



Meeting of East Renfrewshire Health and Social Care Partnership	Integration Joint Board
Held on	17 August 2016
Agenda Item	7
Title	Bonnyton House Update
Summary	
<p>The purpose of this report is to update IJB members on progress with the sale of Bonnyton House residential service as an ongoing concern.</p>	
Presented by	Frank White, Head of Health & Community Care
Action Required	
<p>Integration Joint Board members are asked to note the progress to date on the sale of Bonnyton House and the process to be followed from this point onwards to bring the sale to a conclusion</p>	
Implications checklist – check box if applicable and include detail in report	
<input checked="" type="checkbox"/> Financial	<input type="checkbox"/> Policy
<input type="checkbox"/> Efficient Government	<input checked="" type="checkbox"/> Staffing
<input type="checkbox"/> Legal	<input checked="" type="checkbox"/> Property
<input type="checkbox"/> Equalities	<input type="checkbox"/> IT

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EAST RENFREWSHIRE INTEGRATION JOINT BOARD

17 August 2016

Report by Julie Murray, Chief Officer

BONNYTON HOUSE UPDATE

PURPOSE OF REPORT

1. The purpose of this report is to update IJB members on progress with the sale of Bonnyton House residential service as a going concern following on from the report noted by the IJB at its last meeting on 1 June 2016.

RECOMMENDATION

2. Integration Joint Board members are asked to note the progress to date on the sale of Bonnyton House and the process to be followed from this point onwards to bring the sale to a conclusion

BACKGROUND

3. At the Integration Joint Board on 7th October 2015 the IJB approved the marketing and sale of Bonnyton House residential service as a going concern. That process has been ongoing since that time. An update on progress made was recently provided to the IJB on 1 June 2016.

REPORT

4. As explained in paragraph 18 of the 1 June 2016 report, three offers were received after the initial closing date of 29th April. HSCP management considered both the number of offers and their respective values to be less than had been expected.
5. Initial bid assessment criteria had been devised to help assess any offers received. HSCP had indicated to potential bidders that we would insist on no change to existing residents' costs or placements at Bonnyton and that we would assess their Care Inspectorate grades and carry out a detailed financial stability check. Whilst the assessment of bids will be based on more than just the purchase price, advice from the Council's Chief Legal Officer has confirmed that the sale of Bonnyton is not a procurement process. The Council is selling the property and business. It is not engaging the services of a contractor to run a facility on the Council's behalf and accordingly, this is not a contract for services. Places within the home may subsequently be purchased on behalf of clients by the Council under the National Care Home contract, but this would occur by reason of the Council's responsibilities to clients rather than any arrangement under the sale transaction.
6. In light of the value of bids received and in order to ensure that any sale was compliant with the Council's obligations under the Disposal of Land by Local Authorities (Scotland) Regulations 2010, a valuation report for the sale of Bonnyton as an ongoing concern was commissioned from the District Valuer. Grant Thornton had continued speaking to interested parties about bidding to buy the service in the interim period.

7. As a result of one further notification of definite interest and confirmation from the independent valuation that previously received bids were above the relevant threshold, we agreed with Grant Thornton to put a final closing date of 29 July 2016 on the sale and that all previously interested parties would be contacted and asked to make final bids.
8. At close of bids we received two firm offers, both of which exceeded those previously received in value. Both bids are above the valuation figure, are of broadly similar value and are from reputable providers.
9. A rigorous appraisal of the bids will now be undertaken by HSCP with reference to the criteria below:
 - Credit score rating
 - Care Inspectorate grades
 - Investment and plans for the property
 - Approach to service users
 - Approach to staff
 - Previous experience/business model
10. Informal discussions will also be held with the Care Inspectorate and contract and commissioning teams in the areas where the bidders' other care homes are located.
11. Once the bid appraisal has been completed a preferred bidder will be identified. Meetings to allow the recommended bidder to meet staff and families to explain their plans will be arranged.
12. As Bonnyton House is a Council asset, its sale requires to be authorised by ERC Cabinet in terms of the Council's Scheme of Administration and Financial Regulations. The Chief Officer will make a recommendation to Cabinet on the sale of Bonnyton House.
13. Bonnyton House also provides day services to older people. The proposed sale of the building, coupled with increasing demand on the service, has led to a redesign of older people day opportunities. The transition of traditional building based day services to new or alternative activities is well underway. In 2015 75 individuals attended Bonnyton Day services, currently only 19 individuals remain. We will support these people to find new or alternative day opportunities in the next few months.

FINANCE AND EFFICIENCY

14. The sale of Bonnyton is expected to save £600k per annum from 2017/18 onwards with the Council contribution to the IJB reflecting this saving. In addition, there will be a capital receipt to the Council.

CONSULTATION

15. Consultation was previously undertaken as part of the Council's wider budget consultation exercise.

PARTNERSHIP WORKING

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

IMPLICATIONS OF THE PROPOSALS

Policy

17. None

Staffing

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

Legal

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

Property

21. The building will be transferred to the new provider as a result of the sale. 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

22. 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

23. None

CONCLUSIONS

24. On 7th October 2015 the Integration Joint Board took the decision to sell Bonnyton House as a going concern. At closing date on 29th July 2016 two bids were received. The bids are higher than the recent valuation, are of similar value and are from reputable providers. A rigorous bid appraisal will be undertaken and a preferred bidder identified. Following this the Chief Officer will make a recommendation to East Renfrewshire Council Cabinet for the disposal of this Council asset.

RECOMMENDATIONS

25. Integration Joint Board members are asked to note the progress to date on the sale of Bonnyton House and the process to be followed from this point onwards to bring the sale to a conclusion

REPORT AUTHOR AND PERSON TO CONTACT

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BACKGROUND PAPERS

IJB PAPER – 1 June 2016

IJB PAPER – 7 October 2015

KEY WORDS

Bonnyton; Grant Thornton; savings; option appraisal

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