



**HEALTH AND SOCIAL CARE SCRUTINY PANEL
DATE: THURSDAY 29th SEPTEMBER 2005**

**Agenda
Item No.**

**REPROVISION OF RESIDENTIAL AND DAY CARE SERVICES FOR OLDER
PEOPLE**

Ward(s) All

Portfolios: Cllr A Paul - Portfolio Holder for Health and Social Care

Summary of report:

This report updates Scrutiny Panel of progress made relating to the re-provisioning of Older People Homes

Background papers:

Risk Register
Project Initiation Document
Proposed Procurement Approach Report– 26th July 2005
Procurement Approach and Progress Report - 15th September 2005
Pre – Qualification Questionnaire
Information Memorandum

Reason for scrutiny:

To note and consider the progress achieved and the proposals for the next stages of the re-provision project

Signed:

**Head of Service on behalf
on Executive Director:**

Andrew Cross

Date:

13th September 2005

Resource and legal considerations:

- The report includes proposals to appoint external legal advisers as agreed with the Council's Legal Services Department for which provision has been made within the budget.

Citizen impact:

- The plans for the re-provision of Older People's services aim to improve the range, quality, and choice of service for Older People in Walsall, enabling people to remain in their own home as an alternative to residential care. Services will be developed within key locality areas, which will provide opportunities for the development of a range of community based services, including extra care housing that will provide realistic alternatives to residential care.

Environmental impact:

- None directly arising out this report.

Performance management:

- A risk assessments undertaken and project risk register produced.
- The re-provision of Older People's services aims to impact positively on the following Performance Indicators:
 - PAF C26 Admissions of Older People to residential and nursing homes.
 - PAF C32 Older People helped to live at home.
 - PAF C28 Intensive home care.
 - PAF B11 Intensive home care as proportion of home care and residential care.

Equality Implications:

- This re-provision plan will facilitate the development of appropriate services for Older People and will assist to equitable access to services based on individual assessed need.

Consultation:

- This report has been prepared in consultation with the re-provision project team, and Programme Board (Officer/Member Working Group).

Vision 2008:

- The re-provision of the Council's residential and day services has synergy

with priority 5 “to make Walsall a healthy and caring place” The re-provision of these key services will enhance opportunities to remain living at home and provide alternatives to conventional residential care.

- The proposals will also contribute to meeting priority 9 “listen to what local people want”. Intrinsic to the re-provision plan will a process of consultation with all key stakeholder groups, including Older People both as service users and as citizens.

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1.0.

The Scrutiny Panel note progress on the project and the responses to the advert received to date.

2.0. SUMMARY

On the 10th March 2005 a report was presented to the Health and Social Care Scrutiny Panel which provided an update on the progress made relating to the re-provision of Older Persons Residential Care Homes.

Reference was made to the Cabinet report in the previous year when progress was considered and a need identified to form an Member/Officer Working Group. A further report was submitted to Cabinet on the 23rd March 2005, which in common with the report to the scrutiny panel made reference to:

- The outcome of the soft market testing
- The Member/Officer Working Group
- A summary of progress made to date and the next stages.

It was noted that a six-month pre-tender stage was required to identify amongst other things the contractor pre-qualifying conditions. Accordingly it was recommended and agreed that the re-provision project should progress to pre – tender preparation stage, including consultation with key stakeholders and potential partners.

- A further workshop took place on the 25th May 2005 to consider options around new building facilities and configuration of services.

3.0 The Proposals and Key Contextual issues

In addition to the continued strategic intention of the Council to proceed with the proposal, at the national level there is a very close fit and alignment with the proposed vision for adult social care within the current green paper which outlines the need for Independence, Well – being and Choice for Elderly Persons (consultation period ends July 2005).

The project scope is likely to involve

- Ten registered residential care homes, four of which have integrated day care centres.
- Two separate day care centres
- Approximately 388 staff (280 full time equivalents).
- Significant capital works expenditure of up to £32 million.
- A current before income received, gross revenue expenditure budget of approximately £8.1 million per year.
- The replacement of the current care home model (315 places) with an extra care housing model.
- Moving forward with the options identified in an early workshop that include providing a new specialist dementia care centre(s) for 60

clients, extra care housing for 211 placements and possible intermediate care for 50 older people.

4.0 Risk Register

A risk register for the project has now been completed and is included as Appendix B and will be monitored regularly by Officers on a monthly basis and updated accordingly. The aim is to identify and manage risk by taking the necessary management action and where possible reducing the risk profile over time

5.0 Procurement Approach

In considering and defining the procurement approach there are 4 key components which can be listed as follows:

- a. Understanding the market including market testing.
- b. Managing change and workforce issues.
- c. Approach to type, size, phasing and packaging of the works.
- d. Compliance with procurement law.

5.1 Understanding the Market

This has been undertaken in relation to the provision of services by *not for profit organisations*. Particularly in relation to the rented sector, however it was considered that there needed to be a better understanding as to the opportunities of providing not only rented tenure but also, mixed tenure, ownership and other special financial arrangements. It was considered that this could best be achieved through advertising, and in advertising, compliance with procurement law was necessary and particularly the European Procurement Regulations.

5.2 Managing Change and Workforce Issues

The managing of change and workforce issues will need to be treated sensitively. It is suggested that the precedents that have been set by the *Putting the Citizen First* project/contract are mirrored in the proposed terms and conditions and procedures as far as they apply to workforce matters and other aspects of this contract which have commonality. The advantage of doing is that it should save on legal consultancy fees and builds on the knowledge, precedents, decision making and policies of the Council.

5.3 Approach to type, size, phasing and packaging of the works

At this stage a flexible approach is suggested to the type, size, phasing and packaging of the works and services, other than the decision to proceed first with a Specialist Dementia Care Facility, as suggested and agreed at a recent workshop.

The proposals in connection with the Specialist Dementia Care Facility is considered to be a particularly good idea as it will provide the necessary additional capacity to enable the reprovision programme to be implemented and also starts off with a flagship building and project around which the implementation can be planned.

The flexible approach will enable information and data to be gathered for inclusion into the final invitation to negotiate (ITN) document for issuing early in the new year which can reflect the knowledge and data which will emerge from a

more detailed dialogue with potential providers. It also enables an affordability envelope to be stated so that providers will effectively be competing on quality and value for money.

5.4 Compliance with Procurement Law

The European procurement rules apply, in relation to both works and services due to the project exceeding the respective threshold values. The options available were therefore to advertise in the designated format within the Official Journal of the European Union (OJEU) as a services or works contract and to adopt either the restricted or negotiated procedure. Whatever the option, a two stage process commencing with an advert is necessary. Advertising as a services contract was considered the best approach for two main reasons.

1. The length of the contract will most certainly mean that the services value will exceed the works values.
2. It gives the correct emphasis as one of *services* rather than *works*.

The negotiated procedure affords greater flexibility than the restricted route and is ideal for the circumstances of the reprovision project as it enables maximum flexibility in every aspect of the project.

6.0 Key Activities and Programme

The procurement process commenced in consultation with Legal Services and Procurement Services by placing in the standard format a contract notice advert within the Official Journal of the European Union (OJEU). An advert was also placed in the local paper. Staff and Residents were made aware that a notice would appear in the local paper prior to its issue through the placing of details on the notice board at each of the care homes. Verbal briefing were also made to both staff and residents, by the manager of the resource centres

The key procurement activities over the next year are:

- Completed prequalification questionnaires (PQQs) returned by 7th September 2005.
- Completed short list and Issue of Invitation to negotiate document to potential service providers early in the new year.
- Identification of preferred provider by Summer 2006
- Signing and completion of contract formalities and commencement of contract in Autumn 2006

7.0 Documents Issued To Applicants

Since the last meeting a number of documents have been issued to applicants, namely:

- The pre – qualification questionnaire (PQQ). – This is a twenty one page document which must be completed by the potential applicants and provides initial information about the organisations seeking to provide the service, and includes details around legal status, eligibility, financial standing, technical competency, partnership and working experiences with

other organisations and local authorities, as well as details around equalities and other policies. The pre-qualification questionnaire document is often abbreviated to PQQ

- The information memorandum. – This is a twenty page document which sets out the Council' overarching strategy and vision, and makes reference to the previous market consultation exercise, which is included as an Appendix to the document. It identifies the governance arrangements to this project, making reference to the Programme Board and the reprovision programme generally. It also identifies the procurement approach and timetable, and outlines the Invitation to negotiate document, and the extra care housing model of service delivery.

8.0 Responses to Advert and European Procurement Notice

The date for receipt and return of the completed PQQ as referred to earlier was the 7th September 2005. The response to the advert was very positive with documents issued to twenty six organisations. The Council received a total of twelve completed PQQs which is effectively the long list from which a short-list will be drawn up.

9.0 Short Listing Process

It is proposed that an evaluation panel be formed comprising six officers led by the Head of Older Persons Services who collectively have experience and knowledge in the specific areas of older persons services, commissioning, finance, human resources, procurement and property.

A proposed schedule of weighted scores for considering the PQQs is included within Appendix A, together with the process as a flow chart which illustrates the process of evaluating and verifying the data provided by taking up references, undertaking interviews, and where necessary visiting sites.

The panel in making recommendation will also receive reports from the specialist legal and financial advisors.

Work is currently being undertaken to appoint external legal advisers by the middle of October. The legal advisers will be responsible for advising on all aspects of the law including public and local government law, vires and derogation of statutory responsibilities (including powers, permissions and consents where necessary), commercial law, law of property including landlord & tenant, social care law, construction law, intellectual property, employment law, information technology, data protection and governance. The Legal Consultant will also be required to advise and assist in the procurement process, negotiations, drafting of relevant documentation, and employment issues including TUPE and pensions.

It is anticipated that specialist financial advice will be needed later on in the process when considering the final proposals particularly around pensions and VAT.

There will be appropriate member involvement in the decision making process commencing with a cabinet report to the 19th October meeting.

10.0 Location of Sites Options and Preference

The response to date from potential partners is particularly promising and over the next few months work will be undertaken to ensure that the Council identifies the various options available and where there are preferences to specify these requirements within the invitation to negotiate (ITN) document, which is due to be finalised and issued in January of next year.

Details will need to be provided in relation to the size of any developments, their proposed locations, and the timing and phasing of the works. The earlier workshop held in May of this year identified the need for a new specialist dementia care centre(s) for 60 clients, extra care housing for 211 placements and possible intermediate care for 50 older persons.

The final proposals however will be dependent on a number of factors, a crucial one being the granting of planning approval by the Council. Other factors include:

- The identification and availability of alternative sites
- The type of extra care dwellings proposed, for example will they be flats or bungalows, or a combination of the two
- Whether it is possible to use the opportunity of providing further choice for the older people by facilitating the development of privately owned extra care dwellings and having developments with a mixed tenure through renting and ownership and special financial arrangements.

These potential opportunities will become more apparent within the next few months.

11.0 Conclusion

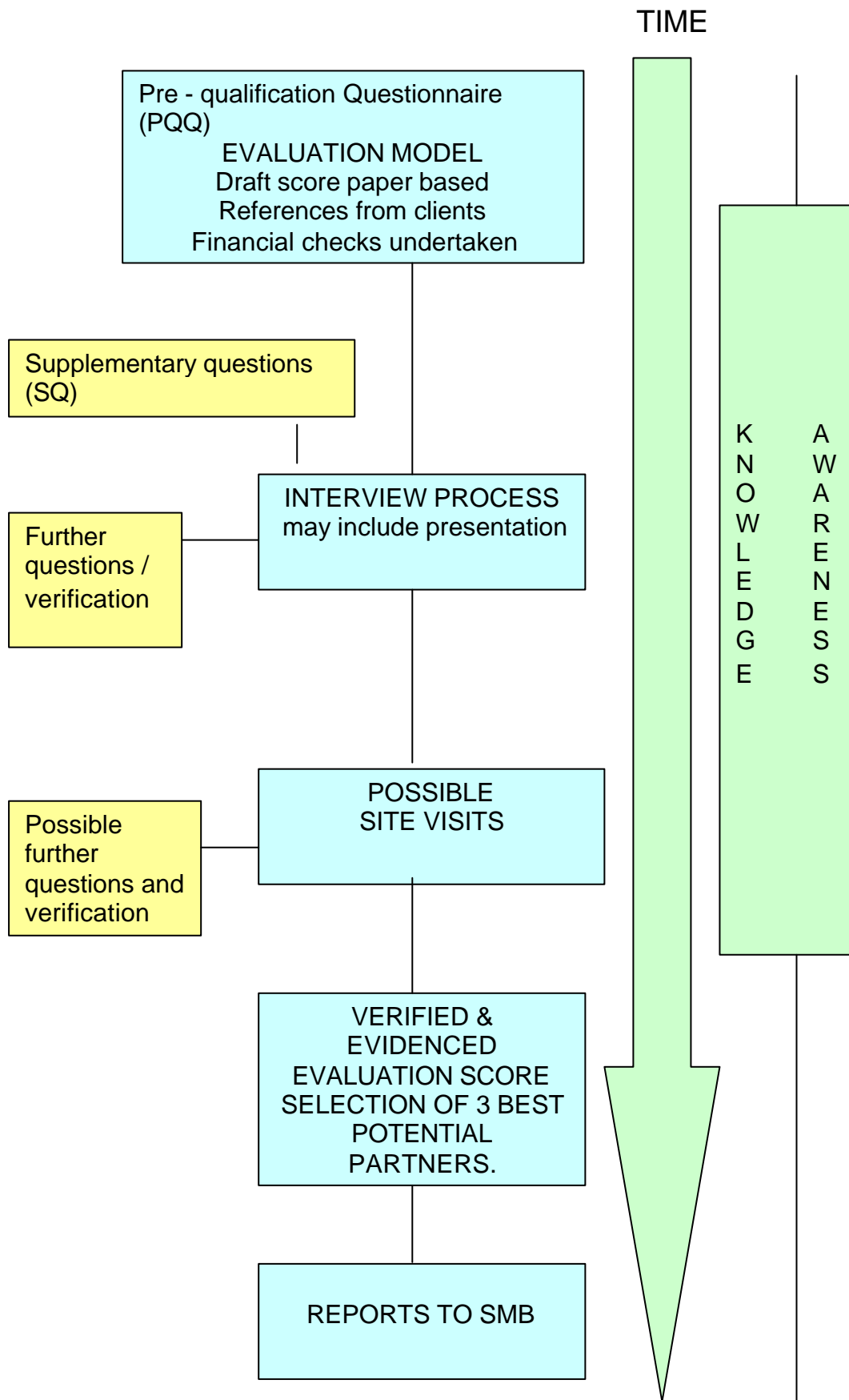
That Scrutiny Panel note progress on the project and the responses to the advert received to date

Appendix A/1 - Evaluation and Process

COMPANY NAME

Section	Weighting	Question	Score	Comments
A 1.5	14	Organisation status		
A 1.6	8	Director etc involvement in debt judgement		
A 1.7	8	Any outstanding claims		
A 1.12	5	Communication during bid process		
A 1.13	5	Continuity of team etc to delivery		
Sub-Total A	40	A. ORGANISATION DETAILS		
Sub-Total B	Pass/Fail	B. ELIGIBILITY		
C 1	Pass/Fail (15)	Annual turnover		
C 2	15	Annual turnover related to services		
C 3 & 4	Pass/ Fail (30)	Audited accounts- profit and loss, cash flow etc		
C 5	10	further details		
C 6	10	Guarantee by holding company		
C 8	20	Claims against policies		
Sub-Total C	100	C. FINANCIAL INFORMATION		
D 1	35	Key persons and past experience		
D 2	45	Statement of key issues (interview)		
D 3	Pass/Fail (60)	References from clients		
D 5	20	Quality standards		
D 6	20	Membership of trade associations etc		
Sub-Total D	180	D. TECHNICAL EXPERTISE		
E 1	8	Details of current partnership arrangements		
E 2	6	Details of any other arrangements		
E 3	6	Long term company strategy		
E 4	6	Current other schemes and negotiations		
E 6	10	Contract or employment terminations		
E 7	4	Contracts not renewed		
E 8	20	Experience of handling pension transfers		
E 9	20	Experience of TUPE transfers		
E 10	10	Any other relevant matters raised		
Sub-Total - E	90	E. PARTNERSHIPS		
F 1	8	Equal opportunities policy		
F 2	4	Sex Discrimination and Equal Pay Act		
F 3	4	Compliance with DDA		
F 4	6	Equal rights, pay and employment		
F 5	8	Outstanding actions in relation to employment law		
F 6	4	RRA act		
F 7	8	findings of racial discrimination in last 3 years		
F 8	4	investigation or alleged racial discrimination		
F 9	8	Written policies etc		
F 10	4	Observation of code of practice		
F 11	10	Willingness to provide documents and details		
F 13	10	Health and Safety policy details		
F 14	8	Prosecutions in the last 3 years		
F 15	4	formal investigations		
Sub-Total - F	90	F. EQUALITIES & OTHER POLICIES		
Grand Total	500	TOTAL		

Appendix A/2



Appendix B

RISK REGISTER REPROVISION PROJECT RESIDENTIAL AND DAY CARE SERVICES

IDENTIFYING THE RISK							MANAGING THE RISK				
	Risk	Consequences	Assessment of Risk				Controls		Trend		
			I (S) 1-4	L(P) 1-6		Rating	Italics bold means action to be completed	lead	July	Aug	Sept
	POLITICAL										
1	Change of Government or Government Policy over the life of the partnership.	Potentially different drivers and definition of success	2	5	10		<i>Build flexibility into contract. Monitor government policy for changes.</i>	PT			
2	Lack of focus on project from stakeholders due to other priorities.	slippage in programme and lower quality solution	3	4	12		<i>Ensure members and all stakeholders are kept fully briefed on progress and involved in the progression of the project.</i> Identified priority within Directorate. Discipline of Project management. Project Board as part of Governance arrangements.	CC			
3	Lack of political will to implement the initiative that is put forward.	Assessments of Council will be poor and poor performance figures. Delivery of care service will not be sustainable.	4	2	8		Ensure full disclosure of benefits and risks of any proposal, allowing informed and fair decision taking.	PT			
4	Loss of control over functions/service delivery from partner	less strategic control	3	4	12		<i>Ensure strategic control can be effected through the contract</i>	PC			

5	Opposition from staff and trade unions for a variety of reasons	Greater uncertain and consequential increase risk of disruption to the project	3	4	12		Communication and consultation strategy. Dialogue to reduce the number of potential reasons for opposition and to provide clarity. Implementation of communication strategy, press releases	CC				
6	Opposition and lack of buy in from other stakeholders to the required changes	Less likely or have or to implement a solution	3	4	12		leadership from project board and partnership boards, linked to communication strategy implementation	CC				
ECONOMIC												
7	Contractor prices higher to take account of its risk (the uncertainty of future requirements).	May become more expensive to implement	3	4	12		Structure for sharing risk needs to be clearly defined within contract and the amount identified	PC				
8	Shortage of suppliers or lack of competition – Pricing high.	May not be affordable.	3	3	9		Soft market testing has determined a reasonable level of interest and therefore effective competition is expected, provided Council adopts a reasonable approach to the allocation of risk and flexibility in packaging the works	PC				
9	Partners aims for expansion and business development not in accordance with the Council's vision.	May become more difficult to implement strategies and to adopt the required holistic approach	3	4	12		Need to build a route for on-going dialog between the organisations to ensure a strategic match.	PC				

10	Council reliant upon Partner for service delivery – failure of partner due to insolvency or unable to deliver on the redesign of services.	Poor service delivery, clients will be at risk as likely reduction in quality of the services delivered. Full consequences depend on the extent of the partnership	4	3	12		Risk assessment prior to entering into contract. Ongoing monitoring of Partners financial health. Contingency plans in place for continuation of Services and transfer on of staff, information and assets necessary - details to be included in contract.	PC				
SOCIAL												
11	Demographic future projections require a greater number of clients requiring services – likely to double over the length of the contract.	Change in structure of service delivery is required and essential	3	6	18		Must ensure that the contract allows the service to grow for the same finite financial resource.	C				
12	Cultural issues around staff and other stakeholders having to adapt to new models of service delivery away from residential care.	Outcome might be lack of buy in and reduction in quality of service provided	3	4	12		Consultation and on going discussion, debate and involvement. Meetings with staff and trade Unions. Seek to make receptive to change.	C				
13	Migration of staff away from service	Loss of a skilled resource	3	4	12		Need to be excellent communication and consultation strategy and inclusive approach	HR				
TECHNOLOGICAL												
14	Transfer of Data and personal information around data protection and current agreements / contract	Potential breach of regulations	3	4	12		Devise protocols to identify and transfer data and information.	PC				
15	Information Security System	Joined up use of data and or maintaining privacy not possible. Depends on extent of partnership services	3	4	12		Process needs to be put in place to outline management of information security systems.	PC				
LEGISLATIVE												

16	The areas covered in the partnership fail to meet the full requirements of best value.	Inability to demonstrate best value - probable lack of performance data. Will reflect within CPA scores	3	3	9		Review of project against BV criteria required – to involve Audit and Audit Commission to ensure satisfactory compliance.	F			
17	Changes to powers / responsibilities and legislation during the procurement process. – major change	May possibly act ultra Vires - if not covered by powers	3	3	9		Iteration and feeding into the business case and the financial model.	PC/L			
18	Changes to powers / responsibilities and legislation during the life of the contract.	May require variations and change to the contract.	3	4	12		Build in flexibility to the contract, allow for variations but link to affordability and financial model.	PC/L			
19	OJEU – Procurement rules to be adhered to.	failure to comply might result in a fine or retender	3	3	9		Using procurement experts assisted by legal .	PC			
20	TUPE – Timescales to achieve compliance	failure to comply	3	3	9		Timetabled to be addressed by Human Resource Group	HR/L			
21	Data Protection issues.	Breach of rules	3	4	12		Achieve through full consultation and agreement with stakeholders.	PC/L			
22	Failure to identify legislative requirements and powers to act	May act illegally or contract programme delayed at a later date.	4	5	20		MORE LEGAL INPUT INTO PROJECT legal contact officer needs to be identified in house. Allocation of legal resource. Commitment from legal department. Appointment of legal consultants. In house attendance of monthly meetings until consultant appointed.	PC/L			
ENVIRONMENTAL											
23	New centre and buildings will have environmental impact.	may have a negative or positive environmental impact.	3	6	18		Partner would need to work closely with Planners and community to ensure most suitable locations are identified. Environmental impact analysis could be undertaken	PC			

24	Traffic and congestion potential.	Might make the position worse	2	3	6		Partner would need to work closely with Planners and community.	PC			
COMPETITIVE											
25	Other local authorities may be considering similar arrangements to Walsall	Less Potential providers to supply or increase in cost.	3	5	15		Need to be aware of current market conditions and actions of other local authorities. Contact West Midland Centre of Procurement Excellence	C			
26	Lack of interest from potential providers or a number of suppliers within the market.	Negotiating position weak, High pricing, impact on re-tendering in the event of failure.	3	4	12		Ensure that project is attractive from the perspective of the bidders. Have a sensible approach to sharing risk. Conditions that are not too onerous. Roles not to be duplicated otherwise this might produce a high combined Council core and Provider cost. Proceed with a low number of providers and do not expose providers to potential high abortive costs in preparing bid. Consider plan B	PC			
27	Market conditions at time of tender unfavourable.	Higher than expected price.	3	3	9		Need to be aware of current market conditions at time of pricing.	PC			
CUSTOMER/CITIZEN											
28	Reputation risk if project aborted or goes wrong.	Perception of the Council will worsen	3	5	15		Communication strategy to include press releases. Consider alternative plan B. Perception will vary according to Stakeholder.	CC			
29	Inadequate consultation process involving service users, Voluntary sector and Independent providers.	Failure to comply with legal requirements around consultation and best value	3	4	12		Identify stakeholders and document process.	CC			

30	Mechanism for ongoing community consultation. if Partner in place how to adjust service requirements?	Difficulty in implementing requirements and changes	3	4	12		Flexibility required in contract and procurement process to enable service adjustment.	CC			
	PROFESSIONAL / MANAGERIAL										
31	Reputation affected if new service fails to deliver or effect improvements.	Reputation decline - loss of trust	3	3	9		Communication strategy to include press releases	CC			
32	The Partnership may service Clients directly – loosing the benefits of a more joined up service and strategic approach in accordance with Council's priorities provided.	less ability for the Council to intervene holistically in a strategic way.	4	4	16		Conditions of contract and links to strategies and required outcomes. Targets and restrictive covenants relating to properties.	PC			
33	Poor Project Management Skills /experience.	Badly managed project	3	3	9		Rigorous approach to project management.	PT			
34	Insufficient time allowed to undertake elements of the project	May be rushed and opportunities missed and risk created for both the Council and Service Provider.	3	4	12		Detailed project plan and timetable	PT			
35	The open & flexible approach to the process might result in not defining what is wanted.	Take what is offered rather than define what is necessary	3	5	15		Ensure that the ITN document specifies and defines the parameters	PC			
36	Confusion over roles within the Project Management Process	Potential duplication, possible uncertainty.	3	3	9		Clear structure and decision making process	PT			
37	Lack of detailed project plan.	lack of understanding	3	3	9		Detailed project planning	PT			
38	Insufficient Capacity to deliver project requirements and maintain/manage base services during the process.	Failure of one or both of the two	3	5	15		Programme and budget for. Consider the secondment of staff full-time to the project	(LB)			

39	Partnership Initiative not fully considered within other Council Plans and strategies and vice versa	Lack of fit, and conflict	3	4	12	Holistic approach and whole Council involvement. Project Board, Cabinet and scrutiny reporting mechanism.	PT				
40	Lack of Organisational change management system in place	Uncertainties amongst staff as to roles and responsibilities.	3	4	12	Full involvement of HR and management linked to a clear and open communications.	HR				
41	Lack of knowledge or skill base to deal with the investigation/preparation work or implementation.	Project is less effective and greater level of risk	3	4	12	Use of consultancy support and current service providers	PT				
42	Risk to current service delivery and Performance Monitoring. Performance Management system which may not be fully developed.	failure or decline in service and lack of intervention or lack of knowledge that there has been a decline.	3	4	12	Audit of current performance and data and maintain during the project. Use project to get baseline data during the consultation process	LB				
FINANCIAL											
43	Potential for change in service delivery model may increase total costs.	May be unaffordable	3	5	15	Need to understand the current level of provision and costs. The Tender Evaluation will allow changes in service to be assessed.	F				
44	Significant preparation costs., may be insufficient monies within the budget	Overspend on budget and loss of confidence in project team	3	5	15	Identify realistic budget. Limit costs at each stage of the project and put procedures and budget in place. Report on and control spend.	F				
45	Parallel running costs on implementation (and termination).	May not be sufficient monies within the budget and therefore overspend.	3	4	12	Needs to be built into the business case and financial modelling of the proposals. May be necessary to discuss approach with Provider.	F				
46	Council may be required to underwrite a loss made by the Partnership.	May not be sufficient monies within the budget	3	5	15	Contractual arrangements to specify the handling of risks and the allocation of any losses.	F				

47	Affordability. Likelihood of significant cost changes or changes to pricing structure over the life of the contract.	May become unaffordable during the life of the contract	3	5	15	Consider a phased approach over time in relation to risk. Council takes on less risk over time	F				
48	Remaining “core” Support services loose client base and therefore require reductions / redundancies.	May effect the Partnership contract with Fugitsu.	3	4	12	Arrange transfer of appropriate staff to Partner of enter into SLA's to provide partner a continued service.	F				
49	Capital investment required to realise partnership objectives over and above what the partner can provide.	May be lack of investment and the inability to provide a suitable built environment.	3	4	12	Clarity of objectives and clear investment programme agreed at outset of partnership. Seek opportunities for additional funding.	F				
50	The contract may be structured in a way that doesn't minimise cost and might maximise tax disadvantages eg VAT, and land transfer /sale.	The Partner incurs additional costs which are reflected in the sums paid out by the Council	4	4	16	Seek and Budget for specialist expert advice from tax consultant	F				
LEGAL											
51	Complexities around transfer of responsibilities may not be easy/ possible.	May possibly act ultra Vires - if not covered by powers	4	4	16	Incorporation of legal into the project team and attendance at meetings.	PC/L				
52	Data and Asset ownership (especially upon termination).	Uncertainty and /or risk which is reflected in price	3	4	12	Clarify in contract	PC/L				
53	Insurance arrangements	uncertainty or lack of adequate protection for the council	3	4	12	Clarify in contract	PC/L				
54	(Vicarious) Liability between parties for actions.	May be confusion over liability	3	4	12	Clarify in contract	PC/L				
55	Possible information sharing problems – Data Protection	May be in breach of Data protection act	3	4	12	Clarify in contract	PC/L				

56	Property ownership issues	uncertainty around freehold and leasehold requirements	3	4	12		Clarify in contract	PC/L				
57	Current contract and arrangements between the Council and Care Home Clients - security of tenure	Inability to fully adopt proposals	4	4	16		Clarify current position in terms of the legal, moral and political positions. Seek revised policy or ratification of existing	PC/L				
	PARTNERSHIP / CONTRACTUAL											
58	How to measure success and reward it.	resources may be targetted incorrectly due to failure in knowing if deterioration or improvement.	3	4	12		Conditions of contract and incentives linked to performance and outcomes	C				
59	Disputes with Partner (as has occurred with "partners" on other projects)	Failure to concentrate on improvement and service delivery	3	4	12		Cultural issue and will depend on trust, people and seeking joint benefits More likely that a dispute will arise if there are liquidated damages. A sensible and clearly defined approach to risk and responsibility will reduce the likelihood of dispute	PC				
60	Payment mechanisms undefined.	failure to measure success and reward	3	4	12		Will be defined within the contract – core term	PC				
61	Use of Reward and Penalty / and incentive clauses.	more focused approach to performance management and service delivery	3	4	12		Incentives rather than penalties. (Penalties not enforceable or desirable).	PC				
62	No contingency arrangements to cover project - A plan B	No plan B	4	3	12		Have a reserve partner and alternative strategy and fall back position.	PT				

63	Different Governance arrangements may result in the values not being shared.	Failure to work in partnership and failure of Council to meet its objectives.	3	4	12	Define objectives within the contract and incentives to achieved required performance – joint training programmes and exposure to the community and Council Partners. Define post contract governance arrangements	PT			
64	No clear framework of roles, responsibilities and accountability.	Partnership will lack direction	3	4	12	Clarity on the structure of the Council Core, specialist teams and whether any partnership board or contract monitoring board post contract	PT			
65	Likely changes to specification and requirements over time.	Will Increase or decrease service cost (the former more likely)	3	5	15	Project management and contract control – should be possible to achieve compensating savings. Shopping list approach or limit Council financial risk.	PC			
66	Differences in objectives and priorities between Partner and the Council – heighten as Partner and business grows.	Failure to work in partnership and failure of Council to meet its objectives.	3	4	12	Ensure adequate influence on partnership board or contract monitoring board. Ensure key decisions by Partner are assessed for impact upon the Council. Include in contract conditions.	PC			
67	Lack of linkages with Strategic Partner and other Partners of the Council.	Lack of strategic fit unless built into some over arching strategy.	3	4	12	Mapping of linkages and expected outcomes / involvement with the LSP, community organisations and the Council.	PT			
	PHYSICAL									
68	Lack of partner commitment to H&S, well being of staff, and security of assets.	Major risk to safety of staff and clients	4	3	12	Part of Contractual arrangements and tender evaluation, and contract monitoring.	HR			
	OTHER									

69	Sutability of extra care / environment for dementia and other vulnerable persons	Increase in risk and cost	4	4	16		Research schemes and project during the short-listing process				
70	Contract risk if the Partnership and contract fails	Failure and dispute	4	3	12		Develop partnership approach with incentives to succeed				

Likelihood	Impact	Group	
1 Almost Impossible	1 Negligible	1 Project Team	PT
2 Very Low	2 Marginal	2 Procurement and contract	PC
3 Low	3 Critical	Primarily legal through Procurement and contract	PC/L
4 Significant	4 Catastrophic	3 Human Resources	HR
5 Hign		4 Commisioning	C
6 Very High		5 Finance	F
		6 Communication / Consultation	CC
		Direct service area (Lloyd)	LR

