

A FIRST STAGE REPORT: CARE SUITES, EAST CAMBRIDGESHIRE – PROPERTY IMPLICATIONS

To: Commercial and Investments Committee

Date: 19 February 2021

From: Wendi Ogle-Welbourn, Executive Director of Commissioning, People & Communities

Outcomes: The Committee notes the work taking place that may lead to the potential opportunity to acquire land and build services at the Princess of Wales hospital site to address the challenges of our growing care needs along with the opportunity to generate income through leasing space to the NHS. Future reports will be forthcoming in 2021 that will contain all the necessary information to allow investment decisions to be made.

Recommendation: (i) to note the opportunity for CCC to support an integrated health and care community at the Princess of Wales Hospital site in Ely with its Care Suite programme.

(ii) to note the preparations made by the Council in anticipation of returning to Committee in 2021 for investment decisions.

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1. BACKGROUND

- 1.1 The cost of spot purchased Adults Older People residential and nursing care in Cambridgeshire has been rising by c.10% a year since 2016. This is due to several factors including increasing costs of care, recruitment challenges, a buoyant self-funder market and shortages of the provision in some parts of the county. Looking forward, there will be significant increases in the numbers of old and very old people within our local population by 2040, bringing with it an increase in demand for residential, dementia and nursing care. Without action, these two issues will result in a significant budgetary challenge to the local authority in coming years along with a lack of capacity and choice for those who need it within our local communities.
- 1.2 Action is needed now to manage the increasing cost of care and ensure the market grows to meet the forecasted need for local authority funded care as well as more profitable self-funder demand. It will become increasingly difficult for the local authority to meet requirements under the Care Act 2014 as price and availability may overtake choice and control as determinants in placing an individual.
- 1.3 Alongside supporting older people to remain living independently through community-based care, People and Communities service commissioners (Commissioners) are seeking to evolve the local residential and nursing care market to develop tenancy-based models of care: care suites, as alternatives to the traditional, institutionalised residential and nursing care home. Stimulating the development of new capacity in this way will generate the much-needed provision to meet population growth forecasts and do so at a cost affordable to the local authority. It will also offer greater choice, control and care flexibility for those older people no longer able to remain living safely at home.
- 1.4 The Adults Committee approved the approach on 16 January 2020 (Forward Plan ref 2020/005).
- 1.5 During 2020, Cambridgeshire Community Services NHST (CCS) refreshed its business case on the redevelopment of the Princess of Wales hospital (PoW) site in Ely to meet the needs of a growing and ageing population. The investment aims to develop a new local health and care hub, which will provide accommodation for a wide range of health and related services for people living in and close to Ely.
- 1.6 This presents an opportunity to explore delivering care suites at the PoW site and complements care services in the nearby area. This report provides an overview of work done to assess an opportunity, which may lead the Council seeking to acquire land at the Princess of Wales hospital site to construct and operate a care suite facility to address the challenges of our growing care needs.

2. MAIN ISSUES

- 2.1 Care suites, for the client group age 65 years and above, is a new care provision, which has been modelled on the client group age 65 years and above who can no longer remain safely living at home and/or have complex health and or social care needs, which require access to 24 hour care and support. The focus of the care suite model is to move away

from institutionalized care to an approach, which enables the individual service user to improve or maintain their independence. They are different to traditional care homes in that it is a tenancy model based around self-contained accommodation, offering larger rooms with their own front door and access to 24-hour care and support through on-site domiciliary and nursing care provision. This means tenants can remain in their care suite as their needs increase, until the end of their life, negating the need to move on to other services or areas of the building as their needs become more complex.

- 2.2 The work to deliver the care suites programme is governed through the Older People's Accommodation Board within the Peoples and Communities service. The programme team is supported by a Cross-Committee Members Reference Group who provide advice and guidance on a range of topics. Furthermore, CCC is a member of the CCS Project Board, which means it has the opportunity to shape the success of an integrated health and care community.
- 2.3 CCS' redevelopment of the PoW site will be undertaken in collaboration with NHS and social care partners including CCC to build modern facilities to replace out-dated facilities. The new PoW site has created an opportunity to co-locate an accommodation based service for more joined-up care across health and social care services, including for frail older people and those living with long term conditions (see Appendix 1 for a location layout).
- 2.4 Outline work has been carried by Commissioners to explore the potential benefits of acquiring land and building an accommodation based service in Ely, which would meet both the Councils needs as well as the needs of CCS. This opportunity will deliver 80 care suite flats, of which 16 flats will be let out to CCS to be used as hospital rehabilitation beds.
- 2.5 For a capital outlay of approx. £8.4m, there is a potential saving of £580k per annum (this equates to 16% of the budget for this care provision if it were run under a standard care home model). The savings would arise from:
 - separating the housing cost from the cost of care as housing costs would be charged to the tenants (for self-funders), or to the DWP in the form of housing benefit (for eligible service users), and
 - from generating an income through leasing space to the NHS.
- 2.6 To date commissioners have received an endorsement from CCC's Capital Programme Board, with the project included in the Business Plan from 2021/22 should the CCS OBC be approved, Adults Committee approves CCC's OBC/FBC, and Commercial and Investment Committee will be required to approve land and build transactions. Furthermore, Commissioners have received business case approval from JMT, and have made a submission to the General Purpose Committee for Transformation Funding to support the delivery of the project. This will help with programme management, detailed service modelling, deeper financial analysis and technical support.
- 2.7 The work schedule translates into the following milestones for CCC's own Care Suite programme. This includes key decision points for land acquisition and planning submission for site development later in the year.

CCC Activity for PoW site	Milestone date
Transformation funding approval	January 2021
Land valuation for accommodation facility	March 2021
Outline Business Case completion	April 2021
Detailed Design	April to September 2021
Full Business Case completion	September 2021
Land acquisition	October 2021
Planning submission	October 2021
Planning approval	January 2022
Start on Site	April 2022
Council commissioning services	October 2023 to November 2023
Building 'Go-Live'	December 2023

- 2.8 As a first step, Commissioners are working with CCS Project Board to endorse the Memorandum of Understanding, which sets out how collaborative working will take place to deliver a care accommodation-based facility for all parties. The proposal is based on joint tendering of services, where there is a common need, and joint use of the building for at least 15 years.
- 2.9 Negotiation on the land acquisition and any subsequent leasing arrangements will be led by CCC's Property team. It is proposed that CCC shall pay CCS (the land owner) the full market value for the site. In return, CCS shall pay CCC a full market rent for the rehabilitation beds and any other dedicated floor space used by the CCS. That market rate from CCS will need, as a minimum, to pay back the capital investment over a set period and any costs required to convert back those rooms into care suites flats. A full costing exercise, with appropriate sensitivity analysis, will need to be undertaken before CCC completes its final business case. The final business case will be presented to C&I Committee before any formal commitments are made. Any revenues derived from the service would be used to support key Council services, supporting a good quality of life for residents.
- 2.10 Work is taking place with the Education Capital team and Procurement team to scope out and establish the best route to market for the construction work. This includes tendering arrangements to appoint a registered social landlord and a service provider to deliver housing, care and support, and nursing services.
- 2.11 As the service offer develops, Commissioners will seek approval from the Adults Committee before returning to this Committee for commercial decisions. The Committee is asked to note Commissioners shall return with further updates and decision reports later in the year when detailed work has been carried out and the necessary financial information is available to inform decision-making. This includes:

- April 2021 for outline business case and design work expenditure,
- September 2021 for a full business case,
- October 2021 for land acquisition, and
- October 2021 for planning submission for site development.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 A good quality of life for everyone

The report above sets out the implications for this priority in paragraph 2.1

3.2 Thriving places for people to live

The programme is expected to create employment in the district. Detailed work is taking place with service colleagues to estimate the likely impact. This is anticipated to be ready for the Full Business Case with an interim assessment ready for the Outline Business Case.

3.3 The best start for Cambridgeshire's children

There are no significant implications for this priority.

3.4 Net-zero carbon emissions for Cambridgeshire by 2050

The programme is expected to benefit public health by reducing future harms from climate change. Detailed work is taking place with the Energy Investment Unit to establish a carbon baseline level and target level. This is anticipated to be ready for the Full Business Case with an interim assessment ready for the Outline Business Case.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

There is no significant impact within this category at this time. However, work will start to provide detail cost and benefits information to support CCC's Outline Business Case for April 2021. This will be an update on the general information stated in paragraph 2.6.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There is no significant impact within this category at this time. Advice and guidance will be sought later in the programme to ensure the Care Suites programme remains compliant with the Public Contracts Regulations 2015 and subsequent guidance from the Cabinet Office in light of the Withdrawal Agreement between the EU and the UK.

4.3 Statutory, Legal and Risk Implications

There is no significant impact within this category at this time.

4.4 Equality and Diversity Implications

There is no significant impact within this category at this time. Advice and guidance will be sought later in the programme to complete a Community (Equality) Impact Assessment.

4.5 Engagement and Communications Implications

There is no significant impact within this category at this time. Preparation work is taking place to carry out a market engagement event, which will inform the programmes procurement approach. Similarly, service user engagement will take place to inform the programmes detailed specifications. Both are anticipated to take place by April 2021.

4.6 Localism and Local Member Involvement

There is no significant impact within this category at this time.

4.7 Public Health Implications

There is no significant impact within this category at this time.

Sign offs

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Tom Kelly

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement? Yes

Name of Officer: Gus De Silva

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law? Yes

Name of Legal Officer: Fiona MacMillan

Have the equality and diversity implications been cleared by your Service Contact? Yes

Name of Officer: Will Patten

Have any engagement and communication implications been cleared by Communications? No

Have any localism and Local Member involvement issues been cleared by your Service Contact? Yes

Name of Officer: Will Patten

Have any Public Health implications been cleared by Public Health? Yes

Name of Officer: Liz Robin

Appendix 1 – Proposed site layout for a care suite service

The care suite accommodation is proposed to be sited within the current PoW site boundaries. The specific location is to the north of the land boundary running along Davidson Road: the main entry road to PoW from Lynn Road.

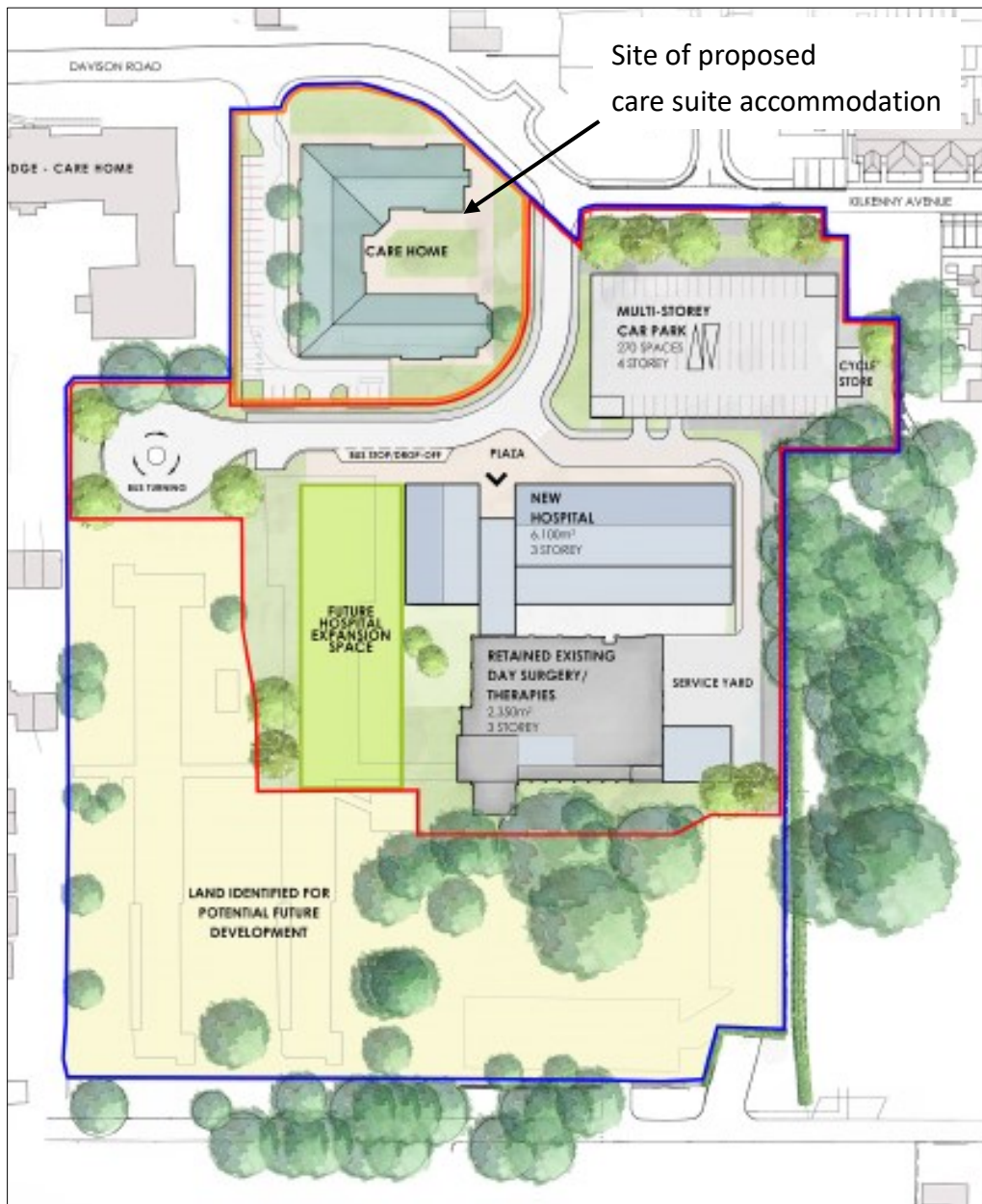


Figure 1: A layout showing the proposed location of a new accommodation based care at the Princess of Wales Hospital site in Ely
Source: Cambridgeshire Community Services NHS Trust, January 2021.