

Member Briefing

Number: 1122

Title: Extra Care Housing: change of provider

Summary: This briefing informs members of the unavoidable change of provider for the social care element in six of the council's nine extra care housing developments. The former provider (Mears Group) having given three months' notice to terminate their contract with the Council, the contract for the service has now been awarded to the provider for the other three developments, Allied Healthcare.

Background

The Council has commissioned nine extra housing developments across the borough. These schemes offer high quality accommodation for older people through various residence options, ranging from owner occupation and shared ownership to tenancies. A flexible care and support component is available via a contract between the Council and an independent provider.

The nine schemes have a total of 679 units of accommodation. Five year contracts were originally awarded to Mears in November 2013 for the care and support element of six developments (Hallwood Court, Neston; Hollymere and Hartley Place in Ellesmere Port; Abbotswood, Kingswood and Deva Point in Chester).

Three schemes (Anderton Place, Northwich; The Windings, Helsby; Hazelmere, Winsford) are supported by Allied Healthcare.

Notice of change

Following lengthy negotiations, Mears Group gave the council three months' notice of their intention to withdraw from the contract, the notice expiring in mid-January 2018. The decision by Mears was a financial one, with the company making repeated requests for financial uplifts at a time when there have been issues over care provision, operational issues and leadership across the six Mears sites. It is understood that Mears have also pulled out of various care contracts in the north west.

Options to secure the service

The Council's primary responsibility has been to secure the wellbeing of the 470 residents in the six affected extra care schemes. Given the current contract has only one year left the Council had to act quickly to secure stability through identifying an experienced alternative provider. The other option would be to go to the market to seek expressions of interest to take over the six schemes which would be time consuming and given the minimal length of contract, likely to be unattractive to the market.

The new arrangements

In the circumstances, the Council has awarded the contract to Allied Healthcare. It is considered that this option will bring stability to the schemes and minimise disruption, enabling the Council to work with the market on the re-design and recommissioning of the full service at the end of the present contract.

A further six months has been added to the duration of the existing contract with Allied to enable staff transfers and other setting up to take place.

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