

**CABINET**  
**8 FEBRUARY 2018****FUTURE USE OF THE GRANGE, KIDDERMINSTER**

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**Relevant Cabinet Member**

Mr A I Hardman

**Relevant Officer**

Director of Adult Services

**Local Member**

Ms T Onslow

**Recommendation**

**1. The Cabinet Member with Responsibility for Adult Services recommends that Cabinet endorses the assessment made by the Director of Adult Services, based on market intelligence, that as the delivery of rehabilitation services will be primarily community-based there is no longer a need for retention of the Grange as a short-term recovery and rehabilitation unit, there is no material gain to the Council in closing The Grange as a care home and it should be retained as a strategic asset in the form of a long-term residential unit for people living with dementia as set out in the report, with five beds retained for short-term recovery and rehabilitation.**

**Background**

2. The Grange is a 34 bedded residential care home in Kidderminster, although currently 20 beds are in use. People usually come to The Grange for up to four weeks of rehabilitation direct from hospital in order to regain skills, such as improvement in mobility, before returning to their own home or to alternative accommodation. The majority of individuals accommodated at The Grange are from the Wyre Forest district. The Grange employs 41.5 FTE staff. It has been operating since 2008 as a recovery and rehabilitation unit providing intermediate residential care. Since 2014 it has been funded by the Better Care Fund (BCF).

3. The Health and Well-Being Board (HWB) decided in July 2017 that BCF funding of The Grange would cease from 30 September 2017 and BCF funding utilised to build community-based recovery and rehabilitation capacity. This includes investment in Physiotherapy, Occupational Therapy and night staff to support people in their homes. Three factors support this decision:

- Nationally, the focus of local plans has shifted from a model based around a fixed bed base from which to deliver intermediate care to the delivery of more responsive services where everyone should have the opportunity to recover from an injury or episode of ill health in their own bed, whenever it is safe for them to do so. This shift is reflected in national policy and guidance, including in the *Next*

*Steps on the NHS Five Year Forward View* (March 2017) and more locally in the Herefordshire and Worcestershire Sustainability and Transformation Plan (STP)

- An audit conducted by a joint Health and Social Care review team of the individuals placed at The Grange in May 2016 identified a large proportion could have been rehabilitated at home with the appropriate community support and only a small proportion would have required additional support from Health services
- Bed Capacity and Demand Modelling work undertaken in 2016 highlighting that the beds at The Grange could be surplus.

4. In response to anticipated 'winter pressures' the Council agreed, through the HWB, it would fund The Grange from 1 October 2017 until 31 March 2018 from the Improved Better Care Fund [DCLG Grant]. Last admissions would be accepted for short-term care in mid-February. This was to allow time for the community-based capacity to become available and to ensure there is sufficient bed capacity in Worcestershire over the winter. The Council has also since opened its Step Down Unit in close proximity to Worcestershire Royal hospital which is intended for short-term nursing care to assist with reablement activities and hospital flow.

5. On 15 January 2018 the Integrated Commissioning Executive Officers Group (ICEOG) of Council and Clinical Commissioning Group (CCG) commissioners agreed the proposal from the Wyre Forest Alliance Board that the services currently provided at The Grange, in relation to Intermediate Care, be recommissioned to facilitate delivery of the service in individuals' homes, along with provision of five recovery and rehabilitation beds for individuals whose home circumstances e.g. restricted room for equipment, cannot be supported by the community in-reach service. The five recovery and rehabilitation beds are included in the 2018/19 BCF under authority delegated by the HWB at its July 2017 meeting to the Director of Adult Services, in consultation with the Chief Officers of the CCGs. The Council and health partners remain focussed on providing the best possible rehabilitation and intermediate care for people discharged from hospital, and will always ensure that those who need to recover out of hospital in a rehabilitation bed, will be able to do so.

6. An opportunity exists to retain The Grange as a strategic Council asset by repurposing it to provide a managed service for adults currently purchased from the market. High level residential Dementia Care has been identified by Adult Services Commissioners as the activity which would be particularly beneficial to be undertaken 'in-house' at The Grange due to the predicted increase in demand and costs.

## **The Prevalence of Dementia**

7. Dementia can have considerable impact on the quality of life of people with the condition, as well as on their families and other carers. People living with dementia experience declining cognitive function that, over time, affects their ability to live independently and can shorten life expectancy.

8. *Dementia UK Update* (November 2014) published by the Alzheimer's Society estimated the number of people with dementia in England in 2013 was 685,812 and 815,827 for the United Kingdom. This report's forecasts suggest that if the prevalence of dementia remains the same, the number of people with dementia in the UK is forecast to increase to 1,142,677 by 2025, an increase of 40% from 2013.

9. *Dementia UK Update* also provided estimates of the number of people with dementia in Worcestershire for both 2013 and 2025:

District	2013	2025	Increase
Bromsgrove	1568	2195	627
Malvern Hills	1486	2080	594
Redditch	908	1271	363
Worcester	1164	1630	466
Wychavon	1988	2783	795
Wyre Forest	1536	2150	614
<b>Worcestershire</b>	<b>8650</b>	<b>12110</b>	<b>3460</b>

On this basis, the number of people in south Worcestershire with dementia would be 6,493 and 5,617 in north Worcestershire, equating to 54% and 46% of the total respectively.

10. Using data from *UK Dementia Update* it is estimated the number of people in Worcestershire with severe dementia in 2025 will be 1,514. A further 3,387 will have a moderate form of dementia.

11. The Worcestershire Health and Well-Being Board's Joint Strategic Needs Assessment (September 2016) highlights a rapid increase in dementia, due to the ageing demographic. This is a significant issue for Worcestershire which has a higher proportion of people aged 65 and above than the national average.

12. As the population ages and the number of people affected by dementia increases, it is a major challenge to provide high-quality care and support to individuals at a cost which is affordable. Evidence from the Council's Brokerage team indicates that identifying affordable, good quality *residential* care for people with dementia is already a challenge.

13. Market intelligence gathered by Adult Services Commissioners highlights how the market is evolving in the county. This includes a number of residential care homes having recently withdrawn from taking individuals with dementia with high level needs, reducing the number of beds the Council can access and contributing to upward pressure on costs.

### **Future use of The Grange**

14. There are two potential options for the future of The Grange:

- a) Closure as a residential care home, returning the site to corporate ownership for reuse/disposal of the land asset;
- b) Reconfigure the Grange as a long-term residential unit for people living with dementia.

### **Option a) Close The Grange and dispose of the land asset**

15. Place Partnership was instructed to carry out an initial valuation of The Grange to provide an indication of the likely market value if disposed on the open market. Being commercially sensitive information, the details on the analysis and valuations are contained within the confidential section of this paper.

## **Option b) Retain The Grange as a long-term residential facility**

16. An opportunity exists for the Council to re-purpose The Grange as a Residential Dementia Care facility, providing an alternative to beds purchased on the open market. To take advantage of economies of scale in this option The Grange would return to being a 34 bedded unit.

17. Adult Services Commissioners consider there are potential opportunities to combine a residential dementia care facility with other services (including keeping a number of beds for intermediate care) thus offsetting some of the costs associated with provision of a residential dementia care facility. Depending on which other services were co-located at The Grange, the number of beds available for residential dementia care would be up to 29. In addition, the five recovery and rehabilitation beds detailed in paragraph 5 would be located at The Grange ensuring that Wyre Forest residents have access to a bed based service if required. The site of The Grange provides scope to substantially expand the facility to increase the number of residential dementia care beds available as demand increases. Any increase in bed capacity could be expected to reduce unit costs.

18. In 2016/17 the Council purchased 16 new placements for residential dementia care. For 2017/18 the number of placements purchased is forecast to be 23, a 44% increase from 2016/17. It should be noted that the needs for long term residential dementia care is significantly higher in the North of the County, compared with the South of the County with an estimated 14 new placements forecast to be required during 2018/19. Therefore, within two years, it is forecast the capacity of The Grange would be fully utilised.

19. The average costs for Council placements of individuals with dementia have increased by 5% - 6% over the last 12 months.

20. If residential dementia beds are not available for individuals with complex needs, placements in nursing dementia settings, where costs are higher, have to be made.

## **Legal, Financial and HR Implications**

21. The closure and disposal of The Grange would be an estimated financial gain for the Council in the first five years of £86,000, excluding any void management costs. This comprises a capital receipt for selling the site as-is and immediate revenue costs of £529,000 in redundancy costs of staff. It does not, however, include the additional pressure of price increases in care packages over those years or the costs of managing the surplus site until the date of disposal, which could take a couple of years.

22. The conversion of The Grange into a long-term unit with five short-term rehabilitation beds would be an estimated financial gain for the Council of £63,000 in total over five years. For 2018/19, there is an immediate budget pressure of £257,000, to be funded from other sources, as the site will be staffed, but savings on external placements will come in gradually as occupancy builds. When the unit is at capacity, the running costs will save around £80,000 per year compared to external placements. This does not include the potential additional savings which could be made if the site was developed to increase the number of dementia care beds.

Option	Revenue impact . . .						Capital Impact (£000)	Comments
	in 2018/19 (£000)	in 2019/20 (£000)	in 2020/21 (£000)	in 2021/22 (£000)	in 2022/23 (£000)	Revenue Impact for 5 years 2018/19 to 2022/23 (£000)		
Closure of The Grange	(529)	0	0	0	0	(529)	615 <sup>1</sup>	Immediate cost pressure of £529k due to closure costs. £615k capital receipt. Overall net benefit to the council of £86,000
Retain The Grange with up to 29 long-term Residential beds and five rehabilitation beds	(257)	80	80	80	80	63	0 <sup>2</sup>	Immediate cost pressure of £257k as staff are retained, but some beds put to immediate use. DAS saves £80k per year on care each year once all beds are taken, meaning that the unit has saved £63,000 over 5 years

<sup>1</sup>Based on as-is sale

<sup>2</sup>Does not take into account any costs to prepare The Grange for continued use. These would be met from existing DAS capital programme, so no revenue implications.

23. Staff members at The Grange have been updated on a regular basis regarding the future of The Grange, with the most recent meetings occurring on 22 December 2017 and 30 January 2018. If the decision is taken to close The Grange as a care home a period of formal consultation with staff will be entered into.

24. Closure and disposal of the site would result in redundancy of the staff. The Council, through its redeployment policy, would aim to reduce the impact on the individual members of staff but for a number redundancy would be unavoidable.

25. It is envisioned that conversion of The Grange into a long-term dementia unit would result in the retention of the staff. Where required, additional training and development will be offered to staff. Although not expected, if there were to be any members of staff for whom suitable employment at unit could not be found, the Council would work with those members of staff to try and redeploy them.

## **Privacy and Public Health Impact Assessments**

26. These proposals have no direct impact on information risk or privacy impact at this stage. A Public Health Impact Assessment of these proposals is not required.

## **Equality and Diversity Implications**

27. An Equality Relevance Screening is being carried out in respect of The Grange transitioning from a short-term recovery and rehabilitation unit to one providing long-term residential dementia care. If the assessment identifies particular issues further work will continue to be done at a project level.

## **Contact Points**

### County Council Contact Points

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### Specific Contact Points for this report

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## **Background Papers**

In the opinion of the proper officer (in this case the Director of Adult Services) the following are the background papers relating to the subject matter of this report:

Agenda papers for the Health and Well-Being Board meeting held on 11 July 2017