

Risk Management Analysis

Option 1 – Retain Wightcare provision in-house risks

- Continued (albeit reduced) subsidy of the service until the 2 year development plan can be deployed
- Limit to charges that can be applied to customers before reaching saturation point
- Without investment in marketing opportunities, limited growth opportunities
- Economic uncertainty and Cost of Living Crisis limiting clients willing to pay for services
- That IW health and social care recharge of services provided on behalf of system is not forthcoming

Appendix 5 – Risk Management Analysis

Option 2 – Outsource service to Private sector risks

- Loss of Local Authority control in terms of decision making, outcomes and outputs
- New provider likely to deliver exactly what is laid out in the contract, limiting added value and flexibility
- Potential significant unseen costs outside of contract for additional extras
- Likelihood that money will be taken out of local economy as new provider relocates part of service off Island
- Reputation risk to the Local Authority if out of hours call handling function included within contract due to potential lack of local knowledge
- Risk to wider Health & Social Care system on the Island if new provider fails
- New TSA accreditation would be required, if not achieved,
- Additional contract management responsibilities
- Loss of integrated working across health & social care system
- Need to consider growing Island demographics and commission service for the future needs of the Island
- Loss of resource to ASCHN to support other functions
- Economic uncertainty and Cost of Living Crisis limiting clients using the service

Appendix 5 – Risk Management Analysis

Option 3 – Create a local authority trading company risks

- Loss of Local Authority control in terms of decision making, outcomes and outputs
- There are additional costs to create new governance and infrastructure
- The retained infrastructure of the Council may not easily achieve the benefit of cost reductions & consequent savings
- The Trading Company may not choose to purchase support services through the Council reducing income to corporate functions
- Risk of failure and returning to Local Authority control or disbanding of service
- Reputation risk to the Local Authority if out of hours call handling function included within contract due to potential lack of local knowledge
- Tax implications on any surplus income
- Loss of resource to ASCHN to support other functions
- Need to be financially stable in order to create Trading Company