

# GWYNEDD COUNCIL CABINET



## Report to a meeting of the Gwynedd Council Cabinet

<b>Date of meeting:</b>	<b>19 July 2022</b>
<b>Cabinet Member:</b>	<b>Councillor Dilwyn Morgan, Cabinet Member for Adults, Health and Well-being</b>
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<b>Title of Item:</b>	<b>The case for change: Provision of Nursing Placements as part of the public sector partnership</b>

### 1 WHAT IS THE DECISION SOUGHT?

- 1.1 Members are requested to approve the case for change and ask the Adults, Health and Well-being Department to present an Outline Strategic Business Case by October 2022, to create a public sector partnership development on a site/sites in Gwynedd, in partnership with the Betsi Cadwaladr University Health Board.

### 2 INTRODUCTION

#### 2.1 Background

- 2.1.1 Members will be aware that Gwynedd Council are already a residential care provider for our residents. We have seen that this is an important part of our responsibility as a Council towards our most vulnerable residents. In terms of the residential provision for older people, currently the Council provides 50% of the entire provision, with the independent sector providing the rest.
- 2.1.2 However, as members are aware, all the nursing homes provision for our residents is provided by the independent sector. The main reason is that it has not been legally possible for Local Authorities to provide nursing care. We are therefore totally dependent on the external market to provide this essential nursing care to the population. As a result, if the number of places available is fewer than what is needed at any point in time, it would not be possible for the Council to respond with its own direct provision. This could cause delay for individuals before they are able to receive the care they have been assessed for; or, it may mean that individuals get an alternative placement and/or further than they would have wished from their community.
- 2.1.3 As a Council, we see that there are many benefits of being a provider of residential care placements, rather than to commission the independent sector to provide all the places. As we are a provider, it is possible for us as a Council to respond suitably and in a timely manner to any change in the demand for services.

2.1.4 Generally, until recently, Welsh Government policies, together with the expectations of inspectors (Care Inspectorate Wales), have encouraged Local Authorities to externalise their care provisions to the independent sector. The main reason for this is that independent and private providers can usually provide care for a lower cost than any internal provision, and the opinion obviously was that this was more effective and efficient for the public purse. We assume that the main reason for the difference in the cost between the internal and external provision is usually higher staffing costs in internal provision and specifically, the higher costs of Local Government pensions.

## 2.2 **The current situation**

2.2.1 The Government's view in terms of the need to externalise provisions nationally has recently changed considerably. Members will be familiar with the [White Paper on Re-balancing Care and Support](#) that notes the benefit of having a more balanced care market, encouraging Local Authorities to consider internalising provision in order to get better stability and control over essential services. It seems that this change of direction by the Government confirms that we were wise not to externalise our residential care and domiciliary care services over the years. Therefore, with these matters, we as a Council are fairly close to the mark in terms of the market balance suggested in the above White Paper. But what about the nursing care field?

2.2.2 Theoretically, the Health Board and the relevant Local Authorities should work together strategically to avoid a situation where there is insufficient nursing care provision available locally. Namely, to collaborate to create the correct conditions for private providers or for third sector providers to be ready and eager to open a nursing provision in our communities. In populated areas, where the care model is more cost effective to provide, the market could probably respond fairly well without much intervention and encouragement from commissioners, as the business model is more favourable. It is a different matter in areas of a more rural nature.

2.2.3 As evidenced in the work of the Population Needs Assessment, and the likely result of the work of the Market Stability Report, together with our day-to-day experience, by now we have an increasing lack of nursing beds for the requirements of our population. The latest data indicates that an increasing number of our residents are in nursing placements outside Gwynedd, and many of these are due to a lack of beds in our community. It is a sadness to us as a Council that we cannot ensure this nursing care closer to the homes of individuals, and that this can be undertaken in a timely manner.

2.2.4 Contrary to the residential field, the fact that we are not nursing care providers makes it impossible for us to easily step in to respond to this deficiency. We have to totally depend on the external market to decide that it makes business sense for them to step in. Unfortunately, the current situation is that we have a lack of nursing provision and the biggest companies we have demand higher fees than the standard fees set by the Council for nursing placements.

## 2.3 **The need for change**

2.3.1 Therefore, beyond the change in policy and national direction, we see that the existing situation raises a fundamental question for us as a Council. We understand and accept the benefits of being an internal provider for the residential and domiciliary care fields. Do these benefits exist in the nursing field, and should we therefore as a Council try to step into the market to provide nursing care?

2.3.2 The intention of this report is:

- to try and set an outline of the case for change,
- to set out the risks and barriers involved with the proposed change,
- to seek the views of Cabinet members on the change,
- and to agree to bring a strategic outline business case to the Cabinet in the Autumn.

### **3 THE REASONING AND JUSTIFICATION FOR RECOMMENDING THE DECISION - THE CASE FOR CHANGE**

3.1 We can probably come to a conclusion on the rationale and justification for recommending the decision by considering the following main benefits:

- a. Innovative Care Model which meets the future needs of residents
- b. Stabilising the Nursing Market
- c. Avoiding financial risks

#### **3.2 Innovative Care Model which meets with Future Needs**

3.2.1 As a Council, we are proud that we are seeking the best models to provide continuous services to our residents.

Considering the current situation, and the problems involved with:

- delays in discharges from hospital,
- having to use locations far away from the individuals' communities,
- and the need to leave specific domiciliary care to receive nursing care,

we certainly see that we have room to find better care models than we currently have.

3.2.2 The rural nature of Gwynedd also forces us to consider care models that enable us to be flexible and responsive. We do not want people to have to travel far to provisions that are far from their homes, rather we want them to be able to remain in their community and to receive a suitable service there, or as close as possible. In order to do this, it is essential that we have provisions and innovative care models that can respond to future needs in a flexible and timely manner.

3.2.3 As a result, being able to provide the full range of care services as locally as possible would be a significant step forward to secure the best services to our residents in the future. Undertaking this in an integrated way with the Health Board would be very innovative, and would place us at the forefront in terms of this change nationally. As a Council, we are very proud of the way we push the boundaries in terms of providing quality services.

3.2.4 Therefore, our vision is to develop provisions that are as local as possible and can provide the entire range of services that individuals need. We consider that moving to being a nursing care provider is an essential part of this vision, so that we can really take ownership and understand each section of the journey of these people when they need support.

3.2.5 We are also eager to use this opportunity to be a nursing care provider to develop our workforce across the public sector, enabling nursing staff and other clinical staff to get an opportunity to work in such a provision as part of their training and career.

### **3.3 Stabilising the Market**

- 3.3.1 By allowing this extremely important provision to be provided entirely by the independent sector, there is a risk to the Council and the Health Board should the market fail. There is an obvious risk, as already highlighted, that there are not enough providers in the market interested in trading in Gwynedd. There is also a risk that providers will refuse access to these individuals, at least in the short term, or will charge an additional payment (top-up) on families.
- 3.3.2 In considering the health and care field as a whole, we often refer to it as 'one system'. At present, we are totally dependent on the open market and the independent sector for a key part of this 'system'. If we are to secure seamless and effective care to our residents, we and the Health Board have to carefully consider how wise it is to allow one part of the system to be totally dependent on a third party. All the arguments for being part of the nursing care provision are very similar to those arguments received with domiciliary care and residential care for years. By being an internal provider we can seek to add more stability to the market, by also being very flexible in emergencies or when requirements need to be changed swiftly.
- 3.3.3 In addition, there is a strong argument for being an internal provider as this means that we better understand the issues of providers. We can also be a point of reference in terms of practice and offer support where needed to providers, especially smaller providers and those who are new to the sector. We are also in a very good position to understand care provision costs. Comparing both costs would be a good way forward to see if costs are too low or too high in the market.
- 3.3.4 Of course in such a partnership, the argument in the end is that the Council would be able to better satisfy the nursing home needs of our residents by being part of the market. Without being a part of the market at all, the ability of the Council or the Health Board to respond to a failure in the market is very small and is a significant risk to both bodies.

### **3.4 Avoiding Financial Risks**

- 3.4.1 One major consideration is whether there is financial benefit to us in stepping into nursing care, or whether this step would cost more to us as a Council and to the Health Board.
- 3.4.2 It is fair to note that the cost of providing our own residential care, compared to buying the provision from the independent sector, is more expensive; however, the difference has been reduced over the last few years. Obviously, as noted above, there are other reasons for our decision as a Council to continue to be a provider within this field.
- 3.4.3 For the residential and EMI residential field, the difference in the cost between providing the service ourselves and external provision is reducing, however, there are other benefits to us as a Council to be part of the provision.
- 3.4.4 In terms of the nursing field, the comparison is more difficult to estimate, as we are not currently a provider.
- 3.4.5 We estimate that it would be possible for us as a Council to provide nursing placements for a comparative cost to the fee we set to the independent sector this year. Therefore, the option of internal provision would be similar in comparison to us as a Council compared to the cost of purchasing the same number of placements from the independent sector.

- 3.4.6 The above assumption is based on a development of a specific size, and it appears that smaller developments would be less cost effective. Despite this, we are keen to look at the possibility, in partnership with the Health Board, to try to provide nursing care in our internal residential care homes.

## **4 CONSIDERATIONS AND RISKS INVOLVED WITH THE CASE FOR CHANGE**

- 4.1 Agreeing to this change would mean that the Council needs to be totally convinced that the case for change would offer benefits to our residents, in terms of improving services, but also that any risk and consideration of note are mitigated or have been removed.
- 4.2 Before proceeding to providing nursing care internally in partnership with the Health Board, the Cabinet would need to satisfy itself that the following risks and considerations have received sufficient attention:
- a) that it is legally possible for us to provide nursing care
  - b) that it is possible to staff the provision in terms of the workforce and to appropriately supervise nursing staff
  - c) that placements and sites for development are available to us
  - ch) that capital funding is available to develop these sites
  - d) that there is great interest and support in principle to the change by the Government
  - dd) Care Inspectorate Wales (CIW) are supportive on condition that we keep within the legislation

### **4.3 Legal Considerations**

- 4.3.1 The question of whether the Council can provide nursing care is core prior to considering anything else. Currently, as far as we know, there is no other Council in Wales that provides nursing care, and the general belief is that it is not legally possible for any Local Authority to do this. Therefore, prior to looking at anything else in terms of the case for change, we have to be clear whether it is possible for us to provide nursing care, or whether it is possible to change some of the legislation to allow this.
- 4.3.2 Following a request from the Chief Executives of Gwynedd Council and the Betsi Cadwaladr University Health Board, we commissioned the legal company of Hugh James to answer the question "Can Gwynedd Council provide 'full nursing care' itself?"
- 4.3.3 Having received the legal advice, we have been given confirmation that the Council can provide Nursing care with the permission of the Health Board or by working in partnership with the Health Board. Therefore, it is considered possible, under the provisions of the Social Services and Well-being (Wales) Act 2015 to establish a collaborative procedure between the Council and the Health Board that will lead to a provision to include nursing care. Suitable and robust collaboration arrangements will need to be developed to support such arrangements. More detailed work will be part of the development of the Business Case.

### **4.4 Sufficient Workforce**

- 4.4.1 A key part of any provision is to ensure that we have a suitable and qualified workforce within these services. As has already been noted, we are very proud of the role we have played as an internal provider in securing good and fair employment to a large number of staff.

- 4.4.2 As a Council, we consider ourselves to be a good employer, and one of our objectives is to secure good jobs within the county. This means offering good jobs and conditions to people in the care field which is a positive matter at a strategic level in terms of creating quality jobs in the county, as well as meeting the requirements of the social care field.
- 4.4.3 Stepping in to provide nursing care may be a challenge to the Council in terms of trying to recruit staff and staffing the provision. The lack of nurses is very evident in press statements, and certainly the difficult period of the pandemic has added another challenge. Certainly, detailed planning would be required for such an enterprise, however, there is an opportunity here to collaborate with the Health Board to ensure that we have nursing staff available to work in the nursing homes. It is proposed to look at opportunities to second nurses, and indeed a system that would entail that nursing staff within the Health Board would complete a specific period in the homes as part of their posts. We can also look at 'grow your own' plans, bursary schemes and sponsorship, as well as potential schemes that try to attract individuals to return to Gwynedd.
- 4.4.4 The probable scenario is that the nursing workforce would be seconded to the Council's employment, but would continue to be supervised by the Health Board's clinical staff. This would allow the governance of any clinical matters to have appropriate overview from senior Health Board clinical managers via their inspection arrangements.
- 4.4.5 The Health Board is in the process of discussing options with local universities who provide nursing courses, and the intention is that we will be able to ensure that these partnership nursing care provisions will be part of the Health Board's workforce plans.
- 4.4.6 Recruitment difficulties in the wider care field is also a matter of concern to the Council, and Cabinet members will already be aware of the work that is on-going to try to respond to these challenges. Trying to recruit nursing staff is very challenging for the majority of care providers in Gwynedd. By being a provider, in partnership with the Health Board, we can try to improve the availability of nursing staff within care homes, looking into how the Health Board can use nursing staff to work within such an internal provision as part of their induction or training period, and also as part of the cycle for the Health Board's nursing staff. Perhaps we can look at such a provision as a site of excellence in the training and care field for older people, as well as being a setting for medical health staff to undertake research etc.
- 4.4.7 We of course try to provide Welsh language provision via any provider in the care field to meet with the requirements of the More Than Just Words Framework, of the Welsh Government, but of course more importantly, as we understand the importance of this to our residents. However, it is fair to say that some external providers have seen achieving this as being problematic and they have to depend on staff from external agencies. However, the Council's internal provision can ensure bilingual services that are more consistent and dependable.

#### **4.5 Suitable Sites/Development Opportunities**

- 4.5.1 As members are aware, Penrhos Care Home closed in 2020, and the site has been transferred to Clwyd Alyn Housing Association.
- 4.5.2 The population needs assessment and the Adults Department and the Health Board commissioning assessment note that more nursing care provision is required in the Pen Llŷn area and there is currently a lack of nursing beds. This is reflected when looking at the existing situation in terms of the number of people from the area placed in homes beyond the local area, as well

as the number of individuals who need a nursing home that continues in another location, such as a hospital or residential home.

As well as developing from anew on a specific site, such as the Penrhos site, the case for change may also include adding to the Council's internal homes, or of course changing the registration of the existing beds into nursing beds. This could be an option in terms of ensuring the future of the existing homes as the need for purely residential beds is reduced, but also to respond to the need for nursing beds in rural areas where it would not be suitable or cost effective every time to build from anew.

#### **4.6 Capital Funding available to the Council for the Development**

- 4.6.1 For the coming years, the Welsh Government has earmarked Capital Grants to promote the integration of Health and Social Care, and to support the work on re-modelling the care sector. The Capital Fund will be for the Integration and Re-balancing of Health and Social Care and will give an opportunity for us to make a bid for funding to finance an element of the development. Discussions have already commenced with the Welsh Government regarding getting access to the money in a timely manner.
- 4.6.2 Should the nursing development be developed on the Penrhos site, with approximately 60 beds, it would cost approximately £9 to £10 million. There will be a need to undertake detailed costing work, however, the intention would be to try to ensure capital grant funding initially, looking to borrow the remaining money. Therefore, the business case would need to include borrowing payments as part of the financial assessment.
- 4.6.3 It will be necessary to consider any revenue implications that will derive from the development. This will be part of the business case in moving forward.

#### **4.7 Support of the Welsh Government and Care Inspectorate Wales**

- 4.7.1 As has already been noted, the opinion and direction of the Government has changed in terms of the provisions provided by Local Authorities. The Government's White Paper on Re-balancing Care and Support notes that we should encourage innovative models and work in partnership to put such provision in place. We have used money from the Integrated Care Fund for the Penrhos Site project arrangements that indicate their support and the Welsh Government are aware of the vision and are supportive of the concept. The capital grants offered support this vision.
- 4.7.2 Thus far, no formal application has been submitted to CIW for a formal opinion on the details to provide nursing homes in partnership with the Health Board, however, the vision has been outlined to the liaison inspector, and the main matter CIW are considering is the legality of any provision and change, as well as its financial liability.

#### **4.8 Support of the Health Board**

- 4.8.1 As outlined in the legal opinion, the Council cannot proceed alone to provide nursing care. Permission is required from the Health Board or that the Council acts in partnership with the Health Board.
- 4.8.2 The Chief Executive and the Corporate Director have met with the Chief Executive of the Health Board as well as the Health Board's Area Director - West, to discuss the case for change. We

have received support in principle to the change and, depending of course on a viable business case and the formal support of the Health Board, it appears that we as a Council have the desire to proceed with this innovative development and also the Health Board.

- 4.8.3 This is what the Chief Executive of the Health Board, Jo Whitehead, noted about the vision and the plan:

*The Health Board is very eager to support an innovative public sector partnership with Gwynedd Council that would provide nursing placements at the Penrhos site near Pwllheli.*

*The existing vulnerability of the care providers market in north Wales in relation to the nursing provision, as well as domiciliary care, is subject to continuous concern to the Health Board. An increasing number of care homes are under threat of closure as they cannot cope with increasing costs and lack of staff, which in turn, has an impact on the ability of our acute hospitals to discharge patients who are ready to leave. This leads to patients remaining in hospital for a longer period than they need, lower flow of patients and long waits for an ambulance. Having considered these risks, it is a key priority for the Welsh Government and the Health Board and partners to get to grips urgently with this pressure on the health and social care services, by seeking to stabilise this vulnerable market.*

*We are already collaborating with Gwynedd Council to look at the possibility of providing nursing care in a public sector partnership. Developing a sustainable public sector nursing care partnership model on the Penrhos site near Pwllheli will be an excellent opportunity to develop this work further. Of course, one of the main risks with any new proposal will be staffing, and therefore we are inspecting a more flexible workforce model that ensures that we provide a quality service with secure outcomes for our population.*

## **5 NEXT STEPS AND TIMETABLE**

- 5.1 Should the Cabinet agree that there is a case for change and approve the decision to proceed to present an Outline Strategic Business Case for the Penrhos site, together with any other appropriate location, it is intended to undertake this by the Cabinet meeting during Autumn 2022.
- 5.2 In the meantime, the cost of the development at the Penrhos site, together with renovation costs or the internal development of homes, would be included (without prejudice) on the relevant grants bids lists.
- 5.3 The relevant consultation arrangements on planning matters for the Penrhos development will need to be undertaken by Clwyd Alyn Housing Association as owners of the site in accordance with the usual arrangements.
- 5.4 The case for change and the proposal will be discussed more formally with the Inspectors (Care Inspectorate Wales) and Government Ministers to seek their seal of approval.
- 5.5 Subject to the Cabinet's decision in the Autumn, together with the agreement of the Health Board via their governance arrangements, the Council will proceed, jointly with the Health Board, with an innovative public sector partnership development on the Penrhos site, aiming to start the development as soon as possible, providing a detailed time-schedule in accordance with this.



## **6 VIEWS OF THE STATUTORY OFFICERS**

### **The Monitoring Officer:**

I have had input into this report and plan, and I can confirm that the legal matters considered in the report is an appropriate reflection of the situation. As noted, more detailed work will be required around the Concept as the detailed business case is developed.

### **Statutory Finance Officer:**

The decision sought is to proceed to the development of a Strategic Outline Business Case. I have no objection to this, and I am satisfied that the financial information and risks that have been highlighted are reasonable and a fair reflection of the situation. The development of an Outline Business Case by autumn 2022 will be a significant task in a short time, and I can assure Cabinet that officers from Finance Department will be available to contribute to the work as required.