

## Adults and Health Directorate 2025/26 Budget Saving Proposals

<b>Directorate</b>	Adults and Health
<b>Reference Number</b>	AH2501
<b>Service Area</b>	Provider Services
<b>Portfolio Holder(s)</b>	Cllr Addy
<b>Lead Officer</b>	Saf Bhuta
<b>Proposal Title</b>	Transfer the dementia long stay residential homes owned by the Council to an independent sector operator

<b>Forecast Savings</b>	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/2030 £000
Incremental Savings	(865)	0	0	0	0
Cumulative Savings	(865)	(865)	(865)	(865)	(865)
FTEs (reduction)	104.10	0 FTE	0 FTE	0 FTE	0 FTE

### Description of Proposal

A 2024/25 budget proposal was to close two care homes for older people: Claremont House at Heckmondwike and Castle Grange at Newsome. Following a public consultation exercise a decision was taken not to pursue closure, but options for transfer of the homes on a going concern basis were retained.

Six private providers/potential operators expressed an interest in potentially acquiring the homes. Of these, one provider has since withdrawn leaving five who are interested in acquiring both homes – officers have received initial bids from all five providers. The next stage is now to evaluate the proposals. This will be by an initial meeting with each supplier whose proposals are considered to be credible. After this, an assessment of various criteria will be undertaken with a view to identifying those suppliers who are likely to be most suitable as purchasers of the businesses. Best and final offers will then be sought from these suppliers and will be evaluated in accordance with pre-determined quality and financial criteria. Evaluation will weight quality greater than price and be subject to minimum quality criteria as part of the design of the best and final offer stage.

The quality criteria will take account of bidders' experience of managing care homes and assess their ability to continue to deliver high quality care services for people with dementia in the future.

The Council provided an indicative basis on which it would look to transfer the homes as going concerns. These were:

- a. This is a business transfer
- b. The homes would transfer with existing residents
- c. The existing site staff, but no others, would transfer under TUPE

- d. There would be no short, medium or long-term care contracts, other than the standard right of persons to select a care home of their choice, and the local authority to pay the standard weekly fee where applicable.
- e. Operators have been made aware of the weekly fee currently charged to self-funding residents but have not been required to agree to maintain these charges.
- f. Because there are no transferring local authority contracts, this is not a Best Value contract, so accordingly employment rights are protected as is normal under TUPE transfers, but there is only the minimum standard TUPE pension protection to existing employees (they do not retain the right to retain a LGPS or broadly comparable pension).
- g. The Council would sell the freehold of the premises at the time of the business transfer, or the transferee could make proposals as to a point at which the freehold or a long-term lease would transfer to them. Under any of these options full repairing liabilities would transfer to the operator from the commencement of the transfer. Initial expressions of interest and bids are in favour of freehold transfer which is the Council's preference.
- h. The Council would expect to receive a payment for the business reflective of the potential opportunities and liabilities and risk that they were acquiring

These homes are not currently fully occupied, for several reasons, staffing levels in part reflect underutilisation and there is a dependence on more agency staff than normal (adding to cost). Unit costs for the Council owned services are higher, therefore savings can be generated by utilisation of available capacity in the wider market.

This proposal will consider the outcome of a family/next of kin engagement and subsequent staff consultation.

The proposal will generate substantial ongoing savings if approved. It presents an ability to save revenue costs more than £0.8m each year and, also avoid future potential capital costs.

## Impacts

### *Will /could the proposal have implications for any of the following?*

Service users / Customers	Yes	Legal / regulatory requirements	Yes
Council staff	Yes	Capital programme	Yes
Partners	Yes	Work location / building	Yes
Other Council Services	Yes	Contracts / procurement	Yes
Corporate (enabling) support	No	Information technology (IT)	Yes
VCSE	No	Political priorities	No
Council Plan deliverables	No	Another directorate	Yes (PRP)
Other (specify)	Yes	Other (specify)	N/A
Provider Market			

## Potential impacts

The Council has a statutory responsibility to accommodate people assessed as requiring residential care services, however there is no statutory requirement for the Council to provide residential care, rather it is to ensure there is adequate provision across the wider market.

Market supply indicators highlight that there is adequate provision of dementia residential care placements in the local area therefore this duty will continue to be discharged.

Adult Services will ensure the safety and wellbeing of current residents in Council run care homes to support during the transition to the new arrangements. Transition plans will be implemented and reviewed before, during and post transfer.

The proposal will impact on staff across the Council's existing in-house provision. Any Council staff transferring to another care home operator will benefit from protection under the Transfer of Undertakings (Protection of Employment) Regulations 2006 on the basis that it would constitute the transfer of a business as a going concern. This means their contractual terms and conditions of employment and continuity of service will transfer.

There are likely to be both communications and reputational challenges from the affected workforce. Other risks are potential Judicial Review in relation to the consultation process; failure to comply with TUPE regs with financial implications; the risk that the care homes do not transfer with continuing financial implications. This proposal has gone through a meaningful consultation period.

**Proposed mitigating actions**

Adult Services will ensure the safety and wellbeing of current residents in Council run care homes to support during the transition to the new arrangements. Transition plans will be implemented and reviewed before, during and post transfer.

The proposal will impact on staff across the Council's existing in-house provision. Any Council staff transferring to another care home operator will benefit from protection under the Transfer of Undertakings (Protection of Employment) Regulations 2006 on the basis that it would constitute the transfer of a business as a going concern. This means their contractual terms and conditions of employment and continuity of service will transfer.

<b>Does this proposal require an Integrated Impact Assessment?</b>	Yes
<b>Will this proposal require a Specific Service Consultation?</b>	Yes

<b>Accountable Head of Service</b>	Saf Bhuta, Head of In-House Provision
<b>Accountable Service Director</b>	Michelle Cross, Executive Director Adults and Health

<b>Directorate</b>	Adults and Health
<b>Reference Number</b>	AH2504
<b>Service Area</b>	Market development and sufficiency
<b>Portfolio Holder(s)</b>	Councillor Beverley Addy
<b>Lead Officer</b>	Simon Baker
<b>Proposal Title</b>	Kirklees Better Outcomes Partnership reductions in contract value

<b>Forecast Savings</b>	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/2030 £000
Incremental Savings	(500)	0	0	0	0
Cumulative Savings	(500)	(500)	(500)	(500)	(500)
FTEs (reduction)	0	0	0	0	0

<b>Description of Proposal</b>
Following a substantial loss of income in 24/25 from the housing revenue account and the Life Chances Funding which ended. The service has been reduced to fit within the ongoing budget of £1.6m. In 24/25 £0.5m was required to support the managed reductions in service delivery but these savings have now been realised effective from April 25/26.

### Impacts

#### ***Will /could the proposal have implications for any of the following?***

Service users / Customers	Yes	Legal / regulatory requirements	No
Council staff	No	Capital programme	No
Partners	Yes	Work location / building	No
Other Council Services	Yes	Contracts / procurement	Yes
Corporate (enabling) support	No	Information technology (IT)	No
VCSE	Yes	Political priorities	No
Council Plan deliverables	No	Another directorate	Yes
Other (specify)	No	Other (specify)	No

<b>Potential impacts</b>
The number of participants has been reduced and therefore the number of outcomes achieved will also be reduced. This may impact on demand for other statutory services e.g. homeless prevention, homeless applications, adult social care and housing services.

<b>Proposed mitigating actions</b>
All referrals are triaged, and information, advice and guidance are given including signposting to other universal or targeted services that may be available, enhancing the community support offer available to participants for example through the increased use of community spaces and growing the peer support network (experts by experience). Other support will be prioritised to those in inadequate housing, at risk of homelessness, rough sleeping, or sofa surfing. Support will decrease when placed in appropriate housing. Additional priority is given to those services supporting access to and sustainment of the private rented sector.

There remains a reduced early intervention offer with individuals who are experiencing financial hardship, struggling to live independently, a deterioration in mental or physical health, or substance misuse addiction which is placing their home at risk. The focus is on stabilising individuals before they reach crisis and prevent them from losing their home or being unable to manage in their community or when their housing is unstable. Circumstances that could lead to a crisis if support isn't offered. The re-referral rate for this group is very low (@5%), evidencing our prevention support makes a sustainable difference and avoids worsening circumstances for these participants. This can be delivered through drop in visits in community settings and/or with support from the peer mentors.

This work which has been codesigned is aiming to improve pathways and ensure that there is no duplication of support to minimise any negative impacts to try to mitigate risks, impact and consequences where possible and make the best use of the resources.

The service remains with a focus on building participant resilience, using strengths-based person-centred approaches with pathways into services, accommodation, employment and training, while improving wellbeing and self-worth.

<b>Does this proposal require an Integrated Impact Assessment?</b>	Yes
<b>Will this proposal require a Specific Service Consultation?</b>	No

<b>Accountable Head of Service</b>	Simon Baker, Head of Market Development and Sufficiency
<b>Accountable Service Director</b>	Michelle Cross, Executive Director, Adults and Health

<b>Directorate</b>	Adults and Health
<b>Reference Number</b>	AH2505
<b>Service Area</b>	Adult Social Care
<b>Portfolio Holder(s)</b>	Councillor Beverley Addy
<b>Lead Officer</b>	Cath Simms
<b>Proposal Title</b>	Staffing - review of turnover / vacancy factor allowances

<b>Forecast Savings</b>	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000	2029/2030 £000
Incremental Savings	(535)	0	0	0	0
Cumulative Savings	(535)	0	0	0	0
FTEs (reduction)	0	0	0	0	0

<b>Description of Proposal</b>
<p>The front line Adult Social Care budgets (assessment staff and in-house provision) are currently built including a 2% turnover allowance. Following a review of turnover across these teams, a 5% turnover allowance is proposed. This will generate a cashable saving and is more reflective of the real turnover rate in the teams.</p> <p>To ensure this is maintained, annual turnover reports will be produced by HR so the rate can be adjusted where necessary.</p> <p>Note that this will be across all of operational Adult Social Care (OP/PD and LD/MH).</p>

### Impacts

#### ***Will /could the proposal have implications for any of the following?***

Service users / Customers	No	Legal / regulatory requirements	No
Council staff	No	Capital programme	No
Partners	No	Work location / building	No
Other Council Services	No	Contracts / procurement	No
Corporate (enabling) support	Yes	Information technology (IT)	No
VCSE	No	Political priorities	No
Council Plan deliverables	No	Another directorate	No
Other (specify)	No	Other (specify)	No

<b>Potential impacts</b>
<p>Changing the turnover rate to one that is in line with current rates of turnover will enable budgets to be set accurately at the start of the year instead of working to monitored underspends. This will deliver a saving that does not have a direct impact on staffing numbers or on the people we support.</p>
<b>Proposed mitigating actions</b>
<p>Close monitoring of turnover rate to ensure that the rate accurately reflects the team reality.</p>

<b>Does this proposal require an Integrated Impact Assessment?</b>	No
<b>Will this proposal require a Specific Service Consultation?</b>	No

<b>Accountable Head of Service</b>	Cath Simms, Service Director, Adults Social Care Operation
<b>Accountable Service Director</b>	Cath Simms, Service Director, Adults Social Care Operation