

Policy and Sustainability Committee

10am, Tuesday 22 August 2023

Castlegreen and North Merchiston Care Homes – Transfer Update

Executive/routine
Wards

1. Recommendations

It is recommended that the Policy and Sustainability Committee:

- 1.1 Note the contents of the report and the latest position of the Castlegreen and North Merchiston Care Homes, which were transferred from Four Seasons Healthcare to the City of Edinburgh Council on 22 May 2023, and are being managed through the Edinburgh Health and Social Care Partnership.
- 1.2 Note the update associated with the request to highlight any challenges associated with the presumption of the care homes being maintained internally.
- 1.3 Note the progress made on pursuing funding associated with dilapidations, under and overpayment.

Mike Massaro-Mallinson

Interim Chief Officer, Edinburgh Health and Social Care Partnership

Contact:

Katie McWilliam

Strategic Planning and Quality Manager

Katie.McWilliam@nhslothian.scot.nhs.uk

Jay Sturgeon

Project Manager

Jay.Sturgeon2@edinburgh.gov.uk

Report

Castlegreen and North Merchiston Care Homes – Transfer Update

2. Executive Summary

- 2.1 This report outlines the current position with the Castlegreen and North Merchiston Care Homes which were transferred from Four Seasons Healthcare (FSHC) to the City of Edinburgh Council on the 22 May 2023, and managed by Edinburgh Health and Social Care Partnership.
- 2.2 The report provides committee with an update on the transfer of care, employees and business.
- 2.3 Progress is indicated around pursuing the funding associated with the dilapidations, and the over and under payment situation.
- 2.4 The report responds to the request by the Policy and Sustainability Committee on 21 March 2023, to report within 2 cycles updating members on future plans for social care provision, including any instances where it is anticipated that this presumption of in house delivery may be challenging.

3. Background

- 3.1 The Council's Corporate Leadership Team, (CLT) agreed to activate a clause of the contract between the Council and FSHC to step in as provider of last resort, in December 2022. Since then, various papers have been presented to the Council Finance and Resources Committee on 26 January 2023, and the Policy and Sustainability Committee on 21 March 2023.
- 3.2 The decision was made by the Finance and Resources committee on 10 March 2023 to transfer employees through TUPE and full harmonisation with Council (CEC), Terms and Conditions. This approach was also supported for the NHS employees.
- 3.3 The key aim of transfer was to ensure continuity of care and safety for the residents, who are frail and vulnerable, many with dementia, and to provide assurance for families and employees. By retaining as many staff as possible, the aim was to add confidence for continuity of care.

4. Main report

Transfer of Care and Business

- 4.1 A Core Group was established on 16 January 2023, to manage the process of transfer of care, staff and business. Membership of the Core Group ranged from strategic and operational leadership; key supporting functions such as Care and Quality Assurance, HR, Employment Legal and Finance, alongside experts across Facilities Management, ICT and Corporate Legal. Trade Union colleagues from both the Council and NHS Lothian were integral to the discussions; supporting the Core Group; progressing key considerations around TUPE, and employee discussions.
- 4.2 A number of employee group engagement sessions, and subsequent one to one conversations took place, describing each person's transferring circumstances. Our Trade Union colleagues participated in these, and welcomed the open, transparent and supportive approach. This was complemented by a direct email for staff queries and updated Frequently Asked Questions.
- 4.3 Meetings also took place with residents and their families, providing information about the transfer, and reassurance that care would be continued. Colleagues from the EHSCP Residential Review Team were available to address any specific individual concerns that people may have had.
- 4.4 EHSCP teams supported residents through the transfer, with care plans being reviewed and updated as appropriate.
- 4.5 Admissions were also suspended to allow everyone to be supported to adjust to the changes and ensure staff were able to receive induction, mandatory training for Council and NHS roles to ensure compliance with the H&SC standards and become familiar with associated policies and procedures.
- 4.6 The transfer of Castlegreen and North Merchiston Care Homes successfully took place on 22 May 2023, with EHSCP taking on the management of care for 88 residents across the two care homes. Overall the two care homes have the capacity for 120 residents, with Castlegreen currently being registered for 60 places, and North Merchiston being registered for 50 places, with the ability to apply for registration for the additional 10 places there in the future.
- 4.7 Overall 142 staff transferred from FSHC; 117 transferring to the Council and 25 transferring to NHS Lothian. All employees secured better terms and conditions, although this has come at a significant cost. The detailed position is being brought forward to the Finance and Resources committee on 21 September 2023.
- 4.8 Operational colleagues have developed a newsletter to update residents and employees on progress around the transfer. Employees have indicated that they are delighted with the improved terms and conditions and they are also keen to note the improvements for residents. Of particular note are: better food quality; residents' bedding is better quality and more comfortable; and new window blinds

allow much more privacy. EHSCP have been working closely with the Community Payback Workers team, who have assisted with the outdoor space of the homes and have re-erected the fence in Castlegreen which colleagues and residents have appreciated.

- 4.9 Work is well progressed to develop the future staffing requirements for the care homes, to provide safe, good quality care in the future. A key aspiration will be to align with the staffing model in other Council run care homes. Work is underway to ascertain whether this is achievable within the £2m provision included in the Edinburgh Integration Joint Board's financial plan. In the first instance this will be presented to the EHSCP Executive Management Team. As indicated above, an update will be included within the detailed report in September.

Urgent Capital Requirements

- 4.10 Consideration has been given to the key capital work that is required to meet building regulation and compliance and to address the environmental audit improvement plan required for the Care Inspectorate.
- 4.11 Considerable work has been undertaken to assess the environment, through the dilapidations survey, the improvement report from the Care Inspectorate environmental audit. This has been supported by a subsequent report from Skanska, a key contractor with the Council who undertake various aspects of facilities management. They were asked to review the dilapidations reports undertaken by the surveyors, to allow an assessment of the work that would be required, the sense of urgency, and associated costs.
- 4.12 These works were assessed using RAG status. Red – works to be completed in the 5 months since the inspection in May 2023, Amber – work to take place between 6-12 months, and Green -12 months plus. Many of the capital works will require a lead in time, and some requiring planning permission. It is anticipated that the Care Inspectorate are likely to revisit the care homes to be assured of progress before the end of calendar year.
- 4.13 This level of urgency has formed the basis of the decision made by Corporate Leadership Team to progress the urgency briefing to allow the Red and Amber capital requirements to be instructed at the earliest opportunity, as opposed to waiting for the scheduled Finance and Resources Committee to consider these at the 21 September meeting.
- 4.14 Following consultation with party group leaders, and the Lord Provost, through the urgency briefing, at the 26 July 2023 Council Corporate Leadership Team, a decision was made to proceed with the Red and Amber aspects of work.
- 4.15 The value of the works are c£244k for the red aspects, 94% of which relate to the Care Inspectorate requirements, and the amber aspects cost c£136k, with 24% of this relating to the Care Inspectorate requirements, giving a total requirement for c£380k. A report will be presented to Full Council on 31 August, formally recording the Corporate Leadership Team decision.

4.16 The key aspects required to be undertaken urgently to comply with building regulations, and those required as a condition of the Council's ongoing registration with the Care inspectorate, have been identified as the Red and Amber areas, and have now been instructed, include:

- key infection control aspects, with additional Domestic Service Rooms required, which the Care Inspectorate are working with FM and care home colleagues on
- accessible, safe outdoor space;
- safe and secure waste management, aligned with current care home requirements
- water damage and associated repairs
- legionella risk assessments
- ventilation regulation assessments and associated works.

4.17 The summary of the Red, Amber and Green aspects for each care home, and associated outline costs are highlighted in Appendix 1. A detailed report is being presented to the Finance and Resources Committee on 21 September setting out the urgent and longer term capital requirements, the on-boarding facilities management including information, communications, technology and equipment requirements, and ongoing workforce considerations. Below, in Table 1, is a summary of the capital costs associated with Appendix 1:

Table 1: Summarised overall Red, Amber, Green Capital Works:

	Castlegreen	North Merchiston	Totals	TOTAL Red and Amber	Care Inspectorate Requirements
RAG Status	(c£k)	(c£k)	(c£k)	(c£k)	(c£k)
Red Immediate up to 5 months	106	137	244¹ (21% of total)	£380	229 (94% of Red)
Amber Attention required 6-12 months	81	56	136 (12% of total)		37 (24% of Amber)
Green 12+ works programme	388	369	757 (67% of total)		0
Totals £	575	562	<u>1,137</u>		266 (34% of Total)
Notes:					
1. work has been instructed immediately on fire door replacement and funded from the Term Service Contract c£8k					

Source: Skanska Framework Report and Care Inspectorate Improvement Plan June 2023

Assumption of In-House Delivery of the Two Care Homes

- 4.18 At the previous Policy and Sustainability committee, 21 March 2023, a request was made to report within 2 cycles updating members on future plans for social care provision, including any instances where it is anticipated that the presumption of in-house delivery of these two care homes may be challenging.
- 4.19 At the Finance and Resource Committee on 10 March 2023, it was highlighted that, if the agreed TUPE approach was to be harmonisation up, that there were a number of risks noted. Particularly that, as employees would receive enhanced terms and conditions on entry to the Council and the NHS, this is likely to make the service a lot less attractive to any subsequent incoming service provider as there would be higher operational costs. This could mean the homes are likely to remain within the Council/EHSCP portfolio permanently, with the costs associated with that remaining on a recurring basis.
- 4.20 It is anticipated that the future configuration of these two care homes will be within the scope of the strategic commissioning exercise which has been agreed by the EIJB.

Dilapidations, Over and Under Payments

- 4.21 A dilapidations claim against Tamaris Scotland Ltd (TSL) has been made. Tamaris Scotland Ltd is the subsidiary of Four Season Healthcare, and previous provider of the services across the two care homes. The dilapidations sum totalled £1,167k across the two care homes. Dilapidations notices were served by the Council to TSL on 29 June 2023. The 10 day deadline for response passed without any receipt from TSL of any payment.
- 4.22 The Corporate Leadership Team carefully considered the position on 26 July, and authorised the Council Corporate Legal Team to proceed to court action, for each care home. This was based on the requirement in the commercial lease that the tenant (TSL) must comply with the repair obligation. If it does not do so, the landlord (the Council), has the option of certifying the cost of carrying out the necessary work, and that sum then falls due as a debt.
- 4.23 The issue of the over and under payment has been concluded, with the agreed sum of c£87k being paid by Tamaris Scotland Limited back to the Council (the Council received this on 11 August 2023.)

5. Next Steps

- 5.1 Work will continue to ensure that residents receive good care and services, and to enable that, staff will continue to undertake necessary training. .
- 5.2 A report is being prepared for the 21 September Finance and Resources Committee detailing the costs associated with the transfer as indicated.

- 5.3 The intention once works are completed, and the workforce model has been aligned to current care homes, is to reopen the care homes to admissions and operate at appropriate capacity. As highlighted above, optimum capacity could be 120 residents.
- 5.4 The EIJB strategic commissioning exercise will get underway, and will make recommendations relating to the longer term utilisation and required function of the two care homes.

6. Financial impact

- 6.1 As indicated above, a detailed report is being developed for the Finance and Resources Committee 21 September and will include the impact of transferring the care and business, implications of TUPE, ongoing costs associated with workforce model and the running of the care homes, alongside detail about capital requirements as indicated in the urgency briefing; the over and under payment, and dilapidations.
- 6.2 As highlighted above, the EIJB financial plan includes £2m across the two care homes. At this stage it is not confirmed whether this sum will be sufficient to introduce the proposed staffing model and run both units at maximum capacity.

7. Equality and Poverty Impact

- 7.1 There are no direct implications on equality and poverty impact associated with this report.

8. Climate and Nature Emergency Implications

- 8.1 Any work undertaken across the care homes, will have environmental and sustainable aspects considered. The approach will be to recycle and reuse as many materials as possible, if safe to do so. Additionally, a key plan is to assess the solar panels fitted to both care homes, and have them operational to contribute to producing clean energy.
- 8.2 All works will be subject to the Council's approach to identify any positive or negative environmental impacts, as well as the steps taken (or planned) to mitigate any adverse impacts. This includes impacts on greenhouse gas emissions, air quality, biodiversity, and adaptation to climate change.

9. Risk, policy, compliance, governance and community impact

- 9.1 The approach to care, regardless of the place where care is provided, is to comply with the Principles of the Health and Social Care Standards¹, and the 6

¹ [Health and social care standards | Care Information Scotland \(careinfoscotland.scot\)](https://www.careinfoscotland.scot)

key principles therein: dignity and respect; compassion; be included; responsive care and support; wellbeing.

- 9.2 The briefing for urgency to undertake the capital works, indicated that each of these principles would be adversely impacted for the people living in the care homes, who are vulnerable, have complex care needs many having dementia, and indicated potential risks. Further, there would be risk implications associated with the working environment for colleagues. As the CLT on 26 July authorised the red and amber status works to commence, this will mitigate these associated risks
- 9.3 The strategic commissioning exercise getting underway will consider wider community impact.

10. Background reading/external references

- 10.1 [Finance and Resources Committee 26 Jan 2023](#)
- 10.2 [Finance and Resources Committee 10 March 2023](#)
- 10.3 [Policy and Sustainability Committee 21 March 2023](#)

11. Appendices

Appendix 1a - Five Year Programme of Works RAG Castlegreen CLT 28.06.23

Appendix 1b - Five Year Programme of Works RAG North Merchiston CLT 28.06.23

Appendix 1a - Five Year Programme of Works RAG Castlegreen CLT 28.06.23

Red	Critical to service provision : immediate up to 5 months
Amber	Needs attention:6-12 6 months
Green	Part of longer works programme: 12+ months

The City of Edinburgh Council - Castlegreen Care Home					
Five Year Programme of Works at June 2023					
Priority	Category	Description	Source	Budget Cost £	Timescale
1	Internal Fire & Exit Door Renewal	Renew the internal fire doorset to the lower ground floor staircase . Renew the external doorset from the staff / goods entrance	Facilities Management Report	£7,390.00	Jul-23
2	DSR (Domestic Service Rooms)	DSR serving care areas are separate to other areas such as laundry and other activity such as administration. 6 Off . Locations to be agreed.	Care Inspectorate Improvement Plan	£44,000.00	Jun-23
3	Mechanical Ventilation	A review and audit of ventilation equipment must be completed to determine type of ventilation in the home and repair any damaged or broken equipment.	Care Inspectorate Improvement Plan	£5,000.00	Jul-23
4	Garden Spaces	Carry out a detailed survey inspection of all boundary fence issues include all areas of damaged fencing, missing fencing and inadequate fencing to the boundary of the memorial garden and domestic dwellings. Currently the site is not fully secure given the low level security fencing currently on site. We require a meeting with the CoEc and the security team to revise all external boundary and propose any remedial actions. Approx external boundary fencing Front 30mtr - Rear 20mtr both with lockable gates	Care Inspectorate Improvement Plan	£15,000.00	Dec-23
4	Garden Spaces	Carry out a detailed survey inspection of all internal fences issues include all areas of damaged fencing, missing fencing and inadequate fencing to the garden areas. The care inspectorate have recommended that the residents have a say in how the grounds are to be maintained and developed. In the meantime we suggest a Provisional Sum of £30,000.00 for enhancement works.	Care Inspectorate Improvement Plan	£30,000.00	Dec-23
4	Garden Spaces	Remove all debris left in the grounds by others	Facilities Management Report	£4,600.00	Jul-23
5	Drainage Inspections	Further to our survey carried out at the above premises we confirm our cost per care home to carry out an inspection of the existing drainage runs and pressure jet any blockages found during our survey and provide drawing of drain runs and a condition report.Note: Inspect all surface manholes, road gullies and drainage to all accessible locations on the site.	Facilities Management Report	£448.50	Jul-23
6	Ceiling Repairs	The Care inspectorate noted a number of areas in the home where the ceilings had evidence of water damage. The Council must assess where and how water is managing to enter the building and take steps to repair and reduce recurrence – In response We have had our high level team on site to review the building / layout and access requirements for the purpose of providing and adding costs to the PPM schedule for High Level inspections and gutter cleaning carried out annually. We did not witness any significant areas of ingress however there are a number of ceiling tiles that are showing water staining we would engage with our attending contractor to carry out an internal ceiling condition prior to the 1st inspection. Carry out internal ceiling repairs following the initial PPM and minor roof repairs.	Care Inspectorate Improvement Plan	£8,000.00	Nov-23
7	External Balconies	There are a number of external balconies which present with a single layer of decking on an exposed steel framework. We recommend an engineer inspects these areas for suitability and condition. The existing decking boards may have a shelf life given there exposure to the elements and their ability to support point loading.	Facilities Management Report	£35,000.00	Nov-23
8	Waste Management	A review of waste storage area should be undertaken to provide screened and lockable bin store.	Care Inspectorate Improvement Plan	£25,000.00	Jan-24
9	External Elevation & Windows	Carry out a full inspection of the all window timbers, glazed units and external elevation cladding. Remove and replace all defective elements with matching elements.	Facilities Management Report	£7,500.00	Aug-23
10	Window Blinds	Carry out a full survey / inspection of all existing window blinds and the requirements of the care home management staff to supply and install selected window blinds and privacy blinds as required. Note: Supply and install roller blinds to all existing road facing windows (Greendykes Road), remove all existing damaged blinds and install new blinds with antiligiture clips. We have accounted for 32Nr individual blinds (Approx).	Facilities Management Report	£4,320.00	Nov-23
11	Flooring	Flooring (5 Year Rolling Programme)	Facilities Management Report	£267,339.47	Jul-24
11	Decoration	Decoration (5 year rolling programme)	Facilities Management Report	£99,836.00	Jul-24
11	Lighting	Lighting	Facilities Management Report	£21,208.00	Jul-24
Total				£574,641.97	

Appendix 1b – Five Year Programme of Works RAG North Merchiston CLT 28.06.23

Red	Critical to service provision: immediate up to 5 months
Amber	Needs attention: 6-12 months
Green	Part of longer works programme: 12+ months

The City of Edinburgh Council - North Merchiston Care Home					
Five Year Programme of Works at June 2023					
Priorit	Category	Description	Source	Budget Cost £	Timescal
1	External Balconies	We have inspected all external balconies and would recommend wholesale renewal of the 6Nr external balconies include all necessary maintenance / repairs including cleaning, de-mossing and ensuring outlets are clear to allow discharge of rainwater. Perimeter handrails need to be replaced in addition to the decking. All costs include the supply and installation without any specific decoration or finishes - Strip back existing coverings and dispose from site Supply new Gripsure non slip treated decking to site Install new decking system on treated timber dwangs with 5mm spacing between boards Improve the overflow set up and pipe to nearby downpipes See attached data sheets on the proposed deck materials.	Care Inspectorate Improvement Plan	£35,000.00	Jun-23
2	DSR (Domestic Service Rooms)	Domestic services rooms (DSR) – these were situated in the hallways between the 2 units on each floor. Ideally each unit should have its own DSR and the provider should consider how this can be accommodated.	Care Inspectorate Improvement Plan	£45,000.00	Jun-23
3	Kitchens	Many of the kitchen areas within the dining rooms we're not fit for purpose with cracked and exposed surfaces missing doors and doors that did not shut properly.	Care Inspectorate Improvement Plan	£55,000.00	Nov-23
4	Ceiling Repairs	A number of mineral fibre ceiling tiles are suffering minor deterioration and moisture staining. Allow for the replacement of moisture stained, damaged, and marked mineral fibre ceiling tiles, complete.	Dilapidation Report	£2,356.00	Nov-23
5	Garden Spaces	Consideration should be given to investing in the landscaping to make all areas attractive.	Care Inspectorate Improvement Plan	£3,500.00	Dec-23
6	Drainage Inspections	Further to our survey carried out at the above premises we confirm our cost per care home to carry out an inspection of the existing drainage runs and pressure jet any blockages found during our survey and provide drawing of drain runs and a condition report. Note: Inspect all surface manholes, road gullies and drainage to all accessible locations on the site.	Facilities Management Report	£448.50	Jul-23
7	Render/Pointing Repairs	External wall render is soiled / stained. Allow for the cleaning down of all soiled / stained render by spraying with water and External wall render is soiled / stained brushing lightly. There is evidence of cracked and missing pointing to brickwork. Allow for raking out all cracked and eroded mortar pointing, allowing for repointing in a suitable mortar.	Dilapidation Report	£10,259.00	Dec-23
8	Window Blinds	Supply and install roller blinds to all existing windows, remove all existing damaged blinds and install new blinds with antiligtiture clips. We have accounted for 308Nr individual blinds.	Facilities Management Report	£41,580.00	Nov-23
9	Flooring	Flooring (5 Year Rolling Programme)	Facilities Management Report	£271,036.00	Jul-24
10	Decoration	Decoration (5 year rolling programme)	Facilities Management Report	£76,620.00	Jul-24
11	Lighting	Lighting	Facilities Management Report	£21,208.00	Jul-24
Total				£562,007.50	