

JOL CASE STUDY

SUNDERLAND HOME CARE ASSOCIATES [20-20]

BUSINESS

Personal care service to people in their own homes to enable them to live as independent a life as possible for as long as possible; academic support services to further and higher education; cover work in residential homes; private and direct payment cases.

PRODUCTS/SERVICES

Personal care; academic support; private work; direct payments

ESTABLISHED

1994

BECAME EMPLOYEE OWNED

2000

STATUS

Private limited company

CONTACT

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LOCATIONS

Sunderland

EMPLOYEES

160

SALES

£1.6 million

UNION[S]

Unison

BACKGROUND

In the 1970's seven women started a co-op called Little Women, looking after their children over a shop selling whole-food and other food.

In 1982 Margaret Elliott did development work that led to Little Women Household Services [LWHS], providing care in the home - funded through social security benefits. LWHS helped people apply for an Additional Requirements Payment benefit, which recipients used to pay LWHS. When Government abolished the Additional Requirements Payment LWHS ceased trading but the team continued to meet.

The *Care in Community* report alerted Margaret to new possibilities for local authority outsourcing and she studied related projects in New York. A business plan and training were undertaken. In 1993 Sunderland Council called for expressions of interest in providing domiciliary care. Seven were chosen including the team's new venture: Sunderland Home Care Associates [SHCA].

EMPLOYEE OWNERSHIP

Sunderland Home Care Associates initially had a grant of £11,000 to cover basic costs from Tyne & Wear Foundation and £10,000 from Sunderland local authority to pump prime. Critically, the local authority paid enough of future income up front to cover the wage bill.

SHCA was first registered as a workers' co-op. With professional advice, they set up the Employee Benefit Trust and Profit Sharing Trust. The co-op in effect lapsed and SHCA will shortly adopt a Share Incentive Plan.

A further development will replicate SHCA in neighbouring parts of the region. Margaret and two colleagues have started Care and Share Associates Ltd (CASA) with Social Enterprise Sunderland and Economic Partnerships, which promotes social enterprises.

The first spin-off venture has started in North Tyneside and will have a share structure similar to that of SHCA. A grant from City Challenge enabled CASA to do this work.

EMPLOYEE PARTICIPATION

A working party set criteria for shares at six months' service and employment for at least ten hours a week. There have been three issues of shares, the first based on length of service and salary, and the second and third based on salary with a £12,500 ceiling.

There are eight members of the board [company board and trustees are the same] – this includes the manager, Margaret Elliott, three care workers and two external representatives.

There are general meetings every two months and extra meetings if necessary. Decision making is highly consultative. All employees receive a report and minutes of the general meeting. There are also newsletters from time to time.

CASE STUDY RESEARCH

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