

HEALTH AND ADULT SOCIAL CARE OVERVIEW AND SCRUTINY COMMITTEE

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ANNUAL CARE HOME REPORT

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Summary

At its meeting on 30 September 2014, the Health and Adult Social Care Overview and Scrutiny Committee considered a report on the outsourcing of Linked Service Centres - Nelson Court and Robert Bean Lodge. The report reviewed the progress of the contract currently delivered through the care provider, Agincare.

The Committee report had been requested because it was thought that Members needed to be better informed about the monitoring of adult social care contracts, particularly where they have been outsourced.

During the discussion, Overview & Scrutiny members expressed an interest in an offer of an annual report setting out a view of the quality of care, safeguarding, value for money and the direction of travel of care homes in Medway.

This report provides Overview and Scrutiny Committee Members with

1. An update on contract arrangements with Agincare for Victory Care Home and Rochester Care Home, providing long term residential care for older people
2. An update on contract arrangements with Strobe Park Foundation for Platters Farm Lodge, which provides short term stays (planned carers' breaks (respite) and rehabilitation with input from community therapists)
3. Information about care home closures over the preceding year
4. Highlights of CQC and quality assurance activity over the past year
5. Safeguarding issues
6. Fair Cost of Care and the National Minimum Wage - Value for Money
7. Negotiations with care home providers and the Dynamic Purchasing System
8. Strategic direction
9. Developments for the forthcoming year

1. Budget and Policy Framework

- 1.1. Expenditure on residential and nursing services form part of the Council's overall revenue budget for expenditure on Adult Social Care Services.
- 1.2. The Care Act 2014 came into effect across England on 1 April 2015 introducing a number of reforms intended to make care and support more consistent across the country. It aims to simplify a diverse range of legislation that has developed since 1948; put best practice in social care on a statutory footing; and respond to the challenge of how people plan and pay for the cost of their social care.

2. Policy Drivers

- 2.1. The driving force behind changes to adult social care is personalisation. In 2007 the Government published "Putting People First", a shared vision and commitment to finding new ways to improve social care in England". Putting People First outlined the vision of enabling individuals to live independently and have complete choice and control in their lives.
- 2.2. Personalisation is about putting vulnerable people and carers firmly in the driving seat so that their care and support that is planned with their full involvement and meets their own unique needs.
- 2.3. This is a completely different approach to an historic "one size fits all" system of individuals having to access, and fit into, care and support services that already exist which have been designed and commissioned on their behalf. The role of commissioner changes radically under personalisation. Instead of purchasing services in bulk (such as care homes) from available providers and fitting eligible service users into them, commissioners must shape the social care market to promote the availability of a diverse range of high-quality services from which service users can choose. The Care Act 2014 placed a duty on councils to ensure service users can access a diverse market of providers, and encourages local authorities to produce a market position statement.
- 2.4. Personalisation also requires a change in approach from care providers. As councils devolve purchasing responsibility to service users, providers can no longer rely on block contracts with local authorities. Councils are contracting with service providers in different ways, such as framework agreements under which providers are "accredited" to provide services of a particular quality at an agreed price but are not guaranteed business, because decisions on whether to use them rest with service users. This will make providers more responsive to service users' needs and wants and drive innovation.

3. Background

- 3.1. The Health and Adult Social Care Overview and Scrutiny Committee considered a report on the outsourcing of Linked Service Centres – formally known as Nelson Court and Robert Bean Lodge at its meeting on 30 September 2014. The report reviewed the progress of the contract currently delivered through the care provider, Agincare, delivering Victory Care Home and Rochester Care Home.
- 3.2. The report had been requested so that Committee members were better informed about the monitoring of adult social care contracts, particularly where they have been outsourced. During the discussion, Committee members expressed an interest in an offer of an annual report setting out an overview of the quality of care, safeguarding, value for money and the direction of travel of care homes in Medway. This report provides that, along with an overview of work undertaken, and planned to be undertaken, with the local care home market.
- 3.3. This report is mainly about older people's care homes, which is the area of the market that plays an important part in the wider system of supporting hospital discharge and will play a role in the implementation of the intermediate care strategy. It is also the area of the market that needs developing, particularly around nursing care.
- 3.4. The older people's care home market has seen market exits, particularly for residential care homes, over this year due to the owners' personal circumstances. Nationally 'old fashioned' residential care homes are closing because of a decline in demand, with people's expectations changing and people choosing to remain at home with support to live independently. If people need to be somewhere that has 24 hour care on site people are choosing to live in flexi care schemes, where they are available, with support available to live independently rather than in care homes.

4. Progress

There are 33 residential and nursing care homes in Medway. Many are long established, owned by private local couples or individuals, and have bed numbers that are well below the numbers that are accepted as being the most cost effective and economically viable, ie 50 plus. There are three homes with over 50 beds.

In terms of total supply, there are 1314 beds available (this figures includes respite services at Platters Farm and beds at Darland House (MCH run facility)) and approximately 60 vacancies. Some of the total capacity of the market is only available to Medway Council because Medway Council has block contracts with some care homes. There are 67 beds that are block contracted. The remainder are available to the private market, to Medway Council and to other local authorities.

4.1. Agincare

- 4.1.1. Residential care is delivered by Agincare at Victory Care Home, Luton (specialising in dementia, and part of the Nelson Court Care Centre) and Rochester Care Home (part of the Robert Bean Care Centre, which also includes the Napier Respite and Day Service for people with learning disabilities). The latest CQC report (June 2015) for Victory Care Home rated it as Good. The last CQC report for Rochester Care Home was in November 2014 when the home was found to be fully compliant with the standards in place at the time.
- 4.1.2. Quarterly contract meetings take place between senior officers of Medway Council and Agincare and in addition monthly meetings take place between operational leads in Medway Council and Agincare to resolve the more difficult care home operational issues, with routine operational issues resolved at team manager/care home manager level.

4.2. Strode Park Foundation

- 4.2.1. Strode Farm Park Foundation provides short term residential care for older people while their unpaid carers take a break (respite) and rehabilitation in conjunction with MCH community therapists. The Partnership Commissioning Team had been concerned about sub optimal occupancy, which was 70%. Monthly contract meetings with Strode Park Foundation and weekly occupancy reporting have increased the use of capacity to over 80% consistently. The most recent CQC report was in March 2015 and the home was rated as Good. Strode Park Foundation will be working with commissioners and other providers so that they are part of the new service delivery model for Intermediate Care.

4.3. Care Home Closures

- 4.3.1. Over the year four older peoples care homes have closed, leading to the loss of 42 residential bed places and 27 nursing home bed places. One was closed by the CQC and the others were closed by the home owners. These are the care homes concerned:
- Agape House, 20 residential care places, closed by the CQC. The home has now re-opened as Phoenix Care Home and is under new management
 - Durland House, 13 residential care places, closed by the owner due to family circumstances
 - Northmore Care Home, 9 residential care places, closed by owner because the care home was not financially viable

- Fontenay Nursing Home, 27 nursing places, closed by owner due to family circumstances

4.3.2. Officers are working with the market to stimulate the supply of modern care homes, particularly nursing homes that can deliver care to people with complex health needs. Officers are liaising with the planning department and a local care home provider about the proposed development of a one hundred bed nursing home in Gillingham. Additionally officers are inputting to the refresh of the local plan to ensure that it contains information about required developments in adult social care.

4.4. CQC and Quality Assurance

4.4.1. The CQC closed one care home and has been working closely with Medway Council to ensure we have a co-ordinated response to quality issues. Joint work is taking place to improve standards in care homes where the care homes are at risk of not meeting CQC standards and are therefore at risk of closure which would be to the detriment of the local health and social care system.

4.4.2. As of 17 September 2015, 30 Care Homes in Medway have been inspected under the CQC new inspection regime and given a rating. Ratings given to providers are categorised as Outstanding, Good, Requires Improvement or Inadequate. Of the 30 Care Homes inspected, 10 were learning disability residential care homes, 9 were older people residential care homes, 6 were older people nursing homes, 4 were mental health residential care homes and 1 was a care home for people with physical disabilities. Of these 30 care homes 18 were rated as being Good, 10 require improvements and 2 given an overall rating of inadequate (the two care homes rated inadequate are Copper Beeches and Amicus Care Home – of the five domains inspected both were rated as requiring improvements in 2 domains and inadequate in 3 domains). However, both these care homes were compliant under the old inspection regime. Quality Assurance Officers within the Partnership Commissioning Team have a schedule of work to support providers and share good practice to improve performance and achieve an improved rating by the regulator.

4.5. Safeguarding and Care Homes

4.5.1. In 2014-15 there were 85 safeguarding referrals where the location of abuse was within a care home. This marks a 15.8% reduction in the number reported in 2013-14 (101 referrals). The most prevalent type of abuse reported in 2014-15 in care homes was Physical Abuse with 40.5% of all referrals from care homes. In 2014-15 there has been an increase in the number of cases that involved financial abuse.

4.5.2. In 2014-15, in 66.6% of cases the identified risk was removed. In 15.5% of safeguarding cases the risk was reduced. The majority of the alleged

perpetrators for safeguarding referrals in care homes were social care support staff (69.0%). Thirty eight percent of safeguarding referrals within care homes in 2014-15 were not substantiated, with 52.4% either fully or partially substantiated and the remaining 9.5% were inconclusive/not determined.

4.6. Fair Cost of Care and the National Minimum Wage

4.6.1. The Care Act 2014 requires local authorities to pay a fair cost for care. This means a cost that is fair to the local taxpayer, fair to care businesses and importantly, fair to care workers. Members of the Committee will be aware of the changes to the National Minimum Wage and the ambition to introduce a compulsory National Living Wage in 2020.

4.6.2. Care businesses are facing upward pressures on the cost of delivering care because the largest proportion of their costs is to pay for care workers. In order to understand the price Medway Council needs to pay for care, we need to understand the costs that make up the price charged. All care home providers have been invited to participate in a fair cost exercise and provide a breakdown of their costs. This will help us feed a new price for care into the budget setting process. The Fair Cost of Care exercise will also give us advance warning of providers that may be at risk of failure due to financial viability issues and enable us to prepare contingency plans for residents if the care home should close.

4.7. Market Position Statement and Strategic Direction

4.7.1. Medway Council and CCG are developing a Market Position Statement, which is a market facing document that tells providers and potential providers about business opportunities. The Older People's chapter has been drafted and it tells providers that our strategic direction is to increasingly support older people to live independently. This means there will be opportunities for providers to develop their business in reablement support (to be delivered in people's own homes and potentially in residential settings on a short term basis), and in flexi-care and extracare settings. We do not envisage an overall growth in residential care places but do think that there are opportunities for providers to develop residential care homes that meet modern expectations in terms of the living environment and in terms of the size of homes that are efficient to run and are economically viable.

4.7.2. There will be business opportunities for modern nursing homes, particularly those that can meet the needs of older people with moderate or severe dementia and behaviour that challenges services, where there is a significant gap in the market currently. There is also a lack of capacity in the local nursing home market to manage people with medium or high level nursing care needs or complex health conditions. Work is currently underway between Medway Council, Medway CCG and the hospital with regional managers and Directors of Operations of Medway nursing homes to raise their ambitions about the level of nursing needs they can meet, and to find out what additional

support may be needed to enable them to confidently and competently meet those nursing needs.

4.8. Negotiations with care home providers and DPS

4.8.1. As is common elsewhere the price of a care home placements for people of working age tends to be significantly higher per week than care home placements for older people. Medway Council will shortly be undertaking a tender process for residential care homes and nursing homes for people of working age to be able to join a Dynamic Purchasing System with which individual placements can be made. The DPS will give service users a choice of care homes. Using the DPS will ensure that commissioners better manage cost. A DPS has already been introduced for support with independent living for people of working age.

4.9. Standard Care Home Contract

4.9.1. Partnership Commissioning is responsible for care home contracts and is in the process of implementing a standard service specification for care homes and a standard set of terms and conditions. All care homes will be issued with an up to date contract which will allow Medway Council to purchase individual placements from them. Naturally, care home providers will be consulted on the service specification and the terms and conditions of the contract.

4.10 Advice and Analysis

4.10.1. The care home market is worth nearly £40m. Overview and Scrutiny Committee is advised to note the strategic direction to support vulnerable adults to live as independently as they can, reserving institutional care as an option for those who cannot safely live in a home of their own. This means that residential care and nursing care of the future will become a proportionately smaller section of the social care market with reablement, home care, flexi/extra care schemes making up a proportionately higher proportion. The residential care and nursing care will meet the needs of less people, but the people that do use it will have complex physical and mental health needs, with end of life care and moderate/severe dementia with behaviour that challenges making up the majority of the placements.

4.10.2. The contractual arrangements with independent sector providers with whom we make individual placements will be strengthened. We will be varying block contracts where it is advantageous to do so in order to secure better value for money and to ensure that the intermediate care strategy is implemented. Care homes will work as part of an integrated health and social care system, and they will play their part in supporting people to return home from hospital.

4.10.3. Quality assurance arrangements will also be strengthened and targeted support provided for care providers of strategic importance in the market at

risk of failure due to quality failure and/or not meeting CQC standards. Our aim is for Medway Council to only contract with care homes that are rated Outstanding or Good.

5. Risk management

- 5.1. The current work to identify providers at risk of failure, and to establish firm contractual arrangements will reduce the risk of care home closures and will reduce the risk of people having to move at short notice. The Market Position Statement and engagement with providers will reduce the risk of insufficient capacity in the market. The work on the cost of care and the minimum wage will reduce the risk of providers exiting the market because they cannot afford the increase in costs, and it will reduce the risk of an insufficient supply of people willing to be employed as a care worker due to low pay coupled with zero hours contracts.

6. Consultation

- 6.1. During reviews of individual placements, all service users and their families will be involved and consulted. Care providers are all being consulted individually as part of the Fair Cost of Care exercise. All providers will be consulted about any contractual changes.

7. Financial implications

- 7.1. Medway Council spends £19,299,924 on residential and nursing care for people of working age. This includes people with learning disabilities, people with physical disabilities and people with mental health issues. Additionally, Medway Council spends £19,883,233 on residential and nursing care for physically frail older people and older people with mental health problems, including dementia. The majority of this expenditure was in Medway rather than on out of area placements. For older people, the reasons for an out of area placement are often to do with the older person being placed in a care home close to their family. The biggest category of out of area spend is for working age people, usually where there is a need for a placement in a specialist provision that does not exist in Medway. The breakdown, of the total expenditure in residencies and placing home placements is as follows:

Type of Care Home	Block Contract	Spot Purchase	Gross
OP Residential	4,635,438	6,047,175	10,682,613
OP Nursing	315,047	5,288,679	5,603,726
MH OP Residential	4,241	629,728	633,969
MH OP Nursing		126,989	126,989
MH Adult Residential		1,604,721	1,604,721
PD Residential Working Age		2,708,530	2,708,530
PD Residential 65+	86,776	743,739	830,515

PD Nursing Care Working Age		752,965	752,965
PD Nursing Care 65+		256,042	256,042
LD Residential Care Working Age		13,981,892	13,981,892
LD 65+		1,489,625	1,489,625
LD Nursing Care Working Age		251,816	251,816
LD Nursing Care 65+		259,754	259,754
Total	5,041,502	34,141,655	39,183,157

8. Legal implications

- 8.1. Adult social care falls within the statutory remit of the 152 Councils with Adult Social Services Responsibilities, and is an arrangement that dates back to the National Assistance Act 1948. The Care Act became law on 1 April 2015 and is the most significant major legislation for adult social care in modern times. The Care Act consolidated existing community care law, made some elements of existing good practice law, and added some additional duties.
- 8.2. The Care Act 2014 contains a number of sections relevant to placing vulnerable adults in to care homes as below:
- Section 9 created a single legal basis that requires a local authority to carry out an assessment, which is referred to as a 'needs assessment,' where it appears that an adult may have needs for care and support. It replaced the equivalent legal duty under section 47 of the NHS and Community Care Act 1990. The threshold for assessment was retained, so access to this right was not affected.
 - Section 13 required local authorities to determine whether a person has eligible needs after they have carried out a needs assessment or a carer's assessment. It provides for regulations which will set out the eligibility criteria, including the minimum level of eligibility at which local authorities must meet a person's care and support needs. The description of eligible needs within regulations created a national minimum threshold, which replaced existing local thresholds and statutory guidance.
 - Section 14 gave local authorities a general power to charge for certain types of care and support services, at their discretion. The power for local authorities to charge for care and support replaced previous provisions, and provides further flexibility on discretion to charge. Prior to the Care Act, local authorities were required to charge for residential care services if the person had the means to be able to make a contribution.
 - Section 30 provided a framework and powers to set regulations regarding the choice of accommodation. Regulations set out factors to be considered when it has been determined that an individual's needs would be best met through the provision of care and support in a care home and the adult expresses a preference for a particular care home.
 - The right to a choice of accommodation, and ability to make additional payments (ie for the family of the service user or the service user themselves can pay a

“top up”) replicates previous requirements. New regulations may extend the ability to make additional payments, subject to consultation on funding reform.

9. Recommendations

9.1. That the report be noted.

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Appendices

None

Background papers

None