



Item No. 14

Meeting Date : Wednesday 7th February 2018

Glasgow City Integration Joint Board Finance and Audit Committee

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OUTSTANDING 2016/17 SAVINGS FOR CONTINUING CARE

Purpose of Report:	To advise the IJB Finance and Audit Committee of the current situation in respect of delivering the exit from Bupa Rodgerpark Limetree Unit as identified in the NHS Greater Glasgow and Clyde savings plan for 2016/17.
Background/Engagement:	NHS Greater Glasgow and Clyde identified a cost saving to be delivered in 2016/17 by exiting from Bupa Rodgerpark Limetree unit as part of the savings programme for a reduction in continuing care beds. The provider is aware of this plan.
Recommendations:	The IJB Finance and Audit Committee is asked to: a) note the content of this report. b) note that an update will be provided once a solution is confirmed

Relevance to Integration Joint Board Strategic Plan:

The scenario outlined in this paper impacts plans to realign the Older People purchased service provision to fit current IJB strategic and operational requirements.

Implications for Health and Social Care Partnership:

Reference to National Health & Wellbeing Outcome:	None
Personnel:	None
Carers:	None
Provider Organisations:	This report relates to purchased service provision currently delivered by Bupa. The current contract is funded on a block basis with 2017/18 annual cost of £882,070.
Equalities:	None
Financial:	NHS Greater Glasgow and Clyde identified a cost saving to be delivered in 2016/17 by exiting from Bupa Rodgerpark Limetree unit. It has not yet been possible to achieve this as a result of the NHS GG&C contractual obligations. Thus there is currently no budget for this contract which has an annual value of £882,070.
Legal:	There is a potential risk of legal challenge if agreement on a way forward cannot be reached with the provider. This is outlined in section 3.4 of this report.
Economic Impact:	None
Sustainability:	None
Sustainable Procurement and Article 19:	None
Risk Implications:	There is a potential risk of legal challenge if agreement on a way forward cannot be reached with the provider. This is outlined in section 3.4 of this report.
Implications for Glasgow City Council:	None
Implications for NHS Greater Glasgow & Clyde:	As the existing contract is between NHS GG&C and Bupa any potential legal actions would be raised in respect of NHS GG&C.

1. PURPOSE OF REPORT

- 1.1 To advise the IJB Finance & Audit Committee of the current situation in respect of delivery of the above noted service realignment, financial saving and related contract.

2. BACKGROUND

- 2.1 The Bupa site at Rodgerpark lies in Rutherglen and is out with the Glasgow City HSCP boundary.
- 2.2 The provision at the Rodgerpark site was initially agreed in 1990 by Greater Glasgow Health Board (GGHB) and Takare Plc. The agreement comprised of provision within a number of specific individual units on the Rodgerpark site.
- 2.3 Limetree is one of the Rodgerpark units and has 30 beds that are utilised for Older People. It is funded on a block basis with 2017/18 annual cost of £882,070. It was part of the continuing care beds that Acute Services manage. The contract management and budget sat in the partnership with the rest of the beds purchased from Bupa.
- 2.4 The closure of the Limetree unit had been taken as an NHS saving to be delivered in 2016/17 thus there is currently **no** budget for the spend for this unit.

3. CONTRACTUAL POSITION

- 3.1 As stated above the initial contract between GGHB and Takare Plc was entered into in 1990. This contract was for a *'fixed period of fifteen years from the commencement date and shall continue thereafter unless and until terminated by either party giving to the other not less than five years previous notice in writing'*.
- 3.2 Following extensive dialogue between Glasgow City HSCP Commissioning and NHS GG&C Procurement Teams it was initially agreed that there was no evidence of a substantive live current contract existing in relation to the above provision. The contract issued in 1990 to the previous owner of the services was the only contractual document found in relation to Limetree. This document indicating a five year termination period. Further that there was no evidence of assignation of this contract.
- 3.3 It was agreed that NHS GG&C would seek legal opinion in relation to the currency of the 1990 contract.
- 3.4 CLO feedback indicated that the 1990 contract remains live and that a five year termination period would be required. Further, that if the requisite notice was not given, and an alternative notice period has not been agreed with the Contractor, the Contractor may elect to pursue the Board for damages as a consequence of breach by the Board. NHS GG&C Procurement Team have indicated that they could not allow the possibility of Bupa raising a legal challenge against NHS GG&C.

- 3.5 As a result of the above noted circumstances a number of options to exit this contract were identified. These included:
1. Issue a notice of termination with a five year notice period.
 2. Issue a notice of termination with a shorter period of notice e.g. 6 months.
 3. Identify appropriate alternative Bupa provision that does not have a termination requirement and utilise this in negotiating an exit from Limetree. Darnley Court nursing home was subsequently identified as a potential appropriate alternative location that may facilitate an exit from Limetree.
- 3.6 Option 3 was identified as offering an appropriate way forward. However on 14 December 2017 the HSCP were informed by HC-One that they had completed the purchase of a number of care homes from Bupa, including Darnley Court. The providers completing this sale despite Bupa having failed to secure formal authorisation from the HSCP regarding the assignation of the relevant contracts.
- 3.7 In addition Bupa have informed the HSCP that they are at an advanced stage of sale of their remaining care homes, include Rodgerpark, to another provider (Advinia Health Care).
- 3.8 As a result of this, additional work is currently underway to identify any further options in respect of the Limetree contract.

4. RECOMMENDATION

- 4.1 The IJB Finance and Audit Committee is asked to:
- a) note the content of this report.
 - b) note that an update will be provided once a solution is confirmed