



Derby City Council

COUNCIL CABINET
11 November 2015

ITEM 8

Report of the Cabinet Member for Integrated
Health & Care

Service Delivery Model for the Council's Care Homes and Day Centres

SUMMARY

- 1.1 This report provides a summary of the proposed approach to Adults Health & Housing's in house residential care services, and also the remaining day centres. This report follows on from the launch of the "Big Conversation" whereby the Council is seeking views and ideas to help it to achieve a sustainable Council budget from 2016/17 onwards.
- 1.2 The in house residential and day care services have been previously highlighted as an area of service for which there are alternative delivery models. In addition, recent building condition surveys have been undertaken and the buildings require significant further investment to maintain them as fit for purpose facilities into the future. Given the financial pressures that the Council faces, this report sets out an alternative service delivery model which provides service continuity for residents and reduces the pressure on the Council's budget in future years.
- 1.3 As Cabinet Member this is a difficult but necessary step to ensure people can continue to live in their homes. We are seeking external investment into the care homes to protect their future and retain capacity in the market. Given the wider budget pressures on the Council's finances, direct investment by the Council would create further unsustainable financial pressures. However, I remain committed to our dual statutory obligations of meeting the care needs of local people whilst delivering a balanced budget, with significantly less resource.

RECOMMENDATIONS

- 2.1 To approve commencement of a consultation exercise which seeks to gain feedback on an alternative service model for Council owned care homes and day services.

REASONS FOR RECOMMENDATIONS

- 3.1 The Council has invested funding and attracted external monies to develop higher quality care and support services across the city. Despite this, additional capital and revenue investment is still required to carry out works to the remaining in-house homes to keep pace with health and safety guidelines and major maintenance requirements. Recent surveys suggest this work would cost approximately £1m per home. Given the wider budget position of the Council, an alternative service delivery model is now being proposed to minimise any further financial commitments that the

- Council may have to make.
- 3.2 The consultation will be managed sensitively in recognition that the proposal has a significant potential impact on people who currently live at, work or visit Council run care services. All will be fully supported to give their views, and these will be taken into account before a decision is made.



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Report of the Acting Strategic Director for
Adults and Health

ITEM 8

SUPPORTING INFORMATION

4.1 In July 2015, Cabinet agreed to launch the “Big Conversation” - a series of consultations debating the needs of the community and the way in which these needs can be met to be undertaken within declining budgets. Key statutory services currently provided by Adults Health and Housing have been identified as potential areas for exploring alternative delivery models and budget saving measures. This step is being taken as the Council is predicting significant budget pressures during the next MTFP period 2016/17 to 2018/19, whereby there is a significant budget gap between the level of funding we are anticipating and the future service costs and pressures. This gap needs to be closed, and therefore Cabinet agreed that areas that are not required to be provided directly by statute, need to be the subject of discussions and consultation as to whether these service will continue to be operated by the Council into the future. In order to do this, statutory services will be the subject of a review to establish:

- What level of need is required?
- How should the need be met?
- Who should provide the services to meet that need?
- Who should pay for the services?

Care Homes and Day Centres that are currently being operated by the Council are amongst the areas being considered in light of the above.

4.2 In line with the principles of the Big Conversation, it is proposed that public consultation takes place in relation to the Council’s seven in house care homes and three day centres for adults with support needs. The consultation will focus on gaining views and feedback about seeking an alternative operator (s) for any, or all, of five of the remaining seven homes, and all three day centres. The services affected are:

Raynesway View
Bramblebrook
Arboretum House
Coleridge House
Merrill House
Morleston Day Centre
Inspire Day Centre
Aspect Day Centre

The two remaining homes – Perth House and Warwick House - are proposed to be retained as they perform a different role, than that provided in the broader residential

care market. These homes support short term care admissions, aligned to priorities agreed with the NHS. Individuals who access these services are often supported by NHS community services and as such are a vital element of the Council and the NHS's integration agenda, to reduce hospital admission and manage demand for services.

The consultation proposal around the other homes and centres would reduce the need for additional capital expenditure to be made by the Council, and is likely to release some revenue costs on an on-going basis. The consultation would specifically seek the views of current residents and service users. The proposal when consulted upon would outline that people would not need to move, rather that they would remain living in their current home, or continue to access the day centre, albeit with a new provider management structure in place.

- 4.3 It is proposed that the consultation with the public and service users should be undertaken with support from an external provider, to be sourced via the Council's existing Framework for consultation and engagement. . A draft consultation brief is detailed in **Appendix 2** that would be used as a basis for securing a partner to assist us to gain feedback about the future of the Council's care homes, and a similar brief will be produced for day centres. An associated questionnaire for recording responses will be produced and be available via the Council's website. The consultation should last for at least 12 weeks and during that time there would be a commitment to offer every existing resident and their family or carers the opportunity to discuss the proposals face to face. In addition, a wider questionnaire will be produced that will be available to any interested parties and will be promoted via the Council's website. It is proposed that dedicated meetings would take place with staff, union representatives, ward councillors, scrutiny boards and partners within the NHS. An Equalities impact assessment would be carried out as well to ensure that the impact of the proposals across the statutorily identified equality strands can be understood.
- 4.4 The consultation will be clear that as directly provided services, the Council cannot continue to operate these services without significant financial investment, therefore "doing nothing" is not a viable option. The alternative options shall be clearly set out in the consultation - to close the homes and to move existing residents into available spaces within homes run by other organisations, or to close fewer homes and retain more in the Council's ownership, with the contingent financial issues. This option could be pursued, however would silt up available capacity in the wider market and is therefore not the Council's preferred option, given the disruption it would cause to existing residents and staff.
- 4.5 At the end of the consultation period, the consultation feedback will be analysed and presented with a series of recommendations to the Council's Cabinet. This will include the findings of an Equalities impact assessment. The draft timeline is detailed on page 5. It is proposed to commence the consultation after the festive holiday period to allow time to procure an external facilitator and undertake the necessary preparation.

Action	Dates
Formal consultation commences with group meetings (staff, customers, family carers and advocates invited)	w/c 4 th January 2015
Final day for consultation feedback	4th April 2016
Consultation analysed and Equalities Impact Assessment completed	April 2016
Report to Cabinet to consider consultation feedback and recommendations	June 2016

4.6 Programme Management

Other Council's in the region have already followed the course of action being proposed to reach and implement decisions about in house residential homes and day centres, whether they have pursued closures, transfers or both. From discussion with Leicestershire and Leicester City, one of the factors seen as key to a successful outcome for all concerned is having excellent and robust consultation, engagement and programme management. Dedicated resource will be identified that can lead the programme of work, including acting as the client for an external partner, which it is proposed will deliver the consultation on the ground. This lead will also act as assurance on the implementation of any work programme, and act as the single point of contact for enquiries and information. A Job Description has been established and is currently subject to job evaluation and will then be promoted on a fixed term basis. This post will report directly to the Lead Service Director.

OTHER OPTIONS CONSIDERED

- 5.1 *Do nothing* – this option would see the Council continuing to run the care homes in their current condition. This is not considered viable as the homes need significant investment to continue to be fit for purpose.
- 5.2 *Close the homes and day centres* – another alternative would be to close some or all of the homes and day centres therefore reduce the on-going revenue and capital costs of maintaining the buildings.

This option is not currently our preferred option. This is due to the level of disruption to residents and capacity within the existing market for residential care to absorb current and future demand for residential care places. This would mean some people may have to be placed out of the area away from family.

The day service market may be able to absorb current service users and through the use of direct payments this may well be an option that proves popular during the consultation.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Olu Idowu Toni Nash Liz Moore Jonathan Sayer, Principle Asset Surveyor Kirsty Everson, Acting Director of Integration & Direct Services Perveez Sadiq, Acting Strategic Director of Adults, Health & Housing
For more information contact: Background papers: List of appendices:	Kirsty Everson 01332 642743; kirsty.everson@derby.gov.uk None Appendix 1 – Implications Appendix 2 – Consultation Brief

IMPLICATIONS

Financial and Value for Money

- 1.1 Should the consultation lead to a decision about five homes and three day centres being offered for transfer to another organisation, there will be an on-going revenue saving and will prevent future capital expenditure. This has been estimated as likely to provide on-going savings of £409k per annum, net of the on-going cost of providing care for existing customers living in DCC care homes and accessing day centres.

The exact savings cannot be quantified at this stage – as it is not clear whether there would be an alternative provider willing to take over the running of the services. A soft market testing exercise will be undertaken to establish the potential market and any specific market conditions that the Council would need to consider before a final decision was reached.

It is worth noting that Leicester City whom have recently closed and transferred a number of care homes found that the competitive process yielded a capital receipt for the buildings, reduced their revenue expenditure and also minimised future capital outlays.

- 1.2 Further detailed financial analysis will be required should the consultation lead to a decision that the services identified should be offered for sale/ transfer to a third party. Should the services remain in the Council's ownership, the capital investment required will need to be subject to a further detailed report to Cabinet.

Legal

- 2.1 There is a requirement to consult properly on any proposal that would affect somebody's home and well- being there are currently approximately 185 people living in the Council care homes, and at least 60 people using the day centres. Following a Judicial Review challenge, the Court of Appeal identified four principles to be achieved in undertaking effective consultation, namely:
- consultation must take place at a time when proposals are still at a formative stage
 - the proposal must be balanced, with the proposer giving sufficient reasons for the proposal so as to 'permit intelligent consideration and response'
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 - adequate time must be given for consideration and response
 - the product of consultation 'must be conscientiously taken into account in finalising any statutory proposals'.
- 2.2 It is therefore essential that the consultation is conducted in a comprehensive way and considered fully before a final decision is made.

Personnel

- 3.1 Staff affected by these proposals will be given full opportunity to feed their views into the consultation process, and to have these views fully considered before a decision is made. Should a decision be taken to secure an alternative owner for the homes, it is likely that TUPE will apply and up to date employee information will need to be gathered before any procurement activity took place.

IT

- 4.1 No specific implications

Equalities Impact

- 5.1 A comprehensive equalities impact assessment will be undertaken during the consultation period and will be made available before any decision is reached on the future direction of travel for the services.

Health and Safety

- 6.1 The care homes and day centres need remedial works to ensure they meet current standards, specifically in relation to fire prevention and detection legislation. Whilst ever the homes remain the Council's ownership, the risks posed by not addressing these defects remain high. Mitigating actions that are being currently put in place cannot be sustained in the long terms, therefore whichever option is pursued will need to ensure that the homes are adequately maintained and all necessary works taken place at the earliest opportunity.

Environmental Sustainability

- 7.1 No specific implications

Property and Asset Management

- 8.1 The current portfolio of 7 care homes is subject to a maintenance requirement to the order of £7.2 million. There is work required in terms of the fire preventative and precaution system, electrical wiring and structural and decorative needs.
- 8.2 Any proposed transfer of the Council's assets to a third party will be undertaken with early and full consultation and support of Strategic Asset Management and Estates and Property Design and Maintenance.

Risk Management

- 9.1 Mitigating actions have been put in place, with support from professionals working in the field, in relation to recent fire assessments, pending investment being made to

improve the services' to the physical environment.

Corporate objectives and priorities for change

- 10.1 The proposals above will assist with the Council's wider budget position and the priorities set out in the recent "Big Conversation" Cabinet report.

Appendix 2

Draft Consultation Brief – Derby City Council's in-house care homes *What level of need is required?*

In March 2015, the Council's Cabinet agreed the Accommodation Strategy for Older Adults, and in addition in April, it approved its long term strategy for people with social care needs – Your Life Your Choice. The direction of travel for social care is also set out in the Derby Plan:

“Our vision for people in Derby is that they have the right support so they can live happy, fulfilling and independent lives.”

The Derby City Health and Wellbeing Board, a statutory partnership between Derby City Council, Southern Derbyshire Clinical Commissioning Group and Healthwatch, have also agreed to work towards services that deliver integrated care that is defined from an individual's point of view as:

“my care is planned with people who work together to understand me and my carer(s), put me in control, co-ordinate and deliver services to achieve my best outcomes”

Residential and Nursing Care homes have a key role to play in supporting people with support needs, although over time it is likely that less people will choose to move into them. In recent years the Council and partners have been developing a range of alternatives to help people live at home for as long as they wish – these include making better use of visiting support, using new technologies to keep people safe, developing alternative and specialised housing such as Extra Care services and encouraging people to take the money the Council could spend on them and to organise their own care and support. As a consequence of our strategy to help more people remain independent in their own home for longer, there has been an overall reduction in the number of people the Council has permanently admitted into residential and nursing care. In 2014/15 the Council arranged for 237 people to move permanently into a care home, compared to 252 in 2013/14. Only a few years ago, our numbers were much higher - we arranged for nearly 300 people to move into care homes in 2010/11.

Until all the alternatives to residential care are developed and established, we believe there is likely to remain demand for residential care. People are living longer, but the trends are that they as a result they get frailer and often can no longer rely on support from a carer such as a partner or relative, and therefore for some people, living independently no longer remains a realistic option. There are also some people who have the financial means to pay for their own care and some of these people will also want to use residential care. We have recently asked the 78 care homes operating in Derby about how many of their residential care “beds” get used and most homes are operating with occupancy between 84-99%. We also estimate that nearly half of the people living in Derby's care homes have been arranged with support from the NHS.

How should the need be met?

Who should provide the services to meet that need?

Of the 78 Care homes being provided in Derby, only seven are provided by Derby City Council. This is very typical in that most Local Authorities no longer directly provide care in the form of long term residential care – largely due to the costs involved in running the homes, the costs of maintaining them and the fact that there are many other companies and organisations that are willing and able to provide residential and nursing care.

Firstly, it is proposed that the residential care homes that the Council currently owns remain open. This means that we are not proposing that any of the existing 185 residents should move.

However, due to Derby City Council's budget position, and given that many of the homes require a programme of modernisation and improvements, we are proposing that the Council looks for someone else to take over and run 5 out of their 7 homes. The homes that are being proposed to be run by another organisation are:

Merrill House
Coleridge House
Arboretum House
Raynesway View
Bramblebrook House

The Council seeks your views on the proposals which would involve running a competitive tender to see whether there would be an alternative organisation or person who would be willing to take on the running of the homes, including making investments where the homes require physical improvements.

It is proposed that Perth House and Warwick House are retained by the Council as these operate a different model – people generally move there on a short term basis as means of avoiding going into hospital, or into a more permanent long term care setting. Both Warwick and Perth House are therefore proposed to be retained by the Council, but developed further to become more closely linked to NHS initiatives that help people move out of hospital quickly and to enable people to have a short stay for rehabilitation before returning to their home.

Who should pay for the services?

The Council already pays for the services in terms of staffing and running costs for the five homes. The current expenditure is approximately £4,7m per annum, however this does not include the costs of additional management support and the support of other Council departments such as finance, legal and Human Resources teams. In addition, the Council has to fund major works and improvements to the buildings. A recent set of surveys has shown that approximately £5m would be required to carry out essential repairs to the five homes listed above.

It is proposed that all existing residents would remain supported financially by the Council. For anyone else who moves into the homes, the Council will continue to provide financial support for - apart from those people who can afford to pay their own fees (known as self-funders), or people without support needs. This would mean that the Council would continue to ensure that the care homes remain open and available for use into the future. The Council would not however provide funding to maintain the buildings or to make any major improvements. This would be the expectations made on the new owner (s).