

Southend-on-Sea Borough Council

Agenda
Item No.

Report of Deputy Chief Executive Director for People
to
Cabinet
on
8 November 2016

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Capital Re-development of Delaware, Priory and Viking
People Scrutiny Committee Referral
People Scrutiny Committee
Executive Councillor: Councillor Lesley Salter

A Part 1 Public Agenda Item

1. Purpose of Report

To reconsider the Cabinet decision 20 September 2016 (Minute 285) with regard the capital re-development of Priory, Delaware and Viking that has been referred back by the People Scrutiny committee meeting held on 11 October 2016.

2. Recommendations

- 2.1 To re-affirm the Cabinet decision of the 20 September (minute 285) namely;
- 2.2 That it be noted that the Strategic Outline Case (SOC) at **Appendix 1** has found that 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, on a single site (Priory).
- 2.2 That the preferred option(s) identified above should be subjected to a fully costed Outline Business Case (OBC) to be presented to Cabinet in February 2017.
- 2.3 That it be noted that the Scheme will be financed by the Council and the Local Authority Trading Company, Southend Care, will operate any new facility under a long term commercial lease from the Council.

3. Strategic Context and Background

- 3.1 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.
- 3.2 In July 2015 the architects ADP were appointed and completed their Feasibility Review. The preferred option identified was the redevelopment of Priory site.

This option provided for a 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. This 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.

3.3 The Cabinet meeting held on 19 January 2016 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.

3.4 These decisions were confirmed by Council on 25 February 2016.

3.5 The new political administration at a Member Briefing session held on 26 July 2016 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)

This Cabinet Report of 20th September considered the Strategic Business Case (SOC), see Appendix, and those potential options that should be taken forward for more detailed consideration.

The SOC, following consideration of the existing facilities, need, demand and supply for these services, concluded the following:

- It is acknowledged that Viking is beyond its useful life and requires replacement for which capital funds have been identified.
- 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.

- There remains an ongoing need for quality day care for people with a learning disability.
- There is an increasing need for dementia care with an increasing elderly population.
- 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.
- Any consideration of investment in extra care housing needs to be done as part of the considered response to the recent Sheltered Housing Review.

On the basis of the above the Cabinet Meeting on 20 September 2016 resolved the following:

- That it be noted that the Strategic Outline Case (SOC) at **Appendix 1** has found that 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 on a single site (Priory).
- That the preferred option(s) identified above should be subjected to a fully costed Outline Business Case (OBC) to be presented to Cabinet in February 2017.
- That it be noted that the Scheme will be will be financed by the Council and the Local Authority Trading Company, Southend Care, will operate any new facility under a long term commercial lease from the Council.

The People Scrutiny Committee held on 11 October resolved that this decision “....be referred back to cabinet for re-consideration, for the following reason – need for Cabinet to proceed with the original plan as previously agreed by council.”

At the Council meeting on 16 October 2016 it was resolved:

That the Cabinet be urged to proceed with the original plans for Delaware, Priory and Viking, which had previously been agreed by the Council.

The effective difference between the proposals considered at Cabinet in February 2016 and those in September 2016 was the inclusion in the earlier report of an Extra Care scheme of 52 flats. The proposed re-development of Priory and Delaware Care homes and Viking Day Centres effectively remain unchanged, other than it is now proposed the Care Homes be dual registered (i.e. nursing and residential care) rather than solely residential care .

The Cabinet decision in February 2016 was on the basis of site feasibility report prepared by ADP Architects which considered what it was possible to fit on the Priory and adjacent school site from a design point of view. Whilst it is generally acknowledged the built environments of Priory, Delaware & Viking are not viable in the medium term and will not meet future user expectations the case for the additional extra care has not yet been made from a demand, operational or financial point of

view. The affordability and funding for this proposed £22 million capital development was also not considered and it was requested a “fully costed proposal” be prepared.

In the intervening period a Sheltered Housing Review report, as referred to in the SOC, was completed by Peter Fletcher Associates which amongst other things recommended that future investment decisions on sheltered housing be taken in the context of the whole estate and raised a number of issues regarding key parts of that estate. In that context it was considered that any future investment decisions on sheltered housing and / or extra care need to be taken as part of a wider consideration of the recommendations of that Report and the entirety of the sheltered housing estate.

It should also be noted that at this time that consent for the use of the school site adjacent to Priory has not yet been granted by the Department for Education.

It was therefore felt that rather than have further delay, bearing in mind the need to proceed with replacement for Delaware, Priory and Viking, that the business case development work for these elements should proceed and an Outline Business Case (OBC) be presented to Cabinet in February 2017. In other words, this means that we can move forward at a pace with the elements of the programme that are most pressing and for which we have the greatest evidence base i.e. the reprovisioning of Delaware House, Priory House, and Viking Day Services. A decision to definitely include a 52 bedded extra care unit at this point in time (even when that unit would not actually be built until years 3-5 of the programme) would mean that a full business case would need to be carried out on this element of the programme, thereby delaying the progression of the re- build per se.

It should be noted that the Strategic Outline Case (SOC) recommendations do not preclude future investment decisions being made with regard extra care housing.

It should also be noted that none of the Cabinet decisions to date have yet made a firm commitment with regard to future investment. It is expected that consideration would be given to future investment on presentation of the Outline Business Case (OBC) for Priory, Delaware and Viking, which is currently under preparation, at the February Cabinet meeting.

4. Reasons for Recommendations

To meet the objective of providing care to vulnerable residents of Southend in the most cost effective way and ensuring in the medium term sufficient supply and access to appropriate and quality facilities, and to achieve this objective in a responsive and speedy manner that takes account of the urgency of the Council's need and wish to respond to the changing demographic and needs of the town.

5. Corporate Implications

5.1 Contribution to Council's Vision & Critical Priorities

The recommendations address Prosperous and Healthy Southend.

5.2 Financial Implications

There is no material financial implication as a direct result of the recommendations of this Cabinet Report. This Report effectively identifies those options that ought to be subject to further consideration.

If the Council were to proceed, following consideration at the February 21 Cabinet Meeting, with one of the preferred options it would need to enter into procurement contracts for design and build and new facilities and finance these capital developments. The level of capital investment is likely to be between £10.5 and £11.5 million. The exact level of investment would be determined through the development of the Outline Business Case (OBC) and ultimately the market testing of the procurement. The capital investment would be financed through a combination of borrowing and capital receipts generated through the sale of surplus sites.

It is assumed that capital developments will be financed by the Council and that the Local Authority Trading Company (LATC), Southend Care, will operate any new facility under a long term commercial lease from the Council. As a result the revenue consequences of capital financing would be more than met by the LATC

5.3 Legal Implications

The Council has powers to provide the existing functions and services under the Care Act 2014 and to the extent the relevant provisions have not yet been repealed, under the National Assistance Act 1948, the National Health Service and Community Care Act 1990, other related care legislation together with section 111 of the Local Government Act 1972.

5.4 People Implications

It is intended that these facilities will be operated by the LATC and as a result the staff working in these facilities will be direct employees of the Trading Company and not the Council. The LATC would effectively need to manage the workforce implications, including the potential re-location, of the development of new facilities based on the selected configuration.

5.5 Property Implications

If the Priory Site is redeveloped 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.

Any Council properties, both existing and any new build, to be used by the LATC, will need to be subject to commercial lease agreements with the Council.

5.6 Consultation

Formal consultation would need to take place with service users and carers at Delaware, Priory and Viking with regard to any proposed relocation of services.

The consultation periods in respect of the above need to be reasonable to allow meaningful engagement, in practical terms that will effectively mean consultation periods of up to three months (13 weeks). These periods will need to be built into any project implementation timetable.

5.7 Equalities Impact Assessment

An Equality Analysis will be prepared and presented alongside the Outline Business Case for consideration by the February 2017 Cabinet meeting.

5.8 Risk Assessment

Inevitably in considering large scale new capital developments there are a number of risks. The key risks are summarised below.

- Potential delay in the new developments would have a detrimental impact on quality of Service user experience.
- Significant delay in development could have detrimental impact on the financial viability of the LATC.
- Gaining relevant planning consents and in particular permission to use adjacent school site at Priory.

5.9 Value for Money

Any contracts will be let in accordance with the Council's Contract Procedure Rules to ensure value for money is delivered.

5.10 Community Safety Implications

Not applicable

5.11 Environmental Impact

The proposals will improve and better meet the needs of the clients and carers. Any new buildings will be subject to usual planning procedures.

6. Background Papers

- (a) Outcome of the review of the decision to close Priory house and re-develop Delaware House – Cabinet Report – 20 January 2015.
- (b) Outcome of the initial feasibility study for Delaware, Priory and Viking and the financial viability of the setting up of a Local Authority trading Company – Cabinet Report - 23 June 2015.
- (c) Establishment of a Local Authority Trading Company for Adult Social Care and site feasibility study for Delaware, Priory and Viking – Cabinet Report 19 January 2016

- (d) ADP Site Feasibility Study – New Day Care, Care home and Extra Care for SOSBC (Delaware, Priory and Viking Sites – July 2015).

7. Appendices

Appendix 1 - Priory, Delaware & Viking Capital Re-development Strategic Outline Case (SOC) – August 2016