

Health Scrutiny Committee
Date: 14 April 2016
Current and future capacity in the residential and nursing care market in Suffolk

Information in this report was produced on behalf of	
Director or Assistant Director	Julie Bateman, Assistant Director, Personalisation, Quality and Safeguarding.
By	<p>Helen Clarke, Head of Quality and Improvement, Adult and Community Services Tel 01473 264016 Helen.clarke@suffolk.gov.uk</p> <p>Robin Guy, Head of Strategic Planning and Market Intelligence, Adult and Community Services Tel 01473 264335 robin.guy@suffolk.gov.uk</p> <p>Ian Patterson, Head of Contract Management and Market Relationships, Adult and Community Services Tel 01473 265802 ian.patterson@suffolk.gov.uk</p>
Title:	Quality and capacity in the residential and nursing care market in Suffolk
Date Submitted:	23 March 2016

Introduction

1. This report has been requested to enable the Health Scrutiny Committee to:
 - a) consider and comment upon the role of Suffolk County Council Adult and Community Services (ACS) in forecasting demand for residential and nursing care and working with providers to ensure that there is sufficient capacity in the market;
 - b) consider and comment upon ACS's procedures for supporting providers who are at risk;

- c) consider and comment upon the provisions that ACS makes for residents in the event of provider failure and the support it provides for residents and their families.
2. The scope of this scrutiny focusses on residential and nursing homes. It has been requested that this report should include an update about the Care UK care homes in Suffolk.

Focus of this report

3. The Committee has asked for information in response to a number of key questions which are shown below.

Main body of evidence

- a) **How many residential and nursing care beds are available in Suffolk now, how many will be needed over the next 10 years and what are these projections based on?**
4. Residential and nursing care home provision in Suffolk continues to be an essential service for people who can no longer safely live at home. There are 3,706 beds registered for residential care and 2,729 beds registered for nursing care in Suffolk in 153 care homes for older people, from a total of 198 care homes overall, which include homes for younger adults with learning and physical disabilities and/or mental health needs.
5. At present supply meets demand, however, there are quality issues within the market which can limit the availability of beds. There are shortages in some geographical areas, particularly in the North and West of the county, and Ipswich. Although there is sufficient capacity, there is an increasing need for places for people with complex care needs.
6. The numbers of older people in Suffolk is set to rise, from 166,700 currently aged 65 and over, to 204,200 in 2025 (22% increase) and 228,300 in 2030 (further 12% increase). The number of older people aged 65 and over with dementia is expected to rise from 11,771 to 16,336 in 2025 and 19,454 in 2030. A projection of future requirements based solely on the number of beds available and the projected increase in the older population suggests that 7,850 beds would be needed in 2025 and 8,792 beds would be needed in 2030.
7. However, there are a number of transformation projects underway which are aimed at supporting people to live in the community for longer, which are already resulting in a fall in demand for residential and nursing care. There has been a reduction in the number of beds purchased by ACS of 8% (or 360) since 2012. Further details are provided in paragraph 9. In addition, the length of stay of people living in care homes has reduced from an average of 981 days (2.7 years) in 2014/15 to 861 days (2.3 years) in 2015/16, which could be further evidence of the impact of community based services.

ACS Demand

8. The County Council spends a significant amount of its budget on residential and nursing care provision for older people over the age of 65 years. The forecast spend for this year (2015/16) is £70m on older people's residential and nursing home places.

9. The demand from the Council for care home places is changing as follows:
- I. ACS's Supporting Lives Connecting Communities (SLCC) approach. This focuses on helping people to live independently, and builds on support from family, friends and communities, so that Council resources are focused on those with the highest, most complex and demanding needs.
 - II. A requirement in the future for care home places which can support people with dependency needs associated with dementia and complex care at the point at which they enter a care home for long term care.
 - III. There has been a decrease in the overall number of care home places required by ACS, which is likely to continue over the next five years at least. The information in the table below shows a 4.7% decrease in residential places purchased for people aged 65+ from 2011 to 2015, and a 15.3% decrease in nursing places. The commitment of ACS to support people to live at home safely has led to an overall reduction in the number of people needing Council funded places.

Places purchased by the Council	2011/2012	2012/2013	2013/2014	2014/2015	2015/16 (1 st March 2016)
Residential places 65yrs +	3,124	3,133	2,953	2,977	2641
Nursing places 65yrs +	1,387	1,305	1,230	1,174	1066

10. A 4.7% decrease applied to residential places would mean that 2517 places would be required in 2021, and 2399 places in 2026. This also means that with a 15.3% decrease applied to nursing places, 903 places would be required in 2012 and 765 places in 2026, assuming that current trends continue. However, there are a number of other factors which could impact on this, for example, the management of delayed transfers of care from hospitals, the availability of appropriate home care support or community nursing, and the availability of rehabilitation, re-ablement and recovery services.

11. Clinical Commissioning Groups (CCGs) are responsible for purchasing care for people assessed to be eligible for NHS Continuing Health Care having been assessed as eligible against a national framework. NHS Continuing Health Care is a package of on-going care that is arranged and funded solely by the NHS where the individual has been found to have a 'primary health need'. Such care is provided to an individual aged 18 or over to meet needs that have arisen as a result of disability, accident or illness. The CCGs purchase care according to the needs of the individual. The NHS has confirmed that since 2011/12 there has been a steady increase in demand for

care placements, both in a care setting and domiciliary environment, with a marked increase over the past two years.

12. The anticipated demand for places from ACS and CHC is the subject of further detailed work with the NHS and the care market as described below.

Demand from self-funding residents

13. Information about people who are self-funding is available to the Council following an annual survey that was sent to all of Suffolk's older peoples' care homes by ACS in October 2015. This brought responses from 88 homes (55% of homes surveyed). The survey suggested that the use by self-funded residents of care homes declined from 2,533 in December 2014 to 2,360 in October 2015. This may indicate that self-funding people are choosing to remain in their own homes for longer. It is too early to establish whether this trend will continue along the same trajectory but our assumption is it will. A preference for independent living, and factors such as the cost of care and concerns about quality will all influence the decisions people make as they plan for their old age. ACS will continue to monitor these trends.

Spare capacity

14. Information from the annual survey sent by ACS to providers of Suffolk care homes in October 2015 supports the view that there had been less demand for the care home places provided in Suffolk. The survey found that spare capacity in care homes which responded had increased in the previous year by 3.1% to 15.6% and one in six beds were empty. However, the number of available empty nursing beds was shown to be falling by 5.7% year on year, suggesting that providers in some instances may have withdrawn from providing care home nursing services.

Care UK care homes

15. The Council transferred 16 care homes providing 526 places to Care UK on 1 December 2012 with a requirement to develop 10 new purpose-built care homes, providing a total of 690 specialist places, i.e. an extra 164 beds, in response to the changing requirements for care home places in Suffolk.
16. The new care homes are designed to support people with complex care needs including dementia nursing care, with internal layouts to help people find their way around more easily, with building and decorative materials to minimise and reduce unnecessary visual distractions and unwanted noise. They use as much natural light as possible and they have space in individual rooms and elsewhere for people living in the care homes and their carers to move around safely.
17. The Council and Care UK have worked together to ensure the safe transfer of residents from the 16 homes which have closed, to the new purpose-built homes. The completed estate is as follows:

Mildenhall Lodge	Mildenhall	60 beds
Asterbury Place	Ipswich	80 beds
Davers Court	Bury St Edmunds	60 beds
Mills Meadow	Framlingham	60 beds
Britten Court	Lowestoft	80 beds
Cleves Place	Haverhill	60 beds
Prince George House	Ipswich	80 beds
Cedrus House	Stowmarket	70 beds
Hartismere Place	Eye	60 beds
Glastonbury Court	Bury St Edmunds	80 beds

18. The Council is working with Care UK to ensure that quality is maintained and improved following the opening of the new homes and the establishment of working arrangements in each home. Five of the new homes: Mildenhall Lodge; Davers Court; Mills Meadow; Britten Court and Cedrus House have been rated as 'Requires Improvement' by the Care Quality Commission (CQC). ACS is working with Care UK on quality improvement in these homes. Prince George House and Cleves Place have recently been rated 'Good'. Asterbury Place does not have a published rating because it had not been open for a sufficient time when CQC inspected. The remaining homes have either not been inspected or are awaiting publication of CQC reports.

19. Providers continue to demonstrate their willingness to invest in and develop new care home services in Suffolk. Four of the 16 care homes transferred to Care UK from the Council, and since returned as part of the development plan, have been acquired by care home providers to develop and provide new care home services. These homes provided a total of 140 beds prior to purchase, and are situated in Beccles, Ipswich, and two in Lowestoft. This is in addition to other recent developments, for example in Ipswich and the surrounding area. It is not yet known how many additional places these developments will bring into the market.

b) How is ACS working with Clinical Commissioning Groups (CCGs) to review provision from 2017, what is the timetable and will an action plan be published?

20. ACS, the Ipswich and East Suffolk, and West Suffolk CCGs are working together to commission care home and nursing places through service re-design which will result in a joint service specification.

21. A market engagement event took place on 18 June 2015 which included representatives from ACS, the NHS and care home providers, to discuss the future of nursing home provision in Suffolk and options for the future purchase of nursing care places.

22. A nursing care specification was drafted between ACS and the NHS, incorporating many of the comments raised in the market engagement event. The specification included categories for NHS Continuing Healthcare (for people whose care and nursing need are funded by the NHS because of their complexity), and was reviewed by NHS and ACS social work practitioners against a sample of cases. The outcome of the review was that more detailed work was required to complete the service specification.
23. In January 2016, a joint decision was taken to undertake a strategic review of the residential and nursing home market in Suffolk.
24. The strategic review will be undertaken with service providers and their representatives. We are currently seeking expressions of interest to carry out this work and anticipate that it will start in April. The review will be completed by an independent organisation and will take at least twelve weeks. The information obtained from the strategic review will inform the service specification, the market development required to tender a successful service and therefore the timeframe for the commission.
25. The strategic review will identify key elements needed from the residential and nursing home market and lead to an improved understanding by commissioners of key issues for the market. It will include:
- I. Providers and services, types of service provision; including rehabilitation and respite services, number of providers and their market share;
 - II. How care is purchased, including those who purchase their own care;
 - III. Current and future growth in demand for care and support services, including changes in population, and supply;
 - IV. Customer expectations including priorities, needs and preferences of those who will need care and support, their families and carers, and the changing care and support needs of people as they progress through their lives;
 - V. Key challenges facing the community care sector;
 - VI. Gaps in service provision, avoidable hospital admissions and hospital discharges;
 - VII. Cost of care home care and the impact of Personal Health Budgets, Individual Service Funds and Direct Payments;
 - VIII. Community and voluntary services and the role of housing providers and other key groups;
 - IX. Best practice and innovation in the care home sector.
26. It is anticipated that new arrangements will secure services which are flexible and will enable people to move from one setting to another in a seamless way, for example, from residential care to nursing care as their needs change. Arrangements should be in place during 2017 and the market will be engaged

in the development of a timetable to meet that requirement. A high level action plan will be published on the Councils website when agreed.

27. ACS, Great Yarmouth and Waveney (GYW) CCG and Norfolk County Council have convened a Task Group to review the residential and nursing home market in that CCG area. The task group is collating information prior to establishing a strategy. The following high-level activities will be covered:

- I. Demand prediction in GYW for care facilities over the next three to five years;
- II. Map known new developments;
- III. What steps can be taken to attract new providers into the market;
- IV. Agree processes for sharing care bed facilities on a flexible basis with other partners;
- V. Identify the links to NHS GYW CCG Local Estates Strategy.

c) How will ACS work with providers to ensure that the future demand is met and managed?

28. The strategic review being commissioned by ACS & NHS (Ipswich & East & West Suffolk CCGs) will work with independent care providers. As part of the review, ACS & NHS will hold market and resident engagement events. These events will develop an improved understanding of the challenges that the care and nursing market face as well as those facing the health and care sector and its customers.

29. Once the review is complete, ACS and the NHS will hold further market engagement events for providers and with people using services and their representatives. These engagements will inform the service specification for the tender.

30. The Council will continue to work with providers through the following:

Monitoring of care home placements

31. ACS will continue to closely monitor the purchasing and availability of care home places across Suffolk, to continue to understand requirements. The quality of care home service will continue to be monitored.

Information for providers

32. ACS will continue to provide detailed information for providers about the care home market. A Market Position Statement (MPS) is provided, which explains the demand for social care services including care home places, to support providers to make informed decisions about investing in services. The current MPS is available on the Council's website:

<https://www.suffolk.gov.uk/assets/suffolk.gov.uk/Care%20and%20Support/Adult/ACS%20Market%20Position%20Statement%20HR.pdf> . In addition, ACS

meets regularly with the Suffolk Association of Independent Care Providers (SAICP) to discuss key issues about the care market and the provision of services.

Monitoring of quality issues

33. ACS will continue to monitor the quality of services provided in care homes and work with providers who need to make improvements. ACS works closely with the NHS, CQC, and Healthwatch in the monitoring of care homes, and engages directly with people using care home services, through social work contact and visits to care homes by officers.
34. The Council is developing an expanded ACS Contracts Team which will monitor more services proactively and help to identify concerns and issues. ACS is bringing together the Quality Improvement Team and the Dignity Support Team to form an enhanced Provider Support Team to work with providers. The new team will include a nursing post to enable all aspects of health and social care services to be supported. This will provide more intensive interventions and support for providers to make improvements where these are necessary.
35. ACS is also working closely with the Association of Directors of Adult Social Services (ADASS) and the NHS Regional Quality Surveillance Group (QSG) to share information about care providers across the eastern region, in particular sharing intelligence to identify and prevent provider failure.

d) What are the strengths, weaknesses, opportunities and threats to the residential and nursing care market?

36. The care home market in Suffolk benefits from the following strengths:
- I. A diverse range of care homes offering choice for residents and families, including homes run by large national companies and smaller locally based companies or single owners.
 - II. Innovative local providers willing to invest in new facilities for people, with dementia and complex care needs.
 - III. Willingness of national providers to invest in new facilities in Suffolk.
 - IV. Providers willing to be flexible in responses to requests for care and willing to work together to support each other and improve services.
37. The care home market can be seen to have the following weaknesses:
- I. Challenges experienced by some providers to adapt premises and services to meet changing expectations and requirements of residents with complex care needs.
 - II. There are a large number of small owners of care homes in Suffolk, who may experience challenges in securing investment in their premises, or securing appropriate support to improve the quality of their services in times of difficulty. 43 homes in Suffolk are run by 'single-home' providers, with 20% of the beds in Suffolk.
 - III. There are areas in Suffolk where provision needs to be developed further. Particular areas identified include Lowestoft, the West of the county, and Ipswich.
 - IV. Suffolk care home market has the potential to be adversely impacted by any national or local provider business failure.

38. Suffolk's growing older population represents an opportunity for providers to develop new innovative and personalised services. CQC has also raised standards and now has increased powers to enable those care standards to be enforced and maintained. We can expect to see some flushing out of poor performance across both health and the care sector. This is likely to manifest itself in reduced care home capacity in geographic hot spots as CQC's new inspection programme is rolled out.
39. There is an opportunity for care home providers to learn from each other by extending the model of the Care Homes Group. This was set up by the West Suffolk CCG to identify the ten care homes with the highest number of hospital admissions and to provide support with admission avoidance and facilitated hospital discharges. Lessons learned from this are shared across the sector.
40. A threat to a vibrant care home market across the UK is the increasing financial demands upon care home providers, including the introduction of the living wage and the auto-enrol pension scheme. Care home providers also cite the impact of the financial challenges facing local authorities and fee levels with regard to their business viability. ACS has been negotiating fees for care home places for 2016/17 and an offer on residential care spot rates for 2016/17 has recently been accepted. For 2017 a new procurement process will come into effect and the County Council will be consulting with providers as to how best to operate this new approach to commissioning placements in residential homes. Expected outcomes from this include a more integrated approach to customer support, longer term stability for the care home market, and increased budgetary control for ACS and the CCGs through known contract prices.
41. There has been recent media attention about the financial stability and sustainability of several large national providers with BUPA and Four Seasons announcing their intention to sell off a number of their care homes. The Council continues to liaise with these providers to understand their intentions and where appropriate to instigate business continuity planning.

Staff recruitment and retention

42. Staff recruitment and retention is a significant risk for care home providers nationally and locally. In Suffolk, there are an estimated 20,300 jobs in adult social care of which 47% are in the residential care sector. Turnover rates are generally high, but vary by type of care service and provider. A snapshot drawn from the National Minimum Data Set for Social Care (October 2015) suggests that turnover for care workers was as follows:
- I. Private Voluntary and Independent (PVI) home care – 51.8%
 - II. PVI care homes – 26.6%
 - III. PVI nursing homes – 36.7%
 - IV. Local authority – 9%.

This illustrates the home care market is more unstable than the care home market, with care home recruitment less problematic, but still a challenge.

43. The figures below confirm that the recruitment of qualified nurses is the biggest challenge for the nursing home sector. We are aware that several homes in

Norfolk have altered their registration from Nursing to Residential care because of this difficulty.

44. Turnover causing concern in the care home sector is as follows:

- I. PVI nursing home nurses – 39.2%
- II. Registered managers (all PVI adult social care) – 6.7%

45. Further information from the National Minimum Data Set is available at: <https://www.nmds-sc-online.org.uk/>

46. The primary reason put forward for difficulties in recruitment and retention is that caring remains a low value, poorly remunerated occupation with little career progression. These challenges are not new but have become particularly acute in recent years and are being addressed in a multi-dimensional way by providers with support provided by the Council.

- I. The Council's Strategic Partner for workforce development is the Suffolk Brokerage, who work closely with providers on a range of recruitment and retention initiatives including: the ICARE Ambassador scheme which brings care workers into schools and colleges. Information about the Suffolk Brokerage is available at: <http://www.suffolkbrokerage.co.uk/>
- II. Care Careers Suffolk Brand and Website. Information is available at: <http://carecareerssuffolk.co.uk/about/> This initiative has been established with the Suffolk Brokerage to provide information and advice for providers and care workers about employment issues including apprenticeships and training.
- III. Care-Wise learning portal. This is available at: <http://carewisesuffolk.co.uk/info/safeguarding-dols-mca-e-learning-training-and-qualifications> This portal provides information about professional development in the care sector.
- IV. Over the last three years, ACS has funded 60 places on the My Home Life Programme. This is a leadership programme for care home managers to support them to develop a relationship-based model of care through shared problem solving and reflective learning.
- V. Other initiatives which include Registered Managers' support networks; six-monthly newsletters to the sector; permanent advertisement on Suffolk Jobs Direct and mediated careers advice for potential recruits to the sector; masterclasses, roadshows and specifically commissioned training events/conferences relating to key priorities (eg Care Act); Careers Fayres and Recruitment events; funded business advice and audits of practice excellence to help managers and owners evaluate the quality of their service.
- VI. A Red to Green scheme which supports referred providers in reviewing their learning, development workforce planning processes.
- VII. The Council works with providers to promote and support achievement by staff working in the care sector, for example through the support and recognition for providers who deliver good practice through the Suffolk Going the Extra Mile (GEM) Awards. Information is available here:

<http://www.suffolkas.org/the-adult-protection-team/dignity/gem-awards/>

This will be replaced by a more extensive awards ceremony in September 2016 called “The Suffolk Care Awards” led by the sector.

VIII. The Council is working with NHS colleagues to develop joint publications to promote career opportunities and apprenticeships. More recently, work has been undertaken to develop a skills action plan for health and the adult social care private and voluntary sector, which will be presented to the New Anglia Local Enterprise Partnership (LEP) on 19 April 2016, to request that health and care becomes the focus of a Sector Skills Action Plan. This would enable us to apply for any available European or other funding to support key initiatives. We have identified four specific and concrete actions which can be taken to support the sector, with a focus on recruitment and retention.

IX. Health Education England (HEE) is investing in supporting trainee nursing placements in the sector and has a range of ongoing programmes to recruit and retain nursing personnel.

e) How does ACS support residential and nursing homes at risk of closure?

47. ACS works with providers and CQC to avoid the closure of care homes wherever possible. The risk of closure of a care home can result from a number of reasons:

Quality and regulatory issues

48. Care Homes are regulated by the Care Quality Commission (CQC), which inspects services against essential standards required. CQC’s key aims are explained on the CQC website at: <http://www.cqc.org.uk/content/who-we-are>.

49. CQC introduced a new inspection model in October 2014, which means that CQC now consider these key questions about services: ‘Are they safe?’; ‘Are they effective?’; ‘Are they caring?’; ‘Are they responsive?’; and ‘Are they well-led?’. Services are given an overall rating of either ‘Outstanding’, ‘Good’, ‘Requires improvement’, or ‘Inadequate’. CQC also introduced the idea of a basic “mum test” which asks “Is this service good enough for my mum?” and helps members of the public think about the important elements they would want to see in a service. This inspection model is applied with rigour, places providers under considerable scrutiny, and demands high standards of management and service delivery.

50. CQC now has the power to place failing providers in Special Measures; if a service is rated inadequate overall it will be placed straight into special measures. If a service is rated inadequate for one of the five key questions it will usually have six months to improve. CQC will inspect it again within six months of the report being published. If the quality of care is inadequate in any key question at the second inspection, special measures will be imposed.

51. Information is available on the CQC website at: <http://www.cqc.org.uk/content/special-measures>

52. Failure of a care home to meet CQC quality requirements can result in legal action being taken by CQC to close a care home. This normally occurs after a period of time in which the care home provider is given the opportunity to make

improvements, and where opportunity is given for the provider to make representation to CQC.

53. Information which has been provided by CQC to the Council, allows the following comparison to be made for ratings for Residential and Nursing homes nationally and in Suffolk:

Ratings	Inadequate	Requires improvement	Good	Outstanding	Too early to rate
CQC national 31.5.2015	7.5%	34.5%	57.5%	0.5%	0%
Suffolk 10.03.2016	8%	29%	61.5%	0.75%	0.75%

54. The CQC element of this information is only available on an annual basis as CQC's annual reporting process. However, information has been given by CQC to support this Scrutiny, which the Committee has access to. This indicates that whilst Suffolk's residential care without nursing is in a comparatively strong position, the highest risk area lies in care homes with nursing provision. Local homes are rated significantly lower than the national average for services of this type. This reinforces the need to strengthen the Provider Support Team with nursing resources to support care homes with nursing improvement planning (as in paragraph 35).

55. Other possible reasons for closure include the following:

- I. Financial or business failure which might lead to a provider closing a service or services;
- II. Environmental factors which might result in the inability of a provider to deliver a service from a particular location, such as a flood or fire;
- III. A business decision by a provider to move out of an area of provision.

Support for providers

56. ACS monitors care homes and providers to ensure that information is available early about services which are experiencing difficulties, so that help and support can be given early.

57. Where it is necessary to intervene because there are concerns about standards, ACS will provide advice and support from the Provider Support Team, including specific advice about improvement plans. The Team does not only step in when providers are heading towards failure, but works to support providers to develop, improve and be resilient. ACS will also provide support by arranging support and advice from other care home providers, assisted by the SAICP. Support is also arranged through the Suffolk Brokerage to develop training and development plans.

58. In addition, senior ACS managers and officers from the ACS Contracts Team, will join with the ACS Provider Support Team to meet with providers to discuss concerns and progress being made towards solving issues of concern.

59. ACS will place a suspension on new admissions to care homes where there are significant concerns. This enables the provider to focus on measures to improve the quality of the service and make necessary changes to the service provided for existing residents. Serious safeguarding issues or a CQC rating of “inadequate” would, for example, be clear measures of ‘significant concern’.
60. The Norfolk and Suffolk Dementia Alliance is providing training to front line care staff to become Dementia Coaches. Once trained, these people will become the onsite expert to support good quality dementia awareness and care.
- f) How does ACS support residents and their families to develop plans for ensuring that continuity of care can be maintained in the event of a residential or nursing home closure?**
61. Under the Council’s duty of care, it has been common practice to ensure continuity of care for people where there is a case of likely closure. ACS will always work in people’s best interests to ensure suitable alternative provision is identified and that the transition from one service to another is as smooth and well managed as possible. Where providers are unable to make necessary improvements, ACS will work with the provider, residents and their families, the NHS and CQC to ensure that there is clear communication, that the needs and preferences of residents and families are fully understood, that alternative places are identified and secured, that arrangements are put in place to support residents and families through change, and that lessons are learned from the closure.
62. The Care Act 2014 places a legal requirement to have a clear policy which addresses provider failure. The ACS Adult Social Care Policy Framework has been developed to support the delivery of the requirements of the Care Act 2014, and provides transparency for staff, service users, carers, the general public and partner organisations. This provides information about the Council’s duties and is available at: [ACS Adult Social Care Policy Framework](#)
63. ACS is continuing to develop procedures to manage provider failure and is working with providers, the NHS and other key stakeholders. The current ACS Provider Business Failure Procedure document is available on the Council website, and a copy is included alongside this report at Evidence Set 4. Comments have been invited on the draft out for consultation: <https://www.suffolk.gov.uk/council-and-democracy/consultations-petitions-and-elections/consultations/provider-business-failure-policy/>. To date there have been no responses and the consultation has been extended until the end of April 2016. The Committee may wish to make recommendations in respect of content.
64. Alongside this guidance, ACS has developed more detailed aide memoires and checklists which are followed closely when it becomes necessary to move residents to another placement. Each provider failure will involve a unique set of circumstances and closure can take place over a range of different timescales, from sudden and immediate closure to planned closure over a number of weeks. While the response of ACS will depend on the particular circumstances of each case, the guidance establishes best practice in all

aspects of such a move from informing relatives, to commissioning advocates to physically transporting residents, and will be followed as closely as possible.

65. ACS is careful to learn from the experiences of each care home closure and particularly from the experiences of supporting residents, families and providers, so that arrangements can be constantly improved in these circumstances. Full debriefs are held and recent learning has included the following:

- I. The need for a core group of social work practitioners and a leader who can make key decisions, from the point at which concerns are raised, through the process of reviewing residents' care in the care home, through the moves to alternative care homes, and reviews of alternatives placements. The core group should include specialist skills and knowledge as appropriate, including Occupational Therapy.
- II. Clear communication is essential with all key parties including ACS managers and officers, residents, families, providers and their staff, and NHS colleagues, to ensure that everyone is informed and has an opportunity to raise issues so that they can be resolved. This could include meetings in the home with the agreement of the provider, and written information. This becomes more problematic when an owner is challenging CQC or contests actions and is unwilling to co-operate.
- III. Careful planning is important, so that residents' needs, requirements and preferences are fully understood. This includes preferences to remain in friendship groups, how residents' rooms are prepared before the move, and how the new home welcomes residents moving from a home which is closing. Planning includes the need to ensure that Mental Capacity Assessments and Best Interest Decisions are made in a timely manner.

g) How would ACS cope with the failure of a large provider?

66. The 153 care homes in Suffolk providing residential and nursing care for older people are run by a number of providers:

- I. There are 108 providers who currently run these care homes in Suffolk;
- II. 18 of these providers run more than one care home in Suffolk;
- III. Twelve of these providers run more than two care homes in Suffolk as part of a larger portfolio of care homes across the country. The largest has over 475 care homes and 22,500 beds for a range all customer groups in the UK.
- IV. Care UK has the largest number of care home places in Suffolk, with 690 beds in total.

Monitoring large providers

67. ACS works closely with CQC to monitor the performance of large providers. CQC has a new duty to monitor the financial status of larger providers. 'Market Oversight' is a statutory scheme through which CQC assesses the financial sustainability of those care organisations that councils would find difficult to

replace should they fail and become unable to carry on delivering a service. Details are available on the CQC website at:

<http://www.cqc.org.uk/content/market-oversight-adult-social-care>

68. CQC is required to inform councils where these services are delivered as soon as there are concerns that failure is likely to happen. By giving an early warning of likely failure, the scheme is designed to help councils to carry out their statutory duty to meet temporarily those of an adult's needs for care and support which are no longer being met as a result of the provider failing. This would enable ACS and other key agencies to work with residents and families, providers and other key stakeholders to plan for any changes that might be required.
69. ACS works to monitor the quality of services provided by care homes regardless of the size of the provider. Help and support is given where required from the Provider Support Team to avoid failure due to quality issues. This improvement support intervention has to be willingly accepted by the provider.
70. The Care UK contract is managed through additional arrangements which include regular contract meetings with Care UK. Work is being undertaken to increase ACS contract management capacity to provide more dedicated contract management for other large providers.

Working with a large provider if it fails

71. In a situation where the closure of care homes run by a large provider is inevitable, ACS would work with residents, families, providers and other key agencies to develop a plan for the safe transfer of residents to alternative places. The availability of alternative care home places would be monitored closely to enable residents and their families to make informed choices. Suffolk has a diverse range of care homes, with providers willing to be flexible in responses to requests for care and they are willing to work together to support each other to improve services.
72. In the past ACS has brokered either acquisitions or mergers in order to maintain business critical services. Where there has been a risk of failure or provider withdrawal from a contract then ACS has also explored "parachuting" in new management or bringing services "in house." Where ACS is aware of potential issues, ACS ensures that detailed business continuity plans are in place. While it is possible to be prepared for a range of contingencies, it is not possible to cover every eventuality. In a potentially volatile market which faces a range of challenges both locally and nationally, provider failure remains an ongoing risk at a time when options for direct intervention have become more limited in scope. Good intelligence and information sharing between agencies and the ability to mobilise multi-agency resources quickly is critical.

Care UK contract

73. The contract between the Council and Care UK contains significant review, audit and monitoring provisions and requires Care UK to give the Council an early warning of any potential failure to comply with the contract for whatever reason. The Council is entitled to request financial information. These provisions are intended to give the Council the notice and the time to take appropriate action in the event of likely default.

74. In the event of provider failure, the Council has these options:

- I. The Council can seek termination of the contract in the event of Care UK default. In the event of insolvency, termination can be immediate. In the event of other breaches, the right of termination is subject to allowing Care UK a period of time to remedy the breach.
- II. As an alternative to termination, the Council can seek a rectification programme to deal with any failings in the performance of the contract.
- III. If the breach of contract is significant, or if an emergency arises, the Council has the ability to step-in and take over the contract. This could take a number of forms, from the Council or its nominated representative working with Care UK or, if Care UK fails to cooperate, the Council may take on the services itself or with the assistance of a third party provider.
- IV. In the event of Care UK's insolvency, the Council has an agreement with Care UK's funder to be able to continue the services and nominate a replacement care provider to continue the services.
- V. The contract also contains handover arrangements which oblige Care UK to assist in the event of termination to allow an effective transition.
- VI. Beyond that, the Council has the ability to suspend admissions in the event of sufficiently poor performance of the contract. This could be used to mitigate the risk of failure.
- VII. Due to the nature of the contract, the closure of any Care UK establishment is less likely as the Council would work with partners to ensure continuity of safe services.

75. TUPE would likely apply to any business transfer in the event of provider failure.

Recommendations

76. The Health Scrutiny Committee is asked to give consideration to the following officer recommendations:

- I. To support the joint commissioning (by the Council and the CCGs) of residential and nursing care placements to deliver better, more integrated, outcomes for residents of Suffolk;
- II. To support the direction of the Council and the CCGs in driving up quality and strengthening contract management;
- III. To endorse health and social care sector skills as a priority area for the LEP;
- IV. To support the immediate strengthening of the Provider Support Team with a nursing post to enable care homes with nursing to have the support they need to drive quality improvement and sustain services;
- V. To encourage further sponsorship of Dementia Champions by recommending this approach across the Council and amongst partners and service providers in Suffolk.
- VI. To consider and comment on the draft ACS Provider Business Failure Procedure document.