

Cabinet

9 October 2013

Review of in-house residential care homes



Report of Corporate Management Team **Report of Rachael Shimmin, Corporate Director of Children and Adults Services** **Report of Councillor Morris Nicholls, Portfolio Holder for Adult Services**

Purpose of the Report

1. To review the future need for in-house residential care homes.
2. To seek agreement to consult on a number of options as set out in this report.

Background

3. The social care market has developed and changed substantially since the introduction of Community Care 30 years ago. A number of factors shaped these changes including:-
 - Government policy
 - People's preference to remain independent and live at home for as long as possible
 - The development of services and technologies to support people at home
 - The development of services to re-able people who experience a short term or manageable deterioration in their condition.
4. The national agenda recognises the following key issues:
 - Rising numbers of older people as people live longer.
 - Increasingly complex needs associated with ageing.
 - Increased expectations amongst service users and their families.
 - Higher industry standards in the provision of accommodation for older people.
5. Over the last 10 years Durham County Council, in line with the national agenda, has produced a series of strategic documents to inform the direction of travel for older people's services for the County. Key documents are listed on page 18 of this report.

6. Durham County Council recognises the importance and the value of care and support services to older people, and has considered and refined its provision of services to them over the years. The Council's Strategy for Older People acknowledges that care needs are changing and that, in keeping with most areas throughout the country, there is a need to ensure that services are safe, appropriate and fit for purpose. Access to services must also take account of demographic factors including density of population, access to other related community facilities, and housing infrastructure.
7. There is a clear continuing emphasis in Government policy, and in the policies of the Council, to support personalisation and help people to live at home for as long as possible. The Care Bill 2013, currently making its way through Parliament, proposes embedding this policy direction in statute.

Progress to Date in County Durham in remodelling services

- a. Reduction in the reliance on residential care provision generally
 - b. Increase in the range and volume of community based services.
 - c. Creation of 7 Extra Care Schemes
 - d. Increase in the use of direct payments by older people for community based solutions
 - e. Improved and extended home support services
 - f. Increase in number of people helped to live at home
 - g. Reduction in the number of in-house residential care homes in 2010/11
 - h. Improved value for money from the independent sector for domiciliary and residential care
 - i. Extended reablement services, specialist services aimed at helping people to recover independence and avoid dependency
8. Durham County Council last reviewed its in-house residential care services in 2010 and subsequently decided at Cabinet in July 2010 to close 7 homes. Since that date the Council has experienced significant budget reductions and has needed to reconsider all aspects of service provision. This report further considers the issues for the current provision of in-house residential care including the future direction of service delivery in the context of the increasing demands of the MTFP. As a consequence of the significant financial reductions to the Council's budget, the scope of this report is broader than originally envisaged and suggests reviewing the original Cabinet decision made on 20 January 2010 to continue to provide long term residential care at Newtown House.
 9. Officers have considered the potential future use of the remaining five in-house residential care homes. They are:
 - Cheveley House, Belmont
 - Feryemount, Ferryhill
 - Grampian House, Peterlee
 - Mendip House, Chester le Street

- Newtown House, Stanhope
10. This work has had to take account of reduced funding to local government since 2010 which has meant that Durham County Council and the service now have to make very significant financial reductions. The Council's current MTFP requires it to make savings of approximately £222m from 2011 - 2017. Savings targets for 2011/12 and 2012/13 have been achieved but the on-going savings targets for Children and Adults Services are currently: 2013/14 £11.2m, 2014/15 £12.4m and 2015/16 £4.5m. This sum is likely to increase.
 11. In August 2013 the local authority was funding short and long-term residential places for 2497 people (Source: Social Services Information Database (SSID)). Included in this total of 2497 were 83 people (50 permanent) resident in Council run homes. This equates to 3.3% of all places in residential care across the County, and 2% for our permanent residents.
 12. The cost of in-house residential care is significantly higher than that in the independent sector (see paragraph 30) and the Council must consider this alongside the impact to people of any changes in their residential environment.
 13. Intermediate care services are part of the Council's strategy to ensure that people live independently for as long as possible and recover independence wherever they can (please see below). Following an independent review into the provision of intermediate care services in County Durham, Clinical Commissioning Groups (CCG's) are leading on joint work to commission intermediate care services in the future. This has implications for current in-house intermediate care beds at Grampian House, Cheveley House, Feryemount and Mendip House.

Intermediate Care

14. Intermediate care services are focussed on the:
 - Promotion of faster recovery from illness;
 - Prevention of unnecessary acute hospital admission and premature admission to long-term residential care;
 - Supporting timely discharge from hospital and maximising recovery and independent living.
15. In March 2010 officers of the Council agreed a joint commissioning strategy for intermediate care with health for the future provision of intermediate care. The strategy contains an ambition to improve equity of access and geographical spread of intermediate care beds across the County.
16. The Care Bill 2013 introduces a requirement that a local authority must provide or arrange for the provision of services, facilities or resources which it considers will "contribute towards preventing or delaying the

development by adults in its area of needs for care and support.” Within the County, social care and health colleagues have undertaken an assessment of the current position in County Durham and set out a plan to develop improved services for the future. The recommendations of that plan remove the need for intermediate care beds in the Council’s residential care homes, preferring to purchase beds from the independent sector for the future. There are 39 residential intermediate care beds in 4 of the in-house residential care homes and this will have an immediate impact on occupancy.

Residential Care in County Durham

17. The market for the provision of residential care in County Durham is diverse. As at August 2013 there were 56 independent providers of older people’s residential care in County Durham. There are 99 independent residential care homes for older people in addition to the 5 in-house homes. The largest independent provider has 14% of the market. The table below gives more detail on ownership.

41 providers	1 home
8 providers	2 homes
2 providers	3 homes
2 providers	4 homes
1 providers	5 homes
1 provider	9 homes
1 provider	14 homes

Source: Commissioning information

18. The budget for the purchase of care services from the independent sector for 2013/14 is just under £67.1m. The extra emphasis on prevention and improved independence through rehabilitation services is likely to affect demand for residential care places in the future.
19. The Council monitors market changes on an ongoing basis. Three new homes opened in 2011/12 providing an additional 190 beds. A further 70 bed home was registered with CQC in June 2013 (Dipton Manor Care Home) and another home is currently being built in Bishop Auckland with 53 beds (Eden House) which is due to open in approximately October 2013. In 2012/13 four care homes closed with a loss of 131 beds. No other plans have been approved for new-build developments within the past 18 months. As at June 2013 these changes have led to a net increase of 129 beds in the County.
20. The quality of residential care services delivered by the independent sector is regulated and monitored in the following ways:

Regulation

The Care Quality Commission (CQC) has a statutory responsibility to ensure that residential care homes are delivering services of a high quality and are fit for purpose. On 1 April 2010 the Regulator (CQC) replaced its

National Minimum Standards for Registration with The Care Quality Commission (Registration) Regulations 2009 and “Guidance about compliance: Essential standards of quality and safety”. An example of the kind of descriptions in the guidance is “People who use the service have bedrooms that are of a size and shape that supports their lifestyle, care, treatment and support needs and enables access for care, treatment and support and equipment.” (Outcome 10 of the Guidance, Prompt 10L at p 116).

Safeguarding

The Council works closely with the regulator (CQC) to ensure a co-ordinated response to risk and has its own robust procedures which includes being proactive and providing free advice and guidance to homes on good practice as well as undertaking safeguarding investigations.

Commissioning

The Council is increasingly discriminating about which services it is prepared to commission – selecting only the best that are on offer - and takes prompt action where there is a drop in quality. It has a track record of decommissioning services where it cannot assist providers to improve quality.

Monitoring and Review

The Council undertakes regular monitoring and review visits to ensure that there is a high quality of service provided and awards every residential care home a quality band rating. The Quality Band Assessment process is used by the authority to monitor the performance of contracted providers against a set of quality standards, with Grade 1 being the highest available grade down to Grade 4 which is the lowest. For some services fees paid are based on the Quality Band Assessment Grade which incentivises the market to provide high quality care services.

21. From the last completed quarterly occupancy survey (April - June 2013) the independent sector showed an average occupancy of 80% in residential and nursing beds for older people (813 available beds as at 30 June 2013). These average levels of occupancy in County Durham have been at or close to this level for some time.
22. An independent survey in 2007 of the homes in County Durham, including in-house homes, measured compliance against the then required physical standards for first registration. It graded the homes on a scale from 1 to 4 with 1 being 100% compliant and 4 being less than 55% compliant. The survey showed that the majority of the homes in the independent sector were either fully compliant or over 75% compliant. Current Council homes would appear in the bottom quartile for required physical standards and therefore may struggle to attract new residents given the higher standards of the independent care home sector.

The current use of in-house services

23. The Council has five residential care homes with the following capacity.

	Residential Care	Intermediate Care	Respite Care	TOTAL
Cheveley House, Belmont	26	8	2	36
Feryemount, Ferryhill	20	9	0	29
Grampian House, Peterlee	1	14	0	15
Mendip House, Chester le Street	18	8	2	28
Newtown House, Stanhope	23	N/A	2	25
Total	88	39	6	133

24. During Spring 2013 it became evident that there was a serious problem with the roof at Cheveley House due to rain water leaking into the building. Due to the damage caused, and the potential risk of the ceiling becoming unstable or water affecting electrics, a number of bedrooms on the first floor were put out of service. In addition, it has been identified that the structure of the building has been damaged by a chemical reaction under the ground floor, between the concrete and the red shale that the floor was built upon. Tests have been undertaken to determine the extent and severity of this damage, and have shown that both the floor and the building structure of Cheveley House are seriously damaged and require substantial structural rebuilding, with an estimate of more than £1m.

25. This issue, together with the serious risk of further flooding, meant that much of the home was potentially unavailable for use. Information was given to residents and their families about the condition of the home and the possible need to relocate urgently should conditions subsequently deteriorate, especially as any remedial work could not be carried out whilst people are living within the home. All admissions to Cheveley House were suspended initially and residents, families and carers were advised of this situation. As a consequence, and with support from the Council, all have chosen to move to other homes and from 6th September there have been no residents there at all. A day service continues to operate in the short term.

26. Appendix 2 shows details of other homes within a 5 mile radius of the in-house homes with the exception of Newtown House. Appendix 3 shows the detail of other homes within a 15 mile radius of Newtown House. This data is summarised in Appendix 4.

27. The table below shows the occupancy levels for long term residential care and the occupancy levels for other¹ purposes as a percentage of the capacity within each home as at the end of August 2013, adjusted to take into account the issue of Cheveley House which has had no residents since 6th September 2013.

Establishment	Res Care	Other	TOTAL	Capacity	Res care % occ	Other % occ	% vacancy
Cheveley House, Belmont	0	0	0	0	0%	0%	0%

¹ "Other" refers to short-term use for intermediate care, respite carer, carer breaks etc.

Feryemount, Ferryhill	16	8	24	29	55%	28%	17%
Grampian House, Peterlee	1	14	15	15	6.6%	93.4%	0%
Mendip House, Chester le Street	17	9	26	28	61%	32%	7%
Newtown House, Stanhope	16	2	18	25	64%	8%	28%
TOTAL:	50	33	83	97	51.5%	34%	14.5%

Source SSID

28. The table below shows the percentage occupancy of the in-house homes for all types of service provision from 2007/08 to 2012/13 and for April to June 2013, before residents moved out of Cheveley House.

All Occupancy	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 Q1
Cheveley House	85.52%	73.65%	80.3%	86.7%	84.2%	67.2%	71.6%
Feryemount	76.75%	73.33%	80.3%	79.4%	81.6%	77.5%	80.9%
Grampian House	71.53%	69.66%	56.0%	71.7%	94.1%	84.5%	91.4%
Mendip House	90.32%	88.06%	87.9%	87.4%	86.7%	81.1%	85.8%
Newtown House	81.70%	79.12%	80.4%	92.7%	93.9%	83.2%	78.4%
TOTAL	76.26%	71.56%	69.9%	84.7%	86.7%	77.3%	80.1%

Source SSID

29. Using Feryemount as an example, since April 2013, the total occupancy level has been 80.9%. This is an average of 24 beds being in use out of the 29 available. During the same time period, there was an average of 18 beds being used by long term residents out of the 20 beds designated - an average of 87.8%. On the assumption that Feryemount would not be able to attract additional long term residents to the home, then having the additional 9 intermediate care beds available as long term beds would reduce the occupancy rate to around 62%.

The provision of in-house long term beds for older people

30. The Council pays differentiated fees to its providers linked to quality rating and physical standards. At 30 June 2013, the current unit cost for independent sector residential care with a grade 1 quality band assessment was £473.59 per week. This is against an average in-house residential care unit cost for the current homes of £837.97 per week as at 30 June 2013 **(This unit cost will vary from month to month according to occupancy rates)**.

31. The table below shows individual unit costs for each of the five in-house homes as at 30 June 2013. The unit costs are calculated by taking the operational running costs of each home and dividing it by the current occupancy level at a given point in time. These unit costs may vary depending on the level of occupancy. The costs listed below are a significant under-estimation as they do not include any back office costs or overheads as these would be extremely difficult to extract. The

comparative figure used for the independent sector is fully inclusive of all of their costs including return on investment. Additionally, in the independent sector the Council only pays for each bed for the time that it is used.

In-house residential care costs as at 30 June 2013

Home	Weekly cost per bed
Newtown House Residential Home	917.12
Mendip House Residential Home	736.72
Feryemount Residential Home	748.62
Cheveley House Residential Home	728.08
Grampian House Residential Home	1,261.09
Average	837.97

Newtown House

32. The decision to close a number of the County Council's homes in July 2010 was driven by a number of factors including "...the balance of information available from the consultation and in considering demand, availability, price, quality, capital investment and the need to provide services for an increasing number of older people..." An exception to this general position was reflected in the decision at that time to "continue to provide long term residential care at Newtown House because of the lack of an alternative provision in that part of the County." There is a small nursing home with 25 beds in Stanhope but all other provision is more than 5 miles away.
33. Newtown House is located within a conservation area but is not a listed building. The actual weekly unit cost for service as at 30 June 2013 was £917.12. It does not provide intermediate care at present and, because of its location, would not be a suitable site for future provision of intermediate care given the intermediate care strategy's ambition to improve equity of access and geographical spread of intermediate care beds across the County. Occupancy in Newtown House fell by just over 10% from 2011/12 to 2012/13 which suggests little prospect of improving unit costs through efficiencies or improved occupancy. The Council is spending more than £440 per week per resident above the market rate in order to retain a home in Stanhope, using figures at June 2013.
34. The viability of Newtown House will be tested along with the other homes should Members agree to seek expressions of interest from other organisations with a view to managing and running each of the care homes as a going concern (see Option 3 of this report).
35. As at August 2013 there were 33 staff at Newtown House, 8 full-time and 25 part-time. TUPE is likely to affect any transfer.

36. Details of current alternative provision for residents of Newtown House is shown in Appendix 3. This shows that there is adequate provision within a 15 mile radius of Stanhope.
37. The table below shows people admitted to permanent residential care during the last financial year (2012/13) from wards surrounding Newtown House and demonstrates the choices that people have made between Newtown House and another provision.

Ward	Newtown House	Other Provider	% to Newtown
ST JOHNS CHAPEL	0	1	0.00%
STANHOPE	3	7	30.00%
WOLSINGHAM	2	5	28.57%
FROSTERLEY	0	0	0.00%
WEARHEAD	0	0	0.00%
IRESHOPEBURN	0	1	0.00%
Totals	5	14	26.32%

Source SSID

38. Of the 14 permanent placements accessing alternate provision, half required dementia or nursing care whilst the remainder chose a care home other than Newtown House. The care record does not give any further individual reasons.
39. The table below shows people admitted to Newtown House for short stays in residential care during the last financial year (2012/13) from wards surrounding Newtown House and demonstrates the choices that people have made between Newtown House and another provision.

	Newtown House	Other Provider	% to Newtown
ST JOHNS CHAPEL	1	0	100.00%
STANHOPE	3	7	30.00%
WOLSINGHAM	2	9	18.18%
FROSTERLEY	4	1	80.00%
WEARHEAD	1	0	100.00%
IRESHOPEBURN	1	0	100.00%
Totals	12	17	41.38%

Source SSID

40. Overall, there were 22 placements made into Newtown House in 2012/13 with five permanent admissions coming from Stanhope and Wolsingham. Of the 17 short stays, 12 were from the surrounding wards as set out in the table above and the remaining five were from Crook, Bishop Auckland, Tow Law, Spennymoor, and Framwellgate Moor.
41. The table below provides a summary of permanent residents in Newtown House as at 31 August 2013.

Name of Home	Occupancy as at 31 August 2013	Longest stay (years)	Average length of stay (weeks)	Age of oldest resident	Age of youngest resident
Newtown House	16	3.65	106 weeks	99 years	78 years

Source: SSID

42. Given the significant financial reductions in the Council's budget, the Council may now need to re-consider the feasibility of continuing to provide residential care at Newtown House balanced against the views of residents, families and other stakeholders and the alternative provision in the area.

Cheveley House, Feryemount and Mendip House

43. The average stay in a long-term residential care bed for each of the above homes based on information from SSID as at 31st August 2013 is 153 weeks (Feryemount) and 120 weeks (Mendip House) although in reality many individuals may live there for much longer. Cheveley House residents stayed on average 124 weeks prior to their relocation in August and September 2013.
44. The table below provides a summary of occupancy including length of stay as at 31 August 2013.

Permanent residents occupancy summary as at 31 August 2013

Name of Home	Occupancy as at 31 August 2013	Longest stay (years)	Average length of stay (weeks)	Age of oldest resident	Age of youngest resident
Feryemount	16	11.34	153 weeks	100 years	78 years
Mendip House	17	8.00	120 weeks	99 years	69 years

Source: SSID

Grampian House

45. There is currently one permanent resident at Grampian House who has lived there for over 11 years.

Permanent residents occupancy summary as at 31 August 2013

Name of Home	Occupancy as at 31 August 2013	Longest stay (years)	Average length of stay (weeks)	Age of oldest resident	Age of youngest resident
Grampian House	1	11.28	586.77 weeks	98 years	98 years

Grampian House is not used for respite care and the intermediate care beds in the future are likely to be managed in conjunction with the procurement of intermediate care beds within the independent sector.

The provision of in-house respite care for older people

46. The table below shows respite provision in the in house residential care homes.

	Respite Care
Cheveley House, Belmont	2
Feryemount, Ferryhill	0
Grampian House, Peterlee	0
Mendip House, Chester le Street	2
Newtown House, Stanhope	2

47. Across Durham, at any one time, approximately 2.8% of the residential care provision is taken up by people in respite care. In 2012/13 this total provision added up to 22,324 bed days spread across the whole County.
48. Of these 22,324 bed days, 7% were provided by the Council's in-house residential care service. This has reduced significantly from 16.9% in 2010/11 following the closure of seven in-house residential care homes.
49. Respite care for the five homes considered in this report totalled 1,571 bed days in 2012/13 with Grampian House and Feryemount not being used at all and Newtown House accounting for 41% of these.
50. The cost of purchasing respite care from the independent sector in County Durham in 2012/13 was at an average unit spend of £448.45 per week. Over the same time period the cost for a similar bed in an in-house care home was approximately £837 per week depending on the occupancy level of each home over that time period.
51. Overall demand for respite places is relatively small and the market has the capacity to meet all demand at a lower cost than providing services in-house. With the exception of Newtown House, the other homes all have alternative provision close by. Given the need to achieve value for money, the Council will need to consider carefully whether to continue to provide places for respite care for older people.

The provision of in-house day services for older people

52. The table below shows take up of day care in the in-house homes that provide day services as at August 2013. At that time 1193 older people attended independent day services meaning that only 4% of people accessing day services used in-house provision attached to the homes.

	No of Service Users attending each week	No of sessions per week (days) August 2013
Cheveley House, Belmont	18	27
Grampian House, Peterlee	16	26
Newtown House, Stanhope*	19	38

* Stanhope Resource Centre

53. In 2012/13 745 people per 100,000 population in Durham were provided with day care compared to a North East average of 480 people per 100,000 population. This equates to a Durham variation from the North East of 55.2%.
54. In the main, day care provision in the independent sector represents better value for money than that provided in-house. The costs for day care provision in Cheveley House and Grampian House are calculated on the standard in-house rates of £29.95 per half day and £59.90 per full day.
55. A tender exercise has recently taken place which has rationalised the independent sector market. The maximum price at which independent sector day services for older people are being commissioned is £31 per day plus a transport cost at a maximum of 40p per mile. The average price charged for independent sector day services for older people is £29.14 per day with an average transport price of 38p per mile.
56. Both Cheveley House, before its temporary closure, and Grampian House provide day care services for older people from the community. The number of sessions (days) provided for Cheveley and Grampian respectively were 27 and 26 in August 2013. Although Newtown House does not directly provide day care services, Stanhope Resource Centre, which is on the same site as Newtown House, provided a total of 38 days of service in August 2013. Feryemount and Mendip House do not provide day care services.
57. The majority of people attending Cheveley and Grampian day centres come exclusively from within the former district boundaries for Durham and Easington respectively.
58. Analysis of current provision shows that there is appropriate alternative day care provision for each person currently using day services at these residential homes, within 5 miles of their home.

The current physical condition of in-house residential care home buildings

59. Stock condition surveys, by independent surveyors, were undertaken on 4 homes (excluding Newtown House) during August/September 2010. The brief was to establish the current condition of the fabric of each building including the interior and furnishings; works needed to bring the buildings up to Disability Discrimination Act standards (DDA) as then in force; and provide a schedule of urgent works (next 5 years) and projected further works required (6-10 years), both with associated costs. Repairs in the next 0-5 years were just under £1.5m and those in the following 6-10 years are just over £1.5m, making a total of £3,042,739. This work would repair and maintain homes to be retained for their existing use. This estimate does not include the cost of repairs to the floor and roof of Cheveley House, but a preliminary view suggests this could cost more than £0.5m extra.
60. The capital costs of retaining Newtown House over the next ten years have not yet been ascertained in detail. Newtown House is an older building than the others and it seems reasonable to assume that maintenance costs are unlikely to be lower than in the other homes. It is suggested that a stock condition survey for Newtown House, with associated costs for repairs and maintenance over the next 10 years, be undertaken urgently if Members agree to carry out market testing.
61. The buildings were assessed as being in reasonable condition and reasonably maintained overall. However, there were many minor repair issues identified to ensure that they are suitably maintained and remain serviceable in the future.
62. Over the last three years, over £779,000 has been spent on buildings to keep all 5 homes open as shown below. By way of illustration these included replacement of water heater and boiler plant works at Feryemount, fire door upgrade work at Mendip House and Newtown House and commode washers installed in all homes.

	2010/11	2011/12	2012/13	Total
Newtown House	£73,394.70	£39,673.72	£76,720.08	£189,788.50
Mendip House	£29,326.00	£35,157.78	£68,201.73	£132,685.51
Feryemount	£60,851.06	£56,722.11	£99,942.71	£217,515.88
Cheveley House	£19,348.32	£38,615.83	£63,320.07	£121,284.22
Grampian House	£27,763.57	£32,312.07	£57,645.02	£117,720.66
TOTAL	£210,683.65	£202,481.51	£365,829.61	£778,994.77

Source: DCC Neighbourhoods

63. The Council currently has £5.84m earmarked against the residential homes within the approved capital programme.

Proposals

64. Taking account of research and analysis in relation to future demand for residential, short term and respite care, and considering the need to ensure value for money for the council and its residents, three options for possible consultation are set out below.

65. **Option 1: The Council consult on the retention of each of the homes; Cheveley House, Feryemount, Grampian House, Mendip House and Newtown House undertaking repair and maintenance as required**

This option would increase the number of residential care places for older people by a total of 39 beds across all four homes as intermediate care beds will no longer be required. Given the current occupancy rates and the lack of waiting lists for these homes, it is unlikely that this extra capacity would be taken up which would increase the unit costs. This option has the benefit of approximately 50 permanent residents (as at 31 August 2013) being able to remain in situ and means relatively little change for the staff who work in the homes.

Issues to consider include:

- The homes are very costly to maintain and have a number of pressing maintenance issues which are already beginning to impact financially.
- Consideration would need to be given to the feasibility of remodelling to bring homes up to current market standards. Overall occupancy would be likely to reduce over time if remodelling were not carried out. Some adaptations to the buildings to overcome current operational difficulties are possible but major work would involve moving service users.
- Unit costs will remain expensive in comparison with the independent sector and would not represent value for money for the Council. The differential in cost between buying an in-house bed and an independent sector bed is approximately £365 per week (as at 30 June 2013) and is likely to increase if occupancy of the in-house residential homes does not improve.
- Assuming that 50 beds for residential care needed to be purchased which reflects demand at 31 August 2013 then a saving of £1,090,000 can be made by using the independent sector instead of retaining in-house provision.
- The Council would be left with a service costing considerably more on a weekly revenue basis than could be procured through the independent sector.

Potential impact on residents in the in-house residential care homes

- Should Cabinet agree to consult and if the decision following public consultation is option 1 then there would be minimal disruption to the residents, in the short-term. It would not be possible to guarantee that there would be no relocation of residents during repair and maintenance work in the longer term. Any major adaptations are likely to require residents to move out.
- This option would maintain the Council's position in the market as a provider of services at the current level but at a significantly higher unit cost than market rates.

66. **Option 2: The Council consult on the closure of each of the homes: Cheveley House, Feryemount, Grampian House, Mendip House and Newtown House and commission alternative residential care provision and day services through the independent sector**

This option will require all permanent residents and respite and day care clients to move to alternative independent provision with Cheveley House, Mendip House, Feryemount, Grampian House and Newtown House subject to closure.

Issues to consider include:

- Value for money for the Council is more likely to be achieved through purchasing all provision from the independent sector – a savings figure of £1.090m would be achieved.
- Commissioning of all residential care and respite beds from the independent sector coupled with the closure of all five in-house residential care homes will affect 131 permanent members of DCC staff and 43 temporary members of staff (as at August 2013).
- The decommissioning of in-house services would need to be managed in conjunction with the procurement of intermediate care beds within the independent sector to ensure there is no gap in service delivery during the transition.
- Given the current market position, there is very little chance of the independent sector establishing a monopoly and it is highly likely that the market will remain competitive for the future.
- The Council would be able to avoid potential building maintenance and improvement costs of at least £3m over the next ten years.
- Future demand for these services is unlikely to improve and people are likely to choose other homes for long-term care and respite care in increasing numbers.

Potential impact on residents in the in-house residential care homes

- Should Cabinet agree to consult and if the decision following public consultation is Option 2 then there will be a need for all permanent residents at all 5 homes to move, as all homes would be closed.
- Were this option to be pursued, then a planned relocation of approximately 50 permanent residents would have to take place, with support and assessments in place to assist them with this change and

to accommodate their choice of home wherever possible. The most recent quarterly returns at 30 June 2013 shows there are 813 vacancies in the independent sector in County Durham to assist with the choice of home (see Appendix 2).

67. **Option 3: The Council consult on the potential for transferring each of the homes; Cheveley House, Feryemount, Grampian House, Mendip House and Newtown House to an alternative service provider.**

Should Members agree to seek expressions of interest from other organisations with a view to managing and running each of the care homes as a going concern, then it will be necessary for the Council to draw up a mini-prospectus which will outline the terms and conditions applicable to these buildings and the process which will have to be completed.

Interested parties will have to be able to present to the Council a business case for evaluation no later than the closing date of the proposed consultation. Business cases will be analysed by a panel of senior officers and the outcome will be included in a final report to Members in 2014.

The terms of the prospectus will include:

- Guarantees about the quality of service and continuation of service
- Full TUPE arrangements for staff.
- Assurances that a 10 year lease at a commercial rent, with full care and repair responsibilities on the landlord, can be met.
- Buildings would transfer in an “as seen” condition.
- No guarantees from the local authority about future income.
NB: current fees per resident payable by the local authority would be in line with our quality band assessment rates used for independent sector providers of services of a similar standard. Rates for 2013/14 are Grade 1 £473.59; Grade 2 £448.23 and Grade 3 £398.78.

Potential impact on residents in the in-house residential care homes

- Should Cabinet agree to consult and if the decision following public consultation is Option 3 then there would be a period of uncertainty for residents and families whilst any transfer arrangements were explored.
- It would not be possible to guarantee that there would be no relocation of residents in the longer term, although a quick decision on any potential transfer of service provider would be preferred in order to minimise the potential stress for residents and families, and ensure a healthy occupancy level for the incoming service provider.
- It would maintain residential care in these locations and ensure continuity for current residents and families.
- It would ensure continuity of care staff for residents by retaining employment for staff.

Equality Act Implications

68. The Equality Impact Assessment carried out as part of this report highlights that, if implemented, each of the options are likely to have an impact on residents, other service users, their carers and families. As expected, it will impact most on older people, with gender being a close second as most people in these homes are female. The potential impact on other protected characteristics will be explored further during the consultation process in line with the public sector equality duty and the Equality Act 2010.
69. Any consultation will take into account the requirements of individuals and their views, by providing a variety of methods for residents, carers, families and advocates to participate, and will respect human rights in line with legal requirements and current case law. In particular, article 2, requires that care is taken over the impact of the consultation process, and article 14 requires that the consultation is carried out without discrimination. Two of the three options for consultation may impact on the rights under article 8. In all cases, the Council will ensure that best practice is followed to minimise the risks to residents.

Recommendations

70. Members are requested to agree to the following recommendations:
- (a) A 3 month public consultation starting on Thursday 17 October 2013 for 13 weeks until Sunday 19 January 2014 on all three of the options for each of the 5 homes, as outlined in paragraphs 65-67. This consultation will take into account the requirements of individuals and their views, and will respect human rights in line with legal requirements and current case law.
 - (b) The production of a final report including a full equality impact assessment following consultation and a future report to Cabinet making recommendations in Spring 2014.

Contact: Rachael Shimmin, Corporate Director of Children and Adults Services
Tel 03000 267 353

Background documents

- Joint Commissioning Strategy for Older People 2010-13
- Joint Commissioning Strategy for Intermediate Care 2010-13
- National Dementia Strategy 2009 and good practice compendium 2011
- Strategic Review of Older Persons Accommodation and Housing Related Support Services (2010)
- The Future of Residential Care 2008 (Council's Joint Health Overview and Scrutiny Committee's report to Cabinet).
- Report to Cabinet on consulting on seven in-house residential care homes January 2010
- Report to Cabinet on decision on seven in-house residential care homes July 2010
- Care and Support White Paper 2012
- Care and Support Bill 2012

Appendix 1: Implications

Finance - Implementation of the recommendations could provide more cost effective service provision.

Staffing – As at August 2013, a total of 131 permanent staff, and 43 temporary staff employed for more than one year, could be affected across all 5 care homes.

Risk:-

Service users, carers and families: Risks would be associated with movement of permanent clients to independent sector homes and this would be mitigated by a robust assessment and support service.

Current in-house staff: Risks around continuity of employment would require scoping and will include corporate human resources in managing and mitigating these risks.

Equality and Diversity/Public Sector Equality Duty - An Equality Impact Assessment has been carried out to ensure that any consultation is fair and robust, and the process would be monitored throughout so that additional work can be undertaken if necessary (see Appendix 6).

As expected, it will impact most on older people, with gender being a close second as most people in these homes are female. The potential impact on other protected characteristics will be explored further during the consultation process in line with the public sector equality duty and the Equality Act 2010.

Accommodation – The proposal to close the in-house residential care homes, if accepted by Members following public consultation, would mean disruption and relocation for the residents. This could also result in a number of community health staff and the Falls/Stroke Teams in Easington having to be relocated.

Crime and Disorder - N/A

Human Rights - Staff, residents and the public would be given opportunity to express their views during a public consultation process. The relevant articles of the Human Rights Act have been taken into account in the preparation of this report.

Consultation - The proposals would be subject to 13 weeks public consultation.

Procurement - Procurement through the independent sector would yield a more sustainable approach to future commissioning, providing better value for money and fairer access to intermediate care beds around the county.

Disability Issues - Future provision would be commissioned in properties that will comply with the Equality Act 2010 and the Public Sector Equality Duty.

Legal implications – The local authority may face a legal challenge if a decision is made to close or transfer any of the remaining in-house residential care homes. However, legal advice has been sought in the production of this report, and the operation of the consultation process in order to ensure that the consultation phase is carried out in line with best practice and legal requirements.

Appendix 2 – Alternative provision to in-house services for older people within a 5 mile radius as at end of June 2013 (excluding Newtown House - see Appendix 3)

Home	Area	Dist in miles	QBA Score*	Capacity	Vacancies as at Jun 13
CHEVELEY HOUSE					
Care homes with nursing					
Belmont Grange Care Home	Belmont	0	3	33	7
Springfield Lodge Nursing Home	West Rainton	2	2	34	11
Hallgarth Care Home	Durham City	2	2	67	10
St Margaret's Care Home	Crossgate	2	2	60	17
Melbury Court	Durham City	2	1	87	2
Bowburn Care Centre	Bowburn	4	1	79	25
The Beeches	Kelloe	5	1	31	18
Lindisfarne Care Home	Newton Hall	5	1	61	0
Brandon Lodge Care Home	Brandon	5	2	41	5
Care Homes					
Beddell House	Sherburn Hospital	1	2	60	11
St Aidan Lodge Residential Care Home	Framwellgate Moor	2	1	62	12
Highfield House Residential Home	Haswell	4	4	25	12
Lambton House	Fencehouses	4	1	47	8
Clara House	Sacriston	5	3	20	5
				707	143

FERYEMOUNT HOUSE					
Care homes with nursing					
Tenlands Care Home	Ferryhill	0	2	38	4
Denehurst Nursing Home	Merrington Lane	1	2	31	15
Bowburn Care Centre	Bowburn	3	1	79	25
Howlish Hall	Coundon	4	2	44	5
Bethany House Care Home	Newton Aycliffe	4	2	32	5
The Beeches	Kelloe	4	1	31	18
Willowdene Care Home	Lizard Lane, Stockton	4	1	48	8
Defoe Court	Newton Aycliffe	4	1	41	0
Aycliffe Care Home	Newton Aycliffe	5	2	54	24
Care Homes					
Acorn Grange Care Home	West Cornforth	2	3	48	3
Chilton Care Centre	Chilton	2	1	40	4
Lothian House Care Home	Spennymoor	2	1	47	2
Rose Lodge	Newton Aycliffe	4	1	54	14
				587	127

Sources: CQC Website, DCC occupancy survey

*Quality Band Assessment rates by DCC Commissioning, 1 being the highest

Home	Area	Dist in miles	QBA Score*	Capacity	Vacancies as at Jun 13
GRAMPIAN HOUSE					
Care homes with nursing					
Peterlee Care Home	Peterlee	1	2	44	11
Bannatyne Lodge Care Home	Peterlee	1	2	50	5
Croft House Care Home	Shotton Colliery	1	1	58	12
The Hawthorns	Peterlee	1	1	103	8
Jack Dormand Care Home	Hornden	2	2	43	7
Abbeyvale Care Centre	Blackhall	2	1	56	11
Yohden Hall Care Complex	Blackhall	2	2	85	24
Ashwood Park	Easington Colliery	2	1	70	32
Birchwood Court	Easington Colliery	2	1	43	2
Abbotts Court	Wheatley Hill	3	2	39	10
Craigarran Nursing Home	Trimdon Station	3	3	44	3
Field View	Blackhall	4	1	36	13
Village Care Home (Murton)	Murton	5	2	40	12
Care homes					
Langley House	Peterlee	1	2	26	8
Highfield House Residential Home	Haswell	3	4	25	12
Church View (Murton)	Murton	4	1	42	1
Melbury House	Dawdon	5	2	24	4
				828	175

MENDIP HOUSE					
Care homes with nursing					
West House Care Home Limited	Chester le Street	0	3	26	5
Lindisfarne CLS Nursing	Chester le Street	1	2	56	25
St Mary's Care Home	Chester le Street	1	3	54	18
Picktree Court	Chester le Street	2	1	88	20
Pelton Grange Care Home	Pelton	2	3	47	5
Springfield Lodge Nursing Home	West Rainton	4	2	34	11
Melbury Court	Durham City	4	1	87	2
Hollie Hill Care Home	Stanley	4	2	62	8
Lindisfarne Care Home	Newton Hall	5	1	57	0
Stanley Park	Stanley	5	1	71	6
St Andrews Nursing Home	Stanley	5	3	45	0
Belmont Grange Care Home	Belmont	5	3	33	7
Care Homes					
Lindisfarne CLS Residential	Chester le Street	1	2	30	6
Durham House Residential Care Home	Chester le Street	1	2	31	9
Lindisfarne Ouston	Ouston	2	1	57	15
Clara House	Sacrison	2	3	20	5
Beamish Residential Care Home	West Pelton	2	2	21	6
Beauley Lodge Care Home	Fencehouses	3	3	33	16
Oakwood Residential Home	Fencehouses	3	3	20	13
Lambton House	Fencehouses	3	1	47	8
Lambton Grange	Fencehouses	3	N/A	8	0
St Aidan Lodge Residential Care Home	Framwellgate Moor	4	1	62	12
Langley Park Care Home	Langley Park	4	2	46	5
				1035	202

Appendix 3 - Alternative Provision to Newtown House within a 15 mile radius

Home	Area	Dist in miles	QBA Score*	Capacity	Vacancies as at Jun 13
NEWTOWN HOUSE					
Care homes with nursing					
Crosshill Nursing Home	Stanhope	0	3	25	6
Brockwell Court Care Home	Consett	12	1	32	22
Abigail Lodge Care Home - Consett	Consett	13	2	61	3
West Lodge Care Home	Crook	13	2	60	0
Redwell Hills Care Home	Leadgate	14	2	50	8
Richmond Court	Willington	15	1	45	15
Brancepeth Court	Willington	15	2	49	18
Care Homes					
Castle Bank Residential Home	Tow Law	10	2	33	15
Parklands	Crook	12	4	36	17
Greenways Court	Consett	14	1	51	0
St Mary's Convent	Consett	15	2	16	3
The Manor House Care Home	Consett	15	3	39	17
				497	124

Sources for appendices 2 and 3 : CQC Website, DCC occupancy survey and Google maps

*Quality Band Assessment rates by DCC Commissioning, 1 being the highest

A desktop exercise looking at the comparative QBA ratings for the 5 in-house homes under consideration in this report shows that the best rating achievable would be grade 2 due to environmental considerations.

Appendix 4 -Summary of services within a five mile radius

SUMMARY			
Home	Total no of homes	Total capacity	Known vacancies as at 30 June 2013
Cheveley House	14	707	143
Feryemount	13	587	127
Grampian House	17	828	175
Mendip House	23	1035	202
Newtown House *	12	497	124
Total	79	3654	771

*15 mile radius

Appendix 5 - Equality Impact Assessment

Durham County Council – Altogether Better - equality impact assessment form

NB: Equality impact assessment is a legal requirement for all strategies plans, functions, policies, procedures and services. We are also legally required to publish our assessments. You can find help and prompts on completing the assessment in the guidance from page 7 onwards.

Section one: Description and initial screening

Section overview: this section provides an audit trail.	
Service/team or section: Children and Adults Services (Commissioning)	
Lead Officer: Nick Whitton	Start date: June 2013
Subject of the Impact Assessment: (please also include a brief description of the aims, outcomes, operational issues as appropriate)	
Proposal	
<p>This assessment reviews the equality impact of carrying out a public consultation on the future options available for the five remaining in-house residential care homes in County Durham. The public consultation is proposed in the Council's Medium Term Financial Plan (MTFP). The homes are:</p> <ul style="list-style-type: none">• Cheveley House, Durham – provides residential care, intermediate care, respite and day services.• Feryemount House, Ferryhill – provides residential care, intermediate care and respite.• Grampian House, Peterlee - provides residential care, intermediate care, respite and day services.• Mendip House, Chester le Street – provides residential care, intermediate care and respite.• Newtown House, Stanhope – provides residential care, respite and day services.	

The options upon which we will consult will be finalised in due course by Cabinet.

Background information

Durham County Council recognises the importance and the value of care and support services to older people, and has considered and refined its provision of services to them many times in recent years.

The focus of the most recent Joint Commissioning Strategy for Older People 2010-13 and the Joint Commissioning Strategy for Intermediate Care 2010-13 is to help maximise independence and support people to continue to live at home for as long as possible. DCC needs to ensure that the future use of resources in respect of short-term rehabilitation, short-term assessment, respite and residential care is in line with these strategies. This requires a strategic shift from long term residential care to services that will enable people to remain in their own homes. However, it is also necessary to ensure that services are tailored to meet specific needs.

Access to services must also take account of demographic factors including density of population, rural environments and access to other related community facilities.

On 20 January 2010, following the receipt of a report entitled “Strategic Review of Residential Care Homes and Older People’s Services,” Cabinet agreed that a detailed report be written on the development of a new role for Cheveley House, Feryemount and Mendip House. The scope of this project was later broadened by Adults, Wellbeing and Health Management Team to include Grampian House and also to consider the future of Newtown House.

The current in-house residential care services provide a mix of permanent residential care, respite for older people and intermediate care. Three of the services also provide day care.

Legislation/Policy Drivers

- Human Rights Act 1998, relevant articles
- Joint Commissioning Strategy for Older People 2010-13
- Joint Commissioning Strategy for Intermediate Care 2010-13
- National Dementia Strategy 2009 and good practice compendium 2011

- Strategic Review of Older Persons Accommodation and Housing Related Support Services (2010)
- The Future of Residential Care 2008 (Council's Joint Health Overview and Scrutiny Committee's report to Cabinet).
- Report to Cabinet on consulting on seven in-house residential care homes January 2010
- Report to Cabinet on decision on seven in-house residential care homes July 2010
- Duty to Involve
- Equality Act 2010 and the Public Sector Equality Duty
- Occupancy levels
- Alternative provision in immediate area
- Supply/demand
- Financial climate and implications
- Preventative agenda
- Personalisation agenda
- Care and Support White Paper 2012
- Care Bill 2012

Consultation Process

Any decision on the options for the five in-house residential care homes must not be taken until consultation has taken place and the views of residents taken fully into account and balanced against other issues. Requirements for the consultation process will be:

- Consultation must be at a time when the proposals are still at an informative stage.
- The County Council must give sufficient reasons for any proposals to permit intelligent consideration and response.
- Adequate time must be given for those affected to consider and respond.
- The product of consultation must be conscientiously taken into account when finalising any proposals.

A Task Group, led by the Head of Commissioning, was set up in June 2013. One of the first tasks of the group was to produce a draft consultation framework, which will aim to:

- Allow interested parties to input their views on the options.
- Provide a variety of ways for people and groups to access the consultation.
- Enhance the information available to Members and so improve the quality of the decision making.

The framework will also provide a structure to:

- Allow interested parties to input their views on the proposals;
- Provide a variety of ways for people and groups to access that consultation including:
 - Face to face interviews
 - Semi-structured questionnaires to allow information to be analysed in a meaningful way
 - Dedicated email address
 - Dedicated telephone number with answer phone
 - Freepost address
 - Web-based form and information on the Council's website
 - Information available in different formats upon request

The consultation will involve five key groups:

- Residents
- Carers and Families
- Staff and trade unions
- Members and members of the public
- Stakeholders, community groups and partner organisations (see further details below)

Any consultation will take place over a minimum of 12 weeks.

A dedicated team of social workers will be established to carry out face-to face consultation with service users.

The Task Group will devise a semi-structured pro-forma to be used to capture information from service users and their family and friends in a consistent and structured way.

Advocacy services will be used where appropriate.

The consultation will be promoted throughout the County by various means including visits to Area Action Partnerships, media coverage and Durham County News (free press coverage to every household in County Durham).

Consultation questionnaires will be made available through the internet and via public access points in libraries. The general public will be encouraged to ring a dedicated telephone number to leave their views and queries. This will be tested daily. An address to correspond with the Council will be established and publicised.

After the end of the consultation period information from the interviews and responses will be collated and analysed and reports produced. These reports will be used in the preparation of any report to Cabinet.

Who are the main stakeholders: General public / Employees / Elected Members / Partners/ Specific audiences/Other (please specify) –

There are a large number of stakeholders with an interest or who may be directly affected by the proposals. The key stakeholders include:

Service users of the relevant homes, carers and families, and affected staff, together with a range of stakeholders. The consultation will be promoted through a variety of options including by use of one to one consultation with residents, users of the facilities and families, AAP boards, Council website, telephone line, and by letter. This consultation will be open to anyone who chooses to express a view.

Is a copy of the subject attached? ~~Yes~~ / No

If not, where could it be viewed?

Documents are available upon request including:

- Strategies and policies including Older Person's Joint commissioning Strategy 2010-2013
- Draft consultation plan
- Draft project plan
- Draft response form for service users/members of the public

Initial screening

Prompts to help you:

Who is affected by it? Who is intended to benefit and how? Could there be a different impact or outcome for some groups? Is it likely to affect relations between different communities or groups, for example if it is thought to favour one particular group or deny opportunities for others? Is there any specific targeted action to promote equality?

Is there an actual/potential negative or positive impact on specific groups within these headings?

Indicate :Y = Yes, N = No, ?=Unsure

Gender	Y	Disability	Y	Age	Y	Race/ethnicity	?	Religion or belief	?	Sexual orientation	?
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How will this support our commitment to promote equality and meet our legal responsibilities?

Any consultation will take into account the requirements of individuals and their views, by providing a variety of methods for residents, carers, families and advocates to participate, and will respect human rights in line with legal requirements and current case law. In particular, article 2, requires that care is taken over the impact of the consultation process, and article 14 requires that the consultation is carried out without discrimination. Two of the three options for consultation may impact on the rights under article 8. In all cases, the Council will ensure that best practice is followed to minimise the risks to residents.

Reminder of our legal duties:

- Eliminating unlawful discrimination & harassment
- Promoting equality of opportunity
- Promoting good relations between people from different groups
- Promoting positive attitudes towards disabled people and taking account of someone's disability, even where that involves treating them more favourably than other people
- Involving people, particularly disabled people, in public life and decision making

What evidence do you have to support your findings?

A consultation is likely to have some impact on service users and their carers, families and friends as this will stimulate uncertainty around the future of the homes. As the majority of service users affected would have disabilities and will be older people the impact on those areas is likely to be most significant. Users of day services at these premises would also be considered throughout the consultation process. There is also a need to consider the impact on staff. If necessary, separate consultations will

be undertaken with staff and trade unions.

Gender: Service users in residential care homes are predominantly female and a greater number of women than men attend day centres. Carers also tend to be predominantly female. One to one interviews would be offered to all service users arranged at a time convenient to them and their families/carers. Alternative ways to consult will also be offered and equal communication maintained. Transgender issues would be identified through the consultation process and dealt with sensitively. The majority of staff employed in these five homes are female and there could be a disproportionate effect dependent upon the options considered.

Disability: Most permanent service users and respite clients have some form of physical disability, mental infirmity or general frailty due to old age. Intermediate care clients tend to be frail due to their physical health needs at the time of access to the service. One to one interviews would be offered to all clients arranged at a time convenient to them and their families/carers. Alternative ways to consult will also be offered and equal communication maintained with both service users and all other stakeholders. DCC would proactively engage stakeholders who represent or have an interest in older people and people with disabilities as part of the consultation process. There will be a need to consider disability implications for staff which will be taken into account once the options are evaluated.

Age: Permanent service users are all older people. Needs may differ and should be taken into account in terms of methods and times of consultation (see gender and disability above). Should consultation proceed, uncertainty and change of any kind can have a significant impact on older people. As at August 2013, the average age of service users who are permanently resident across these five homes is 89 years old with the oldest being 100. The average age of staff members is 47 years old with males being slightly older with an average age of 49 years old.

Race/ethnicity: the needs of service users or carers from different ethnic groups may differ and need to be taken into account in terms of times and methods of consultation. The needs of service users and their carers/families from different ethnic groups would be identified through the consultation process and their needs considered. The majority of staff are of white British origin.

Religion or belief: the needs of people with different religions or beliefs may differ and need to be taken into account in terms of times and methods of consultation. As few service users are able to go out to church, most residential care homes have links to churches. The religious needs of service users and their carers/families would be identified through the consultation process and their needs considered.

Sexual orientation: Any impact would be identified through the consultation process and needs considered.

Decision: Proceed to full impact assessment – ~~Yes~~/No

Date: 18 September 2013

As of September 2013, an impact assessment based on initial screening is adequate. However, a full impact assessment will be carried out in due course to accompany any future report to Cabinet following consultation on the agreed options.

If you have answered 'No' you need to pass the completed form for approval & sign off.

Signed

Nick Whitton

Head of Commissioning, Children and Adults Services

Date

18th September 2013