

# CITY OF PLYMOUTH



## Scrutiny Report

### Closure of Pearn Convalescent Home

#### Health Overview and Scrutiny Panel

**January 2004**

The five key themes of Our City's Health and the challenges that need to be addressed to reduce health inequality are:

- tackling the determinants of health
- strengthening disadvantaged communities
- promoting the health of children and young people
- preventing ill health from major illness
- tackling the health impact of substance abuse

**Director of Public Health for Plymouth: Annual Report 2003**

**Portfolio and Holder:** Social Services and Health  
Councillor Pattison

**CMT Member:** Director for Social Services

**Subject:** Closure of the Pearn Convalescent Home

**Committee:** Overview and Scrutiny Commission  
Health Overview and Scrutiny Panel (for information)  
Cabinet (for information)

**Date:** 12<sup>th</sup> February, 2004  
16<sup>th</sup> February 2004  
17<sup>th</sup> February, 2004

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**Ref:** 5/HOSP/CS

**Part:** I

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### **Executive Summary:**

On 29<sup>th</sup> September 2003, the Pearn Convalescent Home Trust took a decision to close the home effective from the end of October 2003. Prior to its closure, 23 of the Pearn Convalescent Home's 28 beds had been 'contracted' by the Plymouth Hospitals NHS Trust for post hospitalisation patients.

Subsequent to the Pearn Convalescent Home Trustees decision there was a great deal of community interest regarding how the closure would impact on Plymouth Hospitals NHS Trust 'bed blocking' figures and on the availability of alternative local facilities for post-operative care and rehabilitation.

The Portfolio Holder for Social Services and Health submitted a proposal for scrutiny on 21<sup>st</sup> October 2003 "to scrutinise the stated reasons for the Homes close and to ascertain the impact upon other services (NHS and Plymouth City Council) and to ensure no loss of quality of post-operative care."

The purpose of this report is to report back to the Portfolio Holder for Social Services and Health, relevant NHS organisations and the Pearn Convalescent Home Trust on the outcome of scrutiny work conducted by the Health Scrutiny Select Committee into the overall impact on local people of the closure of the Pearn Convalescent Home and whether the Council will need to provide an increased level of care.

**Strategic Choices:**

This report and the associated issues link to the delivery of the corporate priorities defined in Strategic Choices, in particular-

1. improving the health, social well-being and safety of local people;
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**Implications for Medium Term Financial Plan and Resource Implications:  
Including finance, human, IT and land:**

None.

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**Other Implications: e.g. Section 17 Community Safety, Health and Safety etc.**

None identified at this time.

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## Summary of Recommendations:

The Portfolio Holder for Social Services and Health and the Cabinet are asked to note the contents of this report and recommendations 1-4, in particular –

1. That the scrutiny proposal submitted by the Portfolio Holder for Social Services and Health on 21<sup>st</sup> October 2003 has been carried out with conscientious and serious application;
2. That the Scrutiny Select Committee is satisfied on the evidence provided that satisfactory alternative arrangements are in place, or can be provided for, to ensure there is no loss of quality of intermediate care for local Plymouth people, however, the NHS organisations were unclear and vague as to where future service users would be referred and accommodated;
3. That it is at too early a stage after the closure of Pearn Convalescent Home to ascertain the effects on Derriford Hospital's overall 'bed-blocking' figures;
4. That the Scrutiny Select Committee is satisfied on the evidence provided that the Council's Social Services Department will not be required to provide an increased level of care as a consequence of the closure of Pearn Convalescent Home, however, there is likely to be an indirect effect caused by the increased demands on the voluntary and private sectors for beds (see report Section 6.1 (ix) at page 17-18);
5. The Portfolio Holder for Social Services and Health is asked to refer the contents of this report and the following recommendations to the attention of the Boards of the Plymouth Hospitals NHS Trust, the Plymouth Teaching Primary Care Trust and the Pearn Convalescent Home Trust –

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| <ol style="list-style-type: none"><li>A. The Select Committee Chair and Members would like to thank the Pearn Convalescent Home Trust and NHS organisations for their organisations' contributions and the participation of their Officers to this scrutiny review;</li><li>B. That the lack of formal contract arrangements between the PHT and the Pearn Convalescent Home Trust, exacerbated by a lack of communication and information sharing, contributed to a decision by the PHT/tPCT to review intermediate care arrangements in the Plymouth area, and to the decision of the Pearn Convalescent Home Trustees to close the Pearn Convalescent Home as of the end of October 2003;</li><li>C. That the Boards recognise, and take steps to ensure, that any future business dealings between NHS organisations and professional, charitable or other service providers are governed by contractual arrangements;</li></ol> |
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D. That the NHS organisations be requested to report back to the Plymouth City Council's Health Overview and Scrutiny Panel by 1 July 2004 on the state of intermediate care and Derriford Hospital's 'bed-blocking' situation, with particular reference to changes in circumstances since the closure of the Pearn Convalescent Home on 31 October 2003.

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**Alternative options considered and Reasons for Recommended action:**

Not applicable.

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**Background papers:**

- (1) Care Standards Act 2000  
(<http://www.hmso.gov.uk/acts/acts2000/20000014.htm>)
- (2) Department of Health – Care Homes for Older People: National Minimum Standards published by the Secretary of State for Health under section 23(1) of the Care Standards Act 2000  
(<http://www.doh.gov.uk/ncsc/carehomesolderpeople.pdf>)
- (3) Department of Health – National Minimum Standards Adult Placements, July 2003, (<http://www.doh.gov.uk/ncsc/nmsap.PDF>)
- (4) Department of Health – National Minimum Standards: Care Homes for Adults 18-65 years, (<http://www.doh.gov.uk/ncsc/carehomesadults18-65.pdf>)
- (5) Department of Health – National Minimum Standards: Domiciliary Care, (<http://www.doh.gov.uk/domiciliarycare/domcarensregs.pdf>)
- (6) The Care Homes Regulations 2001 (Statutory Instrument 2001 No. 3965), (<http://www.legislation.hmso.gov.uk/si/si2001/20013965.htm#4>)
- (7) The Care Homes (Adult Placement) (Amendment) Regulations 2003  
(<http://www.doh.gov.uk/ncsc/carehomesadultsammendments.pdf>)
- (8) Letter dated 3 January 2002: Pearn Convalescent Home Trust to the Plymouth Hospitals NHS Trust entitled, 'Pearn Care Centre Services – Financial Year 2002-03';
- (9) Letter dated 5 July 2002: Plymouth Hospitals NHS Trust to the Pearn Convalescent Home Trust entitled, 'Pearn Care Centre – Service Agreement 2002/03';
- (10) Letter dated 3 October 2002: Plymouth Hospitals NHS Trust to the Pearn Convalescent Home Trust entitled, 'Pearn Care Centre – Proposal for Major Capital Expenditure';
- (11) Letter dated 31<sup>st</sup> December 2002: Pearn Convalescent Home Trust to Chief Executives of the Plymouth Hospitals NHS Trust, the Plymouth Primary Care Trust and the Area Manager, National Care Standards Commission entitled 'The Pearn Convalescent Home: Contract Cost of Services 2002/2003';

- (12) Letter dated 31<sup>st</sup> January 2003: Pearn Convalescent Home Trust to Chief Executive, Plymouth Hospitals NHS Trust entitled 'Pearn Care Centre – Financial Year 2003/04: Contract Cost of Services (Pearn Convalescent Home)';
- (13) Letter dated 6 March 2003: Pearn Convalescent Home Trust to the Plymouth Primary Care Trust entitled, 'Proforma Invoice for Structural Improvements / Equipment DOH Capital for Intermediate Care Facilities' Development The Pearn Convalescent Home;
- (14) Letter dated 2 July 2003: Pearn Convalescent Home Trust to Chief Executive, Plymouth Hospitals NHS Trust entitled, 'Pearn Care Centre: The Pearn Convalescent Home Trust – Contract Cost';
- (15) Letter dated 17 July 2003: Plymouth Hospitals NHS Trust to the Pearn Convalescent Home Trust entitled, 'Temporary Financial Arrangements 2003/4';
- (16) Protocol of Patient's Different Types and Diseases which can be admitted to Pearn Convalescent Home;
- (17) National Services Framework for Older People(5), March 2001  
<http://www.doh.gov.uk/nsf/olderpeople/pdfs/nsfolderpeople.pdf>

## REPORT OF THE HEALTH SCRUTINY SELECT COMMITTEE

### CLOSURE OF THE PEARN CONVALESCENT HOME

#### 1.0 Background

- 1.1 Prior to its close at the end of October 2003, the Pearn Convalescent Home Trust (Pearn Trust) had for a number of years 'contracted' 23 of its 28 beds to the Plymouth Hospitals NHS Trust (PHT) for post hospitalisation patients. In fact, the Pearn Trust had been serving the local health community, as well as social care, since before the inception of the National Health Service (NHS).
- 1.2 The arrangements between the Pearn Trust and the PHT have always been of an informal nature and although preliminary legal advice regarding a formal contract had been sought a number of years ago the Pearn Trust had considered that the costs of drawing up a contract were not warranted. As such, arrangements between the respective organisations<sup>1</sup>, including services to be provided and the expectations of both parties on the financial and service agreement, had remained as an "understanding".
- 1.3 Although both Trusts agreed on the 8<sup>th</sup> December 2003 that their relationship over the years had been good, the consequence of not having any agreed formal arrangements led to annual, and in more recent times quarterly, negotiations over the types of services to be provided by Pearn Convalescent Home and financial arrangements to be paid by the PHT.
- 1.4 A number of recent communications, dating between January 2002 and July 2003 (**Background papers 8-15**) indicate that the Pearn Convalescent Home Trust and the PHT / Plymouth Teaching Primary Care Trust (tPCT) had differing concerns over their continued arrangements, including –

#### Pearn Trust

- confusion over the potential use of a capital sum of £109,000 made available by the NHS to accommodate improvements and refurbishments of the Pearn Convalescent Home<sup>2</sup> to achieve the standards required for intermediate care as laid down by the National Care Standards Commission (NCSC);
- belief that it had been compelled to subsidise the cost of caring for NHS patients due to underfunding by the PHT and its predecessors to the extent of the neglect of the building maintenance, decoration and renewal of equipment<sup>3</sup>;
- opposition to the PHT 'discount' funding arrangement to pay less than the Social Services Nursing Homes rate per bed per week;
- uncertainty over the PHT and tPCT future intermediate care policy and intentions, including whether these future plans would include Pearn Convalescent Home engendered by the Chief Executive Officer,

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<sup>1</sup> [Background Material – Section 8.1 \(1\), Letter dated 31st January 2003](#)

<sup>2</sup> [Background Material – Section 8.1 \(2\), Letter dated 31st December 2002](#)

<sup>3</sup> [Background Material – Section 8.1 \(1\), Letter dated 31st January 2003](#)

Plymouth Hospitals' NHS Trusts request for three monthly extensions of the Trust's facilities/support;

Plymouth Hospitals NHS Trust / Plymouth teaching Primary Care Trust

- uncertainty over the Pearn Trust's plans to refurbish the Care Centre, including costed programmes of necessary refurbishment of the Care Centre and timetables to undertake the work, and desire to continue as a care facility;
  - proposed a 'discount' in funding arrangement paid to the Pearn Trust in recognition of the 'block nature' of the agreement and the tPCT's successful bid for £109,000 of Government initiative scheme monies made available for works in association with establishing/equipping the intermediate care facilities of the Pearn Convalescent Home;
  - some recognition of the PHT's responsibility to contribute to the costs of refurbishments/improvements which were necessary at the Pearn Trust<sup>4</sup>;
  - some frustrations over their ability to influence Pearn Convalescent Home's bed control, occupancy and 'discharge' planning;
- 1.5 In response to pressing by the PHT for discussions, the Chairman of the Pearn Convalescent Home attended Derriford Hospital on 26<sup>th</sup> September 2003 and was told by the PHT of their future plans in strict confidence. These were contingency plans on the basis that the PHT had no confidence that the Pearn Convalescent Home would continue to be in business;
- 1.6 On 29<sup>th</sup> September 2003, the Pearn Convalescent Home Trustees took a decision to close the home, effective from the end of October 2003.
- 1.7 Subsequent to the Trustees decision there was a great deal of community interest regarding how the closure would impact on Plymouth Hospitals NHS Trust 'bed blocking' figures and on the availability of alternative local facilities for intermediate care and rehabilitation.
- 1.8 The Portfolio Holder for Social Services and Health submitted a proposal for scrutiny on 21<sup>st</sup> October 2003 "to scrutinise the stated reasons for the Homes close and to ascertain the impact upon other services (NHS and Plymouth City Council) and to ensure no loss of quality of post-operative care."
- 1.9 The Health Scrutiny Select Committee met on 8<sup>th</sup> December 2003 to scrutinise the impact of the closure of Pearn Convalescent Home upon local people (as set out in the Terms of Reference at Section 3 of this report) and to hear from representatives from the Pearn Trust, PHT, tPCT, the South West Peninsula Strategic Health Authority and the Pearn Action Group.
- 1.10 Having considered all the evidence, the Health Scrutiny Select Committee compiled a report containing the recommendations at Section 9 and asked the Portfolio Holder for Social Services and Health to refer the report and a

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<sup>4</sup> Letter dated 5 July 2002: Plymouth Hospitals NHS Trust to the Pearn Convalescent Home Trust entitled, 'Pearn Care Centre – Service Agreement 2002/03' offered to reduce the 10% to 5% from 1<sup>st</sup> April 2002 for 5 years as a contribution to refurbishment/improvement costs, and to back to 10% at the end of the 5 year period;



number of recommendations to the attention of the Boards of the Plymouth Hospitals NHS Trust, the Plymouth Teaching Primary Care Trust and the Pearn Convalescent Home Trust.

## **2.0 Committee Structure**

2.1 The Membership of the Health Scrutiny Select Committee was as follows –

### Councillors (Committee Members)

Councillor Gordon (Chair)

Councillors Miller, Mrs. Nicholson and Santillo

### Council Officers in Attendance

Democratic Support Officer – Craig Saunders (Chief Executive's Department)

2.2 'Witnesses' attending the Committee were as follows –

### **Pearn Convalescent Home Trust**

Mr T. J. Stark Chairman

Mrs. G. Rendell Vice Chairman

Mrs. P. Horn Former Matron (Head of Nursing)

Mr. T. Hargreaves Manager

### **Pearn Action Group**

Dr Mark Couchman

### **Plymouth Hospitals NHS Trust**

Mr. N. Smith Divisional Finance Manager, Medical Division

Ms. J. Shill Discharge Liaison Manager

### **Plymouth Teaching Primary Care Trust**

Ms. E. Fitzsimmons Planner, Older People's Services

### **South West Peninsula Strategic Health Authority**

Ms. J. Yelland Older Peoples Policy Lead

### **3.0 Terms of Reference**

- 3.1 The Health and Social Well-being Scrutiny Committee, parent Committee to the Health Scrutiny Select Committee, met on 24<sup>th</sup> November 2003 at which it was agreed that the Health Scrutiny Select Committee had the following aims for the scrutiny –

With respect to the decision to close Pearn Convalescent Home, the Committee has the following aims for the scrutiny process:–

1. To gain a clear understanding of the decision-making process that led to the decision to close Pearn Convalescent Home including:
  - What health services are delivered from Pearn Convalescent Home?;
  - How will these health services be delivered when Pearn Convalescent Home has closed and under what alternative arrangements?;
  - any financial or other business case information used to support the closing of Pearn Convalescent Home;
2. The overall impact on local people of the closure of Pearn Convalescent Home, including provision and quality of post-operative care?;
3. Whether the closure of Pearn Convalescent Home will impact on bed-blocking figures, including proposed alternative arrangements?;
4. To assess the impact of the closure of Pearn Convalescent Home on the Council's Social Services provision i.e. will the Council need to provide an increased level of care when Pearn Convalescent Home closes?

- 3.2 The Select Committee resolved as part of their deliberations to speak with representatives from the Pearn Convalescent Home Trust and relevant National Health Service organisations.

### **4.0 Hearing**

- 4.1 The Committee met on 8<sup>th</sup> December 2003 in two sessions. During the morning session they spoke with Pearn Convalescent Home Trustees, and the Director and former Matron of the Pearn Convalescent Home, and to Dr Couchman from the Pearn Action Group. In the afternoon they spoke with representatives from NHS organisations including the Plymouth Hospitals NHS Trust, the Plymouth Teaching Primary Care Trust and the South West Peninsula Strategic Health Authority.

## **5.0 Pearn Convalescent Trust and the Pearn Action Group**

5.1 The Committee heard from the Pearn Trust Trustees and the Director and was informed as follows –

- (i) the Pearn Convalescent Home Trust Board comprised 8 Trustees led by Mr Stark (Chairman), Mrs. Rendell (Vice-Chairman) who were present at this meeting, and also included 2 NHS Health representatives, Mr Ian Rawlings and Doctor Cronin;
- (ii) in response to whether the Pearn Trust had any concerns about the relationship with the PHT or had received written notification from the PHT regarding changes to funding arrangements prior to the Pearn Convalescent Home Board of Trustees decision to close at the end of September 2003 –
  - Pearn Convalescent Home Trust had not received written notification that funding arrangements would stop, although the Chairman had attended PHT for a meeting with the PHT Chief Executive on 26<sup>th</sup> September 2003 to receive a strictly in confidence briefing;
  - the Pearn Convalescent Home Trust Chairman had written to the PHT on 31<sup>st</sup> January 2003 seeking urgent clarification of future arrangements, including financial, between the two Trusts as the Pearn Convalescent Home Trust may be forced to cease trading with the PHT with effect from 31 March 2003 unless satisfactory arrangements could be reached;
  - following the 31<sup>st</sup> January 2003 letter, the Pearn Convalescent Home had been requested by the PHT to extend arrangements, first to 30 June 2003, and then to 30 September 2003;
  - the Pearn Convalescent Home Trust Chairman had written as a matter of urgency to Mr Roberts, PHT Chief Executive, on 25 September 2003 asking if any decision had been made by the PHT regarding the Pearn Convalescent Home Trust's letter dated 31<sup>st</sup> January 2003) to withdraw from the agreement of many years as he did not believe the matter had been satisfactorily resolved;
  - within 2 hours of sending this letter, the Chairman received a call from Mr Nigel Smith of the PHT to attend at Derriford Hospital for an 'off the record' meeting;
  - the Pearn Convalescent Home Trust Chairman had attended at Derriford and in a meeting with Mr Roberts and Mr Smith it had been made clear that the PHT would not be extending Pearn funding beyond 31 March 2004, facts that had since been disputed by the PHT in conversations with Councillors Fry and Nicholson;

- the Pearn Convalescent Home Chairman reported back to the Board of Trustees on 29 September 2003 that in future it seemed certain that the intermediate care currently provided by Pearn Convalescent Home would be delivered through Mount Gould Hospital and other arrangements;
  - faced with the circumstances as described, the Pearn Convalescent Home Board of Trustees took the decision to close Pearn Convalescent Home with effect from the 31<sup>st</sup> of October 2003;
- (iii) the two Trusts were not bound by a formal contract, and since 2002 had acted on a series of three months extensions to their longstanding informal understanding. By the end of January 2004 the Trust would have needed to report to the Charities Commission that it was a 'going concern' but as circumstances existed the Board of Trustees would have been unable to sign off on their accounts;
- (iv) prior to October 2003, Pearn Convalescent Home had operated as a short stay care home and nursing home and this had included investing over the decades to update facilities and to change the internal layout from large multi-occupancy bedrooms to make some individual bedrooms;
- (v) prior to 1993 the Pearn Convalescent Home Trust had tried to allocate approximately £30,000 annually for a maintenance fund, but underfunding since 1993 meant that the reserve had not been built up. As such, little or no maintenance work was planned other than to meet legal requirements;
- (vi) in response to whether the PHT had been made aware that Pearn was being underfunded –
- Mr Smith, Elaine Fitzsimmons and Kim Hodgson, Director of Operations, Plymouth Hospitals NHS Trust, had visited in June 2002 and stated they would pay £369 per bed per week (this increased to £378 this year) but that the PHT would expect a 10% price reduction for guaranteed business;
  - the Pearn Convalescent Home Trust had not agreed to the price reduction and had then been told by the PHT that they could expect a 5% price reduction for the next 5 years;
  - the tPCT had provided £110,000 that could be used for some building maintenance and upgrades but this matter had also not been resolved;
  - increases in funding arrangements had only ever been in line with inflation which had been very difficult for staff, who at one stage had accepted a wage freeze for four years;

- the PHT had been made aware that a minimum of £30,000 was needed annually for maintenance for such things as beds, cleaning, updating machinery and kitchens;
- (vii) between 1995 and 2002 the Pearn Trust had a trading deficit of £159,000 (operating deficit of £59,000 over the same period), and the information that the Trust was running a deficit year on year had constantly been pointed out to the PHT. The Charity Commission would be critical of the Trust for operating deficits but the Trust had always tried its best to serve people of Plymouth;
- (viii) whilst 23 of the 28 beds were directly earmarked for the PHT, the other 5 Pearn Convalescent Home beds were used by people including by private health providers and for respite care;
- (ix) Government standards were always changing and the Pearn Trust had incurred costs in complying to them;
- (x) as a registered nursing home, Pearn Convalescent Home was inspected twice annually by the National Care Standards Commission – once formally (5 August 2003)<sup>5</sup> and once informally and a report then provided to the Pearn Convalescent Home Trust;
- (xi) Pearn Convalescent Home had been a convalescent home for people of all ages although it was bound by a Protocol of Patient's different types and diseases<sup>6</sup> that could not be admitted to Pearn Convalescent Home, including people with infectious diseases, children, pregnant women, acute psychiatric patients and patients with learning difficulties;
- (xii) in 1993, in order to meet the community's changing requirements, the Pearn Convalescent Home Trust had received approval from the Charity Commission to accept people for stays of up to three months (rather than the customary two weeks prior to this time);
- (xiii) with respect to the future of Pearn Convalescent Home –
- despite closing as an intermediate care facility, the Pearn Convalescent Home Trust still had to maintain the building and run the Day Care Centre, which included a kitchen and a dining room, and there were enormous pressures on the day centre to meet all these costs;
  - the Pearn Convalescent Home Trust was concerned about the future of the building and would be approaching the Charities Commission to ascertain if they could apply for other uses of the building;

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<sup>5</sup> The National Care Standards Commission report of 5<sup>th</sup> August 2003 was provided to the Scrutiny Committee.

<sup>6</sup> Pearn Convalescent Home's 'Protocol of Patient's Different Types and Diseases that can be admitted to Pearn' was provided to the Scrutiny Committee.

- (xiv) prior to its closure Pearn Convalescent Home had employed 29 staff, 9 or 10 of who were registered nurses. Additionally, although 3 staff had done training at Derriford Hospital regarding intravenous (IV) clinical care the Pearn Convalescent Home Trust had been informed by the PHT that their IV Protocol required 2 registered nurses to be on duty at all times involving an additional cost to the Pearn Convalescent Home Trust of approximately £50,000 per annum;
- (xv) with respect to revenue –
  - recent market forces had meant that the Pearn Convalescent Home Trust's return on investment had been small;
  - although a number of bequests had been made to Pearn Convalescent Home in its earlier years (between 1895-1911), no bequests had been received in the last eight years;
  - the Pearn Convalescent Home Trust went about its business quietly and could not afford to employ a Marketing Manager or conduct any fundraising;
- (xvi) in response to whether the Pearn Convalescent Home Trust could open tomorrow if the PHT funding arrangements were restored –
  - whilst this was an idyllic situation – a number of costs (including re-registration) and other issues would first need to be resolved;
  - if the PHT gave Pearn Convalescent Home Trust a 6 months funding agreement then they would have great difficulty attracting staff, with any agreement needing clear start and end dates – preferable for 3 years;
  - staff previously employed by Pearn Convalescent Home Trust had been through a redundancy process and only some would probably be reticent to return;
- (xvii) invited the Council to let the Pearn Trustees know if there was some way that they could provide assistance to Pearn Convalescent Home Trust.

5.2 In addition to the information presented to the Committee at Section 5.1, Dr Couchman informed the Committee that –

- (i) he was part of an Action Group that had facilitated some meetings between the PHT and the Pearn Trust;
- (ii) in response to whether he knew if the Pearn Trust had received any formal written notification to end the PHT funding, he had been informed by Professor Bull that an alternative role may be found for Pearn Convalescent Home although it was not indicated what this role might be;

- (iii) with respect to the business dealing between the two Trusts –
- Pearn Convalescent Home had been placed in a horrible position and he was dismayed at the way business had been conducted between the two Trusts;
  - although the two Trust's did not have a formal contract, he believed that normal customer practice should have required the PHT to give reasonable notice to the Pearn Trust;
  - from his knowledge of Pearn Convalescent Home's current situation, they would only be able to sustain themselves in a certain way and after this interim period would have to look for other sources of funding such as the Council's Social Services Department;

## **6.0 National Health Service Session**

6.1 The Committee heard from the Plymouth Hospitals NHS Trust (PHT), Plymouth Teaching Primary Care Trust (tPCT) and South West Peninsula Strategic Health Authority (SWPSHA) representatives and were informed as follows –

- (i) in response to why the NHS representatives believed Pearn Convalescent Home had closed, the PHT described the following chronology of circumstances –
- the PHT had received correspondence over the last few years regarding the difficult financial situation facing the Pearn Convalescent Home and other operational problems regarding recruitment and meeting some NCSC requirements;
  - although funding arrangements had been increasing at the rate of inflation i.e. roughly 2.5% per annum, the PHT had received increased bids for cash from the Pearn Convalescent Home Trust;
  - in 2002/03 funding arrangements had been for £360,000, although the initial request from the Pearn Convalescent Home had been for £503,000 i.e. request for 40% increase in the amount of funding;
  - after discussions it had been agreed to fix payments to the NHS allowance of £369 per bed per week, and on the basis that occupancy was never 100% and the 'contract' was guaranteed for 5 years with automatic increases in line with Social Services fees the NHS had requested a 10% rebate on this sum which had then been cut to 5%;
  - in 2002 the PHT had bid for £109,000 Department of Health funding for intermediate care developments for the Pearn Convalescent Home with the money to go towards

refurbishment and backlog maintenance and because of this funding it had been agreed to pay 90% of the standard bed rate;

- Pearn Convalescent Home had had to close during parts of December 2002 – January 2003 following a norovirus outbreak;
  - soon after the norovirus outbreak in January 2003 the Pearn Convalescent Home Trust had written to the PHT stating that they were having problems with their insurers and that unless a viable financial agreement was reached the Pearn Convalescent Home would close on 31<sup>st</sup> March 2003;
  - during the time there were two extensions of the existing agreement to the end of June 2003 and then to the end of September 2003 on the understanding that any period of notice would be extended;
  - at a meeting on 26<sup>th</sup> September between Mr Stark, Mr Roberts, Mr Smith and Ms Shill it had been agreed to look at the options around and report back at the end of the year;
  - at about this time the PHT had also talked with the Plymouth PCT to discuss contingency funds if the Pearn Convalescent Home should close and had asked the Pearn Convalescent Home to stay open until the end of March 2004. However, the Pearn Convalescent Home had closed at the end of October 2003;
- (ii) in the main, recent negotiations between the PHT and the Pearn Convalescent Home had been about finance and as part of the agreement for 2003/04 it had been agreed that the annual payment should be linked to the Social Services Nursing Home rate. This had been proposed by the PHT in an attempt to get away from the annual round of discussions over a financial settlement, and to move towards using the Unit for intermediate care and for patients who needed nursing care;
- (iii) in response to whether the Pearn Convalescent Home funding arrangements offer was still on the table, the PHT representatives stated that at the last meeting with the Pearn Convalescent Home it had been agreed that the PHT was prepared to discuss a revised service specification for future nursing intermediate care provision;
- (iv) in response to how the money previously paid to the Pearn Convalescent Home Trust was being used, the tPCT representative stated that it was being used fund short packages of residential based nursing care, as well as home care packages. Whilst meeting the immediate need for patients it was more complicated to oversee and manage and the health



community were keen to move back to a block of nursing beds for intermediate care;

- (v) the NHS had used Pearn Convalescent Home for intermediate care for people from Plymouth, and from parts of Cornwall and South Hams;
- (vi) in response to whether the closure of Pearn Convalescent Home would cause bedblocking the tPCT representative answered, “No, moving people out of acute care at one right time would always be a challenge.”;
- (vii) the SWPSHA representative raised two strategic issues –
  - capital money allocated from the Department of Health to the Pearn Convalescent Home for meeting the needs of intermediate care would need to be paid back and used elsewhere if the unit was not going to continue;
  - she was in regular contact with the PHT and tPCT regarding any delayed transfers of care from Derriford Hospital and did not believe that the closing of Pearn Convalescent Home had had any immediate effects;
- (viii) in response to how people aged under 60 years who live alone will be accommodated between discharge from hospital and home –
  - someone discharged from hospital e.g. after a hysterectomy, doesn’t need 24 hour care but personal nursing care and the NHS used residential facilities across the city;
  - changes in clinical practice had meant that the service previously provided by the Pearn Convalescent Home needed to be updated as well. The NHS’s policy had shifted gradually in the last year or two towards residential facilities which was different than the 24 hour nursing care offered by the Pearn Convalescent Home;
  - in the last 8 months, the PHT had been referring hip replacement patients to Peirson House rather than to Pearn Convalescent Home;
  - the NHS pays fees for 24 hour nursing care and had expected to move patients to the Pearn Convalescent Home who needed nursing care;
- (ix) with respect to the impact of the closure of Pearn Convalescent Home on the Council’s Social Service provision (Term of Reference number 4) the tPCT representative stated –
  - “No, don’t think so. It is over and above what Social Services would provide and the NHS looks at this by placing people in homes across the City”;

- that where it does affect Social Services is that the NHS is applying for places in private homes at the same time the local authority is wanting to purchase long-term beds;
- (x) regarding the types of patients the NHS had been referring to Pearn Convalescent prior to its closure –
- the NHS had been using Pearn Convalescent Home as an intermediate care centre and there were national definitions of intermediate care and clear national guidance stating five criteria on how it should be done. Instead of long-term care this concentrates on intensive care, up to 6 weeks in a facility such as Pearn Convalescent Home, with a clear plan as to how the patient expected to progress from hospital to intermediate care to home;
  - people had been referred who had a combination of illnesses that required them to be cared for 24 hours per day e.g. very chesty ill person who also had a heart or other complicating illness;
  - the Pearn Convalescent Home had been staffed by registered nurses and as such was expected to undertake nursing procedures required of an intermediate care facility;
- (xi) in response to whether the NHS organisations had explained the changing role for intermediate care, and did the Pearn Convalescent Home representatives understand this –
- the knowledge of the Pearn Convalescent Home Trustees was mixed;
  - in addition to the funding arrangements, the NHS also paid for some physiotherapists, occupational therapists, social workers and GP care to work at Pearn Convalescent Home to meet the criteria for intermediate care;
- (xii) in response to questioning about the nature of the ‘agreement’ between the PHT and the Pearn Convalescent Home Trust –
- no formal contract existed and the two parties conducted business through an exchange of letters;
  - some years ago legal opinion had been sought by the Pearn Convalescent Home with regards the establishing of a more formal agreement with the PHT. It was however dropped by the Pearn Convalescent Home because the costs were considered to be too expensive;
  - a contract should have been in place and any future dealing would certainly have one;
  - the Pearn Convalescent Home Trust had been offered funding arrangements by the PHT for a five year period;
- (xiii) in response to whether, ‘At the end of the day, can the PHT do without Pearn Convalescent Home?’ the tPCT representative

stated that, 'We would rather have one place where we can oversee the care delivered. If an agreement was set up again the NHS would be tighter on bed control and 'discharge' planning, as it seemed from the NHS perspective that they were not able to actively manage patients at the Pearn Convalescent Home;

- (xiv) in response to how much influence the PHT had over the 23 Pearn Convalescent Home beds, the TPCT representative stated that they did not control the movement of patients through and out of the Pearn Convalescent Home and back home;
- (xv) in response to whether the PHT was still willing to sit down with the Pearn Convalescent Home Trust and talk, the PHT representatives stated that at their last meeting they had stated they would be prepared to discuss a specification for future service provision but it would clearly need to define the level of care to be provided;
- (xvi) with respect to the intravenous (IV) training of Pearn Convalescent Home staff –
  - the PHT had paid for the training but the Pearn Convalescent Home staff had left part way through the training day stating they were concerned and were not comfortable about putting needles in and out of people's arms;
  - if the PHT / tPCT went back to using the Pearn Convalescent Home the operation of intravenous equipment by staff would be one of the specifications;
- (xvii) the costs saved by the PHT through the closure of the Pearn Convalescent Home were being used to provide care elsewhere through the independent sector;
- (xviii) in response to the future care of older people the tPCT representative stated that 'the PHT would be under pressure for quite a while but believe it will get better with the introduction of extra capacity through the Vanguard Project and local care centres. This would assist in getting people off waiting lists sooner and then post-operative care would not be as bad;
- (xix) on reflection another round of discussions with the Pearn Convalescent Home Trust was missed out in September 2003, but from an NHS perspective they were not given a chance to talk with the Pearn Convalescent Home Trust before they made their decision to close;
- (xx) in response to the number of post-operative patients currently being accommodated the tPCT representative stated that –
  - at the time of the hearing around 40 or so patients were placed in nursing establishments around the City, which the NHS was paying £420 per bed per week, although the

lengths of stay were shorter and thus there was little difference in the cost;

- the PHT would rather have other options and one of these would be to block buy beds in the independent sector or create NHS capacity to accommodate patients;
- other considerations in the placing of contracts included access for families and optimising the user of clinical staff time.

## **7.0 Working Group**

7.1 On 23 December 2003, copies of a draft scrutiny report were circulated to the NHS and Pearn Convalescent Home witnesses mentioned in Section 2.2 to allow comment and feedback on the accuracy of the information provided to the Scrutiny Select Committee on 8<sup>th</sup> December 2003.

7.2 The Scrutiny Select Committee met again as a Working Group on 19 January 2004 to consider and finalise their scrutiny report.

## **8.0 Background Material**

8.1 The Select Committee considered the following background documents –

- (1) Letter dated 3 January 2002: Pearn Convalescent Home Trust to the Plymouth Hospitals NHS Trust entitled, 'Pearn Care Centre Services – Financial Year 2002/03';
- (2) Letter dated 5 July 2002: Plymouth Hospitals NHS Trust to the Pearn Convalescent Home Trust entitled, 'Pearn Care Centre – Service Agreement 2002/03';
- (3) Letter dated 3 October 2002: Plymouth Hospitals NHS Trust to the Pearn Convalescent Home Trust entitled, 'Pearn Care Centre – Proposal for Major Capital Expenditure';
- (4) Letter dated 31<sup>st</sup> December 2002: Pearn Convalescent Home Trust to Chief Executives of the Plymouth Hospitals NHS Trust, the Plymouth Primary Care Trust and the Area Manager, National Care Standards Commission entitled 'The Pearn Convalescent Home: Contract Cost of Services 2002/2003';
- (5) Letter dated 31<sup>st</sup> January 2003: Pearn Convalescent Home Trust to Chief Executive, Plymouth Hospitals NHS Trust entitled 'Pearn Care Centre – Financial Year 2003/04: Contract Cost of Services (Pearn Convalescent Home)';
- (6) Letter dated 6 March 2003: Pearn Convalescent Home Trust to the Plymouth Primary Care Trust entitled, 'Proforma Invoice for Structural

Improvements / Equipment DOH Capital for Intermediate Care Facilities' Development The Pearn Convalescent Home';

- (7) Letter dated 2 July 2003: Pearn Convalescent Home Trust to Chief Executive, Plymouth Hospitals NHS Trust entitled, 'Pearn Care Centre: The Pearn Convalescent Home Trust – Contract Cost';
- (8) Letter dated 17 July 2003: Plymouth Hospitals NHS Trust to the Pearn Convalescent Home Trust entitled, 'Temporary Financial Arrangements 2003/4';
- (9) Protocol of Patient's Different Types and Diseases which can be admitted to Pearn Convalescent Home.

## **9.0 Resolutions and Recommendations**

9.1 The Portfolio Holder for Social Services and Health and the Cabinet are asked to note the contents of this report and its recommendations, in particular –

1. That the scrutiny proposal submitted by the Portfolio Holder for Social Services and Health on 21<sup>st</sup> October 2003 has been carried out with conscientious and serious application;
2. That the Scrutiny Select Committee is satisfied on the information provided that satisfactory arrangements are in place, or can be provided for, to ensure there is no loss of quality of intermediate care for local Plymouth people, however, the NHS organisations were unclear and vague as to where future service users would be referred and accommodated;
3. That it is at too early a stage after the closure of Pearn Convalescent Home to ascertain the effects on Derriford Hospital's overall 'bed-blocking' figures;
4. That the Scrutiny Select Committee is satisfied on the information provided that the Council's Social Services Department will not be required to provide an increased level of care as a consequence of the closure of Pearn Convalescent Home, however, there is likely to be an indirect effect caused by the increased demands on the voluntary and private sectors for beds (see report Section 6.1 (ix) at page 19);
5. The Portfolio Holder for Social Services and Health is asked to refer the contents of this report and the following recommendations to the attention of the Boards of the Plymouth Hospitals NHS Trust, the Plymouth Teaching Primary Care Trust and the Pearn Convalescent Home Trust –

<p>A. The Scrutiny Select Committee and Members would like to thank the Pearn Convalescent Home Trust and NHS organisations for their organisations' contributions and the participation of their Officers to this scrutiny review;</p>
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- B. That the lack of formal contract arrangements between the Plymouth Hospitals NHS Trust and the Pearn Convalescent Home, exacerbated by a lack of communication and information sharing, contributed to a decision by the Plymouth Hospitals NHS Trust / Plymouth Teaching Primary Care Trust to review intermediate care arrangements in the Plymouth area, and to the decision of the Pearn Convalescent Home Trustees to close the Pearn Convalescent Home as of the 31 October 2003;
- C. That the Boards recognise, and take steps to ensure, that any future business dealings between NHS organisations and professional, charitable or other service providers are governed by contractual arrangements;
- D. That the NHS organisations be requested to report back to the Plymouth City Council's Overview and Scrutiny Panel with responsibility for NHS scrutiny by 1 July 2004 on the state of intermediate care and Derriford Hospital's 'bed-blocking' situation, with particular reference to changes in circumstances caused by the closure of the Pearn Convalescent Home on 31 October 2003.

## **10.0 Chair's Summary**

10.1 The Chair, on behalf of the Scrutiny Select Committee, would like to –

- (a) confirm that the scrutiny of the closure of Pearn Convalescent Home – in particular its overall impact on the local people of Plymouth, on hospital bed-blocking figures and on the Council's Social Services provision – has been considered with conscientious and serious application;
- (b) thank the Pearn Convalescent Home Trust, representatives and past and present employees for the tremendous service they have provided to the people of Plymouth over many years;
- (c) thank the various NHS organisations and the Pearn Convalescent Home, and their representatives, for participating in the scrutiny review and for the open way they contributed to the work of this Committee.