

Item No. 10.	Classification: Open	Date: 25 September 2012	Meeting Name Cabinet
Report title:		Response to the Scrutiny Report into the Collapse of Southern Cross Care Homes	
Ward(s) or groups affected:		All	
From:		Councillor Catherine McDonald, Health and Adult Social Care	

FOREWORD - COUNCILLOR CATHERINE MCDONALD, CABINET MEMBER FOR HEALTH & ADULT SOCIAL CARE

I am very grateful to the Health & Adult Social Care Scrutiny Sub-Committee for their helpful recommendations. I set out in this report my response to their recommendations.

RECOMMENDATIONS

1. That Cabinet notes and agrees the measures that the council has in place to manage the concerns raised by scrutiny and to respond to the reports recommendations.
2. That Cabinet note in particular that the “Caring for our Future” White Paper indicated that there will be a consultation on oversight of the market in the Autumn 2012 including how people can be protected should a care provider go into financial difficulty.

EXECUTIVE SUMMARY

3. The 2011/12 Southwark Health and Adult Social Care Scrutiny Sub-Committee initiated a review into the collapse of Southern Cross Care Homes in June 2011 and its final report was presented to the Sub Committee in June and to Cabinet in July.
4. The review was initiated by Scrutiny in order to ascertain what lessons could be learnt from the collapse of Southern Cross care homes and to explore and make recommendations on action the council should consider to mitigate against potential risks to providing care for some of our most vulnerable residents should other providers go into financial difficult.
5. This report provides a formal response to the Scrutiny Sub Committee report and sets out the measures that the Council has in place to mitigate against potential future risks and the ongoing work that the Council is engaged with to continually improve the standards of care in local care homes and the quality of life for residents.

BACKGROUND INFORMATION

6. Southwark's Health and Adult Social Care Scrutiny Sub-Committee conducted a piece of work in early 2012 that looked into the following issues in relation to Southern Cross:
 - The financial collapse of Southern Cross and the monitoring and contingency arrangements in place
 - The impact on residents; including communication with residents and their families
 - Whether there are any issues around competition and diversity that the council and the Business Support Unit need to consider when commissioning health and adult social care services in the future to better deal with market failure and promote market resilience
 - The steps the council/government is putting in place to monitor the viability and standards of care of the new organisations who will take over the operation of the three former Southern Cross care homes in the borough
 - How the new organisations will ensure clinical governance and continuity of care
7. In consideration of these issues the report focused on the council's role and arrangements in relation to the following themes:
 - Financial monitoring
 - Standard of care
 - Communication with residents and their families
8. The report concluded with a series of recommendations that are listed below:

Scrutiny Recommendations

- I. That the council works with other local authorities to monitor the financial viability of the company(ies) that own and operate care homes in the borough on an annual basis, or more frequently as required.
- II. That the council work with other local authorities to lobby central government to widen the scope of the Care Quality Commission or Monitor's remit to include oversight of the financial viability of care home providers.
- III. That the council conduct an assessment of a provider before or immediately after a change of operator/ownership occurs (e.g. now that Terra Firma have taken over from Four Seasons).
- IV. That the council works with the operators of the care homes to ensure residents and their families receive timely and accurate information of any future changes in ownership, clearly setting out what has changed, what remains the same and where residents/family members can go for further information.

- V. To drive continued improvements in care standards it is recommended that the council works closely with Southwark LINK, SPAG and the lay inspectors to continually monitor the standard of care and receive an alternative point of view.
- VI. That the health & adult social care scrutiny sub-committee is sent copies of all future inspection reports from the lay inspectors, and the formal responses from the strategic director/contract management team and where appropriate from the registered care home manager.
- VII. That reports generated by Southwark LINK be submitted to the Director of Adult Social Care, the Cabinet Member and the management of the home concerned and that a formal response is provided with a timetable for rectifying any deficiencies found, and that the health & adult social care scrutiny sub-committee is sent copies of any such correspondence.
- VIII. That a 'leadership network' is established. This would be a forum where care home and residential home managers and relevant staff from the council can meet on at least a quarterly basis to share best practice.
- IX. That the care home managers ensure that staff are sufficiently trained to handle residents with the appropriate level of care and that staff members' English skills reach the required standard.
- X. That the care home providers (monitored by the council) produce timely bills to residents and their family members and to ascertain whether there are any issues to be addressed arising from the move to personal budgets.
- XI. That visiting times for family, friends and lay inspectors should be flexible.
- XII. That cabinet be asked to explore the feasibility of requiring indemnification from future care contractors in the event that the provider ceases to operate.

Response to the report recommendations:

- 9. The Council welcomes the Committee's consideration of the issues concerning the collapse of Southern Cross but asks Cabinet to note that the Council has measures in place that form part of its existing and routine approach to managing contracts for care services that address some of the concerns identified and recommendations made. The Council also asks Cabinet to note that the collapse of Southern Cross was a national issue, not just one that affected Southwark. While welcoming the Committee's work to highlight the issues, there were many aspects of the collapse of Southern Cross that were outside the control or remit of the Council. Actions included in the recommendations and work that the Council already undertakes in this regard would be unlikely to have prevented the collapse of a large national organisation structured in the way Southern Cross ran its business.

Recommendation 1

- 10. The Council already engages with other local authorities in relation to the use of care and nursing provision in geographic regions – for example Southwark liaises closely with Lambeth and Lewisham in particular. Intelligence is shared

around organisational issues, performance and quality. The Council undertakes as part of its ongoing management of contracts, including spot contracting arrangements for care homes, regular financial checks on the organisations/companies that own and manage the homes.

11. The approach is risk based and regular checks are focused on organisations / homes where the council has a significant number of placements (in excess of 10 placements in any one home or organisation). There is scope to liaise more closely with other boroughs in this regard and the work that London Councils is leading on in relation to a procurement strategy for Adult Social Care services has identified that financial checks may be one area where this could be approached on a pan London basis, rather than individual boroughs all conducting and paying for the same checks. The Council will therefore continue to explore the opportunity for greater joint working with other boroughs through this work.

Recommendation 2

12. It is important that Cabinet notes that previously Councils were responsible for the inspection and regulation of care homes. This function was removed when it was centralised under the Commission for Social Care Inspection (CSCI) and latterly the Care Quality Commission (CQC). There is a national issue about the economic regulation of the care home sector, and this may be considered as part of the consultation on the social care white paper in the autumn of 2012. The Council will have an opportunity to contribute to this.

Recommendation 3

13. With reference to recommendation number one, the Council as part of its existing approach to the management of contracts would undertake checks where there is a significant change in the organisation being contracted with. In the circumstances described checks would be made and I can confirm that checks have been made on Terra Firma.
14. It is however important for the Cabinet to note that the financial checks the Council is able to make are limited in their scope. Use of typical Experian checks, checking of accounts filed with Companies House can only reveal certain information and potential risks on a company's financial activities and standing. More sophisticated checks that would be focused on understanding and appraising the complex financial arrangements and structures that many companies have in place would require highly specialist commercial financial skills that can be costly to commission and may still not reveal information that the council can act on or has powers to act on.

Recommendation 4

15. The Council supports this recommendation and continues to hold providers to account through its quality and monitoring approach. In relation to communication with residents and families the council's quality and monitoring approach is not just confined to communication of significant changes such as change of ownership, but also focuses on communication of care and support needs of users and involvement of family and other professionals.

Recommendation 5

16. The Council has worked with and funded the Lay Inspectors over a number of years and is committed to the importance of getting feedback from users and user representatives. Their feedback can offer different perspectives and insight into the experience and quality of services within care home. The Council is currently in discussion with Age Concern, who host the Lay Inspector scheme, Southwark Link and SPAG to identify how best to develop its approach to ensure that there is a closer working partnership between the Council and these groups, all of whom have a contribution and role to play around 'lay inspection'.
17. The Council considers that there is an opportunity through better joint working to systematically consider the views and experience of users in care home and other alternative perspectives on the experience of receiving care.

Recommendation 6

18. The council is happy for the Committee to receive copies of Lay Inspection reports along with any response from the strategic director or contract managers / home manager. However the Council would ask that the committee notes the work the council is currently undertaking described above to develop a closer working partnership across the Lay Inspector scheme, Southwark Link and SPAG which will consider how findings and feedback from these groups is communicated to the council and what the most efficient and effective way is for responding to issues raised. The committee may wish to defer implementation of this recommendation pending the conclusion of these discussions as it may be that periodic joint reporting to the committee including the Councils response to any issues raised is the most effective way to manage this in the future.

Recommendation 7

19. With reference to the response to recommendation 6, while the Council supports this recommendation, it asks cabinet to note that work is underway to identify the most effective way of joining up the various forms of 'Lay Inspection' including the role of the Southwark Link and through this how best to report issues and findings along with any council response to the committee. The Cabinet may wish to consider deferring the implementation of this recommendation pending the conclusion of this work.

Recommendation 8

20. The Council as part of its ongoing development and improvement of its quality and performance monitoring approach to care homes has commissioned 'My Home Life' to provide a leadership forum for local care and nursing home managers. The 'My Home Life' ** project is strongly supported by all providers at a senior level and involves home managers being given time off to attend sessions with other home managers that are facilitated by My Home Life. These action learning sets explore the practice issues and challenges of managing care homes in order to share experiences and identify opportunities to develop best practice, and deliver improved quality of life for residents living in care homes in Southwark.

*** My Home Life is a collaboration that was established by the National Care Forum and Help the Aged in 2006. It now involves Age UK, City University, Joseph Rowntree*

Foundation and Dementia UK and is focused on promoting the quality of life for people living in care homes. <http://myhomelife.org.uk>

Recommendation 9

21. The Council supports and recognises the importance of this recommendation. Commissioners in health and community services, with the support of corporate colleagues in organisational development, are engaging with the local colleges and care home providers to ensure that the training available from the colleges is tailored and specific to the needs of the social care work force. The work will also ensure that providers have easy access to training through a range of delivery methods that ensures all staff have the right skills in relation to communication with residents, families and carers.

Recommendation 10

22. The Council supports this recommendation and with reference to recommendation four, as part of its routine and established contract monitoring of care homes, the Council will continue to hold providers to account in relation to provision of financial information to residents and family members. With reference to the introduction of personal budgets, at this stage the implementation of personal budgets including direct payments / self management of personal budgets has not been applied to care home placements.
23. The Cabinet should note that government has recently invited councils to participate in piloting personal budgets for care homes. These pilots should provide valuable learning about the potential advantages of this approach.

Recommendation 11

24. The Council supports this recommendation and through its contract management and monitoring work will continue to ensure that providers are held to account around being flexible with visiting times.

Recommendation 12

25. The Council supports the recommendation to explore the feasibility of seeking indemnity under future contracts with care suppliers against provider failure and asks the cabinet to note that the feasibility analysis will need to carefully consider the cost benefits of seeking indemnity and the applicability and appropriateness on a service by service basis.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Scrutiny Report into the collapse of Southern Cross Care Homes	Scrutiny Team, Southwark Council, PO BOX 64529, London SE1P 5LX.	Julie Timbrell Project Manager 020 7525 0514
Scrutiny report Care Homes Questionnaire	Scrutiny Team, Southwark Council, PO BOX 64529, London SE1P 5LX.	Julie Timbrell Project Manager 020 7525 0514

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Catherine McDonald, Health and Adult Social Care	
Lead Officer	Susanna White, Strategic Director of Health and Community Services	
Report Author	Jonathan Lillistone, Head of Commissioning	
Version	Final	
Dated	6 September 2012	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Legal Services	No	No
Strategic Director of Finance and Corporate Services	No	No
Director of Adult Social Care	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	14 September 2012	