



Argyll & Bute Health & Social Care Partnership

Integration Joint Board

Agenda item: 5.7

Date of Meeting: 30th November

Title of Report: Auchinlee Care Home potential closure

Presented by: Lorraine Patterson Head of Service (West)

The Integration Joint Board is asked to :

- 1. Note the imminent risk of the CrossReach Board making a decision to close the Auchinlee Care home**
- 2. Note the work undertaken by the HSCP to prevent this closure and the alternatives which have been considered and assessed (long list and short list)**
- 3. Consider the conclusion reached as at this time and consider the other implications of retaining this care home provision in Kintyre**
- 4. Note the stated intention to commence work to develop a future model of care for Elderly dementia care for the West of Argyll.**

1. EXECUTIVE SUMMARY

1.1 Following a series of meetings in recent months with CrossReach regarding care standards at Auchinlee specialist Elderly dementia Care Home in Campbeltown, the HSCP was informed on 3 August 2016 that the CrossReach Board had met and were minded to close Auchinlee (Appendix 2 details the timeline). The decision to close was based on:

- Significant financial losses in the last 3 years which the CrossReach Board has now assessed that it can no longer sustain;
- High vacancy rate in the care establishment and the inability to recruit and retain staff with an over-reliance on agency staff, which if continued would impact on the safety and sustainability of care provision;
- Risk of reputational damage to CrossReach by continuing to provide a service which fails to achieve high ratings from the Care Inspectorate;
- Restrictions from the Care inspectorate on new admissions to the unit until improvements were achieved. This has now been lifted;
- Condition of the building and the resulting significant refurbishment of the property likely to be required over the next 3 years with the required investment in the order of £255,000.

- 1.2 Since August, in partnership with CrossReach, local HSCP management and the social care commissioning team have attempted to identify an alternative independent provider to take over the home but to date this has not been successful.
- 1.3 At the same time the HSCP has been examining and exploring a number of options to ensure the service can continue to be provided locally in a safe, sustainable and in an appropriate care environment. A short list of 3 options have been identified as potentially viable for the medium term:
 - i. CrossReach continue to provide this service with additional financial support from the HSCP as part of a partnership agreement for a period of 3 years
 - ii. Argyll & Bute Council take over responsibility to provide the service as a council run care home operated by the HSCP
 - iii. Auchinlee closes and the 15 residents are resettled in other care homes, mostly outwith Argyll & Bute.
- 1.4 The most viable option and the most intensive recent focus of work has been on supporting CrossReach to continue to providing the service in partnership with the HSCP. This would allow time to redesign the current model of service taking account of the projected elderly dementia need in the West of Argyll (Oban, Kintyre and Mid Argyll), in line with the HSCP's Strategic Plan objectives.
- 1.5 The Chief Officer and other HSCP senior managers met with CrossReach Executives on 13 September and 10 November to discuss the extent of a partnership arrangement including the level of equitable risk sharing, the nature and level of financial and workforce support to progress a meaningful partnership
- 1.6 CrossReach have now verbally indicated that they cannot support such a partnership as the level of risk exposure for 3 years regarding service standards, resident safety, ongoing service sustainability and the scale of financial losses still could not be supported. They have obtained the view of their Board as to their next steps, which may be the serving of formal notice to close the care home, if a mutually acceptable partnership agreement cannot be reached.
- 1.7 CrossReach submitted their final revised partnership proposal on 23 November 2016, which had 2 options for the HSCP to consider:
 - Option 1 - A partnership agreement whereby CrossReach remain the registered provider with them providing 50% of the staff establishment and the HSCP meeting the rest of the cost and the workforce required. This would be for a 3 year period subject to annual review (see section 2.12 for full details).
 - Option 2 - that the service is handed over to the HSCP to run and operate, with staff TUPE across to the Council. The Auchinlee building

would then be transferred to the Council/NHS (see section 2.12 for full details).

1.8 The Strategic Management Team (SMT) has therefore re-examined all the original options including the revised partnership proposal.

1.9 Whilst the Strategic Management Team believe it needs to consider accepting the risk of doing everything it can to retain local provision for this vulnerable group. The final proposals from CrossReach expose the HSCP to a significant level of ongoing risk around safety, sustainability, financial and governance, and the SMT view is that these potential risks are at an unacceptable level.

1.10 Therefore the SMT are asking the IJB that it either supports the SMT to:

- Continue to engage with a partnership discussion with CrossReach to achieve a more acceptable level of risk, indications are that this is unlikely to be achieved as CrossReach have indicated that if either of the options are not agreed then notice to withdraw the service will be given

Or, if a mutually acceptable agreement cannot be reached and CrossReach serve notice to close:

- Progress subject to individual need assessments any local contingency placements for the current residents that can be put in place in Argyll. Thereafter arrange for the relocation of up to 15 residents outwith Kintyre. Noting that external placements will continue for a number of years.

2. INTRODUCTION

- 2.1 Auchinlee Care Home has been providing residential Care to older people for over 60 years. In June of 2012 it became a designated Dementia unit, in recognition that the majority of their residents suffered from dementia. Auchinlee is owned and operated by CrossReach which was launched in June 2005 and was previously known as the Church of Scotland Board of Social Responsibility. An overview of the care home and service can be found on the web site link <http://www.crossreach.org.uk/auchinlee>
- 2.2 During 2015 and in early 2016 there were several adult protection referrals which led to a large scale investigation which commenced in May 2016 and the final report was issued in August 2016. A number of staff were suspended and reported to the SSSC; with some subsequently dismissed. Consequently there was a moratorium placed on new admissions. HSCP representatives have worked closely with the Care Inspectorate in recent months to support CrossReach to improve standards of care.
- 2.3 While CrossReach have made significant improvements in staff training, care planning, and record keeping, it has become clear that they have had to deploy significant management and staffing resources from outwith the area to achieve this, including a high use of agency staff due to difficulties in recruitment. This has further added to their in year cost pressures. In addition a moratorium on admissions has led to a reduction in income which has further exacerbated an already challenging financial position. The projected budget deficit for 2016 is in the region of £320,000. CrossReach do not deliver the service to generate a profit and they plan for an annual deficit of around £55k, the losses in recent years are far in excess of this planned deficit.
- 2.4 The CrossReach Board reviewed the position in June 2016 and decided that it was no longer viable to continue to operate Auchinlee as a care home. This decision was reported to MAKI Locality Management on 3 August 2016.
- 2.5 CrossReach reported that they had tested the market in July 2016, and no alternative provider had been identified. Locality Management have also contacted HC One, the owners of Kintyre Care Centre, and other independent or 3rd sector providers, but have been unable to identify another organisation that would be interested in taking over responsibility for Auchinlee at this time.
- 2.6 HSCP representatives met with Senior Managers from CrossReach on 15 & 29 August. During these meetings it was clear that unless an alternative provider could be identified there would be a formal notification of closure issued by CrossReach. At that stage CrossReach had not set a deadline, but it was clear from those discussions that they were looking for an early indication that there is an organisation that would be willing to take over the running of the service.

2.7 This position was reaffirmed at the meeting on 13 September. The HSCP however, reflected to CrossReach that its stated intention was to do everything within its available resource and capability to retain this local service in a safe and sustainable form recognising that it needed to be redesigned. To this end it proposed a partnership arrangement with CrossReach where by responsibility and costs would be shared by both organisations.

2.8 The initial draft partnership proposal presented by Crossreach included a requirement for the HSCP/Argyll and Bute Council to assume responsibility for the operation of the home from January 2017, with the majority of the risk passing to the HSCP. The main components of the proposal were:

- TUPE staff to the HSCP under council employee terms and conditions
- HSCP would be responsible for the running costs of the service
- HSCP would be responsible for the recruitment and training of staff and the management of the service
- CrossReach would continue to be responsible for running and maintaining the building for 1 year
- CrossReach would look to sell the building to the HSCP after 1 year

2.9 This proposal was considered and rejected by the HSCP SMT on 27 October as the scale of operational and financial risk was assessed as not affordable or sustainable. The SMT felt there needed to be an acceptance of a 50:50 sharing of risk between CrossReach as a national provider of care and the HSCP.

2.10 The Chief Officer and members of the Management team met the Chief Executive and Older People's Service Director of CrossReach on 10th November, to clarify and propose a more balanced sharing of risk. The material components proposed and discussed were:

- That CrossReach would continue to be the registered provider and continue to run the service for a period up to 3 years.
- That based on the estimated annual deficit of £320,000 the HSCP would contribute £160,000 either in funding or through the secondment of staff to the service or a combination of both.
- That CrossReach would contribute £160,000 to the estimated annual deficit for a period of up to a maximum of 3 years. This would be an increase on the currently planned and accepted deficit of £55,000.
- That both organisations will look to work together to drive out further efficiencies to reduce costs.
- That both organisations would work together to address the recruitment, training and support of carers and care management.
- That both organisations would use the up to 3 year period to work in partnership to put in place a specialist elderly dementia care service for the West of Argyll. This would include mobilising other resources from

partners such as Alzheimer Scotland, housing, local enterprise companies etc.

2.11 The CrossReach Chief Executive agreed to take this information to the CrossReach Board for consideration in November.

2.12 CrossReach has now submitted a final revised proposal on the 23 November 2016 with 2 options for the HSCP to consider:

Option 1 - Partnership Agreement

- That CrossReach continue to provide the service for a further three years subject to annual review.
- That HSCP commit to a block purchase of 20 places based on the NCHC nursing rate with agreed uplifts over the period of the partnership.
- That CrossReach will be responsible for providing 50% of the staff complement.
- That HSCP will be responsible for providing 50% of the staff complement and that CrossReach will reimburse HSCP on the basis of CrossReach staffing costs formula.
- That CrossReach will commit to meet £100k of the estimated three year premises spend of £255k.
- The HSCP will meet the annual deficit of £257k which represents the shortfall in the cost of running the service against the income based on the NCHC nursing rate (£207k) and a supplement of £50k to cover agency, secondment, accommodation and travel costs as a result of the recruitment problems in the area.
- That CrossReach will make available a one off gift from a charitable source of £100k as a goodwill gesture and in an attempt to achieve a workable agreement to maintain the current service.
- That CrossReach will reimburse the HSCP up to £155k of premises costs incurred over the period of the three year partnership from the proceeds of sale of the asset subject to achieving an agreed level of receipt and subject to meeting other costs as a priority.

Option 2- Transfer of Service

- That HSCP take over full responsibility for the running of Auchinlee.
- That CrossReach Staff are transferred to HSCP.
- That the building is signed over to you and you benefit from the sale of the asset when disposed of subject to a reasonable overage clause should the sale exceed the agreed valuation less costs.

2.13 The SMT has reviewed and assessed this and all the other options at its meeting of the 25 November and the outcome of this assessment is outlined as follows:

- Immediate Implications of closure
- Alternative service options
- Examination and assessment of shortlisted options
- Conclusion
- Recommendation

3. IMMEDIATE IMPLICATIONS OF CLOSURE

- 3.1 Should CrossReach give formal 13 week notice of closure and we are unable to accommodate the residents in Kintyre then the residents would have to be placed in other units.
- 3.2 In total there are 15 clients who will need to be resettled. 2 are known to have family connections outwith Argyll, but the remaining 13 are local, with their family connections being in Kintyre.
- 3.3 None of the current care home vacancies in Argyll & Bute are designated for dementia care and would therefore be unsuitable for the Auchinlee clients, so all 15 clients may need to be relocated outwith Argyll & Bute.
- 3.4 The additional impact of this closure is an overall 37% reduction in care home places in Kintyre and a 55% reduction in dementia care home places in the area. Therefore we can anticipate a significant increase in out of area placements in the future, which will also have a knock on effect for Mid Argyll, as historically clients requiring specialist dementia care home placement from the Mid Argyll area are generally placed in one of the Kintyre homes.
- 3.5 Another impact is likely to be an increase in the number and length of delayed discharges in Campbeltown Hospital and Mid Argyll Hospital.
- 3.6 Similarly we should anticipate an increasing number of vulnerable clients in the community awaiting care home placements, and the length of time they are waiting for placements would increase.

4. ALTERNATIVE SERVICE OPTIONS:

4.1 Over the last 3 months the HSCP has been examining and identifying the viable service alternatives to keep the existing and future residents in Argyll and ideally in the Kintyre and Mid Argyll Area. Appendix 1 details the long list of options developed. A short list of 3 options were assessed as being viable:

- Option 1 - CrossReach continue to provide the service with additional support from the HSCP/A&B Council as part of a partnership agreement
- Option 2 - Argyll & Bute Council take over responsibility to provide the service as a council run care home (operated by the HSCP)
- Option 3 - Auchinlee closes and the 15 residents being resettled in other care homes, mostly outwith Argyll & Bute.

4.2 The tables on the following page summarise the main characteristics of each option, the impact on users, families, service delivery and capacity, reputation, and financial risks. Options 1 and 2 are representative of the proposals outlined by CrossReach as being acceptable to them in their communication from 23 November 2016.

Option	Service/User/Other Impact	Financial Impact	Identified Risks
<p>Option 1 - CrossReach continue to provide the service with additional financial support from the HSCP/A&B Council as part of a partnership agreement:</p> <ul style="list-style-type: none"> • CrossReach responsible for providing 50% of staff establishment & HSCP the other 50% • CrossReach will continue to provide the service for 3 years, subject to annual review • HSCP will meet the annual projected deficit 	<p>Service Users Would be minimal as in effect the service would continue as existing for 3 years.</p> <p>Staff Impact Sharing the staff establishment between the organisations will require redeployment/secondment and revision in job descriptions and appropriate line management/governance arrangements. HSCP could be characterised as providing a locum agency service to CrossReach. There may be issues with staff being employed with different terms and conditions, including salary, which may cause some dissatisfaction.</p> <p>Other Impact Stabilising provision for 3 years will allow the opportunity to put in place a full transformational redesign of elderly dementia services with full public and partner and stakeholder engagement.</p> <p>There is concern over the ability of the HSCP to be fully sighted on and engaged in the clinical and care governance of a service configured as described within the proposal.</p>	<p>Component of proposal</p> <ul style="list-style-type: none"> • CrossReach will provide £100k towards refurbishment. HSCP to meet the balance £155k. • Requirement to block purchase 20 beds at NCHC rate, additional cost of £169k for beds not currently required. • CrossReach reimburse HSCP £155k on sale of building subject to conditions. • HSCP will meet the projected annual revenue shortfall £257,000. • CrossReach will gift the HSCP a one-off donation of £100,000. • HSCP will employ 50% of staff group, with more favourable T&Cs this will cost an estimated £227,000. <p>Assessment</p> <ul style="list-style-type: none"> • Estimated additional annual cost to HSCP £672k • All of the financial risk would be borne by the HSCP • The HSCP would need to find additional funding to meet this increased cost, this would inevitably result in savings from other service areas. 	<ul style="list-style-type: none"> • Not sustainable in the medium/longer term, and would only work if further service redesign work was undertaken to change the model of care. • Current staffing recruitment problems are unlikely to be resolved (50% vacancy in establishment). • Risk remains in the ability to recruit and retain appropriate levels of staff and in delivering care in a building which is functionally not suitable. • Staffing arrangements proposed introduce a level of complexity re management and accountability and governance. • Increased risk of clinical and care governance issues within this model. • The condition and short to medium term suitability of the building remains a risk. The HSCP would also need to identify capital funding. • This would require the HSCP investing considerable resources in a model of service which is neither viable nor sustainable. This would compromise the ability to take forward its

Option	Service/User/Other Impact	Financial Impact	Identified Risks
			<p>strategic direction for care of older people within community models of care.</p> <ul style="list-style-type: none"> • All of the financial risk would be transferred to the HSCP, without full control over managing the financial position as CrossReach would remain the care home provider.
<p>Option 2 – Argyll & Bute Council take over responsibility to provide the service as a council run care home through the HSCP. In addition CrossReach would transfer the building asset to the HSCP (Council/NHS partner).</p>	<p>Service Users Would be minimal to service users in the short term as in effect the service would continue as before with only the care provider changing. In the longer term the impact would depend on the new service model that was introduced.</p> <p>Workforce There would be HR implications for the HSCP, as TUPE would apply. If the HSCP were to take over the operation of the facility, all current employees would transfer on their current terms and conditions to the council.</p> <p>Advice on TUPE states that there is no set time limit for a link between TUPE and contract variation to expire, so there would be no immediate financial impact from harmonisation of terms and conditions.</p>	<p>All of the running costs would be transferred to the HSCP this significantly increases the cost of delivering the service due to enhanced employee terms and conditions. In addition operating with only 15 clients leads to a shortfall in income. The proposal also includes the transfer of the building to the Council or NHS, which could be disposed of in the future. However, there are concerns about the value of the building and on-going maintenance requirements.</p> <p>Assessment</p> <ul style="list-style-type: none"> • Estimated additional annual cost to HSCP £770,000, based on the existing 15 clients. • Significant increase in cost of delivering service due to more 	<ul style="list-style-type: none"> • Not sustainable in the longer term, would only work if further service redesign work was undertaken to change the model of care. • Current staffing recruitment problems are unlikely to be resolved by the change of management/employer (50% vacancy in the current establishment). • All of the safety and workforce risks should the service fail at some point in the future would be transferred from CrossReach to the HSCP/Council. • All of the future cost and demand pressures from operating the service would be transferred from CrossReach to the HSCP.

Option	Service/User/Other Impact	Financial Impact	Identified Risks
	<p>The HSCP (employed by council/NHS) could continue to employ the staff from the facility on their current terms and conditions for an extended period of time.</p> <p>However, over time, there would be a number of scenarios that could result in a change to employee status and therefore an increase in employee costs to the HSCP. If there were to be a remodel of the care provided and associated changes to the posts required to deliver this model of care, the posts would be evaluated against the council's pay and grading structure and would be likely to increase in salary.</p> <p>If any employees were to leave, the posts advertised would be HSCP posts and therefore would attract council terms and conditions. Any vacancies advertised would be likely to result in a scenario where the Cross Reach employees who had transferred under TUPE would be very likely to apply for the council posts as the terms and conditions are better. Any changes to the service delivery in the future may result in severance costs for the transferred employees.</p> <p>Whilst there is no legal obligation on the employer to harmonise terms and conditions upwards, there may be pressure from the Trade Unions to accelerate harmonisation.</p>	<p>favourable terms and conditions for staff. This would introduce a new cost pressure from operating the service that does not exist at present, with the resulting impact on costs far exceeding the estimated deficit of £320,000 for CrossReach operating the service.</p> <ul style="list-style-type: none"> • All of the financial risk would be borne by the HSCP. There is a significant risk around the income from clients, particularly self-funding clients, changes to client financial circumstances can further increase the cost to the HSCP. • Significant ongoing financial risk arising from transfer of ownership of the asset to council or NHS. Risks around the maintenance of the asset and the ability to dispose of in the future. 	<ul style="list-style-type: none"> • The condition and short to medium term suitability of the building is also a risk with regard to service provision and potential expansion to meet need. The additional financial risk estimated at £255k which may be offset by future sale of asset if receipt value is realised. • The impact on the financial position of the HSCP compromising its statutory requirement to deliver a balanced budget. • This would require the HSCP to invest considerable resources in a model of service which is neither viable nor sustainable. This would compromise the ability to take forward the strategic direction for care of older people within community models of care. • Significant risk of reputational damage to the HSCP in the future should the service fail.

Option	Service/User/Other Impact	Financial Impact	Identified Risks
	<p>It should be noted that there is legal precedent that there would be no risk of equal pay claims to the employer as a result of a TUPE situation.</p> <p>Capacity Impact Supporting the care home will require the redeployment of other HSCP staff from across the locality. This will increase stress to existing workforce workloads affecting response times and service redesign plans.</p>		
<p>Option 3- Auchinlee closes and the 15 residents are resettled in other care homes, mostly outwith Argyll & Bute.</p> <p>(This option assumes that we would be unable to accommodate the residents in hospital beds. However, options to use hospital beds in Campbeltown and</p>	<p>User Impact:</p> <p>Would be very significant with this option. The impact on the individual residents and their families is impossible to quantify but would be devastating, with individuals placed ideally as locally as possible in the West of Scotland into whatever care homes could accommodate them.</p> <p>There would be a significant loss of contact with family and friends, and evidence shows that the life expectancy of residents who have moved following closure of care homes is reduced.</p> <p>Given the nature of dementia as an illness, the impact on this particular group of residents would be even greater than that</p>	<p>This would be minimal as residents care packages would be paid under NCHC rates, this would be unaltered by where that care is provided.</p> <p>Assessment This option is however, not cost neutral as the HSCP would need to manage the relocation of residents within a 13 weeks period, requiring one full time member of social work agency staff to prepare and manage this process at a cost of approximately £16,000.</p> <p>Transporting residents outwith Argyll & Bute, with escorts has been estimated at £7,500 based on</p>	<ul style="list-style-type: none"> • Residents may lose contact with relatives and friends and potentially have poorer outcomes. • These residents will require legal support as they will have incapacity issues. This will take time beyond the statutory 13 week notice period and will incur additional user and service disruption and cost. • Research shows that as a result of such a move some residents are likely to die within a short period following transfer to other care homes. • Significant loss of care home places in Kintyre resulting in

Option	Service/User/Other Impact	Financial Impact	Identified Risks
<p>Lochgilphead have also been considered. These options have not been shortlisted for consideration by the IJB but are summarised in Appendix 1.)</p>	<p>seen with the closure of other non-dementia specialist care homes.</p> <p>Reputational Impact The HSCP can anticipate a highly negative and critical response from the community, local and national media coverage, and a high degree of local and national political scrutiny and criticism.</p> <p>The IJB should also expect a negative impact on its reputation within the community and politically.</p> <p>Capacity Impact</p> <p>Loss of Kintyre care home places also impacts on Mid Argyll and will lead to more placements outwith the MAKI area for that population.</p> <p>Significant immediate/short term impact on hospital beds with increased numbers of delayed discharges and increasing length of stay at a time when the HSCP is trying to shift the balance of care and reduce the number of hospital beds.</p> <p>The release of care home staff resources could provide opportunities for gaps in current provision and plans for community care models to be accelerated.</p>	<p>two members of staff per resident to accompany them and associated travel costs. Total estimated cost at this stage is £23,500.</p>	<p>many more clients being relocated to other areas (including outwith Argyll & Bute) going forward.</p> <ul style="list-style-type: none"> • Significant negative public and political response and reputational damage. • Limited financial risk after the initial non-recurring costs of relocating the residents. • Potential reduction in the recruitment risk of other care posts due to release of resource from closure of care home.

5 Examination of Options

- 5.1 The SMT has assessed that the risks associated with implementing either Options 1 or 2 as being unacceptably high, as the proposals have the potential to expose the HSCP in a number of areas:
- Resident safety
 - Workforce and workforce safety
 - Contractual risks, including legal requirements
 - Financial risks, both in terms of capital and revenue costs
- 5.2 Both Options 1 and 2 would ensure some degree of stability in the short/medium term and would allow time for alternative care arrangements to be explored as part of a redesign of the model of care for the West of Argyll encompassing Kintyre, Mid Argyll and Oban and Lorn. However, there are a number of risks that would be carried by the HSCP in agreeing either of these options, including an immediate additional cost pressure estimated to be between £672,000 or £770,000 per annum based on current occupancy of 15 beds. The offer of the asset for its future value if disposed of has not been assessed, however it is recognised that the property market in Campbeltown is not buoyant and is unlikely to improve in the current economic climate.
- 5.3 The SMT have assessed that it could possibly identify from its existing workforce group some of the staff to support the delivery of the service, however, the issues and problems including safety, recruitment and retention aligned with the functional suitability of the building identified by CrossReach would still remain until the service was redesigned. At this time this would remain a significant service viability and safety risk.
- 5.4 Option 1 partnership proposal introduces significant complexity into the staff and care governance arrangements for the HSCP and could comprise clinical and care standards for residents. The legal agreement required for line management arrangements, adoption and application of respective employer organisation policies etc. This is inherently unsafe and would require clear legal direction from both potential stakeholders.
- 5.5 Argyll and Bute Council have been informally approached to ascertain if they would provide the additional funding and cover the ongoing financial and employee risk. Whilst there is no formal response it is clear there would need to be political consensus to support this action and meet the additional financial cost. There is likely to be an expectation that the HSCP would need to meet this additional cost from within its own resources which would mean an increase in its saving target. This would require additional savings to be identified from other service areas and would increase the target of savings to be included in the Quality and Financial Plan of between £672,000 and £770,000.
- 5.6 Option 3 would have the greatest impact on the individuals, the Kintyre community, and local services, and could continue to impact for many years until an alternative service was in place.

Overall Assessment

- 5.7 Whilst the Strategic Management Team believe it needs to consider accepting the risk of doing everything it can to retain local provision for this vulnerable group. The final proposals from CrossReach expose the HSCP to a significant level of ongoing risk around safety, sustainability, financial and governance, and the SMT view is that these potential risks are at an unacceptable level.

6. Contribution to Strategic Priorities

- 6.1 Argyll and Bute HSCP strategic plan provides a clear road map on the expectations for health and care provision for the communities of Argyll and Bute. The strategic plan also acknowledges that safety and sustainability are key challenges and drivers for the transformational change in Health and Social care that is required.

Extract from HSCP Strategic Plan:

- provide seamless, joined up, high quality health and social care services in order to care for people in their homes, or a homely setting, where it is safe to do so;
 - At the heart of this approach to strategic planning will be the provision of services and support across the sectors in a way that meets the needs of particular individuals, communities and localities.
- 6.2 The Strategic direction for care of older people, including those with dementia is within community models of care across a transition pathway. Assessment of investment priorities need to be within this context with person centred care and safety for patient and residents paramount.

7. GOVERNANCE IMPLICATIONS

Financial Impact

- 7.1 Based on an occupancy of 15 beds the HSCP would pay CrossReach £333,000 for the provision the external placements. This cost would not change if the service is provided by an alternative service provider. All other costs outlined in the financial implications would be additional costs in addition to this external placement cost.
- 7.2 Option 1 would commit the HSCP to additional estimated costs of £672,000 per annum in addition there would requirements maintaining the building if it is transferred to the NHS/Council. Under this option all of the financial risk would be borne by the HSCP. This option would see the annual cost per bed, based on the existing 15 residents increase from the current £22,000 to £67,000 per bed.

- 7.3 Option 2 would commit the HSCP to additional costs of £770,000 based on the current occupancy. This cost would also rise in the future in line with any Local Government pay agreements and if the HSCP decided to withdraw from the service in the future there may be severance costs for employees. Under this option all of the financial risk would be borne by the HSCP. This option would see the annual cost per bed, based on the existing 15 residents increase from the current £22,000 to £74,000 per bed.
- 7.4 Options 1 and 2 would both see an increase in the savings required to be delivered by the HSCP, with additional savings of between £672,000 and £770,000 required to be added to the Quality and Financial Plan. This would require planned reductions in other service areas to continue this service.
- 7.5 Option 3 is not cost neutral as we would need to manage the relocation of residents within a 13 week period, requiring one full time member of agency staff to prepare and manage this process at a cost of approx £16k. Transporting residents out with Argyll & Bute, with escorts has been estimated at £7,500 based on 2 members of staff per resident to accompany them and associated travel costs. The total estimated cost at this stage is £23,500 excluding accommodation for the agency worker. SMT could identify funding from the current HSCP integrated budget to accommodate these costs.
- 7.6 The Integration Scheme outlines the approach for delegating resources by the Council to the IJB for services. This is based on an established baseline budget for each service to form an integrated budget and that commissioned services are delivered within the financial resources available.
- 7.7 Any cost pressures arising from changes in the way services are delivered in relation to Auchinlee Care Home are not included in the baseline budget delegated to the IJB and as such would require to be funded by an increased financial contribution from the Council. However there may be an assumption that if the HSCP choose to implement a solution with financial consequences that this should be funded from the current level of resource.
- 7.8 The IJB are not permitted to approve a budget which would result in a deficit position, therefore any decision to take on an additional cost pressure would require additional savings to be delivered to fund this.

Staff Governance

- 7.9 If a decision is reached to take over responsibility for operation of Auchinlee by the HSCP/Council there would be a requirement to TUPE all of the currently employed staff to Council employment.
- 7.10 Option 1 introduces a potential range of complex staff governance issues as the HSCP would be seen to be acting as a locum agency seconding staff.

These include organisational policy operation and compliance, different T&Cs, line management responsibility.

Clinical and Care Governance

- 7.11 Potential care governance issues as Care Inspectorate ratings for Auchinlee have recently been low. However, CrossReach have undertaken a significant amount of work with staff to improve standards and the most recent feedback from the Care Inspectorate is that they are satisfied with the progress made. A review by the Care Inspectorate in October resulted in an increase from 2 to 3 for all criteria.
- 7.12 Resident, safety and ongoing care issues may arise if the HSCP/council is unable to recruit staff in Option 2 and the complexity of the governance arrangements in Option 1 introduce heightened risk compromising resident and staff safety.

8. EQUALITY & DIVERSITY IMPLICATIONS

- 8.1 Significant equality implications if the current situation leads to closure and loss of this service. The loss of 55% of the local dementia specialist care home places will disadvantage the local community and lead to a high number of out of area placements with significant distance and travelling time. The impact on the individual clients as a result of reduced or potentially complete loss of contact with friends and family would be significant and have further negative health implications.
- 8.2 There may also be a wider social and economic impact adding further to the depopulation and economic viability of area/region.
- 8.3 If a decision was made to re-house the residents an EQIA would require to be undertaken to support mitigation of impact of resident, cares and families.

9. RISK ASSESSMENT

- 9.1 A number of critical risks have been identified and an operational risk register is being developed. This will be updated regularly by the Project Group or Locality Management tasked to progress whatever option is agreed. The specific risks associated with each option are detailed.

10. PUBLIC & USER INVOLVEMENT & ENGAGEMENT

- 10.1 Due to the highly sensitive nature of this issue, no information was disclosed until very recently. On 31 October staff, relatives of residents and the Friends of Auchinlee, were briefed by the CrossReach Executive Team with local HSCP managers in attendance. A commitment was made to hold further meetings at the end of November. A press release was issued following the meetings on 31 October.

11. CONCLUSION

- 11.1 At present there is a significant risk of loss of this service in Kintyre. CrossReach have been keen to work in partnership with the HSCP to achieve the best possible outcome for the residents. The SMT have proposed an equitable sharing of risk, acknowledging the challenging circumstances that both organisations are faced with. CrossReach have indicated that they are unable to support such an equal risk sharing arrangement and have provided 2 alternative proposals as their final offer. If neither is accepted the SMT anticipate CrossReach may have no option other than to give notice to withdraw from providing this service.
- 11.2 The HSCP now needs to consider the possibility of directly providing this service in the short/medium term to avoid the loss of service and the requirement to resettle 15 residents within a few weeks and place many more out of area in subsequent years.
- 11.3 If Options 1 or 2 could be resourced and all the issues addressed (workforce, safety, financial viability and building suitability) then there could be short term stability for the care home. However, it is acknowledged that, this stability is to allow for a specific project would need to be undertaken over the next 6 to 12 months to identify the redesigned service model, staffing, revenue, facility/housing needs and consequent capital implications. This is likely to take up to a further 2 years to implement. It is recognised that this will require external consultant support, stakeholder and local and national commitment and input and appropriate project funding/resource will be required to be identified.
- 11.4 Option 3 is assessed objectively as the most viable in service safety, sustainability and financial terms. However, it clearly has the greatest individual impact on residents which will be detrimental to them and their families and friends. It significantly reduces local service provision for this client group. It will also have the largest negative impact on the reputation of the HSCP.
- 11.5 It is clear that the service in its current form cannot continue and will have to change. This will have a significant impact on the current residents and the workforce. The HSCP in its assessment of alternatives has clearly focused on identifying if it can provide a safe, sustainable and high quality service meeting user's needs.
- 11.6 The circumstances the HSCP is facing regarding this single service, once again evidences the fragility of small isolated rural services within a very challenging economic and demographic context. This is compromising the HSCP ability to provide safe, sustainable and affordable services. This can only be achieved by an extensive transformational change in health and social care which requires time and resource.

11.7 The HSCP could bring this service in-house as a contingency within the context of accelerating the redesign of the overall service. This would however put a significant burden on existing care and local management resources as well as incur significant costs both in workforce terms and financial which the wider HSCP would have to bear.

12. RECOMMENDATION

12.1 The SMT acknowledge and appreciate the intent of CrossReach to co-operate and seek to find a mutually satisfactory solution to secure the immediate future of the service particularly for the current residents.

12.2 The SMT has had as its main aim to do everything it can to retain local provision for Auchinlees residents. However, it has also had to take into account safety and sustainability of the service, for not only the health and well-being of Auchinlees existing residents, but also any future elderly dementia residents

12.3 However, the final proposals from CrossReach expose the HSCP to a significant level of ongoing risk around safety, sustainability, finance, clinical/care and staff governance, and the SMT view is that these potential risks are at an unacceptable level.

12.4 Therefore the SMT are asking the IJB that it either supports the SMT to:

- Continue to engage with a partnership discussion with CrossReach to achieve a more acceptable level of risk. However this is unlikely to be achieved as CrossReach have indicated that if either of the options are not agreed then notice to withdraw the service will be given.

Or, if a mutually acceptable agreement cannot be reached and CrossReach serve notice to close:

- Progress subject to individual need assessments any local contingency placements for the current residents that can be put in place in Argyll. Thereafter arrange for the relocation of up to 15 residents outwith Kintyre. Noting that external placements will continue for a number of years.

Appendix 1

Long List of Alternative Elderly Dementia residential Care Service Options

Option 1

CrossReach continue to provide this service with additional financial support from the HSCP/A&B Council as part of the partnership agreement as specified.

Option 2

Argyll & Bute Council take over responsibility to provide the service as a council run care home through the HSCP.

Option 3

Auchinlee closes and the 15 residents are resettled in other care homes, mostly outwith Argyll & Bute.

Option 4

Auchinlee closes and the 13 residents are transferred to NHS care in Campbeltown on a temporary basis. 2 Residents who have family connections outwith Argyll & Bute would be transferred to care homes closer to their families.

Option 5

Auchinlee closes and the 13 residents are transferred to NHS care in Campbeltown and Lochgilphead on a temporary basis. 2 Residents who have family connections outwith Argyll & Bute would be transferred to care homes close to their families.

The detailed assessment of options 1, 2, and 3 are listed in the main paper. Options 4 and 5 were not shortlisted as the user and service impact together with the financial implications were assessed as making neither of these options viable. The detail of options 4 and 5 are captured in the table below.

Option	Financial Impact	Service/User/Other Impact	Identified Risks
<p>Option 4 - Auchinlee closes and the 13 residents are transferred to NHS care in Campbeltown on a temporary basis. 2 Residents who have family connections outwith Argyll & Bute would be transferred to care homes closer to their families</p>	<p>This option would require the re-commissioning of part of Bengullion Ward for inpatient use.</p> <p>At this stage we do not have a fully costed estimate for the re-commissioning of Bengullion Ward. As a minimum we would require to install bathing and showering facilities, and purchase new beds and furniture which would meet current HEI standards. It is likely that this plus other essential upgrades and necessary alterations would cost at least £150k.</p> <p>Staffing costs are likely to mirror those of Knapdale Ward in Lochgilphead which is a 12 bed dementia unit. We would therefore require 29.4 wte at a cost of £1,136,300</p> <p>A 1:2 ratio would be the minimum requirement in this type of ward, as would a 50/50 qualified to unqualified staffing requirement. So it is unlikely that we would be able to staff this new unit in Campbeltown with 13 beds for much less than Knapdale Ward.</p>	<p>Users Most of the resident/patients would be in shared bedroom accommodation having previously been in single room accommodation in Auchinlee, with the associated loss of privacy and dignity that comes with being in shared accommodation. It is expected this move would have a negative impact on their outcomes.</p> <p>The location of the unit would create a degree of noise and activity within the area which would be disruptive unsettling for residents/patients who will already be confused and disoriented by the transfer.</p> <p>Service Impact Bengullion Ward provides the base for Adult Community Services, and the Physiotherapy Department. These were changes in use following the closure of Bengullion Ward a few years ago, and are part of the overall reconfiguration of services within the Campbeltown Hospital & Health Centre campus, which is at an advanced stage. This involves Child Health Community Services, Medical Records and Primary Care, in addition to Adult Community Services and Physiotherapy.</p> <p>There is currently no alternative location for</p>	<ul style="list-style-type: none"> • Increased risks to the residents/patients associated with hospitalisation including further loss of independence and increased risk of exposure to hospital acquired infection. • Loss of privacy and dignity due to shared accommodation sleeping arrangements and having no personal space • Significant financial risk both short term and recurring • Significant loss of care home places in Kintyre resulting in many more clients being relocated to other areas (including outwith Argyll & Bute) going forward. • Loss of Kintyre care home places also impacts on Mid Argyll and will lead to more placements outwith the MAKI area for that population. • Significant impact on hospital beds with increased numbers of delayed discharges and

Option	Financial Impact	Service/User/Other Impact	Identified Risks
	<p>Knapdale has non-pay costs of £30k.</p> <p>Overall costs of re-commissioning Bengullion Ward is estimated to be:</p> <ul style="list-style-type: none"> • Capital or one off revenue costs: £150,000 (Minimum) • Recurring Revenue costs: £1,166,300 	<p>Adult Community Services or Physiotherapy. While it may be possible to re-commission 2 of the Nightingale style bays and 4 single rooms to accommodate patients again without relocating physiotherapy, it would not be possible to retain adult community services in its current location.</p> <p>It should also be noted that the new ward would not meet NHS Scotland requirement to achieve at least 50% single rooms when a ward is altered/reconfigured.</p> <p>If physiotherapy remained in its present location (and there isn't an obvious alternative) the new residents/patients would have to pass through the physiotherapy department to access their sitting room/day space.</p> <p>In addition there would be inpatients from the GP Acute Ward and outpatients using physiotherapy on a daily basis.</p> <p>Other factors to consider All 13 of the "new" residents/patients would be classed as delayed discharges on admission as there would be no clinical reasons for their admission to hospital.</p> <p>It has been confirmed with the Care</p>	<p>increasing length of stay at a time when we are trying to shift the balance of care and reduce the number hospital beds.</p>

Option	Financial Impact	Service/User/Other Impact	Identified Risks
		<p>Inspectorate that if the HSCP decided to take this course of action that they would have no further involvement as they do not have a role in monitoring NHS premises or care standards</p>	
<p>Option 5 Auchinlee closes and the 13 residents are transferred to NHS care in Campbeltown and Lochgilphead on a temporary basis. 2 Residents who have family connections outwith Argyll & Bute would be transferred to care homes close to their families</p>	<p>As with option 4 this option would require the partial re-commissioning of Bengullion Ward, but would require less space as 4 residents would be transferred to Knapdale Ward in Lochgilphead.</p> <p>There would therefore be a requirement to accommodate 9 residents in Campbeltown Hospital.</p> <p>As per Option 4 we do not currently have a cost estimate for the re-commissioning of Bengullion Ward.</p> <p>As a minimum we would require to install bathing and showering facilities, and purchase new beds and furniture which would meet current HEI standards. It is likely that this plus other essential upgrades and necessary alterations would cost at least £100k.</p> <p>Staffing costs are likely to mirror those of Knapdale Ward in</p>	<p>Users Those residents who were re-housed in Bengullion ward would be in shared bedroom accommodation having previously been in single room accommodation in Auchinlee, with the associated loss of privacy and dignity that comes with being in shared accommodation. It is expected this move would have a negative impact on their outcomes.</p> <p>The location of the unit would create a degree of noise and activity within the area which would be disruptive unsettling for residents/patients who will already be confused and disoriented by the transfer.</p> <p>Service Impact Bengullion ward: The same impacts apply from option 4 There is a reduced overall impact in comparison to Option 4 as less of the ward area would be required to accommodate the Auchinlee residents.</p> <p>However, it seems unlikely that we could continue to use any part of Bengullion Ward</p>	<ul style="list-style-type: none"> • Increased risks to the residents/patients associated with hospitalisation including further loss of independence and increased risk of exposure to hospital acquired infection. • Loss of privacy and dignity due to shared accommodation sleeping arrangements and having no personal space • Significant financial risk both short term and recurring • Significant loss of care home places in Kintyre resulting in many more clients being relocated to other areas (including outwith Argyll & Bute) going forward. • Loss of Kintyre care home places also impacts on Mid Argyll and will lead to more placements outwith the MAKI area for that population. • Significant impact on hospital beds with increased numbers of delayed discharges and increasing length of stay at a

Option	Financial Impact	Service/User/Other Impact	Identified Risks
	<p>Lochgilphead which is a 12 bed dementia assessment and continuing care unit.</p> <p>A 1:2 ratio would be the minimum requirement in this type of ward as would a 50/50 qualified to unqualified staffing requirement.</p> <p>As the re-commissioned ward would only accommodate 9 residents/patients it is likely that we could reduce the establishment to between 17.15 wte and 19.6 wte at a cost of £674,000 to £765,700.</p> <p>Non-pay costs would be approximately £20k.</p> <p>Overall costs of re-commissioning Bengullion Ward is estimated to be:</p> <ul style="list-style-type: none"> • Capital or one off revenue costs: £100,000 (Minimum) • Recurring Revenue costs: ££694,000 – £785,700 	<p>for Community Services as the layout of the ward will not allow us to separate what would be ward/patient space from community services office space unless we reduced the number of single rooms from 4 (as per Option 4) to 2 in this option.</p> <p>There is currently no alternative location for Adult Community Services or Physiotherapy. As indicated in Option 4, it may be possible to accommodate patients again without relocating physiotherapy,</p> <p>As with Option 4 it should also be noted that the new ward would not meet NHS Scotland requirement to achieve at least 50% single rooms when a ward is altered/reconfigured.</p> <p>If physiotherapy remained in its present location (and there isn't an obvious alternative) the new residents/patients would have to pass through the physiotherapy department to access their sitting room/day space.</p> <p>Knapdale Ward This ward is configured to provide a combination of Dementia Assessment (6 beds) and Dementia Long Term Care (6 Beds). Earlier in 2016 Glassary (Dementia assessment) Ward closed and this function</p>	<p>time when we are trying to shift the balance of care and reduce the number hospital beds.</p> <ul style="list-style-type: none"> • Reduced access to dementia assessment beds in Knapdale Ward as more than 6 beds will be occupied by patients requiring long term care, all of whom could/should be accommodated in a care home setting •

Option	Financial Impact	Service/User/Other Impact	Identified Risks
		<p>was moved into the vacant space in Knapdale Ward.</p> <p>Knapdale ward was originally used solely for long term care. The intention has been to discharge the long term patients to suitable care home accommodation and this has gradually been achieved over the last 2 years.</p> <p>There are currently 2 assessment and 2 LTC beds available. All are single rooms. So 4 residents from Auchinlee could be relocated to Knapdale.</p> <p>Other factors to consider</p> <p>All 13 of the “new” residents/patients would be classed as delayed discharges on admission as there would be no clinical reasons for their admission to hospital.</p> <p>It has been confirmed with the Care Inspectorate that if the HSCP decided to take this course of action that they would have no further involvement as they do not have a role in monitoring NHS premises or care standards.</p>	

Appendix 2 – Auchinlee Care Home Timeline

- **Feb/Mar 2016:** Concerns regarding a number of adult protection issues raised, leading to voluntary moratorium on admissions by CrossReach.
- **March 2016:** Inspection by Care Inspectorate results in scores of 2 for all assessed criteria. A number of requirements and recommendations are issued to CrossReach.
- **April 2016:** Large Scale Investigation (LSI) commenced based on adult protection concerns and low Care Inspectorate scores. Mandatory moratorium applied.
- **May/June 2016:** Regular meetings with CrossReach and Care Inspectorate as part of the LSI process.
- **June 2016:** LSI completed and improvements in care standards noted. Discussion regarding potential to start admitting again. CrossReach management indicated unwillingness to do so due to staffing difficulties and the potential impact on care standards.
- **June 2016:** CrossReach board met to discuss future of several loss making care homes and decided to dispose of, or close, Auchinlee and other care homes.
- **July 2016:** CrossReach commissioned a consultant to market Auchinlee as a going concern. A number of alternative providers were contacted including HC1 the owners and operators of Kintyre Care Centre.
- **July 2016:** LSI report issued. No further action indicated/required at that time.
- **3 Aug 2016:** Locality Manager (LM) contacted by Chief Exec of CrossReach and advised of the CrossReach Board's decision and inability to identify a buyer. LM suggested that HSCP would be willing to work with CrossReach to find an alternative to closure including assisting with identification of an alternative provider. Agreed to meet to discuss options.
- **11 Aug 2016:** Establishment of Steering Group. Agreed to meet fortnightly. First meeting held on 11 August. Options discussed/considered included approaching HC1, approaching the South Kintyre Development Trust, and North Argyll House Trust.
- **15 Aug 2016:** Members of Steering Group meet with CrossReach Execs. Discussed options other than closure including potential for further discussion with HC1, and approaching South Kintyre Development Trust, and North Argyll House Trust. CrossReach agreed to HSCP making initial contact with these organisations.
- **22 Aug 2016:** Meeting with HC1 managers took place in Helensburgh. Discussed possibility of HC1 taking over responsibility for operation of Auchinlee. HC1 management agreed to reconsider their position on this.

- **29 Aug 2016:** HC1 confirm that they have reconsidered and rejected option to takeover running of Auchinlee.
- **29 Aug 2016:** Further meeting with CrossReach Execs. Discussed HC1 position and SKDT position. LM advised that he had briefed the HoS (West) and Chief Officer, and that he was preparing a paper for the HSCP SMT. CrossReach Execs concerned that an increasing number of people were aware of the issues with the risk that the information would come out prior to informing their staff, residents and relatives.
- **26 Aug 2016:** LM takes paper to HSCP SMT outlining issues and risk to this service. Agreed to continue to discuss alternatives to closure with CrossReach and to work with them to identify alternative service provider.
- **13 Sept 2016:** Chief Officer and other HSCP Senior Managers meet with CrossReach Execs in Lochgilphead. Confirmed that all options to find an alternative provider had been exhausted. Agreed to work on a Partnership Agreement where risks would be shared by both organisations. CrossReach CEO agrees to prepare a draft proposal for further discussion
- **Sept 2016:** Outline of proposed partnership agreement produced
- **25 Sept 2016:** LM & LAM have phone call with CrossReach CEO to discuss details of the draft Partnership Agreement. Agreed that a meeting with staff and relatives should be arranged as rumours of closure were known to be circulating on social media locally. Agreed 31 Oct as date to hold meetings at Auchinlee.
- **20 Oct 2016:** Care Inspectorate re-inspects Auchinlee and award a rating of 3 for all criteria.
- **25 Oct 2016:** LM and CEO have phone call. CEO advises that he is taking an amended proposal to his Board on 26 Oct for their consideration.
- **28 Oct 2016:** Briefing paper taken to HSCP SMT. SMT did not support this iteration of the partnership agreement and were concerned what would be communicated to staff and relatives at the meetings on 31 Oct 2016.
- **31 Oct 2016:** Pre meeting with CrossReach Execs. LM advised CrossReach Execs that the SMT had concerns regarding the terms of the partnership agreement. HoS (West) joined the meeting and reiterated that position.
- **31 Oct 2016:** Three separate meetings with Auchinlee Staff, relatives of residents, and Friends of Auchinlee group, took place on the evening of 31 October 2016. People were informed that we continued to discuss the terms of a partnership agreement but that no agreement had been reached as yet. .
- **2 Nov 2016:** CrossReach issued a press release to the Campbeltown Courier. Wording had been agreed with HSCP communications team and HSCP management.

- **2 Nov 2016:** LM sent briefing to the 3 Local Councillors in advance of press release being published. This was also copied to the IJB.
- **10 Nov 2016:** HSCP senior managers meeting with CrossReach Execs to discuss further proposed changes to the Partnership Agreement. Chief Officer informs Cross Reach Execs that to be able to recommend a partnership agreement to the IJB, a more balanced 50/50 risk based proposal would need to be agreed, with CrossReach continuing to be the registered provider.
- **22nd Nov 2016:** CrossReach Chief Exec verbally informs Chief Officer that his Board are unable to agree to the HSCP proposed partnership agreement. .
- **23 Nov 2016** CrossReach issue final revised partnership proposal for SMT assessment.
- **25 Nov 2016** SMT consider proposal and finalise report for consideration and presentation to IJB at its 30th November meeting.