

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO SUBJECT OVERVIEW & SCRUTINY COMMITTEE 2

08 JANUARY 2018

REPORT OF THE CORPORATE DIRECTOR – SOCIAL SERVICES AND WELLBEING

REMODELLING OLDER PERSONS ACCOMMODATION

1.0 Purpose of Report

1.1 The purpose of this report is to request pre-decision scrutiny from Overview and Scrutiny Committee 2 in respect of a recommendation to tender as a going concern one of BCBC's internal residential care homes, which is currently in-scope for the Extra Care Housing (ECH) scheme plans.

2.0 Connection to Corporate Improvement Objectives/Other Corporate Priorities

2.1 The report links to the following priorities in the Corporate Plan 2016-20:

- Helping people to become more self-reliant;
- Smarter use of resources.

3.0 Background

Extra Care

3.1 The Adult Social Care Commissioning Plan identifies as a priority the transformation of residential care by developing new models of service which are more sustainable and enable people to remain living as independently as possible within their community, in schemes such as ECH. These new models of service offer greater choice to citizens to remain in a more affordable provision within their local community.

3.2 Although the existing in-house residential services offer quality provision, people in Bridgend want alternatives to traditional residential care, and the Council has seen a shift in placement patterns from generic residential and nursing care, to more complex and specialist care. In addition, more sustainable care models need to be developed to be able to respond to the projected increases in user demand for care services, and enable the Council to meet its financial requirements.

3.3 It is recognised that the funding model for ECH is more cost effective than traditional residential care, with the average net cost per person per week in ECH being in the region of £107, compared to over £500 per person per week for residential care for a full charge payer. Based on this cost differential, the Medium Term Financial Strategy (MTFS) includes £660,000 of recurrent budget savings which will result from the provision of the two ECH Schemes.

3.4 In November 2014, Cabinet approved the option for the Council to seek Registered Social Landlords (RSL) to develop two new ECH schemes in the County Borough, which once developed, will replace 3 of the existing Council-run care homes.

- 3.5 There were a number of meetings and discussions on the individual sites and Counsel's opinion was sought on the way forward. As a result, the Council decided to engage with all RSLs zoned to work in Bridgend. Three RSLs expressed an interest in working with BCBC on this project, and they were sent a briefing note and selection criteria that clearly set out the Council's intention to dispose of two parcels of land for the potential development of ECH schemes. Scheme 1 – Former Maesteg Lower Comprehensive site; and Scheme 2 – Former Archbishop McGrath site at Ynysawdre.
- 3.6 The submissions were evaluated based on value for money (quality, cost and time) determined by the Project plan; the costs of leasing the residential units; and the level, nature and timing of any subsidy required; together with the need to meet the essential criteria set out in the brief. Following the evaluation, Linc Cymru were deemed to be the preferred RSL partner by the evaluation panel.
- 3.7 In January 2016, Cabinet approved the disposal of the sites to Linc Cymru at the market value, and officers were also given delegated authority to enter into formal agreements with Linc Cymru and to grant the subsidy to Linc Cymru at a level that delivers value for money in accordance with the proposed financial model. Specific details in respect of financial values and the service models being developed are contained and are available within the report to Cabinet in January 2016.

Land and development update

- 3.8 Work has commenced at each site, and the project timetable provided by Linc Cymru (11/10/17) is as follows, and a Project Board and a number of workstreams have been established in order to monitor and oversee progress against this plan:

	Maesteg	Ynysawdre
Tender Issue	14/10/16	01/11/16
Tender Return	08/12/16	23/12/16
Linc Board Approval	26/01/17	26/01/17
Contract Mobilisation	06/03/17	06/03/17
Commencement on-site	19/06/17	22/05/17
Fit out period	15/10/18	10/09/18
Completion	29/10/18	24/09/18

Service modelling and transition planning update

- 3.9 A service modelling and transition planning workstream has been established involving colleagues from the Council, Linc Cymru and ABMU Health Board. The objectives of the workstream are to agree a service model for both the Extra Care and residential units and identify the staffing structure required and the associated skill mix to deliver the agreed service model. Service users within the existing residential homes are being regularly assessed to determine the best possible placement for them in the future. Options for housing related support are being looked at to support the transition from residential care to Extra Care prior to and

after transition. The management and staffing structure is being finalised, following which formal consultation with staff will begin. A comprehensive training programme for staff is also being developed, which is nearing completion.

Communication and engagement update

3.10 Engagement with key stakeholders is a fundamental part of the project and to facilitate this, a communication workstream has been established, and a Communication Strategy developed. Communication via direct correspondence and engagement meetings at the residential establishments with existing residents, their families and carers, and staff, has been ongoing since the beginning of the Project. Frequently Asked Questions documents have been developed as a result of the questions asked at the engagement meetings and is regularly updated and provided to service users, their families and carers and staff, and an 'Extra Care' newsletter continues to be regularly distributed. The contractors also communicate on a regular basis with the local community, who have been invited to take part in a naming competition for the Extra Care schemes and the streets running through the sites.

Ty Cwm Ogwr care home proposal

3.11 In August 2016, an opportunity presented itself in respect of the plans for the BCBC in-house residential care homes in the longer term; which is for an independent provider to purchase as a going concern one of the 3 Council care homes which is in-scope for the ECH schemes, and remodel the home over time based on BCBC's requirements. Based on this proposal, a briefing note was presented to Corporate Management Board (CMB), who following consideration, gave approval to scope-out this proposal further.

3.12 A multi-department Project Team was convened (involving colleagues from Adult Social Care, Procurement, Legal Services, Human Resources, Finance and Property Services) to consider the potential viability of this proposal, where during officer discussions it has been suggested it would be possible to undertake a procurement exercise alongside a land and building long-lease, should the service area wish to tender the care home as a going concern.

3.13 An appraisal of the three existing BCBC homes in-scope for the ECH schemes was undertaken, in order to identify which home would be most suitable for these potential plans; where it was identified that Ty Cwm Ogwr in the Ogmores Valley would be the most appropriate, for the following reasons:

- Under current plans, there will be an alternative ECH scheme containing residential beds being built within a close proximity of Hyfrydol and Glan-yr-Afon care homes but no new provision in the Ogmores Valley offering a direct alternative. The table below charts the distance between the three existing BCBC homes, and the new ECH schemes being developed:

	Glan-yr-Afon	Hyfrydol	Ty Cwm Ogwr
ECH 1 - Ynysawdre	< 0.5 mile	6 miles	5 miles
ECH 2 - Maesteg	6 miles	< 0.5 mile	10 miles

- Following analysis of the site plans and the condition surveys undertaken at each of the three homes, Ty Cwm Ogwr was identified as the most suitable for converting into a Nursing EMI model over time – which would encourage potential bidders.

3.14 In July 2017, a report was presented to Cabinet advising them of the potential option to tender Ty Cwm Ogwr care home as a going concern. Cabinet noted the report and gave authority for targeted engagement and consultation to be undertaken with individuals, families and staff affected by the proposal. Cabinet also noted that feedback from OVSC would be sought in respect of the proposed plans; and noted that Cabinet would receive a further report outlining the results of the consultation and feedback from OVSC, and if appropriate asking for authority to go out to tender.

4.0 Current situation / proposal

Engagement and consultation

4.1 Targeted engagement and consultation has since been undertaken with those individuals, families and staff at Ty Cwm Ogwr affected by the proposal, in order to help inform the main benefits and drawbacks of undertaking this approach, and for alternative options to be considered which took place in the form of:

- A full-day 'drop-in' event undertaken at Ty Cwm Ogwr, where staff, families/carers and residents themselves could meet with officers from Adult Social Care, Human Resources and Trade Unions to discuss the proposal;
- Contact details being provided within letters sent to all staff, residents and families – offering individuals an opportunity to provide feedback either over the phone or in writing (if preferred) – and the offer of 1:1 meetings; and
- A survey being sent out to all staff and families/carers of residents – requesting for feedback in respect of the proposal.

4.2 The key findings from this targeted engagement and consultation is shown below:

4.2.1 Survey responses

- 21 survey responses were received in total
- 14 of these were from staff – which represents 30% of all staff at Ty Cwm Ogwr
- 7 of these were from families – which represents 33% of the 21 placements made at Ty Cwm Ogwr during the time of the consultation and engagement

4.2.2 Survey Question – Are you supportive of the proposal (yes/no)

- 90% (19 people) of total respondents responded 'yes'
- 5% (one person) of total respondents responded 'no'
- 5% (one person) of total respondents responded 'not sure'
- 13 staff members were supportive of the proposal, with one saying 'not sure'
- 6 family members/carers were supportive of the proposal, with one saying 'no'

4.2.3 When asked to explain the response...

- Of those who responded 'yes' – the main reasons provided were: security for residents/families/staff, no upheaval, and provision remains in the Ogmore Valley
- The family member who responded 'no' – the reason given was that they felt that "private homes were not controlled"
- The staff member who responded 'not sure' – the reason given was that they were concerned for staff following transfer to an independent provider

4.2.4 *Survey Question – What are the main benefits of the proposal?*

- The reasons provided mirrored their explanation for stating why they were supportive of the proposal. i.e. Home remains in the valley, residents don't have to move, families have peace of mind, continuity of care, no long journeys for families

4.2.5 *Survey Question – What are the main drawbacks of the proposal?*

- There were some concerns raised around: the home requiring investment, concerns about terms and conditions for staff and the TUPE process, unknowns in respect of the potential bidders, plans that the home could be Nursing EMI only in the future

4.2.6 *Survey Question – Any alternative options that we should consider?*

- A relatively small number of alternative suggestions/variations were provided, which were: retain some residential care beds (not just Nursing EMI), and give staff the choice to transfer to the new ECH schemes, if they would prefer

4.3 Following analysis of the feedback received from the targeted engagement and consultation with those individuals, families and staff affected by the proposal, officers have:

- Gone back to staff, residents and families/carers – providing a summary of the key findings and recurring themes identified;
- Directly contacted individuals who raised concerns about the proposal, in order to address and alleviate their concerns; and
- Linked-in with colleagues in Human Resources regarding staff implications, which has been included in the response provided to staff.

Procurement approach

4.4 Under The Public Contracts Regulations 2015, and in-line with BCBC's Contract Procedure Rules, the Council is required to undertake an open and transparent process in order to select a provider to transfer Ty Cwm Ogwr to as a going concern, which will be undertaken in the form of a procurement exercise.

4.5 The proposed approach would involve a procurement exercise being undertaken using Most Economically Advantageous Tender (MEAT). Criteria will be established and appropriate weighting will be applied to quality/price:

- Lease on a long-term basis the land and building (which will be subject to District Valuation), and tender the service as a going concern. i.e. With the current residents to continue receiving a residential service;

- The service must continue to be delivered in accordance with the existing contract (pre placement agreement) which is in place with all independent BCBC care home providers;
- As the successful bidder will be awarded a pre-placement agreement, they will be subject to the terms of the contract, which includes contract monitoring requirements in-line with the Regional Quality Framework, that all care homes are subject to – both internal care homes and commissioned care homes;
- As per the terms of the contract, payments made to the purchaser/provider will be made in-line with the sector-wide 'standard price schedule' i.e. Rates for individual placements are fixed at the below rates:

Category	2017/18 Rate
General Residential	£542
Residential EMI	£578
General Nursing (including health contribution of £149.67)	£691.67
Nursing EMI (including health contribution of £149.67)	£727.67

- An over-arching contract will be developed, covering the long-lease and longer-term modelling plans;
- There will be a strong emphasis on quality, and there will be an expectation and requirement that the successful bidder will be an experienced care provider;
- Working alongside colleagues in Procurement, consideration will be given as to how families of residents and staff members can be a part of the tender process – which will help inform the decision made in respect of the successful bidder.

4.6 An indicative procurement timetable is shown below:

Task	Date
Engagement with affected staff/families/residents	Sep-17 – completed
Draft Tender Pack	Dec 17 – Feb 18
Report to OVSC – pre decision scrutiny	8 th January 2018
Report to Cabinet – approval to go to tender	27 th February 2018
Publish notice on Sell2Wales	March 2018
Close Tender	May 2018
Evaluate Tender	May 2018
Presentation/Interviews	June 2018
Approval to award (DP) and Award Notice	July 2018
Mobilisation/formal staff consultation	August 18 – Sept 18

4.7 Approximately 40 staff are employed by BCBC working in Ty Cwm Ogwr, including a mixture of care and ancillary staff, and, following consultation, it is anticipated that all staff employed at Ty Cwm Ogwr prior to transfer will TUPE across to the new provider at contract commencement, dependent on how the successful provider proposes to deliver the service in moving forward.

Benefits and risks

4.8 If given approval to tender Ty Cwm Ogwr care home as a going concern, a number of benefits could be achieved, including:

- No move necessary for those residents in Ty Cwm Ogwr – which was direct feedback received during the engagement and consultation;
- More appropriate longer-term use of a provision which currently has vacancy levels of over 30%. i.e. 9 vacancies within a 28-bed home;
- There is scope to convert the home into a Nursing EMI provision over time, which is a high priority area for BCBC (in line with Western Bay Care Home Commissioning Plan) and a category where there is limited capacity and often very few vacancies;
- This would result in a smoother ECH transition plan. i.e. 2 homes (totaling 62 beds) into 2 ECH schemes with a 70-bed capacity, as opposed to 3 homes (totaling 90 beds) transferring into a 70-bed capacity – as per current plans;
- As highlighted in paragraph 4.7, following consultation, it is anticipated that all staff employed at Ty Cwm Ogwr prior to transfer will TUPE across to the new provider at contract commencement – thus eliminating any redundancy implications and costs for those staff at Ty Cwm Ogwr;
- Care home provision remains in the Ogmore Valley – which is recognised as being a key hub within the community.

4.9 However, there are some risks with this proposal, which include:

- The option to retain one of the homes as a going concern was not considered as part of the consultation on the ECH scheme;
- Requires an open tender exercise, which has inherent risks and no guarantees;
- An untried procurement approach being undertaken. i.e. Tendering the service alongside a land and building long lease.

4.10 In recognition of the risks identified above, further engagement and targeted consultation was undertaken with those affected as reported in paragraph 4.1. The proposed procurement route was considered and advice received that it is a lawful approach, and that BCBC had identified proper reasons for selecting Ty Cwm Ogwr.

Recommendation

4.11 In light of the positive response to the proposal received from those directly affected during the targeted engagement and consultation, and the associated benefits identified above, officers plan to make a recommendation to Cabinet in February 2018 that Ty Cwm Ogwr care home is tendered as a going concern.

5.0 Effects on the Policy Framework and Procedure Rules

5.1 There is no impact on the Policy Framework and Procedure Rules.

6.0 Equalities Impact Assessment

6.1 An Equality Impact Assessment screening has been undertaken, which identified a low EIA priority, due to the fact there is a negligible impact on staff and residents immediately as a tender exercise is being undertaken, whereby all existing staff and residents will transfer to the new provider under current terms and conditions.

6.2 There is an expectation that the home will remodel over time in order to meet the needs and requirements of the care sector in moving forward (i.e. More complex needs), and the impact of any future changes will need to be assessed in the future – namely after 3 years, when a full EIA will be undertaken.

7.0 Financial Implications

7.1 BCBC's gross budgeted cost for Ty Cwm Ogwr care home is £1 million in 2017/18; £890,000 of which relates to staff costs – which will be the potential TUPE cost on the assumption that following consultation all staff transfer to the new provider.

7.2 By way of comparison with the independent sector – based on the 2017/18 price schedule of rates – the comparative cost if the service was provided by the independent sector totals £805,000; this represents a potential shortfall of circa £85,000 in year 1 for the successful provider, excluding running costs – but a corresponding cost reduction for BCBC. Consideration will therefore be given in respect of transition arrangements, and whether an element of support is required in the short-term.

7.3 The average length of stay within existing BCBC homes is 2.5 years – which is the going concern element (and contract value) of the tender exercise – which totals circa £2 million. i.e. £805,000 multiplied by 2.5yrs.

7.4 A valuation of the land and building is being undertaken, coordinated by colleagues in Property Services, which will generate a capital receipt for the Council.

7.5 It is currently projected that the proposed plan for Ty Cwm Ogwr will not adversely impact on the transition arrangements for individuals, and will therefore not affect the MTFs savings requirements linked to extra care remodelling. However, financial forecasts and savings projections are on-going, and the full financial impact will not be known until the point of transfer, as the needs of individuals continually change. The costs of placements made within Ty Cwm Ogwr will continue to be met from core community budgets.

7.6 There will be no financial implication for BCBC in phasing in new models of care (such as Nursing EMI models) over time, as the additional cost of Nursing/Nursing EMI placements are met by health through Funded Nursing Care (FNC) payments.

8.0 Recommendations

8.1 Overview and Scrutiny Committee 2 is recommended to:

- Note the information contained in this report;
- Provide feedback in respect of the recommendation to tender Ty Cwm Ogwr as a going concern – as set out in Section 4; and
- Note that Cabinet will receive a report in February 2018, outlining the results of the consultation and feedback from OVSC, and seeking approval to go out to tender.

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December 2017

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10. Background documents:
None