

Southend on Sea Borough Council

Priory, Delaware & Viking Capital Re-Development Programme

Strategic Outline Case (SOC)

AMPM

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Introduction & Background

Introduction

The purpose of this paper is to provide a strategic assessment of potential options for the capital re-development of residential care (Priory and Delaware) for older people and learning disability day care currently provided at Viking on the Avro site that can be taken forward for detailed consideration and appraisal in an Outline Business Case to be prepared in the coming months.

Background

The future of Priory and Delaware Residential Care homes and the Viking Day Centre for People with a Learning Disability and their potential capital re-development has been the subject of debate and consideration for a number of years, during that time a variety of potential options have been considered

In July 2015 the architects ADP were appointed and completed their Feasibility Review. The preferred option identified was the redevelopment of Priory site (Option 11). This option provides for 60 bed dementia residential care home, Learning Disability Day Care Centre (45 places) plus the provision of 52 Extra Care apartments. The preferred option was on the Priory House site plus the adjoining school site and allows for the existing care home to remain operational until the new facilities come on-stream. The development would take place in two phases with the care home, Day care Centre and 16 Extra Care flats in the first phase and the remaining 36 Extra care Flats in Phase 2.

The Cabinet meeting held on 19 January 2016 agreed the establishment for adult social care services and also agreed:

- That a fully costed proposal be developed for the creation of new care facilities on the Priory site to be operated by the LATC, including full details of funding and financing implications, given that the independent Site Feasibility Study, as set out in Appendix 4 of the report, has established there is a clear Business Case
- That the site Feasibility Study, which has demonstrated the feasibility of developing a dedicated dementia facility and re-provision of a learning disability day centre on the Priory House site, be noted and that officers be requested to develop fully costed proposals for submission to Cabinet later in the year.

These decisions were confirmed by Council on 25 February 2016.

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The new political administration at a Member Briefing session held during July 2016 and agreed the following:

- Take the opportunity to reappraise / 'sense check' potential options;
- Consider potential alternative solution(s) to ensure:
 - Strategic fit
 - Meet future needs / demands
 - VFM / affordability
- Strategic Outline case (SOC) to September Cabinet
 - Identifies preferred option(s) – to be subject to Outline Business Case (OBC)

We therefore need to consider those potential options that should be taken forward for more detailed consideration.

Current Service Offering

Delaware House Residential Care Home for Older People	Residential care for older people (24 places)
Priory House Residential Care home for Older People	Residential care for older people (28 places)
Viking Learning Disability Day Services	High dependency day care for people with Learning Disabilities

As mentioned above previous options have considered the option of co-locating new build extra care development within the capital re-development of these services. A strategic review of sheltered housing has just been completed.

It has been acknowledged that the Viking Learning Disability Day Centre has reached the end of its useful life and needs to be replaced, funding for this capital build (£2 million) is in the existing capital programme.

It has also been acknowledged that the built environments of Priory and Delaware Residential Care Homes are not viable in the medium term and will not meet user expectations.

Demand and Supply Analysis

We consider the demand and supply in respect of residential care for older people, particularly those with dementia.

Need & Demand – Older People

The older population within Southend is as follows:

2015

<u>Age</u>	<u>Population</u>
65-74	17.8
75-84	10.8
85-89	8.0
90+	2.0

ONS 2015

The older population is forecast to grow significantly in the forthcoming years.

Age Group	Year of Projection (Thousands)					% Change 2015-2035
	2015	2020	2025	2030	2035	
Total 50 Years+	66.3	72.5	77.9	82.6	87.1	31.4
Total 65 years+	33.9	36.8	40.7	46.2	51.3	51.3
Total 85 years+	5.3	5.8	6.8	8.4	10.8	103.8

Source: ONS 2012 based Sub-National Population Projections

There were an estimated 2,520 people aged 65+ with dementia in Southend on Sea in 2015. This figure is projected to rise to 3,867 by 2030, a 53.5% increase. The full breakdown of this data by age group and year is shown in table below.

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Age Group	Year of Projection (Thousands)				Additional No. 2015-2030	% Change 2015- 2030
	2015	2020	2025	2030		
65-69	127	115	128	150	23	18.1
70-74	207	265	238	269	62	30.0
75-79	357	410	526	478	121	33.9
80-84	563	620	717	929	366	65.0
85-89	667	700	795	972	305	45.7
90+	600	687	834	1,069	469	78.2
Total 65+	2,520	2,797	3,238	3,867	1,347	53.5

Source: Projecting Older People Population Information (POPPI)

Of those with dementia in the Borough 45% have moderate (858) and /or severe dementia (340).

It has been forecast that the proportion of over 75 year olds within a care home within Essex will increase by 37% over the next ten years¹.

The majority of those within care homes have dementia²:

% with Dementia in Care Homes:

EMI:	79.90%
Nursing:	66.90%
Residential:	52.20%

¹ JSNA Essex from 6093 in 2015 to 8355 between 2015 and 2025

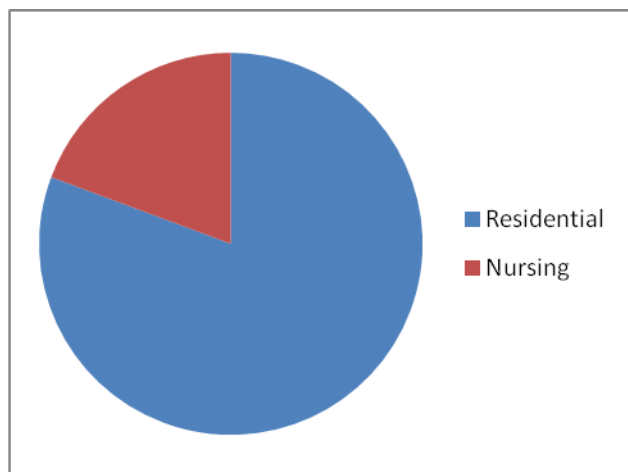
² JSNA (2008)

Need & Demand – Learning Disabilities

In 2015 there were 3,259 people with a recorded with a leaning disability. Of these 670 were categorised as moderate or severe. There were 153 people categorised with a severe leaning disability, 68 with Downs Syndrome and 48 with Challenging Behaviour³. The number of people with a learning disability was forecast to grow by 4.46% by 2020 in the Borough although this is lower than the Essex average of 7.75%.

Supply

There are 1681 registered care beds for older people in the Borough. The majority of these (1347 in 64 homes) are registered as Residential Care⁴.



Of those Residential Registered beds the majority state (87%) they have capacity to care for older people with dementia. Of the 323 nursing beds, across 9 homes, 58% are for dementia care.

³ Learning Disability Needs Assessment (JSNA) – January 2015

⁴ Source: www.carehome.co.uk

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The 52 beds within Priory and Delaware are included in the residential bed numbers above, also providing dementia care.

Within Southend 46% of those with a learning disability received day care one of the highest in the County but this may to a great deal account for that only 9% received home care the lowest in Essex.

46 people with a learning disability were in paid employment but only 10 of these was for more than 16 hours per week, and none greater than 30 hours.

The Council is the primary provider of day care for people with a learning disability. There are activities and groups operated by the third sector, such as MENCAP⁵.

Conclusion

1. It is acknowledged that Viking is beyond its useful life and requires replacement for which capital funds have been identified.
2. It is further acknowledged that the built environments of Priory and Delaware Residential Care Homes are not viable in the medium term and will not meet user expectations.
3. There remains an ongoing need for quality day care for people with a learning disability.
4. There is an increasing need for dementia care with an increasing elderly population.
5. There is limited supply of nursing care accommodation for people with dementia, as well as residential care able to cope with older people with severe dementia.
6. Any consideration of investment in extra care housing needs to be done as part of the considered response to the recent Sheltered Housing Review.

⁵ <http://www.southendmencap.org.uk>

Potential Options

Based on the above analysis the following potential development options emerge for consideration.

Ref	Option	Description	Comments
1.	Do Nothing – Business As Usual	Presented for comparison purposes	Unviable in the medium to long term
2.	Priory Re-development 1: 60 Bed Dementia Residential Care Home plus Learning Disability Day Centre and 52 Extra Care Places	The preferred option arising from the ADP Feasibility Study. Phased development.	Previously preferred option although affordability and demand for Extra Care not demonstrated
3.	Priory Re-development 2: 60 Bed Dual Registered Dementia Care Home Residential plus Learning Disability Day Centre	As above but excludes any decision with regard extra care housing.	Generate additional surplus site but would require (as above) use of adjacent school site)
4.	Dual Site Development: 60 Bed Dual Registered Dementia Care Home on Priory site Plus Viking re-development on existing site	Split site development – potentially could take place on different timescales and different funding / procurement routes.	Dual site development along different procurement routes and timetable but would reduce potential capital receipt from surplus site

Options 3 and 4 do not preclude further capital investment in Extra Care housing in the future but consider this is best done following considered response to the recent Sheltered Housing review.

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The new dual registered care home would specialise in high dependency dementia care, re-ablement and ‘discharge to assess’ areas of activity that the the Council has a growing reputation and where the Local Authority Trading Company (LATC) will seek to further develop, along with domiciliary care provision as an adjunct to this model.

We now go on to consider each of these potential development options.

Financial Appraisal

We have undertaken a high level financial appraisal of the likely costs of each option.

Ref	Option	Gross Capital Cost (£'000s)
1.	Do Nothing – Business As Usual	£2,000
2.	Priory Re-development 1: 60 Bed Dementia Residential Care Home plus Learning Disability Day Centre and 52 Extra Care Places	£22,974
3.	Priory Re-development 2: 60 Bed Dual Registered Dementia Care Home Residential plus Learning Disability Day Centre	£11,357
4.	Dual Site Development: 60 Bed Dual Registered Dementia Care Home on Priory site Plus Viking re-development on existing site	£10,757

Notes:

1. Capital cost for ‘do nothing’ option based on estimated replacement and repairs as set out in Cabinet Report 19 February 2016
2. Capital costings based on previous ADP estimates⁶

⁶ ‘New Day Care, Care home and Extra Care for SOSBC – Viking and Priory Sites’ – ADP – July 2015

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3. Assumed capital cost to be funded from prudential borrowing and capital receipts generated from the sale of surplus sites – however if LATC were to operate new build there would be premium on lease. With the LATC paying 6-7% rental yield on capital cost
4. The extent and value of capital receipts from the sale of surplus sites will be reviewed as part of the preparation of the Outline Business Case (OBC) at the next stage.
5. Capital costs excludes Furniture, Fixtures and Equipment (FF&E)
6. Revenue estimates will be assessed as part of the preparation of the Outline Business Case (OBC). The operating expenditure would form part of the cost base of the LATC.

If a single site development is pursued on the Priory Site for a new Dementia Care Facility the Delaware and Viking (Avro) sites will become surplus to requirements and available for disposal generating a capital receipt. Optimal use of the Priory site would require the use of the adjoining school site. As such appropriate permissions will need to be obtained from the Department of Education to ensure its availability; this process has commenced.

Non Financial Appraisal

It is suggested the following criteria be used for strategic appraisal of these options:

- Strategic fit – development in line with Council policy toward Adult Social Care, including the development of a Local Authority Trading Company and commissioning Strategy.
- Quality of Service Outcomes to Service Users – Provides quality care and experience for service users.
- Deliverability / Practicality – Option can be delivered within a reasonable timescale and development risks are minimised.
- Affordability / Value for Money – The overall costs can covered within the Council's available resources and demonstrably deliver economy, efficiency and effectiveness.
- Flexibility / future fit – development provides the opportunity to adapt to fit in with future changes in service users' expectations and national and local policy.

We have scored each of the options against these criteria out of ten; we have not weighted any of the criteria.

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Ref	Option	Strategic Fit	Quality of Service Outcomes	Deliverability / Practicality	Affordability / VFM	Flexibility / Future Fit	Total
1.	Do Nothing – Business As Usual	0	4	8	10	2	24
2.	Priory Re-development 1: 60 Bed Dementia Residential Care Home plus Learning Disability Day Centre and 52 Extra Care Places	10	8	6	4	6	34
3.	Priory Re-development 2: 60 Bed Dual Registered Dementia Care Home Residential plus Learning Disability Day Centre	8	10	8	8	8	42
4.	Dual Site Development: 60 Bed Dual Registered Dementia Care Home on Priory site Plus Viking re-development on existing site	8	10	10	6	8	42

Based on the above scoring the two highest options are the redevelopment of the Viking Learning disability Day Centre and the new build of a 60 bed dual registered (Residential and nursing) care home either on a single site together (Priory) or separate sites.

Clearly the taking forward of these options does not preclude future capital investment in Extra Care Housing in the Borough. However it is considered that the level, timing, nature and location of any future Extra Care housing be determined as a result of thoughtful consideration of the outcome of the recent Sheltered Housing review.

Pros and Cons

In the table we summarised the relative pros and cons of the potential development options.

Ref	Option	Pros	Cons
1.	Do Nothing – Business As Usual	<ul style="list-style-type: none"> No disruption to service users Current services well regarded by users & carers Minimal capital cost 	<ul style="list-style-type: none"> Built environments not suitable / viable in the medium term Commitments have been given to users & carers with regard capital investment
2.	Priory Re-development 1: 60 Bed Dementia Residential Care Home plus Learning Disability Day Centre and 52 Extra Care Places	<ul style="list-style-type: none"> Delivers a single site solution Capital receipts from two surplus sites (Delaware and Avro) High quality built to best practice standards Provides dementia nursing care 	<ul style="list-style-type: none"> Extended and complex phased build programme Demand for Extra Care as yet undetermined Expensive and affordability unclear Limited demonstration of benefits of co-location of different client groups
3.	Priory Re-development 2: 60 Bed Dual Registered Dementia Care Home plus Learning Disability Day Centre	<ul style="list-style-type: none"> High quality built to best practice standards Delivers single site solution Capital receipts from two surplus sites Provides dementia nursing care 	<ul style="list-style-type: none"> The 2 capital schemes inter-dependent. Potential decant issues for residential care Requires use of adjacent school site
4.	Dual Site Development: 60 Bed Dual Registered Dementia Care Home on Priory Site Plus Viking re-development on existing site	<ul style="list-style-type: none"> High quality built to best practice standards Allows different procurement routes and timetables Two capital schemes no longer inter-dependent & less complex build programme Provides dementia nursing care Lower level of capital investment required 	<ul style="list-style-type: none"> Only capital receipt from single surplus site

Recommendations

1. The preferred option is the re-development of the Viking Learning Disability Day Centre and the New Build of a 60 bed dual registered dementia care home, either on a single site (Priory) or separate sites (Avro and Priory). It is recommended that these options are taken forward and subject to detailed analysis within an Outline Business Case (OBC) to be presented to Cabinet for approval in February 2017.
2. It should be assumed that capital developments will be financed by the Council and that the Local Authority Trading Company, Southend Care, will operate any new facility under a long term commercial lease from the Council.