

Report to CABINET
Contract Novation – Green Square Accord to Allied Health Services Ltd (Care At Home)

Portfolio Holder:

Councillor Brownridge, Cabinet Member for Health and Social Care

Officer Contact: Jayne Ratcliffe, Director of Adult Social Care (DASS)

Report Author: Neil Clough, Commissioning Manager (Older Adults).

Ext. 1746

20th March 2023

Reason for Decision

Green Square Accord Limited (GSA) are one of the preferred providers working in East Cluster under the Flexible Purchasing Agreement (FPA) for the Provision of Care at Home, Extra Care and Specialist Care at Home Services (DN373470). Contracts for the provision of the Services to individuals are made under the FPA. GSA currently deliver over 500 hours of care per week to over 50 service users.

In December 2022 GSA requested Oldham Council's written agreement for their contract to be novated to Allied Health Services Ltd, a company owned by Cera Care, by 23rd January 2023.

The Council commenced due diligence in response to the request to novate and specified the information needed for a decision to be reached. The due diligence process could not be concluded by the date of the proposed sale of the business on 23rd January 2023 and, therefore, delegated decision approval was obtained for GSA to sub-contract the FPA and the delivery of the Services under the current contract to Allied Health Services Ltd as an interim arrangement so that ongoing service delivery could continue whilst a decision on the proposed novation is reached.

GSA sold the care at home part of its business in the North of England to Allied Healthcare Limited (a part of the Cera Care Group), as planned, on 23rd January 2023.

GSA remains under contract with the Council pending a decision on novation, but services are currently being delivered by Allied.

The due diligence process is now complete.

This report seeks authority to novate the GSA contract to Allied Health Services Ltd. The report provides an updated position regarding the due diligence checks that have been completed.

Executive Summary

Upon notification that GSA were looking to sell their business and receipt of the request to novate the contract to Allied, the commissioning service began due diligence checks immediately. These included financial checks and satisfactory references have been obtained. Due to the value remaining in the contract, the decision to novate does need to be approved by Cabinet.

The full extent of due-diligence information required had not been provided by Cera Care by the date of the sale on 23rd January but all requested information has been provided subsequently. Audited and more recent none audited company accounts, credit reports and group structure information has been obtained. Three satisfactory references have been obtained from other local authorities who have a current commissioning relationship with Allied.

Finance have evaluated the unaudited and prior year audited accounts and have concluded that Allied Health Services Ltd are considered to be financially stable.

CQC have undertaken their due diligence in relation to the sale of GSA to Allied and we have seen evidence that they are satisfied and happy to agree the transfer of registration of the services to Allied.

The provision delivered by Allied Health Services Ltd would be subject to established contract and quality monitoring oversight with a particular focus directed towards them being a new provider to Oldham, under the ownership of Cera Care.

Due to their size and strategic relevance nationally as a result of their acquisitions, Cera Care are part of CQC's Market Oversight Scheme and are required to provide regular financial information to CQC.

Recommendations

To novate the GSA contract to Allied Health Services Ltd.

Contract Novation – Green Square Accord to Allied Health Services Ltd (Care At Home)

1 Background

- 1.1 Green Square Accord Limited (GSA) are one of the preferred providers working in East Cluster under the Flexible Purchasing Agreement (FPA) for the Provision of Care at Home, Extra Care and Specialist Care at Home Services (DN373470). Contracts for the provision of the Services to individuals are made under the FPA. GSA currently deliver over 500 hours of care per week to over 50 service users.
- 1.2 In December 2022 GSA requested Oldham Council's written agreement for their contract to be novated to Allied Health Services Ltd, a company owned by Cera Care, by 23rd January 2023.
- 1.3 The Council commenced due diligence in response to the request to novate and specified the information needed for a decision to be reached. The due diligence process could not be concluded by the date of the proposed sale of the business on 23rd January 2023 and, therefore, delegated decision approval was obtained for GSA to sub-contract the FPA and the delivery of the Services under the current contract to Allied Health Services Ltd as an interim arrangement so that ongoing service delivery could continue whilst a decision on the proposed novation is reached.
- 1.4 GSA sold the care at home part of its business in the North of England to Allied Healthcare Limited (a part of the Cera Care Group), as planned, on 23rd January 2023.
- 1.5 GSA remains under contract with the Council pending a decision on novation, but services are currently being delivered by Allied.
- 1.6 The due diligence process is now complete.
- 1.7 This report seeks authority to novate the GSA contract to Allied Health Services Ltd. The report provides an updated position regarding the due diligence checks that have been completed.

2 Current Position

- 2.1 Upon notification that GSA were looking to sell their business and receipt of the request to novate the contract to Allied, the commissioning service began due diligence checks immediately. These included financial checks and satisfactory references have been obtained. Due to the value remaining in the contract, the decision to novate does need to be approved by Cabinet.
- 2.2 The full extent of due-diligence information required had not been provided by Cera Care by the date of the sale on 23rd January but all requested information has been provided subsequently. Audited and more recent none audited company accounts, credit reports and group structure information has been obtained. Three

satisfactory references have been obtained from other local authorities who have a current commissioning relationship with Allied. Finance have evaluated the unaudited and prior year audited accounts and have concluded that Allied Health Services Ltd are considered to be financially stable.

- 2.3 CQC have undertaken their due diligence in relation to the sale of GSA to Allied and we have seen evidence that they are satisfied and happy to agree the transfer of registration of the services to Allied.
- 2.4 The provision delivered by Allied Health Services Ltd would be subject to established contract and quality monitoring oversight with a particular focus directed towards them being a new provider to Oldham, under the ownership of Cera Care.
- 2.5 Due to their size and strategic relevance nationally as a result of their acquisitions, Cera Care are part of CQC's Market Oversight Scheme and are required to provide regular financial information to CQC.

3. Options/Alternatives

- 3.1 Option A – To novate the GSA contract to Allied Health Services Ltd.
- 3.2 Option B – Not to provide agreement to novate the GSA contract to Allied. This option would present an immediate risk to service delivery. GSA have no operational functions remaining within the North West and there would be a risk to service delivery within the contract notice period.
- 3.3 If Option B was the approved option, a procurement exercise would need to be undertaken and the interim sub-contracting arrangements may need to be extended until that exercise was concluded.
- 3.4 Option A is the preferred option. To novate the GSA contract to Allied Health Services Ltd.

4 Preferred Option

- 4.1 Option A is the preferred option. To novate the GSA contract to Allied Health Services Ltd.

5 Consultation

- 5.1 GSA have reported that staff and service users were in agreement to the service transfer to Allied.

6 Financial Implications

- 6.1 I refer you to the restricted part of the agenda.

7 Legal Services Comments

7.1 I refer you to the restricted part of the agenda.

8. Co-operative Agenda

8.1 This action supports the continuation of Care at Home provision and supports the ongoing relationship that Oldham care at home providers have developed with the community of Oldham. The action supports the values of the Oldham Council co-operative charter and is an example of working in an open and transparent manner with the provider to work through this scenario.

8.2 By working to ensure the service can continue to meet the needs of local residents supports the continuity of a resident focused approach.

9 Human Resources Comments

9.1 There are no HR implications identified for Oldham Council staff.

Kate Jolley
Strategic HR Lead

10 Risk Assessments

10.1 I refer you to the restricted part of the agenda.

11 IT Implications

11.1 None

12 Property Implications

12.1 None

13 Procurement Implications

13.1 Under the provisions of Flexible Purchasing Agreement for the provision of Care at Home, Extra Care and Specialist Care at Home Services (DN373470), the Council can agree to novation on request from the existing provider. The Commercial team has been involved in discussions on the matter from the outset and agree with the recommendations of the report.

Raj Ahuja
Lead Consultant

14 Environmental and Health & Safety Implications

14.1 None.

15 Equality, community cohesion and crime implications

15.1 None

16 **Equality Impact Assessment Completed?**

16.1 The Impact Assessment has been produced on CORVU and is embedded below



IA wheel and
comments - GSA to AI

17 **Key Decision**

17.1 Yes

18 **Key Decision Reference**

18.1 HSC-01-23

19 **Background Papers**

19.1 None

20 **Appendices**

20.1 None