

Southend-on-Sea Borough Council
Report of Corporate Director for People
to
Cabinet
on
19th November 2013

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**Agenda
Item No.**

3

**Outcome of the formal consultation and recommendations for the future of
Delaware House, Priory House and Priory Day Centre**

People Scrutiny Committee – Executive Councillor: Councillor Lesley Salter

Part 1 Public Agenda item

1. Purpose of Report

To present to Cabinet the outcomes and findings of the formal public consultation, which ran from 3rd June 2013 – 1st September 2013, on the proposals for the future of Delaware House, Priory House and Priory Day Centre (including care support team staff) and make recommendations as to the proposed way forward.

2. Recommendations

- 2.1 That the responses from the formal public consultation (as set out in **Appendix 1**) and views of the People Scrutiny Committee be duly noted and taken into account in making a decision on the future of Delaware House, Priory House and Priory Day Care.

Delaware House

- 2.2 That in principle it is agreed to establish a partnership with the independent sector to develop a dedicated dementia facility, preferably on the Delaware House site, or other suitable site. Delaware House will continue to run as a Council operated facility (subject to assisting with any transfers from Priory House) until the proposed new facility is developed.

Priory House

- 2.3 That in principle (subject to collective consultation with the trade unions – see recommendation 2.9 below) Priory House be closed over the next 18 months on a phased basis, to ensure residents and relatives have time to look for alternative accommodation if needed, and supported to do so. In the event of illness, distress or other significant factors, some flexibility may be applied to this timescale.
- 2.4 That no further admissions be permitted to Priory House.
- 2.5 That if any vacancies occur in Delaware House, residents at Priory House who have acute dementia would have the opportunity to move to Delaware House.
- 2.6 Subsequently, if any further vacancies occur in Delaware House, any other residents of Priory House are given the opportunity to move to Delaware House. All consideration where possible to be given where residents form friendships with residents around them, that these stay intact, if that is their wish.

Priory Day Centre

- 2.7 That a formal review of Priory Day Centre be undertaken to ascertain the future provision for this service. A report on the outcome would be made to Cabinet during 2014.

General

- 2.8 That the identified on-going savings of circa £540K be used as part of the savings needed to balance the 2014 / 15 Budget. Also that the one-off costs of transitioning the Priory House to full closure be met from the Business Transformation Reserve.
- 2.9 That a collective formal consultation with all staff and unions commences in early 2014 as to how staff could be affected. Appropriate posts in the Talent Pool would be ring-fenced from now to give staff affected a chance to continue working for the Council where possible.
- 2.10 That the above recommendations be referred direct to the People Scrutiny Committee on 26th November 2013.

3. Background

- 3.1 Delaware House and Priory House are 2 Council operated care homes for older people. Delaware House is a 24 bedded care home in Shoeburyness and provides long term care for older people with dementia. Priory House is a 28 bedded care home in Prittlewell (26 long term beds and 2 respite beds) and provides long term care for older people with high levels of physical frailty and some of these residents will have dementia. Priory House also operates a small day centre, providing structured day support to up to 12 older people per day, 5 days a week.

- 3.2 Although both care homes provide excellent standards of care, the buildings are beginning to show their age and both homes are expensive to run when compared to homes in the independent sector. It was also noted that the staff in the two care homes are extremely hard working, compassionate and totally committed to ensuring the residents are well cared for and treated with decency, dignity and respect.
- 3.3 On 10th July 2012, the Community Services and Culture Scrutiny Committee supported the idea that the Council should explore possible future developments for both Delaware House and Priory House (**Appendix 2**). A 9 Member cross party Task and Finish Panel was established by the Council.
- 3.4 The Task and Finish Panel reported back to Cabinet on 19th March 2013 and recommended that formal public consultation be commenced on 4 possible options for the future of each of the 2 care homes; namely:
- (1) Continue As Now
 - (2) Alternative Ownership
 - (3) Modernisation and Re-Provision, using third party funding
 - (4) Close 1 or both Homes
- 3.5 The Task and Finish Panel had a preferred combination of Options:

- Option 3 for Delaware House – Modernisation and Re-provision using third party funding
- Option 4 for Priory House – Close the home

The Panel's view was based upon a number of factors, mainly the following:

- The Panel's Assessment that Continue As Now (Option 1) was unlikely to be sustainable with the projected continued reduction in public sector finances (austerity measures).
- The revenue costs of the Council's care homes are relatively high, running in the region of just under £1 million per year compared to the cost of 50 long term beds commissioned in the Independent Sector.
- The apparent lack of interest in the independent sector for the alternative ownership model (Option 2).
- The requirement for major works to be undertaken in the next 5 years at Priory House, limiting the ability of the Council to explore fully Option 3 for this home.
- The footprint, and size, of the Delaware House site appears to offer a greater potential to attract external funding to develop the site with some dedicated facilities for older people.

- 3.6 Cabinet considered the options for the future of the 2 care homes including the recommendations of the Panel at its meeting on the 19th March 2013 and resolved:

“that the findings of the Task and Finish Panel be accepted and that Officers be instructed to commence a formal consultation on all 4 options with the preferred option being the planned closure of Priory House and further exploration of the opportunities to develop the Delaware House site to offer some dedicated facilities for older people” (Minute 871 refers).

A copy of the report and Minute 871 is attached at **Appendix 3**.

- 3.7 Although the Panel and Cabinet did identify a preferred combination of options, it was made clear that no decision about any of the options could or would be made until the views of current residents, their relatives and carers, members of staff, their trade union representatives, key stakeholders and the general public had been sought and duly considered.
- 3.8 The consultation process was reviewed at Cabinet on 17th September 2013 in the light of an opposition debate and resolution at Council on 18th July 2013. Advice had been sought from Leading Counsel and no legal defects were identified. The Cabinet noted that the consultation was both proper and lawful (Minute 271 refers). This Cabinet’s decision was then noted at the People Scrutiny Committee on 22nd October 2013 (Minutes 420 refers).
- 3.9 On 17th October 2013 the Council considered a Petition requiring Debate in respect of Priory House and an associated report. A debate was held and the Council resolved that the Petition be referred to the People Scrutiny Committee and Cabinet to be considered in the context of the decision to be made on the future of Priory House.

A further petition relating to both care homes was also before the Council and this was referred to the People Scrutiny Committee and Cabinet to be considered in the context of the future of both care homes.

A number of public questions were also answered at the Council meeting.

- 3.10 On 22nd October 2013 the People Scrutiny Committee considered a report on the future of the 2 care homes, with a draft of this Cabinet report as an attachment.

The Committee also considered the two petitions referred to in 3.9 above and Councillor Woodley’s alternative Business Plan (see section 6 below).

There were also a number of public questions which were answered at the meeting.

The People Scrutiny Committee was undertaking a pre-Cabinet scrutiny role and its recommendations to Cabinet were as follows:

1. To generally endorse the proposals with regard to Delaware House as set out in the draft report to Cabinet.
2. That before Cabinet makes a decision on Priory House, there needs to be:
 - (a) a full evaluation of the viability of Councillor Woodley's alternative Business Plan by the consultants, LaingBuisson; and
 - (b) further consideration regarding allowing flexibility over the timing of any closure of Priory House.

- 3.11 The Cabinet needs to consider the recommendations of the People Scrutiny Committee referred to in 3.10 above and this report deals with both points 2(a) and 2(b).

In terms of 2(a), further detailed advice has been received from LaingBuisson about Councillor Woodley's alternative Business Plan and their advice is set out in Section 6 and **Appendix 8**. Their conclusion is that the alternative Business Plan is neither viable nor desirable, so no amendment has been made to the recommendations re Priory House.

Note: In Section 6 a further option has also been considered, namely whether South Essex Homes ("SEH") could take over responsibility for one or both care homes. However SEH have confirmed that they cannot pursue this as they are not a care provider. It is also important to note that LaingBuisson's criticisms of the Business Plan they have evaluated would be the same whether the Council set up a new trading company or an existing trading company was utilised. Accordingly no amendment has been made to the recommendations.

In terms of 2(b), an amendment has been made to recommendation 2.3 to reflect the view of the People Scrutiny Committee.

4. The Consultation Process

Background

- 4.1 The consultation process ran from 3rd June 2013 – 1st September 2013. There was a good level of involvement in the consultation process. 398 consultation papers and questionnaires were sent out, as well as the consultation papers and process being made available on-line. The paper copies were sent directly to residents, day care clients, relatives, staff, unions and other key professionals. In total **228** responses were received to the questionnaire. **45** people chose not to complete the questionnaire, providing their responses to the consultation by letter as they did not approve of the format and felt that it was misleading. A copy of the consultation proposals are attached **Appendix 4**.

- 4.2 A breakdown of these figures and analysis from all involved can be seen under **Appendix 1** – Summary and Analysis of the findings from the consultation.
- 4.3 Great efforts were made to ensure that the consultation process was clear, fair and lawful and that it complied with Council policy on consultation. The process was reviewed by Cabinet on the 17th September 2013 as explained in 3.8 above. The Cabinet confirmed it was both proper and lawful: See report and minute 271 (**Appendix 5**).

How we consulted and responded to requests during the consultation period

- 4.4 Having a structured and transparent process on how the Council would communicate throughout the consultation process was important. Details of the consultation process are set out in **Appendix 1**.

This ensured that people were able to contribute to the consultation in a variety of ways:

- Staff meetings
 - 2 Relatives meetings
 - 2 Public meetings
 - Individual reviews with each Resident or Day Care Client
 - The support of Advocacy services for Residents and Relatives
 - 1 to 1 meetings with the Project Lead for relatives and residents when requested
 - Meeting with the Director and some relatives to review the survey costs of both Delaware House and Priory House
 - Meeting with Property Services and some relatives on site at both homes to demonstrate how the costs were established
 - Relatives requested to visit other homes that were comparable to Delaware House and Priory House, this was facilitated, and the report for this can be seen in **Appendix 1**
 - Relatives requested a meeting to understand the Council process, this was also facilitated
 - Staff on a daily basis was on hand to support and advise Service Users and Relatives
- 4.5 Minutes of each of the meetings were emailed, or posted, as preferred, throughout the consultation period. Relatives' and Public meeting minutes were also uploaded on to the Council's website, as well as any PowerPoint presentations that were used at the meetings. In addition to this there were Frequently Asked Questions and answers were produced and circulated and made available on the website.

Delaware House and Priory House Residents

- 4.6 During the consultation the residents of Delaware House and Priory House were involved in a variety of ways but with great sensitivity. It was important that all residents and day care attendees were reviewed so their current needs and wishes were recorded.

- 4.7 It was clear from the reviews undertaken at Delaware House and Priory House that the residents and relatives wanted no change at all. In addition to this where it was felt that an individual lacked capacity, a Mental Capacity Assessment was carried out to confirm this; most had a family member who was able to advocate on their behalf. There was also the necessity for an Independent Mental Capacity Assessment for two residents who had no family representation. One resident who had capacity refused a review but did understand the consultation was taking place.
- 4.8 There were 10 residents who lacked capacity in Priory House and 20 residents in Delaware House.
- 4.9 In total there were 77 reviews carried out across Delaware House, Priory House and Priory Day Centre.
- 4.10 There are 17 residents receiving Continuing Health Care funding at Delaware House and one at Priory House; however there are other residents currently being assessed, for CHC funding.
- 4.11 It is important to note that there is one resident in Delaware House and 7 residents in Priory House on an “end of life” care pathway.
- 4.12 During the last 3 months, 6 residents have passed away in Priory House and the home currently has 6 vacancies. However Delaware House remains full.
- 4.13 Statistics at the commencement of consultation:

Delaware House

- **Age:** Ages of the 23 residents within Delaware House range from 60 to 97.
- **Date of Admission:** The 23 residents in Delaware House were admitted between 2004 and 2013 and nearly half were admitted within the last two years (2011- 2013).

Priory House

- **Age:** Ages of the 25 Residents in Priory House range from 77 to 100 with over three quarters aged 85 and over.
- **Date of Admission:** The longest residing individual at Priory House has been there since 1989, with the next longest having resided in Priory House since 2002. Over half of all residents were admitted in the last two years.

- 4.14 In speaking to relatives and residents it was apparent that there was genuine concern that some of these residents had already been to another home or in some cases more than 1 home before they finally settled in either Delaware House or Priory House. Having looked at each individual’s records, it is apparent that this has happened to **8** people in Delaware House and **3** people in Priory House.

- 4.15 In addition to this, the Council also has a resident that initially lived in Balmoral Home in 1993. When it closed in 1999, they transferred to Priory House, so they have therefore been in residential care for 20 years.
- 4.16 **Appendix 1** contains details of the comments received and additional statistical information that should be considered by Members before reaching a decision.
- 4.17 The following is a summary of the significant comments from service users and families:
- Any move could have tragic consequences for some residents; it could have a detrimental effect on our health and well being. Worry about moving the 90 -100 year old people.
 - General feeling the repair costs are too high.
 - The care in both Priory and Delaware is excellent and would find this difficult to find elsewhere based on some peoples previous experience in other homes.
 - How will people be moved if they are on an “end of life pathway”
 - The consultation paperwork was too long, and not easy to understand.
 - Why break something that is not broken.
 - We do not want any change we wish to stay where we are, we would want to end our days where we are.
 - If I move I will miss the friends I have.

Priory Day Centre Users

- 4.18 There was one social service worker assigned to complete all the day care reviews with the support of the Day Centre staff and advocates. **32** reviews were completed in total. **8** of the attendees lacked capacity and Mental Capacity Assessments were conducted; each of these individuals were supported by a family member, in most cases spouse, son or daughter.

Their collective views were as follows:

- I am no longer isolated and depressed anymore.
- I am supported with personal hygiene.
- I enjoy the friendships I have made.
- It provides support to the carers of people who attend.
- It has improved my health and well being.
- My health would deteriorate if I could not attend.
- There should have been more thought put into the Consultation Report as to how this would affect Day Care clients.
- We would want to “Continue as Now”

Responses to Overall Proposals

4.19 There were **228** recorded questionnaires received to the on-line questionnaire.

Option 1 – Continue as Now

It was clearly evident that all people involved in the homes wanted **Option 1 – that is for both homes to remain open.**

Option 2 – Are the parameters outlined under alternative ownership appropriate?

98 people responded out of 228
11% of people said Yes
50% of people said No
39% of people said Don't Know

Option 3 – Modernisation and / or refurbishment of Delaware House

Modernisation and Re-Provision, using 3rd party funding
139 people responded out of 228
21% of people strongly supported this
12% of people supported this
14% of people did not express a view
8% of people opposed this
45% strongly opposed this

Option 4 – Close 1 or Both Homes

177 people responded out of 228
2% of people strongly support this
1% of people support this
5% of people neither support nor oppose
8% of people oppose this
84% of people strongly oppose this

Option 4 – Is the Council's approach to managing a move to another care home the right one?

126 people responded out of 228
8% of people said Yes
79% of people said No
13% said Don't Know
Overall graphs of these statistics can be seen in **Appendix 1** and how the support for options 3 and 4 compare

4.20 The table below shows the composition of the survey sample.

For further statistics regarding Gender, Age and Ethnicity please see **Appendix 1**.

Which best describes you	Proportion	Number
Care Home Resident	3%	5
Relative of someone who is in a Care Home	26%	46
Member of staff from Priory Day Care	6%	11
Member of staff from Priory House	6%	11
Member of staff from Delaware House	7%	13
Other*	52%	92
<p>* Please note the category of “Other” was made up as follows:</p> <p>92 people ticked other, but only 52 people put a response in to say how they described themselves under the “other” category.</p> <p>These 52 people were made up of the following:</p> <ul style="list-style-type: none"> 26 – Day Care User 15 – Relative, resident, friend or someone who used to have a resident in either homes 6 – Other Professionals 5 – Resident of Southend 		

4.21 In addition to the statistical analysis there were written comments that were recorded from the questionnaires. Below are the things that mattered most to people that responded. A more extensive chart can be seen in **Appendix 1**.

There were 1,104 pieces of recorded written data that are reflected below.

Written Comments	No. of people that said this
Concerns about Day Care and possible change I could be isolated Carers Support Regular routine needed The service is excellent at Delaware House and Priory	37
Don't understand paperwork / questions The Council should have been more transparent	157
Keep the homes open to benchmark against the private sector	19
Is closure detrimental to health and happiness of residents, it would cause distress Against Human Rights Act	53

Written Comments	No. of people that said this
Excellent experienced care staff / excellent homes / excellent care and continuity for residents Not enough emphasis on staff / resident relationships	85
Misc answers No views about Priory House Why pick on most vulnerable Why demolish the building Trick Questions The clients should not move because Council say so The Council should explore sponsorship from Local Businesses	29
Concern that staff will lose their jobs	4
Private homes do not provide the excellent care that Council homes do	11
Totally against you taking my home from me I should not be evicted	9
This decision will kill people off Threats to kill self	25
Why is a dementia home closing when dementia is reaching higher levels in society	7
Keep Continue As Now The Council should find the money needed – use the money in reserves Homes should not be for profit	428
Morally wrong to move people	8
Costings for repairs are inflated and wrong – deeply flawed Find cheaper contractors	20
Lack of Council homes in the Borough – need to keep some The Council need to provide more In-House services	13
The Council are not handling the emotional stress to families well	10
Can't understand why buildings have not been kept up to standard Do the repairs / refurbishment. Spread the costs over the years	27
Waste money – fees for Councillors / new library / museum / Boat House and Shared Public spaces fees for agency staff and skateboard parks	6
Closing the homes would have a negative impact of Southend Need to build more Council are passing the buck	7

Written Comments	No. of people that said this
Public losing faith in the Council The Council should be ashamed of themselves – the Council have been misleading	9
Delaware House and Priory House are in good repair Improvements should not be opposed Keep them modern for the future	10
I don't want the Council to force me to move Just because they need the money	4
Support for both to have the repairs to keep them going for years to come Do not think the costs are high Thought and planning into keeping residents in situ	5
Residents should be able to die in own home	5
Unit cost of Priory House and Delaware House could come down Many Budgets are better SBC should take responsibility, don't pass to others	11
Give them to a Private organisation to bring up to standard	9
Alternative ownership of one or both homes could provided the money for refurbishment	14
Make into a trading company	1

Letters Received instead of the Consultation Response

4.22 There were 45 additional letters received by the end of the consultation that covered additional comments to those that were also reflected above:

- The required Capital costs were inflated from the surveys.
- The care at Delaware House and Priory House is excellent.
- Please do not close Delaware the provision for complex dementia care in Southend is needed.
- The Local Authority has a responsibility and moral duty to support and improve the health of the local population, if these plans go ahead it will contribute to the deterioration of the health and welfare of current residents and families, and this causes concern.
- The proposals about re-provision and refurbishment were not clear.
- It is not clinically safe to move people, it would contribute to elevated mortality.

- Safeguarding of these people is paramount.
- The “Achieving Safe Closure” document that was part of the consultation pack was seen as the Council having made up its mind to close the homes.
- When the Council make decisions, please consider the National Dementia Strategy.
- Some relatives have carried out their own independent reviews of the homes and do not feel they are fit for purpose for their loved ones.
- Think about the moral and ethical dimension of responsibility which needs careful consideration before any ill-conceived action is taken with regard to the future of the homes.

Unions Feedback to the Consultation

4.23 Both Unison and GMB were involved throughout the consultation. Both unions were of the opinion that we should remain with **Option 1 – Continue as Now**.

More details of their formal responses can be seen under **Appendix 1**.

Views of staff and suggestions

4.24 Clearly the staff do not want to see the homes closed and they were able to offer suggestions around on-going savings in the homes to reduce the revenue costs in the longer term. Some examples – lose agency staff, reduce staff pay, look at job evaluation, use of Electric and Gas, use cheaper companies for provisions and equipment. Have all beds as permanent beds; change the home to Health care people only, to use Continuing Health Care Funding which would bring down the revenue costs

Essex Age UK feedback to the Consultation

4.25 The conclusions from Essex Age UK were as follows (see further details in **Appendix 1**).

It has become increasingly obvious to everyone engaged on the project that the families of residents and the residents themselves will need to be supported through the next phase. Although the outcome of the consultation cannot be assumed, there will be a period of growing uncertainty and distress as the decision making process moves towards a final decision. It is their concern that, should the decision arrived at result in the closure of either or both of the homes, a whole new process will then be necessary to mitigate as far as possible any detrimental effects upon residents and their families and that it will be imperative that they are supported by people they know and trust.

With the above in mind, it should be stressed that the people who have been involved with this group of vulnerable people need to be enabled to continue the work started. Whatever happens next, these people will need to be supported through it and empowered to have their voices heard and will need to be able to trust those seeking to assist them.

Comments from the NHS Southend Clinical Commissioning Group

4.26 The Governing Body have reviewed the consultation documents and carefully considered the proposed options and their comments are as follows:

They recognise the financial constraints that the Council is working within and the economic case for change regarding these two facilities but make the following points and seek assurances around the Council's preferred options 3 and 4:

1. There is a potential for deterioration of quality of care.
2. Moving elderly people towards the end of their life is likely to have a negative impact on their life expectancy.
3. Reducing the social support to residents currently provided through these homes may increase support required by health services and increase costs for the health service.
4. GPs currently look after the patients based in the two facilities; if patients are dispersed or moved to other areas of Southend, this may lead to a change in GP, and patients and their families should be made aware of this in advance.
5. There is much published evidence of good practice when moving elderly patients, and we ask for assurance the Council is diligently observing this.

SUMMARY OF CONSULTATION

4.27 Continue As Now

- (a) It is clearly evident that relatives, residents, staff and unions want the homes to Continue As Now.
- (b) These views are based upon the view that they do not believe that comparable care can be bought elsewhere and hold both homes in high esteem as beacons of excellence. Throughout the consultation there has been a strong campaign against any changes.
- (c) Petitions presented to Council on 17th October 2013 and also considered at the People Scrutiny Committee on 22nd October 2013 demonstrate the strong public support for the 2 care homes.

- (d) Relatives and some Members challenged the required capital costs in the building surveys that were included in the consultation paper for Delaware House and Priory House. During the consultation the Corporate Director for People asked for these figures to be reviewed by Property Services, therefore all capital costs were tested through the market and whilst there were some changes there was not a significant difference to challenge this requirement any further.
- (e) For Priory House it is acknowledged that the figures in the original consultation document could reduce if the £100k for the second lift was taken out and that a similar amount could be deducted from Delaware House. In addition the figures for Delaware House were for a period of more than 10 years therefore this would reduce the capital needed further.
- (f) The table below for Delaware House now reflects the capital investment for the adjusted 10 year period.

Projected Capital costs for Delaware House over the next 10 years

	Contractors	Onsite	Total
0-3 years (1)	£59,740.00	£18,525.00	£78,265.00
3-5 years (2)	£260,250.00	£1,510.00	£261,760.00
5-10 years (3)	£137,675.00	£1,900.00	£139,575.00
Total	£457,665.00	£21,935.00	£479,600.00

Projected Capital costs for Priory House over the next 10 years

	Contractors	Onsite	Total
0-3 years (1)	£219,295.00	£13,960.00	£233,255.00
3-5 years (2)	£623,650.00	£8,000.00	£631,650.00
5-10 years (3)	£181,700.00	£10,470.00	£192,170.00
Total	£1,024,645.00	£32,430.00	£1,057,075.00

- (g) In summary, it is now acknowledged that Priory House in particular requires significant capital investment if it is to be maintained to a high standard.
- (h) In addition, whilst there have been some concerns raised over the quality of care in the independent sector there has been no challenge to the significantly higher cost of Priory House in comparison to care available for the frail elderly in the independent sector.

- (i) Relatives of Delaware House felt that there was not specialist care of the same standard in Southend for people with complex dementia needs that would give the right care at the right price. Families urged that this be considered further as an outcome to this consultation.

4.28 Alternative Ownership

A thorough soft marketing exercise was completed as part of the consultation process, seeking feedback from a range of private and public organisations on whether the homes could be run as viable entities under different ownership. The replies received indicated that there was not an appetite for serious consideration to go out to the market more formally for Alternative Ownership. The experienced Care Providers who responded felt that the TUPE (Transfer of undertaking, protection of employment – UK reg 2006) costs were too expensive and only small reductions could be made in the revenue costs of those homes. This was due to the fact the homes were too small to enable them to cover overheads and be financially viable.

4.29 Modernisation and Re-Provision, using third party funding

Through the soft marketing exercise that was completed as part of the consultation process, there were some companies who would be interested in working in partnership with the Council, should a decision be made to redevelop Delaware House or Priory House.

In addition to this general expression of interest there was a specific proposal from Prydium which outlined an opportunity to explore a partnership with the NHS for a mixed development of health care, extra care housing and specialist dementia care using the proceeds from the sites of the existing homes. This proposal includes the potential for the development of a high quality building and services for people with dementia.

4.30 Close 1 or both Homes

From the consultation process virtually all respondents were opposed to this, and gave reasons why they felt this would be detrimental to the residents' health and well being. Residents wanted to remain where they were and live out their days in either Delaware House or Priory House. Families have asked that if either of the homes were to close then could this be phased over as long a period as possible. There were concerns that residents would be moved who were in poor health, and on "end of life" care pathways. There were also concerns for residents who had lived in the homes for a long while.

Further evidence of this can be seen in **Appendix 1**.

5. Conclusions

5.1 Both Delaware House and Priory House offer good quality care and therefore it is not surprising that residents and relatives are strongly opposed to any change. This view is fully understood but the decision facing Members needs to be taken after considering all the relevant facts. These include the views expressed in the consultation but also financial savings, maintaining quality care and strategic long term aims.

5.2 Financial Savings

On the assumption that Priory House, including Day Care, is no longer operating, the anticipated savings for 2015 / 16 onwards are detailed below.

On-going savings arising from full closure of Priory House and Priory Day Centre.

	£000	£000
Gross Expenditure – Care Home	1,103	
Gross expenditure – Day Care	293	
Total		1,396
Less Support and Departmental Recharges (fixed costs)		(135)
Gross Saving		1,261
Less Costs of Reprovision		
26 Residential	581	
12 Day Care	140	
Total		721
Net Saving		540

The reprovision costs have been built into the calculation to account for the fact that the 26 residential beds previously available for new service users would no longer exist and the placements would need to be purchased externally.

The cost of provision is based on the declared rate of £430 per week, a figure at or below the rate the majority of the Council's externally purchased bed space is currently bought at. For every £10 addition to this cost, the net saving would reduce by £13,000.

Full closure of Priory House and Priory Day Centre would mean the loss of 45 (33 FTE) posts, which are currently filled with a combination of permanent, fixed contract and agency staffing. This potentially gives rise to one-off redundancy costs, estimated to be a maximum of £533,000 should no redeployment be possible and Priory Day Centre ceased to be provided by the Council. The Council's HR policies will be used to full effect to try to minimise the impact on staff and consequently the cost of redundancy.

5.3 Maintaining Quality of Care

Whilst quality of care in the independent sector was raised consistently within the consultation, it needs to be taken into context that there are 52 beds in-house and 609 beds that the Council purchase from the independent sector.

Therefore the Council is currently meeting the duty of care for vulnerable adults for over 90% of its service users in partnership with these homes and has invested considerable support in the development of a quality care sector.

Despite the examples given by families of poor care in the private sector, our records of complaints received and investigated are as follows:

Independent Sector

Year	How Many	Outcome
2011-2012	10	2 partially upheld, 1 for communication / consultation and the other for insufficient support
2012-2013	6	1 upheld for conduct / behaviour of staff

In-House Services

Year	How Many	Outcome
2012-2013	1	Not upheld

The Council monitors care homes against the ratings that they receive from the Care Quality Commission (CQC) on a quarterly basis. Currently we commission beds from 67 homes of which 48 or 72% of Older People's Homes in Southend (including the 2 Council Homes) are fully compliant with the Essential Standards. The rest of the homes (19 or 28%) currently do not meet between 1-4 of the standards. It is important to note there are 28 outcomes and these can be further referenced in **Appendix 6**. It is acceptable to have non-compliances but these are monitored both by the Council and the Care Quality Commission, and change from year to year, and can happen in any home.

While the quality of care in both Council homes is high and valued by residents, the evidence suggests that many Southend residents are currently receiving high quality care in the independent sector.

5.4 Summary

- (a) In summary, the decision before Members is both a strategic and an emotive issue. The care provided currently in Delaware House and Priory House is of high quality and well regarded.

- (b) A key issue for Members is whether the significant additional capital and revenue required maintaining this care would be better invested in new and improved care facilities for people with dementia that are more cost effective.
- (c) Having considered all of the relevant factors presented through the work of the all party Task and Finish Panel and the results of the consultation, the financial case for the closure of Priory House is strong.

However, given the concerns expressed throughout the consultation, it is suggested that this should be in a phased way, over the next 18 months, giving the opportunity where vacancies occur in the first instance for residents in Priory House with progressing dementia to move to Delaware House so that their needs are met as their condition changes. Recommendation 2.3 now provides some degree of flexibility to reflect the views of the People Scrutiny Committee. Based on historic trends in occupancy within both homes, it is anticipated that by April 2015, it may be possible that all residents could be potentially accommodated in one home.

- (d) In respect of Delaware House, the Council has always acknowledged the concerns that have been expressed throughout the consultation that there is not enough provision in Southend for complex Dementia Care and relatives would find it hard to find comparable care in the market.
- (e) However the consultation has confirmed that capacity at Delaware House is too small to make it financially viable in the long term. Consideration needs to be given to either extending or re building in order to gain additional capacity. The Council should consider Option 3 Modernisation and Re-Provision, using third party funding.
- (f) The soft market testing process carried out during the consultation identified at least one partner who could assist the Council in achieving the ambition of developing new provision for those older people with complex dementia of a similar quality to Delaware House but at a lower cost to the Council. Any such development would take up to three years and it may be possible to minimise the need for residents at Delaware House to move more than once.
- (g) Other options have been explored as detailed in Section 6, but unfortunately these are not considered to be viable.

5.5 Recommendations

This report recommends a way that all the objectives set out in 5.1-5.4 can be achieved with the minimum distress and anxiety for the current residents and relatives. The specific recommendations are as follows:

- (a) That the responses from the formal public consultation (as set out in **Appendix 1**) and the views of the People Scrutiny Committee be duly noted and taken into account in making a decision on the future of Delaware House, Priory House and Priory Day Centre.
- (b) Delaware House

That in principle it is agreed to establish a partnership with the independent sector to develop a dedicated dementia facility, preferably on the Delaware House site, or other suitable site. Delaware House will continue to run as a Council operated facility (subject to assisting with any transfers from Priory House) until the proposed new facility is developed.

(c) Priory House

That in principle (subject to collective consultation with the trade unions – see recommendation (e) below) Priory House be closed over the next 18 months on a phased basis, to ensure residents and relatives have time to look for alternative accommodation if needed, and supported to do so. In the event of illness, distress or other significant factor, some flexibility may be applied to this timescale.

That no further admissions be permitted to Priory House.

That if any vacancies occur in Delaware House, residents at Priory House who have acute dementia would have the opportunity to move to Delaware House.

Subsequently, if any further vacancies occur in Delaware House, any other residents of Priory House are given the opportunity to move to Delaware House. All consideration where possible to be given where residents form friendships with residents around them, that these stay intact, if that is their wish.

(d) Priory Day Centre

That a formal review of Priory Day Centre be undertaken to ascertain the future provision for this service. A report on the outcome would be made to Cabinet during 2014.

(e) General

That the identified on-going savings of circa £540K be used as part of the savings needed to balance the 2014 / 15 Budget. Also that the one-off costs of transitioning the Priory House to full closure be met from the Business Transformation Reserve.

That a collective formal consultation with all staff and unions commences in January / February 2014 as to how staff could be affected. Appropriate posts in the Talent Pool would be ring-fenced from now to give staff affected a chance to continue working for the Council where possible.

6. Other Options

6.1 In addition to the 4 options considered through the consultation, an alternative Business Plan has been put together by Councillor Woodley to set up Priory House and Priory Day Centre as a trading company for Professional Care Services for Older People, to be known as Southend Professional Elderly Care Services (SPECS). His final Business Plan is attached as **Appendix 7**.

- The plan is based upon reducing running costs from £1.4m to £1.1m and increasing income by increasing bed numbers from 26 to 30.
- 22 beds are to be sold to the private sector at full cost of £800 per week.
- 6 beds to be bought by the NHS at £952 and the remaining 2 to be available to the Council at the rate of £430.

6.2 A full evaluation of the viability of Councillor Woodley's final Business Plan was commissioned by the Council in accordance with the recommendation of the People Scrutiny Committee at its meeting on 22nd October 2013. This full evaluation has now been carried out by LaingBuisson who are one of the UK's foremost and highly regarded providers of information and market intelligence on the independent health, community care and childcare sectors. LaingBuisson's conclusions are as follows:

- The revised Business Plan is not viable for the following reasons:
 - It is based on weekly self-funding fees that do not reflect market rates.
 - It is based on weekly NHS step-down fees that do not reflect market rates.
 - The physical structure of Priory House makes it unlikely that it could attract self-funders.
 - The revised Business Plan, based on market fees, would lead to a cumulative loss of £754,474 over a three year period.
- Even if the revised Business Plan were viable, there are reasons why the Council might not wish to implement it:
 - The revised Business Plan envisages a care home primarily for self-funders, a group for whom the Council has no financial responsibility.
 - Many care associations have taken Councils to the High Court over the fees they pay care homes: Southend's position in any action would be seriously weakened if it were seen to be charging residents almost twice what it pays for care home places.

- If the Council offered places in Priory House at £800 it might have the effect of pushing up prices in other care homes and so the Council could have to pay more for the beds it purchases from the independent sector.
- If the Council tried this option and it went wrong the Council would find itself financially liable for all losses incurred assuming the Council had underwritten the trading company and / or suffering reputational damage by walking away from the creditors of a failed company and failing the residents of the home.

A full copy of the LaingBuisson report is attached in **Appendix 8**.

6.3 The Head of Finance & Resources has also considered the final Business Plan and the LaingBuisson report and his views are as follows:

- This expert and independent examination has found no evidence of the local market supporting a fully self-funded fee of £800 per week for a home with Priory House's facilities – the mean local rate is in the region of £575 per week. Furthermore the NHS Step Down Rate proposed does not appear to be supported by local evidence. The consequence of this would be that the trading company would operate at a cumulative loss of some £755K over a 3 year period and would not be a going concern without being fully underwritten by the Council. It would not provide a sustainable future for the home. It therefore exposes the Council to large financial risks.
- If it was the case that the LaingBuisson analysis was wrong and the trading company was in fact a viable option then Councillor Woodley's submission indicates a cumulative trading surplus of some £75K over a 3 year period.
- There is a risk, albeit unquantifiable at present, that if the Council is seen to be charging self-funders up to £800 per week, the external providers will see it as a reason to increase the fees charged to the Council for the externally purchased places leading to further financial pressures.

6.4 A further option has also been considered namely whether South Essex Homes Limited ("SEH"), the Council's ALMO, could take over responsibility for one or both care homes. This issue was raised with SEH in August 2013 as part of the soft market testing exercise which took place as part of the formal consultation process. SEH responded that they were not a care provider. SEH have been consulted again and they have confirmed that they do not provide care services which is what would be required at Delaware House and Priory House. Attention is also drawn to paragraph (k) of the Summary in the LaingBuisson report at **Appendix 8** which states that their criticism of the Business Plan would be the same whether the Council set up a trading company or an existing trading company was used.

Accordingly this is not a viable option.

7. Reasons for Recommendations

- To provide a strategy for providing quality care for older people in a sustainable manner having regard to views expressed in the consultation process.
- To develop high quality dementia facilities for the residents of Southend for the future.
- To provide better value for money and minimise financial risks for the Council.

8. Corporate Implications

8.1 Contribution to Council's Vision and Corporate Priorities

The aim of this report and recommendations is to provide sustainable, high quality, value for money, residential care for older people.

8.2 Financial Implications

The current gross annual revenue budgets, including overheads and departmental recharges but excluding depreciation, are:

	£000
Priory Care Home	1,103
Priory Day Centre	293
Priory Total	1,396
Delaware House	1,144

The detailed conditions surveys indicate that £1.057m and £0.480m of capital investment will be required if Priory House and Delaware House respectively were to remain operational for a further 10 years. Currently there is no specific capital budget provision for these investment sums. However some of the smaller investment items could be met from the annual property maintenance and repairs budget.

There will be a one-off associated cost of redundancy in the region of £533,000 should no redeployment of existing staff be possible.

A net annual saving of circa £540K would be generated if Priory House and Priory Day Centre were to close by March 2015. This is assuming that 26 residential beds and 12 day care sessions will be externally purchased from April 2015.

The anticipated annual savings from the proposed closure of circa £540K for 2014/15, which was approved in principle by Council when setting the 2013/14, Council Budget in February 2013, will now only be realised from 1st April 2015.

As part of settling the Council Budget for 2014 / 15 it will therefore be necessary to utilise £540K of the Business Transformation Reserve for the financial year 2014 / 15 in transitioning to the ongoing saving from 1st April 2015.

8.3 Legal Implications

These are covered in detail in the report.

In addition it should be noted that residents have lived at Priory House for different periods of time, and will regard it as their home. They will also have developed relationships with other residents and staff groups. This gives rise to the potential protection of Article 8 of the European Convention of Human Rights. However, rights under Article 8 can be interfered with if appropriately justified. Here, the cost of maintaining services at Priory House and the alternative residential accommodation elsewhere in the Southend area would amount to justification, especially where steps are taken (where possible) to relocate residents with others from their friendship groups.

The Council needs to be aware that there are risks involved in relocating elderly and infirm residents, including risks to health and life. This may engage Article 2 of the European Convention of Human Rights. Where, however, reasonable and responsible steps are taken to manage moves with sensitivity, this will minimise any risks.

8.4 People / Staffing Implications

There will need to be a formal consultation with staff and unions in how we manage the phased closure and any staff implications to take place early 2014.

8.5 Property Implications

The closure of Priory House and Day Care Centre would lead to the opportunity for disposal and / or redevelopment of the site. Any capital receipt arising could, in the first instance, be held against the re-provision of Delaware House.

8.6 Consultation

Summary and Analysis of the findings from the Consultation can be found under **Appendix 1**.

8.7 Equalities and Diversity Implications

An Equality Assessment has been completed in respect of the proposals and recommendations in this report. The Equality Act 2010 (see **Appendix 9** for a copy of Section 149) requires the local authority to consider specific protected characteristics as part of the Equality Assessment. Analysis of the residents profile of Delaware House and Priory House indicate that the key protected characteristics which apply to these proposals are age and disability.

Residents in Delaware House and Priory House are all aged over 60 years with a significant number aged 86 years and over. All current residents are suffering from dementia and / or physical frailty associated with old age. There is some risk associated with moving frail older people but this can be mitigated by following the proposals for supporting residents and families which are outlined in this report. The completion of individual risk assessment and reviews is central to this. There is no overall adverse impact in respect of frail older people as the Council is proposing to meet the needs of this group through alternative provision. There is an overall positive impact for people with dementia as the service and support available to them and their families will be enhanced if the proposals are agreed.

Analysis of the profile of the staff group affected by the proposals indicate that the staff are predominantly women in the older age range of employment. If the proposals are agreed any changes affecting staff will be managed in accordance with the Managing Organisational Change Procedure, Redeployment Procedure, Redundancy Policy and the Pay Protection Policy. Any restructure resulting from the proposals will be subject to a separate Equality Assessment.

If the proposals are agreed a working group will oversee their implementation and monitor the process for individuals to ensure there is no adverse impact.

The full Equality Assessment is available as a background paper.

8.8 Risk Assessment

The closure and re-provision of care homes could present particular risks to current residents and therefore a thorough risk assessment will need to take place based upon local knowledge and national best practice to minimise the risks. If the decision is to close Priory House, a professional working group will be set up to ensure that the moves to any alternative accommodation is managed to minimise any risk to a residents' health. Consultees have expressed concern about the impact on the health / mortality of residents if the home were to close and residents are relocated, this is a matter that needs to be carefully managed with appropriate protocols followed, so as to mitigate risks to health / mortality.

8.9 Value for Money

The closing of Priory House and Priory Day Centre would lead to a significant revenue saving that would contribute to meeting the Council's identified budget gap.

8.10 Community Safety Implications

N/A

8.11 Environmental Impact

N/A

9. Background Papers

- (a) Full copy of Essential Standards of Quality & Safety March 2010 (an extract of which is attached at **Appendix 6**). This document is available in the Members workroom.
- (b) Full Equality Assessment.
- (c) Original Business Plan of Councillor Woodley and LaingBuisson comments on it.

10. Appendices

Appendix 1 Summary and Analysis of the findings from the Consultation

Appendix 2 Residential Care for the Elderly Report to Community Services and Culture Scrutiny Committee on 10th July 2012 and Minute 112

Appendix 3 Residential Care for the Elderly Report to Cabinet on 19th March 2013 and Minute 871

Appendix 4 Formal Consultation Proposals for Delaware House and Priory House

Appendix 5 Report to Cabinet on 17th September 2013 and Minute 271

Appendix 6 Extract from Essential Standards of Quality and Safety – March 2010

Appendix 7 Councillor Woodley's final Business Plan

Appendix 8 LaingBuisson Report on Councillor Woodley's final Business Plan

Appendix 9 Section 149 of the Equality Act 2010