



DERBY CITY COUNCIL

Council Cabinet
23 November 2010

Report of the Strategic Director of Adults,
Health and Housing

ITEM 14

Council care homes for older people

SUMMARY

- 1.1 This report amends the recommendations of the care home review submitted to Council Cabinet on 17 March 2009, 27 October 2009 and 16 February 2010. This reflects local and national developments over the intervening time.
- 1.2 The report focuses on expediting Extra Care Housing development as an essential local alternative to care home provision. The report also recommends a different approach to meeting dementia-related needs. A key driver within this report is the need, in view of the extremely limited availability of capital, to prioritise investment in the development of Extra Care Housing over the remodelling of aged Council-run care homes.
- 1.3 The report re-emphasises findings that Derby is over-supplied in terms of care home places and recommends consultation on the closure of two care homes, while demonstrating that this will still leave available places to meet local demand.

RECOMMENDATIONS

- 2.1 To continue the planning of Extra Care Housing development in Mackworth (to replace Arthur Neal House), Mickleover (to replace Bramblebrook House subject to future consultation) and Normanton (to replace Coleridge House subject to future consultation).
- 2.2 To provide extra resources from the Council's capital programme to support the development of Extra Care Housing by diverting funding previously earmarked for dementia care.
- 2.3 To adapt the Council's approach to Extra Care Housing to increase the emphasis on supporting people with high needs who might otherwise have needed to be in residential care.
- 2.4 To focus actions to extend and improve dementia care upon independent sector care homes instead of developing Council-run dementia care homes at Warwick House and Perth House.
- 2.5 To shift the proposed future location of dedicated intermediate care from Arboretum House to Perth House.

- 2.6 To consult on the closures of Warwick House and Merrill House, with a timescale for both to be closed subject to the outcome of consultation by September 2011.
- 2.7 To carry out further appraisal on Arboretum House and Raynesway View to determine future options.

REASONS FOR RECOMMENDATIONS

- 3.1 The development of Extra Care Housing (ECH) is a strategic priority of the Council after feedback from local older people that they would like these services to be available across the city. The schemes identified in recommendation 2.1 above were approved by Council Cabinet as part of the previous care home review work carried out in 2008-10. These developments will enable modern Extra Care Housing facilities for older people to be put in place in three more areas of the city (to join the small schemes already in place in Alvaston and Darley wards). The ECH schemes will effectively replace the Council-run care homes in those parts of the city. The rationale for this is provided in the Supporting Information section below.
- 3.2 ECH schemes with a high proportion of flats for rent require support from external grants because they cannot provide enough revenue from sales. The Home and Communities Agency (formerly the Housing Corporation) has historically provided significant funding to ECH schemes but does not have the resources to continue with this. This has caused delay in the schemes identified above and creates increased onus on Council capital funding to address the shortfall.
- 3.3 The two existing Extra Care Housing schemes in Derby have been developed on the "thirds" principle where only 1 in 3 residents have high-level needs. Evidence collated by the Department of Health (page 31 http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_107596) suggests this does not maximise value-for-money, and that much more cost-effectiveness can be obtained by focusing all Extra Care Housing on people with high needs, many of whom might otherwise have needed to move to a care home. In the current financial climate especially, Derby cannot afford to continue the thirds model on all but the largest schemes.
- 3.4 The refocusing of Council capital on Extra Care Housing rather than dementia care means that there will not be funding available to deliver the dementia care developments proposed by the previous care home review on the sites of Warwick House and Perth House.
 - 3.4.1 This is a matter of prioritising brand new Extra Care Housing facilities over the adaptation of current Council care homes which are limited in their effectiveness and sustainability by the shell of the existing 40 year old building.
 - 3.4.2 The great majority of older people with dementia are already placed by the Council in independent sector care homes with frequently more modern design standards and the same regulatory regime as the Council's establishments. It is proposed to further increase the dementia focus of the independent sector by issuing of a Council dementia specification linked to specific fee rates.

3.4.3 Independent sector care home providers have shown considerable recent appetite to deliver dementia care in Derby, with two new build nursing homes built in 2010 alone. This has created significant capacity in the nursing home market, and also an opportunity to discuss with existing providers how they can meet dementia needs in the residential home sector.

- 3.5 The care home review previously identified Arboretum House as the best location for a dedicated Intermediate Care and short-term care resource. This was in view of the close proximity to the planned positioning of diagnostic and therapeutic facilities for older people on part of the Derbyshire Royal Infirmary site. However, more recent developments indicate that many of these facilities are now more likely to remain in the Royal Derby Hospital. In view of this Perth House is a more appropriate location for dedicated Intermediate Care. This is because of its recent history in providing intermediate care, the adaptation it has already undergone, and the investment received from Derwent New Deal. Arboretum House has none of these advantages.
- 3.6 The care home review evidenced a residential care over-supply of in Derby of 78 beds by the end of 2010-11. This over-supply has been created by the development of alternatives like Extra Care Housing and the improvement of community care so people can be supported at home for longer. The total combined bed capacity of Warwick House and Merrill House is 68 beds. Further information about why Warwick House and Merrill House have been selected for consultation on closure is provided in the Supporting Information section.
- 3.7 Extra Care Housing or equivalent services that replace Arboretum House and Raynesway View need to be commissioned over time for the same reasons as other Council care homes. Also as with other Council care homes dealt with in this report, any future proposals on Arboretum House or Raynesway View will need to be coordinated with developments in the surrounding area, so that local older people and their families always have an appropriate choice of care and accommodation options.

SUPPORTING INFORMATION

4.0 Immediate implications for Council-run care homes

- 4.1 The analysis provided to Council Cabinet as part of previous care home review work can be found within item 20 and appendices on <http://cmis.derby.gov.uk/CMISWebPublic/Meeting.aspx?meetingID=1678> . Extensive consultation and investigation at that time showed that:
1. There was considerable appetite amongst local older people for the Council to develop alternatives to traditional care homes such as Extra Care Housing.
 2. Derby has a higher use of care home placements than many other authorities, but residential care placements are decreasing (projected to continue to at least 2014/15) because of more focused support at home as well as the development of alternative services.
 3. There is significant and stable independent sector care home supply, with similar overall levels of quality to Council homes and a generally lower unit cost.

4. Derby's number of Council-owned care home places is almost three times higher than the average of 28 Local Authorities surveyed by Essex County Council.
5. The major issue for the future viability of Council-run care homes is their physical design, built to accommodate far more able populations of older people than currently, when residential care is most habitually accessed as a "last resort" by people who are extremely frail and vulnerable.

4.2 All of the above factors still apply. The current budget challenges being faced by the Council create even more of an urgent imperative to ensure that Council-run care homes are delivering value for money in terms of meeting local need.

4.3 The table below, adapted from the care home review analysis, illustrates that 78 residential care home places (not including nursing homes) will be surplus to requirements in Derby at the end of this financial year. This number is calculated by subtracting reductions in the number of placements made by the Council along with replacement activity (chiefly development of Extra Care Housing and new care home developments in the independent sector) from the care home bed base.

1	2	3	4	5
Year	Residential places at start of year	Change in Council-funded places	Replacement by other facilities	Places needed at end of year
2008-09	762	-12	-20	730
2009-10	730	-10	-26	694
2010-11	694	-7	-3	684

4.4 Arthur Neal House was closed in the autumn of 2008, resulting in the loss of 25 beds. However, consistent with Recommendation 2.3 above, it is proposed to change the focus of the Extra Care Housing scheme at Handyside Court in Alvaston so it becomes entirely dedicated to supporting people with residential care needs. This will bring oversupply back up to a level of 78 beds.

4.5 The closure of **Warwick House** (loss of 28 beds) is recommended subject to consultation as a primary means of addressing this oversupply for the following reasons:

1. The existing Intermediate Care function at Warwick House (six beds known as the "Cherry Tree Unit") can very straightforwardly be transferred to Perth House.
2. Warwick House is in the South West of the city, which has the second highest supply of care home places in Derby (after central wards).
3. The care home has for some time been primarily focused on short-term care as well as Intermediate care. This means there are only eight long-term residents. Although there are other older people accustomed to using the home periodically for respite, the low number of long-term residents minimises the number of older people significantly affected by closure.

- 4.6 The closure of **Merrill House** (loss of 40 beds) is also recommended subject to consultation to address this oversupply for the reasons below:
1. The refocusing of Extra Care Housing at Handyside Court on high level needs will directly impact upon Merrill House because of its relatively close proximity.
 2. Merrill House is in the South East of the city, where again there is an above-average supply of care home places.
 3. Merrill House does not provide any day services or supporting other specialist functions.
- 4.7 The key aspects of consultation are provided in Appendix 1 (paragraph 2.1). No decision to close either Merrill or Warwick House will be taken unless these guidelines are followed. The proposal to close a care home is obviously extremely emotive for care home residents, family members and staff so it is of the utmost importance that the consultation process is managed accessibly, sensitively and transparently.
- 4.8 A schedule for these potential closures is provided below. These timescales are sufficient in terms of ensuring there are available places for existing care home residents to move to. The total loss of beds (68) can be seen as within the projected oversupply (78).

Event	Date
Cabinet decision on approval of separate consultations to close Merrill House and Warwick House	November 2010
Commencement of separate consultations on closures of Merrill House and Warwick House, to run simultaneously	November 2010
Cabinet decision on outcomes of separate consultations to close Merrill House and Warwick House	March 2011
Earliest closure date for Merrill House and Warwick House dependent on Cabinet approval above	September 2011

5.0 Medium-term implications for Council-run care homes

- 5.1 The remaining Council care homes, with the exception of Perth House, will also need to be replaced over time for the reasons outlined in 4.1 above. The factors that will determine the speed and order of this replacement will be:
1. The development of Extra Care Housing, with particular reference to Bramblebrook House and Coleridge House
 2. The outcome of discussions with independent sector providers about converting the significant oversupply of nursing home places into residential care capacity (see below)
 3. The impact of whole system prevention work in Intermediate Care, Enablement home care, Falls Prevention, Assistive Technology and early support for Dementia. If this work proceeds as envisaged, it will further decrease care home demand.
- 5.2 Vacancies in independent sector residential homes have remained at a very similar level since the care home review was carried out in 2008, with a range of 13 to 19 beds being available on any given week in 2010. Nursing home vacancies look to have significantly increased since 2008, with upwards of 60 vacant beds on any one week in 2010. This emphasises the general oversupply that exists in Derby.

- 5.3 The high level of Nursing Home vacancies create a significant possible opportunity to increase Derby's residential care bed-base and lessen reliance on Council-run homes that are out-dated in terms of design. However, further exploration with independent sector providers is needed to understand the full potential of this.
- 5.4 The proposed chronology for determining the medium-term future of the remaining Council care homes is set out below.

Event	Date
Confirmation of Extra Care Housing funding within Council Capital Programme	December 2010
Establishment of nursing home potential to increase residential care supply	February 2011
Establishment of Extra Care Housing potential within new HCA bidding round	April 2011

OTHER OPTIONS CONSIDERED

- 6.1 Doing nothing would fail to address the oversupply of care home places and the undersupply of Extra Care Housing and other modern alternatives being requested by local older people.
- 6.2 Seeking to close more than two care homes over the next calendar year would risk remaining care home capacity being insufficient to meet demand. Further care home closures should continue to be managed consistently with the availability of the supply of modern alternatives to residential care.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	Stuart Leslie David Enticott Karen Jewell Sally Curtis
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For more information contact: Background papers: List of appendices:	Name Phil Holmes, tel: 01332 255853 e-mail phil.holmes@derby.gov.uk None Appendix 1 – Implications
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IMPLICATIONS

Financial

- 1.1 Closure of the first two homes is likely to result in a new saving to the Council of around £300,000 and avoidance of future capital investment requirements to maintain homes to an appropriate standard. Future capital receipts might also be possible which could be reinvested into Extra Care provision if resources allow. The overall capital strategy has been realigned to help to deliver additional extra care provision within the city rather than replacing the Council's residential provision which is duplicating the independent sector. As a result, it is anticipated that the balance between residential care and extra care will better reflect the longer term needs of older people in the City.
- 1.2 Future closures are likely to be driven by further reductions in demand and increases in the availability of alternative provision like Extra Care Housing over time. Council run homes are more expensive than independent sector homes and are not fully occupied. Moving provision away from current Council run care homes to Extra Care provision will increase value for money for the Council while still maintaining an adequate supply of care home places and giving more choice to local older people.

Legal

- 2.1 There is a requirement to consult properly on any proposal to close a care home. The Court of Appeal identified four requirements
 - consultation must be at a stage when proposals are still at a formative stage
 - the proposer must give sufficient reasons for the proposal so as to 'permit intelligent consideration and response'
 - 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 A health service circular (1998/048) provides checklists of steps to be taken during the closure process. There should be a "project plan", flexible enough to adapt to changing circumstances. The local authority should set up a steering group to see the project through with a project manager, a service user transfer co-ordinator, and a key worker who works at the home that is to be closed. The key worker should know the service user and their needs and liaise with them, their relatives or carers and the staff at the place it is proposed that the service user is transferred to. Contingency plans must be prepared for all aspects of the project and information shared between all parties. A named staff member should be authorised to postpone or cancel the transfer of the service user should this become necessary.

Personnel

- 3.1 Council staff affected by any proposals relating to individual homes will be invited to fully participate in the consultation about the future of that home.

Equalities Impact

- 4.1 Each Extra Care Housing Scheme will be designed to serve the local community and reflect local diversity.

Health and Safety

- 5.1 No impact identified.

Carbon commitment

- 6.1 The progressive replacement of Council care homes with more modern alternatives is likely to have a positive impact on the Council's carbon commitment.

Value for money

- 7.1 Extra Care Housing has been demonstrated nationally to support older people with residential care needs in a more dignified way while increasing value for money to the Council by incorporating external funding and increasing the focus on independence.

Corporate objectives and priorities for change

- 8.1 HC1: To increase choice and control to support independence.
HC2: To increase the range and quality of regulated and non-regulated adults social care services
- 8.2 COD2: To deliver value for money across all services