Leeds CITY COUNCIL

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Report of the Director of Adult Social Services

Scrutiny Board – Adult Social Care

Date: 6 October 2010

Subject: Inquiry into the Future of Residential Care Provision for Older People in Leeds

Electoral Wards Affected:

☐ Ward Members consulted (referred to in report)

Specific Implications For:

Equality and Diversity ☐

Community Cohesion ☐

Narrowing the Gap ☐

Executive Summary

Expectations around the choice, quality and control of the provision of care for older people have increased significantly in recent years. Whilst there have been increasing expectations around supporting more people for longer within their own homes, there has also been an increasing expectation in relation to the standard and quality of provision of long term residential care for those people who can no longer be supported in their own homes.

During 2008/09, following the Independence, Wellbeing & Choice Inspection of Adult Social Services, work was commissioned to analyse population trends in relation to the potential numbers and needs of older people in the City in the coming twenty years. The final report also analysed the state of the market for residential care and associated housing options in the City and concluded by presenting outline options which could be pursued based on the overall analysis with specific reference to the Council's own directly provided facilities. Copies of the executive report produced by the Cordis organisation are attached at Appendix 1 and forms background reading to this report.

The Cordis work has been used as a platform on which more detailed analysis has taken place within Adult Social Services with regard to the relative need and future options for all types of accommodation for older people in the City and an overall assessment of the prospective capital and revenue requirements associated with the Local Authority provided units.. This includes a value for money assessment of the current Local Authority offer. A profile of each Local Authority establishment is provided at Appendix 2, information in relation to the location of these facilities is provided at Appendix 3.

Information is offered within this report dealing with the formal definition of residential care and an overview of the current range of provision in the city. The report offers comparative provision data in relation to other core Cities.

Appendices 4 and 5 are confidential and exempt under Access to Information Procedure Rule 10.4 (3) as they contain financial information in relation to local authority facilities which is commercially sensitive. It is felt that it is in the public interest to maintain the exemption as, if the information is disclosed, this would, or would be likely to, prejudice the commercial interest of the Council.

The information contained in Appendices 4 and 5 are commercially sensitive in that the Council will consider a number of different options in relation to its current in-house residential care provision. To release the information contained in these appendices may well prejudice the Local Authority's ability to develop those options at a future point.

1.0 Purpose Of This Report

1.1 To provide Members with information being used by Officers to develop a strategy designed to anticipate and plan for the future accommodation needs for older people in the City. In particular, the report specifically considers long-term residential care options for older people what will be required in the future, taking into account demographic and utilization trends and including the current and prospective levels of provision required. In particular, the report presents information which is being used by Officers to generate a strategy which will deliver the future options for the 19 residential care establishments operated by the Local Authority and which will form the basis of a report to Executive Board later in the year, this will include:

- Detailed financial plan for each of the 19 units
- Designed to secure sufficient supply of high quality residential care for older people in the City as part of a comprehensive range of housing options which meet the rising expectations of older people in the City
- Voids – intention to conduct a census to determine the precise level of capacity within the market – intelligence from the front line suggests significant void levels in the Independent Sector which the census would seek to validate.

2.0 Background Information

2.1 During 2008/09, following the Independence, Wellbeing & Choice Inspection of Adult Social Services, work was commissioned to analyse population trends in relation to the potential numbers and needs of older people in the City in the coming twenty years. The final report also analysed the state of the market for residential care and associated housing options in the City and concluded by presenting outline options which could be pursued based on the overall analysis with specific reference to the Council's own directly provided facilities. The summary report is appended as Appendix 1 to this report to provide Members with more background information, the data contained in the summary report in relation to costs and capital requirements for individual units has now been updated and the report information should be regarded as an estimate pertinent at the time. The most recent data is contained in the confidential appendices 4 & 5.

2.2 In the intervening months the report has been used by officers in the ongoing development of a strategy designed to ensure the continuing availability of high quality long term residential care as part of an increasingly broad range of long term accommodation based care and support options for older people. The report was used extensively in developing the business case designed to secure an additional 300 units of extra care housing for the City.

2.3 However, the outcome of the analysis also confirmed the existence of significant amounts of over-capacity in the current stock of residential care. While the quality of care offered within current residential care facilities is overwhelmingly rated as good or better by the Care Quality Commission, the material quality of facilities is extremely variable. This is particularly true of facilities provided by the Local Authority.

2.4 In the early months of this year it has become increasingly apparent that the strategic review of residential care should also pay close attention to the emerging resource issues

that will face adult social services as a consequence of the economic downturn and the response to that by central government. The overall strategy, with particular reference to directly provided residential care is therefore being subject to detailed financial analysis to ensure that the proposed ways forward are affordable.

3.0 Main Issues

3.1 Definition of Residential Care

3.1.1 Apart from in Northern Ireland where it is still used, *residential care homes* are now generally referred to simply as *care homes.* And what used to be called *nursing homes* are now called *care homes with nursing*.

3.1.2 A care home is a residential setting where a number of older people live, usually in single rooms, and have access to on-site care services. A home registered simply as a carehome will provide personal care only - help with washing, dressing and giving medication. Some care homes are registered to meet a specific care need, for example dementia or terminal illness. Homes registered for nursing care (not covered in this report) may accept people who just have personal care needs but who may need nursing care in the future.

3.1.3 Leeds City Council principally provides general residential care, however, some specialist care for people with dementia is also provided along with a small amount of care provided in close association with NHS Leeds (Intermediate Care) and an element of respite care. The different quantities of care provided in each home are contained in Appendix 2 and the differential costs associated with providing these types of care in exempt Appendix 4.

3.2 Demography

In relation to the demography of the City, the population of people over the age of 65 is projected to grow from it's current base of 110500 by 8% in 2015 and by 33% in 2029, the increase in the population of people over the age of 85 is expected to be more rapid, by 11% in 2014 and by 70% in 2029. Our analysis estimates that about 5% of the population of people over the age of 65 will have social care needs which need to be assessed and which may lead to the provision of a statutory social care service – including long term residential care.

3.3 Other Housing Options

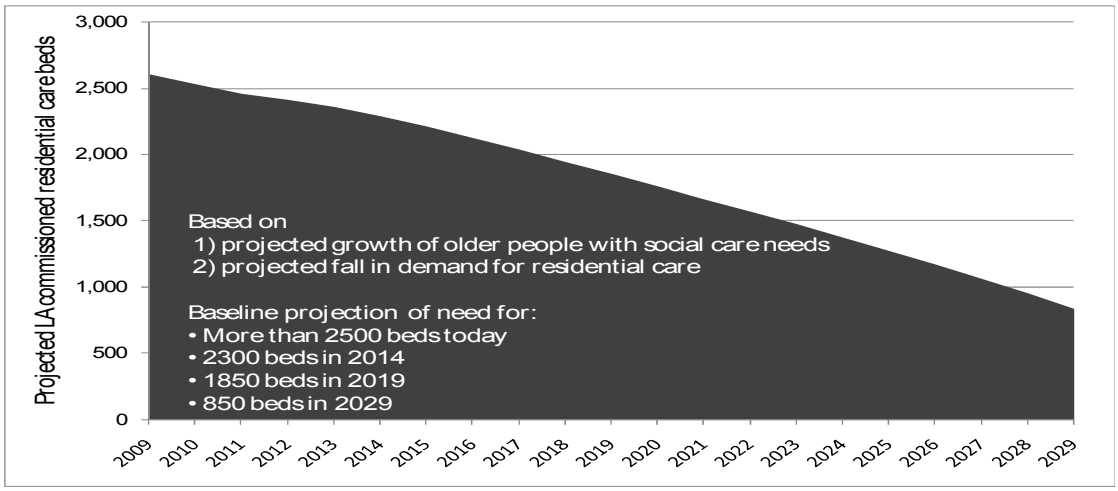
3.3.1 Over the past number of years the variety and choice of accommodation with care options for older people has increased significantly. The availability of affordable extra care housing as well as that available for private purchase has never been greater. At the same time, providers of independent sector care and support have made significant investments in additional, purpose built, long term residential care units. Alongside these developments older people are exercising far greater choice and control over options which maintain them safely and for longer in their own homes.

3.3.2 Work produced by the Cordis organization for Adult Social Services highlights the significant trend of falls in demand (19% reduction 2002 – 2008) for this type of care that have been experienced over recent years (Graph 1). The report notes the specific impact of the increased availability of Extra Care Housing which has accelerated the fall in demand for residential care and observes that each future additional unit of extra care housing will serve to further accelerate reductions in demand for traditional forms of residential care. Since 120 additional units will become available by the end of this calendar year and a further 300 are proposed as part of the bid for PFI funding submitted earlier this month it is likely that the projected requirement for residential care beds will fall into sharper decline than that depicted in the graph.

3.3.3 In 2007/08 Leeds publicly funded 24 people over the age of 65 for every 1000 people within that age group, our analysis and projection forecasts that, 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 1/3rd of the total current residential care bed base used or provided by Adult Social Services would be needed in 20 years time.

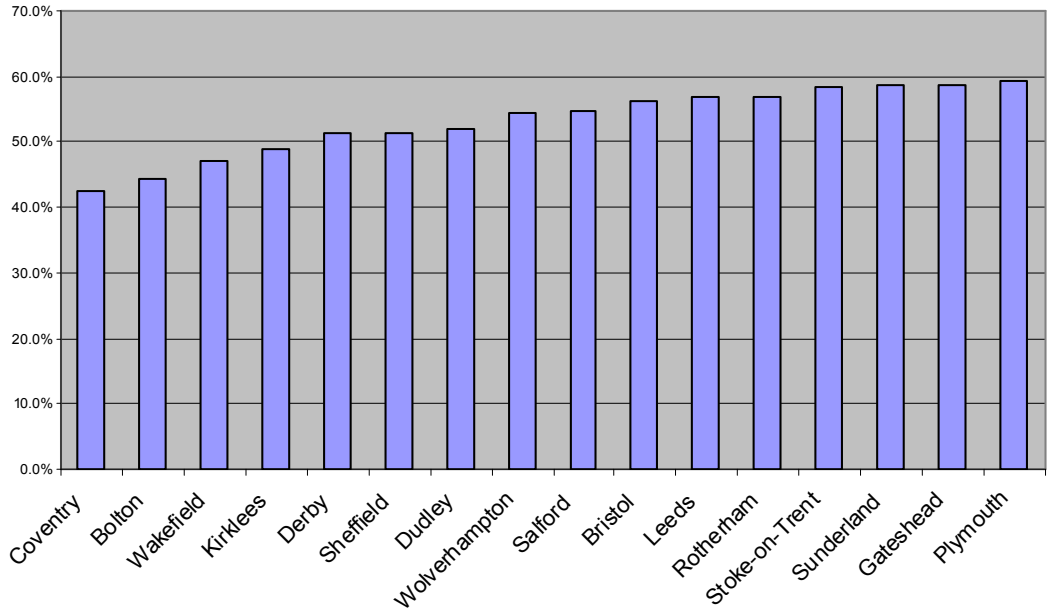
Graph 1



3.3.4 The Cordis analysis shows how this reducing pattern of demand increases the number of empty beds in homes which, allied to the need to continue to invest capital to maintain homes to both minimum standards and increasing public expectations, diminish the viability of sections of this market, including that operated by the Council.

3.3.5 National benchmarking produced by the Department of Health, indicates that Local Authority Adult Social Services should aim to spend no more than 40% of their available budget on residential care for older people and should aim to reduce this year on year. The diagram below (Graph 2) shows the position in Leeds relative to comparator Authorities, this confirms that despite falling numbers of supported residents, long-term residential care is still overprovided in Leeds and that, at approximately 55% of committed expenditure on older peoples services, resources are over-committed to this form of care.

Graph 2



3.3.6 The Local Authority currently provides 628 residential care beds in 19 units. The majority of units provide a combination of standard residential care and residential respite care. A

smaller number of units offer specialist care which includes dementia care and intermediate care provided under contract to NHS Leeds. Seven units operate day care facilities on the same site. This roughly equates to 27% of all the long term residential care beds in the City.

3.3.7 Although direct comparisons are problematic (due chiefly to the allocation of overheads), the assessed unit cost of directly provided residential care is more expensive, by between approximately £50 and £150 per week, than that which can be purchased in the independent sector and in relation to the Care Quality Commission assessment of the quality of care afforded, no material difference in quality can be discerned, a detailed analysis of the costs of different types of provision is provided at exempt Appendix 4.

3.3.8 Maintaining large numbers of people in these establishments is not cost effective and becomes less cost effective when beds are empty (void) through lack of demand, both unit costs and voids are likely to increase in the future beyond the current relatively high levels.

3.3.9 Voids within the directly provided residential care establishments over the past number of weeks have varied between 52 and 56 beds per week, almost 9%, which not only represents an upward pressure on the unit price per bed but is indicative of the choices prospective residents and their families are increasingly choosing to make. Void rates are not consistent. The greatest void rates occurring in general care beds and the lowest void rates occurring in specialist intermediate and dementia care facilities.

3.3.10 Furthermore, unit costs are currently being driven up by the requirement to make capital investments in all the units, at this stage to ensure compliance with fire regulations. In year one, (2010) this additional investment is anticipated to be £1.32M, the cumulative cost will be approx £3.9M over 5 years and £6M over 10. Against a background of diminishing public sector funding, raising capital on this scale to invest in these facilities is likely to be extremely difficult and as has been previously indicated Local Authority investment in long term care facilities runs contrary to central government policy. Private financing for such a capital programme would almost certainly be unavailable. A more detailed breakdown of the overall Capital requirements is contained in exempt Appendix 5.

3.3.11 The capital investment referred to above is only one element of what would be required to bring many of the Council operated units to the material standard of the best newly built homes. The expectations of people entering long term residential care are that their physical surroundings at least match those they have enjoyed previously. The regulatory requirements for new facilities is that they all have an en-suite toilet and wash basin, although the majority are now built with bathrooms which 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 modernization within the current structures would reduce the number of rooms overall thereby increasing unit costs still further.

3.3.12 Going forward, people will be less likely to choose to live in facilities which cannot offer what most would regard as modern amenities. The cost to the Council of such modernization proposals to its existing stock would therefore be prohibitive in both capital and revenue funding terms. Exempt Appendix 5 provides a more detailed breakdown of the overall cost implications.

3.3.13 Table 4, below provides, for comparative purposes, an overall summary of the process paid (gross of income) for independent sector residential care.

Type	**Lowest Fee Paid**	**Highest Fee Paid**
Residential	£385.77	£448.63
Residential Respite	**	
Residential Dementia	£414.42	£488.36
Residential Dementia Respite	**	

Table 1

** Since the end of the block contracts, we do not have a separate fee agreed for respite. We would expect the fee to be the same as permanent residential.

3.3.14 The difference in cost between the directly provided service and independent sector providers to provide the same kinds of care is due to a combination of features, many independent sector homes are larger and are able to generate more economies of scale, salary differentials between the directly provided service and independent sector providers are greater as are other terms and conditions of employment.

3.4 Benchmarking

The Use of Internal Residential Care in Core Cities (2008/09)

	Number of weeks supported residents spent in residential and nursing care (both permanent and temporary):			
	Residents aged 65 and over in nursing placements	**Residents aged 65 and over in own provision residential placements**	**Residents aged 65 and over in residential placements provided by others**	**Over 65 population**
Birmingham	71,230	34,700	77,440	136446
Leeds	53,910	26,175	60,305	110553
Liverpool	32,155	2,945	62,065	63643
Manchester	23,875	365	54,225	51069
Newcastle upon Tyne	22,455	3,110	41,475	41096
Sheffield	40,330	2,550	75,150	83893
Bristol UA	33,205	21,295	25,045	54855
Nottingham UA	13,715	7,520	37,995	34924

	Residents aged 65 and over in own provision residential placements as a proportion of the older peoples population			
	Residential	**Over 65 Population**	**Places per 100,000 population over 65**	**% of over 65 population**
Birmingham	34,700	136446	0.254	25.40%
Leeds	26,175	110553	0.236	23.60%
Liverpool	2,945	63643	0.046	4.60%
Manchester	365	51069	0.007	0.70%
Newcastle upon Tyne	3,110	41096	0.075	7.50%
Sheffield	2,550	83893	0.03	3%
Bristol UA	21,295	54855	0.388	38.80%
Nottingham UA	7,520	34924	0.215	21.50%

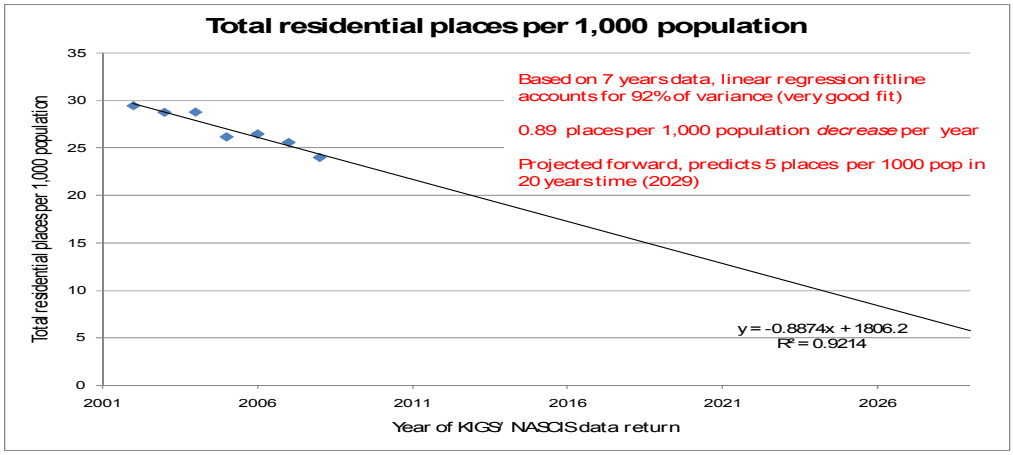
Table 2

As can be seen from the above, Leeds, along with Birmingham and Bristol continues to be a significant provider in both absolute and relative terms, of residential care with approximately 43% of the overall placement activity. In the case of Birmingham, a significant transformation programme has been initiated aimed at reproviding the entire directly provided estate of 29 homes with four 'supercentres' designed to provide shorter term rehabilitative and recuperative (rather than long term) care.

3.5 Demand for Long Term Residential Care for Older People in Leeds

3.5.1 Whilst there are periodic fluctuations, in terms of the overall year on year trends Adult Social Care has placed fewer people in this type of accommodation. As previously reported, Leeds City Council is itself a significant provider of this type of care with 628 beds out of a total residential care bed-base of 2214. In the last three years 1000 new bedspaces have been opened in the City offering this type of care, each of the new homes has been built to a specification which includes en-suite rooms and enhanced care technology. The rooms offered in these newly purpose built facilities 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.

3.5.2 The Local Authority used (at 30 September 2009) 1320 (60%) of all the residential care beds in the City (including Council provided). The remainder of the beds (894) either being used by people not requiring public funds to support their stay ('self funders') or being unused ('void').

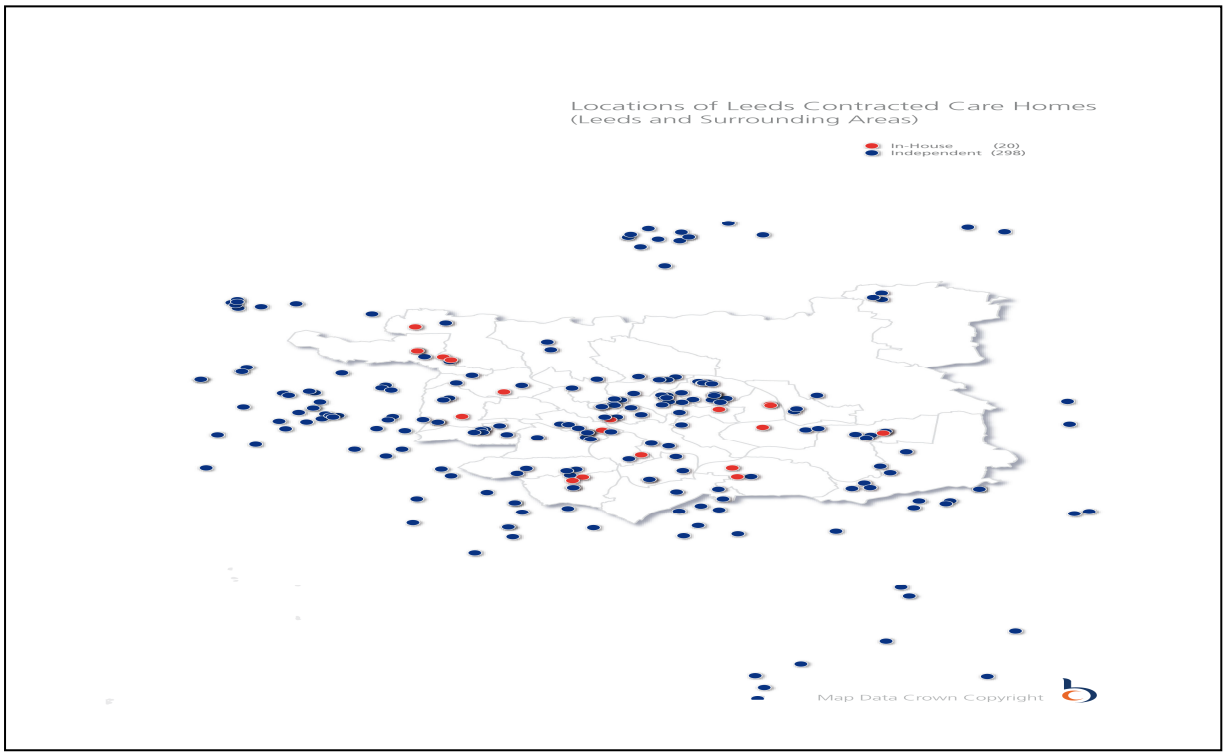


Graph 3

3.6 Location Of Units in the City

3.6.1 The Map presented overleaf illustrates the location of alternative care facilities in the City operated by independent sector providers and the Local Authority. It can be seen that in virtually every part of the city long term care facilities of all descriptions are available. This resource is matched by the widespread availability of affordable sheltered housing and increasing availability of extra care facilities. Appendix 3 provides a much more detailed view of provision in the City broken into Wards

Map 1



3.6.2 This analysis, falling demand against a backdrop of over-provision, provides significant impetus to assess the reasons behind such a pattern particularly in relation to what is commonly assumed about the demographic profile.

3.6.3 Our analysis concludes that although the numbers of older people are growing , the success of initiatives like intermediate care and intensive home care and the availability of alternatives to residential care (Extra Care Housing for example) are succeeding in supporting greater numbers of older people to live independently in their homes for longer.

3.6.4 The reducing need for Adult Social Services to pay for placements would be matched by a need to invest in greater quantities and a greater range of more innovative forms of care and support in the home. The development of the proposed 300 additional extra care housing units also directly impacts on the supply of available alternatives for this cohort of older people. In overall terms, reducing the numbers of older people using long term residential care placements by increasing the availability of Extra-care Housing and investing in more home support will not incur any additional funding responsibility on Adult Social Services.

4.0 Implications For Council Policy And Governance

4.1 Contingent on the options developed for the existing Local Authority provided facilities, a comprehensive programme of consultation and engagement can be anticipated with all stakeholders, particularly residents and their relatives and staff.

4.2 Colleagues in NHS Leeds who commission 30 of the current bedbase are also key stakeholders and in the development of shared plans for the development of more integrated health and care services in the City it is clear that they will wish to identify what scope exists within the emerging strategic plan for further joint work within these facilities.

4.3 Discussions so far have indicated a positive desire for more extensive partnership reflecting the good work that has been undertaken in recent years within these facilities and recognising potential economic benefits for both parties which are currently being examined in much greater detail.

5.0 Legal And Resource Implications

5.1 The projected reduced need for long term residential care facilities impacts on those 19 units currently provided by the Council. Our analysis has highlighted that there are three resource elements to that impact.

5.2 Firstly, although direct comparisons are difficult, the assessed unit cost of directly provided residential care is more expensive, by between approximately £50 and £100 per week, than that which can be purchased in the independent sector and in relation to the Care Quality Commission assessment of the quality of care afforded, no material difference in quality can be discerned. Maintaining large numbers of people in these establishments is not cost effective and becomes less cost effective when beds are empty through lack of demand, both unit costs and voids are likely to increase in the future beyond the current relatively high levels.

5.3 Secondly, unit costs are currently being driven up by the requirement to make capital investments in all the units, at this stage to ensure compliance with fire regulations, in year one, (2010) this additional investment is anticipated to be £2.9M, the cumulative cost from this source alone will be £3.9M over 5 years and £6M over 10. Against a background of diminishing public sector funding, raising capital on this scale to invest in these facilities is likely to be extremely difficult and, since Local Authority investment in long term care facilities runs contrary to central government policy, private financing for such a capital programme would almost certainly be unavailable.

5.4 Thirdly, the capital investment referred to above is only one element of what would be required to bring many of the Council operated units to the material standard of the best newly built homes. The expectations of people entering long term residential care are that their physical surroundings at least match those they have enjoyed previously; most new facilities are built with features like en-suite bathrooms for example. 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 modernization within the current structures would reduce the number of rooms overall thereby increasing unit costs still further. Going forward, people will be less likely to choose to live in facilities which cannot offer what most would regard as modern amenities. Information in relation to the prospective costs of capital improvement is contained at exempt Appendix 5, this indicates that the cost to the Council of such modernization proposals to its existing stock would be prohibitive in both capital and revenue funding terms.

5.5 Implications of Maintaining the Current Arrangements

5.5.1 The ‘do nothing’ option has been the default position over the preceding 10 years during which the Council stock of residential care facilities for older people has been reduced through the opportunistic development of extra care housing facilities utilizing sites vacated by former residential units and recycling staffing into other units or into the community support service.

5.5.2 This program has taken 5 establishments out of commission over the decade concluding most recently with the redevelopment of Hemingway House. However, savings which may have accrued by downsizing the stock of directly provided units has been more than offset by the additional investment that has been (and continues to be) required to maintain the remaining stock to CQC/ Fire Authority minimum standards . Similarly staffing costs in relation to the units have accelerated well beyond that which might have been anticipated prior to the implementation of single status settlements.

5.5.3 The ‘doing nothing’ option is not, therefore, a true option. In the truest sense, doing nothing would lead to the closure by regulatory bodies of units year on year as a consequence of no consequent investment programme to at least maintain the current facilities.

6.0 Conclusions

6.1 For all the reasons set out above, and particularly with regard to the financial circumstances of Adult Social Services and of the Council overall, we are required estimate how best to maximize the opportunities for the future use of these buildings which seeks to minimize disruption to current residents, confronting the risks inherent in maintaining this level of provision whilst delivering the manifest efficiencies associated with these resources. In light of all available evidence and particularly in light of the future resourcing requirements of adult social services, officers have concluded that doing nothing is not a viable option.

6.2 Work to develop the future strategic options is nearing completion and takes into account the growing range of improving housing options for older people which exist in the City, significant improvements that have occurred in relation to improving standards of care and care environments particularly within the independent sector and, as has already been suggested, against the diminishing demand for generic long term residential care in both the independent and Local Authority provided market.

7.0 Recommendations

7.1 In developing the potential options for Local Authority residential care going forward and in preparation of the report to Executive Board, Members are invited to consider the evidence contained in this report and determine what further evidence they would wish to consider under the terms of the enquiry.

Background Documents referred to in this report

- *Cordis Executive Report – February 2010 attached as Appendix 1*
- *Independence Wellbeing and Choice Inspection 2008*
- *Use of Internal Reisdential Care in Core Cities 2008/09 – Department of Health*

Appendices

Appendix 1 Cordis Executive Report

Appendix 2 Profile of individual homes

Appendix 3 Locality Profiles of each home showing proximity to other similar facilities

Appendix 4 Confidential Cost summary

Appendix 5 Confidential Capital summary.