

Agenda item: 

**Title of meeting:** Culture, Leisure and Sport Decision Meeting

**Date of meeting:** 21 March 2014

**Subject:** Interaction Project

**Report by:** Head of City Development and Cultural Services

**Wards affected:** All

**Key decision:** No

**Full Council decision:** No

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**1. Purpose of report**

- 1.1 To outline the options for the future of Interaction, a supportive sport and activity project for adults with mental health problems.

**2. Recommendations**

- 2.1 That permission be given to continue to explore Option 5, Option 6 and Option 7 to consider the future operation and funding for the Interaction Service.**

**3. Background**

- 3.1 In November 2012 a report on the restructuring of Interaction was brought to the Cabinet Member for Culture, Leisure and Sport in which a commitment was made to explore new delivery models for the service. The outcome of the work of the past months is reported below.

**Options already explored:**

**3.2 Option 1:**

**Set up an independent organisation to which the service could be transferred**

A number of possibilities have been explored including charitable, social enterprise and mutual structures. This option is deemed unviable since it would involve the TUPE of existing staff on terms and conditions which would be onerous to a small organisation and require additional support costs such as finance and HR.

3.3 **Option 2:**

**Transfer the service and the budget to an existing organisation**

This option has been discussed with a number of organisations in the city, including mental health charities and community associations, and the TUPE issue plus the uncertainty of future funding support have proved to be insurmountable barriers.

3.4 **Option 3:**

**Develop a partnership agreement between Interaction and an existing delivery organisation**

Approaches were made to potentially suitable organisations, including HIDS and local mental health charities, none of which felt able to commit to Interaction because they are themselves in a period of transition and/or funding uncertainty.

3.5 **Option 4**

**Obtain additional external funding to support the service within the council**

Despite searches, no funding sources have been identified

3.6 **The current situation:**

The budget for the service is shown below over a three year period;

2012/13 - £74,200  
2013/14 - £39,300  
2014/15 - £33,230 (proposed)

The current structure and posts are unsustainable at this level of funding, leaving two viable options:

3.7 **Option 5:**

To identify additional funding to enable the service to be sustained. This option is currently being explored with Public Health Services and other potential sources.

3.8 **Option 6:**

Outsource the delivery of the service to a voluntary / community organisation on the basis of five years reducing funding. The current budget for the service in the year of transfer would be the year one payment to the third party organisation. In the event that this is the preferred option, the contract for the service delivery would be awarded through a tender process.

3.9 **Option 7:**

The service is unaffordable in the current format therefore if options 5 and 6 are unsuccessful closure of the service will be necessary.

**4. Reasons for recommendations**

- 4.1 The service provided is unique in the city and a valuable contributor to improving the health and wellbeing of a particularly vulnerable group of people.

**5. Equality impact assessment (EIA)**

- 5.1 Preliminary EIA has been completed and a full EIA will be completed if closure of the service is the option adopted.

**6. Legal Implications**

- 6.1 **Option 5** - If the service is to be maintained in-house with additional funding then there are no additional legal implications.
- 6.2 **Option 6** - If the delivery of the service is contractually outsourced then this will be a transfer of service provision under TUPE. Therefore any staff currently specifically engaged on service provision would transfer to the new provider with their current benefit package. The cost of this provision will be built into the cost of any tender submission.
- 6.3 **Option 7** - Subject to there being no statutory obligation to provide this service there are no comments on this option.

**7. Finance Comments**

- 7.1 The financial implications relating to the options still to be explored are;
- 7.2 **Option 5**  
A revised business model may be developed depending on the level of funding secured.
- 7.3 **Option 6**  
In the event that the decision is taken to transfer the service to a voluntary or community organisation, an incremental saving will be realised each year culminating in the full budget of the service after five years.
- 7.4 **Option 7**  
The service budget will be saved if the service ceases to exist.

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Signed by:  
**Stephen Baily**  
**Head of City Development and Cultural Services**

**Appendices:           None**

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>
Interaction project 23 <sup>rd</sup> November 2012	PCC website / CDCS office

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the Cabinet Member for Culture, Leisure and Sport on 21 March 2014:

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Signed by:  
**Cabinet Member for Culture, Leisure and Sport**