

# Southend-on-Sea Borough Council

## Report of Corporate Director Adult and Community Services

to  
**Cabinet**  
on  
**19 March 2013**

**Agenda  
Item No.**

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Interim Head of Adult Commissioning

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**Residential Care for the Elderly in Southend**  
**Community Services & Culture Scrutiny Committee**  
**Executive Councillor: Councillor Lesley Salter**  
***A Part 1 Agenda Item***

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### **1. Purpose of Report**

This report informs Cabinet of the observations and findings of the cross party Member led task and finish panel established to oversee a review of the options for the future of the Council's 2 long term care homes for the elderly.

### **2. Recommendation**

- 2.1 That Cabinet accepts the findings of the Task and Finish Panel and therefore instructs Officers 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.

### **3. Background**

- 3.1 On the 10 July 2012, the Community Services and Culture Scrutiny Committee supported the idea that Officers commence a review of possible developments for Delaware and Priory House. This was agreed by Council on the 19 July 2012 and a cross party 9 Member Task and Finish Panel was established to oversee this process. The Task and Finish Panel was led by Councillor Alex Kaye, the Chair of the Community Services and Culture Scrutiny Committee.
- 3.2 The Panel was tasked with reviewing 4 options: Continue As Now; Alternative Ownership; Re-provision and Modernisation; and/or the Closure of One or Both homes.

## Delaware and Priory House Care Homes

- 3.3 Delaware is a 24 bedded care home in Shoeburyness. The home offers good quality care and support to people with advanced dementia. Sadly, as the dementia progresses, some residents become the responsibility of the NHS and, at present, 9 places in Delaware are fully funded by the South Essex PCT cluster. As part of the 2012/13 efficiency savings the home has introduced cost reduction measures reducing the unit cost from £913.50 per week to £849.73 per week.
- 3.4 Priory House is a 28 bedded care home in Prittlewell – 2 of these beds are for short term respite care. The home offers high quality care and support to people with high levels of physical frailty and some residents also have dementia. As with Delaware, the home made efficiency savings in 2012/13 reducing the unit cost from £814.59 per week to £774.97 per week.
- 3.5 Priory House operates a 'stand alone' day centre providing structured day support to up to 12 frail older people per day. Any proposals to significantly change the current services at Priory House will require consultation with the staff and users in the Day Centre. If Priory House were to close an alternative location/service would need to be commissioned for the current and future users requiring structured day time support.
- 3.6 Both homes provide good quality care to their residents and the staff are highly trusted and valued by family members. However, both homes are now ageing and have substantial maintenance and repair costs. Both homes are considerably more expensive than Council funded placements purchased in the independent sector. The Council currently pays £430 per week for high dependency beds purchased in the independent sector. At the time of drafting this report, including Delaware and Priory House, the Council was funding 674 people to live in long term care homes.
- 3.7 The Panel commenced the review in September 2012 and met on 7 occasions. The work and activities of the panel included:-
- Visiting both Delaware and Priory House and talking to some of the residents and staff.
  - Visiting new care facilities in Southend, including the Council's 2 new extra care housing schemes
  - Visiting another Local Authority (Luton Borough Council) who had faced similar challenges in their long term care homes.
  - Meeting twice with the relatives of people living in Delaware and Priory House to listen to their concerns and anxieties about the future. The panel also sought feedback from relatives on the proposed evaluation criteria for each of the options and as a consequence of that feedback amended the criteria to try and make them more 'user friendly.'
  - Hosting a 'Provider Partnership' event to gauge the potential for partnership opportunities particularly the modernisation and alternative ownership options.
  - Commissioning detailed conditions surveys for each of the homes to establish the programmed repairs and maintenance requirements over a 10 year period.

3.8 Using the evaluation criteria, the observations and findings of the Panel are attached as **Appendix 1**. With considerable sadness, the panel has universally concluded that, given the current and future financial challenges facing public sector funding, ( both revenue and capital), the 'Continue As Now' option is unlikely to be a sustainable position for the Council.

3.9 Feedback from the Provider Partnership event strongly indicates that any trade sale of the existing homes is unlikely if that sale included a TUPE transfer of existing staff and current operating costs. Therefore the panel's recommendation to Cabinet is to commence formal consultation on all 4 options, with the preferred option being the planned and safely managed closure of Priory House (as the pressing requirement for large scale capital investment in this home mitigates against longer term solutions) and further exploration of the potential to develop the Delaware site for dedicated housing/care facilities for older people and possibly some other related uses.

#### **4. Other Options**

4.1 Paragraph 3.2 sets out the other options considered by the Task and Finish Panel.

#### **5. Reasons for Recommendations**

5.1 The Task and Finish Panel came to the view that Option 1 was unlikely to be sustainable for the Council. Feedback from the Provider Partnership event indicates that Option 2 is unlikely to be attractive to independent providers. Therefore the recommendation from the Panel is that the Council should commence the process of statutory consultation on all 4 options with the preferred option being the planned and safely managed closure of Priory House and further exploration of the potential for developing the Delaware site to offer some dedicated facilities for Older People.

#### **6. Corporate Implications**

6.1 Contribution to Council's Vision & Corporate Priorities

The preferred option(s) of the Task and Finish panel would contribute positively a healthier and safer Southend and would maintain the Council's priority of providing excellent services.

6.2 Financial Implications

The agreed gross annual revenue budgets for Delaware and Priory are £983k and £1,018m respectively. During the past 2 years the Council has spent an additional £75,000 on capital works across both homes.

The detailed conditions surveys indicate that £1.8m of capital expenditure will be required if both homes are to remain operational for a further 10 years. The profile for the spending is not the same for each home but broadly speaking £250,000 is required during the first 2 years; £750,000k will be needed during years 3 to 5; and £800,000 will be required during years 5 to10. Summaries of

the conditions surveys are attached as **Appendices 2 and 3**. At present there is no provision in the Capital programme for major works in either home.

The evaluation report sets out the revenue requirements with option 1 costing in the region of £20m over 10 years; Option 2 is estimated to cost £15.5m plus any 'negative premium.' Option 4 will cost in the region of £11m. Options 3 and 4 will have redundancy implications estimated at up to £1m.

### 6.3 Legal Implications

The Council has a duty under both the National Assistance Act (1948) and the NHS and Community Care Act (1990) to arrange residential care placements for older people who have been assessed as requiring this level of support.

The statutory Director of Adult Social Services also has a duty to 'manage the market' and improve standards throughout the care sector, including care homes operated by the independent sector.

Three of the proposed options would be regarded as a significant change and therefore, under requirements contained in the NHS and Community Care Act, formal statutory consultation will be required. This consultation should include all local people likely to be affected by the proposal including current residents and, their relatives. For those residents who do not have family members the Council will appoint independent advocates so their voices can be heard.

Any future decision resulting in the closure of a care home will have to be managed within the requirements of the Human Rights Act and carried out safely and in accordance with current best practice. The Association of Directors of Adult Social Services has issued recent research on managing home closures and this is attached as **Appendix 4**.

### 6.4 People Implications

The Council employs 85 staff across both homes, including the Day Centre staff based at Priory House, and these staff will be significantly affected by Options 2, 3 and 4. Consultation with our staff will be undertaken in accordance with our agreed HR policies and procedures.

### 6.5 Property Implications

All of the options carry property implications.

Option 1 has logistical implications in respect of managing a programme of major works in the least disruptive way for the current residents. Partial home closures may be required for some of the works.

Option 2, if a negative premium applied, would result in the disposal of an asset below market value.

Options 3 and 4 offer the potential for capital receipts if the sites were sold/leased at market value.

## 6.6 Consultation

No formal consultation has taken place on any of the options. At the meetings with relatives, the Panel listened carefully to their strongly voiced concerns about the impact any home closures could potentially have on the health and wellbeing of the residents living in the homes. The meetings with relatives were well attended and all present made clear their strong opposition to any option other than Continue As Now. The relatives have concerns on two fronts.

Many of the relatives are genuinely concerned about the impact of any move on the physical, emotional and mental health of the current residents. These concerns will need to be fully addressed during any formal consultation.

The relatives are also concerned about the perceived standards of care in some care homes in the private sector. As stated in Paragraph 4.2, the Council has a statutory duty to improve standards across all adult social care services and, as part of the consultation process, the Community Services and Culture Scrutiny Committee may wish to examine what the Council is currently doing to discharge this responsibility and our plans to maintain and improve care standards in the years ahead.

As set out in Paragraph 4.2 formal statutory consultation is required for any option other than Continue As Now.

## 6.7 Equalities and Diversity Implications

There are Equality Implications arising from Options 3 and 4 and detailed Equality Impact Assessments will be undertaken on each of these options should Cabinet decide to proceed to a formal consultation.

## 6.8 Risk Assessment

There is some evidence to suggest that an unplanned move of an older person, particularly someone suffering from dementia, can have an adverse impact upon that person's physical and mental health. **Appendix 4** sets out best practice in safely managing care home closures and during the consultation phase the Council will set out in detail the process for managing any closures **if** the outcome of consultation is to proceed with either Options 3 or 4.

## 6.9 Value for Money

Options 1 and 2 do not appear to offer the Council value for money as these options, over a 10 year period, cost significantly more than Options 3 and 4.

## 6.10 Community Safety Implications

There are no direct community safety implications arising from this report.

## 6.11 Environmental Impact

There is no direct environmental impact arising from this report but any future development of the site(s) would be carried out in accordance with the Council's planning and environmental standards.

## 7. Background Papers

None

## 8. Appendices

Appendix 1: Evaluation Criteria Report

Appendix 2: Delaware House Conditions Survey

Appendix 3: Priory House Conditions Survey

Appendix 4: ADASS Guidance 'Achieving Closure.'