

## Appendix Three

<b>Option 1</b>	<b>Retain DLC as a specialist day service:</b> <ul style="list-style-type: none"> <li>• <b>Option 1a: KCC to provide</b></li> <li>• <b>Option 1b: external provider to provide</b></li> </ul>																				
<b>Explanation</b>	<p>Given the lack of suitable alternate provision within the area, this option proposes that DLC is transformed into a specialist day service for people living with dementia. This could be provided either by KCC or it could be outsourced to the external market through a block contract.</p>																				
<b>Opportunities</b>	<p>This would maintain consistency for individuals attending the day service and ensure that people with dementia have access to day services which support them to remain socially engaged and which provide breaks for their carers.</p>																				
<b>Risks</b>	<p>If a decision is made to close DLC, KCC Property will conduct an assessment of the building to determine whether it can be used to generate capital (through selling it) or revenue income (through renting it). This assessment includes the whole building, retaining a day service within DLC would mean that the rest of the building would not be available for sale or rental, and would therefore remain unused.</p> <p>This option would mean that KCC is not able to get value for money from its property assets and reflect on KCC Property's ability to generate income / capital for the council.</p> <p>Any organisation wishing to provide day services from the building would need to absorb the costs of maintaining the entire building. This would likely be unsustainable in the longer term.</p> <p>Any external provider would be required to TUPE DLC staff currently working within the day centre. This would impact on delivery costs.</p>																				
<b>Estimated Costs</b>	<p>Costs are estimated using Cost Setting Guidance (CSG) and based on a 50 week year.</p> <table border="1" data-bbox="502 1451 1430 1727"> <thead> <tr> <th></th> <th><b>Cost setting guidance</b></th> <th><b>Places per week</b></th> <th><b>Cost (weekly)</b></th> <th><b>Cost (annual)</b></th> </tr> </thead> <tbody> <tr> <td>Dementia</td> <td>£35.43</td> <td>95</td> <td>£3,366</td> <td>£168,293</td> </tr> <tr> <td>Elderly frail</td> <td>£29.99</td> <td>23</td> <td>£689</td> <td>£34,489</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td></td> <td><b>£4,055</b></td> <td><b>£202,782</b></td> </tr> </tbody> </table> <p>These are likely to increase given that CSG is not representative of the current external market costs for dementia which tend to be closer to £45 per day.</p> <p>A unit cost of £45 per day would increase the cost of re-providing dementia services to £213,750 per year.</p>		<b>Cost setting guidance</b>	<b>Places per week</b>	<b>Cost (weekly)</b>	<b>Cost (annual)</b>	Dementia	£35.43	95	£3,366	£168,293	Elderly frail	£29.99	23	£689	£34,489	<b>Total</b>			<b>£4,055</b>	<b>£202,782</b>
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<b>Option 2</b>	<b>Close DLC and re-provide through existing external provision:</b> <ul style="list-style-type: none"> <li>• <b>Option 2a: elderly frail only</b></li> <li>• <b>Option 2b: elderly frail and dementia</b></li> </ul>
Explanation	This option considers accommodating the entirety of the current DLC provision within the existing external market. Direct payments are already used for people with dementia to access day services through external providers.
Opportunities	<p>This would enable DLC to be closed, achieving identified savings and generating income from KCC Property Department.</p> <p>Individuals would have the opportunity to transfer to alternate provision and community based venues, retaining social connections and friendships groups. The use of a direct payment would offer greater choice and control for individuals.</p> <p>Costs for re-provision are likely to be lower as TUPE may not apply.</p>
Risks	There is insufficient alternate provision to accommodate those currently attending DLC dementia days.
Estimated Costs	<p>Based on KCC Cost Setting Guidance, annual cost of £34,489 for elderly frail and £168,293 for dementia.</p> <p>This is likely to be higher as cost setting guidance does not reflect current market costs.</p>

<b>Option 3</b>	<b>Re-provide day services through a block contract:</b> <ul style="list-style-type: none"> <li>• <b>Option 3a: Dementia day care only</b></li> <li>• <b>Option 3b: Dementia and elderly frail day care</b></li> </ul>
Explanation	A tendering exercise would be undertaken to procure suitable alternate provision on a block contracting basis.
Opportunities	<p>This would enable DLC to be closed, achieving identified savings and generating income from KCC Property Department.</p> <p>This would enable people to have continued access to equitable services, retaining friendship groups.</p> <p>There are currently two providers in the market who would be interested in such an opportunity.</p>
Risks	<p>Neither of the interested providers currently have a venue that they could use to deliver the service from (although Age UK is in talks with other providers of sheltered housing).</p> <p>The cost of TUPE may be prohibitive or may deter possible providers. It will take 3-4 months to complete a tendering process for a block contract</p>
Estimated	Based on KCC Cost Setting Guidance, annual cost of £34,489 for elderly frail

<b>Option 3</b>	<b>Re-provide day services through a block contract:</b>  <b>Option 3a: Dementia day care only</b> <b>Option 3b: Dementia and elderly frail day care</b>
<b>Costs</b>	and £168,293 for dementia.  This is likely to be higher as cost setting guidance does not reflect current market costs.  Additional financial assessment would be required to identify TUPE implications.

<b>Option 4</b>	<b>Option 4 - Close DLC and retain day service as a specialist in house provision delivered from an alternate site</b>
<b>Explanation</b>	The day service provision would remain as an in house KCC service, but would be delivered from an alternate site in order to close DLC and release capital savings
<b>Opportunities</b>	This would enable DLC to be closed, achieving identified savings and generating income from KCC Property Department.  This would enable people to have continued access to equitable services, retaining friendship groups.
<b>Risks</b>	This would not realise the degree of savings associated with outsourcing the service, due to staffing costs and management overheads.  This approach is at odds with the aim of the Council to become a commissioning authority and would present an anomaly in the county where majority of day care for older people and people with dementia is already outsourced.  Corporate Landlord may not have a suitable alternative.
<b>Estimated Costs</b>	Costs are likely to remain as is.