



Report of the Director of Adult Social Services

Executive Board

Date: 4 July 2007

Subject: Design & Cost Report [Improvements to Care Homes – Older People Capital Scheme Number 13763 / 000 / 000]

Electoral Wards Affected:
All

Ward Members consulted (referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In (Details contained in the report)

Executive Summary

- A capital grant of £1.04m is being provided by the Department of Health to enhance the physical environment in care homes registered to provide nursing or personal care where the majority of places are for older people.
- Leeds City Council's Adult Social Care have been asked to administer the distribution of this grant to both Local Authority run care homes, and independent sector care homes.
- All care homes were asked to submit bids, and following applications from care homes totaling £2.7m (£1.3m from Local Authority Homes and £1.4m from Independent Sector Homes), a selection process was undertaken which resulted in a conditional agreement that a total of £700K will be distributed to 56 different independent sector homes, and £327K to fund improvements in 16 different Local Authority run homes.
- All of the grant must be spent by March 31st 2008
- A capital receipt of £630K from the sale of the Breece, has been identified to contribute towards improvements in the physical environment for Local Authority care homes. Of the £630K, £170K is planned to be spent on 6 respite suites at Local Authority homes. The remaining £460K will be spent on further dignity improvements to help fund the shortfall between needs identified by LA Care Homes in their application, and the LA care homes allocation of DoH Grant.
- £25K of the £630K has already been approved to provide a respite suite at Suffolk Court care home.

1.0 Purpose of this Report

1.1 The purpose of this report is to obtain approval to inject £1.645m into the Capital Programme, and seek authority to spend up to a value of £1.645m.

2.0 Background Information

2.1 Leeds City Council owns and runs care homes for older people. In addition the Council works in partnership with the independent sector who also provide care homes for older people.

2.2 The Department of Health has provided Leeds City Council with £1.04m to improve the physical environment of registered care homes where the majority of service users are older people.

2.3 The capital grant is intended to support improvements which will make the greatest difference to the quality of life of the residents – improvements to areas exclusively used by staff would therefore be inappropriate.

2.4 The conditions of the grant are that;

- Improvements should not be of such magnitude as to prompt a demand for increased fees;
- Grants should not enable large scale or expensive redevelopments which benefit only a small number of care homes;
- Grants should not unreasonably favour homes owned by the Local Authority;
- Care home providers should be given a degree of discretion and flexibility in making the intended improvements;
- The grant must be spent by March 31st 2008, otherwise unspent funds will be returned to the Department of Health.

2.5 Additionally Leeds City Council has recently sold the Breece holiday home in Scarborough for £630K. Approval is sought for the capital receipt to be dedicated to making improvements to Local Authority care homes.

2.6 The report has been provided now, as the Department of Health will release £1.04m in May 2007, and the grant must be fully spent by 31st of March 2008.

3.0 Main Issues

Design Proposals / Scheme Description

3.1 With regards to the Department of Health Capital Grant, Care homes have been given a degree of flexibility over their intended improvements as per guidance from the Department of Health. The primary objective of the scheme is that the grants should support improvements that will make the greatest difference to the quality of life of residents. For example, intended improvements include:

- Upgrading bathrooms to enhance self care
- Improving gardens or outside spaces used by residents, to encourage outdoor exercise
- Providing information technology that benefits older residents
- Alterations that would give residents greater privacy

- 3.2 With regards to the Breece capital receipt, it is intended that a total of £170k will be spent on 6 respite units which will function as a direct replacement to the Breece. Of the £170K, £25K has already been approved for the Suffolk Court respite unit. Approval is being sought for the remaining £145K to be spent on 5 additional units.
- 3.3 It is intended that the remaining £430k of the Breece capital receipt will be spent on improvements outlined by Local Authority care homes in their applications for funding from the DoH grant, that have not been funded by the DoH grant.

Consultations

- 3.4 All registered care homes have been invited to apply for funding to improve the physical environment for service users.
- 3.5 Care homes identified desired improvements through consultation with residents, relatives and staff. This information forms the basis of applications submitted by care homes.
- 3.6 Applications with a total value of £2.7m were received, and a selection process was undertaken to distribute the grant in line with Department of Health grant objectives.
- 3.7 The DoH grant selection process to judge successful applications in line with the DoH objectives, included representatives from a relatives and residents group, and the Strategic Partnerships Group (which represents partner organisations).
- 3.8 Additionally the selection process included consultation with the care homes to provide assistance on what selection criteria they thought should be used for making selection decisions.
- 3.9 The decisions currently taken through the DoH Grant selection process resulted in 56 independent care homes receiving conditional approval for a total of £700K of DoH capital grant, and 16 Local Authority care homes receiving conditional approval for a total of £327K.
- 3.10 Funds were allocated by giving consideration to the number of Local Authority supported residents in each home.
- 3.11 The size of individual grants from the DoH capital grant to independent homes ranges from £5K to £41K.
- 3.12 It should be noted that information on the current list of successful care homes is indicative, based on current information. The values outlined are based on estimated expenditure, and represent the maximum amount which a care home could receive. If it transpires that a care home cannot meet its obligations, or that expenditure on improvements is less than estimated, then it is envisaged that unsuccessful applicants will be promoted from a reserve list of care homes.

Programme

- 3.13 Procedures have been established to ensure efficient use of public funds. For all Local Authority care homes, Leeds City Councils Financial Procedure Rules and Capital Procedure Rules will be followed.
- 3.14 For independent sector care homes, appropriate financial procedures have been outlined in a funding agreement with each home. The funding agreement covers procedures for purchasing, payments, monitoring and reporting . Internal Audit and Legal Services have been consulted as to the suitability of the procedures.

- 3.15 All works will be completed by July 2008.
- Works relating to the capital grant will be completed by 31st of March 2008
 - Works relating to the respite units will be completed by May 2008
 - Works relating to the physical improvements funded by capital receipt will be complete by July 2008.

4.0 Implications for Council Policy and Governance

Compliance with Council Policies

- 4.1 The proposed expenditure on care homes is in line with the Corporate Plan priority which states that,
‘At each stage of life people are able to live healthy, fulfilling lives’.

Community Safety

- 4.2 Many of the intended improvements are designed to increase wellbeing and the general safety in care homes for older and disabled people.

5.0 Legal and Resource Implications

Scheme Design Estimate

- 5.1 Scheme expenditure is equivalent to the total amount of external funding provided, and the Breece capital receipt.
- 5.2 Each independent care home will be provided with a grant equivalent to the maximum amount agreed during the DoH Grant selection process. Any overspend will be borne by the care home.
- 5.3 Any under spend will be used to fund applications that are on a reserve list. The reserve list is populated by applications from independent care homes that missed out on funding through not meeting the selection criteria as strongly as successful applications.
- 5.4 Each Local Authority care home will be provided with DoH funding equal to the amount decided through the DoH grant selection process. Each Local Authority care home will also receive additional funding towards identified improvements from the Breece capital receipt.
- 5.5 The summary table below outlines how the total funding from the DoH grant and the Breece capital receipt will be divided.

	Dignity Improvement to be funded from capital receipt (a)	Respite Units to be funded from capital receipt (b)	Capital Receipt Total (c)	DoH Grant - Dignity Improvement (d)	Total Home Care Improvement (e)
	a	b	c (a+b)	d	e (c+d)
LA Care Homes	£460K	£145K	£605K	£340K	£945K
Independent Homes	0	0	0	£700K	£700K
Total	£460K	£145K	£605K	£1040K	£1645K

Capital Funding and Cash Flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2007 £000's	FORECAST					
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2001/11 £000's	2011 on £000's	
CONSTRUCTION (3)	25.0	25.0	0.0					
TOTALS	25.0	25.0	0.0	0.0	0.0	0.0	0.0	0.0

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2007 £000's	FORECAST					
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2001/11 £000's	2011 on £000's	
LAND (1)	0.0							
CONSTRUCTION (3)	1405.0	0.0	1168.0	237.0				
FURN & EQPT (5)	150.0	0.0	150.0					
DESIGN FEES (6)	90.0	0.0	90.0					
TOTALS	1645.0	0.0	1408.0	237.0	0.0	0.0	0.0	0.0

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2007 £000's	FORECAST					
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2001/11 £000's	2011 on £000's	
Capital Receipt	630.0	25.0	368.0	237.0				
Government Grant	1040.0		1040.0					
Total Funding	1670.0	25.0	1408.0	237.0	0.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Revenue Effects

- 5.6 It is estimated that the improvements will cost each Leeds City Council care home on average £275 per year in additional maintenance. The total revenue effects will be approximately £6K per year for Adult Social Services. The additional costs will be found from existing budgets. Independent homes have been informed that there will be no revenue support for ongoing maintenance.

6.0 Risk Assessments

- 6.1 All of the DoH grant must be spent by March 31st 2008. Failure to act promptly may result in grant funding being lost.

7.0 Recommendations

- 7.1 It is recommended that Executive Board give approval for the remaining £605K of the capital receipt from the sale of the Breece to be used to fund this capital scheme.
- 7.2 It is recommended that Executive Board approves the injection of the scheme into the capital programme and provides authority to incur expenditure of £1.645m.
- 7.3 In relation to paragraph 3.12 of this report it is recommended that Executive Board note that the Director of Adult Social Services has the delegated powers to;
- Vary individual awards
 - Promote schemes from the reserve list