



**ANGUS HEALTH AND SOCIAL CARE**

**INTEGRATION JOINT BOARD – 26 JUNE 2019**

**ANGUS CARE MODEL - REVIEW OF RESIDENTIAL CARE HOME PROVISION IN ANGUS-  
PROGRESS REPORT**

**REPORT BY VICKY IRONS, CHIEF OFFICER**

**ABSTRACT**

This report summarises progress made in the review of residential care, presents an updated appraisal of the options developed for Seaton Grove, and seeks authority to proceed to the next step of developing a fully costed appraisal and recommendations.

**1. RECOMMENDATIONS**

It is recommended that the Integration Joint Board:-

- (i) notes the content of this progress report
- (ii) eliminates the option of full closure of Seaton Grove from this review since the number of beds which would be displaced in so doing, and the lack of market capacity to absorb these beds, make this option currently unachievable
- (iii) agrees that an options appraisal and recommendations be submitted to the August 2019 IJB.
- (iv) agrees that the AHSCP progresses further discussion with any providers who have noted an interest through the preliminary market consultation regarding Seaton Grove.
- (v) agrees that the AHSCP examines further the model for a potential facility for adults with mental health problems in Seaton Grove.

**2. BACKGROUND**

The residential review has identified a number of challenges in the future provision of in-house and external residential care in Angus. It also clarified that the cost of providing residential care in local authority care homes is significantly higher than the cost of commissioning this in independent sector care homes. There was therefore an identified need during the review to consider whether the three local authority care homes should continue to be used in the existing service model, and whether they could be used differently to meet the Partnership's strategic aims as opposed to duplicating services that can be commissioned more cost-effectively elsewhere.

Reference is made to IJB report no IJB 7/19 27 February 2019 which noted that further exploratory work was required regarding the future use of Seaton Grove, sought approval for

future work on IIC bed provision and recommended that further exploration takes place regarding the future use of Beech Hill House. It should also be noted that the future use of the Kinloch Care Centre is also included in this review.

This report provides a progress report in relation to in-house care home provision and refers to the arrangements for Intermediate Care (IIC) pending conclusion of the review. It summarises the options for future service delivery at Seaton Grove, Arbroath, and the work being undertaken to examine these options, including consultation with stakeholders on potential outcomes, as outlined in report no IJB 7/19.

### **3. CURRENT POSITION**

Following the last report to IJB, the engagement with all relevant stakeholders has continued regarding the potential outcomes of the review of the service model at Seaton Grove.

Pending further consideration of whether intermediate care in South Angus could effectively be delivered as an 'in-house' service, a proposal was submitted to Angus Council's Policy and Resources Committee on 4 June 2019 to extend the existing arrangement in South Angus for this service to be provided externally by the existing provider, HC One, at Carnie Lodge, Arbroath, for a period of up to 19 months. This was agreed. An extension of three years to the existing contract with Fordmill in Montrose (Barchester) for three IIC beds was also agreed. (It was established with Legal Services and Procurement that competitive tendering did not apply in these instances.)

Analysis of supply and demand for care home places in Angus over the first half of 2019 has identified that, while there are relatively high numbers of care home places per head of population in the Arbroath area, demand is consistently high and includes people from the whole of Angus and beyond. Availability of residential care home beds on a weekly basis usually sits at around ten places. This margin of availability is tight but currently manageable. It leaves little capacity for responding to changed circumstances but, conversely, large numbers of unused beds are not desirable for cost reasons; striking the right balance in this regard is challenging. We expect that personal care at home will absorb most demographic growth but this needs to be carefully monitored so that we are equipped to deal with any capacity pressures which may arise in the latter period of the current strategic plan. We also have to take into consideration the current risk to residential places presented by Four Seasons being in administration. In this context, the potential closure of all 48 places at Seaton Grove would cause significant difficulties in meeting our statutory duties and, in the assessment of the review group, should not be further pursued.

Ongoing analysis since the last IJB progress report has led us to the following conclusions:

1. There is a need to retain approximately the existing number of residential care places in Angus for the foreseeable future.
2. AHSCP has a duty to make arrangements for vulnerable people requiring care home placements – including where this occurs through care home closures. To do this requires contingency plans which depend on a level of available capacity in the system.
3. There currently appears to be an over-provision of nursing home/EMI places in care homes in Angus. There is potential to create more residential care capacity using these places through market facilitation, although overall capacity will not increase without investment in opening or enlarging more care homes. There is currently no indication that the market has plans to increase the number of available places in Angus.
4. The quality of service in Angus care homes is variable with a number of care homes graded as 'weak' in terms of meeting care standards. Care standards in AHSCP internal care homes normally score 'good' or 'very good', although it should be noted that the operating costs are significantly higher. It would be of questionable validity to look to replace a care service operating at a good standard with alternative provision where lower inspection grades had been achieved unless there was a level of confidence that standards could be improved and maintained at satisfactory levels.

5. AHSCP has three internal care homes. Two (Beech Hill House and Kinloch Care Home) are of a very good environmental standard, but due to their size (16 places each), design, and staffing complements are expensive to operate in comparison to private care homes. One (Seaton Grove) is less expensive to operate than the other two due to its size (48 places) and design, but is still more expensive than external equivalents. It should be noted that the in-house care homes are currently used to provide different models of residential care than are provided in private care homes, and the potential to vary the use of these places in response to changes in demand is a valuable asset, although this incurs a premium cost. There are operational advantages, particularly in relation to communication, shared resources and flexibility that have been identified by operational managers in the Partnership. For these reasons the development of a unit for adults with severe and enduring mental health conditions at Seaton Grove remains a strong option for that service. It can also potentially resolve a challenge to the AHSCP regarding the need to accommodate some hospital patients with mental health problems who are fit for discharge but who are significantly delayed.
6. The environment at Seaton Grove requires improvement in order to meet people's expectations, and to support the physical care, dignity and the privacy of service users. This issue is not immediate, but will require to be addressed in the foreseeable future and is already affecting the care delivered. A design for improvement works has been produced, and the capital costs estimated. It should be noted that in order to minimise disruption to the people living in Seaton Grove, any refurbishment/building works would need to be completed on a phased basis, and that this would also allow the works to be adapted as necessary in order to meet any identified changes in service need.
7. There is a cohort of older adults with mental health conditions which would benefit from living in a small bespoke residential unit, and capital funding is currently available to create a suitable environment for this group.
8. There is evidence from research and experience locally which shows that closure of a care home and relocation of resident service users requires sensitive management and is ideally done by ceasing permanent admissions. Transferring resident service users is not recommended. For this reason permanent admissions to Seaton Grove have been temporarily suspended pending a decision on the future use of the care home.
9. It must be noted that any change to internal care home capacity must be considered in the context of its effect on the external care home market (i.e. demand/supply and stability/sustainability).
10. AHSCP remains a key stakeholder in the external care home market and can influence supply and demand for places, quality requirements and sustainability. However, the external care home market is also influenced by other forces such as financial pressures, workforce issues, demand by private individuals, and the actions of other local authorities.
11. Psychiatry of Old Age (POA). Consideration is being given to meeting the needs of some hospital-based patients in more appropriate residential settings, taking into consideration their assessed needs and risks. This has implications for other elements of the residential care review. This is a complex client group whose needs are difficult to meet and who can present challenging behaviours. Any resource to meet their needs will need to be carefully planned. Work is underway to profile the client group and to develop a staffing model.
12. Beech Hill House. Preliminary discussions have taken place regarding the future use of Beech Hill House. These are complicated by the legal implications of the property ownership model there and these are currently being examined in detail.

#### 4. DEVELOPMENT AND ASSESSMENT OF OPTIONS: SEATON GROVE

Progress on options previously identified for Seaton Grove:

	Option	Achievability
1	Invest in and develop Seaton Grove as a care home to meet improvement standards.	Capital investment of £850,000 is required to improve environmental standards if it is to continue to be used as an in-house care home over the medium term. A meeting is scheduled with Angus Council to discuss potential capital requirements.
2	Closure of the care home	This is strongly opposed in the local community, and is now not considered to be a sustainable option given projected demand for care homes places. This option should now be discounted.
3	Reduction in the size of Seaton Grove to reduce running costs	This would require the closure of a wing, reduction of capacity and reduction of workforce. This option remains feasible and requires further exploration.
4	Outsourcing the service to a third/private sector provider.	Further work to explore whether an independent care provider would be interested in managing the service has commenced through the preliminary market consultation.
5	Change of use in one wing.	As described earlier in this report, work is underway to scope the potential use of one wing as a residential setting for people with long term mental health difficulties.

#### 5. RISK

The risk associated with Option 2 is that there are insufficient numbers of places in Angus to accommodate the number of older people needing residential care. This is evidenced by the low number of vacant places, particularly in residential care homes.

The Health and Social Care Partnership also has a duty to be a 'provider of last resort'. This duty can be commissioned, but in essence if a care home were to close in an emergency or due to commercial reasons, the Partnership must find suitable accommodation for displaced residents. In such circumstances, vacant respite beds and any other specialised vacant beds (e.g. IIC beds) are reallocated to accommodate people from the closing care home. If there is an insufficient number of such beds in the system, the Partnership's ability to meet this duty is compromised.

Angus HSCP also has a duty to provide or commission suitable accommodation for adults with severe and enduring mental illness. To date, possibly due to the very small numbers of people requiring this at any one time (less than 5), no local independent providers have expressed an interest in providing this service. There is pressure from various sources, including the Mental Health Tribunal, to evidence that we are doing all we can for individuals in this group, especially for those people delayed in hospital.

These risks could be mitigated through commissioning services through the private and voluntary care home market; however, there is little evidence to suggest currently that there is an appetite amongst providers to increase the overall number of care homes places in Angus, or to develop bespoke care home accommodation for adults with severe and enduring mental illness.

#### 6. FINANCIAL IMPLICATIONS AND PROCUREMENT

The financial implications of changes in the residential field are complex and varied. Some key issues are highlighted below. These will be detailed in the final Review Report and the cost of any changes presented.

A key issue in the review of Care Home provision is the relative cost of internal care home provision in comparison to private and voluntary providers. In Seaton Grove, for example, the cost is approximately £44,000 per resident per annum compared to £30,000 per person in the third/private sector. For 48 beds this equates to c£670k per annum.

The rates for residential and nursing care (National Care Home Rates) are negotiated through CoSLA. This mechanism sets affordable rates for local authorities. Through this system the rates for commissioned places are regulated. However, the rates applied by providers to self-funded residents are variable and often negotiated on an individual basis.

The cost of care home provision directly provided by the Partnership is determined by the environment and numbers of residents, the staffing model applied (numbers and grades of staff), and overheads. As pay grades for public service workers tend to be at a higher level than in private industries, costs are generally higher, and this is further affected by care models in which care quality is prioritised over efficiency.

The relative costs of public and private care will narrow over the long term with the introduction of the Scottish living wage, Care Inspectorate changes and forthcoming safe staffing requirements from Scottish Government, but as can be seen above, they remain significantly different.

Although the cost of private care is generally lower, there are some services which are less attractive to the private sector, and which require specific contractual arrangements normally sourced through tendering. A current example in Angus is Independent Intermediate Care (IIC). This service commands a higher rate due to the staffing input required, and is commissioned through a block contract. It also requires contracted GP support. Relatively few care homes have previously tendered for this contract as it requires a different type of commitment from that required in permanent nursing or residential care.

Temporary respite care is provided in a number of private care homes but this is generally only provided on the basis of the availability of permanent places. Where this has been commissioned, it has been through a block contract which runs the risk of low use if not closely controlled, and can result in places being paid for but not used.

The IJB's Strategic Financial Plan, which still has significant longer term shortfalls, is reliant on a cost reduction of c£500k per annum from this care Home Review (including Seaton Grove, Kinloch Care Centre and Beech Hill House) by mid 2020/21.

In the August 2019 IJB report, fully costed options will be presented.

## **7. PROPOSALS**

It is proposed that the Residential Review Group continues with its work on the areas identified. The Review team will progress through discussion notes of interest from private providers in Seaton Grove and the potential for a facility for people with a long term and enduring mental illness. Work will continue on the other options, as outlined above.

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