

Executive Decision Report

**Proposal for the future of the Councils Elderly
Persons Homes and the development of
Intermediate Care Facility**

Date: 7th March 2013

Lead Director: Deb Watson

Useful information

- Ward(s) affected: **All**
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- Report version number: 5.

1. Summary

- 1.1 This report seeks the Executive's steer on the future of the Councils Elderly Persons Homes (EPHs) and the development of an Intermediate Care facility.
- 1.2 The Executive is aware that the demand for residential care is declining, because the requirements of older people are changing.
- 1.3 The provision of community based services, such as supported living, extra care housing, assistive technology, adaptations and home care has meant that older people are able to remain in their own home and live independently for longer.
- 1.4 These changes are reflected in national¹ and local policy and local academic research². The Council's vision for Adult Social Care (ASC)³ also sets the direction of travel, which gives older people greater choice and control, including the support to live independently.
- 1.5 Therefore, the future of the EPH's needs to be considered in the wider context of services' for older people, balancing the needs of a relatively small number of residential service users, compared to the larger number of people needing ASC support. To support the wider agenda for older people, a 'blue print' for the next 25 years needs be developed across the whole Council, and with external partners, to ensure that relevant services are in place as the population grows older.
- 1.6 However, there is also recognition that some specialist residential/nursing care is needed, especially for people with dementia. As the Council cannot provide nursing care, further work is needed to jointly commission and improve the quality and accessibility of dementia care with NHS partners, as part of implementing the LLR Dementia Strategy.
- 1.7 Other key services that enable older people to retain their independence are intermediate care and reablement services. These provide support to prevent hospital admissions and to help people to retain their independence following a period of illness.

¹ Our Health Our Care Our Say (2008), Putting People First concordat (2007), Think Local Act Personal (2010)

² A Qualitative Assessment of the Housing Needs and Aspiration of Older People in Leicestershire - University of Salford May (2010)

³ Vision for Adult Social Care Leicester City Council February 2012

2. Recommendations

2.1 The Executive is asked to:

- a.** Note these proposals have been developed to reflect the changing requirements of older people, including the increased availability of community based services.
- b.** Indicate if the Executive is minded to support any of the proposals for the future of the EPH's, subject to any further due processes, which might be required.
- c.** Agree to commission the development of a cross departmental 'blue print/plan' with partners to identify the service needs for an aging population over the next 25 years. This also needs to be underpinned with academic research.
- d.** Agree for further work to be completed with NHS partners to ensure that appropriate specialist care is available for people with dementia.
- e.** Approve the Intermediate Care and Short Term Care Commissioning Strategy (2013 to 2016), as detailed at Appendix A.
- f.** Agree the development of an Intermediate Care and Short Term Residential Bed facility, as detailed at Appendix B.
- g.** Wherever possible to proactively support the implementation of the Councils Independent Living & Extra Care Strategy to create more supported living options.
- h.** In due course, to consider any new findings that may be identified as part of feedback from residents and their families, particularly following consultation with new residents who have moved into the homes since the original consultation was completed.
- i.** To note that the numbers in the homes proposed for closure have remained consistently low for the last 6 months.

3. Supporting information including options for consideration:

- 3.1** In Leicester there are currently 37,000 people who are over the age of 65 years and 5,300 who are over the age of 85 years (2011 Census). The number of older people is projected to grow significantly by 2016, the number of over 65's will increase by 7% and those over 85 by 5%. Looking further ahead by 2031 the numbers of over 65's will increase by 48% and the number of over 85's by 53%.
- 3.2** Although the population is getting older, people want to remain in their own home with support. Support mechanisms include community based services, such as home care, assistive technology and adaptations.
- 3.3** The development of the Council's Independent Living and Extra Care Strategy (2012-2015), details the type of accommodation that is needed to enable people

to remain independent for longer. For example the Council has recently entered into a partnership arrangement with ASRA Housing Group to develop a 78 bed Extra Care facility at Abbey Mills. The Council will receive 100% nomination rights to 50 flats into perpetuity.

- 3.4** With the population of the city getting older, we cannot plan services purely from an ASC perspective. This is because ASC only supports a small number (4700) of the older people in the city. Other older people in the city will have a range of differing needs, which requires a 'whole systems' approach. Therefore, consideration needs to be given to developing a long term city wide 'blue print/plan' with partners to create a joined up approach. This would include a range of local organisations/services, such as health services, transport, housing, leisure etc.
- 3.5** The development of community support based opportunities reflects both national and local policy, as well as the Vision for Adult Social Care that was endorsed by the Executive in February 2012.
- 3.6** The increase in community based support services and independent living options, correlates with the decline for general residential care. This has affected both occupancy rates in the Council's eight homes and those in the independent sector.
- 3.7** On 25th January 2013 there were 161 permanent residents in the Council's EPH's, out of 282 beds. Generally, older people who go into residential care are frail elderly over the age of 85 years, who will stay for an average of 18 months and likely to need to move onto nursing care, which the Council is 'statute barred' from providing, (i.e. the Council is not allowed by law to provide nursing care).
- 3.8** On 25th January 2013 there were 107 vacant residential older person's places in the independent sector. A significant amount of work has been completed to establish the level of fees payable in the independent residential sector, which shows that the market is buoyant and with new providers developing new homes, such as Beaumont Hall (60 beds), which is additional to 107 vacancies noted above.
- 3.9** All residential homes are regulated by the Care Quality Commissioning (CQC) and monitored against a range of standards. In addition to the CQC monitoring the Council has its own Quality Assessment Framework (QAF) which has been developed in conjunction with the independent residential care home providers to improve the quality across the sector. The QAF does not replace the CQC requirements, but includes more qualitative data. This data will be collated into league tables and can be used by people seeking residential care to determine the quality of care. This provides an incentive for providers to improve their services to attract new clients.
- 3.10** In February 2012, the Executive considered the results of a public consultation exercise carried out in 2011 on the future of the Council's eight EPH's. Following this, the Executive made a public announcement stating that change would be necessary, and this needs to be carefully introduced and planned over the next few years. In the interim the Council would work with residents and their

families, continuing as a direct provider of some residential care until 2015.

3.11 The 2011 public consultation exercise concluded that the majority of residents did not want change. However, if change was necessary most residents would prefer the homes to be sold or leased to an alternative provider/s as a going concern. It should be noted that if individual's needs change and they require nursing care they are supported to move to a nursing home. This will continue to be the case, regardless of the future of the homes, as the EPH's cannot provide nursing care.

3.12 Therefore, the Executive agreed that a 'Soft Market Testing' exercise should be completed to understand what appetite there was from providers in the market place to buy the homes.

3.13 The soft market testing concluded that:

- There is interest in the market in acquiring some, but not all of the homes
- The capability to expand on site is critical to market interest
- The majority of providers prefer a freehold option
- Most providers expressed an interest in no more than one of the Homes
- No interest was expressed in Herrick Lodge, Nuffield House, Elizabeth House and Preston Lodge

3.14 The findings of the soft market testing are detailed at Appendix C.

3.15 A review of the Council's intermediate care service and the use of short term residential beds was completed to determine the future requirements and to understand if the Council's homes could be considered for this type of provision.

The headline conclusions from the review are:

- Intermediate care is crucial to rehabilitating people to maximise independence and preventing people from needing long term residential care
- Short terms beds are essential to providing respite care and providing short term care in times of crisis
- The current provision is fragmented and would benefit from a greater level of consistency, creating a more efficient service
- The provision of intermediate care and short term beds within a long term residential care setting is not a suitable environment for people needing rehabilitative services
- An increase in the city's population and demographic changes mean that

demand for intermediate care services will increase

- The provision of intermediate care and short term beds should be provided via a dedicated facility

3.16 The Intermediate Care and Short Term Residential Care Bed Commissioning Strategy can be found at Appendix A.

3.17 When considering the way forward for the EPHs, incorporating the need for intermediate care and short term residential beds, the following options have been proposed.

Proposed Options

a. No change

The homes do not reflect that people want to live independently with support for as long as possible, as referred to in the ASC vision. In addition, low occupancy rates mean that the homes will continue to offer poor value for money and savings identified as part of the budget strategy would not be achieved. All eight homes were constructed approximately forty years ago and are now of an age where building related issues are inevitable. Continuing to run the homes would require substantial capital investment in terms of maintenance and modernisation. Current residents have said that they value the quality of care they receive more than the building they live in, but the expectations of future generations will be different. For example the sharing of bathrooms is unlikely to be acceptable in future. New provision comes with en-suite bathrooms as standard in line with customer expectations for greater privacy and the more recent CQC standards applicable to newly registering facilities.

b. Close all of the Homes

This is not immediately feasible as there may not be enough suitable and available vacancies in the independent sector for the 161 permanent residents in the homes. Vacancy levels in the independent market suggest that this could, however be implemented via a phased approach over a period of time. Closing all of the homes in the short term is not in line with the Executive's announcement that change will be carefully introduced and planned over the next few years, with the Council continuing as a direct provider of some residential care until 2015.

c. Sell or lease all of the Homes as going concerns

This is not viable because the soft market testing exercise showed that there is no demand to buy or lease all of the homes. On this basis, an exercise to sell or lease all of them is likely to be unsuccessful. Despite contacting 350 organisations, including twenty five major UK providers of residential care, only eight providers took part in a dialogue with the Council. Their interest was limited and there was no interest in some of the homes.

d. Phased approach

This option has two phases.

- i. Phase 1 - would close three homes in 2013 (Herrick Lodge, Elizabeth

House and Nuffield House). These homes currently have a combined total of 30 permanent residents. No new permanent residents will be accepted into the Homes that are going to be closed.

- ii. Phase 1 - would also seek the sale of two homes as going concerns, (Cooper and Abbey House) commencing in 2013/14. These two homes have 56 residents. The homes to be sold as a going concern will continue to accept new permanent residents.
- iii. Phase 1 - would commence the development of a new intermediate care facility.
- iv. Phase 2 - would be determined after an evaluation of phase 1, but would potentially include the sale of Arbor House and Thurncourt as a going concern and closure of Preston Lodge. Brookside Court would also be closed; as this is already an intermediate care facility and therefore no permanent residents will be affected by the closure. The intermediate care service would transfer to the new intermediate care facility in 2015, if a new facility is developed.

3.18 Appendix D provides an overview of the age profile of the permanent residents at each of the Homes.

3.19 This approach will give us the future flexibility we need and help meet existing residents requirements, as follows:

- Offering homes for sale as going concerns reflects what most residents said they wanted if change has to happen. The soft market testing indicates interest in the homes with more permanent residents. Therefore, it is recommended that Abbey House and Cooper House be sold in phase 1. Consideration be given to the sale of Thurncourt and Arbor House in phase 2, after evaluation of phase 1.
- Herrick Lodge, Elizabeth and Nuffield House would close in 2013. The soft market testing has shown that these homes were not attractive to potential providers and they have low numbers of permanent residents, particularly Herrick Lodge which has only 5. Elizabeth House has 9 residents and Nuffield House has 16. It is therefore recommended that these homes are closed. [Post meeting note - these numbers were as at 25th January 2013. These have now changed as at 2nd April 2013; Herrick Lodge 5 residents, Elizabeth House 12 residents and Nuffield House 13 residents].
- An assessment of the potential conversion of the homes into an intermediate care and short term residential bed facility has shown that none were large enough to convert into a 60 bed facility, or had the land available to extend to meet the required standards for an intermediate care service. Therefore, Appendix B provides an overview of the options to develop a purpose built facility.
- The Council will continue to directly provide services until 2015, in line with the commitment given by the Executive. The phased approach means that

Arbor House, Thurncourt and Preston Lodge would operate until at least 2015. At that time an evaluation of phase 1 would be completed to confirm the options for the remaining 3 homes.

- Residents from homes closing in 2013 could choose to move to a home of their choice, including any of the homes to be offered for sale if they wished to.
- The majority of the residents would not have to move if this option was successfully implemented. These are the residents at Abbey House, Arbor House, Cooper House and Thurncourt.
- A programme of consolidation of the workforce would be co-ordinated over the 3 year programme of closure and sale, to ensure the best fit of skills and vacancies. It is possible that the laws around TUPE transfer may apply in some circumstances and if this is the case then staff would transfer on their existing terms and conditions.
- This option will allow the three homes with the lowest occupancy rates to be closed during 2013 and then disposed of, and for those with the highest occupancy rates to be put up for sale as going concerns in 2013/14 and potentially in late 2015.
- Brookside Court is a dedicated intermediate care facility, and does not have any permanent residents. It has 27 beds, but due to its location cannot be extended further. In the longer term it will also require capital investment.
- Short term mental health respite services currently provided at Nuffield House will be provided in our other homes or the independent sector, until the new intermediate care/short term beds facility is available in 2015.

3.20 The following information provides a summary of the proposed phased option

No. perm Beds	No. of perm res at 25/01/13	Name	Plan	Comment
38	9	Elizabeth House	Close in 2013 with site available for disposal	Low number of long term residents
31	16	Nuffield House	Close in 2013 with site available for disposal	Low numbers of long term residents. Specialist Respite care would be delivered elsewhere
40	5	Herrick Lodge	Close in 2013 with site available for disposal	Low number of long term residents.
29	28	Cooper House	Seek sale as going concern. Procurement to commence 2013, with sale anticipated in 2014/15	Soft Market testing indicates interest

33	28	Abbey House	Seek sale as going concern. Procurement to commence 2013 with sale anticipated in in 2014/15	Soft Market testing indicates interest
Evaluation of Phase 1				
Proposed Phase 2				
No. perm Beds	No. of perm res	Name	Plan	Comment
40	27	Arbor House	Consider sale as going concern, late 2015	Soft Market testing indicates interest
38	31	Thurncourt	Consider sale as going concern, late 2015	Soft Market testing indicates interest
27	N/A Intermediate Care facility	Brookside Court	Will close when the new intermediate care facility opens	Intermediate care would be provided from one facility
40	17	Preston Lodge	Transfer intermediate care provision to new facility and consider options, including closure	Intermediate care would be provided from one facility.
N/A	N/A	Abbey Mills	New 78 Extra Care facility will open in September 2014	LCC will have nomination rights to 50 beds
N/A	N/A	New Intermediate Care facility	New 60 bed facility will open in 2015	Will replace current fragmented service, including Brookside Court

Further Implications of a phased approach

- 3.21** This option means that some residents would have to be supported to find other placements and to move from their existing home.
- 3.22** In 2013, based on current residency, 30 residents would need to move, and it is understandable that residents and their families would be worried about this change. However, staff are experienced in assisting older people to move to alternative accommodation and will ensure the good practice guidance produced by the University of Birmingham 'Achieving Closure' is implemented.
- 3.23** Every resident affected would be offered an individual approach to transition, ensuring their wishes on alternative provision were paramount in the change process. There would also be assurances provided via the approach to sale for the continued provision of services and cost of services to those residents that would transfer to a new provider.
- 3.24** The position for Preston Lodge would be confirmed after evaluation. It is recommended that Preston Lodge continue to take new residents until a decision is made and that permanent admissions cease in any of the homes approved for closure in 2013 to minimise the impact on resident moves.

- 3.25** There is also some impact on the workforce with phased approach. The closure of Herrick Lodge, Elizabeth House and Nuffield House in 2013 would place 56.56 (77 Headcount) full time equivalent staff at risk. This would be mitigated by offering relocation to other homes to replace agency workers. The 2 homes that would be put up for sale in phase 1 (Abbey House and Cooper House) and potentially in phase 2 (Thurncourt and Arbor House) currently have 9.5 full time equivalent agency workers. In addition a small number of staff could relocate to Brookside Court, as more intermediate care would be delivered from there.
- 3.26** The opening of a new intermediate care facility in 2015 will have a staffing requirement of approximately 40 full time equivalents. Staffing at Brookside Court is currently 28.34 full time equivalent posts.

4. Details of Scrutiny

- 4.1** The ASC and Housing Scrutiny Commission carried out a review of elderly persons' residential care in Leicester, and held meetings on 5th October, 20th October, 3rd November, 17th November and 8th December 2011 which were open to the public. A review was approved by the Scrutiny Commission on 8th December. The Report was also considered by the Executive and a detailed discussion then took place with the Scrutiny members. The documentation was then presented to the Overview Select Committee meeting on 15th December 2011.
- 4.2** Details relating to the soft market testing were also shared with Scrutiny on 1st November 2012 and these are attached at Appendix C.

5. Financial, legal and other implications

5.1 Financial implications – Rod Pearson Head of Finance (Adults and Housing)

- 5.1.1** The Adult Social Care Budget for 2012/15 included the following indicative savings arising from the EPH Review.

	2012/13	2013/14	2014/15
	£000	£000	£000
Net Cost (Saving)	500	0	(2,000)

- 5.1.2** Whilst no detailed plans existed or had been agreed, these calculations were modelled on the basis that six of the eight EPHs might close over a two year period with the remaining two being converted to Intermediate Care.
- 5.1.3** In the event the proposals arising from the review (described at 3.17d above) are significantly different in content and timing. Revised calculations are shown below:

Savings based on updated proposals					
			2013/14	2014/15	2015/16
			£000	£000	£000
Savings based on updated proposals EPHs			(615)	(2,461)	(3,429)
Double running costs assumptions based on updated proposals			1,015	1,330	1,540
Net Cost (Saving)			(400)	(1,131)	(1,889)

5.1.4 In addition to the above, the Intermediate Care Facility is expected to achieve savings of £878k from 2015/16. This is already reflected in the Council's budget strategy.

5.1.5 Clearly the above savings figures are highly provisional. They are based on many assumptions and need to be closely monitored.

5.1.6 The above revenue costs do not include any one-off redundancy costs, or any internal charges for the use of capital.

5.1.7 Appendix B outlines the options that are being considered regarding the proposed intermediate care facility. Capital costs are likely to be in the region of £6.77m. The Council currently has £3m available in the ASC Capital Programme. In addition NHS funding of £1.231m is available (subject to agreement) together with an estimated £1.810m of capital receipts from the sale of EPH sites (subject to formal Executive approval). This makes a total of £6.041m. Based on current estimates there is likely to be a shortfall of £0.729m.

5.1.8 This would need to be found through one or more of the following options:

- Reducing the capital cost
- A re-direction of resources from the current approved capital programme
- A bid for further corporate capital resources

5.2 Legal implications

5.2.1 General implications - Legal Services has been consulted throughout and continues to provide advice to ensure that the Council manages the process in a manner that is legally compliant and protects the interests of the public and of the Council. This includes, inter alia, consideration of community care, public law, employment, procurement and property considerations

5.3 HR Implications

5.3.1 The workforce implications for the various options presented are either TUPE transfer or redundancy. In either case sufficient time will need to be factored into consult with both trade unions and staff as outlined in the legal comments above

and a further period of time following consultation to allow for notice and redeployment procedures to be actioned. Depending on the options chosen and the numbers of staff involved this could take overall up to 6 months.

- 5.3.2** A number of care staff have already left on voluntary redundancy and their vacancies have been covered through a contingent workforce (agency/casual/overtime). This has presented problems around continuity of care and the covering of shifts that fall outside of operational hours. The Adult Social Care Leadership team has therefore decided that some of these arrangements need formalising into fixed term contracts to cover the intervening period. The advantage of continuing with an element of contingent workforce is that these vacancies could be released and staff at risk of redundancy and offered transfers to homes that are remaining open so reducing the need for compulsory redundancies in the short term. However this exercise would also require a period of consultation with trade unions and staff as existing contracts of employment are for particular residential homes and so as outlined in the legal advice above this is still a redundancy situation and we would offer the opportunity to work at the remaining homes as a potential reasonable alternative to redundancy. Many staff, however, may not select this option due to the additional distance and time to the new workplace being either non-drivers or working anti-social hours e.g. nights.
- 5.3.3** An open dialogue with HR should be maintained in order to develop and monitor a suitable plan for HR processes.

Nicola Graham, HR Team Manager
Ext 39 6272

5.4 Equality Impact Assessment

- 5.4.1** A full Equalities Impact Assessment (EIA) has been completed in relation to the options arising following the public consultation in 2011. This was considered by the Executive in February 2012. There are currently 161 long term residents in the Homes (as at 25/01/13). Residents are predominantly White British and female. 92% are White British with 8% from BME communities. 71% of residents are 86 years and older. 32% have dementia, 19% have mental health needs and 34% have physical disabilities 15% are frail/temporary illness.
- 5.4.2** The EIA demonstrates a positive impact for residents in relation to selling the homes, since it ensures continuity of care for all protected groups. This is because the workforce would transfer to a new provider under TUPE legislation. The EIA also recognises that some residents and relatives do have some anxieties about ensuring that new providers deliver high quality care. In the event of any procurement being agreed by the Executive, a process would be designed to enable some involvement of residents and relatives in the procurement, to increase confidence levels in potential new providers.

- 5.4.3** There are particular concerns amongst all residents about the idea of moving from their home to a different home in the independent or private sector. This is particularly the case for the residents of Herrick Lodge who feel that their cultural needs cannot be met elsewhere. The EIA addresses this concern and describes how the Council would work with residents and carers to reduce negative impacts.
- 5.4.4** As solutions begin to emerge for each home, the equalities implications will be reviewed, with an appropriate action plan produced for each home.
- 5.4.5** An equalities impact assessment has been completed for the closure of Brookside Court and re-provision of services in a single location serving the whole city. Brookside Court will not close until a new facility is in place. There are no permanent residents in Brookside and therefore no negative individual impacts. The overall impact is positive since future residents will benefit from improved facilities in a larger facility. Staff currently at Brookside are likely to have a calling on posts in this new establishment however they may deem them to be unsuitable due to the location and their own domestic arrangements.

Angela Hepplewhite
Business Transition Manager
Ext 29 8733

5.5 Climate change and carbon reduction implications

5.5.1 Elderly Persons Homes are large consumers of energy, particularly in the heating of these buildings. The sale of Thurncourt, Arbor House, Abbey House and Cooper House will result in a significant reduction in the carbon footprint of Adult Social Care; based on previous consumption figures, just under 670 tonnes of CO₂e would be saved per annum. The closure of Nuffield, Preston Lodge and Elizabeth House would save around 550 tonnes CO₂e per annum based on previous consumption figures. In total the closure and transfer to private ownership of the EPHs as discussed in the Report would save around 1,200 tonnes CO₂e per annum. This is in a context of an overall Council carbon footprint of just under 70,000 tonnes CO₂e per annum so achieving nearly a 2% reduction in the Council's total carbon footprint which will help the Council move towards achieving its carbon reduction targets. Of course, those EPHs that are sold and remain open will still be emitting similar levels of carbon as they were under Council ownership and so although the proposals will result in a reduction in the Council's carbon emissions it will not result in a reduction in city-wide carbon emissions.

Helen Lansdowne
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7. Summary of appendices:

Appendix A - Intermediate Care and Short Term Residential Care Commissioning Strategy (2013 to 2016)

Appendix B - Options for the provision on a dedicated Intermediate Care and Short Term Bed facility

Appendix C - Results of Soft Market Testing

Appendix D - Age profile of existing residents

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

Yes.

9. Is this a “key decision”?

Yes

10. If a key decision please explain reason

This is a key decision with major financial implications following statutory consultation.