

By: Graham Gibbens, Cabinet Member for Adult Social Services and Oliver Mills, Managing Director, Kent Adult Social Services

To: Cabinet – 14 June 2010

Subject: **THE FUTURE OF OLDER PERSONS' PROVISION IN KENT COUNTY COUNCIL**

Classification: Unrestricted.

Summary: The report sets out briefly the current context of in-house provision for older people in Kent. It considers the potential options and opportunities and proposes a set of consultations be undertaken to enable future decisions to be taken on modernising the service.

Introduction

1. (1) Kent Adult Social Services (KASS) is reviewing its capital provision, and specifically the in-house provision of residential services for older people. The drivers for this include the need to modernise services and to respond to changing demands, both as a result of predicted needs, and also the style of support that people are beginning to demand. At the same time the costs of the current service, together with the costs of any capital required for upkeep, and more critically for modernisation, will also have to be taken into account.

Background

2. (1) KASS currently operates 16 residential care homes across the County. Of these 3 are relatively newly built facilities, providing an integrated service with the Health Service. They were built to modern standards (including en suite bathrooms for all bedrooms), and provide a high standard of care, including rehabilitation, allowing some service users to be discharged back to their own homes, sometimes without needing any further care or support. In addition there is the newly rebuilt Broadmeadow home in Folkestone, which is currently being extended to provide specialist dementia care.

(2) The remaining 12 homes provide good quality care, some also provide recuperative care, and are generally popular with their residents. However they are older buildings, without en suite facilities, and increasingly costly to maintain. In addition the costs of capital to modernise the facilities, and to provide the specialist services that will be required, would be prohibitive.

(3) There is also a clear revenue cost difference between in-house and external provision. This arises from the differences in pension provision between public and private sectors, and also the increased pay rates for staff which came about as a result of implementing single status. This means that the unit price of a residential care bed in in-house provision is more costly than in the independent sector. Where facilities are providing specialist services (such as in the integrated care centres, or in the purpose built dementia facility in Broadmeadow) this is justifiable; but it cannot be accepted when there are equivalent services available at lower cost in the independent sector.

Future models of Care

3. (1) The County benefits from a large and thriving care market, from which KASS commissions the majority of the residential care needed by service users. Although all of the evidence suggests that, in future, many more people will wish to stay in their own homes (with appropriate support); it is equally clear that there will always be a need for residential care. In some cases this will be for short periods such as respite, or to facilitate an early discharge from hospital, but also for long term care for those people who choose not to or are unable to stay in their own homes.

(2) In addition to the standard provision of residential care, there are other more specialist aspects that will be needed for the future. Firstly recuperative care, where people are admitted for short periods of intensive support (possibly on discharge from hospital, or to avoid admission to hospital), the prime objective of which is to enable them to recover sufficient capacity and confidence, to enable them to be discharged back to their homes. Also, in the light of demographic forecasts, it will be imperative to develop more good quality dementia services. Both of these services already exist to some extent, but it is quite clear that the range and scale of provision will have to be expanded to meet future need.

(3) KASS has also had some success in developing extra-care sheltered housing (in partnership with the district councils). This is a model of care, where the service user has their own apartment, complete with kitchen, and so can continue to be fully independent; but within the development there are communal facilities, such as a restaurant. Above all there are care staff on site for 24 hours of the day, in addition to any of the specific care packages each resident has. This means that the residents and their families can be confident that any emergency will receive an immediate response.

Opportunities

4. (1) The recent development of the “Better Homes Active Lives” PFI scheme was a successful project in partnership with 10 district councils to produce specialist housing for vulnerable people. This included 275 high quality extra care sheltered housing apartments in 7 sites across the County. These are now fully occupied and are very popular with the residents, providing the combination of their own front door, within a community, with good quality care as they need it. The Directorate has secured Home and Communities funding and is delivering a further scheme (“Excellent Homes for All”) in partnership with 5 district councils. This is planned to provide a further 201 extra care sheltered apartments across 5 locations. It is proposed that 3 of the existing care homes could be among the sites for this development (Manorbrooke in Dartford, Cornfields in Dover and Bowles Lodge in Hawkhurst).

(2) The extension of Broadmeadow to provide a centre of excellence for dementia services, will allow the provision of services to be transferred from Lawrence House, and as a result, this home will close. The formal consultation has been completed, and staff are actively working with the residents to ensure their smooth transfer, either into Broadmeadow, or to another home of their choice.

(3) It is known that there is an active market within Kent, with some major providers working to renew and modernise their own facilities. It is very possible that, presented with the right opportunity, partnership opportunities could be developed with one or more providers, with better access to capital, who could assist in developing the modernised facilities needed for the future.

Options

5. (1) In considering the future provision of residential services for older people there are a number of options available. A brief consideration of each is set out below:

- Do nothing. While this may be attractive in the short term, it is unlikely to be affordable in the medium to longer term as budgets become ever tighter. The sheer difference in cost between in-house and external provision creates an imperative to reduce the total cost of provision, and this would not be achievable within KCC. Additionally, the fabric of the buildings is increasingly costly to maintain, and there is unlikely to be any capital available for the significant costs required to provide modern facilities such as en suite bathrooms. Adding en suite facilities would in any case lead to a substantial loss of capacity further increasing unit costs.

- Undertake a major programme of closure for all homes, except the 3 PFI homes and Broadmeadow. This would be hugely disruptive for the Directorate, its service users, their families, and staff. It would, however, provide the greatest revenue saving, and access to capital receipts. However, the risk is that such a large closure programme (and the need to move very large numbers of residents into alternative facilities) could generate a TUPE challenge, which would be hard to resist, and which would mitigate against potential savings
- Offer some or all of the homes to the market as a going concern. This would be a straightforward transfer. The staff would TUPE across to the new provider, and the residents would have their care in their home secured, at least for the immediate future. The need to TUPE staff across would reduce the capacity to achieve savings in the short term, but the tendering process would be set up to explore the longer term options, both for developing the service, and for providing potential savings.
- Offer some or all of the homes to the market for a specific partnering arrangement. Staff and residents would transfer to the new provider (as in 3 above), but it would have the advantage of enabling specific discussions to be undertaken about the nature and shape of the care to be provided in the future. The advantage to a provider of such an arrangement might be that, by combining with their own existing local facilities, they could develop a better shared home, with some level of guaranteed income from the transfer of residents.
- Undertake a mix of offering homes to the market and closure. This presents the most pragmatic solution of delivering some savings, while allowing there to be some ongoing consideration of future service needs, and access to specialist services. The four newest homes would remain in KASS.

(2) In order to determine the most appropriate option for the future of each home, the Directorate needs to have regards to the location and service need for a particular facility, potential savings, and likely valuations, both as a vacant site and also for a going concern. These factors are outlined in Appendix 1 (exempt) to this report.

Process

6. (1) Before any decision can be taken on either closure or transferring homes to another provider, the Directorate has to consult formally with residents and their families, staff, local members and other key stakeholders. There can therefore be no final decision at this point. There are defined timescales for this consultation, and these are set out in appendix 2, together with the outline timescale for tendering.

(2) Current thinking around service need would suggest that 1 home (Wayfarers) is consulted for transfer as a going concern, and a further 3 homes are consulted for transfer to a partnering arrangement (Blackburn, Doubleday Lodge and Kiln Court). In addition 3 homes would be consulted for closure, so that their sites may be used for the PFI development for extra care sheltered housing (Manorbrooke, Cornfields and Bowles Lodge), and 3 homes (Ladesfield, Sampson Court and The Limes) would be consulted on for closure.

(3) The consultation process could operate in parallel with the invitation of expressions of interest part of the tendering process, although it would be necessary to have a formal decision to pursue a transfer before potential tenderers are invited to produce their detailed responses, as it would be inappropriate for them to engage in a detailed, and potentially costly exercise, if the decision at the end of consultation was not to transfer.

Proposed tender arrangements

7. (1) Potential bidders would be asked to submit prices for the transfer of the relevant homes as a going concern. Where a partnership deal is to be encouraged, they would also be encouraged to submit innovative bids as to how services could be modernised for the future, with particular emphasis on dementia and enablement services and how supported housing for vulnerable people could be a part of any future provision.

(2) A number of issues would have to be considered as this process is developed. These include block contracts to protect existing residents, the need to TUPE staff, the opportunity to manage future price by including some investment from the capital receipts, the land title (both in relation to existing covenants and also with regard to the long term relationship with potential partners), and the level of prescription in the tender requirement. All of these factors would have a direct impact on the future price of the services. In addition, where a provider submits a partnership proposal, the opportunity to manage cost over a longer term by putting in some capital investment from the capital receipts achieved by other sales should not be excluded from consideration.

Costs and savings

8. (1) This is a major project which cannot be managed within the existing capacity of the KASS Directorate. There will need to be a dedicated project team, including both operational and support staff (such as finance and personnel). In addition we will need specialist advisers to assist in achieving the best outcomes as we market the homes as a going concern, or as a partnership opportunity. These additional costs are currently estimated at £250k and will be funded from the Social Care Reform Grant.

(2) On the proposals as currently put forward, there would be an annual revenue saving of approximately £2.25m in a full year. This is less than the sum total of all of the “savings for closure” amounts as listed in Appendix 1 (exempt), as further adjustments have been made to allow for additional commissioning costs for specialist recuperative care beds to be procured in the independent sector. It has also been necessary to adjust the savings to allow for additional pension costs for staff being made redundant. Further work needs to be done on this figure, as at present it merely represents a fairly crude estimate of the potential maximum liability, the actual cost will be dependent on the age and length of service of the employees in each of the homes.

(3) It will not be possible to make this saving in full within the 2011/12 financial year, as the earliest we would be able to move residents and achieve a closure would be October 2011. Current assumptions are that the MTP target figure of £1m should be achievable; but this has to be subject to further detailed planning work. There should then be a further £1.25m saving as a full year effect in the 2012/13 financial year.

Conclusion

9. (1) This will be a major decision. It will inevitably create significant anxiety for the staff involved, as well as concerns for service users and their families. It will also be a major project to achieve, with a lot of hard work and resource required to deliver it satisfactorily. However, it does provide the opportunity to make a step change in the quality and cost of residential care services for older people in Kent. Appendix 3 sets out the location of provision across the county, if the current proposals are implemented.

Recommendations

10. (1) Cabinet is asked to:
 - (a) NOTE the process by which it is intended to modernise the facilities available to older people
 - (b) AGREE that future decisions on transfer to an independent sector provider or on closure should be entered on the forward decision plan, and be taken by the Cabinet Member, after discussion in the Adult Social Services Policy Overview and Scrutiny Committee, at the appropriate time

Background documents: None

Contact:

Caroline Highwood
Director of Strategic Business Support
Kent Adult Social Services
7000 4873/ 01622 694873
caroline.highwood@kent.gov.uk

Appendix 2

Draft outline timescales for the proposals

Date	Consultation process	Tender process
June 2010	Establish programme office to plan and steer full process, identify and secure resources, and generally prepare the ground	Included within the programme office approach
July 2010	Approval by Cabinet Member on detail Letter to local MPs Member briefings (to include ASSPOSC chair and vice-chair, opposition spokespersons and all local members) Meetings with District Council members Formal Union consultation to commence Launch of 12 week consultation process in each home affected	Advertisements for sale or partnership
August	Roadshows and consultation meetings held with users, carers and staff and other key stakeholders	Deadline for expressions of interest Send out procurement documentation
September	Roadshows and consultation meetings held with users, carers and staff and other key stakeholders	
October	Roadshows and consultation meetings held with users, carers and staff and other key stakeholders	Deadline for return of outline solutions
November	12 week consultation period ends	
December	Report prepared based on responses from consultation process	Evaluation of outline solutions completed and shortlist prepared
January 2011	Formal decisions taken (to include ASSPOSC), dependent on outcome of consultation Decisions communicated to all stakeholders	Issue further detailed solution documentation (but only after a positive decision has been taken for sale or transfer)

Note that, from this point, all actions are described on the assumption that, following the consultation, it is agreed for closure and / sale or transfer to take place.

Note also that work will have been undertaken by the programme office to scope the detailed issues, home by home by the time this next phase is initiated.

Date	Management process	Tender process
February 2011	Detailed work with residents, families and staff to prepare for closure or transfer	
March	Detailed work with residents, families and staff to prepare for closure or transfer	Deadline for submission of detailed solutions
April	Detailed work with residents, families and staff to prepare for closure or transfer	Evaluation under way
May	Detailed work with residents, families and staff to prepare for closure or transfer	Evaluation of detailed solutions
June	Detailed work with residents, families and staff to prepare for closure or transfer	Dialogue / negotiation
July	Detailed work with residents, families and staff to prepare for closure or transfer	Dialogue / negotiation
August	Detailed work with residents, families and staff to prepare for closure or transfer	Dialogue / negotiation
September	Detailed work with residents, families and staff to prepare for closure or transfer	Dialogue / negotiation
October	Detailed work with residents, families and staff to prepare for closure or transfer Note that it is possible that closures might be achieved from this date	Dialogue / negotiation
November	Detailed work with residents, families and staff to prepare for closure or transfer	Dialogue / negotiation

December	Detailed work with residents, families and staff to prepare for closure or transfer	Decision made for transfer, and contract signed Note that it is possible that decision may be made earlier on any straight sale
January 2012	Detailed work with residents, families and staff to prepare for closure or transfer	
February	Detailed work with residents, families and staff to prepare for closure or transfer	
March	Detailed work with residents, families and staff to prepare for closure or transfer	
April	Transfer takes place	

Appendix 3

Retained and redeveloped provision by locality, under KCC management

Dartford Gravesham and Swanley Gravesham Place (integrated care centre) Two extra care sheltered housing schemes (of which Sevenoaks has nomination rights for 20 units)	Dover and Thanet Westbrook (integrated care centre) Three extra care sheltered housing schemes
Maidstone and Malling Retain / reprovide Dorothy Lucy Centre One extra care sheltered housing scheme	Canterbury and Swale One extra care sheltered housing scheme Proposed partnership arrangement
South West Kent One extra care housing scheme; and nomination rights for the 20 units in Wilmington	Ashford and Shepway Westview (integrated care centre) Broadmeadow (with specialist dementia development) Three extra care sheltered housing schemes Homebridge (recuperative care)