

## **Cabinet – 28 February 2007**

### **The reprovision of residential and day care services for older people**

**Portfolio:** Councillor Alan Paul, Social Care & Inclusion

**Service Area:** Older People Services

**Wards:** All

**Key decisions:** Yes

**Forward Plan:** Yes

#### **Summary of report**

The report provides background information in relation to the previous report to cabinet and seeks approval to proceed in a number of areas.

The current position is considered in the following sections under the headings of:

- The Outcome of User Consultations
- Consultations with Ward Members
- Site Selection and Programme for Site Development
- TUPE or Secondment Option
- Affordability
- Value for Money, Commercial Considerations and risks
- Project Timescale including Contract Approval Date

A report was presented to the Health Social Care and Inclusion Scrutiny and Performance Panel on the 25 January 2007. It is anticipated that a final report will be considered by the Scrutiny and Performance Panel on the 22 March 2007 and then by Cabinet on the 18 April 2007.

#### **Recommendations**

It is recommended that Cabinet:

1. Considers the feedback from the statutory consultation, and agrees to action the responses outlined in section 2.0 of this report
2. Agrees the proposed sites as set out in this report
3. Agrees to the proposed leasing arrangements
4. Approves the continuation of negotiations with Housing 21 as the Council's preferred provider and move towards achieving an affordable scheme that demonstrates value for money based on a preferred TUPE transfer of staff

5. Notes the proposed project timescale with an anticipated contract financial close in July 2007 and receives a further and anticipated final report at its meeting on the 18 April 2007.

### **Resource and legal considerations**

The proposals incorporate the required cash efficiency savings for future years and cater for an increased number of service users. The proposed built environment, which includes a number of two bedroom units, also allows for further demographic capacity issues to be addressed through a proposed infrastructure being in place whereby more couples can be accommodated. Within Housing 21's proposals will be Capital investment of £38 million and lifecycle costs of £12.6 million.

The consultations which took place must be procedurally fair and have taken into account the needs of each individual resident. It was important that the consultation commenced early when the proposals were at a formative stage. Age concern acted in an advocacy role.

### **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.

### **Community safety**

Community Safety will be taken into account as part of the design of the new facilities.

### **Environmental impact**

There will be a positive impact to the environment on six sites through the provision of new schemes and facilities that are energy efficient, compliant with the building regulations, and designed to a high standard.

Consideration needs to be given to the treatment of a number of residual sites which may become surplus during the transitional period.

### **Performance and risk management issues**

A risk assessment has been undertaken and project risk register produced. The aim is to identify and manage risk by taking the necessary management action and where possible reducing the risk profile over time. The negotiation dialogue will determine the ownership of various items of risk, which will also be considered alongside the public sector comparator, affordability and value for money.

The re-provision of Older People's services is a key element in the drive to improve the performance rating of adult social care in Walsall and aims to impact positively on the following Performance Indicators:

- PAF C72 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 equitable access to services based on individual assessed need. Equality and diversity was a key element of the evaluation of the bid.

## **Consultation**

This report has been prepared in consultation with the re-provision project team, and Redesign Programme Board. Statutory consultations have taken place with residents and their relatives as detailed within section 2.0 and the background papers. A number of meetings have taken place with Ward Members. Initial consultation on the planning proposals has taken place with the Development Team.

## **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.
- The proposals will also contribute to priority 10 "make Walsall an excellent local authority" because Department of Health expectations, expressed through the Commission for Social Care Inspection's annual performance assessment of adult social care, are that an excellent service makes the minimum possible use of long term residential and nursing care for older people, maintaining people in their own homes or other homely settings. Progress on the re-provision programme is a key element in the drive to improve the performance rating of adult social care in Walsall.

## Background papers

Report and presentation to scrutiny and performance panel 25 January 2007  
Site plans and proposal  
Reports on consultations prepared by Age Concern

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Signed

Kathy McAteer  
Acting Executive Director

Date: 15 February 2007



Signed

Councilor Alan Paul  
Portfolio Holder

Date 16 February 2007

## 1.0 Background Information

The previous report to Cabinet on the 18 October 2006 considered the bids received, the evaluation framework and process of tender evaluation and identified that the tender evaluation panel considered that the bid received from Housing 21 was fairly comprehensive and a reasonable basis from which to work to enable progress to be made and for the reprovion project to move forward to the next stages.

The report identified that there were a number of key areas to consider, namely:

- site selection linked to the property proposals
- which bid to pursue
- whether it should be based on a TUPE or a secondment options
- affordability and value for money.

Cabinet considered that following the receipt of bids and their initial evaluation approval be given to:

(1) The commencement of statutory consultation with residents with regard to the reprovion programme in general and the current proposals being made by Housing 21.

(2) Receive a report on the outcome of the consultations at its meeting on the 28 February 2007

(3) The continued negotiations with Housing 21 on the basis of a transfer of the service from the commencement date of the contract under either a secondment or TUPE arrangement of the staff.

(4) Note the details in relation to the bids received, and to inform Housing 21 of their status as the sole bidder and the Council's intention to move forward to the next stages of the procurement, with the aim of achieving project close. Such tasks will include:

- further negotiation with a view to firming up details around the bids in relation to cost, risk and affordability.
- enabling Housing 21 to commence the due diligence process and move forward with the necessary planning applications and approvals, and various consultations.

(5) Receive a further report to Cabinet on 28 February 2007 which, subject to consideration of the outcome of the consultation process and subject to demonstrating affordability and value for money (vfm), will seek approval to enter into a contract

Details relating to the proposed sites, units, and services are included within Appendix A. The schedule identifies

- 255 units of extra care housing, comprising 1 and 2 bedroom apartments with integrated day care centres and facilities including hairdressers, restaurant and well being suites on sites.
- 40 bed Dementia care unit at Goscote with integrated day care facilities and outreach centre and the likely provision of 10 intermediate care places.
- 26 bed unit at Rushall Mews providing intermediate and interim care.

The total number of units are therefore 321, compared to the existing provision of 315 beds.

The report considers the current position and progress made under the following sections:

- The outcome of User Consultations
- Consultations with Ward Members
- Site selection and programme for site development
- TUPE or Secondment Option
- Affordability
- Value for money, commercial considerations and risks
- Project timescale including contract approval date

A report was presented to the Health Social Care and Inclusion Scrutiny and Performance Panel on the 25 January 2007. It is anticipated that a final report will be considered by the Scrutiny and Performance Panel on the 22 March 2007 and by Cabinet on the 18 April 2007.

## **2.0 The Outcome of User Consultations**

Age Concern have compiled the feedback information from residents and relatives in their advocacy role and forwarded a report to the Council on the 19 January 2007.

Presentations were delivered to all of the residential homes between the 24 October 2006 and the 13 November 2006. An additional evening presentation took place at the Central Methodist Hall on the 7 December 2006 for “all care homes” so that those relatives unable to attend during the day were given an opportunity to do so.

The presentation was delivered to the staff team only at Rushall Mews Intermediate Care Unit, which is intended to remain much as it is. The unit has 3 residents.

The presentation team consisted of the Service and Assistant Service Managers Older Peoples Services from Walsall Council and Senior National and Regional Care Service Managers from Housing 21. Human Resources Officers and Managers from both organisation, and welfare benefits officers from Walsall Council. A team from Age Concern attended each presentation.

The presentations set out the proposals that would form the reprovision of residential and day care services. Additionally they projected a range of preferences and principles that the Council will carry into negotiations with Housing 21. It was pointed out that the Council’s plans are still at a formative stage and whilst the proposals are the Council’s ‘current preferences’ these are subject to negotiations with the ‘single provider’ and the outcome of the consultation exercise.

As new more up to date information and opportunities arose these were incorporated into the presentations.

Residents’ attendance at the presentations ranged between 20 – 40% with a similar percentage of relatives attending. All residents were issued with a presentation pack.

The detailed papers and reports from Age Concern are available as background information and have been considered in detail by Council Officers. The reports refer to 3 surgeries held at each home pre and post presentation of the reprovision programme, the presentation of the events and the analysis of the returned questionnaires.

The main themes highlighted through the consultations are listed below together with the Council's proposed response.

- **Quality of care**

- Concern centred regarding staffing numbers and who would deliver the care.

**Response**

Staff will be transferring and continue to provide high level of care and a high number of care hours.

Effective care planning will be ensured throughout the transition period and beyond.

- **Staff**

- Very high regard for current LA staff. Main concerns related to maintaining teams who would move with residents and continue the care relationship.

**Response**

The Council has been explicit in explaining that the core of staff teams will move with the core of residents in their care. Some staff though may seek new opportunities such as the new dementia care unit.

The Council will continue to communicate and re-assure Service Users.

- **Cost**

- Concern regarding limited information relating to rents, service charges, meals etc;
- Approach has high reliance on attracting welfare benefits which leaves self-funding residents in a precarious position.

**Response**

The Council will provide the Service Users with clear information relating to their rents and charges.

The Council will take steps to ensure that self funders and others are not financially disadvantaged. It is however essential service users claim their full entitlement to benefit and that the Council supports them in this action

- **Furnishings and equipment**

- Concern as flats would need to be furnished. Residents had already given up their furniture and possessions and would now have to start again. Residents desire adequate financial assistance for this purpose.
- Welfare benefits grants could be sourced but are unlikely to cover the full cost required.

**Response**

The Council will support Service Users to claim grant entitlement and the Council will make provision to meet any shortfall.

- **Access & Locality**

- Generally residents wanted to remain in their current localities and relatives wanted to ensure they could access new sites, public transport etc;

**Response**

Whilst it will not be possible to ensure all residents remain in their current locality, the Council will seek to offer as much choice as possible, in consultation with individual residents, giving the widest possible options.

All new sites are on major routes and served by public transport.

- **Model Suitability for frail elderly**

- Concern centred around model of independent living as many residents were significantly dependent on care 24 hours a day, 7 days a week.

**Response**

The Extra Care Housing model provides care 24 hours a day, 7 days a week similar to the current model of care.

- **Number of Moves**

- Concern that moves would be detrimental to the health and wellbeing of residents, multiple moves would be even worse.

**Response**

The Council will take steps to minimize the moves residents will make.

The Council will suspend admissions to homes at the appropriate time to minimise the impact on numbers of residents where two moves are likely and to provide additional care and support to existing residents during the transitional period.

The Council will ensure timely planning and on-going preparation and consultation with individual residents and where required consult with residents GP.

Effective and consistent care planning will be ensured throughout the process.

- **Choice**

- Concern that choice could be limited or that the opportunity for residents to exercise choice may not be recognised.

**Response**

The Council will seek to offer as much choice as possible, in consultation with individual residents and their relatives giving the widest possible options.

- **Fear of isolation**

- Concern that the model, "One's own front door", was more individualised and less communal. Linked to the misconception of reduced staffing, residents and relatives felt the risk of isolation was high.



**Response**

Staff will be transferring and continue to provide high level care and a high number of care hours.

Ample communal space will be allowed for within the designs that will reduce any risk of isolation.

Direct feedback at each event indicated that residents and relatives felt that the overall plan and the resulting range of services was good for Walsall in that it improved on what was currently provide by offering more choice and an improved standard of accommodation.

It would be safe to say however that in general the current cohort of residents would rather not see change and upheaval affect them. There are exceptions of course but on the whole the residents would prefer for there to be no change for them personally.

### **3.0 Consultation with Ward Members**

Following the briefing on the Reprovision Project to the Political Groups, elected members expressed a preference to be kept informed of progress at a local level on how it might affect their ward.

A number of meetings (see below) have taken place with ward members most affected, to explore and discuss possible implications of the likely proposals.

- Bentley and Darlaston North (Bentley)
- Bloxwich East (Sanstone),
- Bloxwich West (Mossley)
- Darlaston South (Castleview)
- Rushall – Sheffield (Rushall and The Limes)
- Short Heath ( Meadow House and Short Heath)

Drawings and details for various sites are being provided to elected members where available and as requested. Where Care services are to be re-provided on other sites, ward members have expressed a desire to know the Council's intention regarding the planned usage at the end of the transitional period for the old sites, and whether for example existing buildings will be demolished or whether the sites can be developed

### **4.0 Site Selection and Programme for Site Development**

As reported previously to cabinet the property proposals and facilities include integrated day care centre, shops, and wellbeing suite and gymnasium, as well as one and two bedroom flats and typically require a built floor area on a given site of around 5000m<sup>2</sup>. Accordingly the most appropriate sites tend to be self selecting, in that a number of sites are simply not of sufficient size to accommodate the new facilities and would be most unlikely to obtain planning approval for a suitable scheme. Additional site surveys have been undertaken to ascertain suitability and identify risks.

A meeting took place with Housing 21 on the 14 December 2006 to specifically review the Reprovision programme and progress the selection of the sites and to discuss the

outcome of the evaluation of whether TUPE or secondment was preferable from a Council perspective.

Following Cabinet approval to progress the planning applications and approvals, a meeting took place with the Council's Development Team and Housing 21 and their Consultants on the 14 December 2006. The sites considered in detail were Mossley, and Short Heath. A further meeting took place on 1 February 2007 to discuss amended drawings, the established principles and the other sites, which included the Delves, Goscote, Baytree and the WHG site at Brownhills.

The preference as regards to Aldridge/Brownhills is for a vacant WHG site at Brownhills, with its better development potential and location, to the otherwise previously identified Northgate site. However the Northgate site is held as a potential reserve site in the event that the Baytree site proves too difficult to develop due to site constraints and value for money issues. This is currently being explored with the Council's development team.

WHG has agreed in principle to the sale of their Brownhills site to the Council, probably by way of a land exchange. It is intended that Officers from the Council's Estates Management Section move forward this proposal.

By utilising the two sites which are not currently operating as residential care homes in the West (Mossley) and East (Brownhills), the previously programmed construction and transitional period can be reduced from approximately 5 to 3.5 years which results in time, cost, and decanting efficiencies, and with consequential reduced disruption to service users.

The provisional programme agreed with Housing 21 which identifies the sites and the start and completion dates and schedule on new services locations is included within Appendix A and it is intended that this will form the basis of the contract with an agreed contract commencement date of the 1 June 2007.

Construction works would be likely to commence therefore in Summer 2007 and finish in Summer 2010.

### **Extra Care Housing**

Where extra care housing developments are taking place on Council land, as previously reported to Cabinet, the proposals are to enter into a 125 lease with restrictive covenants on the use of the land. This enables the scheme to be more affordable by generating a residual value which can be deducted from the total cost of the scheme and therefore reduce the charge to the council. Additionally, as previously identified, under the Housing 21 financial model if the Council made a lease charge to Housing 21 for the land, then the charge together with the additional costs of overheads and financing costs would be included and then charged back to the Council. Accordingly the lease approach identified is considered to represent the best value for money solution.

The Council is looking to dispose of long leasehold interests in Delves Resource Centre, Short Heath Resource Centre, Baytree Resource Centre (subject to comment above in relation to Northgate), Rushall Mews and the site at Mossley by way of 125 year leases at nil consideration. In return for this, Housing 21 will provide 255 extra care beds within new, purpose built units. The estimated cost of building these (Housing 21's Capital Investment) over the next 3 years is in the order of £38 million.

The current use of the sites, with the exception of Mossley, is as older person accommodation which, if the re-provision does not proceed, will still need to be provided. The sites can not therefore be included within the disposal programme or be re-allocated to an alternate service for a different use. The site at Mossley has been removed from the said disposal programme to be included in the project. This was agreed, in principle, by the Corporate Property Group.

Due to the need to re-provide as a minimum equivalent numbers the sites not currently occupied as older persons homes (Mossley, Goscote and Brownhills) can be developed without disruption to the existing tenants. The disposal of the long leasehold interest at nil consideration has been reflected in the affordability calculations for the scheme and, should a separate market value be requested for the sites, this would only be 're-charged' to the Council as part of the annual cost of the service.

During the construction of the new accommodation Housing 21 will lease all the sites and continue to provide the current service. Once the new accommodation is built, the sites and buildings at Meadow House, Sandstone Resource Centre, St James Resource Centre, Bentley Resource Centre and The Limes Home will be available for either re-use by other Council Service areas or for disposal. Again, when necessary, the future use of these sites will be considered by the Corporate Property Group.

Under section 123 of the Local Government Act, the Council is charged with securing Best Consideration for its assets. The sale of the sites listed above would not produce sufficient income to finance the re-provision proposals direct. In the absence of any other capital and having regard to the affordability considerations, Cabinet are, therefore, advised that the disposal of land at nil consideration, in order to secure the capital investment from Housing 21 and the creation of new older persons accommodation under the re-provision project, can be seen to satisfy the Best Consideration requirement in the context of the affordability model.

The site proposed for development at Brownhills is currently in the ownership of Whg and will need to be purchased by the Council in order to include it within the project and lease it back to Housing 21. Again it is proposed to grant a 125 year lease to Housing 21 at nil consideration. This acquisition will most likely be through a land swap, which is the preferred option. Further details of this proposal will be reported to a future meeting of Cabinet.

The re-provision project also includes a proposal to provide a 40 bed dementia care unit on part of the former Goscote Hospital site, owned by Walsall Teaching Primary Care NHS Trust (tPCT). It is proposed that the Council will take a 30 year lease from the tPCT at a full market ground rental for the site. The Council will then look to sub-let to Housing 21 at nil consideration.

Should the full cost of the rental be passed onto Housing 21 this would merely be recharged back to the Council as part of the annual cost of providing care for older person, again affecting the affordability of the scheme. This proposal, therefore, means that the cost is met directly rather than indirectly by the Council.

The terms of the lease are currently under negotiation and these, along with any Best Consideration issues, will be reported to a future Cabinet meeting in accordance with the Council's constitution

The Housing Corporation continues to be very supportive of the re-provision scheme and complimentary with regards to the Council's approach and the strategic clarity and thinking which underpins the proposals. It found the funding structure and proposals attractive, whereby the Council was likely to contribute the land at no cost (125 years lease) and that Housing 21 would be investing in the project. The Housing Corporation therefore considered that the request for Social Housing Grant appeared to represent good value for money, and therefore invited the Council and Housing 21 to submit a formal application for its inclusion within the Corporation's forward funding pool. It would then be considered for inclusion within their funded programme for 2008 – 2010.

It is intended to submit the formal application in early February following the meeting with the Council's Development team. While not at this stage a firm commitment to provide grant funding this is a promising development.

### **Non Extra Care Housing**

Where non extra care housing is proposed, such as the specialist dementia care unit at Goscote and the intermediate and interim care facilities at Rushall Mews, the ownership of the property will revert to the council at the end of the 30 year contract period.

The master plan for the development of the old Goscote Hospital site has been delayed and is unlikely to be available until early March 2007 at the earliest, accordingly the application for planning approval has been put on hold until such time that the master plan is completed and available. It will be necessary for all parties to explore the desirability and merits of a contract commencement date prior to all planning permissions being in place.

### **Residual Sites**

One of Housing 21's option proposals related to the possible development of the sites not currently identified for development within the re-provision project (otherwise residual) as satellite developments to the core sites, as a possible privately owned shared equity / mixed tenure solution. Officers have been seeking to explore and develop this option further with Housing 21. Meetings have taken place between the Council, Housing 21 and Whg where opportunities for joint working and potential strategies to meet further demographic demands for older persons accommodation and services have been discussed. This links into the discussions with ward members and their desire to know the intended planned usage of the residual sites. The current thinking is these are best considered outside of the re-provision project with its associated complexities. In the meanwhile Officers, Housing 21 and WHG will continue to explore opportunities for joint working and Officers will report back to Cabinet the outcome of these meetings at a future date.

## **5.0 TUPE or Secondment Option**

Members may recall that the invitation to negotiate document identified 3 basic standard bid options which were effectively based on either a TUPE or secondment option, and that the previous Cabinet report identified that deciding on whether to proceed on the basis of a TUPE or Secondment option was a key decision which needed to be developed.

There is now consensus and a recommendation from Officers and the Council's professional advisers that the TUPE Day 1 transfer option is preferable to the secondment option in minimising risk to the Council.

This is in the main due to the vires, legal, and practical implications and difficulties presented by the secondment option which is detailed within Appendix B prepared by the Council's legal adviser.

In seeking to arrive at a robust analysis of whether to proceed with a TUPE or secondment option for the Reprovision project, it was considered that using the framework contained within the Council's risk management strategy offered a good basis for analysis.

A number of different perspectives and opinions were sought as to the advantages and disadvantages of proceeding with the TUPE and secondment options through identifying and considering the different risks, and in this way the data produced formed the basis for further consideration and analysis.

The perspectives and areas requested for consideration and analysis were;

- Human Resources
- Financial
- Pensions
- Risk Management and Insurances
- Legal
- Trade Unions (T&GW, Unison , GMB)
- Housing 21

To assist analysis a standard pro-forma was used. The Trade Unions whilst not completing the standard pro-forma which was issued to them, expressed their preference for the secondment option. Housing 21 completed the pro-forma and expressed a preference for the secondment option.

A workshop was held on 27 November 2006 with the intended outcome of facilitating the completion of an Officer report that would provide recommendations and a conclusion as to which of the options was likely to offer the best solution for the project from the Council's perspective.

In analysing the returns and responses for the two options the comments from the different stakeholders were identified as either advantages or disadvantages. What quickly became apparent is that whether the characteristics associated with a TUPE or secondment option is an advantage or disadvantage, depends on the stakeholder's perspective.

There was a strong consensus at the workshop and recommendation from Officers and the Council's professional advisers that the TUPE option was preferable to the secondment option in minimising risk to the Council.

It was considered that the vires, legal, and practical implications and difficulties presented by the Secondment option made the TUPE option more attractive.

Whilst TUPE itself carries risks, from a purely employment perspective, it was considered to be a “cleaner” option than secondment as the secondment option requires ongoing management on a day to day basis by the Council which carries resource and cost implications in addition to the possible vires and legal issues.

Due to potential uncertainties around responsibilities it was also considered by the advisers that there could be potential issues around insurable and non insurable risks.

Both options considered assumed that transfer will take place on day 1. Housing 21’s preference for secondment is considered to be as a consequence of the reduced risk to them (and consequently greater risk remaining with the Council). They indicated at the December meeting however that they are willing to proceed on the basis of a day 1 TUPE transfer should the Council so require, subject to a number of issues being clarified. Officers are clarifying these with Housing 21 as part of the commercial negotiations.

It was however considered that whilst the front line services and staff should transfer from day 1 that there may be advantages to both Housing 21 and the Council for the Council to continue operating a number of the back office service to the existing residential care homes during the transitional period, as the Council has in place an existing infrastructure of contracts and support. It also enables the Council to reduce any associated corporate overhead costs in a phased way.

Housing 21 have stated that they would wish to use the Council’s existing NVQ training centre during the transitional period, with the option to continue beyond through a service level agreement.

From a financial perspective it has been estimated that the Council’s total support costs connected with the reprovion programme within the context of a TUPE and secondment option, are in the region of £90,000 of which £57,000 are related directly to employee related functions (HR, payroll, pensions, employment support etc) with the balance being for services such as ISS, audit and finance. The additional cost for the secondment, rather than the TUPE option, is considered to be in the order of an additional £103,000 per year.

The presentation to the Scrutiny and Performance Panel on the 25 January 2007 identified a number of key factors that related to the transfer namely:

- The transfer of the existing service on day 1 is on an “as is” basis and therefore relates to the residential care home model.
- With the Extra Care model some roles will change as the new facilities are completed.
- It has been made clear to Housing 21 that the Council would wish to comply with the Code of Practice on Workforce Matters and provide protection to transferring employees
- Under the code, new joiners terms and conditions overall should be no less favourable than those of transferred employees.

An initial job matching exercise undertaken by Housing 21 and Council Officers indicates that there is a good match between the numbers and job category of those likely to transfer namely 436 staff (318 full time equivalents) compared to a requirement of 301 full time equivalent staff at the end of the transitional period. Accordingly as the transitional period is likely to last for longer than 3 years, when taking into account staff

turnover it is considered that there should be no concerns in the area of “job matching” and thus no risk of redundancies.

## **6.0 Affordability**

At the time of drafting this report the Council has developed an affordability model relating to the financial elements of the bids, but further negotiations are necessary with Housing 21 in relation to ownership of risk and the various assumptions made. As Housing support services will be offered in addition to care, as part of a holistic service to reflect the model of extra care housing, supporting people funding is included within the affordability model. This holistic approach also increases the likelihood of securing Housing Corporation grant funding. It is anticipated that by the end of February Housing 21 will have updated their financial model and eliminated a number of the identified anomalies. Consequently the financially modelled bid figure cannot currently be stated in absolute terms although it is anticipated that once finalised the bid will exceed the indicative affordability figure (as reported to Cabinet on 18 October 2006), however any contract figure and unitary charge will be contained within the existing budget allocation. Officers and advisers will:

- Continue to determine the input costs and challenge the assumptions
- Consider the achievable care income and review the impact of various policies including the current Fairer Charging policy.
- Continue to explore with Housing 21 and the Housing Corporation funding and grant opportunities.

## **7.0 Value for Money, Commercial Considerations and risks**

PricewaterhouseCoopers (“PwC”), the Council’s financial advisers will be assisting the council in rigorously reviewing all issues around affordability and value for money and this process, including the preparation of a public sector comparator for the TUPE option should be finalised in the weeks ahead.

In view of the reasons outlined in section 5.0 it has been assumed for the purposes of progressing the Project Agreement that the basis of the transfer will be that TUPE applies as this is likely to represent the best value for money. Further details relating to the project agreement issues, commercial considerations and risks will be reported to the next Cabinet meeting, however the basic position in relation to the allocation of risk is not dissimilar to that originally included within Appendix 7 of the invitation to negotiate document. A brief summary of the main risks as an extract from the risk register is included within Appendix C.

## **8.0 Project Timescale including Contract Approval Date**

A series of meetings are programmed with Housing 21 to firm up a number of the legal and commercial issues in finalising the proposals.

A key issue in relation to any TUPE transfer relates to pensions. While details were forwarded to the West Midlands Pension Fund actuaries for a risk assessment and contribution rates a number of months ago, they are unlikely to be available until the middle of February 2007. Accordingly in arriving at the timetable of a likely contract financial close in July 2007, this is dependent on receiving the necessary pension fund

details and processing admitted body status in a timely manner, and reconciling with the affordability and value for money criteria.

In a letter received from Housing 21 a request was made for the Council to underwrite Housing 21's additional costs in the event that the Council withdrew because it was unable to deliver politically. Officers responded that such an undertaking could not be given, and stating that they were seeking to work towards the earliest possible commitment to contract date from the Council.

It is anticipated that a further final report will be presented to Scrutiny on the 22 March 2007 and that approval will be sought from Cabinet on the 18 April 2007, subject to demonstrating affordability and value for money, to enter into a contract with Housing 21 with a likely contract financial close date of July 2007.

## **9.0 Recommendations**

It is recommended that Cabinet:

1. Considers the feedback from the statutory consultation, and agrees to action the responses outlined in section 2.0 of this report
2. Agrees the proposed sites as set out in this report
3. Agrees to the proposed leasing arrangements
4. Approves the continuation of negotiations with Housing 21 as the Council's preferred provider and move towards achieving an affordable scheme that demonstrates value for money based on a preferred TUPE transfer
5. Notes the proposed project timescale with an anticipated contract financial close in July 2007 and receives a further and anticipated final report at its meeting on the 18 April 2007.



**APPENDIX A**

**SCHEDULE OF SITES UNITS AND START AND COMPLETION DATES – 1/02/07**

Start on Site	Finish on Site	Site location And Centres (Ctr)	Alternative		Extra Care	Standard Tenancies	Respite	Inter - mediate	Interim	Dementia Care	Existing Places & (days per week)	Proposed Places & (days per week)	
Feb 08	April 09	Brownhills WHG	Northgate	New	52	50	2			(10)	15 (5)	25 (5)	
Sept 08	Dec 09	Delves Resource Ctr		New	52	50	2				15 (5)	20 (5)	
Aug 07	Sept 08	Mossley		New	54	52	2				(10)	15 (5)	20 (5)
Sept 08	Dec 09	Short Heath Resource Ctr		New	60	58	2					20 (7)	20 (7)
May 09	July 10	Baytree Resource Ctr		New	37	35	2					15 (5)	20 (7)
		Streets Corner (omitted)		existing								25 (5)	0 (0)
<b>Total</b>					255	245	10			(20)	105	105	
					Non extra care						565	605	
Sep 07 Float – n/a	Oct 08 Float – n/a	Goscote - DCU Rushall Mews	No change No change	New Existing	40 26	0	10	10 16	10	20	0	20 (7)	
<b>Total Repronition Units</b>					321	245	20	26	10	20 (20)	105	125	
											565	745	

**SCHEDULE OF NEW SERVICE LOCATION**

Existing Sites	New Service Location
Delves Resource Centre	Extra Care Housing scheme on existing site. Specialist Dementia Care Unit and Day Care Centre at Goscote. Intermediate care provision at Rushall Mews
Short Heath Resource Centre	Extra Care Housing scheme on existing site. Specialist Dementia Care Unit and Day Care Centre at Goscote. Intermediate care provision at Rushall Mews
Baytree Resource Centre	Extra Care Housing scheme on existing site. Specialist Dementia Care Unit and Day Care Centre at Goscote. Intermediate care provision at Rushall Mews
Rushall Mews	Minimal change to existing intermediate care facilities
Streets Corner	Day care facilities and places to be integrated and provided on Brownhills WHG site and / or at Baytree
Meadow House	Extra Care Housing Scheme at Short Heath. Specialist Dementia Care Unit and Day Care Centre at Goscote. Intermediate care provision at Rushall Mews
Sandstone Resource Centre	Extra Care Housing Scheme at Mossley. Specialist Dementia Care Unit and Day Care Centre at Goscote. Intermediate care provision at Rushall Mews
St James Resource Centre	Extra Care Housing Scheme at Brownhills WHG site. Specialist Dementia Care Unit and Day Care Centre at Goscote. Intermediate care provision at Rushall Mews
Bentley Resource Centre	Extra Care Housing Scheme at Short Heath. Specialist Dementia Care Unit and Day Care Centre at Goscote. Intermediate care provision at Rushall Mews
The Limes Resource Centre	Extra Care Housing Scheme at Brownhills WHG site or Baytree. Specialist Dementia Care Unit & Day Care Centre at Goscote. Intermediate care provision at Rushall M
Castleview	Extra Care Housing Short Heath, Mossley or Delves. Specialist Dementia Care Unit and Day Care Centre at Goscote. Intermediate care provision at Rushall Mews

## **APPENDIX B**

### **REPROVISION OF RESIDENTIAL DAY CARE**

#### **LEGAL ANALYSIS OF TUPE AND SECONDMENT OPTIONS**

This annexe sets out the legal advice on the TUPE and Secondment options and also incorporates the discussions that took place at a "TUPE/Secondment Workshop" on 27 November 2006.

##### **1. SUMMARY**

The general consensus reached at the Workshop was that the TUPE option is preferable to the Secondment option for moving staff to Housing 21 (assuming that their appointment as preferred bidder is confirmed) to deliver the Reprovision of Residential Day Care Project ("the Project"). In summary, it was felt that the vires, legal, and practical implications and difficulties presented by the Secondment option was a greater burden than the pensions difficulties presented under the TUPE option.

TUPE itself carries risks (as identified below) but from a purely employment perspective, it is a "cleaner" option than Secondment as the Secondment option requires ongoing management on a day to day basis by the Council. This carries resource and cost implications in addition to the vires and legal issues.

It should also be noted that the discussions took place without the benefit of knowing precisely what structure will be required by Housing 21 going forward. My understanding is that the up to date TUPE lists have now been finalised by the Council and the Council, in conjunction with Housing 21, will be working to ascertain the differences and similarities between the TUPE list and the requirements of Housing 21 in terms of employees going forward. My further understanding is that the Council's expectation is that, assuming there is to be a TUPE transfer and that the TUPE transfer is to take place on Day 1, there will not be any significant changes to the structure or the working arrangements immediately post transfer. The new service will instead evolve over time.

As we are aware, Housing 21 expressed a strong preference for a Secondment arrangement at our meeting in early October 2006 and it may be necessary to revisit the position following further discussions with Housing 21. I should also point out that I am not a pensions specialist. I appreciate that the Council does have its own pensions specialists but should the Council require any advice from us on pensions issues then I will be more than happy to involve one of my pensions colleagues.

##### **2. TUPE**

The purpose of this letter is not to provide any detailed advice on the application and implications of TUPE but in summary, and following the implementation of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (which entirely replace the former 1981 Regulations) for there to be a transfer under TUPE, there must be: -

- a business or "undertaking" capable of transfer which does in fact transfer from one person to another, retaining its identity; or

- a change in contractor where services carried out by one service provider cease and are carried out instead by another.

We briefly tested the issue as to whether or not TUPE is likely to apply to this Project. Again, the overwhelming consensus, based on my advice, is that there is little or no merit in pursuing any argument that TUPE will not apply. The factual position is that the service will initially be run almost exactly on the same basis by Housing 21 as it is currently being run by the Council. Clearly, over the life of the contract, the service will evolve but issues around the application of TUPE at the expiry of the contract will be dependent on the factual position at that time.

We also briefly explored the possibility of a series of TUPE transfers of part of the service. It is entirely possible to have TUPE transfers of part. However, the view here is that this is one service and it will be very difficult if not impossible to break down the service into a number of discreet economic entities that will facilitate a series of TUPE transfers. If it becomes necessary at a later date, we can explore this in more detail.

I advised that, following the House of Lords decision in *Celtec v Astley* the notion that there could be a "phased" TUPE transfer over a period of time is now highly questionable in law. The House of Lords in this case decided that a TUPE transfer has to occur at a single point in time (i.e. on a given date) as opposed to over a period of time. I would therefore strongly advise the Council against considering a phased TUPE transfer but if necessary this can again be reviewed at a future date.

It is worth noting that under the new TUPE Regulations, pre-existing case law has been confirmed in that "purely administrative" transfers within the public sector are not covered by TUPE. My view is that this Project is an outsourcing and clearly not a purely administrative transfer within the public sector.

Further, and in any event the Cabinet Office Statement Of Practice, January 2000 ("the Statement"), provides that within the public sector, even though TUPE may not strictly apply, the matter should be dealt with as if it does. Specific protection is also applied to pension rights. The Statement has no force of law but is followed in practice.

Further, in local government, the then ODPM Best Value Circular, March 2003 (containing the Code of Practice on Workforce Matters) provides protection for transferring staff (including regarding pensions) and also seeks to preclude a "two tier workforce" i.e. new starters being recruited on less favourable terms than their colleagues who were formerly employed by the local authority. Sections 101 and 102 of the Local Government Act 2003 give the Government the power to make directions as to local authority staff transfers.

My understanding is that the Council has every intention to abide by the principles of the Code of Practice on Workforce Matters. At a later date, it will be necessary to determine precisely how the Council interprets the Code of Practice on Workforce Matters and to ensure that appropriate provisions are included in the contract documentation to ensure that Housing 21 abides by the provisions of the Code of Practice.

The effect of TUPE in broad terms is that the contract of employment of any employee who transfers is deemed to operate after the transfer as if it always existed between the employee and the transferee. Continuity of employment is also preserved. With regard to Union recognition, any voluntary recognition of an independent Trade Union by the Council will transfer to Housing 21 if the undertaking or part undertaking transferred maintains its identity distinct from the remainder of the Housing 21

undertaking. Further, any collective agreements in which the Council is a party to in relation to the affected employees will, in its application to transferred employees, also transfer to and must therefore be honoured by Housing 21 unless and until that agreement is lawfully ended. If the terms of the collective agreement have been incorporated into an employee's contract of employment, those terms will survive the termination of the collective agreement unless and until the transferee validly varies the terms of the employee's contract.

Liabilities arising in connection with the employment relationship, for example, arrears of wages or a negligence claim will transfer to Housing 21 and statutory rights and liabilities will also transfer such as breaches of the employees' rights under employment rights, discrimination, personal injury and other legislation. This will usually be the subject of warranties and indemnities in the contract documentation.

TUPE is effectively a snapshot in time and preserves terms and conditions of employment as at the date of transfer. There is nothing within TUPE itself which provides any guarantee with regard to changes to terms and conditions of dismissals going forward. There are inbuilt restrictions in TUPE as to when and how terms and conditions can be changed and how dismissals can be effected. Dismissals or changes which are TUPE related will be void and/or automatically unfair dismissals unless an economic, technical, or organisational reason entailing changes in the workforce can be established. Again, I will be more than happy to provide further advice on this going forward as necessary.

Note that there are also specific information and consultation obligations under TUPE which are applicable to both the Council and Housing 21. My understanding is that this process has already been commenced but I will be more than happy to input into this process as necessary.

### 3. **SECONDMENT**

The other main alternative to a TUPE transfer is a Secondment arrangement. There are a number of different types of "Secondment" and it is also possible to have more informal arrangements whereby employees from both Housing 21 and the Council continue as employees of their respective employers (Housing 21 or the Council as the case may be) but work side by side on an "informal" basis. It is important to note that it is a fundamental principle of employment law as it stands (albeit that there are some movements away from this) that there can only be one employer per employee over one contract of employment. It is possible to have dual contracts of employment where the employee genuinely undertakes part of his or her time for one employer and part for another employer. This is effectively two contracts of employment with two different employers sitting side by side. However, it is not at present possible to have two organisations undertaking the role of an employer over the same contract of employment.

Traditionally, Secondments have been used by organisations to "loan" individuals to another employer for a relatively short period of time. The Council will undoubtedly be seconding employees internally and externally on a daily basis and there will be a fairly standard Council Secondment Agreement to regulate this arrangement.

Secondment, as identified above, does carry with it vices; legal and practical implications. Should the Council be minded to pursue a Secondment arrangement, my advice is that this should closely resemble the Retention Of Employment Model ("ROE Model") which has been pioneered quite successfully in the NHS.

Until the Local Government Act 2000 was introduced there were constraints on the legality of Secondments from public to private sector. However, Section 2 of that Act has made the position more straightforward by introducing a wide ranging power of wellbeing which now makes Secondment more feasible. However, assuming that the 2000 Act provides the power, or vires, to undertake Secondments, the Council will still need to be satisfied that it is exercising its power for proper public law reasons (i.e. correct motive and is acting reasonably). It will also need to satisfy itself that this method promotes wellbeing and delivers best value in the context of the Council's community strategy.

The next critical issue is whether Secondment works in law where part of the Council's undertaking is being outsourced to a private contractor. In many cases, including this Project, there is the significant risk that the outsourcing arrangement will constitute a relevant transfer for the purposes of TUPE. In this scenario, the contracts of employment of employees wholly or mainly assigned to the outsourced service would transfer to the private transfer by operation of law regardless of the wishes of the parties. This is subject to the right of employees to object to a TUPE transfer. However, by objecting to a TUPE transfer, ordinarily an employee loses all his or her employment rights unless the employee can demonstrate that the reason for objecting is that they would suffer a significant detriment by virtue of the transfer.

It is because of the automatic transfer principle that the ROE Model requires staff who wish to be retained in the NHS to make a formal objection to the transfer of their contracts of employment pursuant to TUPE. It is hoped that the effect of this is to prevent the automatic transfer occurring by essentially terminating the existing contract of employment with, simultaneously, the member of staff being re-employed by the NHS under a new contract which makes arrangements for the employee to be seconded to the contractor.

The ROE Model provides for staff who work in defined soft facilities management services at non-managerial level to have the option to remain as employees of the NHS and be seconded to the private sector. The ROE Model does not apply to management grade and nor does it apply to facilities management services. This may not be appropriate to this Project. If management staff were to be seconded then this could increase the risk of Housing 21 becoming the employer in law.

It is hoped that the Tribunals and Courts will not see reason to interfere with the ROE Model arrangements as they are intended to benefit rather than prejudice the staff who are retained by the NHS. However, it is recognised that there is a risk that the objection mechanism might be seen by a Tribunal or Court as a device to get around TUPE in which case these arrangements could be declared void as being in breach of TUPE. TUPE provides that any attempts to contract out of TUPE is void.

The decision in the *Celtec v Astley* case above has cast further doubt on the legality of the objection method as a basis for the ROE. This case suggests that an objection to transfer to the private provider's employment, while in practice agreeing to work for the private provider on a secondment basis, will in fact fall foul of the automatic transfer principles under the Acquired Rights Directive and TUPE (TUPE derives from the European Acquired Rights Directive). However, even if this is the case, there is an argument that, under Regulation 4(1) of TUPE 2006, TUPE only applies to transfer employees if their employment contracts "would otherwise be terminated by the transfer". A strict reading of this wording would suggest that a Secondment arrangement should be valid, on the basis that employment does not need to be terminated by the Council; or rather the Council can continue to employ the employees while seconding them to the private provider (Housing 21). On the face of it, this

analysis appears to cut across the automatic transfer principles but if in practice employees have given free consent to the Secondment arrangements then arguably this should not defeat the purpose of TUPE, namely to protect employees. Further, and in any event, it is unlikely in such situations that any employee or indeed the Trade Unions would challenge the position.

As discussed in the Workshop however, it should be noted that even if a Secondment option is pursued, employees could still maintain that they have a right to transfer under TUPE. In practice, this is usually not an issue as the employees will generally prefer to be retained by the Council. I am however mindful that Housing 21 is a "quasi" public sector organisation.

Assuming that the vires and legal issues can be defended, there are still practical implications associated with the Secondment option. In summary, these include responsibility for making sufficient staff available to perform the services; responsibility for day to day management; responsibility for dealing with disciplinary and grievance issues; responsibility for recruitment; and issues around risk, both in terms of employment law liabilities and also liabilities to third parties.

The ROE Model typically affects terms and conditions in the following way:-

- NHS Trusts determine the terms and conditions of seconded employees.
- NHS Trusts' procedures for disciplining employees are followed and implemented by the private sector partner.
- NHS Trusts retain the right to terminate the seconded employees' contract of employment.
- The private sector partner can in certain circumstances terminate a particular employee's Secondment but this will not necessarily result in the dismissal of the seconded employee.
- The private sector pay seconded employees as agents for the NHS Trust.
- The private sector partner is responsible for recruitment of new staff to work in the services as the agents for the NHS Trust on the basis that the private sector partner must comply with the Trust's recruitment policies.

None of these issues are insurmountable but they do require careful consideration and appropriate drafting to reflect the position in the contract documentation. There is a balance to be struck between providing the private contractor with sufficient autonomy to properly manage the employees but at the same time for the council to retain sufficient employment responsibilities so as to reduce the risk of employees being deemed to be employees of Housing 21. There is a huge amount of case law, particularly in the field of agency employees, as to who is the correct employer.

There are also potential issues with regard to ensuring compliance with the Statutory Dispute Resolution Procedures both in terms of dismissal and grievance. With regard to discipline, the better view is that as long as the ultimate decision on dismissal is by the original employer (the Council in this case), then, all things being equal, a Tribunal should not find that procedures have been breached in this respect. With regard to grievances, employees might be best advised to raise grievances with both the Council and Housing 21 and the Council would be advised to retain a minimal level of

involvement in all workplace grievances from seconded staff particularly where there is a possibility that the Statutory Grievance Procedure could apply.

The scope of third party liability is beyond my expertise but clearly appropriate insurance provisions will need to be in place. With regard to recruitment and promotions generally and agreement would be necessary as to how this is to take place in practice. The ROE Model does potentially effect the career development prospects of the seconded employee. As management staff are not subject to the ROE Model, the only way that top services non-management employees can progress to a management position is by ending their NHS employment and taking up employment with a private sector partner. There are also issues around potential industrial action depending on exactly who the dispute is with.

There are practical issues as well in terms of managing the Secondment at the outset and in particular that the sequence of objecting and signing contracts of employment is right so as to minimise any risk of liability. This is something that I would be happy to advise further on.

Finally, consideration will have to be given as to what is going to happen at the expiry of the current contract. The position will be governed by the factual position as at that time, in particular whether TUPE (or whatever legislation may be in place by then) applies. There is clearly a risk that the Secondment will terminate at that stage and the Council will be left with having to re-house seconded staff. Due to the nature and length of this particular Project, the likelihood is that most employees will have left by that stage but there may be employees who have stepped into the shoes of seconded local authority employees.

**Huw Rolant Jones**

**EVERSHEDS LLP**

**29 November 2006**

## APPENDIX C

### SUMMARY OF MAJOR RISKS, EXTRACT FROM REGISTER REPROVISION PROJECT RESIDENTIAL AND DAY CARE SERVICES

IDENTIFYING THE RISK						MANAGING THE RISK
	Risk		Assessment of Risk			Controls  Italics bold means action to be completed
			I (S) 1-4	L(P) 1-6	Jan 07	
	<b>POLITICAL</b>					
1	Change of Government or Government Policy over the life of the partnership.	Potentially different drivers and definition of success	2	5	10	<b><i>Build flexibility into contract. Monitor government policy for changes.</i></b>
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.
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. <b><i>Dialogue to reduce the number of potential reasons for opposition and to provide clarity. Implementation of communication strategy, press releases</i></b>
6	Opposition and lack of buy in from other stakeholders to the required changes. Waltham Forest Experience	Less likely or have or to implement a solution	3	4	12	leadership from project board and partnership boards, linked to communication strategy implementation
	<b>ECONOMIC</b>					
7	Contractor prices higher to take account of its risk (the uncertainty of future requirements).	May become more expensive to implement	3	4	12	<b><i>Structure for sharing risk needs to be clearly defined within contract and the amount identified.</i></b> ITN matrix has remained constant
8	Shortage of suppliers or lack of competition – Pricing high.	May not be affordable.	3	3	9	<b><i>Sufficient responses to advert but only one sole bidder. Ensure prices are benchmarked against competitive bids</i></b>
	<b>SOCIAL</b>					



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	<b>Must ensure that the contract allows the service to grow for the same finite financial resource. Consider funding strategy and fairer charging policy.</b>
<b>LEGISLATIVE</b>						
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 – <b>Seek to involve Audit and Audit Commission to ensure satisfactory compliance.</b>
18	Changes to powers / responsibilities and legislation during the life of the contract.	May require variations and change to the contract.	3	4	12	<b>Build in flexibility to the contract, allow for variations but link to affordability and financial model.</b>
20	TUPE – Timescales to achieve compliance	failure to comply	3	3	9	Timetabled to be addressed by Human Resource Group
22	Failure to identify legislative requirements and powers to act	May act illegally or contract programme delayed at a later date.	4	3	12	More legal input into project. Legal contact officer needs to be identified in house. Allocation of legal resource. Appointment of legal consultants. Attendance of monthly meetings.
<b>ENVIRONMENTAL</b>						
23	New centre and buildings will have environmental impact.	May have a negative or positive environmental impact.	3	6	18	<b>Partner would need to work closely with Planners and community to ensure most suitable locations are identified. Environmental impact analysis could be undertaken.</b> Planning process and consultation taking place. Grade A environmental performance
<b>COMPETITIVE</b>						
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 Housing Associations/Builders. Contacted West Midlands Centre of Procurement Excellence
27	Market conditions at time of tender unfavourable.	Higher than expected price.	3	3	9	<b>Need to be aware of current market conditions at time of pricing. Also the effect of interest rates</b>
<b>CUSTOMER/CITIZEN</b>						
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.

29	Inadequate consultation process involving service users, Voluntary sector and Independent providers.	Failure to comply with legal requirements around consultation and best value	3	3	9	Identify stakeholders and document process.
30	Mechanism for ongoing community consultation. If Partner in place how to adjust service requirements?	Difficulty in implementing requirements and changes	3	4	12	<b>Flexibility required in contract and procurement process to enable service adjustment.</b>
	PROFESSIONAL / MANAGERIAL					
32	The Partnership may service Clients directly – losing 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	<b>Conditions of contract and links to strategies and required outcomes. Targets and restrictive covenants relating to properties. 100% nomination rights</b>
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. Review and where necessary extend time allowances
38	Insufficient Capacity to deliver project requirements and maintain/manage base services during the process.	Failure of one or both of the two	3	4	12	Programme and budget for resources. Consider the secondment of staff full-time to the project
39	Partnership Initiative not fully considered within other Council Plans and strategies and vice versa	Lack of fit, and conflict	3	3	9	<b>Holistic approach and whole Council involvement.</b> Project Board, Cabinet and scrutiny reporting mechanism.
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	3	9	Use of consultancy support and current service providers
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	3	9	<b>Audit of current performance and data and maintain during the project. Use project to get baseline data during the consultation process</b>
	FINANCIAL					
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.
46	Council may be exposed to loss made by the Partnership.	May not be sufficient monies within the budget	3	5	15	<b>Contractual arrangements to specify the handling of risks and the allocation of any losses. Consider risks associated with alternative bids</b>

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	<b>Consider a phased approach over time in relation to risk. Council takes on less risk over time</b>
48	Remaining "core" Support services loose client base and therefore require reductions / redundancies.	May impact and overlap the Council's transformational plan	3	4	12	<b>Arrange transfer of appropriate staff to Partner and enter into SLA's to provide partner a continued service.</b>
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	<b>Clarity of objectives and clear investment programme agreed at outset of partnership. Seek opportunities for additional funding.</b>
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	3	12	Seek and Budget for specialist expert advice from tax consultant
<b>LEGAL</b>						
51	Complexities around transfer of responsibilities may not be easy/ possible.	May possibly act ultra Vires - if not covered by powers	4	3	12	Incorporation of legal into the project team and attendance at meetings.
53	Insurance arrangements	uncertainty or lack of adequate protection for the council	4	4	16	<b>Clarify in contract</b>
56	Property ownership issues	uncertainty around freehold and leasehold requirements	3	4	12	<b>Clarify in contract</b>
<b>PARTNERSHIP / CONTRACTUAL</b>						
60	Payment mechanisms undefined.	failure to measure success and reward	3	4	12	<b>Will be defined within the contract – core term</b>
62	No contingency arrangements to cover project - A plan B	No plan B	4	3	12	Have an alternative strategy and fall back position.
64	No clear framework of roles, responsibilities and accountability.	Partnership will lack direction	3	4	12	<b>Clarity on the structure of the Council Core, specialist teams and whether any partnership board or contract monitoring board post contract</b>
<b>OTHER</b>						
70	Contract risk if the Partnership and contract fails	Failure and dispute	4	3	12	<b>Develop partnership approach with incentives to succeed</b>
71	Site contamination and or other site information	Delays and possible increase costs/and or change of plans	3	3	9	Consider having site surveys discuss with Providers. Now actioned

73	Title restrictions / problems	Frustration / delay and need to redesign with increased costs	3	4	12	Investigate and review title
74	Obtaining planning permission	Frustration / delay and need to redesign with increased costs	4	3	12	<b>Consult and liaise with Planning Officers</b>
75	Judicial Review	Frustration / delay and need to redesign with increased costs	4	3	12	Develop and implement consultation plan with legal advisers
<b>OTHER - Emergent risks</b>						
77	Pensions	As per ITN.	3	4	12	<b>Continue to seek specialist advice</b>
78	Indexation	Rising Inflation may result in increases in costs	3	4	12	<b>Consider hedging arrangements, PwC to advise on H21 proposals. Finance work stream to consider risk</b>
79	Insurance	Inadequate cover or risk profile and exposure inappropriate	3	4	12	<b>Appoint specialist adviser, inform and consider / follow advice and requirements.</b>
80	Losses – as discussed yesterday, “and losses” added into clauses as example of project agreement / legal and financial risk	May seek to be affordable during the life of the contract. Risk may be too high	4	3	12	<b>Seek to ensure that risk profile is not at odds with the general market position. Thus reducing the likelihood of change. Use PwC as regulator. Summary and identification of risks to cabinet based on final negotiated project agreement</b>
81	SPV and Charitable status Change in tax laws	Structure which Council originally wanted and saving in Corporation tax and scheme affordable	3	4	12	<b>Consider trends scenarios and options. PwC/Eversheds to advise whether low or very low, and all alternative. Negotiate acceptable position</b>
82	Benefits income	Reduction in income	3	3	9	<b>Consider trends and scenarios</b>
83	Impact on retained services – payroll, finance, personnel etc (could be a positive impact)		2	4	8	<b>Consider fully the different effects of a TUPE and secondment model. Consider phased reduction of corporate support.</b>
84	Retained services located in homes– cost of moving, relocating etc	Additional costs over and above that budgeted	2	4	8	<b>Develop affordability model</b>
85	Void Management issues		3	4	12	<b>Develop and Define protocol</b>
86	Allocations Panel issue		3	4	12	<b>Develop and Define protocol</b>
87	Affordability	Scheme too expensive and doesn't proceed or scheme proceeds and risks are too high	4	4	16	<b>Manage risk and consider the right risk profile, have shopping list of potential savings. Seek additional funding opportunities. Negotiate acceptable and appropriate risk profile with H21</b>

88	Registration standard	Failure to Register and or failure to de-register	4	4	16	<b><i>Continue Dialogue with CSCI - was to meet again in November 2006. Clarify responsibilities and meeting</i></b>
89	Failure to understand risks and pick up full implications and costs of the contract prior to entering into contract.	Additional costs emerge during the contract period. Changes may occur during the contract period that increases the Council's costs.	3	4	12	<b><i>Modelling of all the costs and consideration of the risks and various scenarios. E.g protected salaries, additional care hours, redeployment costs etc. Prepare project/contract indicative risk matrix once decision on TUPE and Secondment is made.</i></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	Jan 07	Rating		Italics bold means action to be completed	lead	Nov 05	June 06	Aug 06	Jan 07
	POLITICAL												
1	Change of Government or Government Policy over the life of the partnership.	Potentially different drivers and definition of success	2	5	10		<b><i>Build flexibility into contract. Monitor government policy for changes.</i></b>	PT					
2	Lack of focus on project from stakeholders due to other priorities.	slippage in programme and lower quality solution	3	3	9		Ensure members and all stakeholders are kept fully briefed on progress and involved in the progression of the project. Identified priority within Directorate. Discipline of Project management. Project Board as part of Governance arrangements.	CC	12 ↓				
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		<b><i>Ensure strategic control can be effected through the contract</i></b>	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. <b><i>Dialogue to reduce the number of potential reasons for opposition and to provide clarity. Implementation of communication strategy, press releases</i></b>	CC					

6	Opposition and lack of buy in from other stakeholders to the required changes. Waltham Forest Experience	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		<b>Structure for sharing risk needs to be clearly defined within contract and the amount identified.</b> ITN matrix has remained constant	PC				
8	Shortage of suppliers or lack of competition – Pricing high.	May not be affordable.	3	3	9		<b>Sufficient responses to advert but only one sole bidder. Ensure prices are benchmarked against competitive bids</b>	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	3	9		Build a route for on- going dialog between the organisations to ensure a strategic match.	PC		12		
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		<b>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.</b>	PC			16	
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		<b>Must ensure that the contract allows the service to grow for the same finite financial resource. Consider funding strategy and fairer charging policy.</b>	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		<b>Consultation and on going discussion, debate and involvement. Meetings with staff and trade Unions. Seek to make receptive to change. Different bid types might facilitate or make more difficult</b>	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. To date no migration	HR				
<b>TECHNOLOGICAL</b>												
14	Transfer of Data and personal information around data protection and current agreements / contract	Potential breach of regulations	3	4	12		<b>Devise protocols to identify and transfer data and information.</b>	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		<b>Process needs to be put in place to outline management of information security systems.</b>	PC				
<b>LEGISLATIVE</b>												
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 – <b>Seek to involve Audit and Audit Commission to ensure satisfactory compliance.</b>	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		<b>Iteration and feeding into the business case and the financial model.</b>	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		<b>Build in flexibility to the contract, allow for variations but link to affordability and financial model.</b>	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	3	12		MORE LEGAL INPUT INTO PROJECT legal contact officer needs to be identified in house. Allocation of legal resource. Appointment of legal consultants. Attendance of monthly meetings .	PC/L		20	16	
ENVIRONMENTAL												
23	New centre and buildings will have environmental impact.	may have a negative or positive environmental impact.	3	6	18		<b>Partner would need to work closely with Planners and community to ensure most suitable locations are identified. Environmental impact analysis could be undertaken.</b> Planning process and consultation taking place . Grade A environmental performance	PC				
24	Traffic and congestion potential.	Might make the position worse	2	3	6		<b>Partner would need to work closely with Planners and community.</b>	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 Housing Associations/Builders. Contacted 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. Negotiation with others shortlisted	PC		12			
									↓		↑	9
27	Market conditions at time of tender unfavourable.	Higher than expected price.	3	3	9	<i>Need to be aware of current market conditions at time of pricing. Also the effect of interest rates</i>	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	15	↓		↑	12
29	Inadequate consultation process involving service users, Voluntary sector and Independent providers.	Failure to comply with legal requirements around consultation and best value	3	3	9	Identify stakeholders and document process.	CC	12	↓			
30	Mechanism for ongoing community consultation. if Partner in place how to adjust service requirements?	Difficulty in implementing requirements and changes	3	4	12	<b>Flexibility required in contract and procurement process to enable service adjustment.</b>	CC					
PROFESSIONAL / MANAGERIAL												
31	Reputation affected if new service fails to deliver or effect improvements.	Reputation decline - loss of trust	3	3	9	<b>Communication strategy to include press releases</b>	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		<b>Conditions of contract and links to strategies and required outcomes. Targets and restrictive covenants relating to properties. 100% nomination rigths</b>	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. Review and where neceary extend time allowances	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	4	12		Ensure that the ITN document specifies and defines the parameters	PC		15	↓	
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	4	12		Programme and budget for resources. Consider the secondment of staff full-time to the project	(LB)		15	↓	
39	Partnership Initiative not fully considered within other Council Plans and strategies and vice versa	Lack of fit, and conflict	3	3	9		<b>Holistic approach and whole Council involvement.</b> Project Board, Cabinet and scrutiny reporting mechanism.	PT		12	↓	
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	Project is less effective and greater level of risk	3	3	9		Use of consultancy support and current service providers	PT		12	↓	

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	3	9		<b>Audit of current performance and data and maintain during the project. Use project to get baseline data during the consultation process</b>	LB		12 ↓		
<b>FINANCIAL</b>												
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 exposed to loss made by the Partnership.	May not be sufficient monies within the budget	3	5	15		<b>Contractual arrangements to specify the handling of risks and the allocation of any losses. Consider risks associated with alternative bids</b>	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		<b>Consider a phased approach over time in relation to risk. Council takes on less risk over time</b>	F				
48	Remaining “core” Support services loose client base and therefore require reductions / redundancies.	May impact and overlap the Council's transformational plan	3	4	12		<b>Arrange transfer of appropriate staff to Partner and enter into SLA's to provide partner a continued service.</b>	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		<b>Clarity of objectives and clear investment programme agreed at outset of partnership. Seek opportunities for additional funding.</b>	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	3	12		Seek and Budget for specialist expert advice from tax consultant	F		16 ↓		
LEGAL												
51	Complexities around transfer of responsibilities may not be easy/ possible.	May possibly act ultra Vires - if not covered by powers	4	3	12		Incorporation of legal into the project team and attendance at meetings.	PC/L			16 ↓	
52	Data and Asset ownership (especially upon termination).	Uncertainty and /or risk which is reflected in price	3	4	12		<b>Clarify in contract</b>	PC/L				
53	Insurance arrangements	uncertainty or lack of adequate protection for the council	4	4	16		<b>Clarify in contract</b>	PC/L				
54	(Vicarious) Liability between parties for actions.	May be confusion over liability	3	4	12		<b>Clarify in contract</b>	PC/L				
55	Possible information sharing problems – Data Protection	May be in breach of Data protection act	3	4	12		<b>Clarify in contract</b>	PC/L				
56	Property ownership issues	uncertainty around freehold and leasehold requirements	3	4	12		<b>Clarify in contract</b>	PC/L				
57	Current contract and arrangements between the Council and Care Home Clients - security of tenure	Inability to fully adopt proposals	3	4	12		Clarify current position in terms of the legal, moral and political positions. Seek revised policy or ratification of existing	PC/L		16 ↓		
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		<b>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</b>	PC				
60	Payment mechanisms undefined.	failure to measure success and reward	3	4	12		<b>Will be defined within the contract – core term</b>	PC				
61	Use of Reward and Penalty / and incentive clauses.	more focused approach to performance management and service delivery	3	4	12		<b>Incentives rather than penalties. (Penalties not enforceable or desirable).</b>	PC				
62	No contingency arrangements to cover project - A plan B	No plan B	4	3	12		Have an 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		<b>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</b>	PT				
64	No clear framework of roles, responsibilities and accountability.	Partnership will lack direction	3	4	12		<b>Clarity on the structure of the Council Core, specialist teams and whether any partnership board or contract monitoring board post contract</b>	PT				

65	Likely changes to specification and requirements over time.	Will Increase or decrease service cost (the former more likely)	3	5	15		<b>Project management and contract control – should be possible to achieve compensating savings. Shopping list approach or limit Council financial risk.</b>	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		<b>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.</b>	PC				
67	Lack of linkages with Strategic Partner and other Partners of the Council.	Lack of strategic fit unless built into some overarching 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	3	12		Research schemes and project during the short-listing process	PT		16	↓	
70	Contract risk if the Partnership and contract fails	Failure and dispute	4	3	12		<b>Develop partnership approach with incentives to succeed</b>	PC/L				
71	Site contamination and or other site information	Delays and possible increase costs/and or change of plans	3	3	9		Consider having site surveys discuss with Providers. Now actioned	PC			12	↓
72	Ability of Council to respond directly to emergencies eg recent nursing home CSCI	Failure to service delivery	4	4	16		<b>Build into contract and arrangements the ability to respond indirectly through Provider or reconfigure client core</b>	PT				

73	Title restrictions / problems	Frustration / delay and need to redesign with increased costs	3	4	12		Investigate and review title	PC/L		15 ↓		
74	Obtaining planning permission	Frustration / delay and need to redesign with increased costs	4	3	12		<b>Consult and liaise with Planning Officers</b>	PC				
75	Judicial Review	Frustration / delay and need to redesign with increased costs	4	3	12		Develop and implement consultation plan with legal advisers	PC/L		16 ↓		
<b>OTHER - Emergent risks</b>												
77	Pensions	As per ITN.	3	4	12		<b>Continue to seek specialist advice</b>	F				
78	Indexation	Rising Inflation may result in increases in costs	3	4	12		<b>Consider hedging arrangements, PwC to advise on H21 proposals. Finance workstream to consider</b>	F/ PwC				
79	Insurance	Inadequate cover or risk profile and exposure inappropriate	3	4	12		<b>Appoint specialist adviser, inform and consider / follow advice and requirements.</b>	F				16 ↓
80	Losses – as discussed yesterday, “and losses” added into clauses as example of project agreement / legal and financial risk	May seek to be affordable during the life of the contract. Risk may be too high	4	3	12		<b>Seek to ensure that risk profile is not at odds with the general market position. Thus reducing the likelihood of change. Use PwC as regulator. Summary and identification of risks to cabinet based on final negotiated project agreement</b>	PT				
81	SVP and Charitable status status. Change in tax laws	Structure which Council originally wanted and saving in Corporation tax and scheme affordable	3	4	12		<b>Consider, trends scenarios and options. PwC/Eversheds to advise whether low or very low, and all alternative</b>	F/ PwC				
82	Benefits income	Reduction in income	3	3	9		<b>Consider trends and scenarios</b>	F				
83	Impact on retained services – payroll, finance, personnel etc (could be a positive impact)		2	4	8		<b>Consider fully the different effects of a TUPE and secondment model. Consider phased reduction of corporate support.</b>	F				



84	Retained services located in homes– cost of moving, relocating etc	Additional costs over and above that budgetted	2	4	8		<b>Develop affordability model</b>	F				
85	Void Management issues		3	4	12		<b>Develop and Define protocol</b>	F				
86	Allocations Panel issue		3	4	12		<b>Develop and Define protocol</b>	LB				
87	Affordability	Scheme too expensive and doesn't proceed or scheme proceeds and risks are too high	4	4	16		<b>Manage risk and consider the right risk profile, have shopping list of potential savings. Seek additional funding opportunities. Negotiate acceptable and appropriate risk profile with H21</b>	F				
88	Registration standard	Failure to Register and or failure to de-register	4	4	16		<b>Continue Dialogue with CSCI - was to meet again in November 2006. Clarify responsibilities and meeting</b>	AC				
89	Failure to understand risks and pick up full implications and costs of the contract prior to entering into contract.	Additional costs emerge during the contract period. Changes may occur during the contract period that increases the Council's costs.	3	4	12		<b>Modelling of all the costs and consideration of the risks and various scenarios. E.g protected salaries, additional care hours, redeployment costs etc. Prepare project/contract indicative risk matrix once decision on TUPE and Secondment is made.</b>	F				

<b>Likelihood</b>	<b>Impact</b>	<b>Group</b>	
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 High		4 Commissioning	C
6 Very High		5 Finance	F
		6 Communication / Consultation	CC
		Direct service area (Lloyd)	LB

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