

THE MACFARLANE TRUST

Minutes of the meeting held on Monday 31 October 2016

Private and Confidential

PART B

856.16 Minutes of Previous Meeting

The minutes of the meeting held on 25 July 2016 were agreed as a correct record.

857.16 Matters Arising

There were no matters arising.

858.16 Any other confidential business

There was no other confidential business.

Additional information regarding item 849.16, Government Reforms:

With regard to procurement, the five Alliance House boards had agreed to engage a specialist company to assist with the bid writing and submission. Following research into options, AM, JB and Chris Pond, Chair of Caxton, had interviewed companies on 10 October 2016 and had decided to appoint a company called Bid Better, at a cost of £8625 plus VAT. JB had spent a day with Phil Norman from Bid Better on 26 October 2016, briefing him on the existing organisations and their work, and working through the draft specification to try to establish and anticipate requirements.

At the event which DH had held on 26 September 2016 for organisations interested in bidding, the only other organisations who had attended were Capita and ATOS. The Haemophilia Society had attended as "observers", although they had subsequently published a statement on their website saying they would consider submitting a bid once the formal Invitation to Tender had been published.

With regard to the procurement timetable, JB had met with the DH procurement lead on 11 October 2016. He had advised that he had received feedback that a 3 month "handover" was not long enough, and that 6 months was more realistic. This would mean that the new provider would not become operational until the middle of August 2017, later should the procurement process be delayed for any reason.

The board felt that the strengths of any Alliance House bid would be the organisations' history of delivering the service to date, and the staff team which provided a personalised service to beneficiaries. The board discussed the feasibility of writing a bid. It was acknowledged that JB would be required to undertake the majority of the work on this, and as the detailed requirements would not be known until the Invitation to Tender was published, the actual amount of work required could not be assessed in advance. It was hoped that it would be possible to submit a bid, but the board acknowledged that if the requirements were beyond what Alliance House was able to deliver, it might not be possible to do so. If this situation were to arise, the Alliance House Chairs and JB would need to discuss the position with DH. It was agreed that any bid that was submitted would need to be costed realistically so that it was sustainable for the future, as the new organisation would have no reserves.

With regard to HR issues, the uncertainty which the procurement process caused in relation to the future was unsettling for staff. The Chair had emailed board members on 15 September 2016 recommending that additional payments be made to those staff who remained with the organisation until 31 March 2017. These payments would take the form of an additional 3 months' remuneration, and were intended both as a way of encouraging staff to stay until the end of the financial year, but also as a bonus to recognise all the additional work that DH was requiring the organisations to deliver this year.

By way of further encouragement to staff to stay, the Chairs had also agreed to amend the existing redundancy policy so that redundancy payments would be based on multiples of actual remuneration, not the statutory minimum. In practice, Alliance House had made payments at this level for the few redundancies made in the last 4 years, and should the Alliance House bid not win the tender, the incoming organisation would be responsible for the costs of any redundancies it wished to make. It was understood that TUPE would apply, and therefore staff would transfer to the new provider, but if the new provider were not Alliance House, some redundancies would be likely as the new organisation absorbed some of the costs into its existing overheads.

The Department of Health Reference Group continued to be used as a sounding board for DH to develop elements of its new scheme, and JB had had many individual meetings with DH officials to assist with aspects such as the appeals process for country of infection and the policy and procedure for the new payments to the bereaved. Significant additional work was still required on the "Special Category Mechanism", ie the process by which those at Skipton Stage 1 who believe their health is as compromised by Hepatitis C as those at Stage 2 can apply for Stage 2-level payments. It was difficult to see how the Invitation to Tender could be launched on 1 November 2016 when important elements of the new scheme had still not been defined.

JB advised that DH had been putting pressure on her to begin work on exit planning, but that she had informed them that work on this could not start until after the work on the procurement bid had been completed. There would, however, be many issues to consider as part of closing down the organisation, whether or not Alliance House were the new single scheme administrator.

JB advised that the timetable for the procurement was likely to be six weeks only. This would make it impossible to consult the Alliance House boards on the content of the bid. It was agreed that JB would work closely with AM, and that he would have delegated authority from the board to approve the content on behalf of MFT. JB would also discuss with the Chairs whether submitting a bid were feasible once the formal Invitation to Tender had been launched. Any final decision not to proceed with a bid would only be made following discussion with the full board.