



PERTH & KINROSS INTEGRATION JOINT BOARD

23 March 2018

REVIEW OF RESIDENTIAL CARE

Report by Chief Officer

PURPOSE OF REPORT

The IJB commissioned a formal consultation and Options Appraisal to determine the preferred alternative service delivery model for directly provided in-house adult residential care service.

1. RECOMMENDATIONS

1.1 The Integration Joint Board is asked to:

- (i) Consider the outcome of the Option Appraisal and approve the highest scoring option 4 - Closure of Beechgrove Care Home.
- (ii) Direct Perth & Kinross Council as the relevant employer to continue the engagement and progress the required consultation with the Trade Unions and employees.
- (iii) Note that the implementation of option 4 generates a saving of £528k leaving a shortfall in the savings target of £168k and direct the Chief Officer to identify alternative savings options to meet that that shortfall;
- (iv) Direct the Chief Officer to report back on the progress of implementation of Option 4 to the IJB in 12 months; and
- (v) Directs the Chief Officer to monitor and review the new model of residential care provision to ensure that it continues to align with the strategic objectives of the IJB.

1.2 Executive summary

On 1 July 2015, the Council's Transformation Program was approved by Perth and Kinross Council (Report 15/292). It set out a programme of major projects that would deliver the next phase of organisational transformation as part of public service reform, to enable the Council to better meet current and future service demand.

As part of this, a number of transformation reviews were agreed across Adult Social Work and Social Care services, including:

- Review of Older People's Services.
- Communities First Transformation.
- Review of Community Care Packages.

The Review of Older People's Services included the review of two of the Council's residential care homes with the aim of making £696,000 savings by 1 April 2018.

This programme of transformation was delegated to the Integrated Joint Board upon its establishment in April 2016. In September 2017 (report no. G/17/164), the IJB instructed that an option appraisal, with the required consultation and engagement with key stakeholders be completed in respect of four options.

1.3 **Scope of the Residential Care Review**

The purpose of the review was to ensure best value in respect of our residential care home provision at Beechgrove and Parkdale care homes. A summary of their provision and occupancy rates is contained in Appendix 1.

Four options were considered and consulted on as part of the review:

- **Option 1** – Status Quo.
- **Option 2** – Closure of Beechgrove and Parkdale Residential Care Homes with 50 replacement beds commissioned externally from the independent sector.
- **Option 3** – Closure of Parkdale and retention of Beechgrove as Residential facility with 26 replacement beds commissioned externally from the independent sector.
- **Option 4** – Closure of Beechgrove and retention of Parkdale as Residential and Intermediate Care facility. This option would keep Parkdale open and use part of its facility as an Intermediate care unit.

The four options are fully summarised in Appendix 2.

In line with the principles set out in the IJB's Strategic Commissioning Plan, the benefits of implementing any new delivery model must:

- Enable people to live at home longer by shifting the balance of care
- Support sustainability of the external residential care provider market place by optimising rates of occupancy.
- Evidence collaborative work between statutory services and community providers to deliver alternatives to institutional care.
- Reduce costs associated with low occupancy in Local Authority care homes.

1.4 Options Appraisal

The options were considered in terms of both quality and cost in accordance with CIPFA guidance, using criteria that were developed in partnership with key stakeholders using their experience and knowledge of the local population and models of service delivery. The weighting was agreed by the Executive Management Team. Full details of the criteria and weightings can be found in Appendix 3.

The scoring was carried out by a panel made up of Health and Social Care managers alongside finance, commissioning, and third sector and community representatives.

It is recognised that this option leaves a shortfall of £168k in respect of the savings target and it will be for the Chief Officer to identify from where the shortfall will now be met.

Our approach involved:

- Analysis of financial and activity data.
- Assessment of local and national trend data.
- Inclusion of officers' specialist knowledge.
- Experience of alternative business models.
- Evaluation of advantages, disadvantages and risks associated with each option in line with the appraisal criteria.

The Options Appraisal was structured to assess:

- Qualitative benefits for service users and families/carers.
- Strategic fit with the commissioning intentions of the Health and Social Care Partnership.
- Financial sustainability.

Option 4 scored highest based on the combined quality and financial appraisal and this is now being recommended to the IJB for approval.

At the time of writing, there is surplus capacity in respect of care home provision in Perth and Kinross; this surplus remains despite a number of temporary placements being required as a consequence of resource pressures within hospitals and workforce challenges within the care at home sector.

Care Homes have historically provided interim placements and capacity for crisis admissions; however, the changing models of health and social care means that the same number of such placements will not be required in the future. The redesign of care at home provision, community hospitals and intermediate care provision are all intended to reduce the inappropriate use of residential care placements to meet crisis demand.

Option 4 provides the necessary capacity to meet our residential care provision requirements during this period of wider health and social care service redesign. As new more integrated service delivery models evolve the IJB will require to keep residential care provision under review to ensure that the model continues to align with the strategic objectives of the IJB.

Whilst Option 2 provides the efficiencies which would enable the IJB to meet the approved savings of £696k, Option 4 remains the recommendation based on the combined assessment in respect of quality and cost. It is recognised that implementation of option 4 will leave a shortfall of £168,000 and further savings will need to be identified.

2. REVIEW OF RESIDENTIAL CARE

2.1 Strategic Context – Benefits/Strategic Plan

The Health and Social Care Partnership is committed to developing services that enable people to live independently in their own home for as long as practicable. The review of in-house residential care services is in line with [Perth and Kinross Health and Social Care Strategic Commissioning Plan 2016-2019](#) and the reduction in bed based services has been approved by the IJB and supports the shift in the balance of care and investment in community based services.

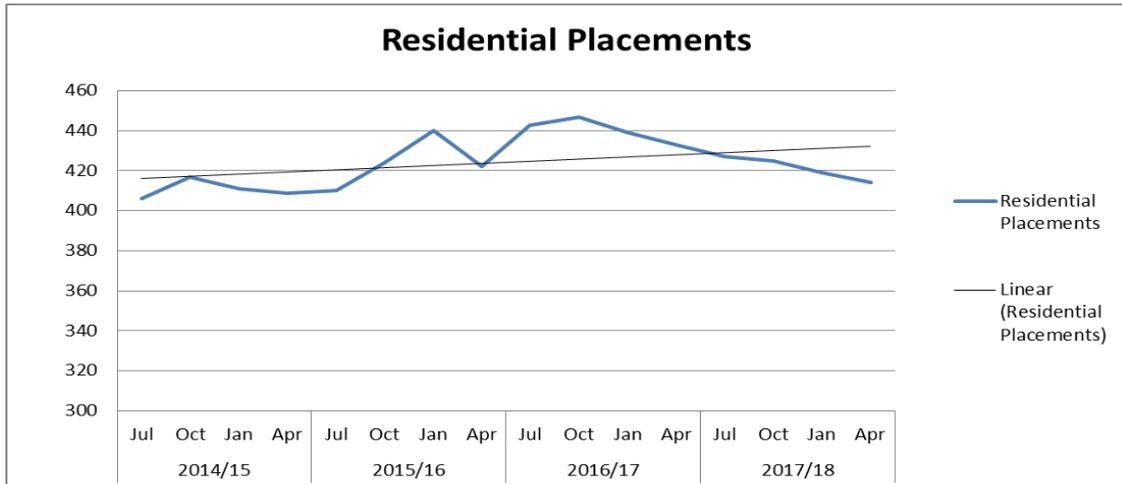
Local context

To support the strategic direction of the partnership, work has begun in assessing the current and future needs of the population in Perth and Kinross.

Perth and Kinross has a much higher predominance of residential care provision than the Scottish average. The Scottish average number of residential beds per 1,000 for people aged over 75 is **27**, while in Perth and Kinross the number is **38**.

Calculations have been carried out based on the demand for both residential and nursing home placements. As new models of more integrated health and social care provision evolve, it is predicted that demand for care at home , nursing care and dementia specific provision will increase and that the need for residential care will decrease.

The table below illustrates the four year trend in residential placements. It illustrates the continued slow decrease in residential care placements over the the last two years.



The table below illustrates the predicted growth in care home placements up until April 2018. It demonstrates the expected decrease in residential placements over the next few months but continued increase in nursing placements.

Care Type	Current Placements	Predicted Growth	Estimated Placements	Additional Placements Apr 18
Nursing	539	572	33	
Residential	428	414	-14	
All Beds	967	986	19	

The options appraisal considered this in the context of current and predicted capacity and demand in respect of all care home provision across Perth & Kinross.

2.2 Care Home Vacancies in Perth and Kinross

At present there is sufficient capacity to meet the demand for residential and nursing care provision within the independent sector. It is accepted that the number of vacancies on any given day fluctuates and availability is higher in some localities than others.

Analysis of Care Home capacity in light of Residential Review

An analysis has been completed on the impact of options 2, 3 and 4 on independent sector care home availability across Perth and Kinross is summarised in Appendix 4. If we close both Parkdale and Beechgrove (option 2), there will be limited headroom across the sector in Perth and Kinross. Option 4, closing Beechgrove, retaining Parkdale, therefore represents the option with the least risk in respect of capacity to meet demand.

2.3 Quality

The Care Inspectorate provides external scrutiny and assurance as to the standards and quality of care home provision. The quality of care provided in both Beechgrove and Parkdale has been assessed as high, although the physical environment of Beechgrove requires upgrading. Within Perth and Kinross there are 11 care homes that have been awarded equivalent or higher grades compared to our in-house provision in the Perth and South localities.

3. FORMAL CONSULTATION

Consultation and engagement with our stakeholders has been a key element of our option appraisal exercise.

Our key stakeholders included:

- Residents
- Families
- Staff
- Health professionals
- Social care professionals
- Independent care providers
- Property asset management teams
- Housing

Further details as regards the consultation process are contained within 4.2. of the annex to the report. Below is a summary of the key consultation responses.

3.1 Residents and Families

A series of individual consultation meetings was undertaken with 45 family members and residents over 37 occasions in Beechgrove and Parkdale.

In summary:

- All were naturally worried about the impact of closure and change and therefore favoured the status quo.
- All were extremely complementary about the staff and the levels of care provided to residents at Beechgrove and Parkdale.
- Both buildings were seen as being fit for purpose, although some families mentioned the lack of ensuite facilities in Beechgrove as a negative issue.
- Parkdale was widely praised for its layout and amenities.
- There was a strong perception that the quality of care available in the independent sector would not match that provided by Beechgrove and Parkdale.
- Families said that transport to a new area would be an issue.
- Many raised concerns about the capacity within independent care homes in the area to accommodate alternative placements.

3.2 Existing Staff

Staff from Beechgrove and Parkdale were given the opportunity to provide written feedback. In summary:

- All were naturally concerned as to the impact of closure and change on their own personal circumstances and those of their current residents.
- Many of the staff at Beechgrove felt that the lack of ensuite facilities in no way detracted for the quality of care.
- Many staff were of the view that the quality of care which they could provide in-house was better to some in the independent sector
- Staff from both homes thought that providing an intermediate care or step up/step down service would be a viable option if the homes remain open and would help to ensure delayed discharges are kept to a minimum.

3.3 Health and Social Care

GP's, Health and Social Care management and professionals were consulted on the four options:

In summary:

- There was praise for the quality of care and staffing in both care homes.
- There was widespread support for utilising Parkdale for Intermediate care, although GP's in Perth did not share this view.
- GP's in Perth City were concerned at the idea of Parkdale becoming an Intermediate Care facility. Some GP's stated that Perth City patients would not wish to travel outside of Perth City for Intermediate Care.
- The potential for intermediate care in Parkdale to support reducing delayed discharge was noted although with the caveat that more detail would be needed.
- There was no resource transfer possible from hospital beds to financially support an Intermediate Care unit in Parkdale, therefore this could not help achieve savings.

3.4 Independent Sector Care Home providers

Independent providers were consulted through the Care Home Forum. In summary:

- Independent sector providers would be able fill vacancies.
- There would be a wider pool of well trained staff seeking employment.
- Concerns regarding bed capacity if both homes closed, though some indicated that the transfer could be achieved if the transition was managed on a phased basis.
- There would be no private sector interest in Beechgrove due to the age and quality of the building.
- No provider was interested in taking on the responsibility of either care home with the with the associated TUPE transfer requirements.

3.5 Asset Management and Other Council Services

There are no significant concerns about either building as both are subject to ongoing maintenance directly funded by Perth and Kinross Council. Parkdale was subject to a £550,000 upgrade project completed in 2015 and is in better condition overall than Beechgrove. Beechgrove has capacity limitations due to its 2 storey design and the corridors are too narrow compared to current Care Commission standards. Perth and Kinross Council is currently funding a £350,000 fire resilience upgrade project (Phase 1 of 6 completed).

Feasibilities at Beechgrove were carried out 15 years ago that costed a refurbishment and creation of ensuite accommodation at Beechgrove at between £5 and £6 million (when updated to 2018 construction costs). This needs to be revisited. If retained, both Parkdale and Beechgrove buildings will incur ongoing running costs that would have to be met by Perth and Kinross Council. The alternative use or capital receipt value of either building / site is not a factor in this appraisal. An additional building and service (Toy Library) is also on the Beechgrove site in a separate building.

A care provider has informed us that they are building a care home in Perth City with residential and nursing beds. The provider is expecting this facility to be open for service users in 2019. This means that although capacity in Perth City is currently more limited than other localities this will be alleviated by 2019.

3.6 Housing

There was a separate consultation in November 2017 around the housing needs of an increasingly aging population. Appropriate housing has been identified as a critical factor in enabling people to remain at home for as long as practicable. A needs assessment was commissioned and undertaken by Learning and Improvement Network (LIN) in relation to the anticipated housing needs of tenants aged 50 years and above. There was engagement with service users to seek their views on their preferred housing provision as they age. Of 111 tenants interviewed 82% said they would like to remain in their own homes as they age. The rest said they would wish to move to an adapted property. In addition, 175 rural owner occupiers were consulted; of those surveyed they all wished to remain in their own communities as they grow older through increased care and support in their own homes.

4. OPTION APPRAISAL CRITERIA

- 4.1 In accordance with CIPFA guidance a quality option appraisal and a financial appraisal were carried out as detailed in 1.4.

4.2 Financial Options Appraisal

The Option Appraisal for Residential Care (including the financial appraisal) has been undertaken from a Perth and Kinross IJB perspective. This is entirely appropriate given that the Strategic Planning of these services is wholly the responsibility of the IJB in line with the Integration scheme agreed with both parent bodies.

However in taking its decision, the IJB will wish to be fully aware that residential care services at Beechgrove and Parkdale are provided within property that is owned by Perth & Kinross Council and there are direct costs associated with premises provision. Strategic Planning decisions made by the Board therefore have a direct impact on the financial position of PKC. There are financial implications for Perth and Kinross Council in relation to the maintenance, utilities of approximately £100k per annum.

4.3 Recommended Option

The Table below demonstrates that when both the quality and financial appraisals are combined the highest scoring is **option 4**, closure of Beechgrove and retention of Parkdale. This will however leave £168,000 saving to still achieve.

Quality Appraisal		Option 1	Option 2	Option 3	Option 4
Criteria					
1	Condition and suitability of building to meet needs of service	30	50	20	40
2	Availability of alternative care providers in the locality	70	14	28	14
3	Can meet Service User's needs with similar quality.	90	72	63	72
4	Delivers best value for the Health and Social Care Partnership and enables sustainable support of the strategic objective to support people to remain at home	0	81	54	63
5	Opportunity to utilise building/land for alternative usage or future development such as intermediate care	20	20	20	24
6	Provides opportunities to accommodate for future demographic increases and supports capacity and flow	63	7	35	28
7	Does the option support the overarching service objective of implementing personalisation	30	0	15	15
8	What impact does the option have on partners and stakeholders?	32	8	16	20
	Sub Total	335	252	251	276
9	Financial Appraisal - Direct IJB Cost	0	100	80	80
	Grand Total	335	352	331	356
	Ranking	3	2	4	1

Option 4: Closure of Beechgrove, retention of Parkdale

Benefits

The key benefits of option 4 are:

- Achieves £528k in savings, delivering better value for the Health and Social Care Partnership whilst continuing to provide the same levels of care provision.
- Retains an in-house provision with a sustainable physical environment providing high quality care and mitigates the risk about capacity within the care home sector as models of care evolve to more to enhanced community based services.
- Provides opportunity to develop an in-house Intermediate Care provision in Auchterarder.

Option 2, received the second highest scoring in terms of quality and finance, and would achieve the full savings; however for reasons stated above this is not the option currently being recommended.

5. ARRANGEMENTS TO SUPPORT IMPLEMENTATION OF OPTION 4

5.1 Timescales

A detailed transition plan will require to be developed to support the successful transition of residents to alternative placements and where appropriate the redeployment of staff.. The implementation will require to be managed sensitively taking into account the needs of residents and staff throughout the process

Residents and families will be supported by relevant professionals to ensure the best transition possible to other care homes. The aim will be to support the choice of residents and families over alternative placements in so far as practicable. Our health colleagues will be involved in this process as required to ensure the best possible outcomes.

5.2 Workforce

The closure of Beechgrove will inevitably reduce the residential care service staffing establishment. It is recognised that this will be a difficult period for staff. Under the review, consultation with 79 staff in both Care Homes has been ongoing. There are 37 staff in Beechgrove and a formal period of staff consultation will take place. We will meet with each staff member individually as well as in a group. Ongoing briefings and discussions have taken place with the Trade Unions who will be invited to meetings with staff.

Managers and HR will work closely with staff during this period of transition, and a wide range of employability support and advice will be available, such as interview skills training and assessment of transferable skills. We have a number of initiatives in place to encourage flexibility in moving to other

roles. Redeployment for staff will be considered wherever possible, as will voluntary requests to leave the organisation.

5.3 Financial

Implementation of the recommended option will produce a saving of £528k by 1 October 2018.

6. CONCLUSION AND RECOMMENDATION(S)

- 6.1 A comprehensive Options Appraisal has been completed and on the basis of the combined assessment of quality and financial considerations it is recommended that Option 4 be approved for implementation by the IJB for the reasons articulated above.

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NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing this report.

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
HSCP Strategic Commissioning Plan	Yes
Transformation Programme	Yes
Resource Implications	
Financial	Yes
Workforce	Yes
Assessments	
Equality Impact Assessment	Yes
Risk	Yes
Other assessments (enter here from para 3.3)	Yes
Consultation	
External	Yes
Internal	Yes
Legal & Governance	
Legal	Yes
Clinical/Care/Professional Governance	None
Corporate Governance	None
Communication	
Communications Plan	Yes

1. Strategic Implications

Strategic Commissioning Plan

1.1 This report supports the following outcomes of the Community Plan / Single Outcomes Agreement in relation to the following priorities:

- (iv) Supporting people to lead independent, healthy and active lives
- (v) Creating a safe and sustainable place for future generations

Transformation Programme

1.2 This report forms part of the Council's Transformation Strategy 2015-2020.

2. Resource Implications

2.1 The financial implications of this report are as follows

The financial savings were agreed as part of the budget setting process in February 2016. The report agreed a total of £696k with a delivery date of 31 March 2018. There will be slippage in the timeframe with which the savings can be achieved. The preferred option, closure of Beechgrove care home, will leave £168k in budget pressures. Work will need to be completed to manage this budget pressure.

Workforce

- 2.2 Human Resources will continue to support staff and trade unions following approval and during implementation of the options.

Workforce planning will identify a range of support measures for staff that are directly affected by the potential changes. These will include non-filling of vacancies arising within the Service, retraining and deployment opportunities arising from the application of Job Families: utilising skills where needed across the Council. The Council will also seek volunteers from within the relevant staff group who wish to leave the organisation.

Proactive measures will be taken to prepare and support staff during this change, including skills development and training, shadowing, interview skills training and early access to vacant posts.

Following approval of the final recommendation by Integration Joint Board the Council will ensure that there will be extensive support for employees going through organisational change. This will assist them to consider their career options, including their transferrable skills. Proactive measures and support mechanisms will be put in place including, learning and development, coaching and mentoring opportunities, developing CV and interview skills and access to resilience training. The Perth Employability Hub will be utilised along with other local organisations as appropriate.

Given the number of employees affected it is always a potential that closure of Beechgrove will lead to compulsory redundancy for remaining employees. As there would be more than 20 potential redundancies the Council is required to issue a statutory redundancy consultation notice to the Trade Unions and notify the government Business, Innovation and Skills (BIS) department (now BEIS). Across the units some staff has recently submitted requests to leave the organisation through voluntary severance.

Detailed implementation proposals will be presented to the Trade Unions and employees for further consultation. The proposals will explain how that closure will be managed, including plans to support employees and encourage alternative deployment and employment options. Sufficient trained staff will be required to maintain the facilities(s) until residents are relocated.

Asset Management (land, property, IT)

- 2.3 The Head of Property has been consulted on this proposal and the implications of this review are reflected in the report. Further Consultation with the Director (Environment Services) and Head of Property will be undertaken once the option is approved.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

The Equality Impact Assessment undertaken in relation to this report can be viewed by clicking <http://www.pkc.gov.uk/EqIA>

This report has been considered under the corporate Equalities Impact assessment process (EqIA) in relation to 7.1, Age and 7.2 Disability. The proposal is expected to deliver the following after implementation of this proposal:

- (i) Assessed as **relevant** and the following positive outcomes expected following implementation:
- Consumption and Production
 - Equality and Diversity
 - Health & Wellbeing

Risk

- 3.2 A risk log has been created and will be maintained throughout the implementation of the approved option.

The key risks to the preferred option are:

Risk	Impact (1-5)	Likelihood (1-5)
There is a risk that low staff morale caused by potential job losses, will result in, a drop in the quality of service delivery and higher levels of absence	4	2
There is a risk that Trade Union dissatisfaction will result in, potential industrial action and negative publicity for Council	4	1
There is a potential that the decision to close Beechgrove results in negative publicity and reputational damage for the Health and Social Care Partnership	3	3
There is a risk that relocation of residents, will cause concern and anxiety which may impact upon their general wellbeing in the short term. .	4	3
There is a risk that an alternative suitable location for Community Alarm, Rapid Response, Moving & Handling Training Teams will not be identified prior to the closure of Beechgrove.	2	1
There is a risk that there will be a lack of suitable care facilities within a close geographical location to accommodate some residents in the event of closure.	3	3
There is a risk that some of the existing workforce will be unable to suitably redeployed within the Council.	4	3
There is a risk that during the implementation period some staff will move on to other roles to secure their employment will impact upon service provision within the residential care homes.	4	3

Other Assessments

Strategic Environmental Assessment

- 3.3 The Environmental Assessment (Scotland) Act 2005 places a duty on responsible authorities, as defined within the legislation, to identify and assess the environmental consequences of its proposals. However, no action is required as the Act does not apply to the matters presented in this report.

Sustainability

- 3.4 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. Under the Climate Change (Scotland) Act 2009 a public body have a duty relating to climate change and, in exercising its functions must act:
- In the way best calculated to delivery of the Act's emissions reduction targets;
 - In the way best calculated to deliver any statutory adaptation programmes; and
 - In a way that it considers most sustainable.

No steps are required to be taken in this area.

4. Consultation

Internal

- 4.1 Consultation has been extensive and has t involved a varied group of internal Health and Social Care staff. This has included in particular the staff and management of Parkdale and Beechgrove care homes. Staff within the Council (Asset Management, Housing, etc.) has been consulted. Senior Managers within the Health and Social Care Partnership and the Council have been consulted as part of this report.

External

- 4.2 Consultation has been extensive and has taken involved a varied group of residents, families and stakeholders (see table below).

Group	Dates
Staff - <ul style="list-style-type: none">• Staff Meetings• Steering Group	Apr 16 – Nov 17 <ul style="list-style-type: none">• 19 Sept 17 – 23 Nov 17• 13 Nov 17
Residents and Families	11 Oct – 7 Nov
Community Nursing	29 Sep
Social Work Team Leaders	9 Oct
Communication and Engagement Team	9 Oct
Care and Professional Governance Group	13 Oct
Commissioning Team	23 Oct
Locality Management Groups	25 Oct – 2 Nov
St Margaret's Health Centre	30 Oct
Care Home Forum	31 Oct
Asset Management	7 Nov
GP Group	16 Nov
Care Inspectorate	20 Nov
Health Managers	23 Nov
Older People Service Improvement Group	29 Nov

5. Legal and Governance

Legal

- 5.1 The Head of Legal and Governance Services has been consulted in relation to this report. The proposals set out in the report are compatible with the legal framework relating to the provision of community care services.

Clinical/Care/Professional Governance

- 5.2 There are no direct Clinical/Care/Professional Governance implications resulting from this report.

Corporate Governance

- 5.3 There are no direct corporate governance implications resulting from this report.

6. Communication

- 6.1 A communication plan has been developed to support engagement to date and future activity.

2. BACKGROUND PAPERS

None.

3. APPENDICES

Appendices 1-4