



Meeting of East Renfrewshire Health and Social Care Partnership	Integration Joint Board
Held on	29 November 2017
Agenda Item	9
Title	Bonnyton House
<p>Summary</p> <p>The attempt to remarket and sell Bonnyton House has not resulted in a suitable offer being received and agreed.</p> <p>The new information that Mearnskirck will close by March 2019 has allowed financial and service modelling to be carried out to design a unique, highly flexible service based at Bonnyton House.</p> <p>If agreed by the IJB, this service will build on the existing skills of Bonnyton staff, linking them closely with community based rehabilitation staff to ensure personalised care and support is delivered to support people to return home where possible and to provide end of life care if required.</p>	
Presented by	Frank White, Head of Health and Community Care
<p>Action Required</p> <p>Integration Joint Board members are asked to:</p> <ul style="list-style-type: none"> ▪ Agree option 3 which will enable the HSCP to create an integrated centre of excellence for older people in East Renfrewshire to meet a wide range of needs by: <ul style="list-style-type: none"> - continuing to deliver residential places at Bonnyton House - further developing a six bed intensive rehabilitation resource to prevent unnecessary hospital admission and to support hospital discharge. - creating a new six bed unit to deliver palliative and end of life care ▪ Agree a further paper will be presented when more detail is available on the funding package agreed for the closure of Mearnskirck. 	
<p>Implications checklist – check box if applicable and include detail in report</p> <p> <input checked="" type="checkbox"/> Finance/Efficiency <input type="checkbox"/> Policy <input type="checkbox"/> Legal <input type="checkbox"/> Equalities <input type="checkbox"/> Risk <input checked="" type="checkbox"/> Staffing <input checked="" type="checkbox"/> Property/Capital <input type="checkbox"/> Directions </p>	

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EAST RENFREWSHIRE INTEGRATION JOINT BOARD

29 November 2017

Report by Chief Officer

BONNYTON HOUSE

PURPOSE OF REPORT

1. The purpose of this report is to update IJB members on the outcome of the marketing exercise for Bonnyton House and presents options for the future of the service.

RECOMMENDATION

2. Integration Joint Board members are asked to:
 - Agree option 3 which will enable the HSCP to create an integrated centre of excellence for older people in East Renfrewshire to meet a wide range of needs by:
 - continuing to deliver residential places at Bonnyton House
 - further developing a six bed intensive rehabilitation resource to prevent unnecessary hospital admission and to support hospital discharge
 - creating a new six bed unit to deliver palliative and end of life care
 - Agree a further paper will be presented when more detail is available on the funding package agreed for the closure of Mearnskirck.

BACKGROUND

3. A full description and timeline of the decision to sell Bonnyton House, agreed by the IJB on 7th October 2015 is explained in the paper presented to the IJB on 15th February 2017. <http://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=19512&p=0>
4. Following the preferred bidder withdrawing from the process, the IJB agreed, on 15th February 2017, the proposal to remarket and sell Bonnyton House residential service and to the parallel process of maximising efficiencies to minimise the cost pressure to the IJB during 2017/18.

REPORT

Current Position

5. Given the downturn in the care home market that we previously identified, the HSCP agreed to delay remarketing Bonnyton until market conditions improved or when we felt it would be suitable to try to have another attempt to market it.
6. HSCP management agreed with Grant Thornton on the 4th September 2017 to have a further attempt to market Bonnyton using Christie and Co as previously. We agreed a final closing date of 2nd October and prepared an options appraisal process to review any bids received.

7. By the closing date we received one bid which offered a sum of £280k but was conditional on the HSCP making staff redundant prior to any handover to the new provider. We regarded this as unacceptable and went back to the bidder to seek further clarity. They then came back to us with a reduced financial bid which in our view was even less acceptable and advantageous to the Council/HSCP. We therefore do not have a bid that would achieve a suitable return for the Council or guarantee that our staff would be treated properly in relation to TUPE and, specifically, pension provision.
8. It was agreed at the IJB on 15 February 2017 that we should look to work with the staff to investigate efficiencies that could be made in the running of the service. This included a review of staffing structure and skill mix and the review of the fee charging structure.
9. We have worked with the staff team and our trade union partners to review the staffing structure and the rota system currently used at Bonnyton. As a result of this detailed work, a revised shift pattern has been designed that will result in an annual saving of £115k.
10. As reported to IJB in March, work is ongoing in relation to the self-directed support resource allocation methodology which includes a review of charging across all HSCP services. Given this work and the uncertainty over Bonnyton the 2017/18 charges were held at current levels until this work is complete.
11. At the IJB in February it was also agreed to meet the costs of converting six respite beds to permanent beds and we have worked with the Council's Property and Technical Services to identify the work required to be undertaken to enable this. The initial estimate of £30k was inadequate given the scale of the work required. We have now approved the work at a cost of £55k. This work should be completed by January 2018.

Current Financial Position

12. The current year operating deficit is £110k after adjusting for one off property costs. However when the non-recurring budget allocation of £425k is removed the recurring projected deficit is £535k per year. Unusually this year, there have been vacancies in the service and this has had an adverse impact on the financial position.
13. The revised staffing structure referred to above, based on a 12 hour shift pattern, will deliver £115k savings per year.
14. A proposed fee increase of 15% would increase the weekly charge to £718 (from £624) would deliver c£100k savings on a maximum occupancy of 34 beds depending on funding mix. This charge is roughly equivalent to similar care home locally and to HSCP run homes across Scotland. There are currently 20 residents being invoiced.
15. This would leave a recurring annual deficit of £320k, based on the existing service model.

New Opportunity - Mearnskirk

16. As reported at the last IJB in September the closure of Mearnskirk by April 2019 will mean that there will be additional pressure on the HSCP to provide support and accommodation for East Renfrewshire residents who are placed there. The number of East Renfrewshire residents in Mearnskirk has varied from 28 in 2015 to 9 in October 2017.

17. A financial settlement is currently being developed that will transfer funds from Acute to HSCPs as a result of the closure and is part of the wider implications of changes to continuing care beds. We don't yet know the final figure involved but we could use this additional income to develop options, utilising the skills and experience of our Bonnyton staff team, rehabilitation staff and clinical colleagues, including nurses and GPs.
18. In order to release funds locally rather than invest in a new hospital services, clinicians will need to be confident that we can, both meet the needs of any remaining Mearns Kirk patients, but also promote community based support for people with more complex needs or requiring end of life care.
19. This is linked to the wider pressure across the health and social care system to address delayed discharge and unscheduled care. We have a particular issue in East Renfrewshire given the growing number of older people who live in our community. In 2015, 19.4 per cent of people living in East Renfrewshire were aged 65 or over. By 2025, almost one quarter of the East Renfrewshire population will be aged 65 or over. Between 2001 and 2011, East Renfrewshire had the second highest increase in the over 80s in Scotland. The past decade resulted in a 42 per cent change (654 people) in the number of people aged 85 and over.
20. We therefore have the opportunity to look again at Bonnyton's future and develop a highly flexible service that has a range of functions. It could continue to provide residential accommodation and in addition, offer focused support to prevent unnecessary hospital admission, intensive post discharge support, and create a dedicated palliative care service using existing beds. Our staff are experienced in providing end of life care and we will further develop their skills, working with our community nursing staff. A health and care service based at Bonnyton could allow us to manage increased demand or services in a much more integrated way.

Financial Implications

21. The remodelled service, incorporating the 12 hour shift pattern, would cost £1.577 million. Income from the 22 residential beds on a mix of funding would generate £383k to £488k. This is based on the most prudent assumptions for contributions following financial assessments. The remaining 12 beds for step up / down and palliative care would not be charged for. The average weekly cost of all beds is £890, not allowing for any weighting towards the step up / down and palliative care beds.
22. To operate this model, when compared to recurring budget, would result in a funding gap of £532k to £597k depending on funding mix. The prudent assumption would be to plan on the higher cost pressure of £597k and any subsequent savings would contribute towards future pressures. The sources of funding open to support this revised service model include:
 - Review and realignment of delayed discharge and integrated care fund budgets to increase the existing level of contribution. If we funded six beds from these budgets this will require a further c£200k.
 - A financial framework is being developed across NHSGCC and a number of principles are being established, including
 - Confirming the budgets in scope for redesign, recognising there may be some savings in situ and the need to retain some beds
 - Allocation models, fair share and local use. We currently use beds in both Mearns Kirk and Ward 36 at the RAH
 - The timing of resource release; for example Mearns Kirk will not close until March 2019.
 - We will also continue to explore other income generating and funding options such as income from training, pilot site for technological initiatives etc.

23. Assuming the increase in delayed discharge contribution the remaining funding gap is c£390k per year. Whilst there is a degree of risk, the initial modelling around the continuing care beds suggests sufficient resource to invest in this service model and meet the expected demand for step up / down and palliative care.

Options

24. The attempt to remarket and sell Bonnyton House has not been successful. Taking account of the ongoing work to achieve efficiencies and the new information about Mearns Kirk, we believe the IJB should consider three options

Option 1

25. We could make a further attempt to market and sell Bonnyton. Given what we now know about the market and the response to date, it is highly unlikely that this will result in any future acceptable bids. If we chose this option it would lead to further uncertainty for residents, their families and our staff and delay further detailed planning for the future of the service and residents.
26. The cost implications are as previously reported and the recurring budget of £527k would be used to meet the costs of purchasing beds. There may be costs relating to TUPE transfer as previously reported such as the arrangements to contribute to pension provision for three years.
27. Advantages:
- Achieve savings
 - Residents protected
 - Staff have TUPE protection
28. Disadvantages:
- Continued uncertainty
 - Unlikely suitable buyer will be found

Option 2

29. Move to close Bonnyton House. In this option we would seek to find alternative placements for existing residents over a reasonable timescale. Staff would be redeployed or offered redundancy. The Council would then be required to dispose of the building and land.
30. The cost implications are as previously reported and the recurring budget of £527k would be used to meet the costs of purchasing beds. There will be one off costs relating to staff redeployment and release.
31. Advantages:-
- Savings achieved in full during 2018/19
 - Current vacancies in local care homes suggest this is a feasible option on paper
 - Capital asset realised
32. Disadvantages/Risks:-
- Significant disruption for residents
 - EQIA assessment high
 - Family distress
 - Redundancy / redeployment for staff
 - One off redundancy costs

Option 3

33. Create an integrated centre of excellence for older people in East Renfrewshire. This would see Bonnyton continue as a residential service developing additional services using our staff and utilising the building in line with our developing strategic agenda. We will use six beds as an intensive rehabilitation resource to prevent hospital admission and to ensure a safe return home for people discharged from hospital. We believe that as a result of the changes we have made to the bed provision at Bonnyton we can provide this level of support there utilising the skills of our residential staff and our rehabilitation teams who work in the community.
34. It is also proposed that people who need end of life care, who can't be supported to die at home, could also be supported at Bonnyton. By developing a six bed unit, this approach would build on the staff skills that already exist at Bonnyton, allied to staff who currently support people to live well at home. We can ensure that current Mearnskirk residents and those who would have gone there in future receive appropriate end of life care if they cannot return home .
35. We will need to develop our plans further to ensure we are able to align staffing and financial resources to meet the likely demand for this service. Our aim will always be to return people home as quickly as possible. We believe that older people almost always are better supported at home by our staff, their families and community networks.
36. We will arrange discussions with the Care Inspectorate to work with them to ensure we are appropriately registered and staffed to deliver the service. Our acute and nursing colleagues will be important partners as we develop this flexible and integrated approach to working with older people.
37. The financial framework for this approach has not been fully agreed and therefore it is acknowledged that there is a risk involved in agreeing this. It also needs to be balanced against the uncertainty for residents and staff over the last three years.
38. Advantages:
 - Create vibrant integrated service at Bonnyton
 - End uncertainty for existing residents
 - Utilise the skills and flexibility of our staff
39. Disadvantages:
 - Funding gap during 2018-19
 - Further work required to agree financial settlement for 2019-20 following closure of Mearnskirk
 - Potential future requirement for capital spend

FINANCE AND EFFICIENCY

40. Financial implications are outlined above.

CONSULTATION AND PARTNERSHIP WORKING

41. Regular meetings have taken place between HSCP managers and trade union representatives. Bonnyton staff have been involved in redesign proposals. Further work required with acute services and HSCP rehabilitation and nursing services.

IMPLICATIONS OF THE PROPOSALS

Risk

42. The redesigned service will require investment from the funding associated with continuing care beds of c£390k per annum to deliver the new service model, with a need for non-recurring support of up to £390k in 2018/19 during the transitional period. The HSCP would meet the non-recurring cost from reserves should no partner funding be available although we expect funding from the closure of Mearns Kirk to be phased in during 2018-19.
43. Whilst there is a risk in taking decision in advance of a detailed financial framework for the continuing care bed redesign the differential in required funding during 2018/19 is minimal when compared to the significantly changed service that could be delivered.

Policy

44. Links to developing strategic direction of the HSCP to reduce unscheduled care and support people at home.

Staffing

45. Staffing implications are set out in the options above.

Legal

46. There are no legal implications.

Property/capital

47. A longer term plan will be required for ongoing maintenance and refurbishment.

Equalities

48. There are no equalities implications.

Directions

49. None

CONCLUSIONS

50. The decision to sell Bonnyton was reluctantly agreed as part of the cost savings for 2015/16 – 2017/18. After two marketing attempts we have not been able to source a buyer who would develop the care home and ensure a smooth transition for residents and staff. The financial position of Bonnyton is challenging, uncertainty about its future has affected referrals and adversely impacted on financial performance.
51. Our staff have continued to deliver good quality care to residents and have taken the opportunity to work on proposals to achieve savings, particularly on the staff rota and shift system.

52. The closure of Mearnskirk in 2019 offers us the possibility to plan for a different future for Bonnyton. We have successfully redesigned the day care service, supporting people at Kirkton and in other community settings. We had already planned to deliver intensive support in a refurbished six bed unit to prevent hospital admission or offer short term input to get people home after time in hospital.
53. Funding for the Mearnskirk closure could allow up to develop an additional six bed unit at Bonnyton to deliver palliative and end of life care to East Renfrewshire residents who may have previously gone to Mearnskirk.
54. Although more detailed work is required on the financial framework, we will be in a position to transform Bonnyton to become a highly flexible fully integrated service, supporting people to live well at home, whether that home is in Bonnyton, or back in their own communities.

RECOMMENDATIONS

55. Integration Joint Board members are asked to:
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 - Agree a further paper will be presented when more detail is available on the funding package agreed for the closure of Mearnskirk.

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November 2017

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BACKGROUND PAPERS

IJB 29.03.2017 – Item 10. Budget 2017/18
<http://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=19794&p=0>

IJB 15.02.2017 – Item 8. Bonnyton House Update
<http://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=19512&p=0>

IJB 17.08.2016 – Item 7. Bonnyton House Update
<http://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=17351&p=0>

IJB 01.06.2016 – Item 11. Bonnyton House Update
<http://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=16983&p=0>

COUNCIL 14.12.2016 – Item 13. Sale of Bonnyton House
<http://www.eastrenfrewshire.gov.uk/CHttpHandler.ashx?id=19035&p=0>

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