

HEALTH AND WELLBEING SCRUTINY COMMITTEE 10 NOVEMBER 2011

PAPER ON THE FUTURE OF KNUTSFORD HEALTH AND SOCIAL CARE SERVICES

AIM OF THE PAPER

The aim of the paper is to explain the process for the development of health and (adult) social care services and their locations in Knutsford, with a view to agreeing the process for public engagement and involvement in the decision making. This is likely to be more complex due to the need to find new sources of capital funding.

BACKGROUND

There are a number of overlapping decisions concerning the future of health and social care services in Knutsford. These are:

1. The temporary closure of Tatton Ward by East Cheshire NHS Trust (ECT)
2. The temporary closure of Bexton Court by Cheshire East Council (CEC)
3. The consultation on the future services provided from Stanley House
4. ¹Past consultations on the collocation of the 3 GP (primary care) services in a single site and the intention to increase the number of integrated and co-located services available in Knutsford.

This paper primarily deals with 4 (above) but it is important to recognise the interrelationship between these discussions. This is because they are potentially all involved in the same physical site whose ownership is split between ECT and CEC. In addition, any new facility will need to consider the re-provision of the temporarily closed bed based services of Tatton and Bexton Court and the future needs of the services provided on the neighbouring site of Stanley House.

The financial circumstances have changed significantly since the closure of facilities and since the planning of a combined health centre was stopped. This means that there is minimal public sector capital, pressure for more efficient use of public sector land (and the sale of any surplus) and decreased attractiveness of traditional “buy and lease back” arrangements (e.g. the Private Finance Initiative (PFI)). As well as shortages of capital, current expenditure is now tightly constrained with static funding for NHS services and decreased funding for social care (but increased demand for both). These two changes will require new ways of funding changes in services that will require the use of private capital, new ways of delivering service and more efficient use of space. These new ways of funding and delivery will affect the way in which the public are involved and engaged in decision making.

The people of Knutsford have been subjected to a full public consultation and at least 3 surveys in recent times and so their wishes for their health services are reasonably well understood. There have also been/are on going consultations on Bexton Court and the Stanley Centre. The Town Council and Planning Group have also recently held (16 November 2011) a new listening exercise to get people’s views and a local petition is being prepared about Stanley House. The variety of views of local residents have been

¹ The reasons for the collocation are due to facilities that no longer meet modern standards and are in some cases too small for their purpose. Integration and co-location offers increased opportunities for better quality and efficiency.

heard and are understood but as some of them are contradictory and as funding is short, it may not be possible to accommodate all their wishes. The current concern is how these aspirations can be delivered and existing services can be maintained (and their quality improved) within static/falling budgets

Government policy is driving the increased empowerment of patients and service users through its Choice (for health) and Personalisation (for social care) agendas. These policies will put spending choices in the hands of the public to spend their allocated (public) budgets (sometimes subsidised by private contributions for social care) in a way that best meets their needs, whether this is delivered by public or private sector providers.

Decisions by all the Stakeholder Boards (i.e. CEC, ECT, NHS Commissioners (CCGs and PCT and GPs) on the viability of this option are expected by early January 2012.

CONCEPT OF OPERATIONS

In the absence of public capital and static/falling public sector current expenditure the only source of new resources is the private sector. Knutsford is fortunate in having a large proportion of its residents with high levels of income and this will attract service providers to be the willing tenants and providing commercial services from attractive properties. This advantage can be exploited to enable high quality efficient publicly funded services to be retained by allowing the growth of private sector activity (though not necessarily in direct competition with existing public services). As examples of this, commercial health food shops, cosmetic services (hair dressers, nail bars, etc.), opticians, pharmacy or private dentistry may wish to develop services and become tenants. This can (in a variety of ways) make the delivery of public sector and public sector funded services more cost effective and sustainable.

One way that is being considered is to encourage a private sector funder and developer to own or lease land and invest in a new building. This will generate the most money, least risk and cost for the public sector if the following conditions are met:

- There is some guaranteed income from GP and other commissioned health and social care services (which could include the requirement for a number of bed based services)
- There is a clear and adequately funded needs assessment of the types of services that the public sector will want to buy (i.e. Joint strategic needs assessment for Knutsford and its surrounding area and a commissioning strategy)
- The private sector has the freedom to design and rent out the space with a minimum number of restrictions and to allow the best and most flexible design
- The private sector takes the full risk of any unoccupied space
- The site is built to high quality (i.e. the building could last for 50+ years) and well designed and in an attractive and accessible area
- The public is supportive of the new and sustainable services

However the public sector would lose some control (which may be inevitable due to Choice and Personalisation) over exactly which services (apart from a limited range of guaranteed ones) are provided by whom.

No decisions have yet been made as to how or if public land is to be sold or leased. However were these proposals to go ahead, the ability of the public to influence decisions through the public sector bodies will be reduced, due to the transfer of control (and risk) to the private sector. This means that old methods of public engagement/involvement are no longer appropriate, and a new means of engagement may be required.

HOW THE PUBLIC MIGHT BE ENGAGED

The behaviour of the public will have a direct affect on the willingness of the private sector to fund health and social care developments in Knutsford. Any serious adverse reaction will either increase the cost to the public purse or mean that there are no funders.

In any sale (or lease) a prospectus would be designed for potential funders and/or developers. It is proposed that public representatives have a specific input into this (e.g. an annex in the prospectus). This will show the potential funder/developer where the areas of public support are (and hence where they are most likely to be able to get tenants to deliver services that the public want). This involvement would not be able to constrain the public bodies in their decision making (as they will also need to balance getting best value for tax/rate payers); but it could encourage the potential bidders to the market.

Once bidders for the property have expressed their offers, some form of selection process will be needed. It is suggested that public representatives have an opportunity to participate in such a selection process within the overall guidelines set by the public commissioners and providers (who may also be land owners). This will give the public real and direct influence over the choice of developer and the types of services that are likely to be delivered.

CONTINUING DELIVERY OF SERVICES

Any decision to go ahead (or not) with such a scheme will have to take into account the maintenance /re-provision of current services. ECT is sticking its plan to review the continued provision of the temporarily closed Tatton ward in March 2012 and CEC are out to consultation on their services (for Bexton Court and Stanley House). If these (separate) decisions are made to continue with a level of provision, then these services are exceedingly likely form part of any new development. This means that they will need to be planned for both in the new build and to ensure that steps are taken to make sure that the service is continued until the new facilities come on line. This can be achieved in a number of ways for example: on the same site, in a phased build on the same site, or by offering suitable interim alternative provision for the duration of any build.

CONCLUSIONS

1. Current buildings are no longer fit for purpose, are inefficient, have an excessive environmental impact and cannot deliver the level of co-location and integration that is needed for the future
2. Current economic circumstances do now allow traditional public procurement routes (with their well understood engagement methods)

3. In order to deliver better publicly funded services within or below current funding levels, more efficient use of sites will be required and increased investment in co-located commercial use of any sites will be needed
4. The possible changes above and the transfer of risk to the private sector will mean that the public sector will retain influence and the power of veto but not have the degree of control it had in the past (and this is already being diminished by Choice and Personalisation).
5. It is essential to have public input into important decisions that will indirectly effect how services are provided, from where and any planned change of provider; this paper suggests such a methodology. However the public involvement needs to be conscious of the need to attract high quality bidders who will provide good value, or current services could deteriorate with no reform and decreased levels of funding.

RECOMMENDATIONS

The OSC is asked to consider the proposed means of engagement within the possible use of private funding to maintain and develop health and social care services. This is likely to be the only way to ensure that an extensive range of modern safe services can be delivered from high quality premises, at current or reduced levels of public funding in Knutsford (for its residents and those in the surrounding area).

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