

HCRG Care Group – Options Appraisal Risk Analysis Table

Risk Category	Option 1: Extend the contract term for the 3 year period (Year 10 until 2026/27)	Option 2: Extend for an alternative period	Option 3: Allow contract to end with no contract extension beyond 31 March 2024 (Year 7)	Option 4: Termination of the contract before 31 March 2024 (Year 7)
Service Continuity	Service continuity risks remain low, however should HCRG Care Group be sold or cease to provide services the Council will have to undertake a further due diligence review to ensure the new provider can continue to deliver to the local population without affecting quality or breaching statutory requirements	Risk of early termination prior to year 7 as not willing to accept anything other than 3 year extension - this will create further workforce and supply chain risks and place pressure on commissioners to recommission services whilst trying to manage a contract with an unhappy provider CQC/Ofsted inspection outcomes compromised through workforce and service delivery destabilisation	Safe transfer of services in 21 months CQC/Ofsted inspection outcomes compromised through workforce and service delivery destabilisation	High risk of service failure and harm to the population of B&NES CQC/Ofsted inspection outcomes compromised through workforce and service delivery destabilisation
Finance	Financial certainty however the flat cash nature of the contract does create a risk to the Council in the current economic crisis Changes resulting from the Health & Care Bill may lead to material change or early termination of the contract - termination for convenience provisions within the contract are onerous should	HCRG Care Group not able to operate within the agreed funding envelope as no longer based on the certainty of a 10 year contract Loss of transformation activity and expected savings due to contract not running to 10 year term	Increased cost to Council of insourcing services or identifying alternative providers Loss of transformation activity and expected savings due to contract not running to 10 year term	Urgent in housing of services at significant financial cost Early termination costs under the contract

	Commissioners need to exit the contract before its expiry			
Reputational	The relationship provides a reputational challenge to the Integrated Care Board with HCRG Care Group having a position on the Board - commissioners are contractually committed to treating them no different to any other provider	Impact on current sub contractors who have a strong working relationship with the provider	Perception of providers in the market not wanting to enter into an integrated contractual relationship	Regulatory intervention for failing to meet Care Act Obligations
Legal	Minimal risk of legal challenge as original decision upheld, however decision may be challenged by other providers on grounds of material change despite due diligence and legal advice	Not mutually agreeing the contract variation resulting in contract not being extended and legal action disputing the extension decision	Risk of legal challenge from HCRG Care Group - BSWCCG has chosen to exercise the option to extend the HCRG Care Group Wiltshire contract and the Wiltshire Health and Care Community Contract to March 2024– Note must not be treated differently to other NHS providers	Risk of legal action for breach of contract
System	Uncertainty over the timing of changes with delays to implementation of legislation - the extension does not prevent contractual changes or early termination but there will be financial costs to such changes	Destabilisation of an already fragile health and social care system in COVID-19 recovery, with recovery plans and agreed transformation priorities put at risk	Destabilisation of an already fragile health and social care system in COVID-19 recovery, with recovery plans and agreed transformation priorities put at risk	Destabilisation of an already fragile health and social care system in COVID-19 recovery, with recovery plans and agreed transformation priorities put at risk