



Meeting of East Renfrewshire Health and Social Care Partnership	Integration Joint Board
Held on	7 October 2015
Agenda Item	6
Title	Bonnyton House
<p>Summary</p> <p>The purpose of this report is to seek approval to proceed with the sale of the Bonnyton House residential service as an ongoing concern to a provider with a track record in delivering quality care and to redesign the delivery of day opportunities for older people, to replace those delivered from Bonnyton House.</p> <p>The report describes the background to this recommendation, explains the options considered by the HSCP and outlines the timetable for the process to be completed.</p>	
Presented by	Frank White, Head of Health & Community Care
<p>Action Required</p> <p>Integration Joint Board members are asked to agree the proposal to market and sell Bonnyton House residential service and to redesign the delivery of day opportunities to older people which is currently based in Bonnyton House.</p>	
<p>Implications checklist – check box if applicable and include detail in report</p> <p> <input checked="" type="checkbox"/> Financial <input type="checkbox"/> Policy <input type="checkbox"/> Legal <input type="checkbox"/> Equalities <input type="checkbox"/> Efficient Government <input checked="" type="checkbox"/> Staffing <input checked="" type="checkbox"/> Property <input type="checkbox"/> IT </p>	

EAST RENFREWSHIRE HEALTH AND SOCIAL CARE PARTNERSHIP

INTEGRATION JOINT BOARD

7 October 2015

Report by Julie Murray, Chief Officer

BONNYTON HOUSE

PURPOSE OF REPORT

1. The purpose of this report is to seek approval to proceed with the sale of the Bonnyton House residential service as an ongoing concern to a provider with a track record in delivering quality care and to redesign the delivery of day opportunities for older people, to replace those delivered from Bonnyton House.
2. The report describes the background to this recommendation, explains the options considered by the HSCP and outlines the timetable for the process to be completed.

RECOMMENDATION

3. Integration Joint Board members are asked to agree the proposal to market and sell Bonnyton House residential service as an ongoing concern to a provider with a track record in delivering quality care and to redesign the delivery of day opportunities to older people, to replace those delivered from Bonnyton House.

BACKGROUND

4. Bonnyton House is the sole care home for older people operated by the HSCP. Located in Busby, it is registered for 34 people, currently operating with 28 permanent beds and 6 respite beds. It also provides a day opportunities service for older people, offering support to between 70-80 people per week, who currently live at home. Attendance varies each day; normal numbers are between 20-30 daily. Over the years attempts have been made to reduce the cost of the service. Mainly from the review of staffing levels and income generated. The budget has reduced from £1.503 million in 2010/11 to £1.236 million in 2015/16.
5. 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 a third sector or independent sector provider.
6. The Council is required to make £20 million savings from its budget for the three year budget cycle 2015/16 – 2017/18. The share of the savings that the HSCP must achieve is £5.6 million. The Council has also recognised demand pressures over the same time period.

7. The last budget cycle was particularly challenging for officers and elected members. Significant efficiencies and savings had been taken from budgets in previous cycles and there were no 'easy' savings left to make. In particular, third sector providers had been making efficiencies year on year. The officers proposed savings that, whilst potentially difficult for staff, preserved good outcomes for residents. The decision on the future of Bonnyton was particularly difficult for elected members who on that basis did not support closure as that would have meant disruption to current residents. Instead, the recommendation to sell Bonnyton House to a new care provider and to redesign older people's day opportunities was reluctantly supported. This will achieve a saving of around £600,000 per annum by the start of the financial year 2017/18.
8. The option to sell the residential service and develop alternative day opportunity provision was included in the 'Shaping our Future 2015-2018' document that was widely circulated and debated prior to the budget setting meeting in February 2015.
9. At the Council budget setting meeting on 12 February 2015, it was agreed that the HSCP was required to make the savings outlined in 'Shaping Our Future 2015-18' but that the decision to sell Bonnyton House was delayed so that alternative proposals put forward by staff and families of residents could be considered by an outside agency. Families and staff strongly disagreed with the HSCP's proposals and produced alternative proposals which they believed would make the service more financially viable.

REPORT

10. HSCP carried out a procurement exercise and appointed Grant Thornton to review our proposals and to analyse the alternative plans put forward by staff and resident's families. We provided Grant Thornton all our financial information as well as the alternative proposals put forward and asked them to review all the proposals. Their document of July 2015 (Appendix 1) analysed the options and explained that the HSCP's proposal to sell the residential service and redesign day opportunities was the only one that would achieve the level of savings required.

Financial Modelling

11. The options summary of the work undertaken by Grant Thornton summarised the 4 options (page 15 of the report) as follows:

	Actual Costs 2014/15	Projected Sale of Home Option 1	Projected Families Option 2	Projected Staff Option 3	Projected Unit Closure Option 4
	£'000	£'000	£'000	£'000	£'000
Cost of Home	923		1,289	891	
Cost of Daycentre	589	251	251	544	251
Annual Cost to Council	1,512	251	1,540	1,435	251
Adjustment for Free Personal Care & Purchased Costs		428	(260)	(76)	428
Net Cost to Council for 28 beds	1,512	679	1,280	1,359	679
Saving based on 2014/15 actual cost		833	232	153	833
Saving/ (Shortfall) based on 2015/16 budget		567	(34)	(113)	567

Note: Terminology revised to reflect Council approach

12. The Grant Thornton exercise was undertaken prior to Financial Year End 2104/15 and at that point DWP benefit rates for 2105/16 were not yet finalised. The options have been reworked within the HSCP and the differentials are not material, so for ease of reference the values per above will be used.
13. As a singleton service within the HSCP there is little flexibility to draw on staffing resources from similar services, so in order to achieve staffing ratios the use of agency and overtime is a necessity. Staff costs and under achievement of income have been the main cost drivers in prior year overspends.
14. The table above shows the savings against actual cost and the budget. The HSCP view is that savings against budget should be used, the reason being twofold;
- Whilst it can be argued that the Bonnyton budget is understated (primarily staffing levels and income shortfall), the historic overspending has been contained from one off sources of funds over the last two years. As other services are impacted by their own financial challenges this flexibility is significantly diminishing.
 - If the Bonnyton budget were to be permanently increased to reflect actual costs this would require additional savings of circa £200,000 to £300,000 per annum to be realised from other services. Consideration should be given to increasing the current weekly charge to close this gap.
15. Option 1 offers a solution with a potential shortfall against target of £33,000 per annum. This is based on an occupancy rate of 87.5%. Alternative proposals to bridge this gap would need to be identified. However based on the HSCP review, the cost to the Council to purchase, at the residential rate would deliver £22,000 in excess of the target. If the purchased beds were at a 50:50 mix of nursing and residential this would result in a shortfall of £5,000.

16. Option 2 results in a net cost and therefore gives a potential shortfall against target of £634,000. In addition the cost of the required capital investment is unfunded. For illustration the annual cost to fund capital investment of circa £0.750 million at a borrowing rate of 5% is £55,000 p.a. for 25 years. This additional revenue cost will increase the overall cost of this proposal from £34,000 to £89,000. This would further increase the savings shortfall to £689,000.
17. Option 2 also has a proposed weekly charge of £800 which is an increase of £176 per week (28%). No allowance has been made for the impact of such an increase will have on individual financial assessments, nor for attrition. This could significantly impact on income levels.
18. Option 3 results in a net cost of £113,000 so a potential shortfall against target of £713,000. This option is also modelled on a weekly rate of £800, resulting in the same concerns as above. This option further relies on achieving significant efficiencies from the existing revenue budget; given the historic level of overspends against budget it is difficult to evidence that the proposed staffing and other cost reductions will be achievable.
19. A review of the current £624 per week charge for Bonnyton shows this is based on a historic split of costs between the residential home and the day centre and used the gross budget divided by 34 places. This does not include any allocation of costs for capital charges or for central overheads, so in effect is understated. This also assumed 100% occupancy. This charge was set in 2011/12 and has not been increased since April 2011.
20. The split of costs between the residential beds and day centre has been reviewed and shows, that whilst not significantly material (3% of total budget), the residential costs are understated. The current weekly charge, on a like for like basis, would be £751. This would increase to £777 if capital charges and central overheads were included.
21. All income assumptions for this exercise were based on a 50/50 split of self-funded and Council funded places and used an occupancy rate of 87.5%. A sensitivity analysis has been undertaken to model the impact of changes in occupancy and changes in rate:
 - a. Using the current £624 per week for every person who moves from self-funded to Council funded this will result in lost income of £21,000 per annum.
 - b. A move to 100% self-funded would result in £210,000 additional income, whilst the same sum would be lost if 100% Council funded (28 places).
 - c. An increase to £751 per week could realise £82,000 additional income per annum (28 places).This illustrates the volatility of income, dependant on the funding mix and occupancy rates. If we proceed with the sale this risk and reward would transfer to a provider.

Care Home Market Information

22. We can purchase care home places from a new provider at a cost that will enable us to make the level of savings agreed by the Council. East Renfrewshire has 14 care homes providing in excess of 700 beds. Two new homes have opened within the past 12 months in Clarkston and Newton Mearns, offering a total of 163 new beds. The care home estate within East Renfrewshire is evenly split between large independent sector providers and large not for profit sector providers. The HSCP is aware of a number of other planning applications being progressed through the Council at the present time. The care home beds offer a range of nursing and residential capacity and also offer individuals respite provision. The care homes charge the Council fees broadly in line with the National Care Home Contract (NCHC) agreement which pays £609.31 for nursing care and £524.67 for residential care. It is likely that negotiations between

COSLA and Scottish Care for the new NCHC will include discussions on paying the living wage and other cost pressures. It is anticipated COSLA will make representations to Scottish Government for additional funding to deal with any uplift in costs.

23. We are satisfied that we can ensure appropriate levels of care for existing and future residents of Bonnyton by selling to a provider with a proven track record of good Care Inspectorate grades. Care Inspectorate grades for the last three inspections for East Renfrewshire care homes are attached in Appendix 2. Regular inspections by the Care Inspectorate and rigorous contract monitoring by the HSCP will help achieve quality provision for residents. It may be that a new provider will benefit from running several care homes, drawing on a range of expertise from across their services. Providers may also benefit from economies of scale and have access to capital investment opportunities. It has been more difficult to support Bonnyton to develop as a stand alone service.

Next Steps

24. Following a decision by the IJB, we will contact residents and families to explain what will happen next. We will formally meet with our Trade Union colleagues and with the staff to outline how the decision will impact on them. It is anticipated that TUPE will apply. We understand that HSCP managers will need to allocate appropriate time and resources to ensuring good communication with all stakeholders during this process.
25. We will engage with Grant Thornton to help us plan the marketing and sale of Bonnyton House. We are currently working to a timescale that would transfer the residential service to a new provider by April 2017. Grant Thornton have the expertise to appropriately test the market and agree the best approach to funding and negotiating with a suitable buyer for the residential service. We agreed a 3 stage process with them as part of the procurement process:-
 - a. Testing of the business cases – delivered in their report
 - b. Testing the market
 - c. Negotiating the sale with prospective operatorsShould the IJB agree with our recommendation, we will now work with them on achieving stages b and c.
26. The Council's Legal Services will work with HSCP managers to provide guidance and advice to ensure the best interests of residents are central to our planning for the sale of the service. We will work to develop an approach to the sale that limits changes for existing residents while ensuring best value.
27. Work has already begun on redesigning how we offer day opportunities for older people. Even without the challenge of the level of savings the HSCP needs to achieve, the increase in demand from a growing elderly population means that we need to work differently. Bonnyton day services deliver good support for service users and reassurance for their families in a structured setting. Demand will continue to grow and we have to work with other partners and the wider community to develop a broader, more sustainable range of options to people.
28. Older people have a wide range of needs and requirements to help them remain at home. These range from befriending, homecare help with personal care, to structured support in a staffed setting. Our challenge is to work with providers, community groups, volunteers and staff to co-produce outcomes for this wide range of needs that keep people safe, involved and connected to their communities. HSCP staff facilitated a planning event on 8th September to involve our partners in the process of redesigning day opportunities. Current providers, community groups and staff came together and

committed to working to create a different way of providing opportunities for older people. All accepted the scale of the challenge but agreed to cooperate to achieve a wider range of options across East Renfrewshire.

FINANCE AND EFFICIENCY

29. This report has significant finance and efficiency implications for the HSCP to meet the required saving target of £600,000. Detailed financial implications are considered above.

CONSULTATION

30. Families, residents' and staff have been consulted on a regular basis about the proposed changes.

PARTNERSHIP WORKING

31. We will continue to work with families, residents and staff as we implement the proposals for Bonnyton.

IMPLICATIONS OF THE PROPOSALS

Policy

32. None

Staffing

33. As a result of the sale of the residential service, staff will be subject to a TUPE transfer to a new provider.
34. HSCP managers will work with trade unions to ensure staff are fully informed of any potential impact.

Legal

35. Legal Services will provide advice to HSCP managers to ensure any legal issues arising from the proposal to sell Bonnyton House are appropriately considered and dealt with.

Property

36. The building will be transferred to the 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 the conditions of the sale.

Equalities

37. 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. Concern has been raised during consultation on reduction of services to vulnerable people, however TUPE is considered to be the mitigating factor for staff and continuity of care. There are no minority ethnic residents or day care users of the current service.

IT

38. None

CONCLUSIONS

39. In the Grant Thornton report the HSCP's objectives about Bonnyton were explained. As well as achieving the required savings, we committed to ensuring high quality residential care is available to residents of East Renfrewshire, to minimise any disruption to elderly and vulnerable residents and ensure day care support is available to our residents.
40. As the number of older people grows, new demands are put on services to meet their needs. The HSCP is committed to working with our partners to shift the balance of care, to target resources on prevention and to support people living at home. The shift to more community based services will be challenging but given growing demand and pressure on budgets, we need to work with all partners and community organisations to design better ways to support older people in East Renfrewshire.
41. The financial analysis in the Grant Thornton report (Appendix 1) and in the HSCP calculations included in this report explain that we can make the savings by buying residential places from a new provider and redesigning day opportunities.
42. Central to this approach will be a commitment to sell to a provider who will maintain the quality of care offered to residents. We will take appropriate advice from our Legal Services and from Grant Thornton to ensure we achieve this aim.
43. We will work with families, residents and our staff to keep them informed of our progress towards achieving the transfer by April 2017.

RECOMMENDATIONS

44. Integration Joint Board members are asked to agree the proposal to market and sell Bonnyton House residential service and to redesign the delivery of day opportunities to older people to replace those delivered from Bonnyton House.

REPORT AUTHOR AND PERSON TO CONTACT

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September 2015

BACKGROUND PAPERS

KEY WORDS

Bonnyton; Grant Thornton;

A report detailing the proposal to market and sell Bonnyton House residential service and to redesign the delivery of day opportunities to older people, to replace those delivered from Bonnyton House.

Bonnyton House Project

Options Review

10 July 2015

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10 July 2015

Dear Sirs

Bonnyton Home Project

We have pleasure in enclosing a copy of our report in accordance with your instructions contained in the tender document

Sources of information

The information contained in this report is based primarily on:

- Tender Proposal
- Historical Profit and Loss Accounts for the Unit
- Full Year Budgets for the Unit
- Information on Cost Saving Strategies proposed by the Council, Families and Staff

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We have discussed this report with Frank White, Kevin Beveridge and Lynne Samuel on 23 June 2015 who confirmed its factual accuracy in all material respects.

Period of our fieldwork

Our fieldwork was performed in the period between 25 May and 10 June 2015. We have not performed any fieldwork since 10 June 2015 and, our report may not take into account matters that have arisen since then. If you have any concerns in this regard, please advise us.

Scope of work and limitations

Our work focused on the areas set out in our engagement letter, which is reproduced at Appendix A of this report. Our review of the affairs of Bonnyton House does not constitute an audit in accordance with Auditing Standards and no verification work has been carried out by us; consequently we do not express an opinion on the figures included in the report.

The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this report, which might be relevant in the context of the transaction and which a wider scope review might uncover.

Limitation of liability

We draw your attention to the limitation of liability clauses in Page 4 to Appendix 1 of our engagement letter which is included in Appendix A to this report.

Forecasts

The responsibility for the Bonnyton House forecasts and the assumptions on which they are based is solely that of the Council, families and staff. It must be emphasised that profit and cash flow forecasts necessarily depend on subjective judgement. They are, to a greater or lesser extent, according to the nature of the businesses and the period covered by the forecasts, subject to inherent uncertainties. In consequence, they are not capable of being audited or substantiated in the same way as financial statements which present the results of completed accounting periods.

Location of our work

We visited the following locations:

- Bonnyton House, Busby

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Forms of report

For your convenience, this report may have been made available to you in electronic as well as hard copy format, multiple copies and versions of this report may therefore exist in different media and in the case of any discrepancy the final signed hard copy should be regarded as definitive.

Confidentiality and reliance

This report is confidential and has been prepared exclusively for East Renfrewshire Council. We agree that an addressee may disclose our report to its employees, officers, directors, insurers and professional advisers in connection with the Project, or as required by law or regulation, the rules or order of a stock exchange, court or supervisory, regulatory, governmental or judicial authority without our prior written consent but in each case strictly on the basis that we owe no duties to any such persons. It should not be used, reproduced or circulated for any other purpose, in whole or in part, without our prior written consent, such consent will only be given after full consideration of the circumstances at the time. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than East Renfrewshire Council for our work, our report and other communications, or for any opinions we have formed. We do not accept any responsibility for any loss or damages arising out of the use of the report by the addressee(s) for any purpose other than in connection with Bonnyton House Project.

General

The report is issued on the understanding that the management of the Companies have drawn our attention to all matters, financial or otherwise, of which they are aware which may have an impact on our report up to the date of signature of this report. Events and circumstances occurring after the date of our report will, in due course, render our report out of date and, accordingly, we will not accept a duty of care nor assume a responsibility for decisions and actions which are based upon such an out of date report. Additionally, we have no responsibility to update this report for events and circumstances occurring after this date.

Contacts

If there are any matters upon which you require clarification or further information please contact John Montague on 0131 659 8530 or Andrew Ellis on 0131 659 8525.

Yours faithfully

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Glossary

APTC	Administrative, Professional, Technical and Clerical Staff
Centre	Bonnyton House – Day Centre Unit
CI	The Care Inspectorate (the Scottish social care regulator)
Client	Service User (of the Centre)
Council or LA or ERC	East Renfrewshire Council
DWPR	Department of Work and Pensions rate in relation to benefits
FTE	Full Time Equivalent
FPCR	Free Personal Care Rate – currently at £171 per week
FY13 – FY19	Financial Years ended 31 March 2013 – 2019
Home	Bonnyton House – Care Home Unit
LA	Local Authority
LA funded Residents	Residents who are unable to contribute and whose care is met from Council funds
NCHR	National Care Home Rate which stands at £524.67 (excl. nursing care) or £609.31 (incl. nursing care)
Self-Funded Residents	Residents who are only entitled to the FPCR of £171 per week and are self-funding the remainder of the care fees.
Unit	Bonnyton House – Both Care Home Unit and Day Centre Unit

Contents

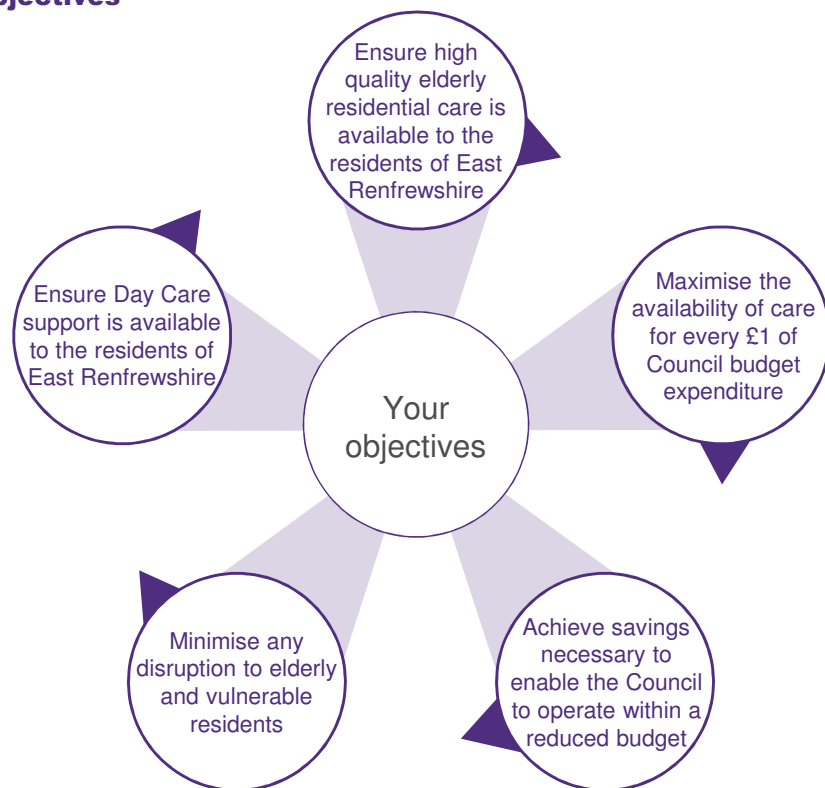
Section	Page	Appendices	Page
1. Summary of options	7	A. Engagement letter	17]
		B. Background and Project Information	18
		C. Sources of Income	19
		D. Historical Financial Review of the Home for 3 years ended 31 March 2015	20
		E. Historical Financial Review of the Centre for 3 years ended 31 March 2015	23
		F. Budget v Actual Performance for 3 years ended 31 March 2015	25
		G. Forecast for the Home for 4 years ending 31 March 2019	27
		H. Forecast for the Centre for 4 years ending 31 March 2019	29
		I. Summary of Forecast for the Unit for 4 years ending 31 March 2019	30
		J. Forecast for the Families for 4 years ending 31 March 2019	31
		K. Forecast for the Staff for 4 years ending 31 March 2019	34

Section 1 Summary of options

01. Summary of options

Objectives and background

Your objectives



Business situation

Current Position of Bonnyton House

- Bonnyton House operates as a 28 bed residential care home and a day care centre for the elderly. Additionally it provides 6 respite care beds
- The Unit is c.40 years old but has recently been refurbished to a good standard
- Care is provided to a combination of self funded residents and LA funded residents

- We understand the combined Unit currently operates at a deficiency of c.£1.5 million per annum as per financial analysis provided by the Council. This is funded through £463,000 of 'free care commitment' by LA and £1.04 million being the shortfall in income to expenditure
- Recently, neither operation has performed in line with budgets and the combined overspend in both the Home and the Centre has been assessed at a cumulative £656,000 over the past 3 years (£571,000 overspend for the Home and £85,000 on the Centre)

Council Funding

- On a wider basis the Council is seeking to achieve savings across all services of £20 million in the period 2015-2018
- The Council is reviewing operations to identify how these savings can be achieved

Review

- As part of this exercise to identify savings, in November 2014, the Council announced a review of the operations of Bonnyton House. The review, together with proposals from the Families of Residents and from the Unit Staff has identified 4 strategic options. These are detailed below
- Grant Thornton has been asked to undertake an independent financial review of the options identified
- Our report is presented as a Summary of Options with more detailed commentary in a series of Appendices
- The budgets supporting each case envisage changes in operations at varying times during FY16 with the full potential impact arising in FY17. As yet no changes have been implemented and the full year impact may not arise until FY18. Our review has focused on the projected full year annualised benefit once changes have been implemented

Objectives and background (continued)

Key issues arising Historical performance

Item

Income and Expenditure Deficit

- Bonnyton Home has realised a net deficit of £1.51 million in FY15 (Home: £923,000 and Centre £589,000). This is consistent with the deficits incurred in FY13 (£1.41 million) and FY14 (£1.56 million)
- The Council does not recognise its contribution to the income of the Home in its financial reporting. In order to reflect the true net cost to the Council, we believe the Councils' 'free care commitment' should be reflected in the financial appraisal of strategic options
- Based upon mix of residents and occupancy levels the value of unrecognised 'income' in FY15 was £463,000. If allowance for unrecognised income is made the net cost of the Unit is £1.05 million

Payroll Costs in the Home

- Home payroll costs represent 123% of estimated total income (including the Council's 'free care commitment'). Sector benchmarks for a private operator are c.50% of total income
- The care staff to resident ratio is c.1:4 whereas typically the ratio for a private care home is 1:6 to 1:8
- In FY15 Agency costs were 11 % of payroll where typically we would expect them to be 3%

Cost of providing day care support via the Centre

- Management advise that the Centre is operating with an average of 10/11 service users per day. The Centre capacity is 24 day places and 10 evening places. The Centre is operating significantly below capacity
- Consequently, after deduction of a daily charge the net cost per client is £141 per visit to the Centre
- We understand the Council consider day care support can be provided at significantly lower cost and have plans to provide alternative day care support going forward

Cost of care via private operator

- While we appreciate that financial cost is not the only criteria in decision making we note that the Council could have saved up to £461,000 in FY15 in the Home if residents had been placed with a private operator. This excludes any savings from changes to the way in which the Centre currently operates

Review of historical budgets

- There have been consistent and material negative variances to budget exceeding £280,000 in each of last 2 years

Strategic Options

1 Sale of Unit as going concern

- Transfer of business to a private operator

2 Families Option: Close Centre and convert to a 45 bed Care Home

- Council continues to operate Home
- Alternative arrangements are made for day care support

3 Staff Option: Continue to operate Unit (including Centre) with reduced costs

- Requires conversion of Respite Beds to permanent beds
- Efficiencies introduced to reduce costs

4 Closure of Home and sale of property

- We understand this option has been discounted by the Council and is not under consideration

Option analysis

1. Sale of Unit to a private Care Home operator

Summary Financial Analysis		Key comments – for further related commentary see Appendices G-H	
£'000			
Estimated cost of Home	-		
Council estimate of cost of Centre - under alternative care strategy	251		
Cost of third party care provider (28 Residents 50% self funded)	428		
Total projected care cost	679		
Total care cost in FY15	1,512		
Saving to FY15 Actual cost (£1.512 million)	833		
Saving to FY16 Budget (£1.246 million)	567		
Other Receipts or (Expenses)			
Redundancy Cost			
Home	-		
Centre	TBC		
Capital Expenditure	-		
Capital Receipt	To be confirmed		
Suitability v objectives			
Ensure quality residential care	✓✓✓		
Ensure quality day care	✓✓✓		
Minimise disruption	✓✓✓		
Value for money of Council spend	✓✓✓		
Achieve reduction in Council costs	✓✓✓		
		Advantages	Disadvantages
		<ul style="list-style-type: none"> All existing residents are placed with a third party private Home operator The revised budget for cost of day care support of £251,000 per annum is achieved If handled well, minimal disruption to residents – it may be necessary to ensure any sale of the Unit includes continued provision for existing residents at current care rates Care Home is not 'lost' to the local community Staff retained under TUPE although consultation required in advance of transfer <ul style="list-style-type: none"> we are advised by the Council that the Centre staff would not transfer to purchaser GT estimate a reduction in Council expenditure of c.£833,000 per annum compared to FY15 cost Eliminate future risk of adverse budget variances Christie & Co believe there are good prospects for a sale of the business Potential capital receipt available to the Council Council no longer responsible for managing the Home Council could "vet" potential purchasers and ensure purchaser has a strong track record with emphasis on quality care (demonstrated by high historic CI grades) 	<ul style="list-style-type: none"> Loss of Council controlled Care Home Immediate requirement to relocate Day Centre <ul style="list-style-type: none"> we understand this may already represent part of the Council's strategy Impact on price of TUPE as current staff wage rates are significantly higher than private providers traditionally pay Private care operator may wish to seek increased proportion of Self funded residents potentially reducing the availability for publicly funded beds in Council area. Transitional arrangements may be required for existing residents Transitional arrangements may impact selling price or level of interest Sale process may take 6-9 months – see additional comments below Extent of interest is not guaranteed until initial soundings have been taken from market place Reputational issues if sale does not occur as planned

Option 1: Additional comments on potential sale of Home

Indicative sale proceeds

- Christie & Co have visited the Unit and confirm the Home is of a good standard and believe it would be of interest to a private operator
 - location is desirable for care home operators
 - the home benefits from quality spaces and room sizes which make it attractive to potential purchasers
 - the assets being sold comprise the Home plus the vacant Centre

Going concern sale

- The approach to market could be progressed on 3 bases
 - discrete marketing to pre selected list of likely interested parties
 - public sale
 - discrete enquiries followed by a public sale process. This approach would give the Council comfort on sale prospects before a public process has started
- It is estimated that a sale of the business would take 6-9 months to complete
 - Preparation of marketing information – 2 weeks
 - Marketing period – 6 weeks
 - Conclusion of legal agreements – 2-3 months
 - CI agreement to handover of facility to new operator – 2-3 months

- Other factors to be considered as part of sale process
 - arrangements for existing residents
 - consultation process with staff by Council in advance of any sale
 - the availability of care home beds to the Council longer term
 - suitability of purchaser
 - if appropriate Christie & Co could provide a target list of potential operators who could be approached in the first instance
 - financial covenant of purchaser
 - we understand there is a tension between the option preferred by staff and a sale of the Unit as a trading operation. It may be appropriate to consider a management contract in advance of any sale to ensure a smooth transition and minimise any disruption for residents
 - this would provide a new operator with the opportunity to make contingency arrangements in case staff are unwilling to move across on sale

Sale of closed premises

- Christie & Co believe this is a less attractive option
 - it would potentially mitigate the risk of TUPE but overall a trading sale is considered to offer better value

Christie & Co believe there would be demand for a sale of trading Unit and this could generate a receipt of c.£1 million for the Council

Option analysis

2. Option from Families

Summary Financial Analysis		Key comments – For further analysis see Appendix I	
Summary Financial Analysis		<ul style="list-style-type: none"> • Conversion of Centre / Respite to provide additional 17 beds – total of 45 Permanent Beds (No Respite care) • Proposal assumes 100% occupancy and a resident mix of 50% self funded and 50% publicly funded residents • Fees for self funded residents increased from £624 per week to £800 per week • Implied savings from changed staff resident ratio and elimination of Agency costs • The budget does not include the costs of providing day care services • GT adjustments include £135,000 to reflect historical occupancy of 87.5%, £90,000 to restrict benefit of increased fees, £90,000 provision for Agency costs, and an adjustment of £144,000 to reflect the potential benefit of additional LA funded residents absorbed in the budget • The additional beds would allow the Council to place additional residents in the Home thus reducing the funds it currently pays to third party operators. It is estimated this benefit would be £260,000 per annum • For comparative purposes the costs of day care have been included on the basis of the alternative strategy being considered by the Council projected at £251,000 per annum 	
£'000			
Families estimate of cost of Home	830		
GT illustrative adjustment for cost of Home	459		
Reduction in cost of third party care provider for additional 17 beds	(260)		
Council estimate of cost of Centre - under alternative care strategy	251		
Total projected care cost	1,280		
Total care cost in FY15	1,512		
Saving to FY15 Actual cost (£1.512 million)	232		
Saving to FY16 Budget (£1.246 million)	(34)		
Other Receipts or (Expenses)		Advantages	
Redundancy Cost		<ul style="list-style-type: none"> • Minimal disruption to residents (other than conversion of Centre to Care Home beds) • Care Home is not 'lost' to the local community or Council • Staff retained • GT estimate the benefit to Council would be a reduction in expenditure of c.£232,000 per annum compared to FY15 costs or alternatively £34,000 adverse increase against the Council's FY16 Budget 	
Home	-		
Centre	TBC		
Capital Expenditure	729		
Capital Receipt			
Suitability v objectives		Disadvantages	
Ensure quality residential care	✓✓✓	<ul style="list-style-type: none"> • Achieving fees of £800 per week for self funded residents may prove difficult to achieve and sustain. • Mix of residents may substantially change by altering the fee structure which may lead to lower revenue • Continued risk of adverse budget variances • Capital investment of £729,000 is required to add additional capacity in the residential home. This represents an average cost of c.£43,000 per bed • Risk of cost overrun on conversion project 	
Ensure quality day care	✓✓✓		
Minimise disruption	✓✓		
Value for money of Council spend	✓		
Achieve reduction in Council costs	✓		

Option analysis (continued)

3. Option from Staff

Summary Financial Analysis		Key comments – For further analysis see Appendix I	
£'000		<ul style="list-style-type: none"> • Conversion of Centre / Respite to provide additional 6 beds – total of 34 Permanent Beds (No Respite care) • A resident mix of 50% self funded and 50% publicly funded residents • Fees for self funded residents increased from £624 per week to £800 per week • This proposal assumed that staff can reduce Unit costs from £1.512 million in FY15 to £967,000. This is a very significant reduction in deficit • Improvements from FY15 include higher income from increased capacity (£78,000), increase in revenue from self funded residents (£155,000), staff savings of (£38,000), reduction in food costs (£20,000) reduction in transport costs (£36,000), Centre savings (£50,000) and other general reduction of budget costs of (£168,000) • We believe that these improvements will be difficult to achieve and that the Staff option should be adjusted to reflect occupancy at historic levels – 87.5% (£63,000), reduced benefit of fee uplift (£88,000), agency costs at 6% of payroll costs (£103,000), increase in transportation costs (£36,000), and a general adjustment of (£168,000) to reflect actual cost experience and unexplained reductions. Overall we consider adjustments of £468,000 should be applied • The additional beds would allow the Council to place additional residents in the Home thus reducing the funds it currently pays to third party operators. It is estimated this benefit would be £76,000 per annum • Day care support is included in the Staff budget at a cost of £544,000 per annum. If the changed day care strategy was adopted under this Option this would increase the potential savings by £293,000 	
Staff estimate of cost of Unit	967		
GT illustrative adjustment for cost of Home	468		
Reduction in cost of third party care provider for additional 6 beds	(76)		
Staff estimate of cost of Centre (included above)	-		
Total projected care cost	1,359		
Total care cost in FY15	1,512		
Saving / (Additional cost) to FY15 Actual cost (£1.512 million)	153		
Saving / (Additional Cost) to FY16 Budget (£1.246 million)	(113)		
Other Receipts or (Expenses)			
Redundancy Cost			
Home	-		
Centre	TBC		
Capital Expenditure	(60)		
Capital Receipt	-		
Suitability v objectives		Advantages	Disadvantages
Ensure quality residential care	✓✓✓	<ul style="list-style-type: none"> • No disruption to residents (other than conversion of Respite beds to permanent beds) • Care Home is not 'lost' to the local community • Staff retained • GT estimate the benefit to Council would be a reduction in expenditure of c.£153,000 per annum compared to FY15 costs or alternatively £113,000 adverse increase against the Council's FY16 Budget 	<ul style="list-style-type: none"> • Continued risk of adverse budget variances as some efficiency savings appear unrealistic • Achieving fees of £800 per week for self funded residents may prove difficult to achieve and sustain. • Mix of residents may substantially change by altering the fee structure which may lead to lower revenue • Capital investment of £60,000 to convert respite beds to permanent beds
Ensure quality day care	✓✓✓		
Minimise disruption	✓✓		
Value for money of Council spend	✓		
Achieve reduction in Council costs	✓		

Option analysis (continued)

4. Closure of the home and transfer of residents to alternative facilities

Summary Financial Analysis		Key comments	
Summary Financial Analysis		<ul style="list-style-type: none"> • Immediate closure of residential Home • No costs assumed for wind down of Home and transportation of residents • Residents transferred to private operator at an annual cost to the Council of £428,000 • Day care support on provided on alternative strategy at lower budget cost of £251,000 per annum • Staff redundancies applied to all care home staff at an estimated cost of £200,000 basis 	
£'000			
Estimate of cost of Home	-		
Council estimate of cost of Centre - under alternative care strategy	251		
Cost of third party care provider (28 Residents 50% self funded)	428		
Total projected care cost	679		
Total care cost in FY15	1,512		
Saving to FY15 Actual cost (£1.512 million)	833		
Saving to FY16 Budget (£1.246 million)	567		
Other Receipts or (Expenses)			
Redundancy Cost		<ul style="list-style-type: none"> • GT estimate the benefit the Council would be a reduction in expenditure of c.£833,000 per annum or alternatively £567,000 against the Council's FY16 Budget • Potential capital receipt available to the Council • An operator is likely to be interested in Unit and may acquire and re-open as a care home 	<ul style="list-style-type: none"> • In practice this would be difficult to achieve immediate closure and Home more likely to be wound down over short period • Disruption to vulnerable residents and their families and cost of moving residents • Staff redundancies; • Public response to closure • Building may be outdated and it may be difficult to find an alternative use for the building • A potential refurbishment or demolition of the property may reduce realisation value • Lower capital receipts than if business was transferred as a going concern • The final sale value will be dependent upon the planning permission associated with the land
Home - estimated	(200)		
Centre	TBC		
Capital Expenditure	-		
Capital Receipt	To be Confirmed		
Suitability v objectives			
Ensure quality residential care	✓		
Ensure quality day care	✓		
Minimise disruption			
Value for money of Council spend	✓✓		
Achieve reduction in Council costs	✓✓		

Summary of options

Option Summary - Comparison of annual costs

£'000	Actual FY 2015	Projected Sale of Home Option 1	Projected Families Option 2	Projected Staff Option 3	Projected Unit Closure Option 4
Deficiency arising on Home	923		1,289	891	
Deficiency arising on Centre	589	251	251	544	251
Annual cost to Council	1,512	251	1,540	1,435	251
Adjustment for free care commitment		428	(260)	(76)	428
Net cost to Council for 28 beds	1,512	679	1,280	1,359	679
Saving /(Additional cost) to FY15 Actual cost		833	232	153	833
Saving/(Additional Cost) to FY16 Budget (£1.246 million)		567	(34)	(113)	567

Summary comparison of options

- The budgets supporting each case project changes in operations at varying times during FY16 with the full potential impact arising in FY17. As yet no changes have been implemented and it is not certain when any budgeted financial benefit will arise. i.e. the full impact may not arise until FY18. Our review has focused on the projected full year benefit once changes have been implemented
- In order to meaningfully compare the options account needs to be taken of any additional care cost (or unrecognised 'income') absorbed in each budget.
- We also summarise the projected annual savings relative to both the Unit's FY15 Actual performance and the FY16 budget
- Under all options except the Staff option it is assumed that there will be a change in strategy towards day care support and that the changes proposed will be deliverable in financial terms. Additional analysis would be required to confirm this
- The Staff option envisages that the Centre will continue to operate and therefore this has been included at current cost. Potentially the proposed change in strategy for the Centre could equally apply under the Staff Option reducing the total cost to the Council under this option to £1.066 million per annum
- It is important to consider that under Options 1 and 4, any future risk of adverse variances is transferred from LA to a private operator and management responsibility of the Unit is removed
- The benefit of these advantages is material but is not reflected in the cost savings illustrated opposite

Appendices

- A. Engagement letter
- B. Scope and Limitations
- C. Background and Project Information
- D. Sources of Income
- E. Historical Financial Review of the Home for 3 years ended 31 March 2015
- F. Historical Financial Review of the Centre for 3 years ended 31 March 2015
- G. Budget v Actual Performance for Unit for 3 years ended 31 March 2015
- H. Forecasts for Home for the year to 31 March 2019
- I. Forecasts for Centre for the year to 31 March 2019
- J. Forecasts for Unit for the year to 31 March 2019
- K. Forecasts for Families Option for the year to 31 March 2019
- L. Forecasts for Staff Option for the year to 31 March 2019

A. Letter of engagement

EAST RENFREWSHIRE COUNCIL CONDITIONS OF CONTRACT FOR THE PURCHASE OF SERVICES

Any Contract to follow hereon between the Contractor and the Council shall incorporate *inter alia* the following Terms and Conditions which can only be varied with the written agreement of the Council. No terms or conditions submitted by the Contractor shall form part of the Contract unless specifically agreed in writing by the Council.

Please refer to

1. Interpretation and Definitions

- 1.1 In these conditions "the Contract" means the agreement concluded between the Council and the Contractor, of which these terms and conditions form part, any special conditions referred to within the tender document, any schedules and documents incorporated by reference, including, for the avoidance of doubt, the Council's invitation to Tender and the Contractor's response thereto and all specifications and other documents which are relevant to the Contract.
- 1.2 The following expressions shall have the meaning given to them hereunder with respect to the interpretation of the Contract except where the context otherwise requires:
- (a) "the Tender Specification" means the tender specification forming part of the Contract;
 - (b) "the Service(s)" means all Services or works which the Contractor is required to supply or does supply under the Contract.
 - (c) "the Council" means the East Renfrewshire Council, constituted in terms of the Local Government etc. (Scotland) Act 1994 and having its Headquarters at Eastwood park, Rouken Glen Road Giffnock, G46 6UG.
 - (d) "the Contractor" means the person who by the Contract undertakes to render such Services to the Council as specified in the Contract and where the Contractor is an individual or a partnership the expression shall include the personal representatives of that individual or of the partners or any of them as the case may be and the expression shall also include any person to whom the benefit of the Contract may be assigned by the Contractor with the consent of the Council.
 - (e) "Person" includes a Firm or Company
 - (f) "the Premises" means the location where the Services are to be performed, as specified in the Contract;
 - (g) the masculine includes the feminine
 - (h) the singular includes the plural, and vice versa;
 - (i) reference to any enactment, order, regulation, or other similar instrument shall be construed as a reference to the enactment, order, regulation or instrument as amended.
- 1.3 Any decision act or thing which the Council is required or authorised to take or do under the Contract may be taken or done by any person so authorised, either generally or specially by the Council.

2. Capacity to Contract

It is a condition of the Contract that the Contractor undertakes and confirms that to the best of his knowledge and belief, there is no inhibition, restriction, or prohibition, which in any way affects the capacity of the Contractor so to contract. In the event of any such inhibition, restriction or prohibition existing, it will be at the option of the Council to terminate the contract and have the Contractor indemnify in full any loss resulting to the Council arising therefrom.

3. Contractor's Status

In carrying out the Services the Contractor shall be acting as principal and not as the agent of the Council. Accordingly:

- (a) The Contractor shall not (and shall ensure that the Contractor's agents and servants do not) say or do anything that might lead any other person to believe that the Contractor is acting as the agent of the Council.
- (b) Nothing in this Contract shall impose any liability on the Council in respect of any liability incurred by the

Contractor to any other person but this shall not be taken to exclude or limit any liability of the Council to the Contractor that may arise by virtue of either a breach of this Contract or any negligence on the part of the Council, or the Council's staff or agents.

4. Inspection of Premises and Nature of Services.

- 4.1 The Contractor is deemed to have inspected the Premises before tendering so as to have understood the nature and extent of the Services to be carried out and is deemed to be satisfied in relation to all matters connected with the Services and Premises.
- 4.2 The Council shall, at the request of the Contractor, grant such access as may be reasonable for this purpose.

5. Free Issue of Materials

Where the Council for the purposes of the Contract issues materials free of charge to the Contractor such materials shall be and remain the property of the Council. The Contractor shall maintain all such materials in good order and condition and shall use such materials solely in connection with the Contract. The Contractor shall notify the Council of any surplus materials remaining after completion of the Services and shall dispose of them as the Council may direct. Waste of such materials arising from bad workmanship or negligence of the Contractor or any of the Contractor's servants, agents or sub-contractors shall be made good at the Contractor's expense. Without prejudice to any other rights of the Council, the Contractor shall deliver up such materials whether processed or not to the Council on demand. To comply with regulatory and risk management obligations the Contractor (Grant Thornton UK LLP) reserves the right to retain one copy to be securely stored.

6. Manner of Carrying out the Services

- 6.1 The Contractor warrants to the Council that he will exercise in the performance of the Services all the skill, care and diligence reasonably to be expected of prudent, properly qualified and competent Contractors, experienced in the provision of the specified services, and that he will provide the Services in accordance with the Contract.
- 6.2 The Contractor shall make no delivery of materials, plant or other things nor commence any work on the Premises without obtaining the Council's prior consent.
- 6.3 Access to the Premises shall not be exclusive to the Contractor and shall be permitted only to the extent required to enable the Contractor to carry out the Services, concurrently with the execution of work by others if so required. The Contractor shall co-operate with such others as the Council may reasonably require.
- 6.4 The Council shall have the power at any time during the progress of the Services to order in writing the removal from the Premises of any materials which in the opinion of the Council are either hazardous, noxious or not in accordance with the Contract, and/or
- 6.5 The substitution of proper and suitable materials and/or
- 6.6 The removal of the unacceptable materials and the proper re-execution of the Services, notwithstanding any previous test thereof or interim payment therefor which, in respect of material or workmanship is not in the opinion of the Council in accordance with the Contract.
- 6.7 The Contractor shall forthwith comply with any order made under Condition 6.4
- 6.8 On completion of the Services the Contractor shall remove the Contractor's plant, equipment and unused materials and shall clear away from the Premises all rubbish arising out of the Services and leave the Premises in a neat and tidy condition.

7. Access by Contractor's Personnel

- 7.1 Access to Contractor's Premises may be required in order that inspections may be made, samples obtained, if required, and Contractor assessment carried out.
- 7.2 The decision of the Council shall be final and conclusive as to whether any person is to be admitted to or is to be removed from the Premises or is not to be involved in or is to be removed from involvement in the performance of the Contract.

8. Change to Contract Requirements

- 8.1 The Council may order any variation to any part of the Services. Any such variation may include (but shall not be restricted to) additions, omissions, alterations, substitutions to the Services and changes in quality, form,

A. Letter of engagement (continued)

character, kind, timing, method or sequence of the Services.

- 8.2 Save as otherwise provided herein, no variation of the Services, as provided for in Condition 8.1 shall be valid unless specified in a formal instruction given by the Council. All such instructions shall be given in writing provided that if for any reason the Council shall find it necessary to give any such order orally in the first instance, the Contractor shall comply with such oral order, which must be confirmed in writing by the Council within 2 working days of the giving of such oral order by the Council, failing which the variation made by such oral order shall cease to have effect on the expiry of the said 2 working day period.
- 8.3 Where any such variation of the Services made in accordance with Condition 8.1 and 8.2 has affected or may affect the costs incurred by the Contractor in providing the Services, the Contractor will notify the Council in writing of the effect which the proposed variation has had or may have on the Contract price, and that within 5 working days of the Council's instruction to vary the Services, and such notification shall be considered by the Council, which shall take all relevant facts into account (including such information as may be provided by the Contractor in respect of the effect which such variation has had or may have on the costs incurred by the Contractor in providing the Service) and confirm that the proposed variation is to proceed. The Council will thereafter authorise such alteration to the Contract price in accordance with the provisions of the Contract as are, in the Council's opinion, appropriate and reasonable in the circumstances.

9. Payment of Accounts

Accounts for payment shall be rendered at the time and in the manner specified by the Council. Unless otherwise stated in the Tender specification, payment for the Services will be made in accordance with the Council's standard terms and conditions of payment. Payment will be made by the Bank Automated Clearance System within 30 (thirty) days of the receipt of an invoice.

10. Recovery of Sums Due

Where, under any contract, a sum of money is recoverable from or payable by the Contractor, the same may be deducted by the Council from any sum due, or which at any time thereafter may become due to the Contractor under the Contract or under any other contract with the Council.

11. Prevention of Corruption

The Council shall be entitled to cancel the Contract without incurring any penalty whatsoever and to recover from the Contractor the amount of any loss resulting from such cancellation if the Contractor shall have offered or given or agreed to give any person any gift or consideration of any kind as an inducement or reward for doing or refraining from doing or for having done or refrained from doing any action in relation to the obtaining or execution of the Contract or any other contract with the Council or for showing or refraining from showing favour or disfavour to any person in relation to the Contract or any other contract with the Council or if the like acts shall have been done by any person employed by the Contractor or acting on his behalf (whether with or without the knowledge of the Contractor) or if in relation to any contract with the Council the Contractor or any person employed by him or acting on his behalf has committed an offence under the Prevention of Corruption Acts 1889 to 1916, or shall have given any fee or reward the receipt of which is an offence under any relevant legislation.

12. Collusion

The Council reserves the right to cancel the contract without incurring any penalty whatsoever and to recover from the Contractor the amount of any loss resulting from such cancellation if the Contractor or his representative (whether with or without the knowledge of the Contractor) shall have practiced collusion in Tendering for the Contract or any other contract with the Council or shall have employed corrupt or illegal practices either in obtaining or executing the Contract with the Council. The decision to cancel the Contract in terms of this or the previous condition will rest solely with the Council which decision shall be final and binding on the Contractor.

13. Assignment and Sub-Contracting

The Council shall be entitled to assign the benefit of the Contract or any part thereof to any other public or statutory body and shall give written notice of any assignment to the Contractor.

The Contractor shall not give, bargain, sell, assign, sub-let or otherwise dispose of the Contract or any part thereof or the advantage of the Contract or any part thereof without the previous consent in writing of the Council. Any breach hereof shall entitle the Council to terminate the Contract in its entirety or in respect of that part to which the breach relates or to take any other remedies the Council deems reasonable in all the circumstances.

If any Contractor in the proposed execution of the Contract requires or intends to employ a Sub-Contractor he shall intimate to the Council, at the time when his Tender for the Contract is lodged, the name of the Sub-Contractor. The Council hereby reserves the right to accept or reject such Sub-Contractor, entirely at the Council's discretion.

If after the conclusion of the contract by the Council, the Contractor requires or wishes to assign the Contract as a whole or any part thereof to a Sub-Contractor, he shall not be free to do so without first receiving the express written consent of the Council, which consent shall not be unreasonably withheld. Such consent, if given, shall not relieve the Contractor from any liability or obligation under the Contract and he shall be responsible for the acts, defaults and negligence of any Sub-Contractor, his agents, servants or workmen as fully as if they were the acts, defaults and negligence of the Contractor, his agents or workmen.

14. Termination of the Contract

14.1 The Contractor shall notify the Council in writing immediately upon the occurrence of any of the following events:

- (a) where the Contractor is an individual, if a petition is presented for the Contractor's bankruptcy or the sequestration of the Contractor's estate or a criminal bankruptcy order is made against the Contractor, or the Contractor is apparently insolvent, or makes any composition or arrangement with or for the benefit of creditors, or makes any conveyance or assignment for the benefit of creditors, or if an administrator or trustee is appointed to manage the Contractor's affairs; or
- (b) where the Contractor is not an individual but is a firm, or a number of persons acting together in any capacity, if any event in (a) or (c) of this condition occurs in respect of the firm or any partner in the firm or any of those persons or a petition is presented for the Contractor to be wound up as an unregistered company; or
- (c) where the Contractor is a company, if the company passes a resolution for winding-up or dissolution (otherwise than for the purposes of and followed by an amalgamation or reconstruction) or the court makes an administration order or a winding-up order, or the company makes a composition or arrangement with its creditors, or an administrator, administrative receiver, receiver or manager is appointed by a creditor or by the court, or possession is taken of any of its property under the terms of a floating charge.

14.2 On the occurrence of any of the events described in Condition 14.1 or, if the Contractor shall have committed a material breach of the Contract and (if such breach is capable of remedy) shall have failed to remedy such breach within 30 days, or such lesser period as the Council may, acting reasonably, require in the circumstances, of being required by the Council in writing to do so, or, where the Contractor is an individual, if the Contractor shall die or be adjudged incapable of managing his or her affairs within the meaning of the relevant legislation, the Council shall be entitled to terminate the Contract by notice to the Contractor with immediate effect. Thereupon, without prejudice to any other of the Council's rights, the Council may complete the Services or have them completed by a third party, using for that purpose (making a fair and proper allowance therefor in any payment subsequently made to the Contractor) all materials, plant and equipment on the Premises belonging to the Contractor. The Council shall not be liable to make any further payment to the Contractor until the Services have been completed in accordance with the requirements of the Contract, and shall be entitled to deduct from any amount due to the Contractor the costs thereof incurred by the Council (including the Council's own costs). If the total cost to the Council exceeds the amount (if any) due to the Contractor, the difference shall be recoverable by the Council from the Contractor.

14.3 In addition to the Council's rights of termination under Condition 14.2, the Council shall be entitled to terminate this Contract by giving to the Contractor not less than 30 days notice to that effect.

14.4 Termination under Condition 14.2 or 14.3 shall not prejudice or affect any right of action or remedy which shall have accrued or shall thereupon accrue to the Council and shall not affect the continued operation of Conditions 18, 19, 22 and 24.

15. Race Relations and Disability Discrimination

(a) The Contractor, and any Sub-Contractor employed by the Contractor, shall not unlawfully discriminate either directly or indirectly on such grounds as race, colour, nationality, ethnic or national origin, disability, sex or sexual orientation, gender reassignment, marriage and civil partnership, pregnancy and maternity, religion or belief, or age and without prejudice to the generality of the foregoing, the Contractor shall not unlawfully discriminate within the meaning and scope of the Equality Act 2006, the Human Rights Act 1998, the Equality Act 2010 or other relevant or equivalent legislation, or any statutory modification or re-enactment thereof. The Contractor shall take all reasonable steps to secure the observance of this Condition by all employees and representatives of the Contractor and Sub-Contractor.

(b) The Contractor, and any Sub-Contractor employed by the Contractor, shall follow as far as possible, and at

A. Letter of engagement (continued)

- least in accordance with the Council's published criteria, the Commission for Racial Equality's Statutory Code of Practice on Racial Equality in Employment (2005). This gives practical guidance to employers and others on the elimination of racial discrimination and the promotion of equality of opportunity in employment, including the steps that can be taken to encourage members of ethnic minorities, which are under-represented in the workforce, to apply for jobs or take up training opportunities.
- (c) In the event of any finding of unlawful racial discrimination being made against the Contractor, or any Sub-Contractor employed by the Contractor, during the contract period by any court or industrial tribunal or of an adverse finding in any formal investigation by the Commission for Racial Equality over the same period, the Contractor shall inform the Council of this finding and shall take appropriate steps to prevent repetition of the unlawful discrimination.
- (d) The Contractor shall on request, provide the Council with details of any steps taken under Condition 15 (c) above.
- The Contractor shall provide such information as the Council may reasonably request for the purpose of assessing the Contractor's compliance with this Condition 15, including, if requested, examples of any instructions, recruitment advertisements or other literature, and details of monitoring applicants and employees.
- (e)
- (f)
- (1) The Contractor shall comply with the Equality Act 2010 (the 'Act')
 - (2) The Contractor agrees to provide the Service in a non discriminatory manner and shall promote equality and work towards the Service reflecting best practice as identified in the codes of practice issued by the Equality and Human Rights Commission.
 - (3) In providing the Service, the Contractor shall comply with Equal Opportunities and the Public Sector Equality Duty, and shall ensure compliance with the Council's written policies on such matters and with all Law and guidance from time to time applicable in such regard. The Contractor shall promote equality and work towards the Service reflecting best practice as identified by the Commission for Racial Equality, the Equal Opportunities Commission, the Disability Rights Commission and their successor bodies.
 - (4) The Contractor shall not discriminate, directly or indirectly or by way of victimisation or harassment against any person on grounds of gender reassignment, age, marriage, and civil partnership, sexual orientation, disability, religion or belief, sex, pregnancy or maternity and race contrary to the Act.
 - (5) The Contractor shall notify the Council forthwith in writing as soon as it becomes aware of any investigation of or proceedings brought against the Contractor under the Act.
 - (6) Where any investigation is undertaken by a person or body empowered to conduct such investigation, and/or proceedings are instituted in connection with any matter relating to the Contractor's performance of this Contract being in contravention of the Act, the Contractor shall free of charge:
 - (i) provide any information requested in the timescale allotted;
 - (ii) attend any meetings as required and permit the Contractor's staff to attend;
 - (iii) promptly allow access to and investigation of any document or data deemed to be relevant;

allow itself and any Staff of the Contractor to appear as witness in any ensuing proceedings, and
 - (iv) co-operate fully and promptly in every way required by the person or body conducting such investigation during the course of that investigation.
 - (7) Where any such investigation is conducted or proceedings are brought under the Act which arise directly or indirectly out of any act or omission of the Contractor, its agents or subcontractors, or the Staff of the Contractor, and where there is a finding against the Contractor such investigation or proceedings, the Contractor shall indemnify the Council with respect to all costs, charges and expenses arising out of or in connection with any such investigation or proceedings and such other financial redress to cover any payment the Council may have been ordered or required to pay to a

- third party.
- (8) In recognition of the Council's or the Other Purchaser's legal obligation to tackle discrimination and promote equalities and diversity in all its functions and policies, under the Act the Contractor may be subject to the requirement to complete a questionnaire and/or provide information to the Council's officers on the extent and quality of the Contractor's equalities and diversity policies
- (9) The Contractor recognises that the Council has a responsibility to monitor the extent to which the provision of the Service extends to socially excluded groups. In recognition of this, the Provider agrees, where appropriate and practicable, to work towards providing monitoring information to the Council in relation to employment and service provision by the following categories:
- (i) age;
 - (ii) disability;
 - (iii) gender reassignment;
 - (iv) marriage and civil partnership;
 - (v) pregnancy and maternity;
 - (vi) race;
 - (vii) religion or belief;
 - (viii) sex; and sexual orientation

16. Health & Safety

The Contractor shall perform the Services in such a manner as to be safe and without risk to the health or safety of persons in the vicinity of the location where the Services are being performed (whether such persons are in the vicinity of the said place at the time when the Services are being performed or otherwise) and in such a manner as to comply with any relevant health and safety or other legislation (including Statutory Instruments, Orders, or Regulations made under the said legislation) and any requirements imposed by a local or other regulatory authority in connection with the performance of services of the type supplied to the Council, whether specifically or generally. The Contractor shall indemnify the Council against all actions, suits, claims, demands, losses, charges, costs and expenses which the Council may suffer or incur as a result of or in connection with any breach of this Condition 16.

17. Human Rights

The Contractor will indemnify the Council in respect of any action or failure to act on the part of the Contractor, which would cause the Council to be in breach of the Human Rights Act 1998.

18. Patents, Information and Copyright

- 18.1 It shall be a condition of the Contract that, except to the extent that the Services incorporate designs furnished by the Council, nothing done by the Contractor in the performance of the Services shall infringe any patent, trade mark, registered design, copyright or other right in the nature of intellectual property of any third party and the Contractor shall indemnify the Council against all actions, claims, demands, costs and expenses which the Council may suffer or incur as a result of or in connection with any breach of this Condition.
- 18.2 All rights (including ownership and copyright) in any reports, documents, specifications, instructions, plans, drawings, patents, models or designs whether in writing or on magnetic or other media:
- (a) furnished to or made available to the Contractor by the Council shall remain vested in the Council absolutely;
 - (b) prepared by or for the Contractor for use, or intended use, in relation to the performance of this Contract are hereby assigned to and shall vest in the Council absolutely, and (without prejudice to Condition 22) the Contractor shall not and shall procure that the Contractor's Sub-Contractors, servants and agents shall not (except to the extent necessary for the implementation of this Contract) without the prior written consent of the Council, use or disclose any such reports, documents, specifications, instructions, plans, drawings, patents, models, designs or other material

A. Letter of engagement (continued)

as aforesaid or any other information (whether or not relevant to this Contract) which the Contractor may obtain pursuant to or by reason of this Contract, except information which is in the public domain otherwise than by reason of a breach of this provision, and in particular (but without prejudice to the generality of the foregoing) the Contractor shall not refer to the Council or the Contract in any advertisement without the Council's prior written consent. Grant Thornton UK LLP maintains the right to retain ownership of any pre-existing IPR, IPR in working papers and IPR not produced exclusively in connection with the provision of the contract services

18.3 The provisions of this Condition 18, shall apply during the continuance of this Contract and after its termination howsoever arising.

19. TUPE

19.1 The Contractor recognises that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) may apply in respect of the Contract, and that for the purposes of those Regulations, the undertaking concerned (or any relevant part of the undertaking) shall (a) transfer to the Contractor on the commencement of the Contract, (b) transfer to another Contractor on the expiry of the Contract.

19.2 During the period of six months preceding the expiry of the Contract or after the Council has given notice to terminate the Contract or the Contractor stops trading, and within 20 working days of being so requested by the Council, the Contractor shall fully and accurately disclose to the Council or to any person nominated by the Council, information relating to employees engaged in providing the Services in relation to the Contract in particular, but not necessarily restricted to, the following:

- (a) the total number of personnel whose employment with the Contractor is liable to be terminated at the expiry of this Contract but for any operation of law,
- (b) for each person, age and gender, details of their salary, date of commencement of continuous employment and pay settlements covering that person which relate to future dates but which have already been agreed and their redundancy entitlements (the names of individual members of staff do not have to be given);
- (c) information about the other terms and conditions on which the affected staff are employed, or about where that information can be found; and
- (d) details of pensions entitlements, if any.

19.3 The Contractor shall permit the Council to use the information for the purposes of TUPE and of re-tendering, which shall include such disclosure to potential Contractors as the Council considers appropriate in connection with any re-tendering. The Contractor will co-operate with the re-tendering of the contract by allowing the transferee to communicate with and meet the affected employees and/or their representatives.

19.4 The Contractor agrees to indemnify the Council fully and to hold it harmless at all times from and against all actions, proceedings, claims, expenses, awards, costs and all other liabilities whatsoever in any way connected with or arising from or relating to the provision or disclosure of information required under this Condition.

19.5 In the event that the information provided by the Contractor in accordance with this Condition becomes inaccurate, whether due to changes to the employment and personnel details of the affected employees made subsequent to the original provision of such information or by reason of the Contractor becoming aware that the information originally given was inaccurate, the Contractor shall notify the Council of the inaccuracies and provide the amended information. The Contractor shall be liable for any increase in costs the Council may incur as a result of the inaccurate or late production of data.

19.6 The provisions of this Condition 19 shall apply during the continuance of this Contract and after its termination howsoever arising.

20. Observance of Statutory requirements

The Contractor shall comply with all statutory and other requirements to be observed and performed in connection with the performance of the Contract and shall indemnify the Council in relation thereto.

21. Environment

The Contractor shall, when working at the Premises perform the Contract in accordance with the Council's environmental and sustainability policy, which is to conserve energy, water, wood, paper and other resources, reduce waste and phase out the use of ozone depleting substances and minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment.

22. Confidentiality

The Contractor shall treat as confidential all information obtained from the Council in connection with the Contract and shall not divulge same to any person, other than the Contractor's employees who are involved in the performance of the Contract, without the Council's prior written consent. The Contractor shall ensure that its employees are aware of and comply with the provisions of this clause. If the Contractor shall appoint any Sub-Contractor, the Contractor may disclose confidential information to such Sub-Contractor, subject to such Sub-Contractor giving an undertaking in like terms to the provisions of this Condition. Notwithstanding any undertaking given by the Sub-Contractor, the Contractor shall be vicariously liable for any breach by the Sub-Contractor or their or the Sub-Contractors employees. The foregoing obligations as to confidentiality shall survive termination of the Contract. The Contractor and any Sub-Contractor maintain the right to disclose any information if obliged by law and waiver the confidentiality obligation if information is in the public domain.

23. Freedom of Information (Scotland) Act 2002

The Council is obliged, in response to a request for information under the Freedom of Information (Scotland) Act 2002, to disclose information relating to the contract unless such information constitutes a trade secret or the disclosure thereof would or would be likely to, prejudice substantially, the commercial interests of the Council or the Contractor. Notwithstanding the terms of this clause, if the public interest in disclosing some or all of the details of the Contract outweighs the substantial prejudice caused to such commercial interests, the Council may make such disclosure.

24. Audit

The Contractor shall keep and maintain until 2 years after the Contract has been completed records to the satisfaction of the Council of all expenditures which are reimbursable by the Council and of the hours worked and costs incurred in connection with any employees of the Contractor paid for by the Council on a time charge basis. The Contractor shall on request afford the Council or the Council's representatives, such access to those records as may be required by the Council in connection with the Contract. The provisions of this Condition shall apply during the continuance of this Contract and after its termination howsoever arising.

25. Indemnity and Insurance

25.1 Without prejudice to any rights or remedies of the Council, the Contractor shall indemnify the Council against all actions, suits, claims, demands, losses, charges, costs and expenses (including legal expenses) which the Council may suffer or incur as a result of or in connection with the Contractors breach relating to the provision of or the failure to provide the Services, including but not limited to, any damage to property or any injury (whether fatal or otherwise) to any person, which may result directly or indirectly from any negligent or wrongful act or omission of the Contractor. In exercising any indemnity claim under this clause, the Council shall take reasonable provisions to mitigate its loss, and provide the Contractor with full information to enable the Contractor to deal with the issue at the earliest reasonable time. Where the indemnity right arises as a result of a claim by a third party, the Council shall provide reasonable assistance to the Contractor to enable the Contractor to conduct the defence or settlement of such claim provided that the Contractor shall not settle any such claim without Contractor's prior written approval if such settlement requires the Council to take any action, refrain from taking any action or admit any liability.

25.2 The indemnity contained in Condition 25.1 shall not apply to the extent that the loss, damage or injury is caused by the negligent or wilful act or omission of the Council or any servant or agent of the Council.

25.3 The Contractor shall have in force and shall require any Sub-Contractor to have in force:

- (a) employer's liability insurance in accordance with any legal requirements for the time being in force, and
- (b) public liability insurance for such sum and range of cover as the Contractor deems to be appropriate but covering at least all matters which are the subject of indemnities or compensation obligations under these Conditions in the sum of not less than £5 million for any one incident and unlimited in total, unless otherwise agreed by the Council in writing.

25.4 The policy or policies of insurance referred to in Condition 25.3 shall be exhibited whenever the Council requests, together with satisfactory evidence of payment of premiums, including the latest premium due thereunder.

A. Letter of engagement (continued)

26. Time of the Essence

The Contractor shall commence the performance of the Services on the date stated in the Contract and shall complete the Services by the date stated in the Contract or continue to perform the Services for the period stated in the Contract (whichever is applicable). Time is of the essence of the Contract. The Council may by written notice require the Contractor to execute the Services in such order as the Council may decide. In the absence of such notice the Contractor shall submit such detailed programmes of work and progress reports as the Council may from time to time require.

27. Suspension of Orders

The Council reserves the right to require the Contractor to suspend Services in the event of any strike, lockout, fire, accident or stoppage of the Council's business or work beyond the reasonable control of the Council which prevents or hinders the use of the Services.

28. Waiver of Conditions

Failure by the Council to insist on the Contractor complying with any of their obligations shall not be construed as a waiver of relinquishment of the Council's right to insist upon strict compliance with such obligation at any other time.

29. Arbitration

All disputes, differences or questions between the parties to the Contract with respect to any matter or thing arising out of or relating to the Contract, other than a matter or thing as to which the decision of the Council is under the Contract to be final and conclusive (and except to the extent to which special provision has been made for arbitration elsewhere in the Contract) shall be referred to a single arbitrator to be mutually chosen and in the event of failure to agree the arbitrator shall be determined by the Sheriff of North Strathclyde at Paisley.

30. Notices

Any notice given under or pursuant to the Contract may be sent by hand or by post or by registered post or by the recorded delivery Service and if so sent to the address of the party shown in the Contract, or to such other address as the party may by notice to the other have substituted therefor, shall be deemed effectively given on the day when in the ordinary course of business it would first be received by the addressee in normal business hours.

31. Force Majeure

31.1 Any delay in or failure by either party in performance hereunder shall be excused if and to the extent that such delay or failure is caused by occurrences beyond such party's reasonable control including but not limited to, acts of God, decrees or restraints of government, strikes, war, fire, riot, sabotage, terrorism and such other cause or causes whether similar or dissimilar to those already specified which cannot be controlled by such party. Such performance shall be so excused for the period during which such inability of the party to perform is so caused but for no longer period and shall be remedied as far as possible with all reasonable despatch. Any time period for performance shall be extended by a period equal in duration to any period during which such performance is excused by this condition.

31.2 If any of the events detailed in Condition 31.1 above prevents either party from performing all of its legal obligations under the Contract for a period in excess of one (1) month, the party affected by such non-performance may terminate the Contract.

32. Entire Agreement

The Contract shall supersede all or any prior agreements and undertakings between the parties and shall constitute the entire agreement between the parties relating to the subject matter of the Contract. Specifically declaring, for the avoidance of doubt, that in the event of any conflict arising between the terms of the Contract and the terms of the Tenderer's response, these Conditions or the higher standard or more onerous duty as appropriate shall prevail.

33. Scots Law

The contract shall be considered as a contract made in Scotland and subject to Scots Law. Notwithstanding the provisions of Clause 29 hereof, any dispute arising in relation to the Contract shall be subject to the non-exclusive jurisdiction of the Scottish Courts.

34. Registration

The parties hereto hereby consent to the registration of the Contract in the Books of Council and Session for preservation and execution.

35. Limitation of Liability

35.1 The aggregate liability of Grant Thornton UK LLP, its partners, agents and employees or any of them (together referred to in this and subsequent clauses as the Firm) for the Total Damage shall be limited to £2,000,000.

35.2 Grant Thornton UK LLP is constituted as a limited liability partnership in accordance with the Limited Liability Partnerships Act 2000 (with registered number OC307742 and with its registered office at Grant Thornton House, Melton Street, London, NW1 2EP). Where reference is made in these Terms of Business, any correspondence or in the context of providing services, to a 'partner' of Grant Thornton UK LLP, the term 'partner' indicates a member of Grant Thornton UK LLP or a senior employee of Grant Thornton UK LLP. It shall not be construed as indicating that the members of Grant Thornton UK LLP are carrying on business in partnership for the purposes of the Partnership Act 1890. A list of the members of Grant Thornton UK LLP is available from our registered office. Our partners and employees do not owe a personal duty of care nor assume any personal responsibility.

35.3 For the purposes of this Engagement the Total Damage shall mean the aggregate of all losses or damages (including interest thereon if any) and costs suffered or incurred, directly or indirectly, by the addressees of this letter (together with such other parties whom Grant Thornton UK LLP and such original addressees have agreed may have the benefit of and rely upon our work on the terms hereof) (together Addressees) under or in connection with this engagement or its subject matter (as the same may be amended or varied) and any report prepared pursuant to it, including as a result of breach of contract, breach of statutory duty, tort (including negligence), or other act or omission by Grant Thornton UK LLP but excluding any such losses, damages or costs arising from the fraud or dishonesty of Grant Thornton UK LLP or in respect of liabilities which cannot lawfully be limited or excluded.

35.4 Where there is more than one addressee the limit of liability specified in paragraph 35.1 above will have to be allocated between addressees. It is agreed that such allocation will be entirely a matter for the addressees, who shall be under no obligation to inform Grant Thornton UK LLP of it, provided always that if (for whatever reason) no such allocation is agreed, no Addressee shall dispute the validity, enforceability or operation of the limit of liability on the ground that no such allocation was agreed.

35.5 If at any time the Council would like to discuss with the Contractor how the services could be improved, the Council should contact Fiona Beighton at the Contractor's London office. The Contractor shall look into any complaint carefully and promptly and to do all it can to explain the position to the Council. If the Contractor has given a less than satisfactory service, it undertakes to do everything reasonable to put it right and, if the Council is still not satisfied, it may take up matters with the Institute of Chartered Accountants in England and Wales.

36. Restriction on Circulation and Non-Reliance

36.1 The Contractor's report is confidential and will be prepared exclusively for the Council. The Contractor stresses that its report and other communications are confidential and prepared for the addressee only. They should not be used, reproduced or circulated for any other purpose, whether in whole or in part without the Contractor's prior written consent, which consent will only be given after full consideration of the circumstances at the time. The Contractor agrees that an addressee may disclose our report to its employees, officers, directors, insurers and professional advisers in connection with the Purpose, or as required by law or regulation, the rules or order of a stock exchange, court or supervisory, regulatory, governmental or judicial authority without the Council's prior written consent, but in each case strictly on the basis that the Contractor owes no duties to any such persons.

36.2 To the fullest extent permitted by law, the Contractor does not accept or assume responsibility to anyone other than the addressee for its work, for its reports and other communications, or for the opinions which the Contractor shall form.

A. Letter of engagement (continued)

36.3 To the fullest extent permitted by law, the Contractor does not accept any responsibility for any loss or damages arising out of the use of the report or other communications by the addressee for any purpose other than in connection with the agreed purposes of this engagement as set out above.

37. Marketing and Publicity Clause

37.1 The Contractor reserves the right to market and publicize the appointment and provide general information on the services provided. All sensitive information or information not in the public domain are protected by the confidentiality clauses included in this agreement.

REFERENCE NO:	QQ 14 15 409
QUOTE	APPOINTMENT OF CONSULTANT - BUSINESS CASE REVIEW CHCP
QUESTIONNAIRE	

General Information

Q1.	Name of Organisation Grant Thornton
Q2.	Main Address for correspondence (including postcode) 7 Exchange Crescent, Conference Square, Edinburgh, EH3 8AN
Q3.	Registered office (if different from above, including postcode) Grant Thornton House, Melton Street, Euston Square, London NW1 2EP
Q4.	Person applying on behalf of the organisation John Montague
Q5.	Position in organisation Director
Q6.	Telephone Number +44 (0)131 229 9181
Q7.	Facsimile Number +44 (0)131 229 4560
Q8.	E-Mail Address john.montague@uk.gt.com

We hereby quote to supply and deliver the service specified in this request for quotation all in accordance with the instructions herein. Any resulting contract will be subject to the Council's General Conditions of Purchase. In the event that Grant Thornton UK LLP and Christie & Co are successful in the Tender we would like to discuss mutually acceptable variations in the wording of certain of the Council General Conditions of purchase and how we will contract. Please confirm compliance below

Name:	John Montague
Date:	30/04/2015

A. Letter of engagement (continued)

REFERENCE NO:	QQ 14 15 409
QUOTE	APPOINTMENT OF CONSULTANT - BUSINESS CASE REVIEW CHCP
OFFER SCHEDULE	

Bidders are required to:

- Indicate the number of staff to be provided.
- Time input (in days).
- Daily rate to be applied which is to include all expenses.

OFFER SCHEDULE	NUMBER OF STAFF	DAILY RATE Including all expenses	TOTAL £
For breakdown between Stages please refer to Tender Document	5	1465	£49,822
ANY OTHER COSTS TO BE CONSIDERED	5	1465	£49,822

The Council will not be liable for any costs not identified within this quotation

Costs to be exclusive of Value Added Tax

REFERENCE NO:	QQ 14 15 409
QUOTE	APPOINTMENT OF CONSULTANT - BUSINESS CASE REVIEW CHCP
Inclusion checklist	

Description		Included ✓ Uploaded
1	Public Liability Insurance Certificate	✓
2	Employer's Liability Insurance Certificate	✓
3	Brokers Confirmation of Professional Indemnity Insurance	✓
4		

A. Letter of engagement (continued)

REFERENCE NO:	QQ 14 15 409
QUOTE	APPOINTMENT OF CONSULTANT - BUSINESS CASE REVIEW CHCP
INSURANCES	

Please ensure you have read the following and understand the statement.

Where an Applicant does not have adequate cover, and in order to remain in the exercise, confirmation must be received that the level of cover will be increased. It will be a condition of award of contract that the level of insurance is increased to the minimum stated and maintained throughout the period of the contract.

Please ensure you have submitted a copy of your current Certificate of Insurance document - **failure to do so will result in rejection of your submission.**

Please give details of **Employers Liability** insurance held. **Minimum level of cover £5m**

Insurer	Mitsui Sumitomo underwriting at Lloyd's Limited
Policy number	CEZYKZ14AA/1
Extent of cover	£10,000,000
Expiry date	28 November 2015
<i>If applicable please confirm below that Employers Liability Insurance cover will be increased to £5m</i>	

Please give details of **Public Liability** insurance held. **Minimum level of cover £5m.**

Insurer	Mitsui Sumitomo underwriting at Lloyd's Limited
Policy number	CEZYKZ14AA/1
Extent of cover	£10,000,000
Expiry date	28 November 2015
<i>If applicable please confirm below that public Liability Insurance cover will be increased to £5m</i>	

Please give details of **Professional Indemnity** insurance held. **Minimum level of cover £1m.**

Insurer	Fulwood Insurance Ltd. Lloyd's and company markets
Policy number	PR001851h
Extent of cover	The limit of indemnity and self-insured excess are at a level commensurate with a business of Grant Thornton's size and risk profile. Grant Thornton's liability for this assignment will be capped at £2,000,000.
Expiry date	30 April 2015
<i>If applicable please confirm below that Professional Indemnity Insurance cover will be increased to £5m</i>	

REFERENCE NO:	QQ 14 15 409
QUOTE	APPOINTMENT OF CONSULTANT - BUSINESS CASE REVIEW CHCP
NO COLLUSION CERTIFICATE	

I certify that this is a bona fide quote, intended to be competitive and that we have not fixed or adjusted the amount of the quote by or under or in accordance with any agreement with any other person.

I also certify that we have not done and we undertake not to do at any time, before the closing date for the return of the quote any of the following acts:-

- (a) Communicating to a person other than the person calling for these quotes, the amount or approximate amount of the quote herewith submitted.
- (b) Entering into any agreement or arrangement with any other person that he shall refrain from quoting or as to the amount of any quote submitted.
- (c) Offering or paying or giving or agreeing to pay any sum of money or consideration directly or indirectly to any person for doing or having done or causing or having caused to have done in relation to any other quote or proposed quote any act or thing of the sort described above.

In this certificate, the word "person" includes any persons and any body or association corporate or incorporate and any "agreement of arrangement" includes any transaction formal or informal whether legally binding or not

Company Name:	Grant Thornton UK LLP		
Address:	7 Exchange Crescent		
	Conference Square		
	Edinburgh	Postcode:	EH3 8AN
Telephone No:	+44 (0)131 229 9181	Fax No:	+44 (0)131 229 4560
e-Mail Address:	John.Montague@uk.gt.com		
Date	30/04/2015		
Authorised Officer: Print Name	John Montague		

A. Letter of engagement (continued)

Nick Siepmann

From: Beveridge, Kevin <Kevin.Beveridge@eastrenfrewshire.gov.uk>
Sent: 22 June 2015 11:50
To: George Fournarakis
Cc: Andrew R Ellis
Subject: RE: Bonnyton House QQ 1415409

George

We have now discussed the matter of clause 25.1 with the insurers for the council, if we make the changes to address the drafting error (i.e. should be Council and not Contractor as indicated below) we are happy to proceed with the T&Cs.

Regards

Kevin

Kevin Beveridge, Commissioning and Contracts Manager
East Renfrewshire CHCP
1 Burnfield Avenue
Giffnock
Glasgow, G46 7TL

0141 577 3352

From: George Fournarakis [mailto:George.Fournarakis@uk.gt.com]
Sent: 19 June 2015 12:04
To: Beveridge, Kevin; Andrew R Ellis
Subject: RE: Bonnyton House QQ 1415409

Kevin,

I do think you are right on this one. The sentence should write Council's instead of Contractor's as below:

settlement of such claim provided that the Contractor shall not settle any such claim without Council's prior written approval if such settlement

Let us know when the insurers come back to you.

Kind regards,

George

George Fournarakis | Executive | Advisory

For Grant Thornton UK LLP

7 Exchange Crescent | Conference Square | Edinburgh | EH3 8AN

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E george.fournarakis@uk.gt.com | W www.grantthornton.co.uk



From: Beveridge, Kevin [mailto:Kevin.Beveridge@eastrenfrewshire.gov.uk]
Sent: 19 June 2015 10:19
To: Andrew R Ellis
Cc: George Fournarakis
Subject: RE: Bonnyton House QQ 1415409

Andrew

I have just spoken to legal colleagues and there is only one outstanding point regarding the wording of 25.1 – they asked me to check whether one of the parties not be the Council? Highlighted below from draft text. I also need to check with our insurers as the issue of defending or settling is an insurance judgement rather than the councils I have forwarded to insurers for their opinion and will revert to you as soon as possible.

In exercising any indemnity claim under this clause, the Council shall take reasonable provisions to mitigate its loss, and provide the Contractor with full information to enable the Contractor to deal with the issue at the earliest reasonable time. Where the indemnity right arises as a result of a claim by a third party, the Council shall provide reasonable assistance to the Contractor to enable the Contractor to conduct the defence or settlement of such claim provided that the Contractor shall not settle any such claim without Contractor's prior written approval if such settlement requires the Council to take any action, refrain from taking any action or admit any liability.

Regards

Kevin

Kevin Beveridge, Commissioning and Contracts Manager
East Renfrewshire CHCP
1 Burnfield Avenue
Giffnock
Glasgow, G46 7TL

0141 577 3352

From: Andrew R Ellis [mailto:andrew.r.ellis@uk.gt.com]
Sent: 19 June 2015 08:42
To: Beveridge, Kevin
Cc: George Fournarakis
Subject: Bonnyton House QQ 1415409

Kevin

Update on couple of points

I think George has been in touch re the T&C's – we really need to bottom these out before we can look to release draft reports to you

Regarding the draft there a number of queries that we are looking to sort out today – I think we need to have a discussion with Frank amongst others. Therefore it is likely to be Monday before we forward a draft to you. I appreciate the timing is not ideal and very tight given the proposed call for Tuesday pm but we would rather take the extra time than issue the document with certain elements not closed off. My apologies for any disruption this causes at your end

Kind regards

Andrew

Andrew Ellis | Associate Director | Advisory
For Grant Thornton UK LLP

A. Letter of engagement (continued)

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Where relevant, please note that, unless expressly stated otherwise, any written advice contained in, or attached to this email is not intended and cannot be used, by any person for avoiding any US penalties that may be imposed under the US Internal Revenue Service Code.

B. Scope and limitations

- In accordance with the engagement letter (attached at Appendix A) we have carried out an independent high level, review of the Group in connection with assessing the future strategic options for the Group
- Our work has focused on:
 - an analysis of the performance of the Unit
 - an analysis of the four options outlined in the engagement including the advantages and disadvantages of each option and the impact of each option on the Council
- The information contained in this report is based primarily on:
 - management information provided by the Frank White, Kevin Beveridge and Colin English including:
 - Tender Proposal
 - Historical Profit and Loss Accounts for the Unit
 - Full Year Budgets for the Unit
 - Information on Cost Saving Strategies proposed by the Council, Families and Staff
 - discussions with the following Management of the Council:
 - Frank White
 - Kevin Beveridge
 - Colin English
- Our review of the affairs of the Unit does not constitute an audit in accordance with Auditing Standards and we have carried out no verification work. We have relied on explanations and source information provided to us by the Council. Consequently we do not express an opinion on the figures included in the report
- The scope of our work has been limited to solely an assessment of the financial performance of the Unit and of the four strategic options for the Council outlined in the engagement letter at Appendix A
- The responsibility for forecasts and the assumptions on which they are based is solely that of the Council. It must be emphasised that all income statement forecasts necessarily depend on subjective judgement. They are, to a greater or lesser extent, according to the nature of the businesses and the period covered by the forecasts, subject to inherent uncertainties. In consequence, they are not capable of being substantiated or audited in the same way as financial statements that present the results of completed accounting periods
- Our work does not include the provision of any tax advice
- For your convenience, this report may have been made available to you in electronic as well as hard copy format, multiple copies and versions of this report may therefore exist in different media and in the case of any discrepancy the final signed hard copy should be regarded as definitive
- This report is issued on the understanding that the Council have drawn our attention to all matters of which they are aware concerning the financial position of the Unit, which may have an impact on our report, up to the date of this report. Our fieldwork was performed in the period between 25 May and 10 June 2015. We have not performed any fieldwork since 10 June 2015 and, our report may not take into account matters that have arisen since then. Events and circumstances occurring after the date of our report will, in due course, render our report out of date and, accordingly, we will not accept a duty of care nor assume a responsibility for decisions and actions which are based upon such an out of date report. We have no responsibility to update this report for events and circumstances occurring after the date of this report

B. Scope and limitations (continued)

- This report is confidential and has been prepared exclusively for East Renfrewshire Council. We agree that an addressee may disclose our private report as required by law or regulation, the rules or order of a stock exchange, court or supervisory, regulatory, governmental or judicial authority without our prior written consent but in each case strictly on the basis that we owe no duties to any such persons. It should not be used, reproduced or circulated for any other purpose, in whole or in part, without our prior written consent, such consent will only be given after full consideration of the circumstances at the time. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than East Renfrewshire Council for our work, our report and other communications, or for any opinions we have formed. We do not accept any responsibility for any loss or damages arising out of the use of the report by the addressee for any purpose other than in connection with the review of strategic options of the Unit for East Renfrewshire Council
- We draw your attention to the limitation of liability clauses in Section 25 of the engagement letter with you dated 22 June 2015. Our principal client relationship is with East Renfrewshire Council

C. Background and Project Information

Background Information

- Bonnyton House consists of a residential home (Home) and a day centre (Centre) for elderly people who require supervised care
- The Home has 28 permanent beds and 6 respite beds
- The Unit is c.40 years old but has been refurbished to a good standard. We understand that room sizes are largely compliant with latest guidance from the Care Inspectorate
- The Unit appears to be well regarded by both residents and families. The Care Inspectorate reviews have been very good with Grade 5 being achieved in 3 out of 4 categories for both the Home and the Centre
- The Home provides residential care rather than nursing care however where appropriate end of life care is also provided. There are no nursing staff currently employed in the Unit but all staff are understood to have care qualifications
- In financial terms the Unit is run as two cost centres with shared costs apportioned between the Home and the Centre
- Recently neither operation has performed in line with budgets and the combined overspend in both the Home and the Centre has been assessed at a cumulative £656,000 over the past 3 years (£571,000 overspend for the Home and an overspend of £85,000 on the Centre)
- In response to this and the pressure on Local Authority budgets, the Council has undertaken an appraisal of the recent performance of the Unit and the options thereon

Project Framework and Methodology

- The Council is seeking an independent review of its analysis of the options and comments on the potential savings it may be able to achieve
- In performing this review we have performed the following work
 - Reviewed the historical financial information and commented on major cost drivers
 - Provided comments on the level of savings achieved under each option
 - Qualitatively assessed each option
- The budgets supporting each case envisage changes in operations at varying times during FY16 with the full projected impact arising in FY17. As yet no changes have been implemented and the full year impact may not arise until FY18. Our review has therefore focused on the projected full year benefit once changes have been implemented

D. Sources of Income

Summary of charges for Permanent Residents (per week)

£	Recognised in Bonnyton House Accounts	Unrecognised Income paid by LA
Self funded residents		
FPCR		171
Means tested contributions	453	
Total contributions	453	171
LA funded residents		
FPCR		171
Local Authority Top Up Funding for LA Residents		329
Contribution referenced to DWP Income	124	
Total contributions	124	500

Other sources of Income

£	Recognised in Bonnyton House Accounts	Unrecognised Income paid by LA
Respite beds	124	-
Day Centre	31	-

Sources: 1. Management

Sources of Income

- Income for the Unit is derived from a number of sources including public funds and self funded residents. Public funds are paid from either LA budget or other publicly funded bodies, such as Department of Work and Pensions (DWP)
- Self funded residents
 - FPCR of £171 per week is paid from LA funds
 - balance of £453 per week is met from self funded residents personal assets

- Public funding – LA
 - FPCR is paid from LA funds – effectively the first £171 of all residents care is paid from public funds
 - subject to means testing, LA is required to pay a further £329 towards the cost of residents care
 - these two categories of income represent the free care commitment for LA
 - additionally weekly income of £124 is received from public funds representing the residents DWP entitlement
- Council has projected that the Home operates with mix of 50% self-funded and 50% publicly funded residents (The 3 year average is 45%: 55%)
 - a process of financial screening is in place to classify prospective residents
 - Council does not control the number of self funded or publicly funded residents it admits and as such the mix of residents can fluctuate
- Permanent Beds occupancy rate is 87.5% (3 year average)
- Respite Beds are charged at £124 per week payable by the resident
 - care provided is the same as for permanent residents
 - Respite Beds occupancy rate is 46% (3 year average)
- Day Centre
 - the daily charge for the Centre is £4.40
 - activity is between 10/11 clients per day. This equates to 70-80 clients per week

Income Recognition

- For financial reporting purposes the Council only recognises Income from outwith the LA
- Income levels for the Home and consequently the deficit may vary dependent upon occupancy levels and the mix of residents

E. Historical Financial Review of the Home for 3 years ended 31 March 2015

Income and Expenditure Account (reflected in Accounts) - Home Care

£'000	FY13	FY14	FY15
Income			
Sales fees and Charges	427	424	412
Other Income	6	5	11
Total Income	433	429	423
Costs			
Staff Costs/Payroll	(1,053)	(1,143)	(1,099)
Property Costs	(116)	(96)	(121)
Transport Costs	(14)	(7)	(6)
Supplies and Services	(97)	(68)	(121)
Depreciation and Impairment	(63)	(32)	-
Total Costs	(1,341)	(1,347)	(1,346)
Actual Net Cost to Council	(909)	(917)	(924)
Additional Information			
Occupancy Level for Permanent Beds	85.4%	90.8%	85.5%
Occupancy Level for Respite Beds	55.0%	39.0%	45.0%
Self-funded Patients	49.0%	50.0%	39.0%

Estimate of average annual Income not reflected in Accounts

£'000	FY13	FY14	FY15
LA Contribution - All residents	213	226	213
Council Top-up Contribution for LA funded residents	209	217	250
Total Potential Unreported Income	421	444	463
Adjusted Net cost to Council	(487)	(474)	(461)

Sources: 1. Management information

Income Overview

- As noted earlier the Council does not recognise the benefit of income which is met by Local Authority funds
 - whilst we understand this from a perspective of internal accounting, any consideration of the options available to the Council requires that its total income and expenditure should be recognised (i.e. self funded and Council funded) to enable a fair comparison between the alternative options
- We note that the proportion of self-funded residents for permanent beds has decreased from 50% to 39% between FY14 and FY15 but we were advised during our Home visit that 70% of residents are currently self-funded
- We noted occupancy levels are between 85-90% for permanent beds
- Based upon a 50% split of self funded resident and average occupancy rates for last 3 years we have provided an estimate of the "unrecognised income"
- Occupancy of respite beds averages c.50% indicating that there is spare capacity to provide additional respite care and generate additional income to contribute towards the costs of operating the Home

After accounting for LA "free case" contributions the average "net" cost of operating the Home is c.£474,000 per annum (3 year average)

E. Historical Financial Review of the Home for 3 years ended 31 March 2015 (continued)

Direct Costs

£'000	FY13	FY14	FY15
Payroll Costs			
Staff Costs	990	1,003	973
Agency Costs	62	140	126
Property Costs			
Energy Cost	55	26	44
Repairs & Maintenance	36	40	47
Misc	24	30	30
Transport Costs	14	7	6
Supplies and Services			
Food Costs	71	32	87
Other S&S Costs	26	37	33
Depreciation and Impairment	63	32	-
Total	1,341	1,347	1,346

Sources: 1. Management

Staff Costs/Payroll (FY15 – £1.098 million incl. Agency Costs of £125,000)

- The council has budgeted for 27 APTC employees and 8 Manual employees in the Home. The average payroll costs per full time employee in FY15 was c.£28,000 per annum which includes both NI and Pension costs.
- Typically we would expect payroll costs to be 50% of total revenue (for a privately operated residential home). In this case, after increasing income to include Council funding of residents, staff payroll costs are 123% of total 'revenue'.
- We note that shift numbers for the Unit have been set in discussion with the Care Inspectorate. The current level is 1 care staff member for every 4 residents. Our expectation for a Home of this size would be a ratio of 1 to 8. Staff costs could be reduced significantly if staff requirements are rationalised to this level

- Staff pay rates: analysis of the staff pay rates shows that carers pay is an average of c.£9 per hour and senior carers are paid £15.60 per hour. These are approximately 40% higher than rates at comparable local private care homes.
- Agency costs: we understand that in order to meet shift requirements, combined with restrictions on some employee contracts, the Home regularly requires to employ agency staff. This requirement is over and above any cover for any absence/sickness. Total agency expenditure for the last three years was £329,000
- Agency staff are very expensive (approx. double the cost of an employed staff member). Most care operators only use agency for nursing staff and the private sector benchmark is that agency costs should be less than 3% of the combined payroll costs. The agency cost for the Home is 11.4% of combined costs. Agency costs reductions could be achieved in a number of ways: offering overtime incentive to existing staff, hiring more permanent staff or establishing a bank of temporary staff on zero hour contracts
- We recognise that changes to staff costs are difficult to achieve for a Local Authority operated Home but for illustrative purposes if a private operator was able to agree standard residential staffing levels with CI at private pay sector rates, and reduce agency to c.3% of combined staff payroll, then we estimate staff savings would be c.£565,000 per annum. This represents c.51% reduction to FY15 costs. We fully acknowledge the sensitivities and political issues that might arise, making it very difficult for the Council to achieve the same cost base as a private operator
- It will be difficult to reduce the proportionately high staff costs in the short term. This is likely to be a factor for interested parties in any sale of the Unit

E. Historical Financial Review of the Home for 3 years ended 31 March 2015 (continued)

Non-staff costs (Property, Transport and Supplies and Services)

- Benchmark sector non-staff costs for a private operator are 18% of income. The comparable costs for the Home are 29% (based on an average overall income, including LA funding, of £850,000 income and FY15 non staff costs of £248,000 costs). These are c.50% higher than the private sector norm

Property Costs (FY15 – c.£121,000)

- Energy costs were lower in FY14 than FY13 and FY15. We understand that this is mainly due to cost allocation as the energy costs for the Centre in FY14 were c.£26,300 while in FY15 and FY13 they were £nil
- Private sector benchmark for Repairs & Maintenance and Capital costs are c.£1,200 per bed per annum. This equates to c.£41,000 per annum for the Home and compares relatively closely with the Repairs & Maintenance costs for the last three years.

Supplies and Services (FY15 – c.£121,000)

- We note a high level of fluctuation in food expenditure in the three year period. Looking at the Centre food costs fluctuations, there appears to be an inconsistent allocation of costs between the two cost centres. We estimate that c.£30,000 – £40,000 of food costs applied to the Home in FY 13 and FY 15 should have been allocated to the Centre
- Food costs are currently deemed to be high at c.£6.30 per day in comparison to an average cost in similar private facilities in the UK of £3.50 per day. Rationalising food expenditure could result in further savings of £18,000 per annum
- Other costs of £34,000 include, inter alia, other categories such as aids for disabled residents (c.£12,000) and registration fees (c.£5,338)

Depreciation and Impairment (FY15 – £nil)

- The charge for FY15 has not been finalised yet. We expect the level of charge to be similar to FY13 and FY14. The basis of depreciation is on a straight line basis spread over 40 years on an asset value of £910,000

Other Costs Categories

- Other cost categories include transfer payments and transportation costs
- For the purposes of this analysis we consider these costs immaterial

Summary

- The Council estimate that the deficit for the Home is c.£900,000 per annum. However this does not reflect the costs that the Council would incur regardless of whether it or a private third party operator provides the care. If these are included the average deficit over last three years is £474,000
- We recognise the sensitivities and political issues that may arise if staff costs were at the same level as a private operator. However, for illustrative purposes, if the Home's costs were in line with private sector benchmarks, then in FY15 the combined savings would be £583,000 per annum.

F. Historical Financial Review of the Centre for 3 years ended 31 March 2015

Income and Expenditure Account (reflected in Accounts) - Day Centre

£'000	FY13	FY14	FY15
Income			
Charges to persons using service	22	21	17
Health Board	108	108	81
Total Income	130	129	98
Costs			
Staff Costs/Payroll	(592)	(663)	(633)
Property Costs	(6)	(41)	(11)
Transport Costs	(17)	(21)	(30)
Supplies and Services	(17)	(51)	(13)
Total Costs	(632)	(777)	(687)
Cost to Council	(503)	(648)	(589)

Sources: 1. Management

Income

- The income represents a daily charge paid by clients and publicly funded recharges to other departments for use of the service i.e. Health Board represents income received from the Local Health Board for day care support for patients that have recently been discharged from hospital
- Total income has reduced by 24% in the last 12 months due mainly to a decrease in income from the Local Health Board
- Management advise the weekly number of service users fluctuates between 70 and 80. This is based on an average of 10-11 service users per day and the Centre being open 7 days per week. This compares to a centre capacity of 24 day places and 10 evening places. Accordingly the Centre is operating significantly below capacity
- Daily Charge is on average £4.40 per day per service user. We understand this rate has been set as an estimate of the daily food cost but does not take into account the cost of any care assistance provided

- We understand that other Day care facilities either private or local authority operated may charge c.£20 per day per client user. If a similar charge was raised by the Centre and there was no reduction in clients there could be additional income of c.£75,000 per annum

Staff Costs/Payroll (FY15 - £633,000)

- Payroll expenditure represents between 85% and 93% of total costs over the three years. This is split between
 - employed staff (FY15 - £558,000)
 - agency costs (FY15 - £75,000)

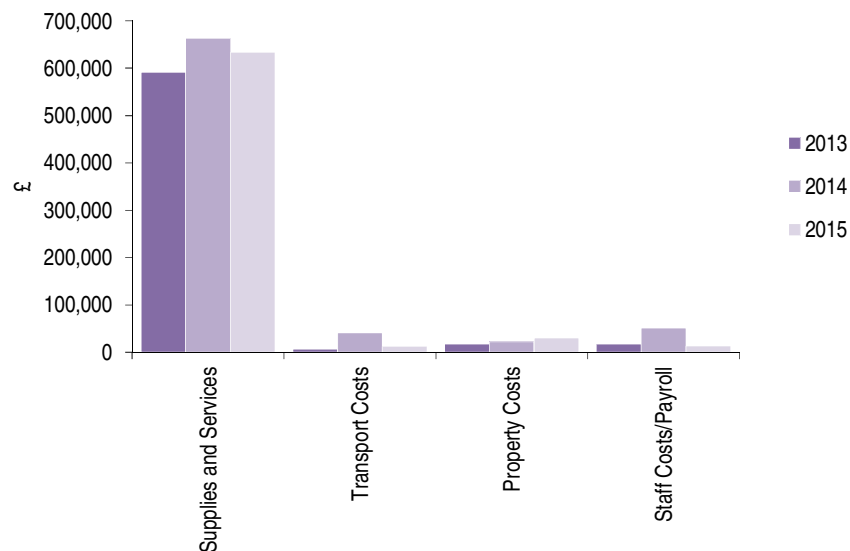
The agency cost is 12% of the combined Centre payroll – which is in excess of the sector norm of 3%. On the basis that agency staff cost around twice as much as employed staff there is an inherent potential saving of c.£37,500 per annum

- We understand that the Care Inspectorate require a minimum staffing level of seven care staff when the day care centre is open. This represents 1 staff member to every 1.5 service users. This seems excessive based not only on comparable (and higher dependency) Home residents, but also compared with the Day Centre income
- The council has budgeted for 13 APTC employees in the Centre and 5 Manual employees. Average cost per full time employee in FY15 is c.£31,000 including National Insurance and pension cost. This represents an average hourly rate of £15.90 per hour based upon a 37.5 hour week. These staff costs appear extremely high compared with the cost of a Home carer earning £9.60 per hour including National Insurance and pension cost
- Management are currently reviewing the potential cost savings offered by adopting more personalised client focused services.

Currently the cost of the Centre is £579,000 (3 year average). 90% of total Centre expenditure is payroll

F. Historical Financial Review of the Centre for 3 years ended 31 March 2015 (continued)

Direct Costs



Sources: 1. Management

Property Costs (FY15 – £11,000)

- Property costs have remained stable in FY13 and FY15. By exception in FY14 property costs were c.£41,000 which is attributable to increased energy costs. Our analysis indicates that this 'spike' in costs is the result of inconsistent allocation of costs between the Home and the Centre in FY14. (£26,300 of costs were allocated against the Centre in FY14 with nil allocation in FY13 and FY15)

Supplies and Services (FY15 – £13,000)

- FY15 costs are comparable to FY13. In FY14 supply and service costs increased substantially to c.£51,000. This is mainly attributable to increased food expenditure however our analysis indicates that the allocation of costs between Home and Centre may not be accurate. We estimate that c.£30,000 – £40,000 of food costs applied to the Home in FY 13 and FY 15 should have been allocated to the Centre based on FY14 compared to total costs between FY13 and FY15

Transport Costs (FY15 – £29,000)

- This covers fuel purchases, driver hire, vehicle hire and general vehicle maintenance
- Transportation costs have increased throughout the three year period by 73.8%. The FY15 cost of £29,000 comes from increased repair and maintenance expenditure

Summary

- We recognise that the benefits of the Centre are not measured in purely financial terms and unlike the Home there are no readily available or comparable alternatives against which to measure cost. However based upon FY15 Deficit of £589,000 and current utilisation of 80 clients per week, the cost to the Council is £141 per client per week. The budget has allowed for 18 FTE staff members going forward for 10/11 service users per day. We understand the Council are investigating alternative day care support strategies which may deliver more personalised client focused support and it believes these can be delivered at lower cost
- As with the Home, the primary expenditure is staff costs and the average cost per employee is c.£31,000 including national insurance and pension cost. This is approximately 30% higher than what we would expect if the service was operated by a private operator. This uplift would only appear to be partially explained by the requirement by the CI for the Centre to have a minimum number of staff available per shift

In FY15 the Centre cost the Council an average of £141 per client visit

G. Budget v Actual Performance for Unit for 3 years ended 31 March 2015

Unit: Summary of annual Budget to Actual variances

£'000	FY13	FY14	FY15
Income Decrease/(Uplift)	(56)	43	79
Staff Costs	67	312	257
Repairs & Maintenance Costs	(2)	32	12
Energy Costs	19	(18)	(28)
Miscellaneous Costs	1	13	18
Supplies and Services	7	13	25
Depreciation and Impairment	(5)	(45)	(82)
Transport Costs	(3)	(5)	2
Other Costs/(Income)	(0)	-	0
Total Variance (Favourable)/Adverse	28	345	283

Centre: Summary of annual Budget to Actual variances

£'000	FY13	FY14	FY15
Income Decrease/(Uplift)	(11)	(8)	15
Staff Costs	19	117	93
Repairs & Maintenance Costs	(33)	(3)	(4)
Energy Costs	(3)	(8)	(36)
Miscellaneous Costs	(10)	(3)	(6)
Supplies and Services	(27)	7	(32)
Depreciation and Impairment	(0)	0	(0)
Transport Costs	(7)	(2)	6
Other Costs/(Income)	6	3	11
Total Variance (Favourable)/Adverse	(66)	104	47

Home: Summary of annual Budget to Actual variances

£'000	FY13	FY14	FY15
Income Decrease/(Uplift)	(45)	51	64
Staff Costs	48	195	164
Repairs & Maintenance Costs	31	35	16
Energy Costs	22	(10)	8
Miscellaneous Costs	11	16	24
Supplies and Services	34	6	57
Depreciation and Impairment	(5)	(45)	(82)
Transport Costs	4	(3)	(4)
Other Costs/(Income)	(6)	(5)	(11)
Total Variance (Favourable)/Adverse	94	241	236

Comparison of Budget to Actual Financial results

- We have reviewed the budget variances over the last 3 years to gain an understanding of the reliability of budget as an indicator of future performance. We provide brief comments on key variances as follows:
- Income variances (positive in FY13 and adverse in FY14 and FY15) represent variations to budget as a result of the mix of funded and self-funded residents combined with occupancy rates
- Payroll costs have consistently exceeded budget expectations. In FY14 and FY15 payroll costs exceeded budget by c.£312,000 and c.£257,000 respectively primarily due to higher agency costs of £243,013 in FY14 and £192,579 in FY15). The payroll cost overrun is the most significant factor (but not the only factor) in the overall budget v actual variances

G. Budget v Actual Performance for Unit for 3 years ended 31 March 2015 (continued)

- Depreciation and Impairment has not yet been calculated for FY15 therefore the budget variance of £82,000 will most probably decrease

Conclusion

- The budget has consistently underestimated the actual costs incurred by the combined cost centres
- We believe that in certain categories the budget has been set at an aspirational target rather than to reflect the actual cost experience of both the Home and the Centre. Given the consistency with which the Unit's cost base exceeds Budget, we believe that it would assist the Council's decision making if actual costs experience were more accurately reflected in the future Budget.

For the purposes of the review and assessment of potential savings we believe the Council should reflect the actual cost experience and not projected Budgets

H. Forecasts for Home for the 4 years to 31 March 2019

Council Income and Expenditure Forecast (reflected in Accounts) - Home

£'000	Actual FY15	Forecast FY16	Forecast FY17	Forecast FY18	Forecast FY19
Income					
Sales fees and Charges	412	475	475	475	475
Other Income	11	-	-	-	-
Total Income	423	475	475	475	475
Costs					
Staff Costs/Payroll	(1,099)	(949)	(963)	(977)	(991)
Property Costs	(121)	(73)	(73)	(73)	(73)
Transport Costs	(6)	(10)	(10)	(10)	(10)
Supplies and Services	(121)	(64)	(64)	(64)	(64)
Depreciation and Impairment	-	(82)	(82)	(82)	(82)
Total Costs	(1,346)	(1,178)	(1,192)	(1,206)	(1,220)
Cost to Council	(924)	(702)	(716)	(730)	(744)
Additional Information					
Occupancy Level for Permanent Beds	86%	n/a	n/a	n/a	n/a
Occupancy Level for Respite Beds	45%	n/a	n/a	n/a	n/a
Self-funded Patients	39%	50%	50%	50%	50%

Estimate of Income not reflected in Accounts

£'000	Actual FY15	Forecast FY16	Forecast FY17	Forecast FY18	Forecast FY19
LA Contribution - All residents	213	218	218	218	218
LA Top-up Contribution	250	210	210	210	210
Total Potential Unreported Income	463	427	427	427	427
Estimated Deficiency from Home	(461)	(275)	(289)	(303)	(317)

LA Contribution all patients: 28 beds, £171 per resident per week, 52 weeks, Occupancy level 87.5%
 LA Top-up Contributions: 14 beds, £329 per resident per week, 52 weeks, Occupancy level 87.5%

Council Forecasts Analysis

- The Council has prepared a budget for the Unit for FY16 and extrapolated through to FY19
 - For the Home the FY16 budget is based upon the FY15 Budget and not actual costs for FY15
 - For the Centre the budget includes a number of changes and these are discussed separately

FY16 Home budget

- Income levels are forecast to be consistent with historical levels
 - Council has forecasted that 50% of service users will be self-funded from FY16 onwards
 - the uplift in income between FY15 and FY16 represents a change in the mix between funded and self-funded residents from 39% to 50%
 - occupancy levels are forecast to remain at historic average of 87.5%.
- Total costs are projected to decrease by £168,000 in FY16 compared to FY15 and increase thereafter by £14,000 which relates to increased payroll expenses
- As we have commented the Home has not performed in line with previous budgets and the adverse net variance has been in excess of £280,000 in each of the last 2 years. This indicates that the Home has difficulty in performing in line with budget
- The budget assumptions are not detailed nor supported by a proposed action plan to support a view that the Home performance will be significantly improved in FY16 onwards. Additionally our review of historical activity indicates that there are a variety of operational costs which have been consistently above the budget level

H. Forecasts for Home for the 4 years to 31 March 2019 (continued)

- On this basis we believe that the budget should be re-cast to reflect
 - recognition of all sources of income including Council contributions. We estimate this could be c.£427,000 per annum
 - the actual results in FY13 – FY15 as this will provide a better representation of the likely cost of operating the home in the period to FY19. In FY15 costs were £1.346 million, £168,000 more than the FY16 budget assumption
 - FY15 costs are comparable to FY13 and FY14 costs
- Based upon our earlier analysis, and assuming no change to the operating model, we consider that this will give rise to an annual deficiency for the Home of c.£497,000 (based upon FY15 cost to Council of £924,000 less projected FY16 "unrecognised income" of £427,000). This is the annual cost to the Council of operating the home in comparison to placing residents with a third party private provider
- We consider this estimate of annual deficiency to be the appropriate measure for comparison with the other Options

Illustrative budget for Home if operated by a private operator

£'000	
FY15 Deficit	(924)
FY16 Projected "Unrecognised Income"	427
Increase in Respite Income	79
Staff/Agency Cost Savings	565
Food Cost Savings	18
Illustrative profit/(loss) for private operator	165

Potential improvements to performance

- Our earlier analysis identified a number of areas where, on a benchmarking basis, we consider the costs incurred to be higher than we would expect. We recognise that sector benchmarking is a comparison against the costs likely to be incurred by a private operator and these will not always be achievable by the Council. Nonetheless they are illustrative of potential levels of performance
 - Respite beds charge out rates increased from £124 to £624 per service user per week in line with permanent beds. Based on FY15 this would increase income by a further £78,760
 - Staff and Agency costs rationalised could give a potential saving of up to c.£565,000 or 51% on the payroll costs incurred in FY15
 - Food costs be harmonised with industry standards leading to a reduction of c.50% or £18,000 per annum
- If the above are reflected the Home could potentially generate profit of c.£165,000 per annum

Our analysis indicates there is scope for savings and improvement in performance however in the absence of a detailed plan to address performance we consider the budget deficit is understated by c.£168,000

I. Forecasts for Centre for the 4 years to 31 March 2019

Council Income and Expenditure Forecast - Day Care

£'000	FY15 Actual	FY16 Forecast	FY17 Forecast	FY18 Forecast	FY19 Forecast
Income					
Charges to persons using service	17	12	12	12	12
Health Board RT	81	-	-	-	-
Total Income	98	12	12	12	12
Costs					
Staff Costs/Payroll	(633)	(236)	(241)	(246)	(251)
Property Costs	(11)	(4)	(5)	(5)	(5)
Transport Costs	(30)	(5)	(6)	(6)	(6)
Supplies and Services	(13)	(17)	(18)	(20)	(21)
Total Costs	(687)	(262)	(270)	(277)	(283)
Actual Net Cost to Council	(589)	(250)	(258)	(265)	(271)
Council Expected Savings		(250)	(258)	(265)	(271)

Sources: 1. Management

Council Forecasts Analysis

- The FY13 – FY15 three year average cost to the Council of operating the Centre is £579,000
- The budget projects a 62% reduction in total costs to £262,000 in FY16. This is primarily due to 63% reduction in payroll costs
- This budget has been compiled on the assumption that the Council no longer operates the Centre at Bonnyton House and provides future day care support in a different format involving more personalised client focused services.
 - We understand this involves less direct staff (potentially a reduction of c.50%)
 - the actual number of staff required to provide the alternative day care strategy has not been established
 - the cost of potential redundancies has not yet been quantified
 - property costs are assumed to reduce as the service will not require premises comparable to Bonnyton House

- Transportation costs will be reduced by 83% to £5,000 and remain at those levels throughout the forecasted period. This assumes the cessation of the provision of transportation to residents on a daily basis therefore reducing costs substantially. Three year average costs have been £22,000
- Changes in the remainder of the costs are not considered material
- The new strategy is not currently in operation and any benefit will not be realised in FY16. We understand it is envisaged it will be implemented by the start of the next financial year (FY17)

GT Analysis

- The new style of day care service will not be introduced until FY17 and therefore we anticipate that the FY16 deficit will be similar to FY15, namely c.£589,000
- The plan for the new service is not yet fully developed and our commentary is limited to noting its proposed cost base in comparison to the current operation. Assuming this can be implemented the savings could be significant
- It is not yet clear how many staff will be required or how many staff will be redeployed to other Council cost centres. When this analysis is complete the Council should establish the extent to which the change in strategy is delivering savings to the Council and not simply to the Bonnyton House cost centres

J. Forecasts for Unit for the 4 years to 31 March 2019

Council - Income and Expenditure Forecast (reflected in Accounts)

£'000	FY15 Actual	FY16 Forecast	FY17 Forecast	FY18 Forecast	FY19 Forecast
Income					
Home	423	475	475	475	475
Day care	98	12	12	12	12
Total Income	521	487	487	487	487
Costs					
Staff Costs/Payroll	(1,732)	(1,185)	(1,204)	(1,223)	(1,242)
Property Costs	(132)	(77)	(78)	(78)	(78)
Transport Costs	(36)	(15)	(16)	(16)	(16)
Supplies and Services	(134)	(81)	(82)	(84)	(85)
Transfer Payments	(0)	-	-	-	-
Depreciation and Impairment	-	(82)	(82)	(82)	(82)
Total costs	(2,034)	(1,440)	(1,462)	(1,483)	(1,503)
Actual Net cost to Council	(1,513)	(953)	(975)	(996)	(1,016)
Additional Information					
Occupancy Level for Permanent Beds	86%	n/a	n/a	n/a	n/a
Occupancy Level for Respite Beds	45%	n/a	n/a	n/a	n/a
Self-funded Patients	39%	50%	50%	50%	50%

Estimate of Income not reflected in Accounts

£	FY15 Actual	FY16 Forecast	FY17 Forecast	FY18 Forecast	FY19 Forecast
LA Contribution - All residents	218	218	218	218	218
LA Top-up Contribution	210	210	210	210	210
Total Potential Unreported Income	427	427	427	427	427
Councils Estimated Cost of Unit	427	427	427	427	427

Overall Budget for the Unit

- The table provides a summary of the combined Budget for the Unit
- If the cost savings can be achieved for the Centre the combined Deficit to the Council is budgeted to be £953,000 in FY16 and c.£1 million thereafter. This compares to the FY15 deficit of c.£1.5 million
- We also note that the deficit in FY13 and FY14 was £1.411 million and £1.565 million respectively.
- While we accept the Council could make savings, based upon level of historical cost incurred, we believe it is likely that the Council will incur a significant adverse variance in FY16

K. Forecasts for Family Option for the 4 years to 31 March 2019

Family Option

£'000	FY16	FY17	FY18	FY19
Income	1,067	1,081	1,095	1,109
Expenditure	(1,897)	(1,911)	(1,925)	(1,939)
Cost to Council	(830)	(830)	(830)	(830)
Proposed GT Adjustments				
Reversal of unrecognised ERC Income	(144)	(144)	(144)	(144)
Reduced rate for self funded residents	(90)	(90)	(90)	(90)
Reflect historical occupancy	(135)	(135)	(135)	(135)
Agency Costs	(90)	(90)	(90)	(90)
Day Care Services	(251)	(251)	(251)	(251)
Total Adjustments	(710)	(710)	(710)	(710)
GT estimate of comparable Cost to Council	(1,540)	(1,540)	(1,540)	(1,540)
Unrecognised ERC Income (for 28 beds)	427	427	427	427
FPCR (for 17 beds)	-	132	132	132
Publicly Funded (for 8.5 beds)	-	128	128	128
Total Unrecognised ERC Income	427	687	687	687
Annual Cost to Council	(1,113)	(853)	(853)	(853)
Capital Investment	729			

Assumption – Families

- Family Option assumes the 6 respite beds will be converted to permanent beds and the Centre will be converted to an additional 11 beds giving Unit a total of 45 beds. The cost of the day care support is not reflected in this Budget
 - the number of beds is assumed to be 34 in FY16 and increasing to 45 from FY17 onwards. Our analysis focuses on the position as a 45 bed home
 - level of initial investment required to make the necessary modifications is c.£729,000. We have not reviewed the support for this capital expenditure and cannot comment upon its accuracy

- Mix of residents projected to remain at 50% LA funded and 50% self-funded
- For self funded residents fees for the Home will increase from £624 per week to £800 per week of which £631 will be paid by the resident
- For Local Authority funded residents, income has been calculated at £156 per week per resident. This rate is comprised of the DWP rate of £124 and an additional £32. This represents the average DWP contribution of an LA funded resident referenced to families view of the DWP Tariff system. An analysis of current additional DWP Contributions is not available
- Income is expected to be c.£1.1 million comprising
 - self and publicly funded resident fees of c.£923,000. This is split further to £740,000 (self funded residents) and £183,000 (publicly funded residents)
 - £144,000 to reflect the benefit to the Council of the additional capacity and the saving of payments it would otherwise be making to third party operators. We agree that this needs to be reflected but for purposes of this exercise do not believe it is appropriate to classify this as income and it should not be directly reflected in the budgeted Income and Expenditure statement. We comment further on the quantum of this benefit below
- The budget prepared by the Families does not include the cost of providing day care services. Accordingly to enable comparison between options it is necessary to include provision for this. We have included the cost on the basis of the cost of the alternative strategy being considered by the Council of £251,000 per annum.

K. Forecasts for Family Option for the 4 years to 31 March 2019 (continued)

GT Commentary on Assumptions

Income

- The financial calculation in Families forecast assumes an increase in capacity of only 11 beds. This treats the existing 6 respite beds as if they were already permanent beds. This is incorrect as the respite beds are currently available to residents on a lower cost than permanent beds. We consider that the correct basis is to reflect an increase of 17 permanent beds
- As noted above, there is a benefit to the Council of additional beds compared to the current position. This care cost represents a saving to the Council on payments it currently pays to third party providers. As noted above the Families budget assumes only on 11 new beds giving rise to a benefit to the Council of £144,000. In our view the potential benefit is understated and should be reflected as follows
 - FCPR Additional 17 beds @ 171 per week – £132,268 per annum
 - additional LA funded residents 8 beds @ £329 per week – £127,240
- On this basis the benefit to be reflected in any comparison of options is c.£260,000 rather than £144,000
- The Families assume that all Self funded residents would be capable of paying £631 (£800-£169) per week required to achieve the level of revenue suggested. As this represents an additional £9,152 per annum per Self funded resident we suspect this will be challenging to achieve. If for instance only 50% of the Self funded residents were able to pay the increased fee (mix of residents: 25% self funded at full rate and 25% at current rate) the revenue would reduce by c.£90,000. Alternatively the price increase may adversely impact on occupancy levels as relatives may seek to relocate residents to lower cost alternatives
- This budget assumes 100% occupancy. Historically the Home has achieved an average occupancy of 87.5%. Therefore we consider income should be reduced by £135,000

Costs

- Staff costs in FY15 were c.£1.1 million. The Families have projected a staff cost of c.£1.5 million excluding any agency costs, an increase of 36% at a time when capacity will increase by 60%
- This implies potential economies of scale and a lower ratio of staff to residents than the one currently prescribed by the CI. In line with our earlier comments we believe there may be scope to achieve a lower ratio and therefore do not disagree with the assumption in general terms. However the budget does not detail the proposed staff mix and headcount or the potential shift arrangements to enable the budgeted cost to be fully evaluated and whether an adjustment to the Budget is required
- The proposal assumes no Agency costs. This is not representative of the experience of the Home nor the sector. Even allowing for improvements in attendance (reduced absence, sickness etc.) we consider a provision should be included in the Budget
- In FY15 Agency costs for the Home were c.11% of total payroll costs as opposed to sector benchmark of 3% for a private care operator. Based upon the Home's most favourable Agency cost percentage in last 3 years (6% in FY13) a charge of £90,000 should be included in the budget. If the more recent experience continues this charge could be as high as £165,000

K. Forecasts for Family Option for the 4 years to 31 March 2019 (continued)

Cost of free care

- We estimate the cost of the Councils free care commitment absorbed by the Home would be a total of £687,000
 - £427,000 – current cost relating to 28 bed home with 50% LA funded residents
 - £260,000 – LA funded costs for 17 additional beds of which 50% are occupied by LA funded residents (FPCR: £132,000; LA funded residents: £128,000)
- In order to meaningfully compare the options account needs to be taken of any additional care cost (or unrecognised 'income') absorbed in the budget
- Under this option this would be £260,000 and thus the comparable annual cost to the Council of running the Unit would be £1.280 million

Conclusion

- The budget for the Families Option estimates net annual cost to the Council of operating the Home would be c.£830,000. After applying suggested adjustments and sensitivities this would be £1.289 million. If the projected cost of the day care support of £251,000 is included the projected comparable cost to the Council is £1.54 million
- The additional free care contributions by the local authority for the 17 beds comes to £260,000 per annum. Therefore the comparable projected cost to the Council of providing care is £1.28 million
- Total free care contributions by the LA absorbed in the budget are estimated at £687,000
- This proposal also requires the Council to fund a capital investment of £729,200
- The council would still need to meet the cost of providing day care support by other means or at alternative locations
- We also observe the Council would still be responsible for managing the Home and any budget versus actual variances

L. Forecasts for Staff Option for the 4 years to 31 March 2019

Staff Option

£'000	FY16 Budget	FY16	FY17	FY18	FY19
Income	601	601	615	629	643
Expenditure	(1,847)	(1,568)	(1,582)	(1,596)	(1,610)
Deficiency	(1,246)	(967)	(967)	(967)	(967)
GT Proposed Adjustments					
Reflect historical occupancy on 34 beds		(83)	(83)	(83)	(83)
Reduced rate for self funded residents		(78)	(78)	(78)	(78)
Increased Cost Base		(169)	(169)	(169)	(169)
Agency Costs		(103)	(103)	(103)	(103)
Adjustment on Transportation Costs		(35)	(35)	(35)	(35)
Total Adjustments		(468)	(468)	(468)	(468)
Revised Cost to Council		(1,435)	(1,435)	(1,435)	(1,435)
Unrecognised Income Element					
Unrecognised ERC Income - 28 beds		427	427	427	427
FPCR - 6 beds		-	39	39	39
Publicly Funded - 3 beds		-	37	37	37
Unrecognised ERC Income		427	503	503	503
Annual Cost to Council		(1,008)	(932)	(932)	(932)
Capital outlay		(60)	-	-	-

Assumption – Staff

- The proposal's reference point is the FY16 draft budget produced by the Council. The Council has budgeted income and expenditure as follows:
 - Income of £601,000 analysed as follows
 - £475,000 of income generated by the Home
 - £126,000 of income generated by the Centre
 - Expenditure of £1,847 million analysed as follows
 - £1.178 million of expenditure generated by the Home
 - £669,000 of expenditure generated by the Centre
- In FY16 the Council has calculated a budgeted deficit of £1.246 million
- The approach taken in the Staff option budget is to reflect all changes whether they are to income or expenses as adjustments to Expenditure
- Key assumptions in the Staff option budget are as follows
 - conversion of 6 respite beds to permanent beds to create 34 permanent beds. The Staff estimate this would increase income by c.£30,000 per annum
 - increased fees for self funded residents to £800. They consider the income uplift will be £155,000 per annum
 - 100% occupancy with 50% self funded residents
 - a saving of £38,000 per annum projected on staff costs based on reduced levels of absenteeism (8% originally down to 4%)
 - a saving of c.£36,000 per annum on transportation costs based on discontinuation of the transportation service over the weekend and usage of service car instead of bus
 - savings of £20,000 on food and energy costs
- The changes and efficiencies are estimated to generate savings to budget of £279,000

L. Forecasts for Staff Option for the 4 years to 31 March 2019 (continued)

- The overall net cost the Council after all identified changes and efficiencies are applied is £967,000 per annum

GT Commentary on Assumptions

Income

- The proposal includes 6 additional Permanent Beds 3 of which would be represented by LA funded residents. Based upon a 50:50 resident split the staff calculate that this would generate income of c.£505,000
- This budget appears to assume 100% occupancy of the Home. Historically the Home has achieved an average occupancy of 87.5%. Therefore income should be reduced by £83,000 to reflect the likely occupancy levels
- This budget assumes that all self funded residents would be capable of paying £631 per week required to achieve the level of revenue suggested. As this represents an additional £9,152 per annum per self funded resident we suspect this will be challenging to achieve. We consider the proposed income uplift should be adjusted as follows
 - restriction in the level of fee uplift to 50% of the residents reducing revenue by c.£78,000. Alternatively the price increase may adversely impact on occupancy levels as relatives may seek to relocate residents to lower cost alternatives

Costs

- As with our comments on the Councils proposed budget for the Home in FY16 we consider that on a general basis the budget should reflect actual cost experience of the Home. Therefore the cost base against which the Staff efficiencies have been applied is in our view understated by c.£169,000 being the difference between FY15 actual Home Expenditure compared to FY16 budget used for the preparation of the Staff option
- Staff costs for FY16 are estimated to be c.£1.47 million. No staff changes or redundancies have been assumed in the calculation made by Staff
- We note the proposed improvement in payroll costs by seeking to halve absenteeism/sickness. The impact on the current overspend on payroll costs is estimated to be £38,000. We are not clear on exactly how this will be achieved if current levels reflect genuine absence. Additionally the staff have measured the saving against a cost overspend that is not reflected in the budget. Therefore any potential saving should only be reflected if the current budget overspend of £169,000 is also reflected
- In FY15 Agency costs for the Unit were c.11% of total payroll costs as opposed to sector benchmark of 3% for a private care operator. Based upon the most favourable Agency cost percentage in last 3 years (6.2% in FY13) a charge of £103,000 should be included in the budget. If the more recent experience continues this charge could be as high as £193,000 (FY15 Actual)
- The proposed savings for transportation costs represent a reduction to nil. There does not appear to be a specific plan to achieve this and our view is that costs are likely to remain at current levels of c.£35,000 per annum

L. Forecasts for Staff Option for the 4 years to 31 March 2019 (continued)

- The proposed savings in energy and food costs of £20,000 will require detailed action to achieve
 - whilst the reduction in food cost would be in line with our expectations of potential savings in this cost category we note the saving appears to represent an increase in the charge to staff for food consumed by them rather than genuine improvement in food efficiency. We suspect this will be challenging to achieve

Cost of free care

- We estimate the cost of the Councils free care commitment absorbed by the Home would be a total of £503,000
 - £427,000 – current cost relating to 28 bed home with 50% LA funded residents
 - £76,000 – LA funded costs for 6 additional beds of which 50% are occupied by LA funded residents (FPCR: £39,000: LA funded residents: £37,000)
- In order to meaningfully compare the options account needs to be taken of any additional care cost (or unrecognised 'income') absorbed in the budget
- Under this option this would be £76,000 and thus the comparable annual cost to the Council of running the Unit would be £1.359 million

Conclusion

- The budget for the Staff Option estimates net annual cost to the Council of operating the Unit would be c.£967,000. After applying suggested adjustments and sensitivities this would be £1.435 million
- The additional free care contributions by the local authority for the 6 beds is projected to be £76,000 per annum. Therefore the cost to the Council of providing care compared to placing residents with a private operator is estimated at £1,359 million
- Total free care contributions absorbed within this budget would be £503,000
- This proposal also requires the Council to fund a capital investment of £60,000
- We also observe the Council would still be responsible for managing the Unit and any budget versus actual variances



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Appendix 2

Care Home	Date of last inspection	Quality of Care & Support	Quality of Environment	Quality of Staffing	Quality of Management & Leadership
Bonnyton	04/02/2015	4	4	5	4
	20/02/2014	4	4	5	4
	19/02/2013	4	4	5	4
Burnfield Care Home	16/10/2014	5	5	5	5
	09/10/2013	5	4	5	5
	15/10/2012	5	5	5	5
Retail Trust (Crookfur Cottages)	04/02/2015	3	4	4	4
	31/07/2014	5	4	4	4
	23/02/2014	4	4	N/A	4
Millview	10/07/2014	4	4	5	4
	08/10/2013	4	N/A	N/A	4
	12/04/2013	3	3	4	3
Westacres	15/12/2014	4	5	5	5
	12/12/2013	5	5	5	5
	13/12/2012	5	5	5	5
Eastwood Court	06/03/2015	4	4	4	4
	15/09/2014	3	4	4	4
	25/03/2014	4	3	4	4
Eastwoodhill Eventide Home	19/06/2015	4	4	5	4
	03/06/2014	4	5	5	5
	10/12/2013	4	5	5	5
The Firs	25/05/2015	4	3	4	3
	14/11/2014	4	3	4	4
	02/05/2014	3	3	3	3
Norwood Care Home	23/09/2014	4	5	4	4
	28/01/2014	3	3	4	4
	15/02/2013	4	4	4	4
Wellmeadow Lodge	23/02/2015	5	5	5	5
	19/09/2014	4	2	4	3
	16/02/2014	3	3	4	2
Westlea	19/01/2015	4	4	4	4
	20/05/2014	4	4	4	4
	13/12/2013	3	4	4	3
Williamwood House	06/03/2015	4	4	5	4
	08/10/2014	3	4	4	3
	13/03/2014	3	3	4	4
Greenlaw Grove	First Inspection still to be carried out				
Clarkston House	First Inspection still to be carried out				