



LUCAS FETTES  
& PARTNERS

# Care Providers

Protecting your organisation, supporting its success



Risk Management | Insurance | Employee Benefits | Investment Management

# Care providers are there to help those in need. But who helps the care providers?

Working for a care provider can be incredibly rewarding but with it comes a great deal of pressure, particularly for its most senior management.

It is hard to “do good” these days. Public sector funding is being cut and care providers are under pressure to continue to provide a good quality of care and ensure positive outcomes are achieved. Add to this the pressures created by ever changing legislation, local authority requirements, and an increasingly litigious society in which reputation is everything, and the role of the management team has never looked more challenging.

Adult social care budgets have been cut by

**£4.6 billion**

since 2010 – a 31% overall reduction

Source: the Association of Directors of Adult Social Services



It is critical, then, that trustees surround themselves with people who are able and motivated to meet the challenges of a constantly changing landscape: people with energy, who are adaptable, think laterally, solve problems, identify opportunities and drive positive change.

Partners you engage are vicariously responsible for your reputation, so they need to understand what you stand for and operate within a culture similar to your own.

Lucas Fettes & Partners is a leading independently owned insurance and financial services group. Our clients trust us to work as an extension of their internal teams and play an integral role in ensuring their sustainability and improving their success.

// Senior management should surround themselves with people with energy, who are adaptable, think laterally, solve problems, identify opportunities and drive positive change. //

We also surround ourselves with like-minded professional practices who specialise in your sector, including lawyers, accountants and risk management companies, so we can help address a broad range of risks and provide added value benefits.

We help with:

- Risk management
- Insurance placement
- Employee benefits
- Investment management

Our commitment to the sector means that we are experienced in the many diverse activities a charitable care organisation can be involved in, for example:

- Social care
- Complex care
- Children's homes
- Registered schools
- Fostering agencies
- Hospices
- Domiciliary care
- Supported living agencies
- Medical devices
- Addiction dependency
- Sensory loss
- Social housing

The successful care providers of the future will be those that have a culture where people are empowered to overcome challenges as well as identify opportunities to create positive differentiation and growth. We can help you achieve just that.

// We will work as an extension of your internal team. //



## Our difference

- As a national, independently owned insurance and financial services group, we consider ourselves unique in the current market
- Able to offer a breadth of services including risk management, insurance placement, employee benefits and investment management
- Proactive, consultative approach – working as an extension of your internal team
- Collaborative relationships with leading insurers and other specialist advisers to the sector

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# Overcoming challenges and recognising opportunities

With the right organisational culture, empowered people and the support of partners who understand their mission, care providers are able to make the right decisions in order to ensure...

- effective corporate governance
- the safeguarding of important assets, including people
- the achievement of positive outcomes
- engagement of the right people to share challenges and deliver success.

Some of the biggest challenges facing today's care providers, and how these can be addressed, are highlighted below.

Challenge	Risks	Potential solutions
<p><b>Abuse</b></p> <p>Abuse cases have received significant media attention as more and more people come forward with allegations – often many years after the incident has occurred. Such cases, and the resultant publicity, can have a devastating impact on the organisation's reputation and its ability to continue to operate.</p> <p>Employers are now more widely exposed and held vicariously liable for the actions of their employees in regards to acts of neglect or abuse.</p>	<p>The impact of an allegation of abuse could be catastrophic. Do you have the right culture and the measures in place to minimise the risk of an incident of abuse or assault?</p> <p>Do you have policies and procedures in place that, in the event that an allegation is made, will help you limit the impact on your reputation, your ability to continue to operate and your service users?</p> <p>Insurers are increasingly focusing on risk management before they are prepared to offer a quotation for abuse cover. In 2014 a number of major reviews were undertaken and the results included increased premiums and restricted abuse coverage. How will you manage your risks to appeal to insurers, but also to avoid total reliance on insurance?</p>	<ul style="list-style-type: none"> <li>• Robust risk management measures – including risk assessment, training, record keeping and health and safety measures</li> <li>• Recruitment processes – candidate checks and vetting</li> <li>• Vetting third party providers</li> <li>• Competence framework and job descriptions</li> <li>• Compliance procedures and allocation of staff responsibilities</li> <li>• Employee training</li> <li>• Complaints procedures (both internal and external)</li> <li>• PR training/procedures</li> <li>• Crisis management strategy for handling, consistency of key messages, nominated spokesperson etc.</li> <li>• Consideration of Claims Occurring vs. Claims Made insurance</li> <li>• Arrangement of Professional Indemnity and Management Liability insurance</li> </ul>

Challenge	Risks	Potential solutions
<p><b>Managing risk and mitigating losses – Claims defensibility</b></p>		
<p>Organisations working with vulnerable people are highly regulated and exposed to enormous legislative and statutory responsibility. Senior management are required to demonstrate greater transparency than ever before.</p> <p>Incidents involving injury to employees, or injury or death of service users are devastating, and can damage reputation and instigate investigation. Many care providers still do not have adequate systems or insurance in place.</p>	<p>The risk of failing an investigation or not being able to defend a claim is very real – can you withstand the impact, both financial and in terms of reputational damage as a result of liability?</p> <p>The speed with which information now spreads via social media means you could quickly find your organisation at the centre of a PR nightmare, with a loss of public confidence in your services as a result.</p> <p>Timelines imposed under the Ministry of Justice for liability claims continue to challenge the way insurers settle claims, particularly when their defence is weakened by inadequate evidence.</p>	<ul style="list-style-type: none"> <li>• Strategic plan that sets out key aims, objectives and policies</li> <li>• Staff training</li> <li>• Financial systems to identify restricted funds and their application</li> <li>• Professional advice on terms and conditions</li> <li>• Insurable risks cover and ensuring the widest coverage and limits</li> <li>• Review of regulatory compliance</li> <li>• Compliance procedures and allocation of staff responsibilities</li> <li>• Notification of incidents which may give rise to a claim as soon as they occur</li> <li>• Comprehensive incident reporting procedures and effective record keeping</li> <li>• PR training/procedures</li> <li>• Access to legal support</li> <li>• Crisis management strategy for handling consistency of key messages, nominated spokesperson etc.</li> </ul>

Approximately  
**30%**



of employers' liability notifications related not to slips and trips but to assaults by service users on employees or injuries sustained by employees in the social care sector between September and December 2014

Source: 'Claims arising from assaults are increasing in the social care sector', Third Sector.

Challenge	Risks	Potential solutions
<b>Risk of management liability</b>		
CEOs, directors and senior management of care providers have an overwhelming responsibility when it comes to complying with ever changing legislation.	Care providers are highly regulated and very much in the public eye. Any care provider is at significant risk of regulatory investigation and any person can be held accountable for their actions including their own errors and omissions. The personal financial impact of a liability claim can be crippling.	<ul style="list-style-type: none"> <li>• Strategic plans in place to ensure compliance of procedures and policies across the business</li> <li>• Effective auditing and control measures</li> <li>• Review of regulatory compliance</li> <li>• Staff training</li> <li>• Crisis management strategy in place for handling incidents including those resulting in media attention</li> <li>• Management Liability insurance, covering defence costs for any regulatory investigation and civil awards</li> </ul>
Ensuring that tasks are delegated effectively and reliance on staff to comply with your policy and procedures is essential to the effective operation of the services you provide and the people you are responsible for.	Incidents resulting in media coverage can quickly develop, putting your business at the centre of a PR nightmare, with loss of confidence in the services you provide as a consequence.	

*“ Any care provider is at significant risk of regulatory investigation and any person can be held accountable for their actions including their own errors and omissions. ”*



Challenge	Risks	Potential solutions
<b>Decision making</b>		
With a reduction in funding comes a need to make tough decisions – tactical decisions about how to make cost savings, and strategic decisions about the future direction of your organisation.	<p>How will you improve performance and enable innovation? What are the strategic opportunities?</p> <p>Will you introduce new services or new funding streams, for example through contracts for public service delivery; set up a social enterprise; change your charging model; collaborate or merge with another organisation? What are the barriers and risks attached to those decisions?</p>	<ul style="list-style-type: none"> <li>• Reserves policy linked to business plans, activities and identified financial and operating risk</li> <li>• Regular review of policy</li> <li>• Identification and access to professional advice</li> <li>• Identification of key legal and regulatory requirements</li> <li>• Procedural framework for meetings and recording decisions</li> <li>• Succession planning</li> <li>• Risk management strategy</li> </ul>
<b>Emerging risks</b>		
By their nature, emerging risks can be difficult to identify and quantify, but they are likely to pose the greatest threat to your organisation.	<p>A lack of strong leadership could have a negative impact on your strategic direction and ability to satisfy the needs of your stakeholders, and a decline in trust and potential loss of funding as a consequence.</p> <p>Data mismanagement, for example loss or illegal use of confidential information, could result in fines and reputational damage.</p> <p>New technologies bring new risks. Social media presents a risk of damage to your reputation in a matter of minutes; cyber crime exposes you to the risk of fraud or loss of funds; and how will you manage the risks posed by the Cloud and of staff using personal devices at work?</p> <p>Climate change and extreme weather could affect your ability to deliver your services, for example through damage to property and equipment, power cuts or preventing travel.</p>	<ul style="list-style-type: none"> <li>• Monitoring of proposed legal and regulatory changes</li> <li>• Membership of umbrella bodies</li> <li>• Identification of issues where advice is required</li> <li>• Profiling and understanding of beneficiary needs</li> <li>• Use of actuarial analysis to establish future funding requirements</li> <li>• Risk identification and monitoring systems</li> </ul>

Challenge	Risks	Potential solutions
<p><b>Potential property loss</b></p> <p>Property loss is a very real risk for care providers. An incident such as a fire or flood can be devastating, and not just because of the potential cost involved in repairing buildings and contents.</p>	<p>The scale of disruption to your operations in the aftermath of a loss could be enormous. Do you have a business continuity or disaster recovery plan in preparation for such an event? Would you still be able to deliver your services to your beneficiaries? What would be the impact if not?</p> <p>When it comes to making a claim on your insurance, and appointing contractors in respect of repairs, do you have the expertise in-house to cope? Would you even be able to calculate the full value of the loss?</p>	<ul style="list-style-type: none"> <li>• Building and plant inspection programme</li> <li>• Repair and maintenance programme</li> <li>• Capital expenditure budgets</li> <li>• Review of security</li> <li>• Valuation, asset register and inspection programme</li> <li>• Facility management arrangements</li> <li>• Safe custody arrangements for title documents</li> <li>• Management of patent and intellectual property</li> <li>• IT recovery plan</li> <li>• Data back-up procedures and precautions</li> <li>• Disaster recovery plan for alternative accommodation</li> <li>• Insurance reviews</li> </ul>

Challenge	Risks	Potential solutions
<p><b>Automatic enrolment</b></p> <p>Every employer has been given a date, by February 2018, by which they are legally required to automatically enrol certain workers into a qualifying pension scheme and make contributions towards it.</p> <p>Even if you already operate a pension scheme, you will still need to undertake some planning to prepare for your duties and ensure you are compliant.</p>	<p>Do you know when your staging date is and what your duties are? Will you be ready? If you are not compliant by your staging date, you will face fines from The Pensions Regulator.</p> <p>How will you decide what contribution rates you will use, and whether to use postponement? How will you go about selecting a pension scheme supplier and scheme? Is your payroll software compatible with your automatic enrolment solution?</p> <p>Do you have the right people and processes in place to help ensure you meet your ongoing duties, beyond staging – including communicating with your employees?</p>	<ul style="list-style-type: none"> <li>• Review existing arrangements and talk to existing scheme provider (if applicable)</li> <li>• Advice from a qualified financial adviser</li> <li>• Automatic enrolment project plan</li> <li>• Compatible payroll software</li> <li>• Governance arrangements to ensure long-term effective management of duties</li> <li>• Assign responsibilities for key duties and tasks</li> <li>• Effective reporting and review procedures</li> <li>• Effective communications with employees, before, at and after staging</li> </ul>

Challenge	Risks	Potential solutions
<p><b>The culture and people to take you forward</b></p> <p>The success of any organisation is largely down to its people. Organisations need to ensure they are able to attract, protect, retain and get the very best out of the right people to help them deliver success.</p>	<p>Do you have the right organisational culture and the right people on board to help you succeed? Do they feel protected from risk, valued and rewarded? Are they motivated and empowered to help you meet your objectives?</p> <p>Or, do you have disgruntled staff, pursuing their own agenda, risk high staff turnover, a lack of strategic direction, damage to your reputation and, in the extreme, employment tribunal cases?</p> <p>Do your supplier partners understand your mission and know how to help you achieve it? Are you getting value for money from the relationship?</p>	<ul style="list-style-type: none"> <li>• Employee benefits programme including, for example, private medical insurance, cash plans, optical care, childcare vouchers, cycle to work scheme, gym membership</li> <li>• Succession planning and key person protection</li> <li>• Documentation of systems, plans and projects</li> <li>• Training programmes</li> <li>• Notice periods and handovers</li> <li>• Competence framework and job descriptions</li> <li>• Complaints procedures (both internal and external)</li> <li>• Proper review procedures for complaints</li> <li>• Advice on employment status and contract terms</li> </ul>



A close-up photograph of two hands shaking, symbolizing agreement or partnership. The hands are positioned vertically, with the top hand slightly larger and more muscular, and the bottom hand appearing more delicate. The background is a plain, light-colored wall.

# Helping *you* succeed

## Trusted advisers to the sector

Organisations of different sizes, involved in a broad range of activities, like working with us because they value our proactive, consultative approach to helping them address all manner of challenges.

They also enjoy the benefits of our relationships with leading insurers and other professional advisers to the sector.

As a Lloyd's accredited broker we provide access to a broad range of insurance markets and the reassurance of financial security.

## Solutions to meet your individual needs

**Your organisation is unique and so are the challenges you face. Your solutions need to reflect your individual needs, without compromise.**

Our aim is to enable you to concentrate on meeting your objectives now and in the future, while we provide the impartial advice and solutions required to protect your organisation and support its success.

# Our services

## Security review

Plus advice on reducing exposure to security risks.

## Health and safety and employment law risk management solutions

Including cost effective online solutions.

## Business continuity planning

## Specialist Management Liability insurance

Including cover for employment disputes, health & safety investigations, official investigations, and disputes between partners.

## Insurance placement

Covering all key risks, for example:

- Professional Indemnity, Management Liability, Public Liability and Employers' Liability, Fidelity Guarantee and Legal Expenses
- Buildings, Contents and Property Damage
- Business Interruption and Loss of Revenue
- Computer All Risks and Equipment Breakdown
- Claims Assistance
- Goods in Transit
- Personal Accident and Travel
- Medical Malpractice

## Claims Management

In-house management to help expedite any claims and minimise disruption to your organisation.

## Disaster recovery

Full disaster recovery service including claims assistance in the event of a loss.

## Valuations and asset tracking

## Key Person Protection

## Crisis management

To help you protect your organisation and its stakeholders following an unforeseen incident.

## Other services

Through our relationships with other advisers to the sector we can help you arrange legal advice, payroll provision, general accountancy and procurement.

## Pensions automatic enrolment services

Including helping you understand your duties, assess your workforce and select a pension supplier; process design and pension scheme set-up; employee engagement and consultation.

## Employee benefits programmes

Including arrangement of benefits such as pensions, death in service, medical insurance, income protection, healthcare cash plans, employee assistance programmes (EAPs) and health screening; and staff absence management solutions.

## Investment management services

Including advice on investment decisions, designing goal-based investment strategies, and ongoing management of funds.

# Find out more

For more information about our services or to arrange a **FREE, no obligation consultation**, please get in touch.

Call **0161 972 2480** or email [care@lucasfettes.co.uk](mailto:care@lucasfettes.co.uk).

[www.lucasfettes.co.uk/care](http://www.lucasfettes.co.uk/care)