

**CONFIDENTIAL REPORT**

REPORT FOR:	<b>Operations Committee</b>		
MEETING DATE:	9 December 2013		
REPORT FROM:	Director, Community Services		
REPORT TITLE:	<b>Expressions of Interest Aged Accommodation Results</b>		
FILE NAME:	F10/2812	RECORD NO:	AR13/31603

COMMUNITY VISION & STRATEGIC PLAN OBJECTIVE/S
<p>1.3 We use and manage our financial and physical resources in the best interests of our community, now and for the future.</p> <p>4.2 Facilitate services and develop partnerships to enable appropriate care for people in our communities.</p>

**PURPOSE**

To provide Elected Members with information regarding responses to the call for Expressions of Interest in the development and management of aged accommodation in Port Augusta and resolve to enter into further negotiations with Little Company of Mary Health Care (Calvary) and Southern Cross Care.

**RECOMMENDATION**

**Operations Committee recommends Council:**

1. Endorses the City Manager, Director Community Services, Director Corporate Services and Care Managers of Nerrilda Nursing Home and AM Ramsay Village entering further negotiations with Little Company of Mary Health Care (Calvary) and Southern Cross Care with a further report to be provided to Council in due course.

**BACKGROUND**

On 22<sup>nd</sup> July 2013, Council resolved to call for Expressions of Interest for the development and management of Aged Accommodation in Port Augusta.

On 9<sup>th</sup> September 2013, an information report was provided to Council advising that five responses to the Expression of Interest had been received and further investigation would occur.

**DISCUSSION**

As per the information report provided to Council on 9<sup>th</sup> September 2013, five responses were received to the call for Expressions of Interest for the development and management of aged accommodation in Port Augusta.

All five responses were from reputable aged care organisations with four being not-for-profit organisations and one being a private operator.

One organisation was solely interested in the development of aged accommodation, and one organisation was only interested in the management of Council's aged care facilities.

Meetings were arranged with the other three organisations to determine their level of interest. It is unfortunate that these meetings took longer than originally anticipated to coordinate.

A meeting was held with five representatives of Anglicare SA on 4<sup>th</sup> November 2013. This meeting was quite positive with lively discussion taking place. However, following additional information being supplied to the organisation, a letter was received by Council on 21<sup>st</sup> November 2013 advising that after considerable discussion and consideration, AnglicareSA has decided to withdraw their Expression of Interest. I have responded to this letter expressing Council's disappointment and asking them to reconsider their position.

A meeting with David Bergman, National Chief Financial Officer & Company Secretary and Paul Bradley, National Director Aged Care & Retirement Services, Little Company of Mary Health Care (Calvary) was held on 6<sup>th</sup> November 2013. This discussion explored Calvary's renewed interest in our facilities given that Council had previously held approximately two years of discussion that did not progress. Calvary has a strong health background with opportunities such as telehealth, a big focus on end of life care and is realistic about the challenge of financial sustainability. Discussion also took place regarding feasibility of using village models through the Public Housing Authority to reduce build costs. This may link with recent news of Housing SA handing over housing to Community Housing Providers. Calvary is also holding initial discussions regarding management of two other facilities in regional South Australia.

A meeting with Southern Cross Care originally scheduled for 28<sup>th</sup> November 2013 has now been rescheduled by that organisation for 6<sup>th</sup> December 2013.

It is important to keep this Expression of Interest progressing as staff of the facilities and the community in general is awaiting the outcome of this process. There are also major changes scheduled to commence from 1<sup>st</sup> July 2014 in relation to aged care for which Council needs to position itself to respond to if it is to remain Approved Provider of Residential Aged Care in Port Augusta.

Given the delay in meeting with the organisations and the need to keep this process moving to get a result for the Community, I am requesting endorsement by Council for key staff to enter into further negotiations with the two remaining parties pending the results of the meeting with Southern Cross Care on 6<sup>th</sup> December 2013.

A further report on the progress of these negotiations will be provided to Council in the first quarter of New Year.

### **CONFIDENTIALITY PROVISIONS**

Organisations have requested 'Commercial-in-Confidence' in relation to their responses and therefore Confidentiality Provisions are appropriate in this instance.

It is considered that pursuant to Section 90(3)(b) of the Act, the information to be received, discussed or considered in relation to this agenda item is information the disclosure of which could reasonably be expected to confer a commercial advantage on a person with whom the Council is conducting business, or proposing to conduct business, or would prejudice the commercial position of the Council.

**It is recommended that Council** maintains the confidential provisions as outlined above until **31 July 2014, or until determination is made by Council in relation to this matter.**

### **RISK MANAGEMENT**

#### **1: Financial/Budget**

The financial implications of the future options of Council's Aged Care Facilities will be demonstrated as part of a final presentation to Council once negotiations have been completed.

## **2: Legal**

With the increased level of care being provided in Residential Aged Care Facilities comes increased clinical risk with the potential for legal action to be taken against the facilities. Providers specialising in health and aged care have purpose designed systems in place to support facilities to minimise risk in relation to clinical care and the shifting paradigm to sub-acute care within the Aged Care sector.

Legal opinion will be sought in the development of any draft agreements that may occur as a result of the negotiation process.

## **3: Environment**

n/a

## **4: Community**

### 4.1 General

Port Augusta, as with the rest of the nation is an ageing community. The key reason to consider future options is to ensure that the needs of the community of Port Augusta are met and that our residents receive the best quality aged care outcomes into the future.

### 4.2 OPAL Program

n/a

**Anne O'Reilly**  
**25/11/2013**