

BIRMINGHAM CITY COUNCIL

PUBLIC

Report to:	CABINET
Report of: Date of Decision:	Interim Corporate Director Adult Social Care & Health 27 June 2017
SUBJECT:	MAXIMISING INDEPENDENCE OF ADULTS: INTERNAL CARE REVIEW – CARE CENTRES
Key Decision:	Relevant Forward Plan Ref: 003467/2017
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s)	Councillor Paulette Hamilton – Health and Social Care Councillor Majid Mahmood – Value for Money and Efficiency
Relevant O&S Chairman:	Councillor John Cotton - Health, Wellbeing and the Environment Councillor Mohammed Aikhlaq – Corporate Resources and Governance
Wards affected:	All

1. Purpose of report:
<p>1.1 To report back to Cabinet on the outcome of the consultation on proposals in relation to the Norman Power internal care centre contained in Appendix 2. All consultation responses received are available for viewing by the public and in Group Offices prior to the Cabinet meeting.</p> <p>1.2 To seek approval of the Full Business Case contained in Appendix 1 which considers a number of options for the future use of Norman Power and recommends a preferred option which involves the closure of Norman Power with the cessation of all current services delivered from the centre.</p> <p>1.3 Approval is also sought for the transfer of the building to an organisation external to the Council. As part of this proposal the Council would have no other contractual arrangements with the external organisation other than the granting of a lease for the building. The conditions of the lease would stipulate that the building is used for the provision of adult social care or health services in line with the consultation proposals.</p>

2. Decision(s) recommended:
<p>That Cabinet :-</p> <p>2.1 Notes the findings of the consultation report as detailed in Appendix 2.</p> <p>2.2 Approves the implementation of the Full Business Case (FBC) contained in Appendix 1 which sets out the proposal that the Norman Power Centre will close and all services which are currently delivered from the building cease, and that the building is leased to an organisation external to the Council.</p> <p>2.3 Notes that preference will be given to an external organisation that could provide a service at Norman Power that supports the third option which was subject to consultation – namely the delivery of high dependency dementia nursing care.</p>

- 2.4 Delegates authority to the Interim Corporate Director of Adult Social Care and Health the Interim Assistant Director of Property in consultation with the Cabinet Member for Health and Social Care to negotiate, grant and complete the lease to a relevant organisation in line with the proposals contained in this paper so to ensure that the required Budget savings are achieved.
- 2.5 Authorises the City Solicitor to negotiate, execute, seal and complete all relevant legal documentation to give effect to the above recommendations.

Lead Contact Officer(s):	<p>Max Vaughan Head of Service – Complex and Statutory Services Adult Social Care and Health Directorate</p> <p>Maria Gavin Assistant Director – Strategic Commissioning Adult Social Care and Health Directorate</p>
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3. Consultation

3.1 Internal

Officers from Legal & Governance, Corporate Procurement Services, City Finance, Birmingham Property Services, Specialist Care Services and Human Resources have been involved in the preparation of this Cabinet report. Trade Union representatives and staff have also been made aware of the proposals through the consultation process, however further staff consultation will be required as part of the implementation of this decision.

3.2 External

Between 4th August 2016 and 6th November 2016 the Council consulted on proposals for changes to the services provided at the Norman Power Centre. There were a number of ways family carers, service users and citizens could get involved and have their say in the consultation process through email, telephone and face to face meetings. There were two meetings specifically for carers, meetings for employees and residents had a more personal one to one meeting in the company of family representatives.

Option 1 – No change

Under this option Norman Power Care Centre would continue to operate as normal.

Option 2 – Stop delivering residential care in the Norman Power Care Centre and change the use of beds to deliver step-up/step-down recovery beds to be delivered by organisations external to the Council.

Under this option the Council would stop delivering residential care at the Norman Power centre. The Council would lease the Care Centre to alternative providers. Citizens who are currently resident would be reassessed to identify their eligible care and support needs, provided with assistance to plan future care and support as well as find alternative accommodation in the City. This option involves the NHS and the Council, using pooled resources and a joint commissioning approach through the Better Care Programme and Sustainability Transformation Plan (STP), to commission organisations to deliver this provision as part of the development of a wider community based 'Recovery team' model.

Option 3 – Use the Norman Power Care Centre for the delivery of high dependency dementia nursing care, but to be provided by organisations external to the Council.

Under this option the Council would stop delivering residential care at the Norman Power Centre. The Council would lease the building to an alternative provider to deliver high dependency dementia care. Citizens who are currently resident would be reassessed to identify their eligible care and support needs, provided with assistance to plan future care and support and find alternative accommodation. Citizens would be offered alternative accommodation in other residential homes in the city.

Table one outlines the level of support or opposition for each proposal from the consultation with key findings including:

- Option 1, no change received the most support from three quarters of respondents and 67% registered strong support.
- Most opposition was recorded for option 2 with 75% of respondents against and 58% saying they were strongly opposed.
- Over a third of respondents were strongly opposed to option 3.

Table 1: Percentage of respondents who support, were neutral to or oppose the options.

Options	Support	Neutral	Oppose	Total
1	75%	0%	25%	100%
2	17%	8%	75%	100%
3	42%	17%	42%	100%

Analysis of the completed questionnaires and other comments received has been carried out. Figures rounded to the nearest whole number. The report and findings are detailed in **Appendix 2.**

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

This decision is consistent with the Council's overall objective of "making a positive difference every day to people's lives".

The recommendations relating to the closure of the services contained in the Full Business Case are consistent with the priorities of Birmingham City Council's Vision and Forward Plan 2017 as follows:

- **Children** – a great city to grow up in
- **Housing** – a great city to live in
- **Jobs and skills** – a great city to succeed in
- **Health** – a great city to grow old in

The preferred option outlined in this paper ensures that the capacity that the Norman Power Care Centre offers to the social care and health system in the City is retained and fully utilised. The preferred option also realises the full potential of the high specification of the Norman Power Care Centre which lends itself to the delivery of services to people with complex needs who have a significant dependency on care and support services.

4.2.1 Financial Implications

The approved savings target for the four Care Centres included in the Long Term Financial Plan are as follows:

Table 1 Savings Targets for the four Council run Care Centres

Net Spend 2017/18 £m	Savings in 17/18 £m	Savings in 18/19 £m	Savings in 19/20 £m
£8.548	(£0.700)	(£0.700)	(£0.700)

4.2.2 Costs of the delivery of services at the Norman Power Care Centre compared to the external market

To ensure that the Council is achieving value for money the continued provision of residential care at the Norman Power Centre has had to be reviewed. Cabinet is asked to note the relatively high cost of residential care provision currently delivered from the Norman Power Care Centre. Residential beds at the Centre cost the Council approximately £50.6k per year to provide. This is in comparison with the cost of approximately £26.5k per year for the same type of placement when purchased from the external care market. Therefore each residential bed at the Norman Power Centre costs approximately £24k per year more than a comparable bed in the external market. The Norman Power Centre currently has provision for 32 residential beds which results in the Council spending approximately £768k per year more than if it purchased the same type of care from the external care market.

The Council's provision via its Care Centres represents less than 3% of the market in Birmingham and the majority of older adult residential care is commissioned from independent providers.

4.2.3 Anticipated Financial Savings for the Norman Power Care Centre

The savings that can be achieved by ceasing the current provision and offering the Norman Power building through a lease to an external organisation to provide health or social care services for the elderly are included in Table 2 below. The additional savings are planned to be achieved through efficiencies in the running of the remaining three care centres.

Table 2 Anticipated Savings for Norman Power

Net Spend 2017/18 £m	Savings in 17/18 £m	Savings in 18/19 £m	Savings in 19/20 £m
£1.959	(£.002)	(£1.125)	(£1.125)

A market rent has been calculated for the lease which is at a rate which is comparable to those currently paid by providers on the care market external to the Council. This rent excludes the Council's Prudential Borrowing and capital charges as to include these costs would be likely to make the offer financially not viable to any external provider. These costs would continue to be borne by the Council regardless of any chosen option.

See Full Business Case Appendix 1.

4.3 Legal Implications

The Care Act 2014 together with associated regulations and statutory guidance give the power and the duty to provide a range of services to meet assessed eligible need for care and support.

The Birmingham Business Charter for Social Responsibility will be applied to the letting of the lease as appropriate.

4.4 Public Sector Equality Duty

An Equality Impact Assessment has been carried out to identify the impact of the proposed changes. Details of the full Equality Assessment can be found in **Appendix 3**. The Equality Assessment identifies a set of actions aimed at mitigating risks to service users and employees in the protected characteristic groupings

5. Relevant background/chronology of key events:

- 5.1 The Norman Power Care Centre service operates as part of the internal Specialist Care Services and currently provides long term residential cares for adults over 65 years old.
- 5.2 Long term residential care is provided for those citizens who are unable to live independently in their own home. Residential homes are registered to provide personal care and are able to provide personal care services such as washing, dressing, providing meals, companionship and social activities and are delivered in a permanent care home setting.

- 5.3 The Norman Power Centre is one of four similar sites, which were built to a high specification in 2008 to enable the Council to deliver services to people with complex care and support needs, particularly those with a dementia diagnosis:
- Norman Power Centre – Ladywood
 - Perry Tree Centre - Kingstanding
 - Anne Marie-Howes Centre - Sheldon
 - Kenrick Centre – Harborne
- 5.4 Of the 64 bed capacity of the Norman Power Centre, 32 beds are designated for long term residential care. The remaining 32 Intermediate Care beds at the Norman Power Centre were decommissioned by Sandwell and West Birmingham CCG leaving the building half vacant; their lease formally expires in early December 2017.
- 5.5 The residential services currently delivered from the Care Centres are managed by Birmingham City Council, are accessed via a social work assessment to identify care and support needs and to confirm the person has an eligible need for care and support.
- 5.6 Recommendations regarding the future use of the three remaining care centres will be developed in due course – with a focus on achieving financial efficiencies.
- 5.7 The Council recognises that it cannot provide residential care for older adults in the Care Centres in a way which represents value for money when compared to providers of similar services within the care market. This has resulted in the need for the Council to review its future provision of this service. The high specification of the accommodation lends itself to the delivery of services to people with complex needs who have a significant dependency on care and support services.
- 5.8 The Council has identified a need for additional high dependency dementia nursing care beds and related services across Birmingham. This includes beds that can be used for both short term step up / step down services from hospital care, as well as long term residential care services for citizens with dementia. It is recognised that 46% of the delays in the transfer of care from hospital provision in 2016/17 can be attributed to insufficient capacity in nursing and complex residential provision. Furthermore it is estimated that 10,800 people are affected by dementia in Birmingham. Around 7.5% of those aged 65 and over are affected, but prevalence increases with age so that in the 85 and over group the prevalence rate is 23.6%. The numbers of people with dementia is predicted to increase as a result of an ageing population, so by 2020 dementia is estimated to affect 11,750 people, a rise of over 900 (or just under 9%).
- 5.9 The preferred approach, outlined in this report, would help to alleviate the pressures on the health and social care system in the City, and therefore support the Sustainability and Transformation Plan.
- 5.10 A soft market testing exercise carried out during the consultation process concluded that there is considerable interest in the running of Norman Power from providers external to the Council, subject to viable financial and operational arrangements.

- 5.11 To ensure that the future use of the Norman Power building is both financially and operationally viable the Council needs to close the current service provision delivered from the centre before it can lease the building to an external provider identified on the open market. The Council would enter into no other contractual arrangements with the external provider other than the granting of a lease. The process of granting the lease will give a preference to an external organisation that supports the third option - namely the delivery of high dependency dementia nursing care. For the arrangement to be viable the lease duration will likely need to be for a period of at least 5 years as identified in the market testing exercise. The period of the lease will need to be negotiated with any future tenant.
- 5.12 As of May 2017 there were only seventeen residents occupying the thirty two Council run residential beds. The remaining 32 Intermediate Care beds at the Norman Power Centre were previously decommissioned by Sandwell and West Birmingham CCG. This currently leaves the building more than half vacant.
- 5.13 As part of this proposal which involves the closure of the existing service, the current residents will need to be transferred from the service. As part of this process their care needs will be sensitively reassessed and every effort will be made to ensure that they are transferred to alternative care provision of their choice either provided by the Council or by an external provider.
The wellbeing of the current residents is of paramount importance to the Council.
- 5.14 The contracts of employment for the Norman Power workforce specify a requirement for individuals to be able to work across any of the four Council care centres. Therefore the current workforce of Norman Power will be redistributed across the remaining three care centres where possible. This includes replacing any previously required agency staff. The remaining impact on the workforce will be managed through the Council's relevant employment policies and procedures.
- 5.15 Outline proposed implementation plan

Service users

July 2017 - commence process of service user reassessment and support planning to identify alternative accommodation

End October 2017 – completion of resident moves into alternative accommodation

Employees

July 2017 – commence process to align staff team to number of residents and activity required

End October 2017 – human resources processes complete

Building

July 2017 – commence marketing of site

November 2017 – building closedown and preparation to make available to lease

December 2017 – building leased

6. Evaluation of alternative option(s):

6.1 The alternative options considered and consulted upon include:

Option 1: No Change - This option does not deliver value for money for council expenditure or achieve the financial savings detailed in the Council Business Plan and Budget 2017+. This option does not take advantage of opportunities to deliver improved outcomes through partnership working or the integration of health and social care or address the gaps in the care market.

Option 2: Stop delivering residential care in Norman Power and change the use of the beds to deliver step-up / step-down recovery beds to be delivered by organisations external to the Council. This option involves the NHS and Council, using pooled resources and a joint commissioning approach through the Better Care Programme and Sustainability Transformation Plan (STP), would commission organisations to deliver step-up / step-down recovery beds as part of the development of a wider community based 'Recovery team' model. Work with partners is ongoing but has not concluded. It is important that Norman Power Centre is utilised to support the health and care needs of the population and to assist in relieving pressure on the health and care system in the city

A further option that has been considered but discounted involves the creation of an organisation external to the Council that would deliver the service e.g. a Joint Venture or Mutual organisation – neither of these are viable on similar grounds to Option 1 as this additional option does not deliver value for money for council expenditure or achieve the financial savings detailed in the Council Business Plan and Budget 2017+; neither does it provide a sufficient move away from the provision of these services.

7. Reasons for Decision(s):

To approve the Full Business Case contained in Appendix 1, ensure the budget savings identified are achieved by decommissioning the existing service delivered from Norman Power and leasing the building to an external organisation.

Signatures	Date
Councillor Paulette Hamilton Cabinet Member for Health and Social Care
Councillor Majid Mahmood Cabinet Member for Value for Money and Efficiency
Graeme Betts Interim Corporate Director for Adult Social Care and Health

List of Background Documents used to compile this Report:
Cabinet Report – July 2016 – Maximising Independence of Adults Internal Care Review Care Centres.

List of Appendices accompanying this Report (if any):
1. Full Business Case 2. Consultation Summary Report 3. Equality Assessment

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