



Derby City Council

COUNCIL CABINET
13 July 2016

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 consultation that has been undertaken to consider the future delivery model for the Council's in house Adults' residential care services and day centres. This report follows on from a Cabinet decision in November 2015 that approved the commencement of a consultation exercise to gain feedback on an alternative service model for Council owned care homes and day services. The Council's preferred position was clearly stated throughout the consultation - due to Derby City Council's budget position, and given that many of the homes and centres require a programme of modernisation and improvements, the proposal is that the Council looks for someone else to take over and run 5 out of their 7 homes, and all 3 remaining day centres.

RECOMMENDATIONS

- 2.1 To consider the feedback obtained during the consultation exercise which is detailed in Appendix 2, and the findings of the Equalities Impact Assessment (Appendix 3), and to agree the commencement of a soft market testing exercise in relation to the care homes to determine the subsequent strategy in relation to securing an alternative owner and/ or service provider to operate the affected services.

In relation to the day centres, this exercise should specifically focus on establishing whether voluntary and community organisations, as well as any interested staff members may want to take over the facilities and provide the service in an alternative way.

- 2.2 To agree to review a further report back in November 2016 with the outcome of the soft market test and subsequent recommendations on the strategy going forward.

REASONS FOR RECOMMENDATIONS

- 3.1 The consultation feedback has shown that keeping services open, maintaining continuity of care and the staff involved in delivering care are the most important things that individuals receiving care are concerned about. Family carers are also concerned about the uncertainties that a change in owner/ operator may bring, and the fear that services could close remains an ongoing issue.
- 3.2 Additional capital and ongoing revenue investment is still required to carry out works

to the remaining in-house homes and centres to keep pace with health and safety guidelines and major maintenance requirements. Recent surveys suggest this work would cost approximately £5m. To balance the pressure of this wider budget position of the Council, the requirement for additional investment into the facilities and taking account of the views of existing residents and service users about maintaining service delivery, an alternative owner and operator must now be sought. Preliminary discussions with a range of different care providers and voluntary sector organisations are indicating that there is demand from organisations for care homes (in general terms), but that for day centres, building based services seem less attractive. Several small local organisations have approached the Council about ideas that could support individuals attending day centres in an alternative way. This should be explored further in the soft market testing phase.

The alternative options would be to consider closing some, or all, of the facilities which at this stage is not being proposed.



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SUPPORTING INFORMATION

- 4.1 In November 2015, Cabinet agreed to the commencement of a consultation exercise to seek views on an alternative delivery model for the Council's in house Adults' care homes and day centres. The full consultation report is included as Appendix 2.
- 4.2 Throughout the consultation, it was made clear that the Council's stated preference was that the affected services (listed below) remain open but that someone else owns and operates them:

Care Homes:

- Merrill House
- Coleridge House
- Arboretum House
- Raynesway View
- Bramblebrook House

Day Centres:

- Morleston Day Centre
- Inspire Day Centre
- Aspect Day Centre

The objective of the consultation was to gather views and opinions from stakeholders in order to inform information to support the decision making process. The consultation took the form of the following:

- A series of open meetings and 1:1 interviews at all of the locations identified. Both customers, residents and their families and carers were invited to attend these sessions
- 1:1 meetings were offered with families and carers
- Meetings with staff members
- A focus group with members of the Council's Diversity forum
- A survey for stakeholders and the general public to complete
- An Equalities Impact Assessment
- Open meetings and interviews

- Focus Group with Diversity Forum Members

A small project group was established to undertake the customer facing consultation work which took place at each of the establishments. A topic guide was developed to help guide conversations which took place as either 1:1 face to face interviews or a less structured way with small groups. Conversations with customers of Inspire and Aspect Day Centres, due to the capacity of respondents to participate in the consultation were undertaken by proxy by staff experienced in working with individuals with communication barriers. Families and Carers were also invited to attend sessions at the site and at other times and venues should they prefer it.

The meetings took place in two waves, the first between 08 March 2016 and 29 March 2016 the second, focusing on those missed in the initial round of meetings during the week of 23 May 2016.

4.3 Findings from the survey for the general public and stakeholders

In order to capture feedback from the general public and stakeholder organisations a survey was developed. An independent research company called Enventure Research was contracted to undertake this aspect of the research on the Council's behalf. The survey was hosted online and was promoted by the Council. In addition to the online survey, paper copies of the questionnaire were also distributed to Council venues across the city. These were provided with pre-paid envelopes for respondents to return their completed questionnaires back to Enventure Research.

The survey was live from 23 March 2016 to 6 June 2016. In this time, **71** responses were received. A total of 40 responses (56%) were received online and 31 (44%) responses were received in paper format. The headline feedback from the survey in relation to **care homes is:**

- Support for Derby City Council's proposal is evenly split (41% supporting, 44% not supporting/strongly rejecting)
- Respondents want standards to be set by Derby City Council and maintained by the private service providers
- There was concern that standards may decline as private sector organisations pursue profits
- There was mistrust in the private sector
- Respondents were concerned that costs could increase
- Having a high quality environment and keeping all Care Homes open were the top two important factors for respondents

In relation to **day centres:**

- There was less support for Derby City Council's proposal (38% supporting, 51% not supporting/rejecting)
- Respondents were concerned about falling standards as private companies are perceived as being more profit driven
- Keeping all day centres open and having a high quality environment were the most important factors for respondents

Some alternative suggestions were made including respondents suggesting that the Council should save money elsewhere and that social care should be given priority. Also that the Council should explore the opportunities of using volunteers, local

community and social enterprises. Some respondents also suggested that in the future, should an alternative organisation run the services, the Council should ensure staff are well trained so they treat users with compassion and respect. In addition there were general comments that the Council should develop more partnership working with voluntary organisations.

4.4 Findings from direct service user and family / carer consultation

All customers, and family carers where they were known to the Council were contacted and offered an opportunity to engage in the consultation. In total, of the 222 residents and customers affected, 175 were deemed to have capacity to engage with consultation process, and of these 113 were spoken with - this is a response rate of **64.5%** of those deemed able to participate. In addition a further 110 carers and families involved.

The key messages from the residents and day centre service users were:

- they were most concerned about retaining service quality
- they were less concerned around who runs the service
- they commented that existing staff were highly valued.

The family and carers were more concerned about the proposals than residents and service users, in particular they were concerned about future changes in relation to:

- the overall quality of service
- the impact on the retention of existing staff
- whether there would be cost increases in the future
- whether there were plans to close facilities, especially the day centres
- the need to protect “specialist” services.

This group were also concerned that money had been spent on other areas such as the Council House refurbishment and the velodrome.

4.5 Key messages from Diversity Forum focus group

A focus group was held with members of the Council’s Diversity Forums on 19 May 2016. The group felt the most important things to consider when making decisions on the future of our directly provided care homes and day centres were:

1. Continuity of service
2. Managing any transition during changes to the services
3. Getting any tender process, the contracts, contract management and quality assurance right
4. Staff training
5. Ensuring that services are able to stay specialist – that their specialisms are not diluted through any re commissioning of services.

4.6 Potential alternative delivery models and operators.

During the consultation period, a number of local external organisations discussed their ideas for alternative delivery models for the existing services:

Care Homes - four existing private sector care home providers, and one not for profit organisation, all currently operating in Derby, expressed an interest in operating the Council's care homes. They all stated that up to date information about the homes would be needed before they could fully appraise the opportunity that this presented.

Day Centres - eight existing private and not for profit organisations discussed ideas for the day centres during the consultation period. These were wide ranging and including:

- Ideas about taking over the services and redeveloping them in their existing locations
- relocating services into alternative buildings or their own existing facilities elsewhere in Derby
- supporting individuals in a way that did not require the use of building, other than for occasional use.

All organisations stated that they would need to have more detailed information to establish whether the ideas above were viable and affordable. In addition, one proposal has been made from within one of the day centre staff teams about leaving their employment with the Council to support a small number of the service users.

It is therefore proposed that during the soft market testing work, all of these options are explored in more detail to inform the proposals going forward for the facilities.

4.7 Feedback from Staff

In February and March 2016, initial staff consultation meetings were well attended and generated significant engagement. A number of staff felt that as things had not moved on from this point so there was little point in engaging at this stage. Comments from staff who did engage included:

- Many staff have worked for DCC for many years (34 years in one case), many have known only one, professional employer. Changing that arrangement is both concerning and worrying as staff, at this point as they have no idea about who any new provider might be.
- Staff need on-going support and updates on the process
- Concerns about their terms and conditions of employment if TUPE applied should there be a move to a new employer
- Ensuring continuity and improvement of care is important
- Ensuring that DCC find a provider with the right values and commitment
- Concerns about “selling” the homes / day services to the “highest bidder” rather than the best.
- Concerns about the on-going monitoring of service standards from DCC

Some staff attended a meeting as they had expressed an interest in leaving the

Council and supporting existing customers in an alternative way. Staff have been encourage to set out these proposals in writing and that there ideas will be considered seriously during the overall process. The benefit of existing staff being part of the ongoing solution is that they already have the trust and confidence of individuals in their car, and their families.

4.8 Equalities impact assessment

An Equality Impact Assessment EIA has being conducted on the operational aspects of the Council's proposal to seek an alternative delivery model for Council owned care homes and day centres. The latest draft is detailed in Appendix 2. The EIA was drawn up over May and June 2016 by a multi-agency team including Council Officers, Health partners and diversity forum leads. A Diversity Forum workshop took place on the 19 May, with formal meetings of the EIA group taking place on the 15 June to consider firstly the implications as regards Day Centres then a further meeting to consider Care Homes. The summary is also within Appendix 2.

Headline findings and considerations so far include:

- The importance of a continuity of service for residents and customers
- The need to carefully manage and communicate any transition or change in services
- If the proposal is approved the need to ensure the subsequent tender process secures the best possible quality assured outcomes for our residents and customers
- That current and future staff are trained appropriately
- That the current services remain specialist targeted services

Overall current feelings of the EIA team are that the proposal will have “no impact” on the 10 protected characteristics (equality groups). No negative impact on our equality groups has been highlighted, and they did not identify any potential for discrimination or negative impact and that all opportunities to advance equality have been taken. If however the Council decide to approve the idea of an alternative services delivery model then as part of the Equality Action Plan a further EIA should be conducted.

4.9 Soft Market Test

In order to be able to present Cabinet with more detailed proposals for each facility, it is proposed that a soft market testing exercise takes place as detailed in the timeline below. This would need to include details such as :

Care home and day centre addresses, floor plans and valuations
Current occupancy levels
running costs / average outgoings
HR – Staffing information summary and current shift patterns
Information regarding maintenance expenditure
For each service an anonymised resident Profile Breakdown
CQC reports

Interested parties would need to sign a confidentiality/ disclosure notice should they wish to partake in the exercise.

Action	Dates
Preparations: Soft Market test information pack collated, including property valuations and up to date maintenance/building surveys Legal work	1 st – 19 th August
Soft Market test exercise using Source Derbyshire	22 nd August – 30 th September
Feedback analysed and options appraised	October 2016
Report to Cabinet with recommendations	November 2016

OTHER OPTIONS CONSIDERED

- 5.1 *Do nothing* – this option would see the Council continuing to run the care homes in their current condition. This has not been considered viable as despite some immediate remedial works having taken place, the homes still 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 has not been positioned as our preferred option to date 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. The day service market may be able to absorb current service users and through the use of direct payments and this may be one of the options to be considered following the soft market testing exercise.
- 5.3 It is worth noting that during the consultation, a petition was received from carers and service users involved with Morleston Day Centre. The petition was in relation to closing the centre, even though this was not being proposed as part of the consultation. A response was provided to clarify the position and members of the Morleston management committee also had a meeting with the Head of Service to explore their concerns in more detail.

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 Alison Parkin Liz Moore Jonathan Sayer, Principle Asset Surveyor Kirsty Everson, Acting Service Director of Integration & Direct Services Andy Smith, Strategic Director of People
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For more information contact: Background papers:	Kirsty Everson 01332 642743; kirsty.everson@derby.gov.uk None
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List of appendices:	Appendix 1 – Implications Appendix 2 – Consultation report, including Equalities Impact Assessment
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IMPLICATIONS

Financial and Value for Money

- 1.1 The soft market testing exercise will need to provide up to date financial information to provide prospective organisations with clear information to help them establish whether the services are of interest to them. This must include full running costs of the centres as well as an indication of the ongoing revenue the Council intends to make available for use service users with eligible social care needs.
- 1.2 Detailed financial analysis will be required as part of the appraisal at the end of the soft market test.

Legal

- 2.1 A confidentiality/ disclosure agreement will need to be established to protect the Council's interests in the future during the soft market test. This will be the basis on which organisations can participate in the soft market test, without prejudice. Whatever outcome is considered going forward, there may be a requirement to conduct further consultation before Cabinet reach a final decision given that there may be vulnerable people affected by the decision.

Personnel

- 3.1 Staff affected by these proposals have been given full opportunity to feed their views into the consultation process. Should a decision be taken to secure an alternative owner for the homes, it may be that TUPE could apply and up to date employee information will need to be gathered before any procurement activity took place. Should TUPE apply, appropriate consultation will take place with staff representatives.

IT

- 4.1 No specific implications

Equalities Impact

- 5.1 A comprehensive equalities impact assessment has been completed as part of the consultation and this will need to be kept dynamic and live as further proposals emerge.

Health and Safety

- 6.1 The care homes and day centres continue to 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 Council care homes and day centres is subject to a maintenance requirement to the order of £5 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.