

**Cabinet – 11 September 2013**

**Housing21 Services**

**Portfolio:** Councillor McCracken, Social care

**Related portfolios:** None

**Service:** Social Care and Inclusion

**Wards:** All

**Key decision:** No

**Forward plan:** No

**1. Summary**

- 1.1 The Council has a contract with Housing21 that is predominantly for the provision of 5 extra care schemes and one dementia care residential home. This contract also includes the provision of day centre services and a small number of respite care units in each of the extra care schemes. Occupancy levels in the respite care units are lower than they were anticipated to be when the contract was put in place, and recent changes in social care delivery have meant that attendance at the day centres in the extra care schemes is also low. It is therefore proposed that the Council conducts a consultation on decommissioning the day centres that operate in the extra care schemes from the contract and reducing the number of respite care units.
- 1.2 At the same there is a need for higher staffing levels at night-time in the dementia care residential home. It is proposed that if the outcome of the consultation is to proceed with proposed changes, then some of the savings from the changes in day services and respite care should be used to fund additional night-time staffing levels in the residential care home.

**2. Recommendations**

- 2.1 Cabinet note that a consultation will be conducted with residents of the extra care schemes and their families, day service users, and Housing21 staff regarding:
- de-commissioning the part of the Council's contract with Housing21 in relation to the provision of day centres within the extra care schemes provided under that contract; and
  - reducing the number of respite care units provided under the Council's contract with Housing21.
- 2.2 Cabinet note that a further report is brought back to cabinet on the outcome of the consultation referred to in recommendation 2.1 above.

### 3. Report detail

#### Redevelopment by Housing21

3.1 During 2008/09 a contract was agreed with Housing21 to redevelop the Council's stock of residential homes and day care centres for older people in to five extra care schemes, an intermediate care centre and a specialised dementia care residential home as set out in the table below.

3.2



#### Site Programme and Services

Start on Site	Finish on Site	Site Location	Units	Rented	Shared Owner	Day places (days/wk)
<b>Extra Care</b>						
April 08✓	Aug 09	Mossley, Bloxwich	59	45	14	20(5)
Nov 08	Feb 10	Brownhills WHG	60	45	15	25(5)
Sep 09	Dec 10	Delves, Palfrey	53	40	13	20(5)
Sep 09	Dec 10	Short Heath	60	45	15	20(7)
Jun 08✓	Sep 09	Northgate	53	40	13	20(7)
<b>Sub total</b>			<b>285</b>	215	70	105
<b>Non Extra Care</b>						
Oct 08	Oct 09	Goscote	40			20(7)
Aug 08	Nov 08	Rushall Mews	26			
<b>TOTAL</b>			<b>351</b>			<b>125</b>



3.3 The intermediate care residential unit at Rushall Mews has since transferred to Hollybank House.

#### Day Care

3.4 Provision of day care services was included within the specification for the extra care schemes and accommodation for day care was included in the design of the buildings, together with a small number of staff in each of the schemes to run a day care service.

3.5 Funding of the day services was based on a block funding arrangement as part of the contract on the assumption that older people would be transported to the day centres by the Council and a traditional set of activities would be provided around the mid part of the day together with a lunch. A financial model was agreed that set out defined services, costs and management overheads for Housing21 which was included within their unitary charge.

3.6 The day care services were originally well used with a capacity of 105 places per day within the extra care court environments. Since 2008/09 there have been changes in social care services that mean that this block funding arrangement no longer meets the Council's requirements.

- 3.7 Personalisation has meant that those people whose level of need means they are eligible to be supported by social care receive a personal budget and are encouraged to decide for themselves how they would like to receive support.
- 3.8 With the development of personal budgets and the introduction of benefits based charging there has been a significant drop in occupancy levels at all but one of the day centres (Alrewych Court). A large number of people who were using day care one or two days a week were not willing to pay the benefits based charge of over £90 per week and no longer use the service. Day centres have therefore closed on some days and/or staff have been redeployed elsewhere.
- 3.9 Deighton Court's Day Care has closed completely whilst Mattesley Court has just 10 attendees on its books. Knave's Court is down to 6 whilst Winehala Court has 25 attendees spread across a 7 day service, an average of 4 per day. Alrewych Court has an average attendance of 11 per day.
- 3.10 The Council is in the process of clarifying its approach to provision of transport whereby individuals will be expected to make their own transport arrangements and pay for them either from their own personal income if they are not eligible for a personal budget, or from their personal budget. Cabinet approval for these changes is being sought in a separate report.
- 3.11 The evidence of the impact of these changes is that significantly fewer people are choosing to attend the day services in the Housing21 schemes. The decrease in usage has been over a long period of time, and those people who are eligible to receive support from social care can use their personal budgets to attend alternative day services or do other things during the day.
- 3.12 The Council is in an ongoing and positive working relationship with Housing21 about these changes and has explored the possibility of a mutual agreement to terminate this part of the overall block contract. This would mean that if Housing21 decides to continue with day services then they would move over to a commercial model whereby the funding is dependent upon the income received from charging.

### **Respite Care**

- 3.13 The block contract with Housing21 also includes two respite care units in each scheme. These are aimed at maintaining independence and thus avoiding a care home placement. Each scheme has had two respite flats with a usage over the first two years of between 42% and 47%. The Council is responsible for the rent element, service charge and utilities for each of the flats with a current cost of £101,447 per annum as well as a Council Tax charge equating to £10,430 per annum making a total of £111,877 per annum.
- 3.14 The occupancy levels of these has been lower than anticipated and alternative respite care can be provided elsewhere in the market so we are also seeking to agree with Housing21 a change in this part of the contract specification to reduce the number of respite care units. Two main options have emerged:

1. Convert all of the respite flats to tenancies therefore gaining more extra care capacity and transferring the cost to the individual, (Housing Benefits);
  2. Convert half of the flats to tenancy gaining more extra care capacity and transferring half the cost to the individual.
- 3.15 The first option achieves the higher level of savings. It does however have implications in that the only remaining respite available would be that within the independent sector care home market. There are access issues as care homes will only use a bed for respite at short notice therefore preventing carers booking respite in advance.
- 3.16 The second option of maintaining half the current number of flats generates a saving of £56,000 whilst ensuring some capacity and flexibility of supply will more closely match the current usage. The respite flats serve several purposes such as accommodating individuals on discharge from hospital who cannot safely return home. Their use gives time to address the tenancy agreement and welfare benefit checks, as well as avoiding a delayed discharge. Respite flats have also facilitated individuals well being whilst waiting for Court of Protection or best interest decisions leading to a tenancy within the Court. Another function has been that of providing accessible accommodation whilst having significant home modifications due to disability.
- 3.17 Option 2 is therefore recommended.

#### **Water Mill Staffing Levels**

- 3.18 Water Mill is a specialist dementia residential care home and part of the overall contract with Housing21. The current level of contracted staffing hours is 800 per week with a contingency of up to a further 200 hours. Work between the Joint Commissioning Unit and Housing21 has established that each unit within the home requires a higher than contracted minimum level of night staffing, resulting in an overall staffing level of 1,065 hours per week, an increase of 265 hours. The additional cost of these hours at £161,000 per annum would have to be met from some of the proposed savings from decommissioning day services and reducing respite care.

#### **4. Council priorities**

- 4.1 The accommodation that has been built into the extra care schemes for day services would become available for alternative community use and this may support greater cohesion in the vicinity of the schemes. Low attendance at the day centres and low occupancy of the respite care units does not provide good value for money and so these elements of the service should respectively be ended and reduced on the basis that this will improve value for money from this contract in line with achieving efficiency savings.

## 5. Risk management

- 5.1 The Council will need to mutually agree these changes with Housing21 with whom there is an ongoing positive working relationship, the parties having already explored the possibility of a mutual agreement to change these parts of the overall block contract.
- 5.2 Agreeing these changes with Housing21 and going ahead with implementation without a period of consultation creates a risk of a legal challenge either from staff affected by the changes or from service users, or both. Should these changes not be implemented then the efficiency savings will not be realised. In addition, if the variation to the Housing21 contract is deemed to be a material variation, then there is a risk of challenge that the Council has not procured the varied contract in the correct way. Legal services are advising as to whether the proposed variation is likely to be deemed material.

## 6. Financial implications

- 6.1 The total cost of the day service part of the block contract cannot easily be separately identified but is in the region of £600,000 per annum. Savings to the Council would be offset by the cost of retaining the Housing21 management overheads within the contract and the consequences of possible redundancies. There would be a one-off legal/accountancy fee of around £15,000 to recalculate the financial implications within the contract i.e. retaining the Housing21 management overheads.
- 6.2 The contract specifies that the Council would be responsible for redundancy payments to any staff affected by these changes. Redundancy costs would need to be met from Council revenue funding.
- 6.3 Savings may be off-set by the need for additional investment in hours at the Water Mill Residential Care Home amounting to £161,000 per annum.
- 6.4 Total net savings in year one would therefore be £480,000 (excluding redundancy costs) and total annual savings thereafter would amount to £495,000 as shown below:

	Year one		Subsequent years
	£		£
Day care cessation	600,000	Day care cessation	600,000
Respite reduction (option 2)	56,000	Respite reduction	56,000
Contract recalculation	-15,000	Water Mill night staffing	-161,000
Water Mill night staffing	-161,000		
<b>NET TOTAL SAVING</b>	<b>£480,000</b>	<b>NET TOTAL SAVING</b>	<b>£495,000</b>

- 6.5. These savings will contribute to the Council's projected revenue deficit.

## **7. Legal implications**

If the variation to the Housing21 contract is deemed to be a material variation, then there is a risk of challenge that the Council has not procured the varied contract in the correct way. Legal services are advising as to whether the proposed variation is likely to be deemed material.

## **8. Property implications**

There are no property implications within this five year review period.

## **9. Health and wellbeing implications**

The development of the extra care schemes has been successful in providing older people with an alternative to having to go in to a care home and thus maintaining a higher level of independence in line with the Health and Well Being Strategy.

## **10. Staffing implications**

There are 30 staff currently working within the Housing21 day services. Should Housing21 choose not to develop day opportunities independently of the contract then they will seek to provide an opportunity for redeployment to other areas of service but this may be limited. There may therefore be a high proportion of staff eligible to receive redundancy payments.

## **11. Equality implications**

An Equality Impact Assessment will be conducted as part of the consultation process. Some service users will no longer be supported to attend the day centres as part of the block contract with Housing21, but this is a matter of eligibility for service and not of equality.

## **12. Consultation**

- 12.1 A communication and consultation plan has been developed to ensure clear and consistent messages are delivered for all stakeholders in a timely manner enabling them to understand the proposals and share their views. This will include all those service users who are currently attending day services at the Housing21 extra care schemes or using the respite care units, and Housing21 staff affected by the changes.
- 12.2 Stakeholders will be able to share their views on the policy proposals through a variety of mediums, including by phone, letter, email, the Council's website and face to face consultation meetings for example with those people and their carers directly affected by the proposals. A report will be produced sharing the outcome of the consultation and will be shared with all stakeholders.

## Background papers

None.

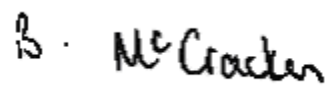
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30 August 2013



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30 August 2013