

Public Document Pack

Supplementary information for 25 September 2013 Scrutiny Board (Health and Well-being and Adult Social Care)

Agenda item 7: Pages 1-8 – Adult Social Care Briefing Paper – Request for Scrutiny – Better Lives for People of Leeds – The Future of Day Services for Older People

Agenda item 8: Pages 9-22 – To consider the following supplementary information:

- Letter from Leader of the Council dated 30 August 2013 to Professor Sir Malcolm Grant in relation to NHS budget allocations
- NHS budget allocations: Leeds CCGs' position statement
- Fundamental Review of NHS Allocations Policy – PowerPoint presentation from Ian Currell, Director of Finance, NHS England (West Yorkshire).

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Adult Social Care BRIEFING PAPER

REQUEST FOR SCRUTINY

Better Lives for People in Leeds: residential and day care for older people

Health & Social Care Scrutiny Board
25 September 2013

INTRODUCTION

This paper is intended to assist Scrutiny Board members in their consideration of a Request for Scrutiny by representatives of the GMB Union. The request has been made in respect of two reports that were considered by the Council's Executive Board on the future of Council-run Residential care homes and day centres under the Adult Social Care 'Better Lives' programme. The paper provides responses to the specific questions laid down in the Request for Scrutiny and it is hoped will provide the basis for discussion.

BACKGROUND

The Council is facing an unprecedented financial challenge, which can be summarised as: Government funding to the Council was reduced by £94m between 2010/11 and 2013/14. For the next two years the government's Settlement Funding Assessment for Leeds is a reduction of £36m (10%) in 2014/15 and a further £45m (15%) in 2016/17. This will take the reduction in funding over the 5-year period to £175m, which represents a cut of nearly 40% in cash terms for core services since 2010/11. In addition to these funding reductions, the Council faces inflationary and other unavoidable spending needs, which add to the savings that need to be found to deliver a balanced budget each year.

In response to these pressures, Adult Social Care undertook a review of its homes and day centres in 2010, which was endorsed by the Council's Executive Board in that year. In September 2011 Executive Board agreed to the closure of four day centres and the development of eight as specialist centres for frail older people or people with dementia. The remaining day centres were to be the subject of further review. The same meeting of Executive Board (September 2011) also agreed to the immediate or eventual closure of five residential care homes, with a further home to become the subject of a possible transfer to a community interest organisation. The remaining homes were to be kept under review.

Following those reviews and further consultation, on 4 September 2013 The Council's Executive Board considered two papers prepared by Adult Social Care on the future of residential and day care for older people. The meeting supported the recommendations, which were to:

Residential care

- 1 Note the very extensive and wide ranging consultation undertaken and thank all contributors for their thoughtful and helpful comments which have informed the recommended outcomes.
- 2 Note the commitment and process which will be followed to ensure all people affected by the adoption of the recommendations are provided with comprehensive care planning and support in identifying appropriate alternative provision

- 3 Agree the implementation for proposals for the long term residential care homes, namely:
 - a. To close Amberton Court, Burley Willows, Fairview and Musgrave Court (see para 8.2, Table 2)
 - b. To agree that Suffolk Court be re-designated over time to offer transitional care, with the objective of eventual conversion as a specialist, clinical intermediate care centre (see para 8.5, Table 3).
 - c. To agree that Manorfield House and Primrose Hill remain open (see para 8.5, Table 3) to provide residential care for existing residents but with no new admissions and will close
 - When no longer required by existing residents;
 - If the health and wellbeing of the remaining residents cannot be maintained;
 - Should alternative new residential care provision become available within the ward;
 - In response to changes in registration requirements or legislation
 - d. Approve the commencement of dialogue with interested community groups and stakeholders with regard to the future of Home Lea House.
- 4 Agree the implementation process for the transfer of residents that will involve a dedicated social work team applying the Assessment and Closure Protocol and Care Guarantee to ensure a person centred approach to minimise the impact caused by adopting the recommendations.
- 5 Agree that decommissioned buildings, within areas of low supply, will be declared as surplus to requirements and demolished in order that the sites, where suitable, can be considered for the provision of specialist housing for older people.
- 6 Agree that suitable alternative sites within areas of low supply be considered for the provision of specialist housing and care for older people.
- 7 As part of this process, agree that officers be authorised to take appropriate steps to secure partners to exploit development opportunities for specialist housing and care provision.
- 8 Agree to the proposed disposal options of all the facilities as set out in the report.

Day care

- 1 Note the very extensive and wide ranging consultation undertaken and thank all contributors for their thoughtful and helpful comments which have informed the recommended outcomes.
- 2 Approve recommendations to close Doreen Hamilton, Naburn Court and Queenswood Drive day centres, and to actively pursue alternative uses for the buildings by community groups, in particular
 - Developing the role of the Doreen Hamilton building in the wider community or as a day care satellite to Osmondthorpe Children's centre
 - It is proposed to develop the role of Naburn Court day centre so that it can play a wider role in the life of the local community
 - Working with community groups formerly based at the West park Centre and a local Neighbourhood Network who have shown an interest in the Queenswood Drive Building
- 3 Approve the recommendation to close Burley Willows day centre and declare the site surplus, with the stipulation that the site be marketed for the construction of extra care housing.

CURRENT POSITION

On the 13 September Adult Social Care received notice that the Executive Board decision had been called-in by five elected members under the Council's governance procedures. On the 16 September a request for Scrutiny was received on behalf of the GMB Union.

Both requests for a review of the decision are to be discussed at the Health & Social Care Scrutiny Board meeting of the 25 September 2013.

PURPOSE OF THIS PAPER

For the purpose of aiding the Scrutiny discussion, this paper addresses the issues raised in the GMB request for Scrutiny.

ISSUES RAISED

The issues raised by the GMB submission centre on five areas where there is a perceived lack of detail in the report of the Director of Adult Social Services to Executive Board on:

- The numbers of staff affected by the recommendations
- Community staff using the sites as bases
- The specialist nature of the day centres
- Plans in place in the event of a private sector establishment failing
- The number of private sector beds available
- Financial information being different from that being consulted on

The following clarifications are offered by Adult Social Care

1 The numbers of staff affected by the recommendations

In total, 264 residential care staff and 25 day service staff are affected, together with 45.84 posts which are currently being filled by agency workers. A breakdown of staff by establishment is as follows:

Residential care staff

- Amberton Court: 10 full-time staff, 24 part-time staff (4.46 fte agency posts)
- Burley Willows: 7 full-time staff, 32 part-time staff (0.58 fte agency post)
- Fairview: 7 full-time staff, 30 part-time staff (6.56 fte agency posts)
- Home Lea House: 5 full-time staff, 21 part-time staff (8.78 fte agency posts)
- Manorfield House: 6 Full-time staff, 25 part-time staff (1.64 fte agency posts)
- Musgrave Court: 8 full-time staff, 26 part-time staff (9.56 fte agency posts)
- Primrose Hill: 2 full-time staff, 29 part-time staff (7.59 fte agency posts)
- Suffolk Court: 6 full-time staff, 26 part-time staff (5.86 fte agency posts)

Day care staff

- Burley Willows: 2 full-time staff, 8 part-time staff
- Doreen Hamilton: 1 full-time staff, 5 part-time staff
- Naburn Court: 1 full-time staff, 4 part-time staff
- Queenswood Drive: 1 full-time staff, 3 part-time staff (0.81 fte agency post)

In Round 1 of residential and day care closures, a total of 100 staff were displaced. Of these 43 opted to take advantage of the Council's Early leavers' scheme, with the remaining 57 finding new posts within Adult Social Care, mostly in other residential and day care settings, although some chose to move to learning disability or occupational therapy services

2 Community staff using the sites as bases

The only community-based staff currently using one of the sites recommended for closure (Burley Willows) are two staff per day from a pool of Fulfilling Lives Service staff who work at

eight small community bases in the WNW area. All these staff are used to working flexibly across a number of different bases. The base at Burley Willows (a small semi-detached property separate from the main home and day centre) had, independently of the day / residential service review, been identified as unfit for purpose and the service has been actively seeking an alternative building for a couple of years. Agreement has been reached with Sport to create a new community base at the Kirkstall Leisure Centre, replicating the successful model already operating in five other leisure centres across the city. Feedback from staff working at established leisure centre bases is extremely positive and the Burley Willows staff team already support customers at Aireborough and Pudsey leisure centres

3 The specialist nature of the day centres

None of the 'specialist' day centres is proposed to be closed. In Phase 1 of the 'Better Lives' programme, eight day centres were re-commissioned as specialist resource centres to cater for people with high level care needs and / or dementia. There were Apna, Frederick Hurdle, Middlecross, The Green, Laurel Bank, Calverlands, Wykebeck and Springfield. In the current phase, Radcliffe Lane was recommended to be retained as a specialist unit for frail older people; and Siegen Manor day centre was recommended to be retained as a specialist dementia resource hub.

If the question refers to particular services that people attending the day centres require (eg bathing, meals, daytime respite for carers), all of these services are available in the alternative daytime opportunities on offer. Adult Social Care has repeatedly given assurances that no-one will lose services they need and no-one will receive less service than they do now. This is set out in Recommendations 2 and 4 of the Residential Care report (see above); and the Equality Impact Assessment, which was attached to the Day Care report at Appendix 2 and the Residential Care report at Appendix 6. This states: 'An important criteria of the proposal is that the change does not mean a reduction in service for service users, or that the Council's statutory duties are not being delivered.' The Impact Assessment goes on to list a number of actions that should be taken in support of this.

4 Plans in place in the event of a private sector establishment failing

The Council has worked closely with the independent sector over the last year to agree a fair cost of care for homes within the city, which includes incentive payments for higher levels of quality of service provided through a quality framework. The majority of care homes in the city have tendered to be part of this Quality Framework. Homes that are part of the Quality Framework will be validated on a regular basis to ensure they are meeting the quality standards required. Part of this validation process will include the checks to ensure each care home has a sustainable business model and can evidence financial stability.

Whilst the nature of a commercial market will inevitably lead to some organisations failing, the Council has developed a plan of action to be used where we are informed an organisation is to go or has been put into administration, which may result in the closure of a care home. In addition, the government recently announced a national system of oversight and coordination, administered through the Care Quality Commission (CQC), which will provide early warnings if a company is in financial trouble.

CQC will have the power to:

- require regular financial and relevant performance information

- require the provider to develop and submit a ‘sustainability plan’ to manage any risk to the organisation’s on-going sustainability
- commission an independent business review to help the provider to return to financial stability
- require information from the provider to enable the CQC to support local authorities to manage a provider failure

In the majority of cases in Leeds where a care home provider has gone into administration, it has been our experience that the home has subsequently been sold by the administrator to an alternative provider and the home has continued to operate as a going concern.

Over the last 5 years we have had 10 new care homes for older people open within the city with approximately 750 new beds. During September 2013 there are two new care homes opening, adding a further 170 (approx) beds. We are also aware of a number of further development being planned for the near future. This would indicate a thriving market in Leeds, where independent sector providers are willing to invest.

5 The number of private sector beds available

The number of residential places available in the Independent sector in Leeds is as follows:

- City-wide care homes with nursing: 2166 places (with an additional 182 places either approved or pending planning)
- City-wide care homes without nursing: 1956 places (with an additional 398 places either approved or pending planning)
- City-wide extra care housing beds: 680 (with an additional 197 beds either approved or pending planning)
- City-wide local authority beds in residential homes for older people: 465

In 2012/13 the Council contracted with the independent sector for 750 places in care homes with nursing and 1,255 places in care homes without nursing.

Currently there are 318 contracted vacant places within the independent sector (nursing and non-nursing places combined) in Leeds (figure updated 18/9/13 with information provided by independent sector providers). The vacancies can be characterised as 216 non-nursing and 102 nursing

A planning application has been submitted for 63 sheltered apartments on the site of the Benfield Motors Site in Wetherby.

6 Financial information being different from that being consulted upon

The Executive Board report of February 2013 (pre-consultation) and September 2013 (post-consultation) each reported a financial analysis that reflected running and maintenance costs and projected savings that pertained at the time of writing. Between February and September, the recommendations in respect of three of the homes changed, as did occupancy levels in all homes and day centres. Both of these changes were reflected and explained in the September Executive Board report. For convenience, the relevant section of the Residential Care report is reproduced below. The section explaining the difference in financial information is highlighted.

10 Resources and Value for Money

Financial Resources

- 10.1 The Council-owned day care units have significant running, maintenance and upgrade costs. There is a strong third and independent sector in Leeds that provides day care in an appropriate manner and at a competitive cost. Re-aligning Council services to meet specialist needs with an integrated community focus will offer value for money by providing better outcomes to more people.
- 10.2 The February 2013 Executive Board report in paragraph 10.8 identified potential net savings on direct costs of £0.4 million across all the identified day centres, if the recommended options for each centre were to be confirmed.
- 10.3 Since the February report was presented the specific services that will be available at the Holt Park Active centre and the associated costs have been determined and the initial savings have been updated to a 2013/14 price base. Taking these updates into account, the full-year net direct cost savings from the four proposed day centre closures are £0.3 million.
- 10.4 The condition of the four day centres earmarked for decommissioning has been surveyed and the cost to Adult Social Care of longer term renovation has been estimated at £0.3m. The total saving would therefore accrue to a figure of £0.6m taking into account the direct savings outlined in 10.3 above. However, should the day centre buildings remain in Council ownership for the purposes of community use or the delivery of alternative Council services, the costs of on-going maintenance and any necessary upgrade of facilities will not be avoided in the longer term.
- 10.5 As part of the Phase 2 review, the site upon which Burley Willows day centre and Burley Willows residential care home is located is being considered for redevelopment as specialist extra care housing. To avoid nuisance created by empty property and to enable a cleared brownfield site to be offered to the market, it is recommended that Executive Board approve the demolition of both buildings once decommissioned. It is estimated that the cost of demolition will be in the region of £170k.

EXTRACT FROM RESIDENTIAL CARE REPORT

11 Resources and value for money

Financial Resources

- 11.1 The Council-owned residential units have significant running, maintenance and upgrade costs. There is a strong independent sector in Leeds that continues to develop new homes with better specifications and at a competitive cost. Most of the longer term residential care, funded by Adult Social Care, is already provided by the independent sector, with the Council providing 17.3% of this in 2012/13. Re-aligning Council services to meet specialist needs with an integrated community focus will offer value for money by providing better outcomes for more people.
- 11.2 The February 2013 Executive Board report identified potential net savings on direct costs of £0.875m across all of the identified homes, if the recommended options for each home were to be confirmed. These savings took account of the re-provision costs of transferring existing residents to alternative care homes, based on the typical

price of an alternative bed and on the average budgeted occupancy across the Council's homes for older people of 95%.

11.3 By the end of a five year period when the proposals set out in this report are anticipated to be fully implemented, the net impact will be to reduce full-year direct costs by £4m, net of the costs of alternative accommodation for those residents transferring.

11.4 The significant increase in the savings now identified compared with those set out in the February report is due to a number of factors:

- Basing the savings on the permanent occupancy of the eight homes in late July rather than the 95% budgeted occupancy across all Council homes
- The proposals for Manorfield House and Primrose Hill now being for existing residents to continue in residence with no new permanent admissions and so the costs of alternative accommodation for current residents are no longer included
- Uplifting the savings to a 2013/14 price base

11.5 The substantial savings from these proposals are based on the direct costs of providing the service, excluding support services and other overhead costs. Based on 2013/14 budgeted costs at 95% occupancy, the average cost per place across the eight homes is £540 per week compared with the typical independent sector cost of £429 per week, or £442 per week for dementia care. Based on permanent occupancy in late July within these homes, the average cost is £840 per place per week (almost double the cost of independent care). This increase in unit costs based on current occupancy is the main factor in the substantial increase in the identified savings since the February 2013 report.

11.6 To avoid nuisance created by empty property and to enable a cleared brownfield site to be offered to the market, it is recommended that Executive Board approve the demolition of the six homes once decommissioned. The estimated demolition costs are £170k per property.

CONCLUSION

The information above is offered to assist Health and Social Care Scrutiny Board members in their preliminary discussion of the points raised by the GMB Union. Officers of Adult Social Care will be on hand at the meeting to provide any further clarification required.

19 September 2013

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Agenda Item 8



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Leader of Leeds City Council
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Our ref: KW\vk
30 August 2013

Dear Professor Sir Malcolm Grant

As the leader of Leeds City Council I would like to voice deep concern, following the release of figures proposing an overall £84m reduction in funding for health services in the city.

In a letter released by NHS England's Director of Strategic Finance, health colleagues were invited to a regional workshop forming part of his review of NHS allocations policy with clinical commissioning groups (CCGs), which also includes details on potential future funding and allocations from 2013-2014.

Documents released prior to the workshop include information on funding that if implemented, would result in the multi-million pound reduction to Leeds CCGs allocations. Given we are already facing unprecedented budget cuts from central Government to our council, if these reductions were to go ahead, the impact on our city would be massive, and could have a significant detrimental effect on the integrated approach we are taking with our partners to tackle and reduce health inequalities.

Individual CCGs would be affected as follows:

Leeds North CCG - reduced allocation of around £19 million (8.84%) – This would equate to a fall in the reduction per head from £1144 to £1051.

Leeds West CCG - reduced allocation of around £26 million (7.35%) – a reduction per head from £1063/ head to £990/ head.

Leeds South & East CCG - reduced allocation of around £39 million (12.87%) – a reduction per head from £1309/ head to £1160/ head.

The figures also highlight a large disparity in the level of funding that could be provided to the north of England compared to the south of England as part of its CCG allocations.

If given the go-ahead at the suggested level, the north of England would receive a reduction of 3.84% (approx. £722 million) in its funding, with the south being given an increase of 1.78% (approx. £283million).

Whilst I am clearly disappointed at these proposed reductions, I am also concerned that, in communicating these plans only to health colleagues, NHS England does not recognise the Local Authority as the important strategic leader for health issues that it has become.

Speculative figures such as these released at such an early part of the consultation and without any involvement of key partners, do little to assist Local Authorities in shaping and delivering the new responsibilities devolved to them as part of the Health and Social Care Act. Under the leadership of the Council, Leeds has developed a strong Health and Wellbeing Board which brings together health partners from across the city and strives to improve the lives of people through the provision of integrated services, using our information wisely and making the best use of the "Leeds Pound"

Leeds aspires to be the best city in the UK for health and wellbeing and as a UNESCO Child Friendly City and aspirant WHO Age Friendly City we will do everything we can to protect the health and wellbeing of children, young people and adults in Leeds by making sure that these draconian reductions do not go ahead and that there is no devaluing of our "Leeds Pound".

We shall of course be ensuring that we have a strong delegation representing Leeds at the NHS England workshop on 13 September.

We are doing everything we can to ensure that services and commissioning arrangements are fully integrated on the ground. Yet it is clear that there is no such procedure in place nationally to ensure that places that have already been hit hard by reductions in funding to the Local Authority are not also hit by severe reductions in NHS funding.

We hope that through this and further consultation, NHS England will fully take on board and listen to the views and concerns raised around these proposals, before any final decisions are made.

Yours sincerely

A handwritten signature in black ink that reads "Keith Wakefield". The signature is written in a cursive style with a large initial 'K'.

Councillor Keith Wakefield
Leader of Leeds City Council

NHS budget allocations: Leeds CCGs' position statement

In 2013, the Government's comprehensive spending review outlined predictions of an economic environment with reduced financial growth for public sector services over the next decade.

We know that the NHS is facing significant challenges. More and more people are using NHS services; there is more demand placed on the system by people developing long-term health conditions and living into old age. People's expectations of the NHS are high and the cost of healthcare services continues to rise.

Over the coming years the economic outlook for the NHS is challenging. Effectively, this means that to maintain financial balance we will need to provide more services to more people for less cost. To do this we'll need to be more efficient and cost effective whilst at the same time reduce demand for NHS services.

NHS England is working on a formula to identify budget allocations for clinical commissioning groups across the country for 2014/15 and beyond. These figures are an early indicator of how much funding the NHS may receive going forward.

The three CCGs in Leeds were aware that NHS England, or the NHS Commissioning Board as it was known at the time, was in the process of revising the formula for budget allocations when it announced the allocations for 2013-2014 for all CCGs in December 2012. These allocations were based on those previously set for primary care trusts.

The revised formula for NHS budget allocations has been developed by the Advisory Committee on Resource Allocation who, in August 2013, published the proposed allocations for the coming years. The Leeds CCGs have been, and continue to be, actively involved in the consultation process which has been set up NHS England. This consultation is ongoing and is supported by four workshops being held by NHS England, one of which took place on 13 September and was attended by a representative of the Leeds CCGs as well as the local authority.

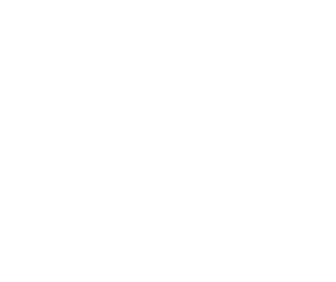
At the meeting we raised questions as to what the main drivers were for the new allocation formula and as part of the consultation we will be making recommendations about certain factors which have not been included as part of the revised formula. We recognise that if the revised formula is implemented that there would be a financial impact for Leeds. At this stage it is too early to speculate what impact this will have in terms of our future commissioning of services and how many years the NHS in Leeds will have to deliver these proposed efficiency savings until we have a definitive outcome of the review.

Feedback from the consultation will be used by NHS England before they announce the financial allocations at their governing body meeting in December 2013.

It goes without saying that the CCGs will work closely with our partners and local communities so that people can have an active role in discussing any future proposals that could impact on the way we commission services. We are already starting this debate by inviting people to take part in the national [Call to Acton](#) programme.

We're in the process of planning local activities and events where communities can join us to discuss how they see the future of the NHS both locally and nationally and how we can all work together to make it financially sustainable for the future. We will be using this as the start of a long-term 'conversation' with our local communities that will help inform our commissioning priorities over the coming years.

Fundamental Review of NHS Allocation Policy



Ian Currell Director of Finance
NHS England (West Yorkshire)

Commissioning then & now

Responsibilities & Resources Pre April 2013	Responsibilities & Resources Post April 2013
<p>151 Primary Care Trusts 100%</p>	<p>211 CCGs – circa 68%</p> <p>152 Local Authorities – circa 1%</p> <p>1 NHS England – circa 31%</p>

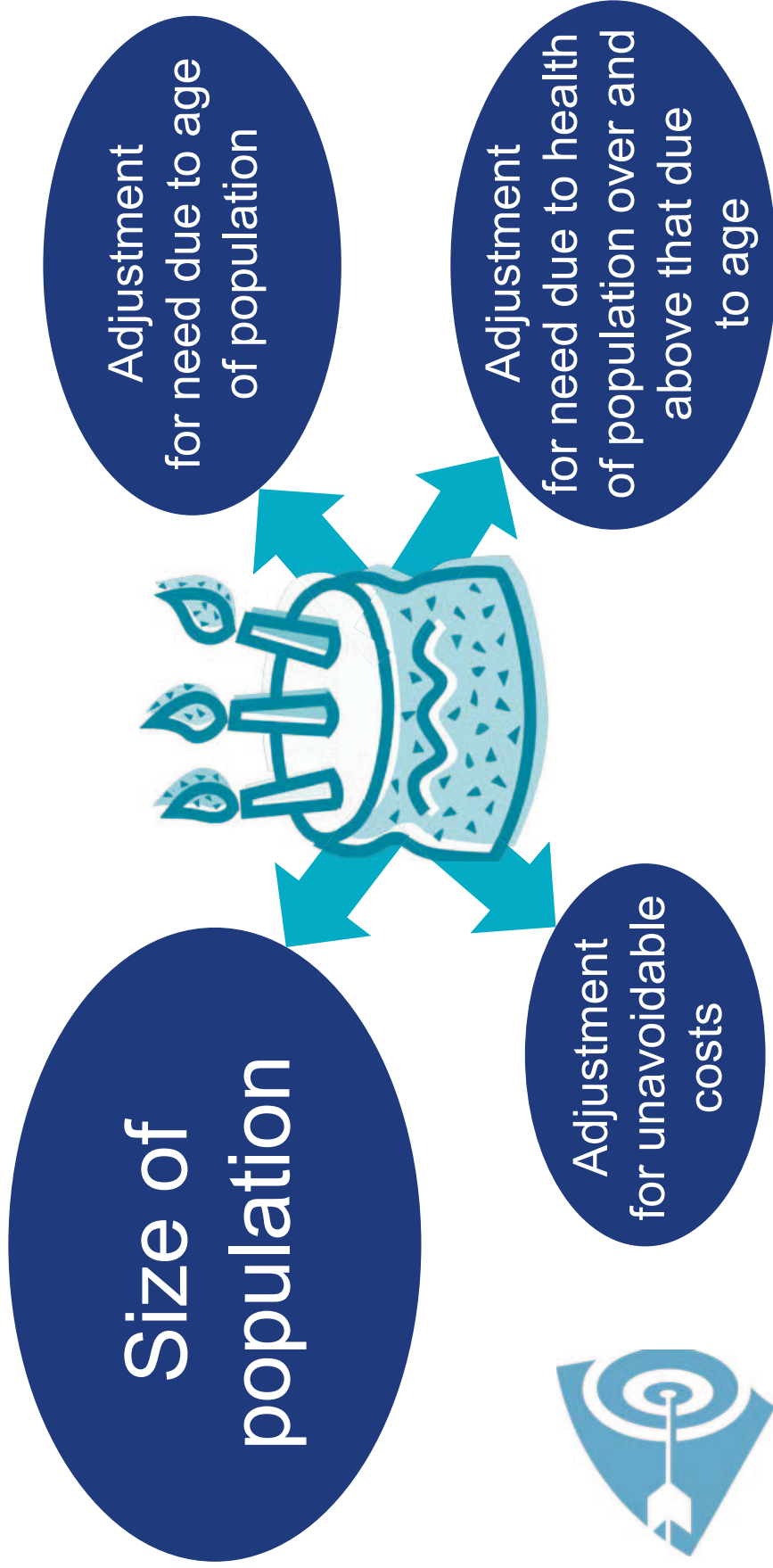
2013/14 Funding Allocation

- NHS England Board December 2012 deferred decision
- Fundamental review of allocation
- CCG allocation based on split of PCT budgets with a standard uplift
- Public Health funding formula accepted
- Leeds Public Health Funding 10% growth 2013/14 and 10% growth 2014/15

Objective of Allocation Process

- Meet Mandate Requirements:
- Provide for equity of access to NHS healthcare, ensuring equal access to equal need
- Advance equality and tackle health inequalities (in outcomes not provision)
- Conduct a transparent allocation process

How is need measured?



Addressing Inequalities

- Inequalities resulting in needs which are currently being met (appropriately or otherwise) are captured in baselines and target allocation formulae
- Prior to 2013/14 the PCT formula was further adjusted with a DFLE correction which redistributed 10% of total funding. ACRA were and remain unable to provide robust evidence to support the approach or quantum

Addressing Inequalities

- NHS England will need to consider whether additional adjustments should be made to the formulae
- The review working group is recommending that the main parts of a patient pathway (and thus the funding streams) where unmet need arising from inequalities may require additional funding are in primary care, community care, prescribing, public health and social care

CCG Target Allocation Formulae (to be updated)

	Now	Target	DFT	
Leeds W	£381m	£355m	£26m	7.3%
Leeds S&E	£341m	£302m	£39m	12.9%
Leeds N	£231m	£213m	£19m	8.8%
	£954m	£870m	£84m	9.7%

- Further work by December including:-
 - Health inequalities for CCG formulae (community care, prescribing)
 - Health inequalities for other budgets (Primary Care)
- This will change the figures quoted above and funding for other local budgets

Pace for Change

- The speed with which funding moves from actual to target.
- Fairness v Stability
- Little new money

Next Steps

- NHS England Board December 2013
- Allocations 2014/15 and 2015/16