

**Options for responding to provider failure**

Intervention level	Option	Description	Risks	Benefits
High	Council as provider of last resort	Council intervenes directly by Transfer of Undertaking or taking on the employment of staff and potentially placing some its own existing staff into the care home. This could be for a temporary period pending transfer to a new provider.	<ul style="list-style-type: none"> <li>• The Council would in effect take on the business</li> <li>• The Council would acquire the legal, contractual and financial responsibility of the employer</li> <li>• Requires additional staffing for Direct Services, running over establishment</li> <li>• Possible confusion of responsibilities and liability where the council employs staff but does not own or control the building</li> <li>• Potentially significantly increased cost for the Council.</li> </ul>	<ul style="list-style-type: none"> <li>• May be the only realistic option if no independent sector provider is willing or able to take on the service</li> <li>• Staffing and the delivery response are within the direct control of the authority, thereby ensuring clear oversight service quality and user safety</li> </ul>
Medium	Commission provider of last resort	Council commissions a standby provider which can take over the operation of the business or supply staff to a failing care home	<ul style="list-style-type: none"> <li>• Possible confusion of responsibilities and liability</li> <li>• Very high cost model</li> <li>• Likely to be limits on how large a provider failure could be taken on.</li> <li>• May not accommodate multiple concurrent failures</li> <li>• Creates requirement to quality manage another provider.</li> </ul>	<ul style="list-style-type: none"> <li>• Potentially offers the opportunity to share risks with the new provider</li> <li>• Additional flexible workforce capacity can be sourced and deployed at relatively short notice.</li> </ul>
Low	Enhanced delivery of the current provider failure model	Support the provider financially and/or with staffing inputs to stay in business whilst a transfer of business or planned closure takes place	<ul style="list-style-type: none"> <li>• May keep services which are unsustainable and/or of poor-quality operating for a longer time</li> </ul>	<ul style="list-style-type: none"> <li>• Lower cost than options 1 and 2 for the authority</li> <li>• Provider required to supervise staff, embedding them within their own operations</li> </ul>

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