

SECTION ONE



meeting	CABINET COMMITTEE TO REVIEW THE STRATEGIC DIRECTION FOR COUNCIL RESIDENTIAL HOMES FOR OLDER PEOPLE AND FOR EXTRA CARE SERVICES
date	3 rd September 2007

REPORT OF THE DEPUTY LEADER

INFORMATION CONSIDERED, CONCLUSIONS AND PROPOSED RECOMMENDATIONS OF THE CABINET COMMITTEE –

EXECUTIVE SUMMARY

1. Purpose of the Report and Recommendations

- 1.1 The purpose of the report is to provide a summary of the information considered by the Committee, the comments received in consultation and to draw conclusions and make recommendations to the members of the Committee.
- 1.2 Fuller detail on these matters is contained within the main report.

It is RECOMMENDED that:

Members of the Cabinet Committee agree the following recommendations and that these are then referred on to Cabinet on September 19th 2007 for approval:

- (a) That the Cabinet should agree a new strategic direction for the provision of care homes and extra care services for older people. This strategic direction is recognised as needing at least five years for full implementation. The strategic direction will involve the following recommendations.
- (b) That the County Council should continue to provide residential care for older people from one care home in each District, and two in Newark and Sherwood in recognition of the exceptional circumstances in that District. The homes which will continue to provide care will be Westwood in Worksop, Maun View in Mansfield, Jubilee Court in Hucknall, Woods Court in Newark,

Bishops Court in Boughton, Braywood Gardens in Carlton, Bramwell in Chilwell and Leawood Manor in Edwalton.

- (c) That the remaining care homes should be considered for closure, subject to a formal consultation process. The homes which should be considered for closure and subject to a consultation process are St Michael's View in Retford, James Hince Court in Carlton-in-Lindrick, Daleside in Mansfield, Kirklands in Kirkby-in-Ashfield, Ashcroft in Sutton-in-Ashfield, Leivers Court in Arnold and Beauvale Court in Eastwood.
- (d) Where homes are closed, the land should be sold if the council has no further use for it and the resulting capital receipts should be used to provide community-based services, particularly day services and the development of extra care.
- (e) That the homes which are retained should be called Care and Support Centres and should normally provide the following services - emergency care, assessment, reablement, intermediate care, short-term care, breaks for carers, long-term care for people with complex conditions including mental health needs, and day services.
- (f) That a detailed strategy for day services in Adult Social Care and Health should be completed and presented to Cabinet for approval. This will be built on the understanding that the requirements from day services are changing and will continue to change with the further development of self directed care. It will take account of the principles and options listed in this report.
- (g) That discussions should continue with the Nottinghamshire Teaching Primary Care Trust, the Bassetlaw Primary Care Trust and the Nottinghamshire Healthcare Trust with a view to determining how those services which are currently jointly provided within Council care homes should be provided in the future and how joint arrangements should develop in the light of these recommendations.
- (h) That a programme of extra care development should be undertaken in the county, in partnership with District Councils and the Supporting People Commissioning Body and specialist developers who will be selected by tender processes. The aim of this should be to develop at least an additional 150 extra care places which are alternatives to residential care. Initial expressions of interest should be sought from potential partners in the development of this programme across Nottinghamshire, which will be followed by a detailed procurement process.

- (i) That the power to authorise decisions resulting from the extra care procurement process should be delegated to the Cabinet Members for Adult Services and Health and Finance and Property.
- (j) That the Strategic Director of Adult Social Care and Health and the Strategic Director of Resources should bring a report with a detailed implementation plan to Cabinet following the consultation process. This should include the staffing requirements for retained homes, the revenue savings which will be delivered, and the capital implications of this programme of change.

2. The Work of the Cabinet Committee

- 2.1 This Cabinet Committee was established by Cabinet on 7th March 2007 with detailed Terms of Reference. It was asked to consider options and make recommendations to Cabinet for the future strategic direction for the County Council's residential homes for older people, incorporating the development of extra care services.
- 2.2 The Cabinet Committee has been chaired by the Deputy Leader, with two other voting members from Cabinet and 5 non voting, cross-party members. Several other organisations have been invited to attend meetings and have made valuable contributions, as well as members of the public. Comments on the issues before the Committee have been widely sought including from the homes affected.
- 2.3 This report is presented to the fourth meeting of the Committee, although the third meeting was informal as it was inquorate.

3. Current strategic direction of the Council for the provision of care homes

- 3.1 A major review was undertaken in 1998 which led to a strategy for the replacement of homes which were not viable in the longer term by a series of new build homes with day services. As a result of that strategy, between August 1998 and 2005, 15 homes were closed. They were replaced by 5 new build homes with 60 beds and day services in Mansfield, Worksop, Gedling, Hucknall and Chilwell, and supported housing with extra care, day services and short-term care in Southwell, in partnership with the Anchor Trust.
- 3.2 A Working Group of Councillors met in 2003/04 and took the view that there should be a shift from a primarily residential care focussed approach and that the next phase of development should involve 'mixed care', a local concept which brought together residential care, supported housing with extra care, and day services, with strong community facilities and links. This led to the closure of two older homes in Rushcliffe and replacement by a 32 bed care home with day services, and supported

housing with extra care, developed in partnership with Rushcliffe Homes, now part of 'Spirita'. It was also agreed that priority should next be given to new developments in Ashfield and Mansfield, with the replacement of 3 existing homes. The council is currently working to create a large extra care development for these Districts.

4. Summary of current residential and extra care provision in the county

- 4.1 The council now has 15 directly provided care homes for older people which have 675 beds, providing long-term care (for approximately 450 residents) and intermediate and short-term care. Additionally there are some 2,000 day services places altogether across the seven days of the week on these premises. Overall in the county, the independent sector have approximately 5,990 residential or nursing beds for older people, where some 2,550 people are funded by the local authority for long-term care. Occupancy in the council homes and the independent sector runs at around 90%, with some significant variations. The council currently funds 134 extra care places, concentrated in the districts of Bassetlaw, Newark and Sherwood and Rushcliffe.

5. Options for the future

- 5.1 At its first meeting, the Committee decided to consider three broad options:
1. Stay as now
 2. Withdraw from providing – there are different ways in which this could be achieved, with different consequences
 3. Retain a strategic share in the market and reinvest some savings in to extra care.
- 5.2 Information presented and discussions in the committee considered these options and have led to the recommendations of this report.

6. Information considered

- 6.1 The Committee has been presented with information about the following, which are detailed in the report:
- The overall direction for older people's services, as indicated in the County Council's Strategic Plan 2006–2010 - 'All Together Better', the Adult Social Care and Health Commissioning Strategy, the Countywide Strategy 'Opportunity Age in Nottinghamshire' - Ageing for the Future in Nottinghamshire, and the Supporting People 5 year Strategy.

- The responsibilities of the local authority and relevant service provision, including relevant statutory responsibilities and the funding and charging framework.
- The national context, including the expectations in the recent White Paper, 'Our Health, Our Care, Our Say'.
- The local context. This includes information about the demographic trends of an ageing population, the budget for older people and unit costs – demonstrating the gap between the unit cost of care in a council home and care in an independent sector home, and Nottinghamshire's performance on key indicators set against comparators. These show that Nottinghamshire has relatively high levels of residential admission but is behind many comparator authorities in the amount of its community-based services for older people.
- Residential strategies. This includes information about extra care and care home provision in the county. In care homes there is a range of provision and occupancy. Trends show a steady reduction in the number of older people funded by the council in care homes, with an increase in community based services. The council's homes generally provide a much wider range of services than independent sector providers, including being the main providers of day care and of care home based intermediate care, where again, there are some variations in service across the county. A recent local study is quoted which identifies good practice in the region to use care homes to support people in staying at home.
- The statutory framework and nature and costs of maintaining current council care home provision. This looks at the standards for care homes and the costs of maintaining the older current council homes. These homes have relatively small rooms, falling short of modern requirements and there is an estimated maintenance cost of £1.4 million over the next 5 years. The land values and proximity of other care homes are given and the impact of any closures on day services is highlighted.
- Costs and Income, including detail on the operating budget, unit costs and the potential impact of the current Job Evaluation exercise.
- The relative financial context for extra care and residential care, which explains the very significant variations in impact for service users and for the council of the different national frameworks for charging adults in care homes and receiving community-based care services.
- The 2007/08 to 2010/11 Capital Programme provision for development, which already contains £4.3 million for 'mixed care' developments.

7. **Detailed consideration of the 3 options**

- 7.1 The committee was provided with information which amplified the nature of the 3 options and then considered each of the options in turn against common headings. In summary this comparison identified as follows:

Issue	Option 1 Stay as Now	Option 2 Withdraw from Providing	Option 3 Retain a Strategic Share and Develop Extra Care
Impact for Service Users	Continuity of council as a provider. Some disruption in future if homes were replaced.	Some homes would be closed and residents would have no choice of moving to a local authority home. There would be uncertainty while other homes were transferred. New providers may provide a better or a worse service. There would be no choice of a local authority home in future.	Some homes would be closed and long term residents would most likely move to independent sector care homes. Over time there would be less capacity and choice of local authority care homes for long term care. Improved assessment and reablement services would increase potential to remain independent, and extra care would increase choice of such services for independence.
Consistent with the Council's strategic plan?	No	Yes in strengthening community based care and providing more choice of the range of services. But it would remove the choice of a council home.	Yes in strengthening community based care and providing more choice of the range of services. But it would reduce the choice of a council home on a long term basis.
Legal implications	None	Need to consult on proposals for each home before reaching decisions. Need either to tender for other providers, or if setting up a new arms length provider, to ensure this was done within legal parameters.	Need to consult on proposals for each home before reaching decisions. Any formal partnership which might be developed with PCT provider services would need to be within legal frameworks.
Financial implications	Long term high cost commitment required for maintenance and rebuilding. No savings on revenue costs. No capital release for community based services.	Closure of homes judged non-viable would bring some capital receipts and revenue which could be used for lower cost providers or investment in new services such as extra care. Unit costs for residential care would reduce. Market rates for care services could increase further as a result of there being no local authority presence. TUPE would limit the savings in revenue costs through any transferred provider. Significant transitional and redundancy	Closure of homes judged non-viable would bring some capital receipts and revenue which could be used for lower cost providers or investment in new services such as extra care. Unit costs for residential care would reduce. Risks in extra care development arising from the charging framework and the financial circumstances of residents and the need for Supporting People and capital funding. Staffing increases for retained homes

Issue	Option 1 Stay as Now	Option 2 Withdraw from Providing	Option 3 Retain a Strategic Share and Develop Extra Care
		costs.	which should be balanced by reduced long term care costs. Significant transitional and redundancy costs.
Performance implications	Not good – no shift of balance from residential care, no increase of numbers helped to live at home.	If savings used for this, significant increases in care at home and improved balance against residential care. Increased extra care provision.	If savings used for this, significant increases in care at home and improved balance against residential care. Increased extra care provision.
Workforce implications	Sustains the current workforce	Some staff may be able to be redeployed, but most staff would either be made redundant from closing homes or transferred under TUPE to new providers.	Some staff may be able to be redeployed, but many staff would be likely to be made redundant from closing homes. Training requirements for staff in retained homes. Opportunities for care staff in extra care settings.
Major risks	Would require increased funding for this service, while not improving on performance measures. Could be reversed in future. Retains controversial unit cost differential with other providers. May increase significantly following Job Evaluation. Reduced numbers in care homes could reduce occupancy.	Reduction of numbers of available beds. Loss of the guaranteed capacity and flexibility which council services provide. Tensions with other providers and the council if an ‘arms length’ provider created. Impact of closures on residents, carers and staff. Reduced public confidence in the council once not a provider. Day care and specialist services from closed homes need to be reprovided - ? by the council or others? Major change programme required.	Reduction of numbers of available beds. Reduction of the guaranteed capacity and flexibility which council services provide. Staff costs may increase significantly following Job Evaluation. Cost increases in staffing at specialised retained homes reduce funding for extra care developments. Lack of engagement from PCT in developing integrated reablement services. Pressure on users and carers where retained homes are not local. Recruitment and retention of staff. Financial risks arising from charging framework. Major change programme required.

7.2 This was supplemented by a detailed 'desk top' examination of the revenue and capital implications of each of the options, which concluded:

- The **Stay as Now** option may require some £33.3 million of capital investment and would produce no revenue savings on the baseline budget.
- The **Withdrawal** option offers the potential to realise significant capital receipts that would finance the provision of day care facilities and enable the Council to provide extra care within current resources. Were external funds from developers to be secured, this option might provide funding for other priorities. In revenue terms, once fully implemented this option could save some £1.81 million, but at the risk of incurring significant transitional costs with regard to reshaping the workforce.
- The **Strategic Share** option also offers potential revenue savings of some £1.81 million per year, and greater control over the timing and amount of any transitional costs. It does, however, realistically rely on enough land to allow for developers to fund the extra care units through private sales or a capital contribution from the Council of some £26.6 million towards the cost of the scheme.

7.3 Consideration was also given to the implications of transfers to the 'not for profit sector'.

8. The impact of any change process on specific services and issues arising

8.1 The committee considered detailed information about the impact of potential changes on services in each district of the county and on specific services. These were long-term residential care, short-term care and breaks for carers, specialist mental health services and day services, recognising that potential change would have a significant impact on each of these, requiring a range of solutions and partnerships to ensure that appropriate services were in place.

9. Change management, transitions costs and timescales for change

9.1 It was recognised that a programme of major change would require at least five years to complete, that the impact on service users, carers and staff could not be underestimated, and that there would be necessary transitions costs to fund.

10. Charging

- 10.1 The financial information considered by the committee highlighted the effect of the different national frameworks and the impact of the local discretion on levels of charging for community-based services.

11. Consultation

- 11.1 Although there has not been formal consultation as part of the committee's work, information has been widely publicised and comments have been sought through various channels. These have valued the quality of care in council care homes, and there has been particularly strong representation in favour of retaining Woods Court, stimulated by local media comments. There have also been several comments highlighting the importance of developing extra care services and of services in care homes which support people in their own homes, such as intermediate care and respite breaks.

12. Conclusions

- 12.1 The following conclusions have been drawn from the work of the committee and have informed the recommendations.
- 12.2 The work of the Cabinet Committee has reinforced the critical importance of care services for older people. Any decisions made have a crucial impact on the lives of very vulnerable people, now and in the future. Committee members have heard first hand the understandable passions and anxieties which older people feel about the services that are available and the impact of change.
- 12.3 It has also been clear how far the world has changed since the last major review of care homes for older people in 1998. Government expectations, local strategies and the voices of local older people reinforce independence and being supported to stay as independent as possible. Quality, effectiveness and reliability of care matter more to older people than who provides it. The council is subject to appropriate public scrutiny on performance and value for money with the public purse. Being a substantial provider of long-term care at a much more expensive unit cost is a difficult position to justify.
- 12.4 The consultation has shown how well the council's services are regarded. There have been no arguments from service users or carers that any existing services should cease.
- 12.5 Nevertheless, it is a necessity that the council continues to review the services it provides and looks to modernise them where there are indications that change is necessary.
- 12.6 In considering the context and options, some things stand out.

- We have an increasing number of older people and we need to ensure that services continue to develop to meet their needs.
- Where possible, older people should be supported at home; services should be geared to assessing how best to achieve this for each person, on a multi-agency basis, where possible, and we should continue to develop a range of services to support people at home. Care homes can be the ideal setting to undertake that assessment for some people.
- Extra care is a very important part in any range of services and in several districts in the county, there is none. Recent developments in extra care, such as at Leawood Manor in Edwalton, show what a good alternative to residential care it can be. Cabinet has already committed to extra care as part of the future development of services, as evidenced in these examples and the potential extra care development in Ashfield and Mansfield.
- Nottinghamshire still has relatively high levels of older people funded in care homes, and relatively low numbers of older people 'helped to live at home' including receiving intensive home care, or 'extra care' services.
- The unit cost for council care home places (£558) is significantly higher than what we pay for purchased independent sector places (£315). The short-term services we provide are one of the factors in this cost, but in best value and value for money terms the long-term care cost difference is not justifiable. At a time when the council is required to continue to make efficiencies in its expenditure, this is an area which ought to be tackled. Job Evaluation may have an upward impact on the cost of council care. The council is also one of the lowest payers to the independent sector, and this is currently being reviewed. This could result in a reduction of the gap, but would need to be funded.
- Options 2 and 3 would both deliver significant revenue savings once the completed strategy was in place. This is an important consideration as the council is always considering how budgets can be used most efficiently. Option 1 requires very high levels of capital investment in the longer term, without changing the balance of service provision. Option 3 also requires significant amounts of capital and/or land investment, but would lead to a transformed and more modern range of service delivery.
- The care provided in our current homes is well regarded for quality, but the older homes are very poor in the size of their rooms against national standards, and longer term maintenance costs. There comes a point in time when it is not sensible to continue to use money to

maintain buildings which are not sustainable in the long-term, and it is better to divert it to new developments.

- We have partnership arrangements with the NHS for intermediate care and for mental health for older people in several homes. In addition, there is a day centre attached to each of the homes and these provide high levels of support across the county. These are generally invaluable services and how they are continued will need to be part of the implementation of change.
- Compared to even some of our local neighbours, we lack a well organised, single minded approach to 'reablement' through our care homes and there is evidence that a well developed approach can both help people to return home and contribute to longer term savings in numbers living in care homes. Developing such an approach with our partners would strengthen the vision, purpose and justifiable cost of our care homes. There would be evident value in planning to stop any council funded long-term admissions to any residential care homes from hospital, and to ensure that assessment and potential for rehabilitation were undertaken in the council's care home first. Staff in the care homes could work closely with the home care initial response service to plan for people's needs and to provide appropriate services, whether that be at home or in extra care or a care home.
- It is evident that there are significant financial gains which could be made if the council were to look to transfer all services to the other providers. However, this would at this stage be creating too many risks to a crucial service and would not allow the council to redevelop particular services in an evolutionary way with our partners.
- Having considered the implications of transferring services to, for example, a not for profit organisation, the benefits did not appear to outweigh the risks.
- The disparities between the charging and subsidy arrangements for residential care and extra care are very stark and would merit further review as part of an implementation plan for the future. There are identified financial risks in shifting away from residential care to more intensive care at home, linked to these very different charging regimes which are in place through the different national frameworks.
- Effective development of extra care services requires strong co-operation with our district council partners and the sound work already in place needs further development with them.
- The funding of extra care schemes requires partners with access to capital funding and the availability of suitable land. The larger the scale of developments, the more cost effective they become.

- No other broad options were suggested to the cabinet committee beyond the original three.

12.7 As a result of all these considerations, Option 3 is the preferred and recommended option for strategic direction of travel.