**APPENDIX 1**

Leeds CITY COUNCIL

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**Report of the Director of Adult Social Services**

**Executive Board**

**Date: 15 December 2010**

**Subject: Future Options for Long Term Residential and Day Care for Older People.**

| **Electoral Wards Affected:** | **Specific Implications For:** |
|---|---|
| | Equality and Diversity ☐ |
| | Community Cohesion ☐ |
| ☐ Ward Members consulted (referred to in report) | Narrowing the Gap ☐ |

Eligible for Call In ✓ Not Eligible for Call In (Details contained in the report) ☐


**EXECUTIVE SUMMARY**

This report sets out the Council's vision for the future of residential care and daytime support for older people in Leeds. It takes as its central principle people's increasing expectations of choice, quality and control over the care they receive.

The report describes the Council's existing residential and day care service and considers the city's future requirements for these services in the light of

- the changing demographic profile of older people in the city
- people's wish to remain at home for as long as possible
- new services that are being developed as alternatives to residential and day care
- new services aimed at preventing premature entry into residential and day care
- new services being developed in the independent sector
- the 'Putting People First' and personalisation agenda
- the increasing number of surplus places in the Council's residential homes and day centres
- the current and future economic climate and the capital requirements of a high quality service

The report goes on to set out options for the future of the Authority's residential and day care estate and a consultation process by which service users, residents, carers, staff, stakeholders and the general public will be engaged in drawing up firm proposals for presentation to a future meeting of Executive Board.

Executive Board is recommended to support the need to take action to address the issues set out in para 3.1 to 3.3.3 of the report; endorse the options for change set out in para 4.1.4 to 4.2.8 of the

report; endorses proposals to use Richmond House as an intermediate care facility as set out in paras 4.1.6 to 4.1.8; approve the establishment of an Advisory Board consisting of representatives from all provider and stakeholder groups as described in para 4.2.7; give approval for the consultation as described in para 6.1 to 6.16 of the report; and receive further recommendations for each individual unit or facility following the outcome of the consultation at a future meeting of Executive Board.

## 1 PURPOSE OF THIS REPORT

1.1 The purpose of this report is to present Executive Board with information that will allow an informed consideration of recommendations for the future provision of residential and day care in Leeds.

1.2 The information presented in this report highlights the urgent need to bring forward strategic options that maximise opportunities to develop more person-centred services, whilst ensuring the needs of people currently using existing services continue to be met safely and appropriately. If the Council is to shape the future of the service over the next decade, it is essential to begin the transition from the residential and day care model currently provided to one that delivers bespoke services in the older person's home as far as possible and in residential settings when needs become complex.

## 2 BACKGROUND INFORMATION

2.1 Previous reports to Executive Board have highlighted the Council's vision to shape more flexible services which offer care and support in or close to people's own homes and communities. At the meeting of 3 November 2010, Executive Board approved proposals to establish a city-wide reablement service aimed at preventing premature entry into residential care. At the meeting of 21 July 2010, Executive Board endorsed the introduction of Personal budgets and self-directed care for people increasingly wishing to arrange their own care and support packages to help them remain independently ay home.

2.2 These reports and policies should be seen in the context of national legislation and guidance, including *Independence, Wellbeing and Choice* (DH Green Paper, 2005); *Putting People First*, the vision and commitment to the transformation of adult social care (DH 2007); and *Shaping the Future of Care Together* (DH Green Paper, 2009).

2.3 The national picture is one of the present and future generations of older people increasingly requiring their support and housing to be provided separately, with support delivered in their own homes, tailored to individual needs with the ability to increase or reduce as required. People have increasing expectations of support at home for longer and increasing expectations of choice, quality and control over the care they receive.

2.4 The future role of local authorities will be to support people with the highest and most complex needs and ensure people with low to moderate needs are able to gain access to services that will help them remain independent. In the light of the emerging vision of *Putting People First*, the further role of local authorities will be to oversee development of an independent-sector care and support market that provides its customers with a wide variety of choices for flexible services.

2.5 An Independence, Wellbeing and Choice inspection of Adult Social Care in Leeds was carried out by the then Commission for Social Care Inspection in 2008. Its report and recommendations highlighted tensions between the requirements to provide increasingly personalised care through personal budgets, while at the same time maintaining a large stock of directly provided, buildings-based services.

2.6 As a result, on 22 July 2009, Executive Board approved measures to address partially an over capacity in day care places and to close or reduce four day services in the city

2.7 This report therefore describes further proposals to re-shape the city's current day and residential care arrangements to meet changing expectations and ensure better outcomes for people within available resources.

## 3 MAIN ISSUES

### 3.1 Demography

The number of people in Leeds aged over 65 is projected to grow from its current base of 110,500 by 8% in 2015 and by 33% in 2029. The increase in the number of people over 85 is expected to be more rapid, growing by 11% in 2014 and by 70% in 2029.

3.1.2 A significant increase in the number of people over the age of 85 will mean that more people will experience dementia and this will need to be reflected in care services offered by the city.

3.1.3 This demographic change will lead to a widening gap between the existing supply of the kinds of care currently on offer and the demand for them. There is therefore a significant opportunity to remodel the balance of care towards more support and care at home and away from more institutional, buildings-based care.

### 3.2 Residential care

3.2.1 <u>The Council's residential homes</u>

There are 19 Council-run residential care homes in Leeds, representing 628 out of a total residential care bed-base of 2214 across the city. The majority of the Council's units provide a combination of standard residential care and residential respite care. A smaller number of units offer specialist care which includes dementia care, care for physically frail older people and intermediate care provided under contract to NHS Leeds. Seven units offer day care facilities on the same site.

3.2.2 Most of the Council's residential homes were built in the 1960s and are in need of refurbishment to bring them up to modern standards, including capital investment at all units to ensure compliance with fire regulations. In 2010 this additional investment is anticipated to be £1.32 million. A cumulative cost of around £3.9 million over five years and £6 million over 10 years can be expected.

3.2.3 The expectations of people entering long term residential care are that their physical surroundings should at least match those they have enjoyed previously. Regulatory requirements for new facilities are for all rooms to have en-suite toilet and wash basin although the majority are now built with bathrooms that include showers. To bring Council-owned facilities up to this standard would require considerable additional investment. Given the relatively small scale of most of the units, any form of modernisation within the current structures would reduce the number of rooms overall, adversely affecting financial viability.

3.2.4 <u>Independently provided residential homes</u>

In the last three years 1000 new bed spaces have been opened by the city's independent care providers in newly-built facilities. Each of the new homes has been built to a specification which includes en-suite rooms and enhanced care technology. It is common for these new homes to offer facilities such as IT suites, hair salons, cafes etc.

3.2.5 The rooms and additional facilities offered in these new, purpose-built establishments clearly influence the choice of home being exercised by potential residents and their families, generally at the expense of less well-specified establishments and generally at no greater cost.

3.2.6 Demand for long term residential care

Whilst there are periodic fluctuations, year on year trends show that fewer people are being placed in this type of accommodation. An analysis produced for the Council by the Cordis Organisation has highlighted a significantly falling demand for residential care (a 19% reduction between 2002 and 2008). Their report notes the specific impact of the increased availability of extra care housing in accelerating the fall in demand for residential care. It should be noted that an additional 120 units of extra care housing will become available by the end of the 2010/11 financial year and a further 300 units are proposed as part of the Council's bid for Round 6 PFI credits. The projected requirement for residential care beds will therefore fall into sharper decline.

3.2.7 In 2007/08, Leeds publicly funded 24 people over the age of 65 for every 1000 people in that age group (a total of 2066 people). If present trends continue (driven by the further development of alternative housing options and more intensive forms of health and social care in the home) this rate could fall to as low as 5 per 1000 in 2029. This projection suggests that as little as one-third of the current residential care beds being used or provided by Adult Social Care would be needed in 20 years time.

3.2.8 Although direct comparisons are problematic (chiefly due to the allocation of overheads), the assessed unit cost of Council-provided residential care is more expensive than can be purchased in the independent sector by between £50 and £150 per week. According to the Care Quality Commission's assessment of the quality of care provided, no material difference in quality can be discerned, although each home clearly has its own unique features. This cannot fail to impact on demand for Council-provided residential accommodation.

3.2.9 The residential care model will be less attractive to people who are currently in their mid 60s, who will expect their support to be delivered in their own homes when they require it.

3.2.10 Benchmarking

National benchmarking by the Department of Health (DH) indicates that local authorities should aim to spend no more that 40% of their available budget on residential care for older people and should aim to reduce this year on year. According to the DH view, Leeds is over-provided at approximately 55% of committed expenditure.

**3.3 Day care**

3.3.1 The Council's day centres

Sixteen day centres for older people are operated by the Council within the city, typically operating from 10.00am to 3.30pm. Three of the centres provide services for people experiencing dementia and seven are linked to a residential care home.

3.3.2 Demand for day care services

Policy guidance issued in 2009 (*Shaping the Future of Care Together*) encourages local authorities to develop strategies which stimulate development of high quality services that treat people with dignity and maximise choice and control through the use of personal budgets and self-directed support. This means that people are increasingly sourcing their support outside of the traditional day care setting. At the same time, councils were encouraged to invest in prevention, early intervention, reablement and providing intensive care and support for those with high level, complex needs.

3.3.3 As a result, day care services for older people in Leeds become increasingly under-used, as public expectations, changing patterns and the take-up of personal budgets have an impact

on day centre occupancy. The current occupancy of the 16 Council-run day centres ranges between 39% and 62%, suggesting that they are not sustainable in the future and not attractive to new customers of the service. In spite of approval given by Executive Board in July 2010 to reduce the number of day care places throughout the city, occupancy levels continue to decline.

## 4 CONCLUSIONS

### 4.1 Residential care

4.1.1 During the past 10 years, the Council's stock of residential care facilities for older people had been reduced by the opportunistic development of extra care housing, using sites vacated by former residential homes.

4.1.2 This program has taken five establishments out of commission over the decade, concluding most recently with the redevelopment of the Hemingway House site. However, savings which may have been made by down-sizing the stock of directly provided units have been cancelled out by the additional investment needed to meet CQC and Fire Authority standards.

4.1.3 The 'doing nothing' option is not, therefore, realistic. Doing nothing would lead to the closure of units through lack of investment to maintain current facilities even to minimum standards. People needing residential care are increasingly more likely to be attracted to the modern, independent facilities on offer than those offered by the Council. This will continue to drive up the number of vacant places in Council homes and increase the unit cost of a Council-provided placement. Acting alone, the Council will not be able to afford to upgrade any of its units to an expected or desired standard.

4.1.4 <u>Options for change: residential care</u>

Two options for change are presented for each unit, following consideration of a number of factors, including:

- the current profile of residents living in the home, their needs, levels of dependency and risks associated with their care and those of their carers;
- the current profile of the staff team, skill mix and length of service;
- the wishes of staff in relation to the recent offer of early leaver initiatives;
- the strategic 'fit' of the unit in the future vision for adult social care in the city;
- the current profile of bed use: specialist, generic, permanent, transitional;
- the current use of the facility under agreement with partners;
- the availability of appropriate alternative facilities nearby;
- the trend in levels of unoccupied places;
- the unit cost of placements in the facility;
- the material condition of the building;
- the capital and revenue requirements over the next five years to maintain the facility to basic standards;
- the capital and revenue requirements to upgrade the facility to approach compliance with the 2002 minimum standards;
- the impact of other Council initiatives in the local community.

<u>Option 1 – Recommission:</u> The facility is suitable overall, with no or minimal structural alteration. It will be used as a specialist care facility in line with the vision for future adult social care provision. This option lends itself to opportunities to integrate health and social care services in the city, particularly for intermediate care services for physically frail older people and those experiencing dementia.

<u>Option 2 – Decommission:</u> The facility has significant limitations overall to continue with its current use. Under this option, there are four sub-options:

2a <u>Gradual decommission</u>

If no nearby facility exists where residents could be offered alternative accommodation, then the decommission would be phased over a period of years

2b Decommission phased with introducing a new provision
If an alternative facility is under construction or planned nearby (eg independent sector care home or extra care housing) which will better meet the future use of older people in the locality, the decommission would be phased to accommodate construction or completion

2c Decommission into existing provision
If appropriate alternative accommodation is available nearby, then residents would be offered opportunities to move there. The decommission would be planned to coincide with the residents' move.

2d Sale as a going concern
Although a building may be limited overall in its future use by the Council, it may be of interest to third-sector or independent providers, subject to appropriate guarantees preserving benefit to Leeds people and the Council.

4.1.5 In relation to Option 2 above, consideration will be given to the potential for

- the facility to become a 'community hub', supporting services such as community support, early intervention, reablement and outreach
- expressions of interest from third and independent sector care home developers in new facilities on the site, so as to offer high quality, modern facilities to future generations
- the future availability of extra care housing on or near to sites made available through this process
- where none of the above is achievable, the reinvestment of any capital receipt gained from the sale of the building / land is used to achieve service improvement

4.1.6 Richmond House
A consultation conducted earlier this year over the proposed use of the Richmond House site for extra care housing confirmed a wish to retain it. Given the unusually high specification of the building and the range of opportunities on offer there, discussions with NHS Leeds have concluded that Richmond House offers an opportunity to continue with an increased number of intermediate care beds to prepare for the coming winter. In the mean time, any future model for intermediate care will be reviewed. This would see the deployment of NHS Leeds staff alongside Adult Social Care staff, with the centre's role being aimed at diverting older people away from hospital and / or long term care. Richmond House has no permanent residents and currently offers eight intermediate care beds partly funded by NHS Leeds and 12 respite beds.

4.1.7 Financial modelling has shown that, under a shared funding arrangement, the intermediate care model can be accommodated in the short term. Using this facility to test the success or otherwise of the model will give valuable insight into the extent to which this option could be developed.

4.1.8 Recent discussions have shown that NHS Leeds colleagues are keen to pursue the intermediate care option at Richmond House over the next few months. As a result, some people currently receiving respite care at this site will need to be offered appropriate alternatives to allow Richmond House to us used as an intermediate care centre.

4.1.9 Fairview
At Fairview, a consultation conducted earlier this year did not support a proposal to use the site for extra care housing. Fairview will therefore continue in its current role and be subject to review under options 1 and 2 above, together with the Council's other residential care homes.

4.1.10 VIEWS OF SCRUTINY

**APPENDIX 1**

An inquiry by the Council's Adult Social Care Scrutiny Board conducted in October and November 2010 accepted that people's expectations around the choice, quality and control over their residential accommodation have increased significantly and that a position of 'no change' in the provision of Council-run residential care is not an option. The relevant section of the Scrutiny Board's report reads as follows and the full recommendations can be found at Appendix 1:

4.1.11 *Observations, Conclusions and Recommendations*
The Scrutiny Board is clear that that the current arrangements for public sector residential care are not sustainable in the long term, particularly in the light of the significant budget reductions announced in the comprehensive spending review.

4.1.12 Therefore the Board has concluded that the 'do nothing option' is not an option but rather a need to review future provision and consider all alternative options.

4.1.13 *Consideration of options*
The Board has considered what options could be pursued in relation to each of the current 19 residential homes for older people.

4.1.14 **Recommendation1**
**It is the view of the Board that the range of options as presented by officers are appropriate models that can be tested for each establishment and would recommend that the Executive Board supports these options.**

4.1.15 *Consideration of Criteria*
The Board considered the criteria to be used when considering which option best suited each individual establishment.

4.1.16 **Recommendation 2**
**It is the view of the Board that the criteria presented provides a sound framework for considering the most suitable option for an establishment and should be adopted by Executive Board. In addition the Board recommends that Care Quality Commission ratings are included within these criteria. The Board also recommends that inclusion issues are incorporated when looking at the impact on communities where facilities are located.**

4.1.17 *Consultation*
The Board considered the proposed consultation methodology and structure.

4.1.18 **Recommendation 3**
**The Board recommends the Executive Board agree the consultation methodology and structure and that it determines the consultation timetable appropriate having regard to statutory obligations.**

**The Board also recommends that the consultation includes; ad hoc community groups specific to a local area, neighbourhood networks and advocacy groups.**

4.1.19 **Recommendation 4**
**The Board recommends that the Executive Board agree the use of a template based on the consultation questionnaire used by Kent County Council, subject to the reorganising of the questions.**

4.1.20 *Other observations made by the Scrutiny Board*
The Scrutiny Board made the following observations which may be of interest to Executive Board;

- Independent sector homes generally had more modern facilities and required less updating and were therefore able to provide a cheaper unit cost for services.
- The acknowledgment that as any phased decommissioning programme is implemented the unit cost of providing residual local authority provision will rise.
- The current pay deferential between independent and voluntary sector employed carers and those employed by the local authority could be more justifiable by the local authority providing more specialised services in collaboration with NHS colleagues
- The overall reduction of people needing permanent residential care was due in part to the success of the Local Authority policy of developing a range of alternative care packages that had allowed people to remain in their own homes longer and other housing options such as sheltered and extra care housing.

**4.2 Day care**

4.2.1 Policy direction and local demographic information suggest that services for older people in the future should be directed to those who have complex needs and require specialist services, for example around dementia. Meanwhile, people with low to moderate needs are increasingly directed toward locally provided services in the community and the Council's universal services.

4.2.2 Three opportunities arise for partnerships to develop in relation to the future use of existing day care centres.

4.2.3 *Partnership with Health services:* Opportunities arise for developing community based services for dementia care, and support and reablement in partnership with NHS Leeds and the Leeds Partnership (mental health) Foundation Trust. Future models of service would allow us to meet the need of people who are most vulnerable and direct resource appropriately. The current model of care cannot be sustained in the longer term and this is an opportunity to reshape the present service to ensure Leeds is able to provide a more specialist service in the short and medium term.

4.2.4 *Partnership with other Council services*: Work done earlier this year to develop an outline business case for the proposed Holt Park 'Wellbeing Centre' confirmed the capacity of different Council directorates to work together in partnership to produce a vision for a universal preventive support service for older people. This vision continues to apply to existing Council facilities as well as the proposed new development.

4.2.5 *Partnership with the voluntary sector*: In partnership with the voluntary sector, discussions are under way with local community organisations over Holbeck and Bramley Lawn centres, which closed earlier this year. The outcome of these discussions may present a model for the maintenance of community based services for older people.

4.2.6 <u>Options for change: day care</u>

Options for change are presented for each unit, following consideration of a number of factors, including

- the current profile of people using the centre, their needs, levels of dependency and risks associated with their care and those of their carers;
- the current profile of the staff team, skill mix and length of service;
- the wishes of staff in relation to the recent offer of early leaver initiatives;
- the strategic 'fit' of the unit in the future vision for adult social care in the city;
- the current profile of use: specialist, generic;
- the current use of the facility under agreement with partners;
- the availability of appropriate alternative facilities nearby;
- the trend in levels of unoccupied places;
- the unit cost of placements in the facility;

- the material condition of the building;
- the capital and revenue requirements over the next five years to maintain the facility to basic standards;
- the capital and revenue requirements to upgrade the facility to approach compliance with minimum standards
- the impact on other Council initiatives in the local community.

Option 1a - Recommission: the facility is suitable overall, with no or minimal structural alteration required to be used as a specialist day care facility in line with the future vision for adult social care. This option lends itself to extending integration opportunities with NHS organisations in the city, particularly with regard to intermediate care interventions for physically frail older people and those experiencing dementia, or in relation to the needs of carers.

Option 2a – Decommission as day centre; recommission for alternative use: the facility is suitable overall, with no or minimal structural alteration required, to be put to an alternative use either by local authority or health services needing local bases.

Option 2b – Decommission: the facility has significant limitations overall to continue with its current use and no opportunity exists for use by local authority or health staff.

Under options 2a and 2b, there are four conditions:

2a & b (i) While the facility is unsuitable, all those currently using the centre and their carers would be offered alternative services designed to better meet their needs. The decommission of the centre would be phased over time to ensure this process is completed safely

2a & b (ii) Expressions of interest would be sought from local voluntary organisations in developing their services from buildings decommissioned through this process

2a & b (iii) Officers will work closely with colleagues in Environments and Neighbourhoods and with registered social landlords to ensure the future availability of extra care housing on or near sites made available through this process

2a & b (iv) Where neither 2 (ii) nor 2 (iii) is achievable, any capital receipt from the sale of a building or land will be reinvested in meeting social care objectives.

4.2.7 Implications of a reduced day service estate mean that the views of a wider constituency need to be canvassed with regard to the role which could be played by the in dependent, voluntary, community or faith sector, alongside the wider Council in providing day opportunities for older people and their carers. To that end, the Director of Adult Social Services proposes the establishment of an Advisory Board consisting of representatives from all provider and stakeholder groups. The purpose of the Board would be to inform the development of different delivery models as alternatives to the services provided from the facilities under review.

4.2.8 Any revisions to the extent of the existing estate would also need to address the transport requirements, particularly in relation to routes and costs.

## 5 LEGAL AND RESOURCE IMPLICATIONS

### 5.1 Residential care

The current annual budget for the Council's in-house residential care establishments amounts to £20.2 million, including direct costs (staffing, running costs), corporate charges

(including HR, ICT, legal and property management) and departmental overheads (senior management, support, training and safeguarding.

5.1.1 It is estimated that a total of £7.5 million of essential work is needed for building condition and fire prevention works over the next 20 years and a further £28.7 million over ten years to provide ensuite facilities and improvements to communal areas approaching those on offer at the new-build independent care homes.

5.1.2 The current unit cost of a directly-provided residential care place is £543 per week (this is based on 95% occupancy). If the current trend in declining occupancy continues, this would rise to £600 per week by the end of 2010/11 (every 5% fall in occupancy would add £37 per bed per week). If the decline in occupancy rates were to be arrested, then the need to invest in essential works would still bring the unit cost to £573 per week. The provision of ensuite and other improvements would bring the unit costs to £800 per week.

5.1.3 The current cost for independent sector residential care is £420 per week; and for independent sector EMI residential care, the current cost is £474 per week.

5.1.4 A detailed analysis of the cost of residential care can be found at Appendix 2.

**5.2 Day care**

The current annual budget for the Council's day care establishments amounts to £6.5 million including direct costs (staffing, running costs, transport and private hire), corporate charges (including HR, ICT, legal and property management) and departmental overheads (senior management, support, training and safeguarding.

5.2.1 Demand for day centre places is falling. At the end of the last financial year, attendance was at 55%. The average of 60% attendance in the current financial year shows the decline in attendance was not arrested by the closure of three day centres in March and April 2010.

5.2.2 Day care is now running alongside other services that are aimed at supporting the wellbeing of older people that are more current and up to date with the needs of the individual and the personalisation agenda. Duplication is therefore a concern in addition to falling attendance figures, which lead to rising unit costs.

5.2.3 A detailed analysis of the cost of day care can be found at Appendix 2.

**5.3 National policy**

5.3.1 The recent DH agenda for social care, *A Vision for Adult Social Care: capable communities and active citizens*, published after the 2010 Comprehensive Sending Review highlights how the proportion of social care budgets spent on long term residential care varies dramatically across the country. Some of this variation may reflect local preferences however, the DH says that some people are being placed in residential care because there are few alternatives to meet their needs in the community, or because people are discharged from hospital without a suitable care plan.

5.3.2 The *Vision* goes on to say that supported housing and extra care housing offer flexible levels of support in a community setting and can provide better outcomes at lower costs for people and their carers than traditional high-cost residential and nursing care. Better use of existing community-based services, for example step-down, reablement or home improvement and adaptations can also reduce demand for residential and nursing care. The government expects councils to look closely at how they can reduce the proportion of spending on residential care through such improvements to their community-based provision.

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## 6 PROPOSED CONSULTATION

6.1 The November 2010 meeting of Executive Board approved a city-wide public consultation following the publication of the Comprehensive Spending Review.

6.2 Adult Social Care has been closely engaged in developing the structure and content of the consultation, which sets out the following vision.

6.3 "In adult social care, we are developing services which are focused on protecting older and disabled people and which give them more of a choice in how they receive help. We call it 'personalisation'.

"We're also working much more closely with the NHS and we've recently appointed a joint director of public health to work across both our organisations.

"Some of our income is from payments people make towards the cost of services they receive. What they contribute depends on their ability to pay. One option might be for us to increase charges for people who can afford to pay more.

"It is likely that we will review what community based services we offer, such as residential care centres

"We want to:

- help people stay in their homes for as long as possible
- offer more specialised services for people with the greatest needs
- offer better support for people who need help after an accident or illness, to try and keep them out of hospital or residential care
- look at opportunities where some adult social care services may be delivered by other organisations, such as the NHS, voluntary or private sectors."

6.4 The consultation goes on to seek the public's views in the future provision of Adult Social Care services as follows.

6.5 "*Question 5:* Thinking about what you've just read, please rate how important you think the following are:

- give people more choice in the social care services they get
- raise the charges for services for people who can afford to pay more
- review, perhaps close and replace some adult social care services or facilities where they are underused or outdated
- help people stay in their own homes for as long as possible
- ask other organisations, such as the NHS to deliver some services for us"

6.6 A companion report will be submitted to this (15 December 2010) meeting of Executive Board with specific recommendations for the removal of subsidies for some elements of adult social care services.

6.7 Whilst not being directly specific to the matters addressed in this report, the responses provided will give a general context alongside which a formal consultation process will take place in relation to residential care and a similarly structured consultation in relation to day services.

6.8 It is proposed that more detailed formal consultation will also take place (outline details of which are set out from paragraph 5.9 onward), to determine the impact of the options on individuals and to identify how these will be mitigated as plans are developed. It is essential to ensure that this formal consultation embraces not only what is being proposed,

but also the rationale behind the proposals; to that end people will be provided with the fullest information.

6.9 It is intended that the consultation will be a two way process and that the aim should be to secure ongoing engagement at every stage of the process. Involvement in the proposed consultation will be offered to current service users, families and carers, the general public, staff and all relevant partner organisations. The scope of the proposed consultation will be on the future of each residential and day care unit, highlighting an option or options for addressing the issues. It is proposed that this should begin following endorsement of these proposals by the Executive Board, beginning in January 2011 and be competed within three months. The findings from the consultation, recommendations on the option for each unit and the detailed implementation plan will be reported to a meeting of the Executive Board in summer 2011.

6.10 **Consultation methodology and structure**
A comprehensive suite of information will explain the way in which factors for consideration before proposing changes set out at paras 4.2.3 and 4.3.6 above have been applied in generating the option or options for each unit.

6.11 Who will we consult with?

- Service users families and carers
- Staff
- Elected members
- Community groups
- Partnership organisations
- Trade unions
- The general public

6.12 How?
We will undertake the consultation by

- One to one interviews with all residents, relatives and carers as well as people who use respite services
- Ward Member briefings
- Attendance at Area Committees
- Providing questionnaires or all stakeholders, including online
- Producing fact sheets setting out options and how these have been arrived at
- Effective feedback arrangements
- Meetings and events with community groups with a particular interest in older people and the issues being consulted upon
- Meetings and events with trades unions, specifically in relation to the options being consulted on
- Group Q&A sessions for people who use services and all interested parties
- Documentation that gives background information about each unit and options available
- Staff meetings
- Meetings with key partner organisations, particularly NHS partners
- Newsletters and web-based information
- A media campaign

6.13 Formal advocacy and will be provided for service users when required and as requested. All options will be subject to a formal equality impact assessment.

6.14 When will we consult?
*Phase 1 – the corporate consultation*

It is proposed that the general consultation, to be conducted by the Chief Executive's office (paras 5.4 to 5.6 above) will begin in November 2010.

*Phase 2 – the consultation on residential and day care*
The more specific consultation, to be conducted by Adult Social Care (paras 5.7 to 5.12 above) will begin in January 2011 and be completed by April 2011.

6.15 Feedback from the consultation will be reviewed and the responses recorded and circulated to those involved in the consultation process.

6.16 The responses collected during the consultation and the outcome of the equality impact assessment will be used to draw up recommendations for future residential and day care services, to be considered by a future meeting of Executive Board. The recommendations will include detailed proposals on implementation.

## 7 RECOMMENDATIONS

7.1 That Executive Board endorses proposals to use Richmond House as an intermediate care facility as set out in paras 4.1.6 to 4.1.8, together with the need to make alternative arrangements for people requiring respite care and who would expect to receive that care at Richmond House.

7.2 That Executive Board supports the need to take action to address the issues set out in para 3.1 to 3.3.3 above.

7.3 That Executive Board endorses the options for change set out in paras 4.1.4 to 4.2.8 above.

7.4 That Executive Board approves the establishment of an Advisory Board consisting of representatives from all provider and stakeholder groups as described in para 4.2.7.

7.5 That Executive Board gives approval for a public consultation as described in paras 6.1 to 6.16 above.

7.6 That Executive Board requests further recommendations to be brought to a future meeting, following the outcome of the public consultation.

## DOCUMENTS REFERRED TO IN THIS REPORT

*Independence, Wellbeing and Choice*, Department of Health, Green Paper, 2005.

*Putting People First*, *the vision and commitment to the transformation of adult social care*, Department of Health, 2007.

*Independence, Wellbeing and Choice Inspection of Adult Social Care Services: Leeds*, Commission for Social Care Inspection, 2008.

*Shaping the Future of Care Together*, Department of Health, 2009.

*From day centres to day services: response to the consultation on day services,* Leeds City Council, Executive Board, November 2009.

*A Vision for Adult Social Care: capable communities and active citizens*, Department of Health, 2010.

**APPENDIX 1**

*Personalisation of Adult Social Care: Update on Implementation of Self Directed Support,* Leeds City Council Executive Board, July 2010

*Inquiry into the Future of Residential care Provision for Older People in Leeds*, Leeds City Council, Scrutiny Board (Adult Social Care), November 2010.

*Government Spending Review,* Leeds City Council, Executive Board, November 2010.

*Domiciliary care strategy and reablement*, Leeds City Council, Executive Board, November 2010.

*Charges for non-residential adult social care services,* Leeds City Council, Executive Board, December 2010.

**APPENDIX 1**

**Scrutiny Board Adult Social Care**
**Inquiry into the Future of Residential care Provision for Older People in Leeds**
**Comments for inclusion into Executive Board Report**

## 1 Introduction

At the June 2010 Adult Social Care Scrutiny Board meeting members expressed their desire to conduct an inquiry into the future provision of Residential Care Services in Leeds. It was considered appropriate for the Scrutiny Board (Adult Social Care) to conduct an inquiry at this juncture in order to influence decision making and assist with policy development which will ensure effective service delivery and value for money.

1.1 It was agreed that the Inquiry would focus on the current provision of Residential Care and the requirement for modernisation to meet customer demand whilst providing a quality service and value for money. The Board paid particular attention to:

- Current Residential Care Service provision across the City and aspirations for the future.
- Anticipated customer demand (both long and short term)
- Council provided Residential Care, Commissioned Private Sector Care, Quality, Sustainability and Value for Money
- Working with Partners and Future Commissioning/De-commissioning.

1.2 The Scrutiny Board has received and discussed a large amount of information, covering the following;

- The National Social Care Context
- Current Policy Context
- Demography – Projected Population Growth and Dependency
- Benchmarking Comparisons
- Demand for Housing Options and Services to Maintain Independence The Local Picture and Expected Numbers of Beds for Future Services –
- Facilities and Supply of Residential Care in Leeds
- Implications for Local Authority Residential Care
- The forecast reduction in provision of residential care in contrast to the increasing elderly population.
- Provision of end of life and palliative care.
- Respite care and facilities for carers
- Sheltered housing
- Those who received care from families and friends and were not accounted for by the care system.

1.3 The Board also discussed.

- Financial requirements of existing public sector residential homes – staffing costs, registration and regulation issues, capital investment.
- Cost of void beds
- Lack of opportunity for capital investment in public sector residential properties.
- Unit cost comparisons with the private sector.

1.4 This report presents the agreed view of Scrutiny Board (Adult Social Care). The Board has requested that these comments are incorporated into the report to go before Executive Board.

**APPENDIX 1**

**2 Observations, Conclusions and Recommendations**

The Scrutiny Board is clear that that the current arrangements for public sector residential care are not sustainable in the long term, particularly in the light of the significant budget reductions announced in the comprehensive spending review.

2.1 Therefore the Board has concluded that the 'do nothing option' is not an option but rather a need to review future provision and consider all alternative options.

2.2 Consideration of options

The Board has considered what options could be pursued in relation to each of the current 19 residential homes for older people.

2.3 **Recommendation1**

**It is the view of the Board that the range of options as presented by officers are appropriate models that can be tested for each establishment and would recommend that the Executive Board supports these options.**

2.4 Consideration of Criteria

The Board considered the criteria to be used when considering which option best suited each individual establishment.

2.5 **Recommendation 2**

**It is the view of the Board that the criteria presented provides a sound framework for considering the most suitable option for an establishment and should be adopted by Executive Board. In addition the Board recommends that Care Quality Commission ratings are included within these criteria. The Board also recommends that inclusion issues are incorporated when looking at the impact on communities where facilities are located.**

2.6 Consultation

The Board considered the proposed consultation methodology and structure.

2.7 **Recommendation3**

**The Board recommends the Executive Board agree the consultation methodology and structure and that it determines the consultation timetable appropriate having regard to statutory obligations.**

**The Board also recommends that the consultation includes; ad hoc community groups specific to a local area, neighbourhood networks and advocacy groups.**

2.8 **Recommendation 4**

**The Board recommends that the Executive Board agree the use of a template based on the consultation questionnaire used by Kent County Council, subject to the reorganising of the questions.**

3 Other observations made by the Scrutiny Board

The Scrutiny Board made the following observations which may be of interest to Executive Board;

- Independent sector homes generally had more modern facilities and required less updating and were therefore able to provide a cheaper unit cost for services.
- The acknowledgment that as any phased decommissioning programme is implemented the unit cost of providing residual local authority provision will rise.
- The current pay deferential between independent and voluntary sector employed carers and those employed by the local authority could be more justifiable by the local authority providing more specialised services in collaboration with NHS colleagues

- The overall reduction of people needing permanent residential care was due in part to the success of the Local Authority policy of developing a range of alternative care packages that had allowed people to remain in their own homes longer and other housing options such as sheltered and extra care housing.

**APPENDIX 1**

## APPENDIX 2

**Financial analysis, residential and day care costs**

**1 Residential care**

1.1 Cost of service

The current annual budgets for the in- house residential care establishments are:

| | | |
|---|---|---|
| Direct Costs | - Staffing | **£14.4m**. |
| Direct Costs | - Other running costs | **£2.4m**. |
| TOTAL Direct Costs | | **£16.8m** |

Corporate Charges (including Finance, HR, ICT and Legal and Corporate Property Management **£2.0m**

Departmental overheads
(including senior management and support costs, training and safeguarding costs) **£1.4m**
**Total Gross Expenditure** **£20.2m**

Note - If the service was no longer provided in-house there could be savings of approximately £0.9m charges from Corporate Property Maintenance and £0.2m Departmental charges for training and other Admin/Mgmt costs. This would mean that **£2.3m** of the current £3.4m central costs would continue regardless of whether the service was directly provided or provided by external provider.

1.2 The service currently provides 628 beds per week offered for the following client groups:

| | |
|---|---|
| Continuing Intermediate Care Beds (CIC) | 30 |
| Dementia | 116 |
| Permanent beds for general/respite use | 471 |

1.3 The current year average budgeted unit cost for directly provided residential care is **£543** per week. This is for direct costs only and is based on 95% occupancy (note this would increase to £555 per week if we continued to achieve 93% as in 09/10).

The current unit cost for independent sector is **£420** per week for residential placements and **£474** for EMI residential placements. An average of £430 per week has been used to calculate additional costs for independent sector placements.

1.4 Condition of the buildings

It is estimated that additional costs will be required to maintain the establishments:
Cost of essential works required is as follows:

- Condition survey work over 2-20 years **£6.1m**
- Fire Prevention works **£1.4m**

TOTAL Essential works required **£7.5m**

These works would be capitalised at a maximum annual revenue cost of **£1m** over of 10 years.

If all the essential works were undertaken in-house unit costs would rise by £29.64 per week to a total of **£573**.

1.5 If it was decided to refurbish these buildings to an adequate standard to include more modern en-suite facilities (where possible) this would be comparable to a 'reasonable' home provided by the independent sector

Cost of desirable upgrade works required is as follows:

- En-suite facilities (where possible) **£18.8m**
- Other refurbishment to communal areas **£9.9m**

TOTAL Essential works required **£28.7m**

These works would be capitalised at a maximum annual revenue cost of **£3.7m** over of 10 years.

If all the desirable works were undertaken in-house unit costs would rise by £113.67 per week to a total of **£687** (including essential costs)

1.6 Other implications of providing en-suite facilities (where possible)

The estimated effect of making modern en-suite facilities would be a reduction in rooms available from 628 to 512, a reduction of 116 beds per week.

The potential full year effect of this is reduced income from the in-house service of **£1m** and an increase in costs to the independent sector (where placements will have to be facilitated) of **£1.6m**

Due to the reduced bed base this would increase the average weekly unit cost by £123 to **£810** per week.

1.7 Implications of current trend

The current trend of demand for the in-house service is reducing.

The potential full year effect of this trend is reduced income from the in-house service of £1.1m and an increase in costs to the independent sector (where placements will have to be facilitated) of £1.8m

If this trend is to continue it would equate to an occupancy level at year end of 86%. This trend would also increase the current average weekly Unit Cost to £600.

Each subsequent fall of say 5% occupancy increases unit costs by £37 per bed per week.

1.8 Asset Values

City Development are currently working on the current asset values of the Residential Care establishment stock.

1.9 Summary (residential care establishments)

If the Council decided to continue with existing stock and not invest in repairs the revenue costs in 2010/11 would increase due to the implications/trends of the current demand.

- Loss of revenue income **£0.7m**
- Additional cost of independent sector provision **£1.6m**

Implication of current demand **£2.3m**

If it were decided to invest in only essential works (£7.5m) to current stock revenue costs would increase

Revenue costs to fund Capital Investment **£1.0m**

To maintain the current stock of Residential Care establishments to a 'reasonable' standard in comparison to Independent Sector Homes (£28.7m) the cost to the revenue budget would increase as follows

- Revenue costs to fund Capital Investment **£3.7m**
- Loss of revenue income due to reduced beds for en-suites **£1.0m**

- Additional cost of independent sector provision due to reduced in house beds **£1.6m**

Total Revenue implication to maintain stock **£6.3m**

1.10 The effect on the average unit costs is as follows

- Current directly provided average unit cost based on 95% occupancy **£543**
- Current directly provided average unit cost based on 93% occupancy – 2009/10 year end **£555**
- 'Do nothing' – occupancy trend declines to 86% by end 2010/11 **£600**
  (Each subsequent fall of 5% occupancy increases unit costs by £37 per bed per week)
- Invest in only Essential works **£573**
- Invest in Essential and Desirable works of current stock of Residential Care establishments to a 'reasonable' standard **£810**

(includes reduced bed base for en-suite provision**)**

**2 Day care**

2.1 Cost of service

The current annual budgets for the in-house Day Care establishments are

| | | |
|---|---|---|
| Direct Costs | - Staffing | **£2.4m**. |
| Direct Costs | - Other running costs | **£0.7m**. |
| Direct Costs | - Fleet transport and Private Hire costs | **£2.6m** |
| TOTAL Direct Costs | | **£5.7m** |
| Corporate Charges (including Finance, HR, ICT and Legal and corporate property management) | | **£0.6m** |
| Departmental overheads (including senior management, support, training and safeguarding costs) | | **£0.2m** |
| **Total Gross Expenditure** | | **£6.5m** |

2.2 The above costs include the incidental costs to transport people to the establishments.

There are currently a total of **£0.6m** of Corporate charges and **£0.2m** of Departmental charges apportioned to directly provided residential care.

If the service was no longer provided in-house there could be savings of approximately **£0.2m** charges from Corporate Property Maintenance and **£0.2m** Departmental charges for training and other Administrative / Management costs.

2.3 Implications of current trend

The current trend of demand for the in-house service is reducing. Day centre attendances were at only 55% at the end of last financial year. The average of 60% in this financial year shows that attendances have increased slightly to following the closure of three day centres in March and April 2010.

As day services are continued to be provided the costs will remain, however the increase in individuals requiring a Direct Payment is an additional cost. Unfortunately there are no unique cost for a day centre element of a Direct Payment.

The costs of providing duplicate service is difficult to ascertain, however based on average cost of packages the following gives an indication

- An average Direct Payment package costs £9686 p a
- An average day care package costs £7496 p a

Potentially a new package could be costing £17k per person per annum (although not all attributable to day care), as we continue to have low attendances at conventional Day Centres.

If we equate this to the forecasted drop in attendance of 133 individuals this is an annual cost of **£1.3m** additional to current day care provision available (although some of this is not attributable to Day Care).

2.4 Asset Values

City Development are currently working on the current asset values of the day care establishment stock.

2.5 Summary: day care establishments

The current levels of attendance of the current portfolio of Day Centres are reducing. If this trend continues and we continue to operate at such low attendances, there are additional costs that we will incur from other initiatives that are aimed at the wellbeing of older people and more current and up to date with the needs of the individuals.