

## Design and Cost report: Kirkland's Autism Project

Date: 13 March 2024

Report of: Director of Adults and Health and Director of City Development

Report to: Executive Board

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

### Brief summary

This Design and Cost report has been produced for the proposed Kirkland's Autism Project, on Queensway, Yeadon in the Guiseley and Rawdon ward.

Following detailed design work undertaken by Leeds City Council and partners up to RIBA Stage 4, and based on final design costs, it is recommended that capital expenditure of £8.1m is authorised to develop the scheme which is a bespoke registered residential care home consisting of six one storey homes for adults with severe learning disabilities and complex autism who display behaviours which challenge services.

Given the complexity of needs for the proposed residents of the Kirkland Autism service the local authority has previously been unable to provide suitable accommodation for this cohort. These are individuals originally from Leeds who have faced significant years in institutional care, endured repeated placement breakdowns and hospital admissions or have been placed out of area in locations far from their families and networks of support.

The project is an Invest to Save development whereby the Integrated Care Board (ICB) will be responsible for meeting the build costs and both the ICB and Leeds City Council will benefit from reduced care placement costs.

### Recommendations

Executive Board is requested to:

- a) Note the contents of this report and the progress made so far on the Kirkland's Autism Project.
- b) Authorise an injection of £9.2m capital expenditure and authorise the approval to spend. Capital expenditure of £8.1m will be from departmental borrowing to develop a high quality, six-bed bespoke Registered Residential care home for adults with severe learning

disabilities and complex autism who display behaviours which challenge services. The remaining expenditure will be funded by a capital grant from the NHS for £1.09m. The cost of borrowing will be funded by West Yorkshire Integrated Care Board.

- c) Approve that the Director of City Development under delegated powers progresses the scheme to construction completion.
- d) Authorise the project team to enter into a construction contract with Kier Construction Ltd T/A Kier North and Scotland (Kier) to construct the Kirkland Autism Project.
- e) Authorise for Leeds City Council to enter into a legal capital grant agreement with NHS England for the receipt of £1.09m to Leeds City Council. This will involve a Land Registry restriction around one highly specialised home to be built on a portion of the site.
- f) Grant approval for the authorisation to enter this legal capital grant agreement, to be delegated to the Director of Adults and Health under the scheme of officer delegation.
- g) Approve that the decisions from this report are exempted from the Call-In process for the reasons set out in paragraphs 39 to 42.

### **What is this report about?**

- 1 The Kirkland's development is a purpose-built residential care home which will address the unmet accommodation needs of Leeds adults with severe learning disabilities and autism who display behaviours which challenge. The scheme will be built on the site of the former Kirkland House care home in Northwest Leeds.
- 2 The service will support individuals under the NHS Transforming [Care Programme \(TCP\)](#) which enhances community capacity, reduces inappropriate hospital admissions and length of stay.
- 3 This report provides an update to the Executive Board report from February 2022 entitled "[Development of the Kirkland's Autism Project](#)".
- 4 The report notes the change in scope to the project from residential facilities at the former Burley Willows site, to a stand-alone six bed residential scheme at the former Kirkland House care home site on Queensway in Yeadon (Please see Appendix 1- 16492G Kirkland House Panel). The February 2022 report committed to return with a joint paper from the Directors of City Development and Adults and Health to provide an update to the Board and to request authority to proceed with the build stage of the scheme.
- 5 This report therefore seeks 'Authority to Spend' of £8.1m to create a high quality, six-bed bespoke Registered Residential stay care home for adults with severe learning disabilities and severe autism who display behaviours which challenge.
- 6 The above capital cost has been produced following extensive design development in partnership with the Adults & Health Commissioning Team. This has led to final designs being agreed and a final tendered submission following rigorous market testing at the completion of RIBA Stage 4. Please see Appendix 3- Kirkland Site Layout Plan and Appendix 4 – Kirkland Autism Project- Proposed design for a layout and proposed CGI images of the final look of the scheme.

### **What impact will this proposal have?**

- 7 There is currently insufficient provision in Leeds to accommodate those individuals who fall within the Transforming Care Programme (TCP). They will be Leeds citizens who have the

most complex needs in relation to their severe learning disabilities, complex autism and who display behaviours which severely challenge services.

- 8 Leeds needs this community residential scheme to enable individuals to be discharged back into their local community setting and to meet the aspirations of the National Service Model for this group set out in "[Building the Right Support](#)". The scheme also supports the aims of the Best City Ambition in relation to Housing and Health & Wellbeing.
- 9 The proposed homes will also help to prevent future hospital admissions and Leeds citizens, particularly children, from being placed in residential institutions, out of area and away from their families and communities.
- 10 The scheme will be nationally unique as it is recognised through NHS bodies that there is no similar residential scheme in the UK that is established/exists out of a hospital setting that has been delivered and owned by a Local Authority.

### How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing       Inclusive Growth       Zero Carbon

- 11 The proposed scheme directly contributes to one of the Best City Ambitions outcomes of enabling disabled residents to remain active and independent. The proposed scheme contributes to Leeds City Council's ambition to reduce both the Council's and Leeds' residents' carbon footprint. The scheme will have a positive impact on the Zero carbon ambition since the scheme is to bring individuals back into the Leeds area, into their community and closer to family. Families/guardians/carers of young people and adults who will occupy the scheme will not have to travel outside of the Leeds district, reducing their carbon footprint.

### What consultation and engagement has taken place?

Wards affected: Guiseley and Rawdon

Have ward members been consulted?       Yes       No

- 12 Regular briefings on the proposed scheme have been provided to the former Executive Member for Adult and Children's Social Care and Health Partnerships and now to the Executive Member for Adult Social Care, Public Health and Active Lifestyles. Briefings also take place with the local ward members who were last briefed in January 2024, and are fully supportive of the scheme. Members are encouraged that the scheme is developing and agree this is an extremely important, valuable and much-needed development for the community.
- 13 The need for such a development has been identified from extensive commissioning and operational discussions between Adults and Health, Children's directorate, and NHS partners. This bespoke service will both help to prevent young people with learning disabilities and autism being placed outside Leeds and allow people currently in out-of-area placements to return to their city. A Equality, Diversity, Cohesion and Integration Screening has been carried out to ensure that all areas of the project have been reviewed for its impact on individuals. Please see Appendix 2 - Equality Assessment.
- 14 Social workers and other relevant professionals working with individuals identified within the Transforming Care Programme have been consulted extensively during the design development phase which has ensured effective co-production of overall scheme design. This

will also ensure that the proposed care environment will be able to effectively meet the needs of individual residents.

- 15 Where possible the individuals, their families, and the current support staff of those individuals in the Transforming Care Programme have been consulted with regards to the development of this service. This process has also incorporated prior learning from a care design and delivery perspective in terms of what has not worked well in the past and why.
- 16 Any individual being considered for this service will be supported by social workers and other professionals who will undertake a full multi-disciplinary strengths-based assessment of the individual's Care Act needs. The person will be put at the centre of this process.
- 17 Individuals will only be considered for this service if, following a robust assessment and person-centred planning, they require the highly robust and specialist environment and associated support that this service can provide.
- 18 The project has a stakeholder engagement plan to ensure that there will be continued involvement of all relevant stakeholders in the development of the building plans and service specification for the provision of care.
- 19 Following approval by Executive Board in February 2022, work has been undertaken with NPS to develop the scheme to RIBA Stage 4 and a planning application was approved in December 2022. Kier Construction Ltd were then procured to design the scheme into RIBA stage 4 with NPS working as technical advisors on the design. For a full background breakdown please see Appendix 5-Feasibility and building design procurement route

### **What are the resource implications?**

- 20 The West Yorkshire Integrated Care Board (ICB) is part of the National Health Service England. The Integrated Care Board are NHS organisations responsible for planning health services for their local population. The Integrated Care Boards are organisations which were introduced to bring together health and care services run by separate organisations i.e., GPs and hospitals. The Integrated Care Boards ethos is to 'work better for people's health and brings councils and the health service together'. The West Yorkshire Integrated Care Board works with Leeds City Council as an equal partner, to provide a joined-up approach to health services in local communities.
- 21 As part of the partnership and joint approach, Leeds City Council is the lead commissioner of Learning Disability and Autism community-based services for the city. This is underpinned through a [Section 75 agreement](#). This gives the Local Authority commissioning team the ability to commission services on behalf of the NHS for health funded individuals through a single arrangement. This helps reduce fragmentation of services and facilitates a more joined up approach to care delivery.
- 22 Through this agreement the Leeds City Council Learning Disability Development and Care Management teams are working with several individuals whose severe learning disability, complex autism and presenting behaviours mean they require high levels of restriction to meet their needs safely. A bespoke self-contained accommodation solution with a care and support provider with specific skills and experience is the only identified way of meeting their needs.
- 23 There is currently no service within the Transforming Care Programme to meet the needs of potential users in Leeds, as neither Leeds City Council nor the Integrated Commissioning

Board, have previously had a robust enough service to meet these. As a result, it is expected that there will be long-term demand for this bespoke registered residential care home scheme in Leeds and the wider Yorkshire area.

- 24 The proposed scheme, whilst providing a long-term home for some, will also create positive pathways for individuals to transition from hospital, into residential care and then into supported living. As such it aids Commissioners who are working towards the NHS Long-Term plan, collaborating with the local Transforming Care Partnership, and supporting 'Homes not Hospitals' by looking to discharge individuals from hospital and prevent other hospital admissions. The scheme will all be registered under the Care Quality Commission (CQC) as Residential Care with a registration of Treatment of Disease Disorder and Injury (TDDI).
- 25 The Kirkland's development will offer care to people from 16 years and up. The placement mixture of under and over 18's will lead the procured care provider to need to take a view on suitable registration as a care placement. It is the providers responsibility to ensure that they are appropriately registered and regulated.
- 26 The use of the former Kirkland House site for this purpose, and removal from the Capital Receipts list, was supported by Executive Board in February 2022 via a report entitled Capital Receipts Programme Review. The site was valued at £1.030m in late 2021. Please see Appendix 1- 16492G Kirkland House Panel for the site boundary plan.
- 27 The requested borrowing is an Invest to Save project and is constituted of two parts. Firstly, a unit will be developed for one complex individual, who is currently detained in hospital within the Transforming Care Programme (TCP). **The individual is ICB funded, and the full cost of borrowing (both principal and interest) will be met from the ICB through the fee setting for the individual.** As well as meeting the Transforming Care Programme objectives, the ICB will still achieve a saving on the cost of the current care package. Secondly, the other five units in the development will be occupied by other complex individuals (adults or children approaching adulthood – the unit can be registered for those aged 16+) whose complexity of need means they are currently placed in expensive settings. Their move to this service is expected to deliver a minimum revenue saving of £250k per annum to the Council.
- 28 The total cost of borrowing for this project will be met by the ICB. A risk sharing agreement has been drafted between the Leeds ICB and Leeds City Council Adults and Health directorate which underpins this ICB commitment. The aim of this agreement is to give assurance that both the ICB and Leeds City Council will continue to work together to achieve this project and the full cost of borrowing (both principal and interest) will be met from the ICB. This risk sharing agreement is to be updated between the parties, due to further interrogation of the Revenue Business Case. This is due to the increase in care package costs of the individuals who could occupy the scheme. This would mitigate the risk if the identified individual does not take up residency in the scheme. It is agreed by both the ICB and Leeds City Council that there is an extensive list of individuals, in the regional ICB area with high-cost care packages, who would meet the criteria for the scheme. These will include out of area individuals and transitioning individuals from Children to Adult services. These identified individuals all have complex needs that would mitigate the risk of the identified individual not taking up residency in the scheme allowing for the overarching commitment of repayment of the cost of the capital borrowing to be covered by the ICB.

- 29 The Risk Sharing Agreement sits within the Section 75 legal framework for the Local Authority to lead commission services for individuals with a Learning Disability and Autism on behalf of the West Yorkshire Integrated Care Board's in Leeds. The risk sharing agreement is jointly owned and will be signed by the Director of Pathway Integration, Leeds Health and Care Partnership. It is managed via the Integrated Commissioning Oversight Group which is operational governance for the delivery of the Section 75 framework.
- 30 The Leeds Health and Care System has seen an exponential rise in care package costs in recent years through greater complexity of need being managed in the community compounded by a restricted care provider landscape. The current revenue cost of care provision for the potential users of this service is high and is currently met from a variety of sources including Adults and Health, Children's (aged 16-18) and families, and the ICB. Individual care packages, be it through out of area residential or in-patient care, can range from £300,000 to over £1m per annum.
- 31 A capital grant of £1.09m has been awarded, from the NHS England TCP capital programme, and will be applied against the costs for the most complex individual as that person is currently health funded. This will reduce the amount of LCC borrowing for this scheme and will also positively impact the cost to the ICB through the fee paid. The NHS do not have access to the whole capital funding required to support the development of a specialist service of this nature.
- 32 The business case for the scheme has been approved at both the Finance Performance Group (FPG) and at Strategic Investment Board in November 2022, following full scrutiny given to the financial case to develop the scheme. Following approval, the business case has been continually reviewed and updated. A prudent saving of £250,000 per annum has now been reflected in the medium-term financial strategy update, which went to Executive Board in September 2023. This saving was also be incorporated into the Overall Budget report which went to the February 2024 Executive Board. The scheme has recently completed RIBA Stage 4, technical design, to produce a final gross cost for the scheme. Please see below table for the medium-term financial savings

<b>Current Commissioned costs for 5 LCC persons who would switch to the new In-House (Kirkland's) provision</b>		
	<b>Total Cost</b>	<b>Average cost per week (/5/52)</b>
	<b>£</b>	<b>£</b>
Average cost per week for 5 people currently in externally provided settings	1,966,217.76	7,562.38

<b>Cost of new unit. Of the 6 bedded unit LCC will have 5 beds. Costs below relate to the 5 beds.</b>		
	<b>Total Cost</b>	<b>Average cost per week (/5/52)</b>
	<b>£</b>	<b>£</b>

Employee Costs	1,091,092.04	
Other Direct Costs	432,219.01	
Overheads (Finance, HR, etc.)	191,720.59	
	1,715,031.64	6,578.56
<b>Savings Per Week</b>		<b>(4,919.06)</b>
<b>Annual Savings</b>		<b>(256,479.78)</b>

33 Following approval by Executive Board in February 2022, work has been undertaken with NPS to develop the scheme to RIBA Stage 4 and a planning application was approved in December 2022. This has led to the development of a robust figure through market testing carried out in November 2023. The gross capital expenditure needed for the scheme will be £9.2m. With receipt of the approved NHS England capital grant of £1.09m, this would reduce the capital borrowing requirement to £8.1m which is the total amount requested for approval in this report. The cost of borrowing will be funded by West Yorkshire Integrated Care Board.

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2023 £000's	FORECAST				
			2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's	2027 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	5821.0			4733.0	1088.0		
FURN & EQPT (5)	45.0				45.0		
INTERNAL DESIGN FEES (6)	713.0		100.0	510.0	103.0		
OTHER FEES / COSTS (7)	2672.0		578.0	1944.0	150.0		
<b>TOTALS</b>	<b>9251.0</b>	<b>0.0</b>	<b>678.0</b>	<b>7187.0</b>	<b>1386.0</b>	<b>0.0</b>	<b>0.0</b>
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2023 £000's	FORECAST				
			2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's	2027 on £000's
Health Authority	1099.0			1099.0			
Departmental Borrowing	8152.0		678.0	6088.0	1386.0		
Any Other Income (Specify)	0.0						
<b>Total Funding</b>	<b>9251.0</b>	<b>0.0</b>	<b>678.0</b>	<b>7187.0</b>	<b>1386.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Balance / Shortfall =</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

34 Preliminary estimation of construction costs for the scheme at the initial feasibility stage indicated a gross development cost in the region of £4m in 2022 as outlined in the Executive Board report of the 9 February 2022. Subsequent design development has allowed us to undertake more detailed cost appraisals prior to the commitment to invest, and the current increase in gross development cost is reflective of changes to client requirements, abnormal costs attributable to the specialist nature of the scheme and wider market volatility across the construction sector which has seen significant cost inflation.

35 The scheme is one of the listed saving proposals placed forward and approved at Executive Board in October 2023. This was part of the actions to assist in reducing Leeds City Council estimated revenue budget gap. The scheme was listed in the 'Business as Usual' category savings proposals for 2024/25 to 2026/27 with a saving of £250K in 2025/26.

## **What are the key risks and how are they being managed?**

- 36 The project will be delivered by City Development's Projects and Programmes team in collaboration with the Working Age Adult Commissioning team in Adults & Health through an established project management approach. This involves the extensive use of project controls including risk management tools to effectively manage identified risks including project costs and delays which will also ensure that project outputs are delivered to the required standards.
- 37 Overall project governance is provided via Kirkland's Autism Project Board which includes representatives from Adults & Health Commissioning, Corporate Finance, PACS and West Yorkshire Integrated Care Board (Leeds Place). In addition, there are also staff representing operational areas in both Leeds and York Partnership NHS Foundation Trust and the Learning Disability Development team. The board feeds into the wider Asset Management Board in Adults & Health, where additional oversight and support is provided by senior responsible officers.
- 38 In addition, inflation adjustments in line with the Building Cost Information Service (BCIS) have been added to existing risk allowances and contingencies to reflect market volatility. The fact that the Council has elected to carry out a two-stage design and build tender with its chosen contractor has allowed it to further manage cost risk and any emerging risks that may impact overall scheme viability.

## **What are the legal implications?**

- 39 The decision contained in this report is a Key Decision. It was published on the List of Forthcoming Key Decisions on 20<sup>th</sup> December 2023. It is recommended that this decision is exempt from Call-In under Rule 5.1.3 of the Executive and Decision-Making Procedure Rules due to the urgency of the decision.
- 40 There are several implications if a decision is delayed due to a call-in period. An identified individual has been assessed as being ready for discharge from their current position of residing in a restrictive hospital setting. This Leeds citizen, has resided, in isolation, in a hospital setting, outside of Leeds, all his adult life. The proposed development includes one extremely robust double bungalow in which to meet his complex needs and would be less restrictive than his current environment. If this discharge is to be further delayed, it will have a detrimental effect on the individual's wellbeing and quality of life.
- 41 There is a real risk of a legal challenge to Leeds City Council, if there is further delay to the individual being discharged due to the delay in completion of the build. A call-in period could further delay the programme of construction of the scheme and further the mobilisation period of both Leeds City Council and NHS care provisions to transition this individual ready for discharge. This in effect would increase the financial obligations to both organisations for any delay in this transition period.
- 42 There is also an implication on the NHS grant funding of £1.09m. For Leeds City Council to receive this funding, the completion of the build is to be in the financial year 2024/2025, for the allocation of NHS England national programme. If this is not met then there is a risk that the funding would be withdrawn, having a severe impact with increasing the request for capital funding and viability of the project.
- 43 Due to the need of having cost certainty for the complete cost of capital funding required from the tender submission from Kier, this request for the decision could not be brought to Executive



Board sooner. The paper is being brought now to Executive Board since market testing has now been completed and a refined cost of the scheme has been produced at the conclusion of RIBA stage 4 technical design.

- 44 There are no grounds for treating the contents of this report as confidential with the Council's Access to Information Rules.

## **Options, timescales and measuring success.**

### **What other options were considered?**

- 45 Due to the exceptional needs of the individuals within the Transforming Care Programme (TCP) a bespoke new build service is agreed as the only option. The current market is not able to deliver the solution of bespoke accommodation with significant environmental robustness across a residential model. The current market only provides higher volume solutions in less robust and or shared accommodation. The acute needs of the TCP group denotes that the solution to their clinical needs requires registered Residential Care with a registration of Treatment of Disease Disorder and Injury (TDDI) as the least restrictive option.
- 46 An options appraisal exercise was carried out in May 2021 which included looking at alternative Council owned sites, purchasing a site off the open market, continuing at the former Burley Willows site, obtaining a development partner to develop the scheme, and closing the project. The former Kirkland House site scored highest as the most appropriate solution. Please see Appendix 1- 16492G Kirkland House Panel for the site boundary plan.
- 47 The use of this site for this purpose, and removal from the Capital Receipts list, was supported by Estates Management Board in November 2021, and was contained within a paper from the Director of City Development in February 2022's Executive Board entitled Capital Receipts Programme Review.

### **How will success be measured?**

- 48 The scheme would give Leeds City Council a bespoke service which can support and provide a home to individuals with severe learning disabilities and autism who display behaviours which challenge and who represent the most complex needs in the Transforming Care Programme cohort.
- 49 It would also enable individuals to be discharged back into their local community setting and to meet the aspirations of the National Service Model for this group set out in "Building the Right Support".
- 50 Success will be measured through the well-established shared mechanisms of the Section 75 Integrated Commissioning Oversight Group and the NHS WY ICB Neurodiversity Partnership Board.

### **What is the timetable and who will be responsible for implementation?**

- 51 It is expected construction will start on site in April 2024, with completion anticipated by late Summer 2025.

## **Appendices**

- Appendix 1 – 16492G Kirkland House Panel.
- Appendix 2 – Equality Assessment.

- Appendix 3 – Kirkland Site Layout Plan
- Appendix 4 – Kirkland Autism Project- Proposed design
- Appendix 5-Feasibility and building design procurement route.

**Background papers**

- None.