

Report of the Director of Adult Social Services

Report to Executive Board

Date: 20 June 2012

Subject: Design & Cost Report: Proposed Refurbishment of Harry Booth House to an Intermediate Care Facility

Capital Scheme Number: 16493 / 000 / 000

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Beeston & Holbeck,	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: 10.4 (3) Appendix number: Appendix1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

1. In September 2011, Executive Board approved recommendations aimed at reshaping local authority residential care and day care provision for older people in Leeds. This included the recommissioning of Harry Booth House in Beeston as the city's first intermediate care unit to provide nursing and non-nursing intermediate care beds, jointly commissioned by NHS Airedale, Bradford and Leeds (NHSABL) and Adult Social Care (ASC), delivered in partnership with the Leeds Community Health Care Trust (LCH).
2. The service will form an integrated part of a seamless continuum of services linking health promotion, preventative services, social care, and support for carers and acute hospital care. It supports the future commissioning priorities of ASC to work with health partners to reshape services at the intermediate tier and provide a service that is responsive and prevents older people needing access to more intense care and support services.

3. Harry Booth House is currently registered with the Care Quality Commission as a residential home that provides residential care for older people. The facility has been measured against agreed guidance and necessary works have been identified to ensure it can deliver nursing care in the future. The cost of these works is estimated at £2,487,000. In recognition of this, capital funds of £585,000 have already been allocated from NHSABL and are included in the Capital Programme representing their commitment to the scheme. A further £90,000 has been allocated from NHSABL as a contribution towards IT costs. It is proposed that the balance of the costs are met by the Council through borrowing of £1,812,000.

4. The proposals contained within this report reflect a significant desire by both Adult Social Care and Health Partners to achieve efficient and effective integrated services for the benefit of vulnerable adults in Leeds. In particular, these proposals reflect a significant amount of joint planning and service redesign work by NHSABL, Leeds Community Healthcare and Adult Social Care to deliver on the joint commitment to the improved outcomes that will result from this facility.

Recommendations

5. Executive Board are requested to:-
 - i) Approve the outline scheme design proposals for the proposed refurbishment of Harry Booth House described in this report at an estimated total cost of £2,487,000
 - ii) Authorise an injection of £1,902,000 into existing Capital Scheme No 16493, comprising allocated funds of £90,000 from NHSABL, with the balance of £1,812,000 funded via borrowing from the savings identified in the project business case.
 - iii) Approve Authority to spend of £2,487,000 to deliver the scheme including expenditure of £675,000 from allocated funds from NHSABL included in Capital Scheme No 16493 on the proposed refurbishment of Harry Booth House to create an Intermediate Care Unit.

1 Purpose of this report

- 1.1 This report seeks approval to the design proposals for the Harry Booth House Intermediate Care scheme described in this report at an estimated total cost of £2,487,000.
- 1.2 This report also seeks Executive Board approval to:
 - Approve the outline scheme design proposals for the proposed refurbishment of Harry Booth House described in this report at an estimated total cost of £2,487,000
 - Authorise an injection of £1,902,000 into existing Capital Scheme No 16493, comprising allocated funds of £90,000 from NHSABL, with the balance of £1,812,000 funded via borrowing from the savings identified in the project business case.
 - Approve Authority to spend of £2,487,000 to deliver the scheme including expenditure of £675,000 from allocated funds from NHSABL included in Capital Scheme No 16493 on the proposed refurbishment of Harry Booth House to create an Intermediate Care Unit.

2 Background information

- 2.1 At its meeting in June 2010, the Adult Social Care Scrutiny Board agreed to undertake a review into the future provision of older people's residential care services. The review offered the first opportunity since the inspection of Adult Social Services conducted in 2008, to begin to articulate the ways in which care and support services for older people could be better shaped to offer a significantly wider range of high quality future options.
- 2.2 Further to this review, a report to Executive Board in December 2010 considered the future requirements of the Council's residential services, particularly in light of the changing demographic profile of older people in Leeds and people's wishes to remain living independently and safely at home for as long as possible. A set of proposed future options was agreed; informed by the work undertaken by the scrutiny review. Executive Board also agreed to begin public consultation on these proposed options.
- 2.3 One of these options was to recommission a number of units to focus on specialist, short-term interventions for older people. Since the submission of the Executive Board report in December 2010, further and much more detailed negotiations have taken place with NHS Leeds Community Healthcare aimed at developing a new model of service which seeks to integrate the work of health and social care teams in the same venue of care. The primary focus of the negotiations has been in relation to Intermediate Care. This is a range of integrated services to promote faster recovery from illness, prevent unnecessary acute hospital admission and premature admission to long-term residential care and to support timely discharge from hospital and maximise independent living.
- 2.4 One of the overwhelming messages received from the course of extensive consultation undertaken last year on the proposed future options, was that maintaining older people's independence is a priority. People also indicated their support of partnership working with the NHS to ensure that priorities for older people's care and support are not set in isolation.
- 2.5 Following this consultation, at its meeting on 7 September 2011, Executive Board approved recommendations to recommission Harry Booth House as a specialist facility. The service will be jointly commissioned by NHSABL and LCC delivered in partnership with LCH and comprises the provision of 30 beds with access to 24 hour nursing and 10 beds without access to 24 hour nursing.

3 Main issues

Design Proposals

- 3.1 Harry Booth House is currently a 40 bedded residential care home in Beeston, Leeds. It is a large building extending to around 1,810 sqm, comprising four wings on two levels, with 10 en-suite bedrooms on each wing, with communal space over two floors. Staff office accommodation is located at ground floor level adjacent to the main building entrance.
- 3.2 The proposal is to refurbish Harry Booth House to provide a 40-bedded community based Intermediate Care Unit, providing 24 hour nursing care for those adults whose care needs cannot be met in their own homes. This will comprise the provision of 30 beds with access to 24 hour nursing and 10 beds without 24 hour access to nursing. The refurbished building will provide short term assessment, rehabilitation, re-ablement and recovery care, delivered in an integrated way, with local health and social care organisations.
- 3.3 The Intermediate Care Service to be delivered at Harry Booth House is to be provided jointly by Leeds Community Healthcare Trust and Leeds City Council (Adult Social Care). The lead provider of services will be Leeds Community Healthcare Trust.
- 3.4 The City Council's partner organisation for design services Norfolk Property Services (NPS) has been commissioned to undertake a feasibility study and prepare budget estimates for the proposed refurbishment works at Harry Booth House to form an intermediate Care Unit. The scope of the proposed refurbishment works may be summarised as follows:-
- Refurbishment of bedrooms and suite facilities to meet with current infection control standards;
 - Refurbishment of WCs and communal areas to comply with current infection control standards.
 - Floor finishes throughout (exclusive of the main kitchen area) to comply with infection control standards.
 - New public entrance door arrangements to comply with current statutory requirements and access needs.
 - Reconfiguration of the laundry area to comply with current infection control standards.
 - Rewire the building.
 - Provision of new enlarged fire evacuation lift, which will be compliant with Part M of the Building Regulations and BS8300.
 - Compartmentation works to ensure the new Care Unit is compliant with fire regulations.
 - The creation of two therapy areas, one per floor of the building.
 - The creation of two new nurse stations, one per floor of the building.
 - Refurbishment of resident lounge and dining areas.
 - New boiler to serve the building and heating works throughout the building.

- Provision of back up generator for emergency lighting and essential life support systems.
- Refurbishment of visitor areas.
- Refurbishment of staff welfare facilities and office accommodation.
- External works to car parking areas.

3.5 Members of the Executive Board should note that the proposed refurbishment works shall comply with current British Standards, current infection control standards, Health Technical Memorandum and Health Building Note documents.

Programme

3.6 The strategic development programme for the proposed refurbishment works seeks to ensure that the refurbished accommodation will be complete and operational before 1st April 2013 as required by NHSABL. This allows for a period of two months to enable final set up and training before the 'go-live' date. The precise order of works has yet to be determined and will need to be agreed with the project stakeholders having regard to when vacant possession of the property can be secured and the need to achieve the required registration and infection control standards which any subsequent phase of works is undertaken.

The provisional development programme may be summarised as follows:-

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|---|------------------|
| • Complete design works | 20 July 2012 |
| • Out to Tender | 23 July 2012 |
| • Tender Return | 22 August 2012 |
| • Complete Partnership Agreement with the NHS | 31 August 2012 |
| • Tender Award | 5 September 2012 |
| • Start on Site | 1 October 2012 |
| • Completion of Works | 29 January 2013 |
| • Occupier Fit Out Complete | 31 March 2013 |
| • Building Operational | 1 April 2013 |

3.7 In considering the development programme, it should also be noted that extended hours of working on site (18 hours) Monday to Friday will be pursued by the contractor instead of the standard 9 – 10 hours working day. This proposal has been discussed with the Council's Environmental Protection Team who have advised that general works through the night would not be acceptable however, less noisy works taking place outside the normal specified hours (08.00 to 18.00 hours) could proceed, but with the proviso that there would be no regular movements to and from site during the period from 8.00 pm to 7.00 am. It should be noted that if these arrangements cannot be sustained the current estimated delivery timescale would not be met.

Contractor Procurement

- 3.8 The value of the proposed works is below the threshold to require the works to follow EU competition procedures. Accordingly, whilst the nature of the proposed works is of limited complexity, it is proposed to progress the contractor appointment via single stage selective tendering by price only, inviting six companies from the Council's approved list for substantial refurbishment works to competitively tender for the contract.

4 Corporate Considerations

Consultation and Engagement

- 4.1 The future of Harry Booth House was the subject of consultation undertaken between May and August 2011 on the future of residential and day services for older people and reported to Executive Board in September 2011.
- 4.2 Ward members have been contacted about the proposals. One member has requested a written briefing and this has been provided.
- 4.3 The Harry Booth House Strategic Project Board has been consulted on the proposals and are supportive of the recommendations contained in the report.
- 4.4 There will be formal consultation with staff and the trade unions on the proposed working arrangements and any proposals to change the job description or person specification for staff. The unions were given a briefing note on the progress with the project so far on 12th March 2012. A staff meeting was held at the home to which the unions were invited on 14th May and a further meeting with the unions has been arranged for 28th May to discuss progress and fix dates for regular consultation throughout the project.

Equality and Diversity / Cohesion and Integration

- 4.5 The Equality Impact Assessment [EIA] on the proposal to recommission the service from residential care to a facility for specialist intermediate care was completed in September 2011. This considered and assessed the impact on the ageing population presently living in the general population of Leeds and the current residents of the home. Actions to ensure mitigation is in place have been implemented and are outlined in the Equality Diversity and Integration Action Plan.
- 4.6 A further desk top review of the EIA is underway and as the project enters the developmental and implementation stage this will consider and assess the impact of the refurbishment of the building and operational policies of the new service. (This work is ongoing as operational policies and procedures are not yet agreed)
- 4.7 Staff will also be affected, particularly women, who make up 90% of the workforce. If the proposals are agreed, a full EIA on organisational change will consider impacts on staff and therefore staff are not included in the scope of the EIA.

Council Policies and City Priorities

- 4.8 The service will support the following local priorities:-

Meet the needs of the growing numbers of frail older people and people with long-term conditions (e.g. dementia, stroke, COPD)

Support more people to live safely in their own homes

Reduce the rate of emergency admissions to hospital

Reduce the rate of admissions to residential care.

Support appropriate and timely discharge from hospital.

- 4.9 Over the last decade the council has invested in a range of services for older people that offer them choice in the support they need to remain in their own homes and communities. These services include personal budgets, assistive technology, reablement and intermediate care, Neighbourhood Networks, Home Care, sheltered and extra-care housing and accessible community facilities.

5 Resources and value for money

- 5.1 The capital costs of the refurbishment to meet the specification of the proposed intermediate care facility are estimated to be £2,487,000.

- 5.2 Contributions have already been received from NHS Leeds, £585,000 towards the refurbishment, and £90,000 towards the Information Technology requirements, respectively. It is proposed that the remaining funding required of £1,812,000 is funded by the Council through borrowing as part of the overall business case for the project. In addition NHSABL/LCH are also responsible for the fit out costs in terms of furniture and equipment, which they are funding outside of the costs in this report. This cost is estimated at £225,000, bringing the NHSABL contribution up to £900,000. The overall business case assumes significant savings from the deferring of more intensive and costly interventions either in terms of hospitalisation or permanent residential and nursing care packages. Both of these outcomes are part of the Council's Top 25 priorities for 2012/13.

- 5.3 As outlined elsewhere in this report, there are few, if any, templates in existence from other metropolitan authorities on which to base a funding methodology for the integration of services, costs and benefits across such broad areas of the Health & Social Care economy for a specific geographical area. Whilst all Partners recognise that this facility will be of overall benefit to both the citizens of Leeds and to the overall Health and Social Care Economy in Leeds, they have also recognised that the relevant costs and benefits from such innovative forms of joint service delivery may accrue disproportionately across the individual organisations involved (Leeds City Council, Leeds Teaching Hospital Trust, Leeds Community Healthcare, NHS Leeds (and in the future Clinical Commissioning Groups)). To overcome this potential barrier, Partners have therefore agreed the principle as part of this project that such initiatives will not place any individual partner at a financial disadvantage and that resources will flow between the relevant organisations involved as necessary to reflect this.

- 5.4 The proposal for the Council to borrow the £1,812,000 balance of funding required reflects two key factors. Firstly, as outlined in previous reports to the Executive Board, the existing building was in need of significant refurbishment and part of the estimated costs outlined above reflect the meeting of that need, together with the fact that as the 'landlord' and owner of the premises the Council will benefit from a potentially enhanced asset value. Secondly, the Council received additional funding of £2.2m from NHS Leeds in 2011/12 as a result of the Secretary Of State for Health's announcement on 1st January 2012 for initiatives undertaken by Adult Social Care that are of benefit to Health organisations. The estimated annual cost for the borrowing of £1,812,000 would be £274.389 p.a. over 7 years (the proposed life of the contract agreement). In the first year, 2012/13, the cost would be for a half year at £137,194 and can be met from within the proposed carry forward of Health monies (as approved by Executive Board at their meeting in May 2012 as part of the Provisional Financial Outturn Report). As outlined below, it is estimated that the cost of the borrowing will be met in full through a virement from the Council's Community Care budget reflecting a lower level of care package and placement activity than currently assumed. The cost of borrowing can be met from the diversion/deferring of care (for a further 12 months) for just 16 of the estimated 500 people entering the service each year.

- 5.5 The Revenue Costs for the operation of this facility are outlined in more detail below. Provision has already been made within the Council's Revenue Budget for the Council's Contribution to the cost of operating the new facility, from within the existing budget for Harry Booth House. Inclusive of the annual cost of borrowing, the Council's annual contribution is estimated at £821,000.
- 5.6 Although most of the expected successful outcomes of the service, as outlined above, relate to the quality of life for the individuals concerned and as such are difficult, if not impossible to quantify financially, the recovery of the Council's costs are predicated upon the realisation of the performance targets in relation to recovery, rehabilitation and re-ablement included within the agreed specification and business case.
- 5.7 The facility has 40 beds (30 nursing, 10 residential) and based upon lengths of stay of up to 6 weeks per client, is estimated to receive in excess of 500 clients pa. The performance targets are for 5% (25) of clients to be discharged home with no further care needs, for 60% (300) of clients to be discharged home with no additional care needs and 10% (50) of clients to be discharged to an adapted home (including assistive technology) or to extra care housing. As a result of this short term intervention it is anticipated that there will be no void beds within this facility, thus gaining maximum use of resources.
- 5.8 In essence, as the average cost of placements for Leeds amounts to £17,250 p.a. each, the facility will need to achieve the deferring of a permanent placement (for 12 months) for the equivalent of 9.6% (48) of people without the need for additional care. As clients will be assessed for their suitability for this service prior to referral there is a significant level of confidence that the necessary outcomes will be met to achieve break even or significantly better, from a purely financial perspective.
- 5.9 The service specification includes provision for the monitoring of the achievement of the performance targets. This will provide the necessary ongoing evidence for demonstrating the value for money from the facility. Current, Leeds-based evidence shows that community based reablement (i.e. in clients own homes/specialist units) delivers a success rate of 67%, i.e. after leaving reablement the client has no FACS eligible needs. Significantly, 63% of these (or 42% of those initially receiving the reablement service) have no FACS eligible needs 12 months after leaving the reablement service. Whilst the services are not directly comparable (the target group for Harry Booth House will have greater short term needs) they are similar and the targets needed to be achieved for Harry Booth House to achieve break even are significantly lower than those already being achieved by the Community based service.

Capital Funding and Cash Flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2012 £000's	FORECAST				
			2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2012 £000's	FORECAST				
			2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	1767.9		1767.9				
FURN & EQPT (5)	135.7		135.7				
DESIGN FEES (6)	357.4	7.7	349.7				
OTHER COSTS (7)	226.0		226.0				
TOTALS	2487.0	7.7	2479.3	0.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2012 £000's	FORECAST				
			2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016 on £000's
Health Authority	675.0	7.7	667.3				
Departmental USB	1812.0		1812.0				
Total Funding	2487.0	7.7	2479.3	0.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Revenue Effects

- 5.10 The revenue effects of this scheme are that costs of £274,389 pa for borrowing (calculated at £1,812,000 at 6% over 7 years will be offset by savings generated by this development within the residential placements budget held within Adult Social Care. There are other incidental running costs e.g. standby generator, but other energy saving elements of this scheme e.g. solar panels and a change in the heating system are expected to cover these.
- 5.11 As stated at 5.7 and 5.8, the agreed service performance targets are set for preventing either further care requirements or removing the need for further immediate care entirely. If this is measured in the context of recovering all of the Council's costs (revenue and the cost of borrowing then 48 individuals (9.6% of throughput) would need to be prevented from further care costs coming from the Residential and Nursing care placement budget. In addition, as stated in para 5.4 above at the end of the contract the Council will still own an upgraded and more saleable asset than currently exists.
- 5.12 The cost of the new service has been agreed between NHSABL; LCH and ASC and the funding will be managed by ASC through a pooled budget mechanism. The details of this will be included in the Section 75 agreement establishing the service.
- 5.13 Revenue contribution from NHSABL for the 30 nursing beds is £1,214,000. LCC remains responsible for the maintenance and running costs of the building plus social care support, this funding is within the existing budget for Harry Booth House. The 10 residential

intermediate care beds are funded on a 50/50 basis between NHSABL and LCC in line with our current arrangements in the existing residential beds.

6 Legal Implications, Access to Information and Call In

- 6.1 Any decision regarding the proposals in this report will be subject to Call In.
- 6.2 This report includes a Confidential Appendix (Appendix 1), in relation to the management of a number of key project risks. It is considered that the public interest in maintaining this information as exempt outweighs the public interest in disclosing the information as disclosure may prejudice the outcome of the procurement process and the cost of developing the facility. For this reason, Appendix 1 is marked as Exempt/Confidential under the Council's Access to Information Procedure Rule 10.4 (3).
- 6.3 A Partnership Agreement under Section 75 of the National Health Service Act 2006 will define the partnership arrangements for the joint commissioning of services. Individual services specified in the Schedule are to be provided from the Commencement Date under section 75 of the 2006 Act Lead Commissioning Arrangements. Under these, the Council will be responsible for commissioning the named services on behalf of the NHS. In addition, this Agreement includes the arrangements for the local agreed transfer of social care funds to go directly from the NHS to the Council as required by the Department of Health. Over the next month, Legal Services will prepare an appropriate agreement to ensure that the transaction takes place as agreed.
- 6.4 Harry Booth house will remain in the Council's ownership. The City Council will conclude an occupancy agreement/contracted out lease with the NHS for their occupancy of the building. The details of the agreement will set out each party's responsibility for the maintenance and repair of the building.

7 Risk Management

- 7.1 Whilst the nature of the proposed refurbishment works is of limited complexity, there remain a number of key project risks which may be summarised as follows:
- 7.2 There is a risk that the proposed works will not meet the operational requirements of the service provider or comply with the Quality Care Commission registration requirements. This risk is being mitigated by joint working with the service provider by both Adult Social Care and Leeds Community Healthcare representatives to agree the scope of works for the project and to ensure that they have sight of the scheme proposals throughout the design process and sign-off the proposals as acceptable at key points in the design process. Final sign-off of the scheme proposals will be through the joint Strategic Project Board, chaired by the Deputy Director Commissioning – Adult Social Care.
- 7.3 Harry Booth House currently remains occupied by one resident. We are in discussion with the resident about the best placement option and we are continuing to work with her towards a suitable date for transfer. We anticipate this will be achieved within the next month.
- 7.4 An intrusive asbestos survey is recommended and is scheduled to commence in early June. The survey cannot proceed if the resident and staff remain in the building. Failure to undertake the survey could result in potential contractors making high and potentially unnecessary allowances in their tender submissions for the removal of such material. If the survey is not undertaken and asbestos is subsequently identified once works commence on site, there will be significant cost and programme implications.
- 7.5 There remains a risk for potential cost increases to occur both during on-going design development and during construction on site. The risk is being mitigated by fully developing the design proposals and sharing such proposals with partner organisations to ensure they fully meet their operational requirements and that there are no omissions in the tender documentation. Members of Executive Board should note that if the lowest tender

submission comes in above the budget provision, then a value engineering exercise would be undertaken with all stakeholders to achieve a budget compliant scope of works.

- 7.6 There is a risk that the order for the early works may have been placed (for the new passenger lift, emergency generator and new gas supply), but the Council fails to conclude a Partnership Agreement with the NHS to allow the project to proceed. This risk can not be completely removed, but is being mitigated by holding detailed discussions with the NHS to reach early completion of the Partnership Agreement.
- 7.7 **Confidential Appendix 1** to this report includes further details in relation to these risks together with proposed arrangements for their management to ensure that the project can be delivered to time, cost and quality.

8 Conclusions

- 8.1 The proposals contained within this report will deliver a purpose built facility for the provision of integrated intermediate care services within the south of the city. The services will provide person centred care focussed on the specific recovery, rehabilitation and reablement needs of vulnerable individuals. These innovative proposals have been developed through close joint working between Health and Social Care partners in the City and will deliver better outcomes for vulnerable people in Leeds through the better use of pooled Health and Social Care resources.

9 Recommendations

- 9.1 Executive Board is requested to:

- (i) Approve the outline scheme design proposals for the proposed refurbishment of Harry Booth House described in this report at an estimated total cost of £2,487,000
- (ii) Authorise an injection of £1,902,000 into existing Capital Scheme No 16493, comprising allocated funds of £90,000 from NHSABL, with the balance of £1,812,000 funded via borrowing from the savings identified in the project business case.
- (iii) Approve Authority to spend of £2,487,000 to deliver the scheme, including £675,000 from allocated funds from NHSABL included in Capital Scheme No 16493 on the proposed refurbishment of Harry Booth House to create an Intermediate Care Unit.

10 Background documents¹

- Inquiry into the future of residential care provision for older people in Leeds, Adult Social Care Scrutiny Board October 2010; November 2010
- Future Options for Long Term Residential and Day Care for Older People; Executive Board December 2010
- Better Lives for Older People; Executive Board, September 2011

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.