



Meeting of East Renfrewshire Health and Social Care Partnership	Integration Joint Board
Held on	15 February 2017
Agenda Item	8
Title	Bonnyton House Update
Summary	
<p>The purpose of this report is to update IJB members on the recent activity in relation to the Bonnyton House sale, to advise on the financial risk to the IJB, to set out the options, with associated financial implications within the context of the local market and best value considerations, and to seek approval to continue to pursue a sale whilst maximising efficiencies to reduce the financial risk to the IJB during 2017/18.</p>	
Presented by	Frank White, Head of Health and Community Care
Action Required	
<p>Integration Joint Board members are asked to agree to the proposal to remarket and sell Bonnyton House residential service and to the parallel process of maximising efficiencies to minimise the cost pressure to the IJB during 2017/18.</p> <p>Members are also asked to note the very welcome decision of East Renfrewshire Council on 9th February 2017 to contribute an additional £425,000 to the IJB to reduce cost pressures during 2017/18.</p> <p>That we come to a future meeting of the IJB with the outcome of the marketing exercise and next steps.</p>	
Implications checklist – check box if applicable and include detail in report	
<input checked="" type="checkbox"/> Financial	<input type="checkbox"/> Policy
<input type="checkbox"/> Efficient Government	<input checked="" type="checkbox"/> Staffing
<input checked="" type="checkbox"/> Legal	<input checked="" type="checkbox"/> Property
<input checked="" type="checkbox"/> Equalities	<input type="checkbox"/> IT

EAST RENFREWSHIRE INTEGRATION JOINT BOARD

15 February 2017

Report by Chief Officer

BONNYTON HOUSE UPDATE

PURPOSE OF REPORT

1. The purpose of this report is to update IJB members on the recent activity in relation to the Bonnyton House sale, to advise on the financial risk to the IJB, to set out the options, with associated financial implications within the context of the local market and best value considerations, and to seek approval to continue to pursue a sale whilst maximising efficiencies to reduce the financial risk to the IJB during 2017/18.

RECOMMENDATION

2. Integration Joint Board members are asked to agree to the proposal to remarket and sell Bonnyton House residential service and to the parallel process of maximising efficiencies to minimise the cost pressure to the IJB during 2017/18.
3. Members are also asked to note the very welcome decision of East Renfrewshire Council on 9th February 2017 to contribute an additional £425,000 to the IJB to reduce cost pressures during 2017/18.
4. That we come to a future meeting of the IJB with the outcome of the marketing exercise and next steps.

BACKGROUND

5. When Strathclyde Regional Council was disaggregated in 1996, the only Council run care home in the East Renfrewshire area was Bonnyton House. East Renfrewshire Council subsequently took responsibility for running it. It was refurbished in 2001.
6. Located in Busby, it is registered for 34 people, currently operating with 28 permanent beds and six respite beds.
7. As part of the process to identify savings for the 2015/16 – 2017/18 council budget setting process, a range of options were considered for Bonnyton, including closure, service redesign and the sale and transfer of the service to an independent provider. The decision to sell Bonnyton was reluctantly accepted as the best option. At the Council budget setting meeting in February 2015, it was agreed that the HSCP was required to make savings of up to £600k a year in relation to Bonnyton House, but the decision to sell Bonnyton House was delayed so that alternative proposals put forward by staff and families could be considered. Families and staff strongly disagreed with the HSCP's proposals and produced alternative proposals which they believed would make the service more financially viable.
8. The HSCP carried out a procurement exercise and appointed Grant Thornton to review our proposal and to analyse the alternative plans put forward by staff and residents' families. Grant Thornton analysed the options and concluded that the HSCP's proposal to sell the residential service as a going concern and to design the day service, was the only option that would achieve the level of savings required.

9. The IJB considered the report and after deliberation, approved the marketing and sale of Bonnyton House residential service as a going concern on 7th October 2015. Initial marketing of Bonnyton House residential service began in January 2016. Christie and Co, on behalf of Grant Thornton, and the HSCP contacted local operators with a good reputation and strong financial position to test the market interest. Interest was expressed from various operators and full marketing of Bonnyton House began in March 2016. A closing date was set for the end of April 2016. No offers were ultimately received on the actual closing date but subsequently three offers were received. The number of offers and their respective values were less than the indicative valuation anticipated by Grant Thornton. In order to ensure compliance with the Council's obligation under the disposal of land by Local Authorities (Scotland) Regulations 2010, a valuation report was commissioned from the District Valuer.
10. As of June 2016, Bonnyton House as a going concern was assessed by the District Valuer as having nil value. This reflects the high revenue costs associated with the service, the uncertainty in the care home market, the wider economy and the current condition of Bonnyton House.
11. Grant Thornton had continued to engage with interested parties and set another closing date of 29 July 2016. At this point, two firm offers were received by the closing date, both of which exceeded the value of the previous bids received. Both bids were above the valuation figure, of broadly similar value and from reputable providers. The bids were rigorously scrutinised by the HSCP staff using predetermined best value and quality criteria.
12. A preferred bidder was identified through this process and a report was taken to East Renfrewshire Council on 14 December 2016. The IJB does not hold any assets on behalf of either the Council or the NHS Board, therefore the sale of Bonnyton as a Council asset, had to be approved by East Renfrewshire Council.
13. The day services redesign had already been approved by the IJB in 2015, and by the time of the Council report in December 2015, the day service had been closed with alternative provision made as described at the 5 October 2016 meeting of the IJB.
14. The council voted to approve the sale of Bonnyton House and also to subsidise the pensions of transferring staff for three years to match the current employer contribution.
15. The recommendations of the Council report are set out below:-
 - note the decision of the Health & Social Care Partnership Integration Joint Board (IJB) in October 2015 to proceed with the marketing and sale of Bonnyton House residential service as a going concern,
 - note the process undertaken to identify the preferred bidder to purchase Bonnyton House residential service as a going concern,
 - approve the sale of Bonnyton House residential service as a going concern to the preferred bidders subject to concluding missives, with permission that in the event of the sale not being successfully concluded negotiations can be undertaken with other bidders,
 - agree which pension arrangement should be progressed as part of the conclusion of missives with the preferred bidder,
 - delegate the responsibility to conclude negotiations for the sale of the property, including seeking to impose the requirement to ensure ongoing use of the premises as a care home, to the HSCP Chief Officer and Director of Environment in conjunction with the Chief Officer (Legal and Procurement).

16. Unfortunately the preferred bidder withdrew from the process through their lawyers on 17th January 2017. As per the agreed recommendations we contacted the second bidder who did not wish to continue to pursue the sale.
17. We are extremely disappointed that the preferred bidder felt compelled to withdraw. They had planned to invest significant amounts of capital to refurbish and expand Bonnyton House and had a clear vision for its future.

REPORT

Current Position

18. Bonnyton House residential service is now a stand-alone service as the day service area is now vacant following the previously agreed redesign. Some savings have been achieved through this redesign; however the building costs will now be fully allocated to the residential service.
19. The reasons for the original proposal to sell Bonnyton House remain; and are now even more compelling following day service redesign.
 - An ageing building with requirement for £387k over five years ongoing repairs and maintenance
 - Empty day service area which will require to be heated and maintained with property costs fully attributed to the residential service
 - Considerably greater costs than purchasing at national care home contract rates
 - Running a single care home gives no economies of scale in terms of specialist purchasing, staff cover, training and management cover that could be achieved over several care homes
 - The actual cost of the service has consistently been £200k over budget, as previous saving targets have not been achieved, in large part because they did not meet the approval of the Care Inspectorate

Strategic and market context

20. Our strategic priorities are taken from the national health and wellbeing outcomes and locally, from the single outcome agreement. For older people, our management focus has been on prevention and re-ablement, and ensuring we work together to support people to continue to live independent lives and to stay in their own homes for as long as possible. Nationally and locally there is a commitment to shift the balance of care from hospital and care homes to supported care at home and we are measured on how well we are achieving this.
21. Within the East Renfrewshire boundary there are 670 care home places (excluding Bonnyton's 34 beds). There are a range of third sector and independent sector homes, most offering quality grades over 4 (good).
22. In addition, there are a further 128 beds close to our boundary but technically in Glasgow. There are currently 77 vacancies within East Renfrewshire and a further 9 in the homes on our boundary. The majority of vacancies are in a newly opened home in Newton Mearns.
23. Costs of these care home places to self-funders varies by person and are neither disclosed to us by care homes or published on their web-sites. However, we anticipate the base cost for older homes is between £700 and £750 per week, with modern/superior rooms £800 - £1000 per week, rising to £1200 per week for the most exclusive rooms/suites.

24. The charge for Bonnyton residential service to self-funders is currently £624 a week. The HSCP purchases care home places at the National Contract rate of £558.77.

Best value

25. Public services in Scotland operate under a duty of Best Value, and Accountable Officers have a specific responsibility to ensure that arrangements have been made to secure Best Value. The Accounts Commission 'Overview of Local Government in Scotland 2016' recommended that Councils consider all practical options for delivering services within resources available and there is a requirement to review and conduct option appraisals to establish best use of public funds. In their Financial Overview 2015/16 published in November 2016 the Commission stated "Recent Best Value audits have shown councils relying on incremental savings rather than considering service redesign options. The Commission is of the view that this is neither sufficient nor sustainable given the scale of the challenge facing councils."

Financial risk

26. This section sets out the current cost profile for the Bonnyton service in the current financial year; identifies the budget available to the IJB to fund Bonnyton residential care from 2017/18; sets out the costs of residential care at Bonnyton on the basis of the current service configuration and identifies the cost pressure to the IJB in 2017/18 should nothing change. It then goes on to identify a number of options designed to minimise costs going forward and looks in turn at the impact of these options.

Current cost profile:

27. The current cost of day services and the residential service, based on the latest projected costs for 2016/17 is:

Service	Budget £'000	Projected Cost £'000	Projected Variance £'000
Day services	487	359	128*
Residential	783	1,106	(323)
Total	1,270	1,465	(195)

**The part year saving on day care is offsetting the budget shortfall within the residential unit.*

28. The projected overspend of £195k will be contained within the HSCP budget for 2016/17.

Budget available for residential care

29. The Council's allocation to the IJB for 2017/18 will be reduced to reflect the full £600k saving previously agreed on a recurrent basis. The 2017/18 budget position is:

	2017/18 £'000
Day services budget pre saving	490
Residential budget pre saving	788
Total Budget pre saving	1,278
Saving	(600)
Remaining budget after saving	678
Less: Cost of Day services following redesign	(251)
Available Budget to Provide Residential Care	427

30. The “Available budget to provide residential care” is the budget that would have been required to fund Free Personal Care (FPC) and fully funded places for the clients in a privately run care home. If Bonnyton House had been sold this budget would have been transferred to another budget of the HSCP to pay for the costs of FPC and local authority funded residents.
31. The 2017/18 cost of the redesigned day services service is currently £319k and this will reduce to £251k as the remaining savings are achieved through turnover. Any shortfall in 2017/18 will be met from within existing HSCP resources. It should be noted however that property costs have transferred to Bonnyton residential service so this should not be seen as a cash saving. This means that the budget available to fund residential care from 2017/18 is £427k.
32. The remainder of this report discusses the options for providing residential care only.
33. The previous sale modelling, undertaken in conjunction with Grant Thornton, was based on an occupancy mix of 50% self-funded and 50% local authority funded beds. The projected costs for 2017/18 based on the current service and the 4 options set out in para 38 for alternative service provision have been modelled on the 50/50 occupancy mix and additionally on a 65% local authority / 35% self-funded basis reflecting the occupancy mix since December 2016.
34. The projected costs for residential care in 2017/18 are:

50/50 Split	2017/18 £'000
Gross cost of in house provision	1,558
Self-Funded fee income	(330)
Minimum contribution from Local Authority funded residents	(95)
Delayed discharge funding	(70)
Net Cost	1,063
Budget	427
Cost Pressure to IJB	636

65/35 Split	2017/18 £'000
Gross cost of in house provision	1,558
Self-Funded fee income	(236)
Minimum contribution from Local Authority funded residents	(122)
Delayed discharge funding	(70)
Net Cost	1,130
Budget	427
Cost Pressure to IJB	703

35. The cost pressure to the IJB is a result of the planned £600k budget reduction (on the expectation that Bonnyton House would be sold) combined with an underlying budget shortfall in that for a number of years Bonnyton House has overspent the budget estimate despite many attempts to reduce the budget.
36. Assumptions:
- The costs do not include additional repairs and maintenance investment; estimated at c£80k pa for 5 years
 - A continued income stream from delayed discharge funding of £70k pa for use of respite beds for step up / down. This will continue at least for 2017/18

37. The current position is unsustainable given the ongoing pressure on the HSCP budget of £636k to £703k. To absorb this pressure on an ongoing basis would require us to find alternative savings, which, against a backdrop of the current 2017/18 savings targets, increased pressure for services from an aging population and the impact on service users/staff of these alternatives, would be undesirable.
38. To illustrate, in order to make equivalent savings, we would need to reduce the number of newly qualified social workers by 17 (at £42k per post) or reduce home care packages by 83 based on an average 10.5 hour package (£8.5k per annum).
39. In recognition of this, East Renfrewshire Council at its' meeting on 9th February, voted to contribute an additional £425k to the IJB during 2017/18 to reduce pressure on the IJB budget for one year only. This money is not included in the IJB baseline. This is very welcome, and in addition to the unallocated £186k within our 2017/18 budget as a consequence of Scottish Government conditions limiting reductions in Council contributions to IJBs, we expect to be able to manage this pressure during 2017/18. However action needs to be taken during 2017/18 to reduce the risk for future years.

Options going forward

40. In order to minimise costs and deliver residential care within the available budget 4 options have been identified and modelled. These are:
 - Option 1 - Go back to market to pursue an alternative buyer
 - Option 2 - Retain Bonnyton, maximise efficiency with minimum capital investment
 - Option 3 - Retain Bonnyton with significant cash investment
 - Option 4 - Closure of Bonnyton
41. The impact of each option is discussed in detail below.
42. All options show the impact of a 50/50 and a 65/35 occupancy mix and are all based on 2016/17 cost base.
43. In addition to the recurring costs shown for each option a range of non- recurring costs will be incurred, some quantifiable and others to be confirmed; detailed work will be required to cost and phase these costs and the funding source needs to be agreed.
44. All options have been modelled as a desk top exercise and further work will be required to refine the impact and phasing of each.

Option 1 – go back to market to pursue an alternative buyer

45. Recent discussions with Grant Thornton / Christie & Co have suggested that there is still some interest in the market place. The original Grant Thornton report advised that the sale process would take 6-9 months. For modelling and planning purpose we have assumed 2017/18 at current costs with the purchase costs effective from April 2018.

50/50 Split	2017/18 £'000	2018/19 £'000
Gross cost of in house provision	1,558	
Self-Funded fee income	(330)	
Minimum contribution from Local Authority funded residents	(95)	
Delayed discharge funding	(70)	
Net Cost In House	1,063	
Cost to purchase care home beds:		
Local Authority funded at National Care Home Gross Rate		408
Minimum contribution from Local Authority funded residents		(95)
Free Personal Care		125
Total Purchase Cost		438
Budget	427	427
Recurring Cost Pressure to IJB	636	11

65/35 Split	2017/18 £'000	2018/19 £'000
Gross cost of in house provision	1,558	
Self-Funded fee income	(236)	
Minimum contribution from Local Authority funded residents	(122)	
Delayed discharge funding	(70)	
Net Cost in House	1,130	
Cost to purchase care home beds:		
Local Authority Funded at National Care Home Gross Rate		525
Minimum contribution from Local Authority funded residents		(122)
Free Personal Care		89
Total Purchase Cost		492
Budget	427	427
Recurring Cost Pressure to IJB	703	65

46. This option assumes continued in house costs at the current rate for 2017/18 and that the cost of alternative respite is met from existing purchasing budgets in 2018/19.
47. The current weekly costs for purchased places are:
- | | |
|--------------------------------------|---------|
| NCHC residential care rate (1/10/16) | £558.77 |
| Basic Contribution (DWP) | £129.80 |
| Net cost payable – purchased bed | £428.97 |
48. The weekly cost of free personal care for self-funded placements is £171.
49. The costs used to calculate the purchase of beds do not include any increase for 2017/18 for the National Care Home Contract or DWP rates, as these are not yet confirmed. There is budget provision for inflation which will be applied once the rates are agreed.
50. A non-recurring funding source is required for the costs of three years pension protection as agreed by the Council on 14th December 2016.

51. Advantages:-

- Stability for existing residents,
- Continued employment for staff, albeit with a different employer
- TUPE protection for staff plus 3 year pension protection at current employer contribution
- Maximises savings
- Best value duty compliant
- No requirement for capital investment

52. Disadvantages/Risks

- Market now aware of previous offers
- Potential for limited interest in the short term given public comments regarding the previous preferred bidder
- Ultimate risk that we do not identify a suitable buyer
- Continued uncertainty for a period yet to be determined

Option 2 – Retain Bonnyton, maximise efficiency with minimum capital investment.

53. In order to maximise the projected cash deficit, a number of efficiencies have been modelled including:-

- Review of staffing structure and skill mix
- Review of charging structure to increase fees of 15% to £718 per week (comparable with similar local care home rates)
- Increase of lunch charge for Kirkton service users (provided from Bonnyton)
- Conversion of respite beds to permanent beds, with cost of alternative respite being met within existing purchasing budget

50/50 Split	2017/18 £'000	2018/19 £'000
Gross cost of in house provision	1,371	1,371
Self-Funded fee income	(479)	(479)
Minimum contribution from Local Authority funded residents	(115)	(115)
Net Cost	777	777
Budget	427	427
Cost Pressure to IJB	350	350

65/35 Split	2017/18 £'000	2018/19 £'000
Gross cost of in house provision	1,371	1,371
Self-Funded fee income	(385)	(385)
Minimum contribution from Local Authority funded residents	(142)	(142)
Net Cost	844	844
Budget	427	427
Cost Pressure to IJB	417	417

54. This option includes a fee increase of 15% taking the weekly charge from £624 to £718 for self-funded places. By way of illustration, the fee increase required to fully fund the cost pressures of £350k or £417k would be 77% to £1,103 or 128% to £1,424 respectively.

55. Non recurring costs include capital investment to convert the 6 respite beds c£30k along with increased repairs and maintenance and any staff protection costs for a three year period.

56. Advantages:-

- Stability for residents
- Continued employment for majority of staff

57. Disadvantages/Risks:-

- Financial pressure of up to £417k per annum would need new funding or require additional savings to be made to fund this option
- Terms and conditions change for staff
- Potential redundancy/redeployment for some staff
- Care inspectorate approval required
- Vacant day centre space
- Ongoing capital requirement for repairs and refurbishment
- Fee increase for existing residents

Option 3 – Retain Bonnyton with significant cash investment

58. In this option we would seek to invest around £750k (costs provided by ERC Property and Technical Services 2015) to increase the number of bed spaces to 45. We have calculated the staffing costs on the basis of the redesign proposed in option 2.

50/50 Split	2017/18 £'000	2018/19 £'000
Gross cost of in house provision	1,625	1,625
Self-Funded fee income	(627)	(627)
Minimum contribution from Local Authority funded residents	(156)	(156)
Net Cost	842	842
Budget	427	427
Cost Pressure to IJB	415	415

65/35 Split	2017/18 £'000	2018/19 £'000
Gross cost of in house provision	1,625	1,625
Self-Funded fee income	(456)	(456)
Minimum contribution from Local Authority funded residents	(196)	(196)
Net Cost	973	973
Residual Budget	427	427
Cost Pressure to IJB	546	546

59. The staff cost is based on the same assumptions as Option 2. As with option 2 this is dependent on care inspectorate approval and full HR process including consultation with trade unions.
60. Income is shown at £718 per week for self-funders, reflecting the 15% increase as with option 2. By way of illustration, the fee increase required to fully fund the cost pressures of £415k or £546k would be an increase of 91% to £1,193 or 168% to £1,671 respectively.
61. Property and supplies costs have not been increased as these increases should be marginal and managed through efficiencies – however this will need review.
62. Non Recurring cost considerations:
- The cost of refurbishing the day centre to create a 45 bed residential home has been estimated at £750k. Any major works may impact on occupancy levels and fee income and the implications of decanting existing residents whilst work is ongoing have not been costed
 - There will be an increase in ongoing repairs and maintenance costs
 - As with Option 2 protection costs relating to staff restructure would apply for a 3 year period
63. Advantages
- Stability for residents
 - Continued employment for most of the current staff
 - Potential for new posts to be created
64. Disadvantages/Risks:-
- Not consistent with strategic priorities given local market
 - Financial pressure of up to £546k per annum would need new funding or require alternative savings to be made to fund this option
 - Requirement to ask the Council to commit c £750k capital during 17/18

- Alternative to borrow – additional revenue costs to service debt of between £56k and £93k per annum depending on the term
- Conflict with best value duty
- Potential for redundancy/redeployment as per option 2
- Fee increase for existing residents

Option 4 – Closure of Bonnyton

65. In this option we would seek to find alternative placements for existing residents over a reasonable timescale. Staff would be redeployed or offered redundancy. The Council would then be required to dispose of the building and land.

50/50 Split	2017/18 £'000	2018/19 £'000
Gross cost of in house provision	1,558	
Self-Funded fee income	(330)	
Minimum contribution from Local Authority funded residents	(95)	
Delayed discharge funding	(70)	
Net Cost In House	1,063	
Cost to purchase care home beds:		
Local Authority funded at National Care Home Gross Rate		408
Minimum contribution from Local Authority funded residents		(95)
Free Personal Care		125
Total Purchase Cost		438
Residual Budget	427	427
Cost Pressure to IJB	636	11

65/35 Split	2017/18	2018/19
Gross cost of in house provision	1,558	
Self-Funded fee income	(236)	
Minimum contribution from Local Authority funded residents	(122)	
Delayed discharge funding	(70)	
Net Cost in House	1,130	
Cost to purchase care home beds:		
Local Authority Funded at National Care Home Gross Rate		525
Minimum contribution from Local Authority funded residents		(122)
Free Personal Care		89
Total Purchase Cost		492
Residual Budget	427	427
Cost Pressure to IJB	703	65

66. The recurring saving would be the same as that identified in the sale option at 1 above.
67. However the non-recurring cost implications would be significant. In addition to the residual property costs and sales costs there would be:-
- Redundancy and possible strain on the fund pension costs
 - Potential for a period of double running costs whilst placements are made
68. Detailed work would be required to phase these costs and to be prudent full year costs at current operating levels are shown for 2017/18.
69. Advantages:-
- Savings achieved in full from 2018/19
 - Current vacancies in local care homes suggest this is a feasible option on paper
 - Capital asset realised

70. Disadvantages/Risks:-
- Significant disruption for residents
 - EQIA assessment high
 - Family distress
 - Redundancy / redeployment for staff
 - One off redundancy costs
 - Negative publicity

Summary

71. A summary of the potential recurring cost pressure to the IJB from each option shows:

	50/50 Split		65/35 Split	
	2017/18 £'000	2018/19 £'000	2017/18 £'000	2018/19 £'000
Current	636	636	703	703
Option 1 sale	636	11	703	65
Option 2 retain	350	350	417	417
Option 3 retain +	415	415	546	546
Option 4 - close	636	11	703	65

72. In summary, the HSCP senior management team are of the view that the best overall option in terms of outcomes for residents and fit with best value duty is Option 1 – to go back to the market to find an alternative buyer. To minimise the financial risk to the HSCP and in pursuit of best value, we propose to embark on the most productive efficiencies set out in Option 2.
73. We will seek further advice as to the optimal time to go back to the market. The decision of the Council to contribute funding to the IJB takes off the pressure to do this immediately. Once we have set a closing date and have established that we have bidders who meet all our requirements, we will report to the IJB with the outcome and proposed next steps.

FINANCE AND EFFICIENCY

74. The report has significant finance and efficiency implications for the HSCP. All are set out in the options above.

CONSULTATION

75. This has previously been subject to consultation as part of East Renfrewshire Council's 2015/16 - 2017/18 budget process. An independent review was commissioned on the basis of staff and families alternative proposals. We have continued to update residents, families, staff and trade unions on a regular basis.

PARTNERSHIP WORKING

76. We will continue to work with residents' families, staff and trade unions as we take forward the decisions of the IJB in relation to Bonnyton House.

IMPLICATIONS OF THE PROPOSALS

Policy

77. None

Staffing

78. Staffing implications are set out in the options above. HSCP managers will work with trade unions to ensure staff are informed of any potential impact.

Legal

79. Legal service will provide advice to HSCP managers as required.

Property

80. Should the recommendation be accepted, and a new buyer identified, the building will be transferred to a new provider as a result of the sale of the service. HSCP managers will liaise with legal services and property services to ensure any issues are appropriately dealt with in conditions of the sale.

Equalities

81. The proposal to transfer the Bonnyton service to an alternative provider has a low equality impact as the care home residents would not require to move on. A recent EQIA has been completed. Options 4 would have significant equality impact, which could be partially mitigated through careful planning and care management.

IT

82. None

CONCLUSIONS

83. The withdrawal of the preferred bidder from the Bonnyton sale was very disappointing given the vision they had for the service and the capital at their disposal. We are advised by Grant Thornton and Christies that there is still some interest in the market. This has yet to be tested by going out to the market again. Whilst we recognise that a continued period of uncertainty is unsettling for residents, staff and families, our belief is that the option to sell, coupled with renewed efforts to gain efficiency to reduce the financial risk, is the best option to pursue at the current time. The decision of the Council to contribute £425K to the IJB to allow us time to pursue an alternative buyer, significantly reduces the financial pressure to the IJB in 2017/18.

84. Central to this approach will be a commitment to sell Bonnyton to a provider who will maintain the quality of care offered to residents and the required commitments to staff. If we do not have interest from providers who can offer this guarantee, we will return to the IJB with a different set of recommendations.

RECOMMENDATIONS

85. Integration Joint Board members are asked to agree to the proposal to remarket and sell Bonnyton House residential service and to the parallel process of maximising efficiencies to minimise the cost pressure to the IJB during 2017/18.

86. Members are also asked to note the very welcome decision of East Renfrewshire Council on 9th February 2017 to contribute an additional £425,000 to the IJB to reduce cost pressures during 2017/18.

87. That we come to a future meeting of the IJB with the outcome of the marketing exercise and next steps.

REPORT AUTHOR AND PERSON TO CONTACT

Chief Officer, HSCP: Julie Murray

Julie Murray, Chief Officer
Julie.Murray@eastrenfrewshire.gov.uk
0141 451 0746

February 2017

BACKGROUND PAPERS

IJB Report - 7 October 2015 (Includes & Grant Thornton Report & CI Grades)
<http://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=15378&p=0>

IJB Report – 1 June 2016
<http://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=16983&p=0>

IJB Report – 17 August 2016
<http://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=17351&p=0>

KEY WORDS

Bonnyton, sale; Grant Thornton,