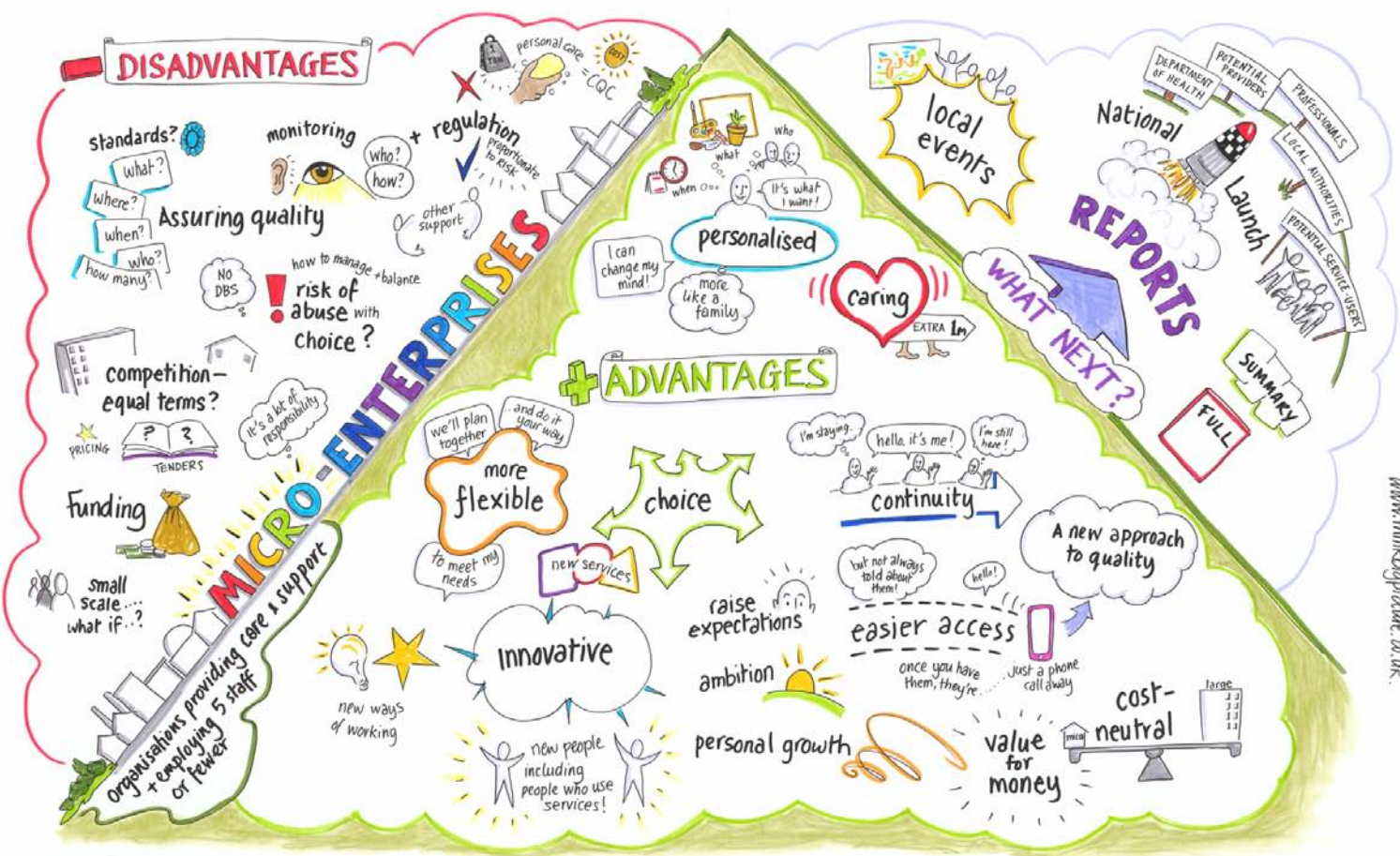# Micro-Enterprises: care and support on a scale that's 'just right'?

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About the project: This summary presents key findings of an evaluation of micro-enterprises in social care in England. It ran from 2013 to 2015, and was based at the University of Birmingham. The research has been undertaken at a time when the UK as a whole is asking fundamental questions about the nature of its economy, about the future of public services and about how best to deliver better outcomes with reduced funding. We believe that this is the first major study to test whether the size of care providers affects the quality and cost of the support provided. The study investigated whether micro-enterprises outperform larger care providers in delivering support that is personalised; valued; innovative; and cost-effective. It also looked at the factors which were facilitating and inhibiting the micro-enterprise care sector. Organisations were classed as micro if they employed five or fewer full-time equivalent staff, and were independent of any larger organisation.

The research was undertaken alongside co-researchers who had experience of using services in the locality, or of caring for someone that did. Co-researchers were involved in research design, interviewing, analysis and dissemination. Working in three parts of the country, researchers compared 27 organisations providing care and support, of which 17 were micro-enterprises, 2 were small, 4 were medium and 4 were large. Micro-enterprises were over-represented in the sample because more is known from existing literature about the features of larger care providers. The project team interviewed and surveyed 143 people (staff, older people, people with disabilities and carers) from the 27 providers. The survey used the Adult Social Care Outcomes Toolkit (ASCOT) to formally assess quality of life. ASCOT enables people to give a numeric score to how satisfied they are with aspects of their life (e.g. if they have as much choice and control as they would like), and then to indicate whether the score would change if they no longer had support from their existing care provider. The research was funded by the Economic and Social Research Council (ESRC Standard Grant ES/K002317/1).

What are micro-enterprises and how are they different from larger providers?

Micro-enterprises provide a wide range of care and support services. These include personal care (i.e. washing and dressing), more general support in the home (i.e. help with a range of domestic tasks but not washing or dressing), day activities and residential care as well as housing, leisure and health services. In comparison with larger care providers, micro-enterprises provide less residential care and more general support in the home and community. Many micro-enterprises operate in a small local area, and are set up by people with experience of using care services, of caring for family members or of working in larger care services. Micro-enterprises delivering personal care and residential care must be registered with the Care Quality Commission. Three examples of micro-enterprises in our study are below (names have been changed to protect anonymity).

Barbara works on her own, providing support in the home to about 14 people in her local area. She is very flexible in what she does, from preparing food to cleaning out cupboards and taking people to the doctors or to concerts.

She said: 'Had our redundancy [from a care agency]. I was always getting in trouble for doing too much, like cooking meals and doing somebody's washing. And when I was made redundant, that was it. I just made me mind up I was going to do it.'

Elect offers social and craft activities during the day to a small number of women with learning and physical disabilities.

A family member of someone who uses the service told us: '"The main thing I like about here is it's the only place I feel I can trust…I can go away with an easy conscience knowing that she's looked after basically. We've never got that anywhere else".

The A Team is a football club, set up and run by someone with learning disabilities. The group is open to all abilities and includes several people with physical and learning disabilities.

A member of the group commented: "I just really go there more to interact and exercise. You know it's better than just [being] sat on my computer all day. If I can go out and interact with people, you know, it's going to help me to go out in the future. Like I say if I get a job or I go back to college again."

Research Findings

Are micro-enterprises more personalised than larger providers?

This measure focused on the way in which care and support is delivered. There are aspects of operating at a very small scale which enable many of the micro-enterprises to offer a more personalised service than larger care providers. This is particularly the case for care and support that is delivered within the home. The more personalised care provided by the micro-enterprises stemmed from three aspects of their approach:

- Autonomy of frontline staff to vary the service being offered – *"I call her 'Odd Job' I do because there ain't much she can't do, she's a smasher of a girl, really is."* (Older person, micro enterprise)
- Continuity of frontline staff – *'I think it's quite nice it's small cos you're not gonna get loads of different people coming, are you?'* (Older person, micro enterprise)
- Accessibility of managers to frontline staff, and people using services: *'Because they are small you see everyone, they come to the house, it's not just someone stuck behind a desk.'* (Carer, micro-enterprise)

Differences between micro-enterprises and larger care providers were less evident in relation to day activities. Although there were several examples of micro-enterprises offering highly personalised day activities, we also found examples of larger providers using their economies of scale to offer a wide range of choices.

A highly personalised service was not without its problems. Whilst most people liked the chance to build closer relationships, some micro-enterprise staff and some people receiving support from micro-providers spoke of concerns about the risks of over-attachment and burnout.

Do micro-enterprises deliver more valued outcomes than larger care providers?

The outcomes of care and support are closely interwoven with the ways in which care is delivered. Indeed many people did not talk about their support as having a distinctive outcome outside of a personalised experience of care, discussed above. This was particularly the case for home-based support. For activities outside the home there was more likely to be articulation of an end result (making new friends, building confidence, getting fit, finding a job) which was distinguishable from the support that made it happen.

We used the ASCOT survey to ask people about whether or not their provider (i) helped them to do things they value and enjoy with their time and (ii) helped them have more choice and control in their lives. The findings showed that people using micro-enterprises were more likely than people using larger organisations to report that their provider helped them to do the things they value and enjoy with their time. There was no statistically significant difference between organisations of different sizes on the choice and control dimension. Qualitative interview data suggested that this was because it was the more relational aspects of micros that were valued (continuity and flexibility), rather than the ability to deliver more choice and control.

Are micro-enterprises more innovative than larger providers?

The research explored three distinct types of innovation displayed by care providers; *what* innovations (what service is delivered), *how* innovations (how a service is delivered) and *who* innovations (who provides and receives a service). Micro-enterprises were found to be particularly good at *how* and *who* innovations, but findings relating to *what* innovations were harder to evidence. In relation to *how* innovations, micro-enterprises were more flexible than larger providers in the way in which care in the home was delivered – for example one staff member talked of taking the time to sit down and have a meal with someone rather than making the food and leaving. Examples of *who* innovations include micro-enterprises which offered support in potentially marginalised communities - such as for women with learning disabilities who were from ethnic minority communities – and others which were set up and run by people with disabilities. Although some micro-enterprises are offering *what* innovations (for examples see **www.smallgoodstuff. co.uk**), the ones we approached didn't have enough established clients to be included in the study.

Do micro-enterprises offer better value for money than larger providers?

The distinctive contribution of micro-enterprises appears to be the ability to offer more personalised and valued care without a high price tag. Price data provided by all of the organisations in the research indicated that the hourly rate for micro-enterprises was slightly below that of larger providers. As we indicated above, this was not at the expense of quality, as responses on personal control and use of time (from the ASCOT questions) were at least as positive as for larger providers. With the larger providers it was easier to identify trade-offs between price and quality: the cheapest prices were offered by those that conformed to the 15 minute care visit model, and the people who used these services reported high rates of turnover among care staff. At the more expensive end of the market, larger providers were able to match the micro-enterprise offer more closely, providing longer care visits and better staff continuity.

Encouraging micro-enterprises

The **Care Act 2014** creates a potentially fertile environment for micro-enterprises, given its focus on stimulating a diverse local market of community-based providers. Micro-enterprises potentially offer a middle way between large care providers and personal assistants, which some people may not want to employ directly.

ENABLING FACTORS for the micro-enterprises in the study include **dedicated support for start-up and development** – from organisations which understand the distinctive context of the care sector. **Strong personal networks** within a locality had also helped micro-enterprises to get started and market themselves to people who might use the service. Balancing **good partnerships** (including with local authorities) with **maintaining an independent status** was also viewed as central to sustainable success. Some local authorities have a **quality mark scheme** that micro-enterprises can apply to join. This helps the micro-enterprises to build local credibility and gives assurance to local people about the quality and safety of the support. Most of the micro-enterprises

RECOMMENDATIONS

- Commissioners should develop different approaches to enable micro-enterprises to join preferred provider lists
- Social care teams should promote flexible payment options for people wanting to use micro-enterprises, including direct payments
- Social workers and other care professionals need to be informed about micro-enterprises operating close-by so that they can refer people to them
- Regulators need to ensure that their processes are proportional and accessible for very small organisations
- Micro-enterprises need access to dedicated start-up support, with care sector expertise, as well as ongoing support and peer networks.

involved in the research, especially personal care providers, felt that they needed to **grow slightly** to gain more organisational and financial stability, but **did not want to scale up** to become a medium or large provider.

BARRIERS for micro-enterprises include: a reliance on self-funders given **low levels of direct payment take up** in many local areas, and **low numbers of local authority referrals**; the difficulty of **maintaining a staffing base** with only a small number of clients; and the **financial fragility** of the organisations, some of which were barely covering their costs. Micro-businesses in all sectors are known to find it difficult to

survive, but personalisation reforms in social care have ostensibly made it a supportive environment for micro provision. The micro-enterprises in the study expressed frustration at the **rhetoric of individualised commissioning/market diversity** and the **reality of preferred provider frameworks/ managed personal budgets**. Micro-enterprises will only proliferate if potential users of their services know about them and there is a mechanism to pay for them. Burying them in a directory of services on a website is not going to generate sufficient business - and indeed is not how large providers get most of their local authority referrals.
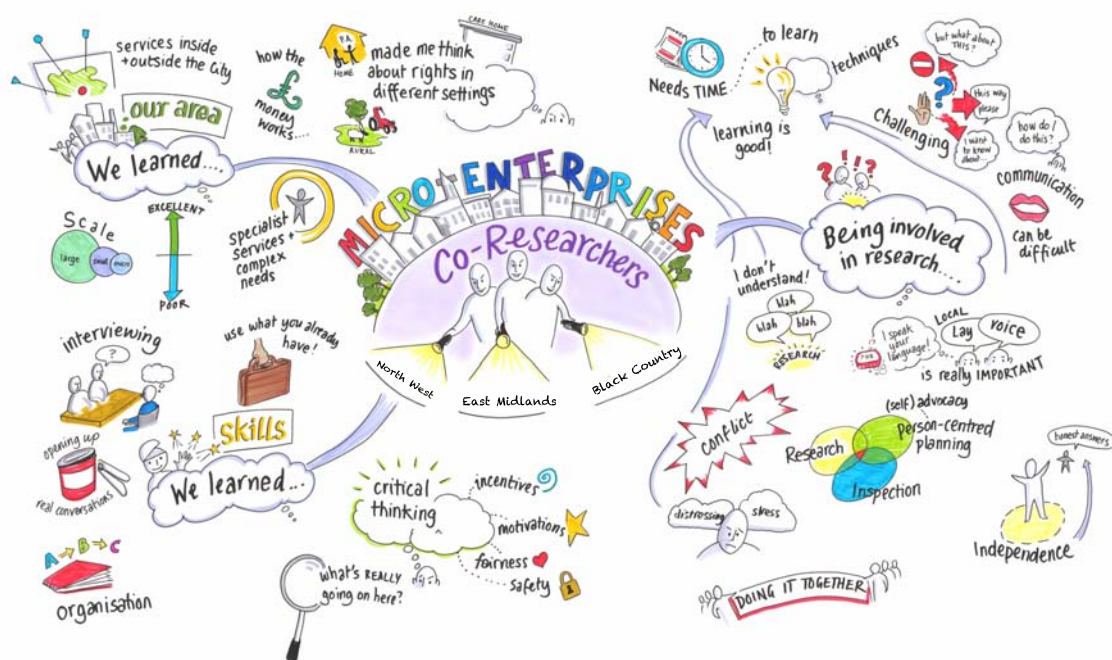
People who use services and carers were involved as co-researchers on the project. More details about the co-researcher involvement, including an evaluation of the participative approach, are available on the project website **www.birmingham.ac.uk/research/activity/micro-enterprises**