

**CARE HOME PROVISION**

**To:** Adults Committee

**Meeting Date:** Tuesday 7<sup>th</sup> July 2015

**From:** Adrian Loades, Executive Director: Children, Families and Adult Services

**Electoral Divisions:** All

**Forward Plan ref:** Not applicable                      **Key decision.** No

**Purpose:** To update the Adults Committee on the work undertaken to understand the opportunities and risks associated with building a County Council care home for older people.

**Recommendation:** Members are asked to

- a) consider and comment on the opportunities and risks identified through the work undertaken since January
- b) agree that officers should progress the work required to develop a full business case for consideration by the Committee at a future meeting
- c) agree to the establishment of a Member reference group to receive regular updates on the progress of the work

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## **1.0 Background**

- 1.1 At the January Adult's Committee Members considered a report that set out the case for the County Council developing a residential and nursing home to begin to address the challenge of capacity and price within the local market. The reason for considering this approach is to provide additional capacity to address a general lack of availability of beds, especially nursing dementia beds, at a set cost. The availability of these types of beds is a particular challenge in the South Cambridgeshire and Cambridge City areas.
- 1.2 In addition to the immediate need to address issues of capacity and price, the Care Act 2014 requires local authorities to plan for the accommodation and care needs of a growing older people's population and develop services across health, housing and social care that meet the needs of an increasing number of frail elderly people living with complex conditions. Officers have started to develop an Older People's Accommodation Strategy for the county which will highlight the type, number and geographic location of anticipated future needs across the county. The Strategy will set out the future accommodation requirements for older people including a strategic approach to developing Extra Care facilities, life-long homes and potentially a care village. The strategy will also provide information on the types of development that the County Council may wish to invest in or adopt a partnership arrangement. The work on the development of a care home by the County Council will inform the accommodation strategy as that work progresses.
- 1.3 The report presented in January described the indicative costs and revenue implications of building a County Council residential care home for older people. Members requested that officers return with a more detailed assessment of the costs, risks and options available to the County Council so that they could consider whether this was a project they wished to pursue.

## **2.0 Update on the work undertaken since January**

- 2.1 To assist Members in understanding more of the detail behind the report presented in January and to help guide the work of officers, a workshop was held on the 13<sup>th</sup> February 2015. The workshop provided the opportunity to explore Members' views on a range of issues. Although there were different views on some of the issues discussed, the mandate given at the January Committee for Officers to continue to work up the detail was reinforced and there was recognition that this work would need to be seen as part of the longer term accommodation strategy that could include the development of more homes across the County and the development of other models of accommodation and support including extra sheltered housing and a "retirement village".

- 2.2 To take the work forward, Officers engaged consultants Cordis – Bright, a sector leader in commissioning care services, to critique the business assumptions in the January report and undertake a detailed assessment of the anticipated costs for constructing and operating a 90 bed care home consisting of four wings as described in the January report. The work by Cordis-Bright will contribute to a formal business case to be developed if Members agree that Officers should move onto this next stage of this work.
- 2.3 The report from Cordis-Bright is attached in Appendix 1. This appendix is confidential because it contains commercially sensitive information.

The report covers three main areas:

- Development of the building (identification of a site)
  - Start up of the service
  - Ongoing management including delivery vehicle and costings
- 2.4 Within each of these areas the key assumptions in the report presented in January are challenged and tested against known models and best practice within the industry. Cordis - Bright have knowledge of, and work with a number of organisations who build and operate residential care homes across the country and were able to draw from this experience to benchmark costs and delivery options for a new care home.
- 2.5 Officers have considered the report from Cordis-Bright and have reflected on the key messages. These have been included in the document attached at Appendix 2, which also contains information that is commercially sensitive and is therefore also a confidential document.

### **3.0 Next Steps**

- 3.1 Subject to the consideration of the Committee, officers are proposing that work is undertaken to progress the development of a fully costed business case for establishing a care home, building on the work by Cordis-Bright. There are a number of options that will need consideration in each of these areas:
- The site
  - The building design
  - The method used to design and build the home
  - The involvement of any partner organisations
  - The operating model
  - The balance of County Council funded residents and self-funding residents
  - The mix of residential and nursing beds and how many of these are for people with dementia
- 3.2 The development of a care home will require significant investment of both capital and revenue funding and officers will need to present different options within the business case to ensure that Members can make an informed decision about where the home should be sited, how it should be developed, how it should be managed and the mix of residents.

- 3.3 A draft timeline for the development of a care home, following approval of a business case is set out in Appendix 3, for information. This has been informed by colleagues in LGSS Property and shows that it would take over two years from the point of approving a business case to being ready to accommodate the first residents.

## **4.0 ALIGNMENT WITH CORPORATE PRIORITIES**

### **4.1 Developing the local economy for the benefit of all**

4.1.1 The following bullet points set out details of implications identified by officers:

- The development of a new care home will offer significant employment opportunities for the local economy.
- A County Council commissioned care home could offer a range of training and development opportunities to staff working in the home, increasing their career prospects.

### **4.2 Helping people live healthy and independent lives**

4.2.1 The following bullet points set out details of implications identified by officers:

- A County Council managed care home will increase choice to frail older people with a number of health conditions.
- A facility managed by the County Council has the potential to offer a range of co-ordinated services across health and social care with the additional benefit of service users being confident in the quality of services provided.

### **4.3 Supporting and protecting vulnerable people**

4.3.1 The following bullet points set out details of implications identified by officers:

- A County Council managed care home will work with other health and social care professionals to ensure that people are kept safe from harm in a supportive environment.
- Residents will have and have access to local community facilities and services offered by voluntary and community organisations.
- The home could seek to operate outreach services to older people in the local community in order to enhance the local offer of preventative services.

## **4.4 SIGNIFICANT IMPLICATIONS**

### **4.4.1 Resource Implications**

- It is possible that other partners will want to invest in a care home alongside the County Council. The level of investment from partners will depend on how the new home fits with their operational requirements. Discussions are at an early stage but could have an impact on the development of a new care home.
- Use of the new care home to generate income and offer more choice to self-funders will need to be carefully considered, not least because of the rules around “state aid” (i.e. using local authority spare capacity to generate income).
- The development will need to be included in the Council’s capital programme.
- The Council will need to borrow to fund the costs of the development.

Servicing of the debt will need to be included in a full costed business case.

#### **4.5 Statutory, Risk and Legal Implications**

4.5.1 In preparing this paper, the opinion of Corporate Procurement and Legal Teams were sought, which are briefly outlined below;

- Further legal and procurement advice should be sought as part of the detailed modelling process and business planning process. Any decisions regarding the use of County Council owned land and the design and construction of a care home will need to be considered alongside Part A, EU Procurement Directives, the County Council's Financial Regulations and an existing requirement to secure "Best Value" for Council assets.
- Procurement consider this a "make or buy" option, whereby the service area have proven that providing their own care home is more economically viable than consistently outsourcing to external providers.

#### **4.6 Equality and Diversity Implications**

4.6.1 The following bullet points set out details of implications identified by officers

- A County Council commissioned care home will offer services frail older people who might otherwise not be able to access a care home in the locality they may have lived in for many years, maintaining links with the local community, friends and relatives is an important aspect for maintaining independence and improving the quality of life for older people and people with long term conditions.

#### **4.7 Engagement and Consultation Implications**

4.7.1 The following bullet points set out details of implications identified by officers

- Any new care home will be subject to consultation as part of the process for gaining planning consent once a potential, preferred site has been identified.
- The County Council will need to consider how a new care home compliments the local environment to ensure that the design is sympathetic to existing architecture whilst optimising the space available.

#### **4.6 Public Health Implications**

4.6.1 The following bullet points set out details of implications identified by officers

- A growing number of older people are living longer, many of whom have a long term condition or life limiting illness, a County Council commissioned care home as part of a wider strategy will assist in catering for the accommodation needs of older people in the future,

#### **4.7 Localism and Local Member Involvement**

4.7.1 The potential locations for the care home will determine the local Members who will need to be briefed on the proposals, and this will also determine which town or parish councils need to be briefed on the potential development to ensure that they support the development and see the opportunities for local people, through engagement with the care home.

Source Documents	Location
The Care Act 2014	<a href="http://www.legislation.gov.uk/ukpga/2014/23/contents/enacted">http://www.legislation.gov.uk/ukpga/2014/23/contents/enacted</a>