

Northumberland, Tyne and Wear NHS Foundation Trust

Board of Directors Meeting

Meeting Date: 22nd March 2017

Title and Author of Paper: **Closure of Heppell House**
 Elaine Fletcher (Service Manager – Neurological Services)
 Chris Martin (Head of Finance and Business Development – Specialist Care Group)

Executive Lead: Gary O'Hare (Executive Director of Nursing and Operations)

Paper for Debate, Decision or Information: Information and Decision

Key Points to Note:

- Heppell House is a four bedded head injury unit offering long term care. It is a bungalow located in Corbridge, Northumberland but affiliated to Ward 1 at Walkergate Park and is operationally managed and categorised as a relocated ward providing 24/7 care
- Heppell House service was reviewed as part of the Transforming Neurological Services Transformation Implementation Group (TIG). This review concluded that the Heppell House service requires development/transformation due to changing service user needs, lack of strategic fit and financial under-performance of the service
- Following this review, Specialist Care Group recommended the Trust divest itself of the Heppell House service with the building no longer fit for purpose and requiring significant investment and the 2 remaining service users at the time becoming increasingly frail and socially isolated
- Plans to transfer the remaining 2 patients to suitable alternative care providers came to fruition in the first week of January 2017 when one patient moved to a nursing home in Teesside and the other to Walkergate Park for assessment prior to a planned onward discharge.
- On Monday 9th January 2017 the Trust gave the go ahead to commence a "mothballing" of Heppell House and the service has been classed as "empty" since then until the formal process of closure has been ratified by the Trust Board

Risks Highlighted to Board :

The original two key risks - displacement of staff team and failure to identify suitable alternative care provision for the two service users – have since been mitigated with all staff deployed in alternative positions in the Trust and suitable alternative care provision found for the service users. No further risks remain associated with the proposed closure of Heppell House.

Does this affect any Board Assurance Framework/Corporate Risks?

No

Equal Opportunities, Legal and Other Implications:

N/A

Outcome Required:

Board approval to formally close Heppell House

Link to Policies and Strategies:

Trust Strategy

Summary Business Case

Project Title: Closure of Heppell House	
Targeted area for improvement	Closure of Heppell House
Service / Group	Specialist Care Group
Project Lead	Elaine Fletcher (Service Manager – Neurological Services)
Author(s)	Elaine Fletcher (Service Manager – Neurological Services) Chris Martin (Head of Finance and Business Development – Specialist Care Group)
Date of completion	23 rd December 2016
Project Details	
Background to Case of Need	<p>A business case was originally completed in January 2014 and presented to what was then SMT and FIBD. Following feedback from these meetings, amendments were made and an updated version of the business case was presented to the same meetings in April 2014. On each occasion the recommendation made to these forums was for the Trust to divest itself of the Heppell House service subject to necessary consultation and successful appropriate placement of the patients.</p> <p>A review of the Heppell House service has also been undertaken as part of the Transforming Neurological Services Transformation Implementation Group (TIG). This review concluded that the Heppell House service requires development/transformation due to three key factors:</p> <ul style="list-style-type: none"> • Service user needs • Strategic fit • Financial position of the service <p>Staff have subsequently been formally consulted and have been supported in looking for employment elsewhere in the organisation.</p>
Strategic Fit	<p>The service opened in October 1997 in response to a lack of local provision of appropriate long term care to patients seeking discharge from the Trusts' Janie Heppell Service. The Janie Heppell service opened in 1992 to provide assessment and treatment to adults who had acquired brain injury with associated cognitive, emotional or behavioural difficulties.</p> <p>Heppell House is a four bedded head injury unit offering long term care. The property is a bungalow located in Corbridge, Northumberland.</p> <p>Heppell House is currently managed by the Specialist Care Group, where it sits as part of Neurological Services (Adult Specialist Directorate).</p> <p>Heppell House is affiliated to Ward 1 at Walkergate Park and is operationally managed and categorised as a relocated ward, providing 24 hour care, 7 days a week (24/7).</p>

	<p>Historically, qualified nursing cover was not provided 24/7 however in recent years the service has needed to provide this to ensure a Registered Nurse is on duty both day and night to meet service user need and registration criteria. This has increased staffing levels above budget.</p>
<p>The Case for Change</p>	<p>A review of the Heppell House service has also been undertaken as part of the Transforming Neurological Services Transformation Implementation Group (TIG). This review concluded that the Heppell House service requires development/transformation due to three key factors:</p> <ul style="list-style-type: none"> • Service user needs • Strategic fit • Financial position of the service <p>Service User Needs When Heppell House was established, the service users were able to access Day Services at nearby Prudhoe Hospital providing recreational and social interaction for the service users. Following the closure of Prudhoe Hospital in 2007 the service has had difficulty accessing social activities within a community setting and as such the service users have become isolated. The location of the site in Corbridge is remote and the mobility of service users is deteriorating which adds additional complexity to the undertaking of any social/recreational activity.</p> <p>The complexity of care required is also anticipated to increase as the service users get older. Care needed is likely to be more acute or medical in nature as opposed to as a result of their neurological condition. As a provider, NTW is less equipped to provide this type of care to the service users.</p> <p>Service users are currently being cared for 'out of area.' and need to be repatriated to their home localities where contact with family members should be easier to facilitate.</p> <p>The two service users who are currently living together do not interact positively. One prefers peace and quiet and a slow pace of life whilst the other is very loud and vocal, enjoys loud music, and is impulsive and fast in his actions. Variance in patient ages of 17 years, and level of mobility differs dramatically.</p> <p>Strategic Fit The service was originally established as a response to a lack of provision of longer term rehabilitation to service users with severe neurological conditions by local providers. Since then, the provider market in the local area has changed and research suggests that a number of potentially suitable providers ranging from larger independent sector care groups to smaller more local enterprises are available in the Northumberland, Tyne and Wear area.</p> <p>Financial</p>

Over the last 2 years there has been an over spend on the budget and a shortfall in the expected contribution to the Trust made by Heppell House. In the current financial year, two service users occupy the four bedded service, meaning the service is forecasting a £187k under-recovery on income for 2016/17. This, combined with a £20k forecasted overspend on the budget, means that a £207k shortfall in contribution to the Trust is forecasted for the 2016/17 financial year.

The cost to the Trust of closing the service can be met by Trust reserves as outlined later in this document. Closure will remove the recurring financial pressure that Heppell House presents and also give the Trust the opportunity to sell the property to generate a one off injection of income.

In addition, if the service were to remain at Heppell House, significant capital investment would be required to bring the building up to an acceptable standard and access to capital for such works in this service would not be readily available. The property is in need of major overhaul in terms of maintenance and decoration. For example, the main shower room floor has subsidence. There are cracks in main wall areas in the hallway and the décor is old and dated. Service users do not have en-suite facilities, with toilets located off the ward corridor. Also, the area where service users have to access to have a shower is cramped and unsuitable for staff to provide assistance.

Option 1 - Do nothing

Continue to operate the service as it currently stands, with no capital investment or alterations to staffing.

Advantages	Disadvantages	Viable Option
<ul style="list-style-type: none"> No disruption to the current service users / staff / commissioning arrangements 	<ul style="list-style-type: none"> Service users will continue to be isolated, socially Service users may not have their changing needs met to a quality level as they age Service provision will continue to be misaligned to NTW's overall care provision strategy Service will continue to be financially unsustainable 	No

Option 2 – Develop the Current Service

Seek to refurbish the property so it is 'fit for purpose' for the needs of the service users, occupy the vacant bedrooms and reset the staffing budgets to reflect the staffing needs of the unit.

Advantages	Disadvantages	Viable Option
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Description of Options reviewed

<ul style="list-style-type: none"> • Property will be 'fit for purpose' • The contribution to Trust's bottom line will be maintained (based on budget), or improved if full capacity is achieved and additional income can be agreed (to cover the cost of running the Unit at the proposed staffing levels) 	<ul style="list-style-type: none"> • Service users will continue to be isolated • Service provision will continue to be misaligned to NTW's overall care provision strategy • Service users may not have their changing needs met to a quality level as they age further • The bed day cost to commissioners will increase, meaning that NTW may become less competitive • Higher costs will impact on the wider health economy 	<p>Yes</p>
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Option 3 – Divest from the Service

There are a number of ways that this could be achieved (outlined below) all of which would need further consideration should the Trust decide to pursue these options.

- Relocate the current service users to an alternative provider and sell the property
- Divest of the service as a 'going concern'

Should either of these options be pursued further, in depth discussion and consultation with commissioners, service users and carers and staff will be required. There are alternative suitable providers in the local area that may be able to provide the level of care required. There may also be potential providers that might wish to purchase the service.

Advantages	Disadvantages	Viable Option
<ul style="list-style-type: none"> • Service users would benefit from more social interaction / activities should an alternative provider more equipped to provide such activities take on the care of the current service users • The Trust will be divesting itself of a service that is not aligned to its overall business strategy 	<ul style="list-style-type: none"> • Consultations with staff and service users and carers would be needed. • Plans to divest from the service (and potentially relocate the service users) may be unpopular with staff, service users and carers, and 	<p>Yes</p>

	<ul style="list-style-type: none"> • The Trust will be divesting itself of a service that has historically made an overall deficit in contribution (forecasted at £207k for 2016/17) • There will be benefits to the wider health economy, as commissioners will be able use more cost effective providers for the type of care required by these service users 	<p>commissioners.</p> <ul style="list-style-type: none"> • Cost to the Trust of divesting will have to be picked up 		
<p>Outline of Preferred Option/Proposal</p>	<p>The Group's preferred option is option 3, which is to divest itself of the service. The building is now longer fit for purpose, the 2 remaining service users are becoming increasingly frail and socially isolated.</p> <p>Were the service to remain open the bungalow would require significant investment to update and modify to meet the changing needs of the service users.</p> <p>It is proposed that the service users are re-homed in a more appropriate setting, for one service user this may be following a following a period of reassessment at Walkergate Park.</p>			
<p>Outline of Benefits, Outcomes and Impact</p>	<p>Implementation of the preferred option would enable the following benefits to be realised:</p> <ul style="list-style-type: none"> • Service users would benefit from more social interaction / activities should an alternative provider more equipped to provide such activities take on the care of the current service users • The Trust will be divesting itself of a service that is not aligned to its overall business strategy • The Trust will be divesting itself of a service that has historically made an overall deficit in contribution (forecasted at £207k for 2016/17) • There will be benefits to the wider health economy, as commissioners will be able use more cost effective providers for the type of care required by these service users 			
<p>Contribution towards requisite quality standards / targets</p>				

Quality Impacts			
Safety	Clinical Effectiveness	Patient Experience	General
The two gentlemen can be rehoused in suitable accommodation. They are currently isolated in a building that doesn't meet their care needs	Both of the two service users have on-going health needs that can be better met in an alternative environment	The two service users don't have a good relationship and don't enjoy living together. They will find a change of environment stressful however it is felt that clinically this will in their best interests in the long-term	
Resource Requirements and Risks			
Outline Resources Required	Staffing Staff have been through a formal consultation process		
	Estates If the Board agree to the disinvestment process, the Director of Estates and Facilities is aware of the need to be involved		
	IMT N/A		
	Non Staff Costs N/A		
	Pharmacy N/A		
Interdependencies	Ability to identify suitable alternative care provision for the two existing service users		
Risks and Mitigations	Risks		Mitigations
	Displacement of staff team		Staff have been formally consulted and have been supported in looking for employment elsewhere in the organisation. Positions

		have been found for all affected staff elsewhere in the Trust.
	Failure to identify suitable alternative care provision for the two existing service users	Alternative care provision has been identified for both service users. On-going dialogue to be maintained with new providers to ensure placements remain viable and available up to the time of closure and moving on

Finance

The financial impact of closing Heppell House in January 2017 would be a retraction cost of £18,126 for the remaining 3 months of the 2016/17 financial year. This shortfall can be covered out of the Trust's Indirect and Overhead reserves. The full year effect of closing Heppell House is an income shortfall of £199,833 to be met from the Trust's Indirect and Overhead reserves. A further breakdown of this impact can be found in the table below:

Hepple House Retraction			WTE	FYE	Close Jan 17
980071	HEAD INJURY UNIT (HEPPLE HOUSE)	Income Budget 16-17		-596,718	117,347
980071	HEAD INJURY UNIT (HEPPLE HOUSE)	Staff Budget 16-17	10.40	364,664	-91,166
980071	HEAD INJURY UNIT (HEPPLE HOUSE)	Non Pay Budget 16-17		23,341	-5,835
983243	ESTATES - HEPELL HOUSE	Estate Budget 16-17		8,880	-2,220
				396,885	-99,221
		Income Shortfall		-199,833	18,126
		Trust Reserves I&O		199,833	-18,126
		Specialist Retraction Balance		0	0

Financial impact on clinical service contracts

The 16/17 income for Heppell House is shown in the table below. All income is on a cost per case or cost and volume basis:

CCG Desc	POD	Schedule Code	Activity Plan	Price Plan
NHS Durham Dales, Easington & Sedgfield CCG	OBD	CpC	365	151,811
Non Contracted Activity	OBD	NCA	365	140,202
NHS Sunderland CCG	OBD	C&V (HCLV)	365	149,239
NHS Newcastle Gateshead CCG - Gateshead Locality	OBD	C&V (HCLV)	365	155,466
Total			1,460	596,718

The Newcastle Gateshead patient was discharged in August, the Sunderland and Durham Dales patients were both transferred out of Heppell House in January 17. Funding from the date of discharge/transfer will be released back to CCGs in 2016/17 via the quarterly variance adjustments in line with contractual agreements.

The table below identifies the funding to be released to CCGs in 2016/17. Please note that the Sunderland CCG release is subject to a 0.1% cap which will result in very little being released:

Funding released in 16/17					
CCG Desc	Schedule Code	Activity Plan	Price Plan	Discharge/transfer date	Funding released in 16/17 to commissioners
NHS Durham Dales, Easington & Sedgefield CCG	CpC	365	151,811	09/01/2017	-34,105
Non Contracted Activity	NCA	365	140,202		
NHS Sunderland CCG	C&V (HCLV)	365	149,239	09/01/2017	-600
NHS Newcastle Gateshead CCG - Gateshead Locality	C&V (HCLV)	365	155,466	08/08/2016	-82,642
Total		1,460	596,718		-117,347

The full year effect of funding will be released via 17/18 contracts.

Proposed Timetable / Implementation Plan

The Group are looking for support to formally close Heppell House as soon as possible.

Approvals (date)

Trust Board