

Report to: Adult Social Care and Health Lead Member

Date of meeting: 8th January 2018

By: Director of Adult Social Care and Health

Title: Transfer of Phoenix Centre Older People's Day Service from Sussex Community Development Association to East Sussex County Council

Purpose: To advise the Lead Member of the outcome of the recent tender for day services at the Phoenix Centre and seek agreement to transfer the service to the County Council.

RECOMMENDATIONS

- 1) That the older people's day service at the Phoenix Centre is delivered directly by the County Council from 1st April 2019
- 2) That authority is delegated to the Director of Adult Social Care and Health to take any action he considers necessary to give effect to recommendation 1 to ensure a smooth transition for clients, carers and staff by 1st April 2019

1 Background

1.1 On 26th June 2018 Cabinet agreed proposals for Isabel Blackman Centre, Charter Centre and Phoenix Centre. These services were delivered by Sussex Community Development Association (SCDA). The proposals were to close the Charter Centre and Isabel Blackman Centre and recommission the support in the independent and voluntary sectors as this represented better value for money. The Phoenix Centre was to remain open as the unit delivered value for money and there were a lack of alternative services in the local area. The County Council would, however, re-tender the services as the contract period for the current service was coming to an end on 31st March 2019. A copy of the Cabinet Report is attached at Appendix 1.

1.2 ESCC went out to tender for the Phoenix Centre at a bid price of £56 per day per client. This is the current price of the service, provides value for money and was a sustainable level of funding for a future provider. The Council received one bid, but this was significantly in excess of the £56 which the Council was seeking to achieve. Details of this bid contain exempt information and are set out in a later item on the agenda.

1.3 The older people's day service at the Phoenix Centre was originally operated by the Council. Following a Cabinet decision in December 2013 the service was tendered out. This was due to the high unit cost of £67 per day per client and the intention that a re-modelled service delivered by the voluntary or community sector could bring in more private clients, deliver a mixed model of day, lunch and other community services and create a more sustainable model for the future. Unfortunately, this has not proved possible. SCDA were awarded the tender and the service transferred in July 2014. However, since SCDA took up the service, they have required a subsidy from the Council in order to meet their costs. This has amounted to an average of £18k

per annum up to March 2019. Additionally, we have subsidised the cost of providing meals by paying for the cost of meals for clients who did not attend.

2 Supporting information

2.1 As the market was unable to deliver the required service it is recommended that the Phoenix Centre service is delivered by the council's older peoples directly provided service (DPS) from 1st April 2019. The advantages are:

- The service is sustained and we avoid the challenges of an unplanned closure
- The cost of the service can be delivered at £71.67, a rate which is lower than the bid price of the tender that was received.
- Clients will receive continuity of service as staff are likely to transfer to the County Council in line with legal requirements under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE).

2.2 This proposal is not intended to set a precedent but addresses the particular challenge of an unsuccessful tender coupled with the fact that there are currently no alternative services in the Lewes area. The service will be periodically reviewed, as all our services are, and changes made where appropriate. Any significant changes that impact on clients will be subject to usual consultation, impact assessments and appropriate governance.

Financial Appraisal

2.3 The financial appraisal is attached at Appendix 2 setting out the cost of delivering the service by the DPS. To ensure that the costing for DPS to provide the service is robust it is based on the same staffing structure as that submitted by the unsuccessful bidder but also includes the additional cost of harmonising staff into current Council grades and uses the same amount for other costs including cleaning, waste disposal and office costs. The cost of running the building and client transport costs were excluded from the tender price and have therefore been excluded from these costings. The current organisational cost is comparable with the costing undertaken in 2013.

2.4 TUPE will apply if this proposal is implemented. This means that 7.8 FTE staff, comprising 12 people, are likely to transfer from SCDA to the Council.

2.5 A draft plan is in place to implement the proposal, if agreed by Lead Member. Key milestones include informing SCDA then clients, carers, staff and other stakeholders and working with SCDA to ensure a smooth transition for both clients and staff between January and March 2019. Letters would be provided to SCDA to distribute to clients and staff to inform them of this decision.

3. Conclusion and reasons for recommendations

3.1 Following an unsuccessful tender for the delivery of the day service at the Phoenix Centre a robust financial appraisal has been undertaken and it is recommended that the service is delivered by the Council's directly provided services from 1st April 2019.

KEITH HINKLEY

Director of Adult Social Care and Health

Contact Officer: Tamsin Peart

Tel. No. 01273 336195 / 07881 282732

Email: tamsin.peart@eastsussex.gov.uk

LOCAL MEMBERS

Councillor Philip Daniel

Councillor Ruth O'Keefe

BACKGROUND DOCUMENTS: NONE