

THIS ITEM IS FOR INFORMATION ONLY
(Please note that "Information Only" reports do not require Equality Impact Assessments, Legal or Finance comments as no decision is being taken)



Portsmouth
CITY COUNCIL

Title of meeting: Cabinet Member for Health, Wellbeing & Social Care
Date of meeting: 5th July 2018
Subject: Harry Sotnick House Transition Update
Report by: Innes Richens, Director of Adult Social Services
Written by: Richard Webb, Finance Manager

1. Purpose of report

- 1.1. The purpose of this report is to provide an update on the financial arrangements in respect of the operation of the Harry Sotnick House Nursing Home.

2. Background

- 2.1 On the 7th March 2018, a report was presented to the Cabinet Member for Health and Social Care which set out the preferred option for the continued operation of Harry Sotnick House Nursing Home after 1 April 2018 following contract termination with Care UK.
- 2.2 The Cabinet Member agreed to delegate authority to the Deputy Director of Adult Social Care, in consultation with the Director of Finance (s.151 Officer), to continue and conclude negotiations to enter into an agreement with Hampshire County Council to provide care services at Harry Sotnick House from 1st April 2018; as well as authorising the Head of Legal Services / City Solicitor to enter into all documentation necessary to complete the agreement.

3. Operating Arrangements

- 3.1 The Council has now entered into an agreement with Hampshire County Council (HCC) to run the Nursing Home on a cost recovery basis; the Council will only reimburse HCC for what it costs to run the home. This agreement is due to run for two years at which time Harry Sotnick Nursing Home should have achieved a 'Good' Rating from the Care Quality Commission (CQC) and will be handed back to the Council. HCC will provide the registered manager and will employ staff for the home and charge this back to the Council, the Council will meet the costs directly of maintaining the physical building and other running costs.

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- 3.2 The Council previously had a budget that was sufficient to meet the service payments to be made to Care UK for 62 of the local authority beds. Under the agreement Care UK was able to sell the remaining beds to private self-funded clients at no cost to the Council. The budget now needs to meet the needs of running a 92 bed facility. Whilst the Council can sell beds to private self-funded clients, this can only be done on a cost recovery basis.
- 3.3 Net operating costs of the Home after taking account of Private Income and Funded Nursing Care Contributions (FNC) are currently expected based on financial modelling to be c.£3.4m in year one and c.£2.4m in year two. This will result in an additional cost to the service during this period of circa £3m; the Council has provision to meet these additional costs.
- 3.4 The financial modelling is based on a number of initial assumptions regarding income and expenditure levels. As we continue to work closely with HCC, these assumptions will be monitored and revised. Additionally occupancy and income levels within the home are anticipated to rise once the home can accept new residents.

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 Signed by:
 Innes Richens
 Director of Adult Social Services

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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 Signed by:
 Cabinet Member