

# Public Document Pack



## **Oxfordshire Joint Health Overview & Scrutiny Committee Thursday, 2 July 2015**

### **ADDENDA**

#### **9. Provision of Intermediate Care Beds in Chipping Norton (Pages 1 - 8)**

Attached are two reports and a letter in response to Mr R. Townley, Chair, Chipping Norton Hospital Action Group.

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## Provision of Intermediate Care beds Chipping Norton

### Key messages:

- Following a review of the Henry Cornish Care Centre in Chipping Norton, Oxfordshire County Council is continuing to fund the service, which provides important intermediate care for people leaving hospital before they return home. This is a good example of health and care services working closely together.
- Intermediate care is a short term service provided for people either upon their discharge from hospital or to avoid admission to hospital. The service helps people to rehabilitate and regain or retain independence.
- This is not a change to the service being provided to the people of Chipping Norton – just a change in who is responsible for providing that service.
- The Orders of St. John Care Trust (OSJCT) run a similar service at the Isis House Care and Retirement Centre in Oxford which is judged to be fully compliant in all areas by the Care Quality Commission. We carry out multi agency reviews of all intermediate care bed homes. Isis was last reviewed in April 2015 and when it was found to cope well with complex intermediate care patients.
- The **outcomes** for patients are comparable or the same between Chipping Norton and the Isis Care home.
- Oxford Health Foundation Trust staff will be consulted and given the option of transferring to OSJCT or working at one of the Oxford Health Foundation Trust's other community hospitals.

### Key facts:

- There are 14 intermediate care beds at the Henry Cornish Care Centre on the Chipping Norton War Memorial hospital site. OSJCT also run a 36 bed care home on the same site.
- The service costs £1327 per bed day as opposed to £823 per bed day for a similar service at OSJCT's Isis House Care and Retirement Centre in Oxford. It is expensive for the Council to Commission NHS to operate small stand-alone units (the most cost effective model is 40-60 beds on a single site). OSJCT can employ the economies of scale to run the whole site.
- Oxford Health Foundation Trust will therefore withdraw from the Chipping Norton Service.
- OSJCT will take over the service at the end of July if the consultation proceeds satisfactorily.
- OSJCT is one of the largest voluntary sector care providers of care in Oxfordshire.
- The Henry Cornish Care Centre is currently rated "good" by the Care Quality Commission

## **Background**

Since 2011 the 14 bed intermediate care unit at the Henry Cornish Care Centre on the Chipping Norton War Memorial hospital site has been run, first by The Orders of St John with nurses seconded from Oxford Health Foundation NHS Trust and then by Oxford Health Foundation NHS Trust in a building managed by the Orders of St. John.

It has been decided to revert to the original proposal that the intermediate care beds are run by the Orders of St. John as it has proved impossible to make the system work as it involves two sets of management arrangements.

The Orders of St. John is the body registered with the Care Quality Commission for the provision of intermediate care as part of the care home. They are responsible for the quality of those services. However, Oxford Health is responsible for clinical standards of the nurses because they employ them. Neither the Orders of St. John nor Oxford Health think these arrangements are tenable going forward.

Also the expected costs of continuing the current arrangements in Chipping Norton would be nearly £1,800 a week. This is more than twice the cost of the 20 intermediate care beds provided by OSJCT at the Isis Care & Retirement Centre in Oxford, which also provide intermediate care for people upon discharge from hospital.

Due to the difficulties of the current arrangement OHFT stated their intention to withdraw from Chipping Norton.

Reverting to the original proposal will require Oxford Health to hold a consultation with their employees at the intermediate care unit. This could start in early June and would take 56 days to complete. Staff would be given a choice of transferring across to the Orders of St. John on their existing terms and conditions or being given the opportunity to be redeployed within Oxford Health and stay within the NHS.

# **Costs of 14 Intermediate Care Beds in Chipping Norton**

## **Agreement reached with Orders of St. John in 2011**

1. This was the arrangement agreed by the Oxfordshire Joint Health and Overview Committee in which intermediate care beds would be provided as part of the new Henry Cornish care home but staffed by NHS nurses seconded to the Orders of St. John. This arrangement was to be reviewed after 3 years.
2. The price agreed with the Orders of St. John and reflected in the Deed to the main County Council contract was £966,482 per year for the 14 intermediate care beds at Chipping Norton. This is an average bed price of £1,323 per week.
3. This is the amount of money that the County Council has for the provision of intermediate care in Chipping Norton. In discussions last year, an alternative approach was discussed. One of the principles supporting that approach was that the cost of any new arrangements must be within the current cost of the service. From the County Council's perspective that is £966,482 or £1,323 per week.
4. The County Council were unaware that the cost of those beds was being subsidised from a balance of £750,000 which had been made available by the former Primary Care Trust. This lump sum has been contributing approximately £100,000 per year in recent years. This is effectively a subsidy of just under £140 per week, so that the real cost is approximately £1,460 per week. That lump sum has fallen steadily since it was first established in 2011 and is now less than £250,000. It will disappear completely in the next 3 years.

## **Cost of continuing with the current arrangements**

5. The review agreed at the end of the 3 year period concluded with an alternative arrangement which has been implemented over the last year. As the public statement explains neither the Orders of St. John nor Oxford Health think these arrangements are tenable going forward.
6. The proposed costs put forward by Oxford Health and the Orders of St. John are £1,298,000 per year - £1,777 per week. Those costs create two significant problems. Firstly, they would require additional spending of £332,000 per year (once the lump sum is used up). This additional investment would be required at a time when we face huge pressures on the Older People pooled budget. It would require savings to be made from other services and it will require a public decision by the Older People Joint Management Group. Secondly, it is difficult to justify the investment as good use of public resources given that the bed price would be more than double the cost of intermediate care beds of similar quality elsewhere in Oxfordshire.

## Costs of 14 Intermediate Care Beds in Chipping Norton

7. The breakdown of those costs was as follows:

	£000
Unit Staffing	705
Staff non pay	10
Drugs	60
Unit non pay	50
Legal costs	5
OSJ Charges	350
Indirect and overhead costs	118
<b>TOTAL</b>	<b>1,298</b>

8. Total costs of £1,298,000 a year work out at £1,777 a week for each bed in contrast to the £823 a week for each intermediate care bed that we purchase from the Orders of St. John in their Isis care home in Oxford.
9. We haven't gone through these figures in detail, but the key differences relate to the three elements in the table which exceed £100,000 per annum. The staffing costs on their own come to £966/week – £143/week more than the total amount we pay for the beds in Isis. This will reflect a number of issues. The most significant will be the terms and conditions of NHS staff compared with those employed by the Orders of St. John. We also believe that Oxford Health's staffing structures are more reliant on nurses than health care assistants. It is important to note that intermediate care is primarily about reabling and rehabilitating people, which requires personal care and therapy input rather than continuous nursing input.
10. The other costs relate to the overheads involved with the two organisations. Oxford Health have included costs of £118,000 per annum to reflect the clinical supervision of a unit, which is some distance away from their other activities.
11. The costs charged by the Orders of St. John are even higher, but it is important that we remember the physical configuration of the site. The 14 beds are accommodated within a care home. Care homes operate at their most efficient if there are around 50 beds. In the case of Henry Cornish House this is a 50 bed home, but 14 of them are used for intermediate care. The Orders of St. John paid for the cost of building the home and have to pay for costs associated with the building – utility costs, etc. However, the significant cost is they need to get a return on those 14 beds to reflect the total costs of the building as a whole.

### Costs of other intermediate care beds elsewhere in Oxfordshire

12. There are a number of other providers of intermediate care in Oxfordshire. However, the most relevant comparison with the costs in Chipping Norton are the 20 intermediate care beds in the Isis Care Home in Oxford. This is also run by the Orders of St. John. The outcomes for patients are no different between the two services. However, the costs of a bed in Oxford are £823 a week less than half the proposed cost of the current arrangements in Chipping Norton.

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**23<sup>rd</sup> June 2015**

Dear Robert,

**Chipping Norton War Memorial Community Hospital**

Thank you for your letter of 15<sup>th</sup> June. I understand the concerns of many in Chipping Norton about the latest developments, but I do not believe that we have any choice.

When we met with you and Clive Hill last year we set out a number of principles that should govern the arrangements that we were trying to put in place. I think it would be useful if I restated them. They were as follows:

1. There should be a partnership arrangement between Oxford Health and the Orders of St. John. Oxford Health would be the provider of the intermediate care beds (and thus the employer of the nurses), but the arrangements would reflect the fact that those beds are located in Henry Cornish House, part of the Chipping Norton War Memorial Hospital, which is operated and managed by the Orders of St. John.
2. The specification needs to be amended to reflect the fact that this is an intermediate care service.
3. The cost of the service must be within the current financial cost of this service (which already reflects the fact that this service is staffed by NHS nurses).
4. The cost of the service needs to reflect the fact that Oxford Health will incur costs employing the nurses and have some management costs as well. On the other hand, the Orders of St. John are operating a relatively small care home (36 beds) and need a contribution from the space occupied by the intermediate care to enable this home to be viable.
5. To help manage the total costs and also to have effective and efficient management arrangements, it makes sense for Oxford Health and the Orders of St. John to agree day to day management arrangements that reflect the fact that Oxford Health need to be satisfied with the clinical standards in the unit, but also the fact that the Orders of St. John will have managers on site 24 hours a day.

6. There are a significant number of details that need to be resolved, especially the financial position for all organisations. These need to be resolved through discussions involving the Orders of St. John, Oxford Health and both the Clinical Commissioning Group and the County Council (as commissioners).

For the last year, Oxford Health and the Orders of St. John have tried to make these arrangements work. However, both organisations have now decided that they are no longer tenable, as we explained in our public statement which you have seen. Oxford Health has stated their intention to withdraw from the arrangements.

You are right that money is an issue. We asked the two organisations earlier this year to cost up making the arrangements permanent. They came up with the following total annual costs of £1,298,000. The breakdown of those costs was as follows:

	£000
Unit Staffing	705
Staff non pay	10
Drugs	60
Unit non pay	50
Legal costs	5
OSJ Charges	350
Indirect and overhead costs	118
<b>TOTAL</b>	<b>1,298</b>

Total costs of £1,298,000 a year work out at £1,777 a week for each bed in contrast to the £823 a week for each intermediate care bed that we purchase from the Orders of St. John in their Isis care home in Oxford.

We haven't gone through these figures in detail, but I would say that the differences relate to the three elements in the table which exceed £100,000 per annum. The staffing costs on their own come to £966/week – £143/week more than the total amount we pay for the beds in Isis. This will reflect a number of issues. The most significant will be the terms and conditions of NHS staff compared with those employed by the Orders of St. John. We also believe that Oxford Health's staffing structures are more reliant on nurses than health care assistants. It is important to note that intermediate care is primarily about reabling and rehabilitating people, which requires personal care and therapy input rather than continuous nursing input.

The other costs relate to the overheads involved with the two organisations. Oxford Health have included costs of £118,000 per annum to reflect the clinical supervision of a unit, which is some distance away from their other activities.

The costs charged by the Orders of St. John are even higher, but it is important that we remember the physical configuration of the site. The 14 beds are accommodated within a care home. Care homes operate at their most efficient if there are at least 50 beds (60 beds may be the ideal). In the case of Henry Cornish House this is a 50 bed home, but 14 of them are used for intermediate care. The Orders of St. John paid for the cost of building the home and have to



pay for costs associated with the building – utility costs, etc. However, the significant cost is they need to get a return on those 14 beds to reflect the total costs of the building as a whole.

I understand many in Chipping Norton are concerned about the quality of care. We monitor carefully both the intermediate care that is provided currently in Chipping Norton and that provided in Isis. Monitoring reports are prepared following those visits. We are clear that the outcomes for patients are no different, although as I have explained above there are differences in the way that the care is provided. Some of the comments that people are making about the Orders of St. John are coming across as criticisms of their standards of care. I have seen no evidence to justify those criticisms. I think the local community need to consider carefully what they are saying about an established care provider in their town. Unjustified criticism is never welcomed by any of us.

In summary, I go back to the principles we discussed with you just over a year ago. The two organisations are agreed that the management arrangements will not work. The costs of trying to make them work are significantly more than we are paying at the moment and even more than the cost of good quality intermediate care provided elsewhere in Oxfordshire by the Orders of St. John. We are still proposing to retain the same number of intermediate care beds (14) in Chipping Norton which will work on the same model, namely that the beds are available for people who are being discharged from hospital or who need short bed based care to avoid them having to go into a hospital. Intermediate care is available to anyone who might benefit. There are no age restrictions, although they tend to be used most by older people who face greater challenges going home. Intermediate care is a combination of personal care, input by therapists with qualified nursing input as necessary at any point in time during the day.

If the Action Group believe that there is an alternative way forward that meets the principles set out above then we would like to hear it. However, simply arguing that Oxford Health must provide the service does not meet the principles.

Yours sincerely,



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