

DUDLEY METROPOLITAN BOROUGH COUNCIL

GOOD HEALTH SELECT COMMITTEE 22ND MARCH 2005.

REPORT OF THE DIRECTOR OF SOCIAL SERVICES

RESETTLEMENT OF RIDGE HILL HOSPITAL

1.0 PURPOSE OF REPORT

- 1.1 To update Good Health Select Committee on progress with the resettlement of Ridge Hill Hospital.

2.0 BACKGROUND

- 2.1 The Project objective is to resettle the current residents of the Ridge Hill hospital into long-term placements in the community. The residents have severe learning disabilities.

- 2.2 The resettlement of the residents and the closure of the long-stay beds at Ridge Hill hospital have to be completed by December 2005 in line with the national closure programme initiated by the White Paper 'Valuing People'. A separate project under LIFT is in place to re-provide purpose-built accommodation to deliver improved Specialist Health Services for people with a learning disability, which will continue on the site after the resettlement of the residents.

2.3 Resident Groupings

- 2.3.1 Plans are well-developed to find accommodation for 42 people in total, 35 of these are residents at Ridge Hill hospital and the other 7 are in out of borough placements, three of whom are in other hospitals which have to be closed under the national resettlement programme.

- 2.3.2 Following extensive consultation with residents and relatives and comprehensive assessments of need, the Health and Social Services project team has now agreed the groupings in which residents from the hospital will be resettled. These groups range from single placements to groups of 4 or 5 people who will share accommodation.

- 2.3.3 The groupings and proposed placements have been shared with residents and their relatives since Christmas. The proposals have been further adjusted to take account of the views expressed by relatives.

- 2.3.4 It should be recognised that the detailed planning for these placements and the accommodation that may be available may result in some further changes to the groupings.

2.3.5 Planning for the move of each individual client is underway, which will involve clients, staff, relatives/carers, the housing associations and the care provider selected. The tasks include client preparation, accommodation requirements and costs, furnishings and fittings required and source of funds, benefits assessment to cover the tenants' rents, building and decoration requirements and costs, client familiarisation with new areas/homes, transport and staff support requirements.

2.4 Premises

2.4.1 The proposals for securing premises have involved discussions with Housing Associations, the DMBC Housing Directorate, the Council's planning team in DUE, and individual care placement providers where appropriate

2.4.2 Sites have been identified for all but two groups of clients. The sites include a mix of new build and existing premises. Most if not all of the accommodation for the residents will be set up as supported living rather than residential care.

2.4.3 Detailed discussions are under way with Housing Associations on design, planning and construction of buildings on these sites and on legal and financial agreements between the relative parties.

2.4.4 Approval was given by Cabinet in November and by the Strategic Health Authority to receive £275,000 from the Department of Health's Learning Disability Development Fund to purchase a house for one of the groups. The Social Services Directorate and DMBC Law and Property division are working together to progress this transaction.

2.4.5 A site has still not been identified for one group of residents with profound and multiple disabilities. Owing to the pressing nature of securing premises for this group, a further approach has been made to DMBC Housing Directorate and to other Housing Associations to identify contingency options.

2.5 Tendering process

2.5.1 The contract for care of the residents will be let by the Council as lead commissioner and resourced through recurrent funding from the PCTs.

2.5.2 The Council tendered for provision of care and support services for the residents in September. Tenders were received from six organisations. A tender evaluation panel, comprising staff from Learning Disability services, Social Services Commissioning and Finance and the Council's Audit and Procurement team have been evaluating the tenders.

- 2.5.3 Two organisations were discounted at an early stage, on grounds of cost or because they lacked the experience in this field. Additional information was requested from the other four organisations and site visits were made in December and January.
- 2.5.4 The tender evaluation process then selected 3 providers from whom detailed costs were sought.
- 2.5.5 Following careful examination of the costings submitted, two providers have been selected to provide care for the residents:
- Organisation A is a private company which has a turnover of £13.5m (04) and which is registered to provide domiciliary care only. 868 staff are employed to provide person centred packages of support. The company has operated since 1995 and since then has grown by more than 30% each year in terms of turnover and number of people supported. 55% of the total supported have a learning disability.
 - Organisation B is a voluntary organisation and began life as a Housing Association. It manages 3000 units of accommodation 2000 of which are in Birmingham. 33% of their properties are defined as support projects. They employ 357 staff and have an annual turnover of £16m (02/03). They have been providing care and support services for 15 years and are registered to provide both Residential and Domiciliary Care.
- 2.5.6 Satisfactory references have been received with regard to both organisations and inspection reports from other areas have been scrutinised.
- 2.5.7 Organisation A would be contracted to deliver care to 20 of the residents and organisation B will provide care for 13 residents.
- 2.5.8 The term of the contract will be 4 years, from April 06 to March 2010, with 2005-06 as a transitional year. 2005/06 will effectively be year 0 of the contract and a sub section of the contract will specify requirements during the set up and transition phases.
- 2.5.9 On 16th March 2005 Cabinet will be asked to approve the selection of providers to deliver care and support for the residents at Ridge Hill and that the contracts should be let to organization A and organization B.

2.6 Staffing

- 2.6.1 Approximately 50 staff who are currently employed by the PCT at Ridge Hill will be transferred under TUPE to the new care provider. An action plan matching staff transfers with client transfers and with accommodation proposals is now being prepared. Some of these staff may however decide to leave before the hospital is closed.

3.0 PROPOSALS

3.1 Good Health Select Committee is asked to consider and comment on this progress report.

4.0 FINANCE

4.1 The funding arrangements for the Project are in two parts – recurrent and non-recurrent costs.

4.2 Non-recurrent costs

4.2.1 These costs include impairments (associated with the revaluation of the Ridge Hill site following the hospital closure); budget allowances for furnishings and fittings for the clients; and the capital contributions to Housing Associations to enable the construction of new accommodation for the residents.

4.2.2 The Dudley South PCT, which is the lead PCT for this project, will meet in full the non-recurrent costs, through a capital to revenue transfer. £3 million has already been agreed by the Strategic Health Authority and a business case for a further £3 million has been submitted and a decision on this is expected very shortly.

4.3 Recurrent costs

4.3.1 The recurrent costs relate to the cost of the contract for care and support of the residents. These costs, as they were originally understood prior to the tendering process, were agreed with the PCTs in June 2004.

4.3.2 In 2004, the PCT set aside £3.327 million in 2005-06 for these costs. This is based on an average cost of £95K per client.

4.3.3 Following the tendering process and negotiation with the care providers on price, the final figure for the recurrent costs is £3.5M - an average cost of £100K per client

4.3.4 The models of service provision, staffing requirements and accommodation proposals have been discussed in detail with the Care Providers to establish accurate costings, to include TUPE related expenditure.

4.3.5 Every effort has been made to reduce the funding gap through the process of negotiation but there remains a shortfall of £ 0.5M on the

recurrent funding. Discussions are continuing with the PCTs and we expect to identify a solution before the end of March. One option would be for the PCT to bridge this gap by making a non-recurrent contribution, which will taper off over time with turnover of residents.

- 4.3.7 The resettlement programme was originally planned to provide 35 placements, which would be ongoing i.e. when a resident dies, funding for that person would continue to be available to finance another learning disability placement.
- 4.3.8 The increased unit cost per person to be covered in part by the non-recurrent contribution by the PCT would mean that several of these placements would in effect be lost. The Council would then have to absorb the funding for an equivalent number of placements over time. We have proposed to the PCT that we should agree to maintain a minimum of 30 placements to continue indefinitely, funded by the resources allocated for the resettlement
- 4.3.9 Some of the residents will also cost more to look after as they get older and more infirm. These costs may be offset by some savings on the contract over time.
- 4.3.10 DMBC has already agreed to contribute £300,000 to the cost of the resettlement and any further contribution would create funding difficulties.
- 4.5 Cabinet gave delegated authority to the Director of Social Services, Director of Law and Property and Director of Finance to determine that a satisfactory agreement for funding is in place, before contracts are actually signed with the providers. Cabinet approval on this basis will enable the Council to minimise delay in proceeding with the next stages of the resettlement of the residents.

5.0 LAW

- 5.1 The main legislation governing this project is contained in sections 21, 26 and 29 of the National Assistance Act 1948; S28A of the National Health Service Act 1977; and Section 9 of the Housing Act 1985 and Section 22 of the Housing Act 1996
- 5.2 Contract Standing Orders are made under section 135 of the Local Government Act 1972.
- 5.3 The legal position relating to the resettlement is complex and Counsel's opinion has been sought. Counsel has advised that the local authority has powers under Section 28A of the NHS Act to receive funds from the PCT and use these funds to make payments to Registered Social Landlords (Housing Associations) to facilitate the construction of new housing which will be rented out to the residents. The Council would have a legal charge on the properties in order to secure repayment of a

proportion of the capital funding in the event of the cessation of the intended use within a 25 year period. The Council would also enter into an agreement with each Registered Social Landlords which would cover such issues as nomination rights and the payments for voids.

6.0 EQUAL OPPORTUNITIES

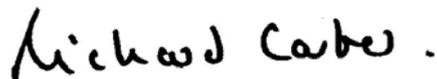
- 6.1 The resettlement of people with a learning disability into the community is consistent with the Equal Opportunities policy of the Council.

7.0 RECOMMENDATIONS

- 7.1 Good Health Select Committee is asked to consider and comment on this progress report.

A handwritten signature in black ink that reads "Linda Sanders". The signature is written in a cursive style with a large loop at the beginning of the word "Linda".

Linda Sanders
Director of Social Services

A handwritten signature in black ink that reads "Richard Carter". The signature is written in a cursive style with a large loop at the beginning of the word "Richard".

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