

Report



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	agenda item number

REPORT OF THE DEPUTY LEADER

INFORMATION CONSIDERED, CONCLUSIONS AND PROPOSED RECOMMENDATIONS OF THE CABINET COMMITTEE

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SECTION ONE



meeting

CABINET COMMITTEE TO REVIEW THE STRATEGIC DIRECTION FOR COUNCIL RESIDENTIAL HOMES FOR OLDER PEOPLE AND FOR EXTRA CARE SERVICES

date

3rd 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 Sutton-in-Ashfield, Ashcroft in Kirkby-in-Ashfield, Leivers Court in Arnold, 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.

SECTION TWO



meeting

**CABINET COMMITTEE TO REVIEW THE STRATEGIC DIRECTION FOR
COUNCIL RESIDENTIAL HOMES FOR OLDER PEOPLE AND FOR
EXTRA CARE SERVICES**

date

3rd September 2007

REPORT OF THE DEPUTY LEADER

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

MAIN REPORT

1. Purpose of the Report

- 1.1 The purpose of the report is to bring together the information considered by the Committee, the comments received in consultation and to draw conclusions and make recommendations to the members of the Committee.

2. Information and Advice

2.1 Establishment of the Cabinet Committee, Terms of Reference and Membership

- 2.1.1 On 7th March 2007, Cabinet established a Cabinet Committee to review the strategic direction for council residential care homes for older people and for extra care services.

- 2.1.2 The Cabinet Committee was given the following Terms of Reference:

“(a) Review the current and anticipated needs of older people in the county for residential or extra care services, in the light of the current policy and budgetary context and range of available services

(b) Review the nature of the County Council's older persons' residential homes and day care and the services delivered, against the needs and policy directions identified, including best value

(c) 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.

Intended outcome: to arrive at a preferred position which will be recommended to Cabinet and which would be subject to full consultation.

Consultation: although full consultation will follow the decisions of Cabinet, the Cabinet Committee will seek advice from stakeholders and appropriate representatives of older people to assist their deliberations.

The Cabinet Committee will start its work as soon as possible after the decision of this Cabinet and will make recommendations to Cabinet in June 2007 in order to inform budget setting processes for 2008/09.

Membership

The membership of the Cabinet committee will be the Deputy Leader, the Cabinet Member for Adult Services and Health and one other Cabinet member; the Deputy Leader will act as Chair of the committee. It is proposed that there will be 5 non-voting members on this Cabinet Committee, comprising 2 Labour Group Members, 2 Conservative Group Members and 1 Liberal Democrat Group Member. The meetings will be quorate when two voting members are present.

The membership of this Committee will be:

Voting members

Councillor M Storey (Chair)
Councillor A Rhodes
Councillor S Carroll

Non voting members

Councillor J Lonergan
Councillor V Dobson
Councillor J Allin
Councillor The Honourable J Taylor
Councillor S Carr".

Meetings of the Committee

- 2.1.3 There have been three meetings before this meeting, the last of which was an 'informal' meeting as it was inquorate for unavoidable reasons, and no decisions were made at that meeting.
- 2.1.4 The Committee members agreed that more time was needed to undertake the work than had been given in the original terms of reference. This was judged necessary in order to organise and hold an adequate number of meetings and to allow members of the committee to visit care homes in the local authority and independent sector and an extra care service.
- 2.1.5 Various other bodies have been invited to attend the committee meetings, and the Nottinghamshire Care Association, Unison, Age Concern and members of the Older Persons Advisory Group have also attended, and several other individuals and organisations have fed in comments.
- 2.1.6 The reports to the committee and a prompt summary of the outcomes of each meeting have been made available on display boards in the council's care homes for older people, to give the opportunity for discussion in the units, and the opportunity to feed any comments back through the unit managers and service head.

2.2 Current strategic direction of the Council for the provision of care homes

- 2.2.1 The last detailed review of the strategic direction for care homes for older people and related provision was in 2003 to 2004, when a Residential Homes for Older People Working Group met. Reports related to the work of this Working Group were submitted to Cabinet on 28th January 2004, 24th March 2004, 12th January 2005 and 13th July 2005.
- 2.2.2 The Working Group took stock of the developments since a review shortly after Local Government Reorganisation which had 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, and a unique development in Southwell. At that time, the council had 975 beds. 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.
- 2.2.3 The new Departmental care homes are 'state of the art', with the 60 beds divided in to units of 15, with a strong emphasis on partnerships, seen in the provision of 'intermediate care' with the Primary Care Trusts and a specialist mental health unit with Nottinghamshire Healthcare Trust at Bramwell in Chilwell.

2.2.4 The Working Group 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 reflected the approach in Southwell and has been demonstrated in the subsequent development of the 32 bed Leawood Manor care home with day services and Hilton Grange supported housing, which have been developed in partnership with Rushcliffe Homes (now part of "Spirita") and have recently opened in Edwalton. The supported housing there provides a range of both rented and leasehold independent flats with available levels of care and support up to 'extra care' levels. This development has replaced two further homes which have been closed in Rushcliffe, as well as some former Rushcliffe Homes sheltered housing provision.

2.2.5 It was also agreed that this approach should be adopted in replacing other homes which were no longer sustainable in the longer term, and it was agreed that priority should be given to Ashfield and Mansfield next. As a result of this, capital funding of £4.324 million is in the capital budget for further developments, in addition to anticipated capital receipts. The Working Group and Cabinet also supported (unsuccessful) bids to the first two rounds of the Extra Care Sheltered Housing Fund which the Department of Health had set up. A more recent bid was made for a development in Ashfield and Mansfield when new government funding became available last year and this was successful; this is described in further detail below.

2.3 Summary of current residential and extra care provision in the county

2.3.1 The council now has 15 directly provided care homes for older people which have 675 beds, providing long-term care (for approximately 460 residents) and intermediate and short-term care. Additionally there are some 2000 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 2,545 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.

2.3.2 As well as care home provision, the council currently funds 134 extra care places. Extra care involves a modern setting where residents have their own accommodation, with housing support available to them, and care services available on a 24 hour basis. There are also usually good communal facilities. It is designed as an alternative to residential care, with the capacity to provide a flexible care service at an intensive level. It always involves a partnership, in that the council's element will be to fund the care service; another organisation will provide the accommodation and there will be Supporting People funded housing-related support, also

provided by another organisation. Because of the nature of the service, Local Authorities with social care responsibilities at times contribute to the capital funding for such schemes.

2.4 Options for the future

2.4.1 At its first meeting, the Committee decided to consider three broad options:

4. Stay as now
5. Withdraw from providing – there are different ways in which this could be achieved, with different consequences
6. Retain a strategic share in the market and reinvest some savings in to extra care.

2.4.2 The information which follows informs the consideration of those options, and the report finishes with conclusions and recommendations.

2.5 The overall strategic direction for older people's services

2.5.1 The **County Council's Strategic Plan 2006 – 2010 – 'All Together Better'** states the following:

"Political priorities include -

- Improving and expanding **community care** services"

And the Plan states ..."We will:

- Strengthen community care to help more vulnerable, elderly or infirm people to live independently at home
- Promote greater choice and independence through community care services

And that

- We are striving to achieve **good value for money** and to reduce costs. We are planning ahead through our medium term financial strategy to ensure that we direct our resources to meet our priorities."

The direction for social care services is most fully defined in the **Adult Social Care and Health Commissioning Strategy** which was approved by Cabinet on 2nd May 2007. The chapter concerning Older People includes the following:

“Developing Self Directed Care

Continue to promote services that encourage independence and help a greater number of older people live at home. By increasing the number of intensive home care packages or direct payments that we provide. Also by working closely with Telecare providers, extra care schemes and ‘Supporting People’.

From Exclusion to Inclusion

Continue to shift the balance of provision in Nottinghamshire away from care in hospitals and care homes towards community-based services. By improving and expanding community-based services. Furthermore by working with health to commission services that expedite a timely discharge from hospital and provides rehabilitation or crisis avoidance services at home.

Managing the Market

Ensure there is sufficient volume and spread of quality providers across the whole of Nottinghamshire to meet the diverse needs of the older population. Through better analysis of demand and improved market management, paying particular attention to the increasing numbers of older people with mental health problems and the increasing emphasis on people with long-term conditions.

Diversity

Ensure older people are treated with respect and dignity and are free from discrimination and harassment. This will be achieved by applying the principles of the “*dignity challenge*”; through ensuring all staff are aware of their duties under the Mental Capacity Act and ‘Safeguarding Adults’ procedures. Also we will ensure the provision of appropriate services to black and ethnic minority older people and their carers.

B	Further increases in extra care: the intention is to have extra care services in each District of the County and further developments of at least 80 places are planned. Steps will be taken to increase this amount with partners and through reconfiguring services	This will be funded by reconfiguring services and reducing costs of residential care and through additional funding as available, particularly through the Department of Health extra care fund.	Choice and control
A	Reduce residential and nursing care admissions levels: The Department intends to reduce the numbers of people entering care by providing a range of community based services.	Funds released from placements will be reinvested into community services.	
A	Review of in-house residential care: We will undertake a review of our	This will be actioned through current funding.	

	existing residential provision during 2007/08.		
A	Quality payments to care homes: To improve standard of all Independent Sector care homes.	In 2007/08 the Department of Health has allocated the Council a £1.2 million capital grant to improve the physical environment of independent sector care homes. In addition, the Council plans to find a further £200,000 in 2007/08 to improve service quality.	

2.5.2 Additionally, **‘Opportunity Age in Nottinghamshire’** – the Countywide Strategy - Ageing for the Future in Nottinghamshire - developed by the Countywide Older People’s Strategic Partnership has something to say on these matters. It states (p16) that older people in Nottinghamshire say that one of the things they want to help them to remain independent at home is ‘access to extra care housing’.

2.5.3 The Commissioning Strategy for Older People in the **Supporting People Partnership’s Strategy for Nottinghamshire** (2005-10) has an ambitious target that there should be an extra care scheme in every District as an alternative to residential care, by 2006: this has not yet been achieved, but the Supporting People Commissioning Body is overseeing work which is currently reviewing and developing plans for older people’s services and funding, and will be looking to assist in implementing this target. Any new commissioning of services must comply with the European Union rules on tendering as well as the Council’s Financial Regulations.

2.6 Responsibilities of the local authority and relevant service provision

Statutory functions

2.6.1 A core responsibility of local authorities in adult services is to carry out an assessment of need with the service user, their carers and other relevant agencies in order to determine the service user’s eligibility for a range of services. Following assessment, the task for departmental staff is to identify the most appropriate supports within available resources to meet their social care needs, taking account of the choices of the service user. Where a care service is to be provided, the statutory responsibility is then to arrange the care that is appropriate to their needs, taking account of their choice.

2.6.2 Until changes were brought in through the NHS and Community Care Act, 1990, the former Department of Health and Social Security (DHSS) used to fund care places in independent sector homes, and the only role of the

local authority in providing care was as another provider. In 1993 there was a funding shift and since then, local authorities have carried both the assessment and the funding responsibilities for all services for those who are eligible, irrespective of the provider.

- 2.6.3 As a social care authority, Nottinghamshire County Council has an obligation to ensure that those people who are assessed by the authority's staff as needing a place in a care home are funded for that care. Some people will fund themselves entirely, others will not have sufficient resources to do this either totally or in part, and the local authority then has a responsibility to fund that person.

Ensuring services are available, but no obligation to provide

- 2.6.4 As a social care authority, there is a responsibility to ensure that there is an adequate supply of appropriate services for those who need care, and for residential care, this is including nursing care. While the NHS provides the funding for the nursing element of care for people assessed as needing nursing care, this is a smaller proportion of the cost of most nursing care than the amount required for the social care element of their living costs. The local authority has the responsibility to fund the social care element, with the same rules about 'self funding' applying. The exception is those people who are assessed as eligible for continuing health care from the NHS, in which circumstances, the NHS will meet the full cost.
- 2.6.5 The council has no responsibility to be a provider of care, only to ensure that there is adequate availability of care services for people who need them in our local authority area.
- 2.6.6 People going in to a care home choose the home they go in to; this is very often the result of what is available in their local area. Some people will choose to go in to a care home run by the local authority, if there are some in their area of choice. Others will not; however, where they are funded by the local authority, they will need to choose a home which will accept them at the price which the local authority will pay. If, however, there is a 'third party' – usually a relative, or friend – who will pay a 'third party top-up' for a more expensive home or room, then this can supplement the local authority payment to the care home, in order to achieve this.
- 2.6.7 At a recent count, in July 2007, there were 3,006 older people funded in long-term care by the council, with 461 of these in council homes and the remaining 2,545 in independent sector homes.

Charges for residential and extra care services

- 2.6.8 There are national rules for charging people who are living in a care home, and any person who has capital of over £21,500 is liable to fund their own

residential care. This will be at whatever rate is agreed between them and the care home, or when local authority homes are concerned, the standard charge in such circumstances. People in such circumstances are often referred to as 'self-funders'.

- 2.6.9 If assets fall below that level, the local authority will partially fund the care place, following an assessment of savings and income. If the person is living in an independent sector care home charging more than the local authority normally pays to commission such services, the local authority may decide, taking all the resident's needs in to account, that they should move to a home which charges less. Once capital reduces to £13,000, then the local authority assumes full funding responsibility. Within the national regulations, a funded resident receives only a small personal allowance in addition to their care payment.
- 2.6.10 Extra care involves care services provided to the service user in their own home. As such, it comes within the government's Fairer Charging framework, which sets out the basis for charging for care services, but allows discretion to each council as to how much is charged for home care and direct payments.

Best value and value for money

- 2.6.11 The council has responsibilities to purchase and deliver services within the frameworks of 'best value' and 'value for money', i.e. making good use of public funding to achieve value cost, quality and performance. High expenditure in one area reduces the amount in others. Government produces and uses in their inspections and evaluations a great deal of comparative information about services and costs across different authorities.

2.7 The national context

The White Paper – Our Health, Our Care, Our Say

- 2.7.1 The recent White Paper "Our Health, Our Care, Our Say", expects adult social care departments to provide opportunities for greater choice and control by service users and expects local authorities to work strategically with partners to achieve this. The development of 'direct payments', 'individualised budgets' and 'self directed care' are all part of this move towards greater choice, control and independence. The White Paper also expects authorities to work with Primary Care Trusts to develop a range of services 'closer to home' which improve people's well-being and extend their period of independent living. No additional money has been allocated for the changes so any reconfiguration has to come from within existing budgets.

Department of Health requirements

- 2.7.2 The Department of Health has been clear in its policies, performance indicators and funding incentives that it sees the promotion of independence as ‘the cornerstone of adult social care services’. There is an expectation nationally that older people should receive care in their own homes rather than in residential care where possible. Performance indicators are geared to an increase in older people helped to live at home, including through intensive support, and to a reduction of older people living in care homes.
- 2.7.3 Extra care provides people with high level needs with the opportunity to remain independent, but with greater levels of support and with care packages tailored to suit their individual needs. In performance measurement terms, the Department of Health regards extra care as a community-based service, not a residential setting.
- 2.7.4 However, extra care is not necessarily suitable for all people and for now, some needs are most appropriately met within a care home. This is particularly the case for some older people with dementia, who may require oversight and support round the clock, or may pose difficulties in their interactions with other people, which cannot be easily provided for in another setting, even extra care.


2.8 The local context

An ageing society

- 2.8.1 Predictions for population growth show a continuing sharp increase in the number of older people in the county, particularly those over 85 years, which is the age when people are most likely to need services at an intensive level and when the likelihood of dementia increases very significantly. This population increase is demonstrated in **Appendix 1 – population data**.
- 2.8.2 The demands of this increasingly ageing population on social care services will continue to increase, and in an increasingly property owning society, there will be a reduced demand for, and changing expectations of, rented sheltered housing. This changing financial context increases the likelihood that older people will want to stay in their own homes or purchase services such as leasehold supported housing in order to retain independence and protect their inheritance. Equally, there are also insurance packages which can help people who enter care homes as self funders retain some of their capital even if they remain in the care home for a long time.

Budget for older people's services and unit costs

2.8.3 The following table demonstrates the expenditure of the council on key services for older people which are relevant for residential care and extra care, and the different unit costs for service delivery involved.

	2005/06 Gross Current Expenditure £000	2005/06 Activity		2005/06 Unit Cost £	
 Total expenditure on services for older people	120,348	n/a	n/a	n/a	n/a
Residential care for older people in Nottinghamshire County Council residential homes	17,577	31,481	Number of weeks in 2005/06	558	per person per week
Residential care for older people in Independent Sector residential homes	33,568	106,434	Number of weeks in 2005/06	315	Per person per week
Home care for adults from Nottinghamshire County Council's Direct Service	14,421	523,866	Number of hours in 2005/06	26	per hour
Home care for adults from the Independent Sector	20,437	1,355,025	Number of hours in 2005/06	15	per hour

Performance Indicators

2.8.4 Nottinghamshire County Council has scored poorly in performance assessment in the recent past by having relatively low numbers of older people 'helped to live at home', and by providing relatively low amounts of 'intensive home care'. The increased investment in home care through the Medium Term Financial Strategy has brought the Adult Social Care and Health department's intensive home care provision to the 'acceptable' level and been crucial in the Department being judged for the last two years as 'serving most people well', Comprehensive Performance Assessment level 3. There is another performance indicator which looks at the balance of intensive home care against residential care, with good performance seen as low proportions of residential care. The council is currently in the 'good' category, but behind comparator authorities.

2.8.5 A series of comparative charts are attached as **Appendix 2 – comparative data**. They compare what happens in Nottinghamshire with regard to care homes with a comparator 'family' group of counties.

2.8.6 Their data shows many things, including:

- Nottinghamshire has relatively high levels of residential admission.



- Overall Nottinghamshire spends a relatively high proportion of gross expenditure on care home placements.
- Nottinghamshire's gross weekly expenditure per person is relatively low in the independent sector and mid range for Direct Services.
- Nottinghamshire's proportion of expenditure which is allocated to older people is below average.
- Nottinghamshire has above average rates of admission to care homes for all age tranches of older people, and is highest up the table for older people over 85.

2.8.7 Nottinghamshire is not at the extreme on any of the comparisons. Although the county is put against a formal comparator group, the County does have higher levels of deprivation than many of the comparators, and therefore more people who are reliant on public funding to meet the costs of care. The Department has been successful in recent years in bringing down the overall levels of people who are placed in care homes, from a very high base 'inherited' when the NHS and Community Care Act was implemented in 1993, but the numbers are still relatively high. Given the increase in the numbers of older people in the population, this reduction has been achieved against this growth, through better assessment, providing more intensive care at home and the overall development of preventive services.

2.8.8 There remains a continuing need to strengthen community-based services for older people in the County, where indicators still show the department behind many comparator authorities and demographic change will only increase the demands on these services. This is demonstrated in **Appendix 3 – comparisons with voluntary benchmarking group co-ordinated by Essex County Council**, which has more recent information from a 'benchmarking club' of authorities, not a formal comparator group.

2.8.9 The Department of Health set a national target for increasing availability of extra care by 6,000 places by 2006, although no local targets were set across the country. Local authorities are being monitored by the Commission for Social Care Inspection (CSCI) on their progress on extra care development. The CSCI have said that this authority has relatively low amounts of provision.

2.9 Residential strategies



2.9.1 As indicated at the beginning of this report, the existing strategy consists of an approach to increasing 'extra care' housing as required by Government targets and the opportunity to develop a modernised range of care, day services, accommodation, support and other facilities for the benefit of older people.

- 2.9.2 In reaching a vision for the future, the following issues are significant in considering future strategic development of residential and other forms of care and support to older people with high levels of need.

Current and potential extra care availability

- 2.9.3 Provision across the county is patchy, with some district councils or other housing providers having developed such a service with the department by enhancing sheltered accommodation, whereas Southwell and Edwalton have been new developments by the council and partners. Bassetlaw, Newark and Rushcliffe are the main areas of service.
- 2.9.4 Cabinet has previously agreed that the next developments in the residential strategy should focus on Ashfield and Mansfield, given the nature of current residential services and the lack of extra care provision in those districts. The homes which a new development would be replacing are Daleside, Kirklands and Ashcroft. Early planning focussed on development of relatively small extra care or 'mixed care' provision in Ashfield and in Mansfield. In 2006, however, the council was contacted by HicaLife Developments, part of the HICA Group, who are 'not for profit' housing and care providers. They were planning to develop a 'retirement village' for older people in Ashfield and Mansfield and sought the views of the council on the services that could be provided in such a development.
- 2.9.5 Following discussions about their plans and the opportunity arising to bid for a third allocation of Extra Care Housing Fund, it was decided to submit a further bid, this time with HicaLife as a partner in the bid. Support for the bid was received in principle from the District Councils of Ashfield and Mansfield, the former Ashfield and Mansfield Primary Care Trusts, the Sherwood Forest Hospitals NHS Foundation Trust and other local groups and stakeholders. Although potential sites had been explored, and there was a potential preferred site, there had not been any planning application for this development.
- 2.9.6 In February 2007, it was announced that the department's bid was successful, and £1.9 million was allocated to assist with this development, subject to Grant conditions being met, which include starting on site by March 2008.
- 2.9.7 The Department has received legal advice that, particularly with the introduction of 'State Aid' in to this scheme, there must be an opportunity for other developers and providers to have the opportunity to compete for working with the council on such a scheme. Following the decisions of Cabinet on June 6th 2007, this is now subject to a competitive tendering process.

- 2.9.8 The amount of extra care service currently in place in each District is described in **Appendix 4 – current extra care provision in the county – September 2007**).


Other care home provision in the county

- 2.9.9 The large majority of people in care homes in the county are in homes provided by independent sector providers of care. Provision ranges from single homes owned and run by one family, to large national organisations running several homes in the county.
- 2.9.10 Last year, a telephone survey was conducted with Independent Sector homes which sought information about their capacity, registration and occupancy as in the first week of August 2006. There has been very little change in the amount of services available since then.
- 2.9.11 The survey showed that there were 5,990 beds (nursing and residential) available in the county for older people in independent sector care homes. There were 566 vacancies, a little under 10%. There were 1,226 beds which had been registered with the CSCI for older people with mental ill health, and the vacancy rate was slightly higher, at almost 11%, although there were no vacancies in beds registered for nursing care for dementia.
- 2.9.12 Many homes were operating at 100% capacity. There were a small number of homes with relatively very low occupancy, which must call in to question their financial viability unless they are able to increase their occupancy levels in the foreseeable future. There were a number of reasons for those with relatively low capacity. Many of the homes with low occupancy had a significant number of Regulatory Requirements outstanding from their most recent CSCI inspection. This link between occupancy and quality will become more apparent from this year onwards now the new CSCI quality rating system has been launched, and Adult Social Care and Health is also undertaking a quality monitoring audit during the latter part of this year. Some of the low occupancy homes were in relatively isolated parts of the County with a relatively small obvious 'catchment' area. Others were in older buildings which do not have en-suite facilities and most of them had outstanding CSCI Regulatory Requirements specifically highlighting the need for redecoration and refurbishment of the building.
- 2.9.13 In this context, the occupancy levels in the county are really quite high and do not leave a lot of leeway for further reduction in the market, unless there is a significant reduction in admissions from local authorities or self-funders. Capacity does vary from one part of the county to another, with Rushcliffe in particular experiencing very high occupancy rates.
- 2.9.14 Occupancy of the then 672 local authority beds for older people was also just over 90%, with these homes having a greater proportion of short-term

care and intermediate care, which are harder to maintain at maximum occupancy because of much greater 'turn round' of occupants.

Trends in usage of care home provision in the county

2.9.15 As stated above, in July 2007 there were 3,006 people funded in long-term residential or nursing care who were over 65; in March 2007 the figure was 3,047 and at the end of March 2006, the Council was contributing to the funding of 3,172 people. This total was a slight reduction from March 2005, when there were 3,182, and significantly less than March 2004, when the total was 3,421. The average age on admission was 84 years old. (By way of comparison, there were 739 adults funded in care homes who were under 65).

2.9.16 The recent trend of a reduction in numbers supported in care homes can  linked to robust assessments and decision-making and the development of increased community-based alternatives. This is in line with the expectations of the government. However, this has to be set in the context of an older population which will continue to increase substantially and there are some who argue that the need for care home provision will continue to grow. At any rate, the clear message is that there has to be growth in provision of appropriate services, either non residential or residential, which reflect an increasing older population, who will more and more argue for quality services of choice, with ever more numbers who are property owners and who can be expected to prize independence for as long as possible. The performance indicator comparisons quoted above push towards Nottinghamshire needing to continue to move to increased non residential services.

Roles of the council's care homes

2.9.17 There are some broad differences between the services provided by council care homes and those in the Independent Sector. The current care homes of the council do provide a wide range of services; this multi-purpose flexibility is one of the benefits of having directly provided services and of course affects the cost of them. The services provided – although not all at every home - include:

- short-term care
- breaks for carers (respite care)
- specialist mental health assessment; interim care (on discharge from hospital and awaiting another service)
- intermediate care
- long-term residential care
- long-term residential care for people with dementia
- long-term residential care for people who could otherwise be difficult to place (because of behaviour, such as disinhibited behaviour, or risk, such as risk to children)

- long-term residential care for younger people (over 55) with conditions such as stroke
- day care
- specialist mental health assessment day services.

These are more concentrated in the most recently built homes, which were designed to be multi-purpose, but there is often a valued and wide range in the older homes. Council homes have been the main providers of short-term care and respite care for carers, although there are independent sector homes which provide this service and would provide more, particularly if given 'block' funding.

2.9.18 The implications are that, if any homes are to close, then these services need to be either re-provided in another care home or re-provided in an alternative setting, unless they are seen as no longer necessary.

2.9.19 This needs to be taken account of in considering the options. The strategic direction for care homes, and particularly the phasing of decisions, will be affected by the feasibility of change and re-provision (including adequate time for any necessary tendering procedures).

2.9.20 There will be a continued need for reliable short-term, respite and intermediate care; it will inevitably cost more than long-term care, wherever it is provided, as the occupancy levels are inevitably lower and the turnover of residents takes additional staff time. For the future, the department sees a need for increased 'joined up' assessment and reablement services, making best use of community, day and residential services and facilities for the individual's needs and circumstances. The comparative review described below adds to evidence that, managed well, such services can aid good hospital discharge and prevent unnecessary long-term admissions to care homes.

2.9.21 Day services will also continue to be needed as an important part of preventive and respite services. Again this does not necessarily need to be provided by the council, but if any homes are to be considered for closure, then there has to be a plan for reprovision of day services. Over time, with the move towards more 'self directed care', the pattern of use of day services may change, but given current demands, and the value of day care in supporting care at home, the assumption is made that a range of day services will continue to be needed at the current levels.

The varying nature of intermediate care – residential and community

2.9.22 In the county, residential intermediate care has been developed on a locality basis in partnership with the Primary Care Trusts and now stands as follows – all are now in recently built departmental care homes, except Newark and Sherwood, where Woods Court - an older departmental home - provides the service, and Ashfield, where the service is 'block purchased'

from an independent sector provider. In Bassetlaw, in addition to the 15 beds in Westwood, there are also 6 'step up' beds for prevention of hospital admission, which are purchased from the independent sector homes:

Bramwell, Broxtowe	15
Braywood Gardens, Gedling	15
Maun View, Mansfield	15
Sutton Manor, Ashfield	10
Woods Court, Newark and Sherwood	10
Westwood, Bassetlaw	15
'Step-up' beds ,Bassetlaw	<u>6</u>
Total	86

2.9.23 Generally, these beds are seen as effective; there have, however, been some vacancies, particularly in the south of the county, but these have at times been affected by absence of GP cover and it is thought that take up can be improved by better discharge processes from hospital.

2.9.24 A similar amount of intermediate care is in the community and the intention is to continue to expand this and to keep the overall balance under review in the department and with the PCTs: there is current work with the county PCT which is reviewing equity, the performance framework and effectiveness of 'pathways' to access services.

2.9.25 The community places are as follows and reflect differential growth and changes in investment patterns in past years:

Broxtowe, Gedling and Rushcliffe	65
Mansfield & Ashfield	23 (+ 5 night sitting)
Bassetlaw	4
Newark and Sherwood	<u>8</u>
Total	90 (+5)

2.9.26 The recent report from Professor Ian Philp, the National Director for Older People's Services and Neurological Conditions, entitled 'A recipe for care – not a single ingredient' reinforces the need for a range of NHS and social care services for older people. (Intermediate care is NHS led.) This would echo professional experience of the different circumstances in which older people need help of this nature; some people are unable to return home straight away, perhaps because there is no carer present, or because of a particular condition or operation from which they are recovering. Other people will be able to return home as long as intensive enough services are available.

2.9.27 Likewise, the new national framework on continuing care, published in July, reinforces the notion that hospital is not the right place for people to be assessed for long-term care. It also says that decisions about long-term

health care should only be made after people have received all the rehabilitation which is possible for them. This reinforces the part which intermediate care can play as one form of non-hospital service, across health and social care, and the principle of good multi-disciplinary assessment and reablement.

A recent comparative review undertaken of care placements and hospital discharge services and processes in neighbouring authorities

2.9.28A recently retired, very experienced team manager who had previously worked for the department in a hospital setting was commissioned to review the processes, services and practice in large hospitals in some nearby authorities. Among her key findings was that other authorities were stronger in having arrangements available as required which allowed for assessment and 'reablement' to bring a person to their full potential for independence before decision-making about their long-term service needs. Although in this county, intermediate care is intended to achieve this, her perception was that some intermediate care services locally can be exclusive and limited in their admissions, whereas other councils had services which were more inclusive and much simpler to achieve admission to. In Leicester, there is now a policy that normally nobody would enter residential care without such a period of reablement. As in the comments on intermediate care above, such services may be in the community or in a residential setting, according to the needs of the individual.

2.9.29These findings are significant in that these are services which achieve the aims of promoting independence and which also ensure that residential care numbers are kept as low as possible – that people only go in to long-term care when that is a fully assessed and considered position. That is consistent with the various 'drivers' described above.

2.9.30This approach is also consistent with the service change which is being undertaken in home care, where the 'Direct Services' home care is being reshaped to become an 'initial response service', where there will be an increasing emphasis on continuing assessment and reablement. This is based on a similar concept – that the period of critical change or sudden loss of independence is one when good care is crucial, the potential and motivation to recover or learn new skills is high, and the need for services may appear very different after a few weeks of recovery and skilled interventions.

2.10 The statutory framework and nature and costs of maintaining current council care home provision

Registration issues

- 2.10.1 The National Care Standards Commission (NCSC) replaced the Service Standards Unit in April 2002. This in turn was replaced by the Commission for Social Care Inspection (CSCI) from April 2003. They register and inspect all care home services to a set of national minimum standards for care homes. So, the issues highlighted below as cost pressures for the care homes run by the council, apply to all other providers as well.

Environmental standards and how council homes compare with them

- 2.10.2 The Regulations for care homes for older people are broad in their definitions, but are clear that the design and layout of rooms and homes need to meet the needs of the residents, and that the premises need to be suitable to meet the aims and objectives of the unit. The associated Standards are much more specific and in September 2001, an exercise was carried out to establish the cost of refurbishing the retained homes to meet the CSCI environmental standards, and an updated estimate was provided in August 2003. The exercise indicated that the costs of refurbishment would be almost £3 million at that time, and the refurbishment would result in severe reductions in the number of beds in each establishment and would still not result in any bedroom having en-suite facilities or becoming a modern and appropriate quality environment for the older people of Nottinghamshire. The refurbished homes would still fall short of the quality wished for, especially when compared to the physical environments of the five new builds or most of the independent sector provision, and so the homes would become increasingly less attractive and competitive.
- 2.10.3 It was felt then that refurbishment should not be seen as the long-term solution for any retained home and that other possibilities would be actively pursued. This led to the mixed care development in Rushcliffe which resolved the futures of both Leawood and South Manor.
- 2.10.4 However, considerable work has been undertaken in the last four years to try and address some of the environmental issues, to maximise the length of time the retained homes could remain open for, and improve the living conditions of those older people living there.
- 2.10.5 Some minor alterations in the original national environmental standards took effect from June 2003, with an announcement that “no home would close on its failure to meet environmental standards alone”. The most significant was the withdrawal of the requirement that single rooms have to have at least 10sq metres of usable floor space from 1st April 2007.

2.10.6 However, the standards also say that wheelchair users should still be provided with at least 12 sq metres of space and all rooms should have at least 2 double sockets. Rooms should also provide seating for two, a bed side table and table which a resident may sit at, which is impossible in the smaller rooms.

2.10.7 The following table identifies the current number of bedrooms in use in the older homes, and indicates how many meet the minimum requirement of 10 square metres, 12 square metres and sizes between.

ESTABLISHMENT	Beds now	Total beds left of at least 10 sq metres +	Of these, 10-11.99 sq metres	Of these, 12 sq metres and above
ASHCROFT	35	11	3	8
DALESIDE	32	12	0	12
KIRKLANDS	29	15	2	13
ST MICHAELS	34	3	3	0
LEIVERS COURT	38	31	27	4
WOODS COURT	49	10	9	1
BEAUVALE COURT	44	30	25	5
BISHOPS COURT	45	39	36	3
JAMES HINCE COURT	45	29	24	5
TOTAL	351	180	129	51

2.10.8 Overall this table indicates that only 180 of the 351 bedrooms meet the 10 square metre standard. Furthermore only 51 bedrooms meet the tougher standard of 12 square metres.

Staffing requirements

2.10.9 One of the continuing issues is the CSCI requirement to review the staffing hours in each care home to meet the current resident population's needs, and ensure adequate activities are taking place. These are very important in terms of the quality of provision and safety and well-being of residents.

2.10.10 There are no actual staffing levels within the care standards, only an expectation that all the standards are met, and that the guidance recommended by the Department of Health is used.

2.10.11 The admissions of older people who are much frailer mentally and/or physically means much greater demands are placed on the staff to meet physical assistance needed and to support any leisure and social activities.

2.10.12 Managerial staff have taken on many additional tasks over the past few years in the council's care homes, including undertaking all reviews, increased staff training requirements, increased workload from the

increasing frailty of the service users e.g. numbers of risk assessments being completed and a threefold increase in the time spent on medicine management issues. Increased training expectations also have a cost, given the need to back-fill for staff.

Cost of maintaining and running the homes

2.10.13 The following table sets out at 2007 prices the costs of meeting the requirements for the older homes of the latest conditions surveys over the next five years. The budget allocation for the older establishments would only meet a fraction of these costs, and the prices are rising above the rate of inflation.

UPRN	Premise Name	GFA	Survey Date	Priority1	Priority 2	Priority 3	Total
06080	Kirklands	111785	28/02/2007	52,628	46,211	55,200	154,039
06059	St Michaels View	118244	28/02/2007	40,631	20,237	207,045	267,913
06233	Bishops Court	137640	28/02/2007	35,498	8,796	89,479	133,774
06071	Daleside	98490	28/02/2007	34,355	101,315	89,326	224,996
06246	Leivers Court	95940	28/02/2007	31,167	13,674	28,828	73,668
06262	Woods Court	132756	28/02/2007	22,079	29,996	93,972	146,047
06081	Ashcroft	101304	28/02/2007	17,322	34,874	106,518	158,714
06253	James Hince Court	127120	14/03/2007	8,599	22,044	34,074	64,717
06244	Beauvale Court	135382	28/02/2007	4,580	67,392	93,502	165,474
				£246,859	£344,539	£797,945	£1,389,342

2.10.14 There are significant cost pressures for the council in managing the running costs of the homes, and in maintaining them for residential use. A strong focus on infection control or improving services by upgrading equipment such as specialist beds all have their costs.

Age and building type

2.10.15 The table below sets out the type and year of building for each of the older homes. Although there would be different issues for each of the Marks of CLASP, any refurbishment would be exceptionally costly and reduce capacity substantially.

ESTABLISHMENT	Built	Date last refurbished	Build type
KIRKLANDS	1957	1993/4	LB TRADITIONAL
KIRKLANDS DAY CENTRE	1988		CLASP MARK 6
DALESIDE	1962	1993/4	CLASP MARK 2
ASHCROFT	1963	1993/4	CLASP MARK 3
ST MICHAELS	1972	1995	CLASP MARK 4B
BEAUVALE COURT	1984		CLASP MARK 5

ESTABLISHMENT	Built	Date last refurbished	Build type
BISHOPS COURT	1984		CLASP MARK 5
LEIVERS COURT	1984		CLASP MARK 5
JAMES HINCE COURT	1985		CLASP MARK 6
WOODS COURT	1987		CLASP MARK 6

Land values

2.10.16 Should any of the establishments be approved for closure then the chart below provides the current estimated value of the land if sold. The new build homes have not been included on this list.

ESTABLISHMENT	Land value
ASHCROFT	300,000
DALESIDE	750,000
KIRKLANDS	500,000
ST MICHAELS	350,000
LEIVERS COURT	850,000
WOODS COURT	1,300,000
BEAUVALE COURT	800,000
BISHOPS COURT	900,000
JAMES HINCE COURT	800,000
TOTAL	£6,550,000

Alternative residential provision

2.10.17 The following provision for “care homes” with an “old age” category is currently available. The figures first show the number of establishments, the second the total number of beds provided.

	0 MILE	1 MILE	2 MILE	3 MILE	4 MILE	5 MILE	TOTAL
ASHCROFT	5 - 186	4 - 185	8 - 329	5 - 171	14 - 401	0	36-1201
KIRKLANDS	1 - 33	3 - 72	10 - 397	6 - 264	18 - 595	5 - 195	43-1556
DALESIDE	1 - 50	10 - 314	6 - 306	0	17 - 704	6 - 223	40-1597
ST MV	0	5 - 171	0	2 - 54	1 - 13	0	8 - 238
JHC	0	0	4 - 248	3 - 67	7 - 395	2 - 69	16 - 779
BISHOPS	0	1 - 28	0	0	4 - 144	1 - 45	5 - 189
WOODS	0	7 - 222	2 - 74	0	0	0	9 - 296
LEIVERS	1 - 32	3 - 109	8 - 291	7 - 328	8 - 173	6 - 229	30 - 1162
BEAUVALE	3 - 81	4 - 139	0	1 - 60	13 - 404	2 - 31	23-715

- Ashcroft is 3 miles from Maun View
- Kirklands is 4 miles from Jubilee Court and Maun View
- Daleside is 2 miles from Maun View
- James Hince Court is 4 miles from Westwood
- Leivers Court is 2 miles from Braywood Gardens and 5 miles from Jubilee Court

- Beauvale Court is 3 miles from Jubilee Court
- St Michael's View, Bishops Court and Woods Court are not so near to any new build homes.

Impact of any strategic change on day care

2.10.18 All the nine older homes incorporate attached day centres, some providing mental health services which have specialist mental health staff present, others providing mental health services but with no specialist input. The places are detailed in the chart **Appendix 5 - day care numbers - mainstream**.

2.10.19 These include a partnership agreement with Bassetlaw PCT and the Healthcare Trust at James Hince Court, and another less formal arrangement at Beauvale Court which is now part of the outreach service running from Bramwell.

2.10.20 A decision to close any residential home will have to take into consideration the impact on day care provided at the home. Of all the establishments, Ashcroft and Daleside have the smallest day care provision.

2.11 Costs and Income


2007/08 Operational Budget

2.11.1 The 2007/08 operational budget which covers the day-to-day running of council owned residential homes is shown in the table below.

	Employees	Running Costs	Income	Total Annual Budget
Ashfield	2,254,033	680,330	(718,586)	2,215,777
Mansfield	1,701,636	509,658	(546,714)	1,664,580
Bassetlaw	2,607,392	705,368	(815,689)	2,497,071
Newark	1,766,772	468,132	(541,757)	1,693,147
Broxtowe	1,921,146	721,290	(607,952)	2,034,484
Gedling	1,732,070	503,362	(588,023)	1,647,409
Rushcliffe	819,233	160,763	(173,119)	806,877
Central Costs	666,357	1,760,391	(142,231)	2,284,517
TOTAL	13,468,639	5,509,294	(4,134,071)	14,843,862

Unit Cost Comparisons

2.11.2 The most recent comparative unit cost information is drawn from the Department of Health's PSSEX1 return for 2005/06. The unit costs shown in the table below have been drawn up on a full absorption cost basis and include:


- The costs of running the homes on a day to day basis
- A share of administrative functions such as income collection and commissioning
- An allocation of the council's overheads 
- Capital charges, which are an accounting device to indicate the opportunity cost of using assets to provide residential care, but do not result in a cost to the council tax payer. These are similar to the depreciation charges which independent sector homes show in their accounts but are based on the current value of assets rather than the original purchase cost and so tend to be higher.

Unit Cost Comparisons for Older People Residential Care - 2005/06

	Nottinghamshire	County Council Average	Difference
Council run homes – gross cost per resident per week	558	600	42
Independent Sector run homes – gross cost per resident per week	315	392	77

Source: Department of Health, PSSEX1 2005/06

2.11.3 It can be seen that whilst Nottinghamshire's homes are below the County Council average cost, they are significantly higher than those provided by the independent sector. The main reasons for these differences are:

- The impact of using capital charges rather than historic cost depreciation.
- Significantly higher wage levels and sickness  pay for County Council staff compared to those in the independent sector.
- The cost of providing a final salary pension scheme to County Council staff.

2.11.4 The council does pay a relatively low normal rate to independent sector care home providers compared to most other local authorities, and this position has been frequently challenged by providers. There has been a continuing dialogue about this with providers and the Nottinghamshire Care Association. This is continuing through the consultation group with the Care Association, where the Adult Social Care and Health Department are exploring with the Association the implications of introducing a framework for a pricing structure and the impact and implications if this were to be pursued.

Job Evaluation

2.11.5 The Authority is currently undertaking a Job Evaluation exercise. Most jobs in the County Council are covered by the job evaluation process and the pay structures are being reviewed in two parts. Phase 1 was completed in 2004 and covered senior managers and used the Hay job evaluation scheme. Phase 2 is currently being implemented and is using the National Job Evaluation Scheme (NJE). All jobs in Phase 2 have now been evaluated and job scores have been released.

2.11.6 A new pay and rewards package is being developed which will take the job scores, revised employee 'rewards' and involve a new pay scale; this is currently being negotiated. Until pay strategy phase 2 and the job scores are matched to a pay scale, it is not possible to be precise about the impact the job evaluation exercise may have on care home staff pay and the service, and subsequent unit costs. Experience elsewhere, however, indicates that this could add £33 per week to the gross cost of a council care home bed.

2.12 The relative financial context for extra care and residential care and the impact for service users and the council

2.12.1 Overall cost comparisons between extra care and residential care are difficult to make due to a lack of published information. Whilst residential care costs are widely available and measured in a standard way, the costs of extra care differ from scheme to scheme depending on the level of care provided and the extent to which economies of scale are achieved. The evidence that is available, however, indicates that costs of extra care schemes are most reasonable when there are at least 40 places to allow care providers to staff appropriately for night cover and volume of service required.

2.12.2 In looking at costs, it is important to consider the impact on both service users and the council. It is important to note the impact of the different charging regimes that are applied to service users.

2.12.3 **Service users:** For service users in Nottinghamshire, the costs of care in extra care are a cheaper option than residential care. Older people living

- in extra care on a low income would be left with considerably more of their pension/benefits after meeting their care costs, but of course also have to meet their other housing, support and living costs. In a care home, they would be only given a personal allowance; for home care/extra care, on a low income, they would be exempt from any care charge.
- 2.12.4 For very dependent people with assets over £21,500, residential care in Nottinghamshire could be expected to cost them £334 per week (or more, as some homes will charge more than this council payment level). This is compared to the current maximum charge for home care of £75 per week, though in living at home, they would have to meet their housing, support and living costs as well.
- 2.12.5 The reason why care costs in extra care would be cheaper than residential care for service users in Nottinghamshire is the difference in the charging policies that apply. Service users in residential care are subject to the national charging regulations, and if they have relevant assets (including property) in excess of £21,500 they are required to meet their care bills in their entirety. The council would provide no subsidy for people with high assets living in a care home.
- 2.12.6 Home care, however, is financially assessed against Fairer Charging criteria, with the County Council charging a maximum of £75 per week to service users. In an extra care context, assuming a minimum level of care service, based on an average of 20 hours a week of care costing the council £248 per week, all service users regardless of their wealth would be subsidised for their care by at least £173 per week under the Council's current home care charging policy.
- 2.12.7 **The Council:** Based on the same average of 20 hours a week of care, the expected gross cost of an extra care package would be £248 per week. Compared to the council's standard payment rate for residential care for very dependent older people of £334 per week, this adds up to a gross saving of £4,472 per year.
- 2.12.8 The net cost to the council, however, will be determined by the financial means of the individual service user. Service users in residential care with relevant assets in excess of £21,500 would be expected to meet their care bills in their entirety, in line with national regulations.
- 2.12.9 Home care, however, as provided in extra care settings, is means tested against local criteria, with the current maximum charge of £75 per week to service users.
- 2.12.10 As a result of the different charging policies, in 2007/08 residential care for a very dependent older person could cost the council between £0 and £334 per week, whilst extra care for the same individual will always cost

the council at least £173 per week, rising to a maximum of £248 for those who can not afford any contribution.

2.12.11 In the absence of specific schemes to consider, the following general points about the revenue cost to the Council of increasing extra care can be made:

- Service users in Council care homes tend to have relatively low incomes and make small contributions to the cost of their care. If extra care was used as an alternative to direct provision for future service users with relatively low incomes, then there could be reduced costs to the Council and to service users.
- If extra care was used more widely for all income groups as an alternative to making placements in Independent Sector residential care homes, then under the existing home care charging policy there could be a significant cost to the Council. For those service users with assets over £21,500 this could amount to the Council paying an additional £9,000 per person per year.

2.13 2007/08 to 2010/11 Capital Programme provision for development

2.13.1 The 2007/08 to 2010/11 capital programme contains the following provisions for developing mixed care funded from the sale of existing older people's residential homes and sale by the developer of leasehold properties in extra care development:

	2007/08	2008/09	2009/10	2010/11	TOTAL
Mixed care - Mansfield	0	100	4,670	4,670	9,440
Mixed care - Ashfield	934	6,100	5,100	0	12,134
Total Expenditure	934	6,200	9,770	4,670	21,574
Capital Receipts	1,450		7,700	8,100	17,250
Net Capital Payments	(516)	6,200	2,070	(3,430)	4,324

2.14 Options for the future

2.14.1 This section provides information relating to the three options which have been considered by the committee; these are:

- Stay as now
- Withdraw from providing – there are different ways in which this could be achieved, with different consequences
- Retain a strategic share in the market and reinvest some savings in to extra care.

2.14.2 All of these would have a considerable impact over time in their different ways. For the second two in particular there would be a major and urgent process of change management if the benefits are to be realised. Each option is considered with the same headings.

(i) Stay as now

2.14.3 This option would involve maintaining the department as a provider of the current level of residential services. This would mean maintaining the current care homes for as long as possible and replacing each of them with new build homes as they became too outdated or unduly expensive to maintain any longer. This would have the advantage of maintaining homes which are well regarded and popular, provide the range of services described above, and would not disrupt current residents. However, there are issues with the unit costs of these homes compared to other providers, and for the older homes, the number of relatively very small rooms, the costs of maintenance and the impact of trying to modernise the rooms and facilities. To build new homes would be very expensive, especially if there was no contribution from the sale of any land.

a) Impact for service users and carers

This option would provide continuity for service users and carers for now and would allow them to stay with the county council as a provider. There would be disruption as homes were repaired, modernised or replaced.

b) Consistent with the Council's strategic plan?

This option is not consistent with the objectives to:

- strengthen community care to help more vulnerable, elderly or infirm people to live independently at home
- promote greater choice and independence through community care services.

c) Legal implications

There are no specific legal implications arising from this option.

d) Financial implications

This option would commit the Authority to substantial long-term commitments over and above current expenditure in order to maintain the status quo. It would not provide any savings or capital release to modernise services or to increase community-based services. New build replacements would be very expensive – Leawood Manor, where there is a 32 bed residential unit and 40 day care places cost the council £2.4 million

and a 60 bed care home with day care would now cost at least £3.6 million.

e) Performance implications

This option would do nothing to enhance the performance direction expected by the Department of Health of shifting the balance away from residential care, and increasing numbers helped to live at home, nor would it contribute to the objectives of the Strategic Plan.

f) Workforce implications

This option would sustain the current workforce.

g) Major Risks

- The financial requirements of this objective would not allow other developments, and would require increasing funding from the council over time, thus potentially impacting on performance and external judgements of the department and authority
- A long-term commitment made at this point in time could be reversed in the not too distant future in order to meet financial or performance targets
- Increasing frustration from other providers at the differential costs
- Potential cost increases as a result of Job Evaluation
- A continued reduction in use of long-term care places could lead to reduced occupancy.

(ii) Withdraw from providing – there are different ways in which this could be achieved, with different consequences

2.14.4 This option would involve a commitment no longer to remain a provider of services. This could be achieved by closing homes and selling the land for development; closing homes and selling the land and the property for renewal as a care home; selling the homes for continued running as a 'going concern' by another provider; transferring the stock for running by another provider, which could be one established for this purpose, including a social enterprise model – or a combination of these options. The option allows individual judgements to be made about particular homes within this range of alternatives, with a view to maximising the benefits.

2.14.5 Although the market has not been tested, it is a perhaps reasonable supposition that there would be little interest from other providers to take on current homes other than the recently built ones, either as a going concern or empty, but for use as a care home, given the costs and nature of the buildings identified in the first report. The assumption that several

homes would not continue as care homes is built in to the comments which follow about this option.

2.14.6 Although reinvestment in the development of extra care was not originally included in the definition of this option, the potential to do so is similar to option 3 and so needs to be considered as a feature of this option too.

a) Impact for service users and carers

There are short-term and longer term impacts, as with the other options. Residents who had made a choice with their carers to live in a home run by the council would no longer continue in council care. There would be uncertainty after the policy decision before it was clear what was going to happen to their individual home. There would be loss of their home for those where the home closed. There would be potential change in the nature of the service if it was under new management: this could be an improvement or deterioration. There would be no option of living in a council run home for future residents. There could be difficulties in getting the specialist services run by the council now, to be delivered, or delivered as well, by other providers. But there could be improved services in cost and/or quality if run by others. By releasing funding for other developments, this would enable the development of extra care or other community-based services.

b) Consistent with the Council's strategic plan?

This option could be consistent with the objectives to:

- strengthen community care to help more vulnerable, elderly or infirm people to live independently at home
- promote greater choice and independence through community care services.

But it would remove the choice of living in a council run care home for any people who could not be sustained in the community.

c) Legal implications

There would be a need to consult with the residents and other interested parties on the plans for each home and to take account of this consultation in arriving at decisions. If other providers were to be invited to take on the running of homes, there would need to be a tender process which was very clear on the requirements for the service, users and staff and followed procurement legislation and guidance. If an 'arms length' provider organisation were to be created, this would need to be created and appropriate detachment and governance set up, within legal parameters.

d) Financial implications

Closure of homes judged non viable and sale of land would bring in capital which could be used for redevelopment of services to meet need. Reduced revenue outgoings resulting from closures could be used to fund some care places in the independent sector and some new and different services, potentially at better value. In particular, there is the potential for concentration of reinvestment in to extra care. The financial implications of extra care development are described in more detail in Option (iii) but would apply in this option too.

The overall unit cost of long-term care would be expected to reduce if all were provided by independent sector providers. This is because, as reported above, the unit cost for a funded resident in an independent sector care home is significantly less than the unit cost of an older person staying in a council care home. Although there are continuing discussions about the rate paid to the independent sector and costs can be expected to rise over time, comparison with rates paid elsewhere would indicate that the cost will still be significantly less. This issue was the subject of a detailed examination by Cabinet Committee last year.

Additionally, if there were a need to tender for specialist services – such as short breaks for carers, or mental health assessment services – which are now run by the local authority, it is conceivable that the market rates offered by other providers would increase in the absence of a local authority provider.

Most significantly, any provider which took on care homes as a ‘going concern’ would be obliged by TUPE to honour existing pay rates and terms and conditions, so there would be little likely financial benefit from such a transfer.

If homes were to close, there would also be significant ‘transitional costs’. These would include some low occupancy, as long-term admissions were stopped and plans for the future of existing residents were made and put in to place. The homes would still need to run with all or most of their staffing and overhead costs, but income would be reduced.

Additionally, there would be likely to be significant redundancy costs for staff. Without new build homes opening, and with the changes which have been occurring in home care and day services, there will not be the same level of redeployment opportunities for staff which there were when there were previous closures.

In a neighbouring authority, they have in the past offered 7 viable care homes for transfer at a price which was discounted, to balance the effect of TUPE, and then made savings through paying their standard rate for care placements. They managed to transfer 4 homes on this basis. Where the

homes were transferred there were resultant savings in unit costs as well as some capital receipts which were used for extra care developments. Their Cabinet is currently seeking responses to consultation with the intention of taking the same approach with a further 6 of their remaining 10 homes. It could be expected that any provider with such a service would be looking for opportunities to alter the service in ways which removed their TUPE obligations.

e) Performance implications

This option could result in improved performance, with reduced numbers in residential care, and improved services in the community, as long as funding gains were diverted to community-based services. It should improve the performance indicators for the balance of residential against non residential care, numbers receiving intensive home care and numbers helped to live at home – all very significant indicators where the council needs to improve. If funding were diverted in to extra care, then it would also improve performance in the specific count of extra care places, which CSCI has pointed out is relatively low in this authority.

f) Workforce implications

With this model, all council staff could cease to be employed by the council, although some may be redeployed. Where homes close, then staff would face redeployment, but ultimately potential redundancy. Where homes transfer as a going concern, there is an obligation for the new provider to take staff with their existing terms and conditions under TUPE.

g) Major Risks

- Potentially a significant reduction in long-term beds available in the county. Against increasing numbers of older people through demographic growth, there would need to be a continuing reduction in the numbers of older people funded in care homes, and enhanced community services to balance this loss.
- Loss of the guaranteed capacity in the market and in each district which the council provides; loss of the accompanying flexibility in being prepared to meet any needs which have to be met from anywhere in the county.
- Where other local authorities have created an arms length service provider, there have been tensions; with independent sector providers, who see preferential treatment; and with the authority, which expects but does not necessarily see efficiencies, and which loses the hands on flexibility which it had, 'in-house'.
- Significant opposition to any proposed closures; impact on residents, carers and staff of any closures, disruption to services during a programme of closures.
- Reduced public confidence in the absence of the council being a care

provider.

- Day care and specialist services such as mental health services now in homes which might close would need to be re-provided elsewhere; the council would need to decide whether to remain as a provider for these.
- Major change programme required, needing staffing and funding for change managers and transitions costs.

(iii) Retain a strategic share in the market and reinvest some savings in to extra care

2.14.7 This option would involve deciding to retain or redevelop some homes for particular functions and to close others, but redirect savings towards the further development of extra care. This option would also allow individual judgements to be made about particular homes within the range of alternatives, with a view to maximising the benefits. The homes which would clearly lend themselves to retention would be the recently built homes, given their excellent condition and 'fit for modern purpose' design. However, judgements about other homes would need to take account of their condition, the context of services in their locality, the services they provide and the ways in which they could be replaced, and the potentials for further development of extra care and other services.

2.14.8 In terms of the 'strategic share', the argument for the service which the council is least justified in providing is long-term care. This can currently be purchased from other providers, who have capacity across the county and can provide this service at a lower cost to the department. Costs could be expected to increase over time, given the relatively low payments which the department makes. The additional use of other providers for long-term care would enhance their viability, for those who have had occupancy shortfalls. With more, stronger alternatives such as extra care the numbers in long-term care are also likely to reduce over time.

2.14.9 There are much stronger arguments for the council to retain – and develop – the specialist functions where it has already been the dominant provider. These include short-term and respite care, intermediate care – and the potential to further develop this in to an inclusive assessment and reablement service, including one which can reduce hospital admissions as well as taking people on hospital discharge – specialist mental health services and day care.

2.14.10 The arguments for the council retaining such functions are that they provide a continuum of care management with fieldwork staff and home care initial response; they involve close partnerships with key NHS organisations, such as the provider services of the PCTs and the mental health for older persons services of the Healthcare Trust; the expertise in delivering such services is not widespread among other local providers. The counter would be that there is no need for the local authority to

monopolise such services – that other providers could tender for them and potentially could provide them more efficiently and effectively, although TUPE would be a factor. Indeed, with the changes affecting provider services in the NHS, which are developing models for new forms of organisation for service delivery away from the PCT itself, there would be scope to explore a partnership development for such services with local PCT providers.

- 2.14.11 If this option were followed through, with a starting point to retain all the six new build homes and redefine their purpose, then each District currently has a new build home, except Newark and Sherwood. In that district, the council has two homes built in the 1980s, Bishops Court and Woods Court, serving different parts of this large district. Woods Court is the most recently built of the older homes and has also had more recent development to give it intermediate care capacity. The retained homes would have a prime function of assessment and promoting independence for older people in their district. This could be through a broader defined assessment, rehabilitation and reablement service, incorporating intermediate care. This would use the residential functions and the day care service, working closely with the home care initial response and community-based intermediate care, and developed in partnership with the PCT and the Healthcare Trust. This service could be developed as part of an objective that normally no decision would be made for older people to go in to a care home on a long-term basis until they had been through such a community-based assessment – i.e. in particular, not directly from hospital.
- 2.14.12 In addition, short-term care and breaks for carers would continue to be provided. Remaining capacity would be used for long term care. This could be focussed on older people with dementia and particularly complex situations.
- 2.14.13 Staff in the County PCT have expressed their support in principle for this option. Homes would have the potential to prevent some hospital admissions and support and rehabilitate people leaving hospital once they were medically fit for discharge.
- 2.14.14 Such developments would need to be carefully developed along side changes taking place in the NHS designed to reduce hospital admissions and stays in acute hospitals. For example, the services in Ashfield Community Hospital are currently being reviewed, moving towards the concept of Ashfield Health Village, incorporating proposals for a possible pilot scheme with some short stay beds overseen by GPs and some intermediate care. This could provide a model to be built upon in care homes elsewhere in the county in the longer term.
- 2.14.15 This option also seeks to further develop extra care. This would also be feasible as part of Option 2. As stated above, the Department of Health

and much professional practice promote extra care as a real alternative to residential care for most people with that level of need. It can sustain independent living, with the additional benefit of shared living with others and high available levels of support and care services. In leasehold units, it allows people with capital to invest in it and protect some of their inheritance. Local experience in the schemes which exist, supports the analysis and benefits.

a) Impact for service users and carers

For residents who had made a choice with their carers to live on a long-term basis in a home run by the council, they would potentially have to move to a home in the independent sector. This would depend on the phasing involved in any closures and in altering or ceasing any long-term service delivered in a retained council home. There would be uncertainty after the policy decision before it was clear what was going to happen to their individual home. There would be loss of their home for those where the home closed.

Evidence from previous closures indicates that if extra care services are available for residents of a closing home, then a small number will choose and successfully manage a transfer in to extra care.

For future residents, the choice of the council as a long-term provider would be reduced or removed; but this would be replaced by an improved assessment and reablement service across sectors and greater potential to remain independent. Funding diverted to extra care development would enable more opportunities for remaining independent in a community setting.

b) Consistent with the Council's strategic plan?

This option could be consistent with the objectives to:

- strengthen community care to help more vulnerable, elderly or infirm people to live independently at home
- promote greater choice and independence through community care services.

But it would reduce or remove the choice of living in a council run care home on a long-term basis.

c) Legal implications

There would be a need to consult with the residents and other interested parties on the plans for each home and to take account of this consultation in arriving at decisions. Any decision to establish a new partnership arrangement with PCT provider services would need to be undertaken in

line with the legal regulations governing such a development, including, where appropriate, rules regarding tendering.

It should be noted that there are numerous different ways to package and scope services for procurement and early consideration of the issues and objectives with colleagues in Legal Services should assist in identifying the best options and developing an appropriate timetable for implementation.

d) Financial implications

Closure of homes judged non viable and sale of land would bring in capital which could be used for redevelopment of services to meet need. Reduced revenue outgoings resulting from closures could be used to fund some care places in the independent sector and some new and different services, potentially at better value.

The overall unit cost of long-term care would be expected to reduce if all were provided by independent sector providers. There would also be transitions costs and redundancy costs. All these elements would apply as described in this section in Option (ii) above.

Extra care development carries the financial risks described above in relation to the charges and contributions of service users. Supporting People would be expected to cover the support costs of extra care and there is already a commitment within the Supporting People Investment Plan to fund the support element of around 120 units of extra care at an anticipated cost of £156,000 per year. Any variation to this would need to be approved by the Supporting People Commissioning Body.

Capital funding for extra care developments would need to be sought with partners from the Housing Corporation, from the sale of leaseholds as part of the scheme and from capital available to RSLs (Registered Social Landlords) and stock transfer ALMOs (Arms Length Management Organisations). The mechanism for selecting appropriate partners will also have to comply with the relevant legal rules and tendering procedures.

There would need to be an increase in staffing at retained homes in order to deliver the specialist services described, with some contributions from PCT and Healthcare Trust services. There is, however, evidence from other reablement schemes, such as in Leicestershire, that an effective scheme is cost-effective in reducing the need for more expensive long-term services, in care homes or the community.

e) Performance implications

This option would result in improved performance, with reduced numbers in long-term residential care, more people successfully rehabilitated in to the community and improved services in the community with the additional

extra care provision. It would improve the performance indicators for the balance of residential against non residential care, numbers receiving intensive home care and numbers helped to live at home – all very significant indicators where the council needs to improve. It would also increase numbers in extra care settings, which CSCI has pointed out is relatively low in this authority.

f) Workforce implications

With this model, where homes close, council staff would face redeployment, but ultimately potential redundancy. If remaining homes were to take on the roles described above, then there would be a need for further training, developing the skill mix in the workforce to ensure effective reablement and high quality mental health services and a higher staffing ratio in order to achieve the tasks allocated.

Extra care requires support services, usually funded through Supporting People, so such staff would need recruiting by the service provider, and care services would need to be tendered for by the council. This does provide new opportunities for home care workers. There are some recruitment and retention difficulties in the home care sector, although working in a dedicated unit such as an extra care unit is more attractive to some staff than a more dispersed home care role.

g) Major Risks

- A significant reduction in long-term beds available in the county. Against increasing numbers of older people through demographic growth, there would need to be a continuing reduction in the numbers of older people funded in care homes, through enhanced reablement and intermediate care services and community services to balance this loss.
- Reduction of the guaranteed capacity in the market and in each District which the council provides; loss of the accompanying flexibility in being prepared to meet any needs which have to be met from anywhere in the county
- Potential cost increases for council staff as a result of Job Evaluation
- Cost increases in providing care in a multi purpose unit reduce the funding available for potential extra care development
- Lack of engagement and funding from PCT commissioners and providers in developing integrated assessment, reablement and intermediate care services
- If all council services are provided from one unit in a district, this will create pressures for service users and carers who are not local to that unit
- Recruitment and retention of necessary staff

- Reduced income to the council with current charging policy as residents in extra care are charged less for care services than people with equivalent needs in care homes.
- Major change programme required, needing staffing and funding for change managers and transitions costs.

2.15 Financial implications of the options

2.15.1 This section considers, on a 'desk-top' basis, the broad costs of each of the options. It would be expected, before an implementation plan was agreed, that there would be more detailed work undertaken on a preferred option.

2.15.2 The availability of capital to implement the options under consideration is a limiting factor which would need addressing. Currently, the 2007/08 to 2010/11 capital programme contains net funding of £4.3 million for the provision of mixed care schemes in Ashfield and Mansfield.

Replacing Existing Homes

2.15.3 Under the *Stay as Now* option, the Council may need to replace its older homes within the next 10 years given the maintenance issues they face. Previous reports to the Cabinet Committee have identified that nine of the Council's residential homes do not meet modern standards and would need to be replaced to maintain the current volume of service. In order to determine the capital cost of replacement, the costs associated with recent schemes have been updated to allow for building inflation with appropriate allowances for equipment and contingencies.

2.15.4 Assuming that the existing sites are redeveloped, and that no additional land purchases are required, the projected replacement cost of the "old" homes and their associated day centres at 2007/08 prices are set out in the table below:

		£000	£000
	Number of Beds	1 Total Cost	1.1 Cost per Bed
Kirklands	29	£ 2,986	£ 103
Daleside	32	£ 3,267	£ 102
Ashcroft	35	£ 3,547	£ 101
St Michaels	34	£ 3,454	£ 102
Leivers Court	38	£ 3,828	£ 101
Beauvale Court	44	£ 4,024	£ 91
Bishops Court	45	£ 4,110	£ 91
James Hince Court	38	£ 3,828	£ 101

Woods Court	49	£ 4,227	£ 86
TOTAL	344	£ 33,271	£ 97

Note: The number of beds replaced at James Hince Court is based on the current level of service, rather than the capacity of the building.

2.15.5 On average, the replacement cost is expected to be £96,700 per bed. The cost per bed is higher for the smaller homes as the fixed costs of planning and design are spread over fewer beds. In total, replacement of the existing homes will require a further £29 million of capital investment over and above the current provision in the capital programme.

Capital Cost of Extra Care

2.15.6 Both the ***Withdrawal*** and ***Strategic Share*** options would see the Council provide 150 extra care units as an alternative to residential care. For the purposes of this analysis, the cost of extra care units has been determined on the assumption that the Council will enter into a partnership with a third party developer to build new units. To build rented units over which the Council has nomination rights, finance can be obtained from the following sources:

- Developers selling extra care units to private buyers to provide funds to build rented units.
- Borrowing by the developer through mortgages secured on future rental income.
- The Council's own capital resources.
- Government Grants secured by the Council or the developer.

2.15.7 The funding mix employed will impact on the cost of providing extra units with nomination rights for the Council and the timeframe in which they can be delivered. There are direct trade offs to be made between the cost to the Council, the timeframe over which schemes are delivered and the amount of land they require:

- Selling extra care units to fund units with nomination rights for the Council is reliant on having sites that are large enough to support a mix of private and rented dwellings.
- Financing schemes with Government Grants reduces the capital cost to the Council, but will significantly delay the timeframe over which schemes can be delivered. Over the 10 years that this review covers,

it is not expected the Council and its partners would be able to attract sufficient grant to fund 150 extra care units.

- Financing from the capital programme is the most expensive route for the Council to provide extra care, but allows for the quickest delivery of the schemes and requires the least amount of land.

2.15.8 The experience of the Rushcliffe mixed care scheme has been used as the basis to model the potential cost to the Council of providing 150 extra care places over which it has nomination rights. After allowing for the funding provided by securing mortgages on future rental income, the modelling considered:

- The cost to the Council of funding the scheme without relying on the sale of units to show the price of the quickest delivery of units on the least amount of land.
- The number of private units that would have to be sold by the developer in order to fund the required number of social rented units to show the private/rented mix and land requirements of providing the units at a nil cost to the Council.

2.15.9 The results are summarised below:

	Scheme funded by the Council	Scheme funded by the Developer
Units for the Council	150	150
Units for sale	0	311
Total number of units	150	461
Acres of land required	7.5	23.1
Cost to the Council of 150 Extra Care Units	£12.2 million	Nil

2.15.10 The table shows that in order for the capital cost of extra care to be met by the developer the amount of land required increases by a factor of three, with a ratio of two private sale units to one Council unit on the sites. Were the availability of suitable sites to be a major constraint, providing 150 extra care units could cost the Council £12.2 million.

2.15.11 It should be noted that the Council may be able to provide its target number of extra care units by working in partnership with District Councils and other Social Landlords to adapt or replace existing housing stock. This option could prove to be significantly cheaper than new builds and overcome site availability problems. Further work would be required, however, to identify potential schemes before costs could be determined.

Implications of Potential Disposals

2.15.12 The **Withdrawal** and **Strategic Share** options envisage that the Council would generate capital receipts that could offset some of the cost of providing extra care. For the purpose of this analysis the following assumptions have been made about the implications of the disposals that would take place, although it is recognised that in reality there could be some variations on these assumptions. For day care in particular, it is assumed that day care would continue to be provided in homes which were sold as a 'going concern'. Also, although a financial assumption is made that new day centres would be built in each District, to replace day care places lost through closing homes, in reality solutions for day services may include some more pragmatic and less expensive use of other buildings, and the remaining capacity would depend on decisions about which homes were to close:

- **Withdrawal** – All of the “old” homes would be sold for development with the new homes sold as going concerns. Seven new day centres would be built to replace the lost capacity at a maximum cost of £1.5 million per centre.
- **Strategic Share** – Seven of the nine “old” homes would be sold for development, and for the purpose of the analysis it is assumed that Woods Court and Bishops Court would at some point be rebuilt to modern standards. All of the capital receipts generated from the sales would be used to fund replacement day care provision.

2.15.13 The anticipated sale value of the older homes is described above; in total, the nine sites could be expected to realise £6.6 million. If the Woods Court and Bishops Court sites were retained, the capital receipt would fall to £4.4 million.

2.15.14 Consideration has been given to the potential capital receipt that could be realised by disposing of the new homes as a going concern. A limited survey of residential care homes for sale in the Midlands indicates that the new homes could have a significant market value. Based on an average sale price of £37,000 per bed, the sale of the new homes might be expected to realise a capital receipt in the order of £12.2 million. Comments from representatives of the Nottinghamshire Care Association to the committee suggested that the sale value may be higher, but this would need to be tested in the market to be certain.

2.15.15 As a result, the following conclusions can be drawn:

- **Withdrawal** – This option may generate a capital receipt of £18.8 million. After allowing for £10.5 million to provide seven day centres, a balance of £8.3 million could be available to fund extra care. On the basis of the experience of the Rushcliffe scheme, this

would be sufficient to enable the Council to fund 102 extra care units.

- **Strategic Share** - This option generates a £4.4 million capital receipt, which would be sufficient to meet some of the cost of the cost of replacement day care. No funding would be available to finance extra care.

Comparison of the Capital Implications of the Options

2.15.16 The capital cost of the three options discussed above can be summarised as follows:

	£ Million <i>Stay as Now</i>	£ Million <i>Withdrawal</i>	£ Million <i>Strategic Share</i>
Replacement of "Old" Homes	33.3	0.0	8.3
Replacement day centres	0.0	10.5	10.5
150 extra care units	0.0	12.2	12.2
Total Expenditure	33.3	22.7	31.0
Capital Receipt from sale of "Old" Homes	0.0	-6.6	-4.4
Capital Receipt from sale of "New" Homes	0.0	-12.2	0.0
Capital Receipts from Disposals	0.0	-18.8	-4.4
Capital Cost to the Council before Developer Contributions to Extra Care	33.3	3.9	26.6
Developer Contribution to the Cost of Extra Care	0.0	-12.2	-12.2
Capital Cost to the Council After Developer Contributions to Extra Care	33.3	-8.3	14.4

2.15.17 The following conclusions about each option can be drawn. For all of them the most expensive model is applied for day care, involving new build replacements in each district, whereas it is recognised that the solutions for day services may in the end include some more pragmatic and less expensive use of other buildings.

Stay as Now

- This is the most expensive capital option and provides no extra care places
- The capital cost could be offset by the use of PFI, but this would have significant revenue implications and commit the Council to operating the homes for perhaps a 25 year period.



Withdrawal


- The capital cost of this option is potentially the lowest of the three, but is dependent on the extent to which the new homes can be sold as going concerns.
- The capital receipts together with the existing capital programme funding would be sufficient to replace the day care provision and fund 150 extra care places without relying on private sales of extra care accommodation.
- If a developer's contribution was secured to fund the extra care there is the potential to release £8.3 million of capital receipts to fund other priorities.

Strategic Share

- This option would require a substantial capital investment from the Council to deliver 150 extra care places without funding from private sales. As a result much more development land needs to be identified than is required by the other options.
- With private sales income, the Capital Programme would require £10.1 million in addition to the current provision of £4.3 million to deliver 150 extra care places and re-provide the day care services from the sold sites.

Revenue Issues

2007/08 Revenue Baseline

2.15.18As reported above, the 2007/08 operational budget for the services provided on care home sites is £14.84 million. Of this total, some £2.84 million relates to day care services, which are not subject to this evaluation 

2.15.19The remaining residential care budget of £12.0 million is the baseline on which the revenue implications for each option are considered. The budget is allocated as follows:

Subjective Heading	£000
Employee Costs	11,779
Premises	1,488
Transport	43
Supplies and Services	774
Capital Charges	2,086
Other Income	-1,047

Total Expenditure	15,123
Client Income	-3,123
Grand Total	12,000

2.15.20 Fee rates for independent sector providers are set at the Total Expenditure level, before client contributions (which are collected by the Council). Based on a 92% occupancy, the gross cost per week of Council provision is £467.

2.15.21 Of this, some £64 per week relates to Capital Charges. Capital Charges are unique to the Public Sector and are an accounting entry designed to indicate the opportunity cost of using assets. They are not real cash, they are not collected from the Council Tax payer and they are not available to spend on alternative services. Therefore, the amount of funding per week actually available for alternative services is £403 per week – some £13.037 million in total.

2.15.22 As mentioned earlier, the current National Job Evaluation (NJE) exercise is likely to impact on the cost of Council provision. At this stage costs for Nottinghamshire have yet to be finalised, but based on the experience of other local authorities, NJE could be expected to add £33 per week to the gross cost of Council provision.

2.15.23 After allowing for the impact of NJE, the gross cost of £436 per week compares to the projected gross cost of extra care of £248 per week (based on 20 hours of care per week, as reported on the 15th May 2007) and £344 per week paid to Independent Sector providers for older people with dementia.

2.15.24 It should be noted that the average level of client income per resident per week is budgeted to be £96 in 2007/08. This compares to a maximum charge for homecare of £75 per week. Assuming that older people who might have gone into Council homes go into Council extra care, there will be an income loss of £21 per person per week.

Comparison of the Final Revenue Implications of the Options

2.15.25 Under the **Stay as Now** option, the budget costs set out above would be expected to be maintained in real terms throughout the review period. For reasons of prudence it is assumed that the revenue costs of the **Withdrawal** and **Strategic Share** options would be the same. TUPE requirements mean that the running costs of any homes that were sold would have to be met on the same terms and conditions for staff as if the Council were running the service itself.

2.15.26 Based on a model that sees 255 beds closing in the “Old” homes and being replaced by 150 extra care beds and 105 placements in the Independent Sector, once the options are fully implemented, total savings of £1.81 million could be realised as follows:

- **Extra Care** – After allowing for the loss of income at £21 per week, replacing 150 Council residential care beds with 150 extra care beds would save £167 per person per week, equating to £1.31 million per year.
- **Independent Sector residential care** – Replacing 105 Council residential beds with 105 in the Independent Sector would save some £92 per week for older people with dementia, equating to some £0.5 million per year.

Transitional Costs

2.15.27 Whilst the final costs of the **Withdrawal** and **Strategic Share** options are expected to be the same, the pace and nature of the change will impact on the transitional costs that the Council incurs. These will mainly be in the area of redundancy/pension strain and provision of extra capacity to facilitate closures. Without more detail of the timeframes over which each option might be implemented, it is difficult to quantify the level of transitional costs at this stage. It is clear, however, that transitional costs for the **Withdrawal** option will exceed those for the **Strategic Share** option as the Council will lose the ability to redeploy staff or save costs through staff leaving/retiring. Experience with the modernisation of learning disability day services indicates that the transitional costs associated with the **Withdrawal** option could be in excess of £2.5 million.

Summary of costs

2.15.28 In conclusion, the following points have emerged from the analysis to date:

- 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.

2.16 Transfer or sale to the 'not for profit' sector

2.16.1 The Cabinet Committee has given some consideration, under Option 2, to the potential for services which are currently run by the council being provided by the 'not for profit' sector. Organisations such as Abbeyfield were suggested to the committee. The attraction of a not for profit provider is that additional costs arising from delivery of profit to shareholders or other investors do not apply.

2.16.2 The principal costs of running a care home are the land and buildings and the funding of the capital behind them, the payment of staff, other running costs such as fuel and insurance and other organisational overheads.

2.16.3 Any not for profit provider would face the same improvement and maintenance costs as the council, particularly for the older homes. The new build homes are, however, a significant asset for the council, and there would need to be a decision on how this asset was viewed in transferring or selling to a not for profit provider, the decision having a significant impact on the financial context in which the provider was then operating.

2.16.4 Staff would have the right to transfer to the new provider under the protection of TUPE, and the provider would be expected to appoint new staff to the same terms and conditions under TUPE. There would not, therefore, be any significant reduction in the costs of staffing. If there were to be a major reorganisation and change of the business, then it would be conceivable that TUPE would cease to apply, but the contract which the council would be expected to have with the provider would preclude any such major change in the foreseeable future.

2.16.5 Other running costs would be likely to be similar for any provider; organisational overheads, however, could be smaller, although this would be a relatively small proportion of overall costs.

2.16.6 These options were reviewed in considerable detail in the 1998 care home review and were not seen as desirable options at that time. Although it has not been possible to research the position in other Authorities on this subject in detail as part of the current review, there is some awareness that other Authorities have made or entered in to arrangements with 'not for profit' care providers as part of reshaping residential care homes, which have not led to significant savings. Because of TUPE and

sometimes development costs, such arrangements have usually been set up on a 'block contract' basis at higher levels of payment than other independent sector providers receive, which causes continued resentment with other providers, and does not have the benefit of releasing savings to the council to be used for other purposes.

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

This section considers the impact of potential changes on specific services. The nature of the services in each District is reported in **Appendix 6 – existing services and the impact of any change processes, district-by-district.**

Long-term residential care

- 2.17.1 If there are to be any closures of any existing homes, it will have a significant effect on residents, staff, carers and the local community. If residents have to move from what has been their home and had been expected to continue as such, it can be very traumatic. Past experience has shown that any such change has to be very carefully managed and the needs and preferences of each individual carefully worked with, and family carers closely involved. The council has managed this very successfully in the past, and this experience and expertise would be built on, if required.
- 2.17.2 Closures of local authority homes in the past have usually been accompanied by the development of a new home, in which case, residents have had the opportunity to move to a new local authority home; in the options presented in this report, there would not be the same opportunity. Time needs to be allowed for residents and carers to come to terms with the implications and the options open to them.
- 2.17.3 In the options proposed, there will also not be the opportunities for staff redeployment which there have been in previous circumstances. As well as assisting residents to deal with change, staff will be concerned about their own futures, and management of the homes can be challenging as staff move on. The timing and phasing of any closure programme is therefore critical.
- 2.17.4 Moving older people to alternative homes of their choice may be affected by the varying levels of occupancy in any remaining council homes and independent sector care homes in different districts. This was found in the survey which is reported above. Rushcliffe and Newark were identified in the survey as Districts with high levels of occupancy and also with homes which required 'top-ups'. The council may need to pay 'top-ups' beyond the normal level of payment in order to move some people to the homes which meet their needs and reasonable choices. As with any closures in the past, there may be occasions when closure leads to losses for a resident which cannot be made good, e.g. if the very specific location of a

home was its appeal, perhaps because it was very closely located to relatives.

- 2.17.5 If there were to be transfer of any homes, this would have an impact for residents, with the anxiety about new management, but this could be eased by sensitive handling, and is less a cause of distress than a closure.

Short-term care and breaks for carers

- 2.17.6 The department has been a major provider of short-term care and breaks for carers (respite care) in its homes for older people. These services are of crucial importance in sustaining many arrangements in the community. Some independent sector care homes also provide this service. It almost inevitably leads to lower levels of occupancy, with the time required between resident departures and admissions and the difficulties of matching individual needs and available beds. If this service were to be shifted to the independent sector, they could be expected to require this to be funded on a block booking basis, i.e. with guaranteed payment for a set number of beds.

Specialist mental health services

- 2.17.7 The department has been providing some services in partnership with the Healthcare Trust; so at Bramwell, there is an assessment residential wing for 14 older people with mental health needs, and a 10 place day care unit providing assessment services 5 days a week. At St Michael's View, there is an assessment day service running one day a week, and at James Hince Court, which specialises in providing mental health services, there is a 12 place assessment day centre running 5 days a week, with a social service on Saturday. At Beauvale Court there is a mental health assessment and support day care service 3 days a week and at Leawood Manor a one day a week mental health assessment service. These have all been valuable services and would need to be planned for in any transfers or closures which might be proposed. In addition to these arrangements, which involve Healthcare staff working in departmental units with our staff, all Departmental services provide high quality care for older people with mental health needs, and this would need to be replaced in other service plans.

Day services

- 2.17.8 All the department's current care homes have an integrated day service, providing over 2000 day places, often open on a 7 day a week basis. Full details are provided in **Appendix 5 – day care numbers - mainstream**. These are a bedrock of support services to older people and their carers and are of critical importance in keeping many people at home, rather than in care. Because they are managed within the homes, their unit costs are low – on a value for money comparison with other councils,

Nottinghamshire has a slightly above average level of service, provided at slightly below average cost. If homes were transferred, it would be important to transfer the day service too. Other than Kirklands, there is no potential for the day service unit to 'stand alone' if the home were to be closed. Retaining a day service alone affects the potential to sell the land.

2.17.9 Where there have been the 6 replacement homes built in the last decade, and the Southwell development, day services have been built as a key part of the service. If homes are to close in the next phase of the strategy, without replacement homes, then there has to be planning for day service replacement.

2.17.10 Some of this could happen in an extra care development; so for example, there is the potential for day services to be in the planned 'retirement village' in Ashfield and Mansfield. Such developments do have significant capital costs. If there are smaller extra care developments, where an existing sheltered housing scheme may be upgraded, there is also the potential for existing day rooms to be redeveloped.

2.17.11 So there would be a need to plan for new developments for day services. The committee agreed the following guiding principles to steer any day service redevelopment:

Day services should:

- Meet the needs of older people who are eligible for funded services
- Meet the needs of older people with physical disabilities, functional mental ill health and dementia
- Provide short-term services which assist in assessment, reablement and rehabilitation
- Assist in promoting and maintaining the independence of older people
- Assist in preventing the need for admission to care homes
- Provide respite for carers, with recognition of the times of the day when they would value these services
- Provide value for money
- Be as local as possible
- Be developed jointly with the NHS and other providers where appropriate
- Make best use of available accommodation.

2.17.12 There are a number of ways in which this could be achieved.

2.17.13 First, as suggested above, this could be as part of any extra care developments. Either there, or in another setting, new day care services could be built.

- 2.17.14 Secondly, however, these changes are in the context where there are currently other changes happening across day services in the department. So, for younger adults with learning disabilities, in line with Valuing People, there has been a steady move towards individualised care planning, supported living and integration into a range of work, learning and leisure directed activities, in which the more conventional day centre becomes less and less the place for daily activity. Likewise, more and more adults with a physical disability, often supported by direct payments, are engaged in a range of day time activities to suit their individual choices, and again, the day centre for many has become much less the place to be during the week. Mental health day services have also continued to increase their integration with community activities, with more movement out of people to other activities, and some increases in use of the service by external groups.
- 2.17.15 This changing approach to day services applies less to older people, in that for most older people, attendance at a day centre should only happen when all other community-based options have been exhausted. But an overview of current services suggests that there are not consistent eligibility criteria applied for admission to the services attached to the homes. Admissions tend to be related to the presence or lack of other services in the area, or assessors' knowledge of them, and some people are in council day services whose needs could well be met by good local voluntary sector services, for example.
- 2.17.16 In this changing context, there have already been examples where some of the larger stand-alone departmental day centres for younger adults in the county have been used to provide services for more than one service user group.
- 2.17.17 It would therefore now be timely to consider the development in each district of one (or possibly more) multi-use day service centres, with distinct areas for particular service user groups. This would also allow for flexibility across age ranges, so that, for example, there could be more use of the rehabilitative skills of staff working with adults with a physical disability to work with some older people. In reviewing the current day services provided by the department, it is possible to identify ways in which such a centre could be developed in each district.
- 2.17.18 Third, there is also the potential to adapt and expand the use of some of the current care homes to provide increased day care services, if they were to cease to provide residential care. This could be used as a way of enabling some care home closures, and some reconfiguration of day services on a transitional basis while longer term developments were undertaken and the impact of shorter term changes was evaluated.
- 2.17.19 Fourth, there are also other day services provided or funded by the Department in the community, as well as a range of resource centres,

lunch clubs and sheltered housing centres where day time activities for older people take place. These could provide for, or be developed to provide for, current and future older people affected by potential closures of day services.

2.17.20 It is clear that, if an option which proposes closures of homes is pursued, then there will need to be detailed planning to ensure that necessary day services to meet needs in the future are in place.

2.18 Change management and transitions costs

2.18.1 If options for change are to be pursued, they involve a major reconfiguration of services and significant transitional costs. As stated above in broad terms, the withdrawal option would involve higher costs than the strategic share option, primarily resulting from redundancy/pension strain and provision of extra capacity to facilitate closures.

2.18.2 If there are to be closures of homes, then there will be substantial transitions costs arising from reduced occupancy, additional staffing required to plan for and work with each resident on their needs and for overall programme management.

2.18.3 For some people moving from Departmental care homes in to long-term places in independent care homes, there will be costs above the normal payments to independent sector homes, where it is judged that the council should pay a 'top-up' to ensure their needs and choice are met.

2.18.4 A change of function for retained departmental care homes, if they are to move to the proposed broader reablement model plus specialist long-term care, would require some additional staffing on a long-term basis to achieve those functions. In the longer term, there should be cost efficiencies from reduced long-term care funding requirements.

2.18.5 An expansion of extra care would require programme management, costs of tendering and investment in new schemes.

2.18.6 Reconfiguration of day services as described above is a significant change programme, which would require programme management and some capital investment in adapting buildings or any more substantial land sale and service redevelopment programme which may result from a detailed review of options.

2.19 Charging

2.19.1 These options do again bring the question of charging in to relief. As was pointed out earlier in this report, there are very different national frameworks for charging. Residential care is governed by specific national

arrangements, home-based care is governed by the national Fair Access to Care Services statutory guidance, within which there is considerable local discretion.

2.19.2 Where people are also receiving a support service, the local Supporting People charging and relief policy will apply. This is governed by national Directions which prescribe that people on a low income are not required to meet the costs of their support service.

2.19.3 The income to the council from someone provided with care on hand 24 hours a day, 7 days a week, is very different for someone in a care home compared to someone living in their own home. On the other hand, someone living in a scheme such as an extra care scheme is likely to be paying significant rent (or perhaps mortgage), service and support charges and the ordinary costs of daily living in addition to their care charge.

2.20 Timescales for change

2.20.1 If options are to be pursued which have major change implications, there will be significant time involved in change. Experience and evidence suggest that any closures of homes which are decided on, need to be seen through fairly quickly. Although there needs to be all the time required for detailed planning and support to residents and carers in moving, not surprisingly, once a home is defined as needing to close, then decisions have to be made about when admissions have to stop, some people will choose to move out quickly, and staff start to leave. An outer limit of perhaps two years could be defined for this as what is normally required.

2.20.2 On the other hand, if an expansion of extra care is to take place, this can not all be achieved quickly. The council will need to tender for partners to work with us in developing suitable settings. Small local developments in existing sheltered housing may be able to be achieved fairly quickly, if the providers can bring the capital for any improvements to the buildings. But any larger scale developments may require contentious planning permission, often a partnership between the county council, the district council and potentially a town or parish council as well as the developer, funding - which may come from a range of sources, as described earlier, the redevelopment or building of new services and tender processes for support and care contracts. The experience of a programme of major service transformation and redevelopment needing phasing across different parts of the county in the past - for example, the first stage of the residential strategy, in which the five new homes were built to replace closing homes - was that these processes could take up to five years, and the processes and costs associated with extra care development could extend that somewhat. In some areas, this could happen much more quickly than others.

2.20.3 The differences between these timescales would require careful planning and management to ensure that adequate services are available across the county.

2.21 Consultation

2.21.1 This Committee has worked in a very open way, wanting to publicise the nature of its work and the issues it is confronting, and inviting informed comment to assist in developing its views. The local media have taken considerable interest. There have also been very helpful views from local voluntary organisations, members of the Older Persons Advisory Group, Newark and Sherwood District Council, several members of the public and some members of staff. This consultation is summarised in **Appendix 7 – media and other responses to the work of the committee**).

2.22 Conclusions

2.22.1 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.

2.22.2 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.

2.22.3 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.

2.22.4 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.

2.22.5 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.
- There are exceptional circumstances in Newark and Sherwood, described in detail in **Appendix 6 - existing services and the impact of any change processes, district-by-district**. This large district uniquely does not have a new build care home. It has high levels of occupancy in care homes, and high levels of 'third party top ups' required from existing independent sector providers. It has currently two homes, among the most recently built of the older homes, which serve different parts of the district.
- 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.

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

3. Statutory and Policy Implications

3.1 This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, crime and disorder and users. Where such implications are material, they have been brought out in the text of the report. Attention is however, drawn to specifics as follows:

3.1.1 Personnel Implications

Option 2 would lead to transfer of some staff under TUPE arrangements and redeployment where possible for staff from closing homes, or redundancy where this was not possible. Option 3 would lead to redeployment, where possible, for staff from closing homes, or redundancy where this was not possible.

3.1.2 Financial Implications

These are contained within the report.

3.1.3 Equal Opportunities Implications

Any future service development must ensure that the diverse needs of the county are appropriately provided for.

3.1.4 Implications for Service Users

3.1.4.1 If recommendations were agreed which could lead to the closing of any homes after consideration of the outcomes of formal consultation, then the residents in the home would need to move as it approached closure. The council would need to follow the established practice, of careful consideration of the options and wishes of each resident, with their families, and then carefully managed transfer to another setting.

3.1.4.2 Option 2 would lead to some residents transferring to new providers who would take over the running of the service.

3.1.4.3 Options 2 and 3 would both give the opportunity for new services to be developed which would help to support more older people in the community.

3.1.4.4 The vision for retained homes in Option 3 would enhance the assessment and reablement of older people at critical times in their lives.

4. Recommendations

4.1 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 Sutton-in-Ashfield, Ashcroft in Kirkby-in-Ashfield, Leivers Court in Arnold, 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.

5. Legal Services Comments (DLS 20/08/07)

- 5.1 The proposals are within the terms of reference of the Cabinet Committee. There are no other legal issues arising from the report that require comment.

6. Strategic Director of Resources Financial Comments

- 6.1 The financial implications are contained in the body of the report.

7. Background Papers Available for Inspection

- 7.1 Reports of the Residential Homes for Older People Working Group 2003 - 4 and relevant Cabinet reports for 28th January 2004, 24th March 2004, 12th January 2005 and 13th July 2005.
- 7.2 'Our Health, our Care, our Say' - Department of Health White Paper 2006.
- 7.3 Nottinghamshire bid to Extra Care Sheltered Housing Fund October 2006.
- 7.4 'The National Framework for NHS Continuing Healthcare and NHS-funded Nursing Care' Department of Health Guidance June 2007.

8. Electoral Division(s) Affected

- 8.1 Nottinghamshire.

COUNCILLOR MICHAEL STOREY
Deputy Leader of the Council



Cabinet/Cabinet Committee/Cabcomm12