

8 November 2018		ITEM: 11
Health and Wellbeing Overview and Scrutiny Committee		
Developing a new residential care facility and a new model of primary care in South Ockendon		
Wards and communities affected: All	Key Decision: Key	
Report of: Cllr Susan Little, Cabinet member for Children and Adult Social Care		
Accountable Assistant Director: Les Billingham, Assistant Director Adult Social Care and Community Development		
Accountable Director: Roger Harris, Corporate Director of Adults, Housing and Health		
This report is Public		

Executive Summary

In response to the current and projected future demand for residential care in the Borough, and the impact this is having on older adults locally who require permanent residential care, and those who may undergo longer waits in hospital because of the lack of availability of interim residential care, Cabinet agreed in December 2017 to a strategy for the Whiteacre /Dilkes Wood site in South Ockendon which would enable the Council to provide residential care fit for the 21st Century.

This report proposes the development of a new residential facility in South Ockendon which would not only make a significant contribution to meeting demand but also set new standards in terms of facilities and services. There is also potential for a new medical centre and community facilities. A range of issues related to design, financing and delivery have been explored, and subject to consultation, planning consent and a viable business case for the development and operation of the facility, approval is being sought to progress the development.

1. Recommendation(s)

- 1.1 To note the request to be made to Cabinet for delegated authority for the Corporate Director Adults, Housing and Health, the Director of Finance and IT, and the Portfolio For Children and Adult Social Care, to tender for and award the building contract for the development of housing and associated facilities for older people requiring residential care, subject to tender returns being in line with an agreed business plan based on the principles within this report.**

1.2 To note the negotiations being undertaken with health partners concerning the development of a phase 2 Integrated Medical Centre to replace the current South Ockendon Health Centre.

2. Introduction and Background

2.1 As noted in the report to Cabinet in December last year, we have an ageing population: people are living longer, and the total number of years they can expect to live in poorer health continues to rise. Bed occupancy within acute hospitals remains above recommended levels and ambulance calls have increased. At the same time more people need social care and there is evidence of unmet need.

2.2 To address this need Cabinet approved the recommendation for a strategy to develop a new residential care facility, fit for the 21st Century, on the Whiteacre / Dilkes Wood sites, in conjunction with Health partners, on 13 December 2017. This report describes the work undertaken to date in furtherance of that strategy, and presents further recommendations to realise the ambition of the Council.

2.3 Further, the South Ockendon Health Centre on an adjacent site on Darenth Lane is currently occupied by a single handed GP Practice, a branch surgery of an Aveley Practice, and a range of other clinical services including Health Visitors and dentists. Health partners have confirmed the building is no longer fit for purpose, and they see potential benefits in redeveloping the site to create a new health centre which could bring together other surgeries from the local area, and be equipped with a fuller range of primary care and associated facilities reflecting the new model of care being pioneered at the Integrated Medical Centres.

3. Issues, Options and Analysis of Options

3.1 The Care Quality Commission in their report The state of health care and adult social care in England 2017/18 published on 10 October 2018 observed that “Demand is rising inexorably not only from an ageing population but from the increasing number of people living with complex, chronic or multiple conditions, such as diabetes, cancer, heart disease and dementia. The total number of years people can expect to live in poorer health is steadily growing.”

3.2 The report goes on to note that in the face of growing need “The capacity of adult social care provision continues to be very constrained: the number of care home beds dropped very slightly in the year, but what was noticeable were the wide differences across the country. Across a two-year period, from April 2016 to 2018, changes in nursing home bed numbers ranged from a 44% rise in one local authority to a 58% reduction in another.

3.3 Locally, Public Health has made an assessment of the need for residential care in the Borough which has informed the preparation of this report. One

projection of demand growth shows a need for a further 410 beds in Thurrock by 2035:

Care Places Needed in Thurrock	2017	2035	Additional Number Needed	% increase
Medium need	107	208	101	94.81%
High need	344	652	309	89.81%
TOTAL	451	860	410	90.99%

- 3.4 There is already increasing demand for residential care in Thurrock which is difficult to meet by the current range of beds available locally. This is evidenced by a snapshot of available care home beds in homes in the Borough for the week of 17th October 2018 (the latest available) which shows that across the whole Borough only 1 nursing care home bed, 2 dementia care homes beds, and no other residential care beds were available.
- 3.5 Moreover, we need to widen the residential care offer locally so that we can more readily offer:
- a) Interim stays for people who cannot live in their home at present but have no long term need for residential care;
 - b) Short stays for those who require re-ablement services in a residential setting;
 - c) Short stays to allow assessments (including Continuing Healthcare² – CHC assessments) to be undertaken outside an acute setting when they cannot be undertaken in the patient/service user’s home.
- 3.6 In response to the increased local demand for places in care homes the report approved in December 2017 proposed that the Whiteacre / Dilkes Wood sites in South Ockendon should be developed to provide a range of homes for older people needing care: from small easy to maintain flats designed for frail elderly people, to retirement living for those who wish to downsize to a care ready environment, including potentially a mix of one and two bedroom dwellings for rent. This an opportunity both to address the growing demand for residential care, and to invest in innovation in care, and so to set new higher standards for residential provision in the Borough
- 3.7 Since the last report work has been undertaken to clarify a range of issues with the aim of progressing the development. A progress update on this work is outlined below.

Design, and realising development potential.

- 3.8 Following Cabinet approval of the proposal for a strategy for the development of 21st Century residential care on the Whiteacre / Dilkes Wood site, Pollard Thomas Edwards, architects were commissioned to develop a vision for the

proposed scheme including addressing how the development may be phased to deliver the new residential offer for older people and also, potentially, the redevelopment of the health centre should that be agreed with Health partners.

- 3.9 The report from Pollard Thomas Edwards showed a number of case study examples in which progressive developers have been exploring ways of integrating residential and nursing care better with the community. The report concluded that the Whiteacre / Dilkes Wood site offers an opportunity to provide exemplary residential accommodation for people with varying levels of need, while creating a new community-led focus to the town centre. The scheme also unlocks the potential for phased development for a new community facility to replace existing provision in the South Ockendon Centre. A copy of their report is available at Appendix 1.
- 3.10 Since the last report, initial surveys and site investigations have also been undertaken, and a scheme specification prepared. This preparatory work culminated in the publication of an Invitation to Tender for a Design Team (architects), Employers Agent and Cost Consultants on 10/8/2018. The ITT has elicited strong interest from the market with 24 bids being received for the Design Team tender. The tenders are currently being evaluated and it is expected that the Design Team and other professions will be appointed soon.
- 3.11 The appointment of the Design Team will enable initial plans to be drawn up for the scheme and allow early consultation with a range of stakeholders, including the local community, about both the vision for care and support for an ageing population, and the proposals for the site. The designs will also allow cost consultants to provide firm estimates of the construction and operating costs of the development.

Financing.

- 3.12 The feasibility study undertaken for the Council in February 2017 (see – Appendix 2) included an initial cost appraisal by consultants Calford Seaden for the complete redevelopment of the Whiteacre / Dilkes Wood site to provide 30 ensuite interim care bedrooms and 45 ensuite full time care bedrooms. This estimate put the costs at around £7m. However, in view of the time elapsed since that work was undertaken, and taking account of inflation in the construction industry, the actual costs are expected to be higher.
- 3.13 It is proposed that the capital funding for the 75 residential units, and associated care facilities (lounges, restaurant, treatment rooms, laundry etc), will be funded as part of the agreed capital programme.
- 3.14 Revenue funding to cover the loan costs, as well as management and maintenance of the facility, will be available from rents and service charges for the 45 self-contained flats (housing costs and supported housing service funded by rents remain eligible for Housing Benefit). The care and support in

the scheme will be provided by Well-Being Teams. The service provided will be chargeable in line with the Council's policy for domiciliary care.

- 3.15 The revenue funding cost for providing the 30 interim beds is estimated to be circa £1,400 per week. This funding would form part of the business case for the scheme to be agreed with health partners as part of a new strategy for Intermediate Care. Places in the interim beds could be offered to other authorities if the local demand profile for intermediate care changes, or if necessary, the units could be remodelled as self-contained housing and let on the same basis as the remainder of the scheme.

Site assembly and the potential for a joint venture with Health partners.

- 3.16 The Pollard Thomas Edwards report notes the existing South Ockendon Centre / Hub has proved popular with residents since its opening in 2013. It has a wide range of services and activities, and creates a strong community focus. However, their report argues the centre would be better connected to the town centre on the Whiteacre / Dilkes Wood site. The proposal under consideration is to reprovide an improved facility, offering better fit-for-purpose accommodation. The location adjacent to the new residential facility, and alongside the existing nursery provision, provides better connections and opportunities for inter-generational activity.
- 3.17 The South Ockendon Health Centre has been deemed not fit for purpose by the NHS. A new centre has potential to provide new and improved medical facilities in the centre of the town, and for its growing population. This could include reprovided GP facilities for Derry Court as well as the South Ockendon Health Centre. The proposal is contingent on buy-in from and a funding agreement with the NHS and may require phased demolition. In this scenario, the new health hub could be progressed as a community hub/integrated Medical Centre, and a new Health Hub for this area of Thurrock. Discussions regarding this option continue, remain positive and will hopefully be concluded in a timescale which fits with the Council's plans for the redevelopment of the remainder of the site.

Delivery.

- 3.18 Following the selection of a Design Team and Cost Consultants the ambition to realise a residential care facility fit for the 21st Century can be explored in detail, together with design options, cost options and funding. This will inform the business case for the scheme. It is proposed that construction is undertaken as soon as planning consent and a financially and operationally viable business plan for the development is agreed.

4. Reasons for Recommendation

- 4.1 Delivery of the new residential facility will enable the Council, with its Health partners, to meet the care needs of an ageing population in accommodation that reflects the requirements of the 21st Century. It is essential if we are to

meet the growing demand for care for people who need residential and nursing care, and to deliver high quality health outcomes for Thurrock residents.

- 4.2 Further to the approval of this strategy in December 2017 approval is now sought to allow this project to progress to the development stage.
- 4.3 The tender for the capital works will be in excess of the £750,000 threshold that can be approved by Directors and therefore requires a Cabinet decision. This tender is expected to be issued later next year.
- 4.4 Approval to delegate the award of the construction contract is requested to ensure that the development is progressed, and the new facilities (including potentially those for the proposed new medical centre) are delivered as soon as possible.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 This proposal is being presented to Health and Well-Being Overview and Scrutiny Committee before being presented to Cabinet in December.
- 5.2 Consultation with residents, including service users groups, will be undertaken as soon as design options have been produced. Discussions with Health partners about their requirements, and their potential contribution to the development, are on-going.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 The proposed development supports the 'People' element of the Council's corporate vision and priorities. In particular it will " build on our partnerships with statutory, community, voluntary and faith groups to work together to improve health and wellbeing".

7. Implications

7.1 Financial

Implications verified by: **Mike Jones**
Strategic Resources Accountant

The financial implications are set out within the report. The financial assessment of the project has been completed by Pollard Thomas Edwards and the financial cost appraisal by Calfordseaden. The underlying assumptions have been assessed as reasonable by the Adult Social Care and Regeneration teams.

The model underpinning the calculation has been subject to a high level review and supports the outcomes set out in the body of the report. There has

been further sensitivity analysis conducted on the proposed scheme to demonstrate the scheme remains viable if a number of core factors move unfavourably. Further consideration needs to be given to how MRP may be applied to the scheme.

The Capital bid for the new care facility was agreed by Council as part of the 2018/19 Capital Programme, with a total budget of £7m.

7.2 Legal

Implications verified by: **Sarah Okafor**
Barrister (Consultant)

On behalf of the Director of Law, I have read the report in full. The construction contractor will be procured in accordance with a tender process carried out in a fair and transparent way pursuant to the requirements under the Public Contract Regulations 2015 and the Council's Contract Procedures Rules. There are no barriers within the existing constitution that prevents the recommendation for delegation of authority of powers to the nominated officers by the Cabinet. Accordingly, I confirm there appears to be no adverse external legal implications arising from the recommendations proposed.

Moving forward, the Council's internal Legal and Assets teams will provide support on ensuring that the required agreements with Health partners adequately protect the Council's position.

7.3 Diversity and Equality

Implications verified by: **Becky Price**
Community Development and Equalities
Adults, Housing and Health Directorate

The proposed facility will address the health inequalities currently experienced in some areas of the Borough. It will also strengthen our communities through its focus on maintaining independence and intergenerational living. All arrangements for procuring, constructing and operating the residential, health and communities facilities will need to comply with equalities legislation.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None identified at this stage

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Report to Cabinet 13 December 2017

9. Appendices to the report

- Appendix 1 – Whiteacre / Dilkes Wood. South Ockendon Community Hub Vision, Pollard Thomas Edwards, March 2018
- Appendix 2 - Collins House Stage 1 Feasibility Report February 2017

Due to the size of these reports hard copies will be available on request or in the member's library.

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