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**Executive****30 July 2015**

Report of the Director of Adult Social Care from the portfolio of the Executive Member for Adult Social Care and Health

**Older Persons' Accommodation Programme: The Business Case****Recommendations**

1. Members are asked to:
  - a. Agree to proceed with the Older Persons' Accommodation Programme (the "Programme") as set out in the report, including:
    - i. funding 24/7 care support at Glen Lodge and Marjorie Waite Court Sheltered Housing with Extra Care schemes;
    - ii. building a 27 home extension to Glen Lodge;
    - iii. seeking the building of a new Extra Care scheme on the site of an existing Older Persons' Home ("OPH");
    - iv. procurement of a new residential care facility as part of the wider Health and Wellness Campus at Burnholme; and
    - v. encouraging the development of additional residential care capacity in York including block-purchase of beds to meet the Council's needs.

*Reason: to provide suitable accommodation, ideally in a community setting, for the city's older residents including those with complex care needs, those with dementia and those moving out of, or diverted from moving to, existing Council-run OPHs which are no longer fit-for-purpose.*

- b. Approve the Financial Plan for the Programme including:
  - i. use of the £3.554m OPH annual budget for the achievement of the Programme and with the intention of generating annual

savings of £284k from 2019/20 rising to £553k by 2023/24 and £9.6m over 25 years;

- ii. allocation of up to £1.2m from the venture fund over the first four years of the Programme to fund the early years costs of achieving change including £88k of design and pre-planning costs associated with new Extra Care provision and £241k Programme management costs; the investment will be repaid from 2019/20 onwards over a 5 year period being fully repaid by 2023/24; the £88k of design and pre-planning costs would be funded from the Programme management budget and then repaid once the Glen Lodge extension is added to the capital programme with these costs chargeable to revenue should the capital scheme fail to progress and that revenue budgets would be needed to address this;
- iii. recommend to Council that £1.156m Programme management costs funded from existing Adult Social Care Capital Grant are added to the Capital Programme and incurred over four years; these costs would be chargeable to revenue should the capital schemes fail to progress and that revenue budgets would be needed to address this; and
- iv. ring-fence the reinvestment of up to £4m of capital receipts from the sale of the surplus to requirements existing older persons assets listed in the report for use on this Programme, subject to further approval regarding capital expenditure.

*Reason: So that the project can progress.*

- c. Agree that, this autumn, a six week period of consultation is undertaken with the residents, family, carers and staff of two of the Council's OPHs to explore the option to close each home with current residents moving to alternative accommodation and that a further report on the outcome of this consultation be received at the Executive before a final decision to close is made.

*Reason: So that the Executive may decide which homes may close having been fully informed of the views of and options available to existing residents.*

- d. Note that a recommendation to Council for the £4.15m investment in the Glen Lodge extension be added to the Capital Programme through the appropriate Capital Monitor once the outcome of the funding bid has been confirmed, noting that some of the expenditure

may require prudential borrowing with the associated revenue costs being funded through additional rental income.

*Reason: So that 27 additional homes can be added to the Glen Lodge Extra Care facility, providing safe and secure accommodation for older people including those with complex needs and dementia.*

- e. Note that a further report will be brought to Executive in the autumn to agree the preferred approach to the development of the Burnholme site in order to deliver a Health & Wellness Campus including residential care provision.

*Reason: So that the building of the Burnholme Health and Wellbeing Campus can progress.*

- f. Receive regular written updates of the progress of the Programme.

*Reason: So that the Executive can be assured that the Programme is progressing according to plan and will be delivered.*

## **Summary**

- 2. This report brings forward the Business Case for investment in Older Persons' Accommodation so that the Council can equip York for the changing needs of its older population.
- 3. The Programme as re-set by Council in March 2015 seeks to address these needs by replacing Council run OPHs with a range of provision including Extra Care housing and independent sector provided registered residential and nursing accommodation. The Council needs to address current shortfalls in provision and ensure that the city is equipped to respond to changing needs and demands. The aim is to see the delivery of up to 336 new units of accommodation by 2018/19 for those with high care needs and a further 197 for those with medium and low care needs, and, subject to consultation and Member approval, the closure of York's 225 existing OPH residential care beds by the end of the financial year 2018/19. The provision of accommodation for those with high care needs is particularly important as it means that the needs of the increasing number of people with complex care needs including dementia can be met.
- 4. The Programme has been further revised and will focus on clear objectives which are affordable and deliverable within the financial model laid down. The Programme will:

- a. Give older people choice by increasing the provision of Extra Care accommodation in York so that more people can continue to live independently in their own home, safely and securely;
- ✓ at least 90 new Extra Care apartments for those with high care needs in use by summer 2018 with at least 30 of these available by the end of this financial year.
- b. Deliver dignity and quality in care by replacing existing residential care homes that are no longer fit for purpose with new and purpose built accommodation;
- ✓ at least 105 new and purpose built residential care beds will be built by 2017 with the Council seeking to “purchase” c30 for use by the residents whose care the Council funds.
- c. Deliver the promise to provide a Health and Wellness Campus on the site of the now closed Burnholme Community College, giving life to the city’s ambitions for greater integration between health, care, sport and leisure and delivering beneficial community facilities and homes in the east of the city;
- ✓ approximately 82 care beds (with up to 55 reserved for Council use), community, health and wellbeing facilities as well as homes for local people can be provided by the end of the financial year 2018/19.
5. Based on current projections in the financial model the Programme is affordable. The table below shows the high level financial appraisal:

Table: High Level financial appraisal of the Programme

(figures in £000)	2015/16	2016/17	2017/18	2018/19	2019/20 to 2023/24	ongoing
Project costs	3,858	3,576	3,278	3,601	2,801	2,801
Budget	3,554	3,354	3,354	3,354	3,354	3,354
Cost/(saving)	304	222	(76)	247	(553)	(553)
Venture Fund repayment *	0	0	0	0	269	0
Yearly saving	0	0	(76)	0	(284)	(553)

(figures in £000)	2015/16	2016/17	2017/18	2018/19	2019/20 to 2023/24	ongoing
Venture fund paid back by:						2023/24
Overall 25 year project saving						£9.6m

\*the venture fund covers the shortfall in 15/16, 16/17 and 18/19 with repayments starting in 19/20 when Programme savings start to materialise.

6. The Programme should deliver annual savings of £284k per annum from 2019/20 rising to £553k by the end of 2023/24 and £9.6m over 25 years. It is also expected to deliver anticipated capital receipts of £3.6m (after costs) from the sale of the Council's existing OPHs.
7. The earlier years of the Programme require funding. It is proposed the Venture Fund is used. The impact of this is to smooth out these early years' deficits.
8. The Programme is robust as it affords options at key decision points. Should the independent sector not be forthcoming in funding the new care home at Burnholme the Council is able to invest in the care home themselves. Or, as an alternative, invest in an upgraded/renewed care home at Haxby Hall plus additional independent sector care beds.
9. The decision about the funding at Burnholme will be known in 2017 and at that point the alternative investment decisions can be made. Each of these options is forecast to generate a revenue surplus of £354k or £376k respectively. However, both options would require capital borrowing of £6.5m or £2.6m respectively.
10. New Extra Care accommodation, both the extension to Glen Lodge (rented) and the newly built Extra Care facility in Acomb (mixed tenure), will be funded via grant and ring-fenced borrowing paid back over 30 years from rental income and the receipt from the sale of mixed tenure properties.
11. The intention is to use tried and tested procurement processes to deliver the Programme. Legal and procurement colleagues are in the process of determining the most appropriate procurement model for Burnholme but overall the Programme has been designed to be resilient because it takes an incremental approach to change and it has the capacity to adopt alternative approaches at key points while not losing sight of the overall objective.

## Background

12. For older people it is recognised that having adequate accommodation is fundamental for dignity and security. Having access to appropriate accommodation with care underpins health and well-being and is the cornerstone to the delivery of sustainable NHS and social care services. York's older residents want to remain living independently in their own home for as long as they can and, if they must move, want choice over where to live to receive care.
13. York's older population is growing rapidly with the number of 75+ residents expected to increase by 50% by 2030; the number with complex needs including dementia is growing even faster. York does not currently have sufficient accommodation with care to cater for this rising population and current supply is no longer fit for purpose, particularly Council run OPHs which are outdated and lack modern facilities: for example, just 31 of the 225 bedrooms have en-suite facilities. More details on the context for change are shown in **Annex 1**.
14. The alignment of Care and Health services in York continues at a pace with strategic alignment being identified in the Vale of York Clinical Commissioning Group's ("CCG") five year plan published in 2014 and the most recent decision of the CCG and the Council to work together to shape New Models of Care. The intention of the Programme is to speed up the development of new care models for promoting health and wellbeing and providing care. The delivery of housing with care and the proposals for Burnholme give life to this new way of working.

## Current Position

15. In July 2011 the Council began a strategic review of accommodation for older people and over the following three years moved to replace Council run OPHs with new provision. A timeline of the decision making process is shown at **Annex 2**.
16. Two of the city's OPHs closed in 2012. Staff followed the well-received Moving Homes Safely protocol to guide this change. Further moves to replace OPHs will follow the same protocol.
17. The original procurement was abandoned in March 2015 on the basis of unaffordability (the inability to deliver an ambitious programme within the funding available). This has been the subject of previous Executive reports and more detail is provided in **Annex 2**. The Council intends to

implement “lessons learnt” from the Mazars review of the previous procurement process as we move forward with the new Programme.

18. Auden House on Cemetery Road [Fishergate ward] now has 24/7 care support provision. We have amended the housing and care pathway for this facility and new residents with higher care needs are beginning to move in. This will now be monitored and reviewed so that lessons learnt can be applied to our next target for 24/7 care support, Glen Lodge on Sixth Avenue [Heworth ward].
19. The Council have submitted to the Homes & Communities Agency (“HCA”) a grant application for capital funds to support the building of a 27 home extension (25 apartments, 2 bungalows) to Glen Lodge with the intention of providing specialist Extra Care accommodation for those living with complex needs including dementia. We will know in October 2015 if our grant bid has been successful.
20. The Joseph Rowntree Housing Trust (“JRHT”) has submitted their planning application for the redevelopment of Red Lodge in New Earswick [Huntington & New Earswick ward]. This is an exciting proposal which could deliver at least 45 residential care suites and up to 129 Extra Care apartments of which 86 will be for rent and 43 for Shared Ownership for the Elderly. Their proposals fit well with our strategic plans to see the increase in the provision of Extra Care in the city and the upgrading of residential care accommodation. JRHT have sought HCA grant funding to support the build costs for this redevelopment. Should this public subsidy be achieved the Council will be given nomination rights to these homes (23 social rent homes and 43 Shared Ownership for the Elderly properties at first let and 65% of social rented properties and 100% of Shared Ownership for the Elderly properties in perpetuity, subject to legal agreement) and will also support and benefit from an innovative ‘downsizing’ programme for existing New Earswick residents.
21. Independent sector providers are moving forward with plans to increase the provision of high quality residential care in the city. Springfield Healthcare group have announced plans to invest £7m in the re-development of the Head Office building at the Terry’s site [Micklegate ward] to create a new care village to provide 82 care suites and eight luxury apartments for residents, creating high quality accommodation. The centrepiece for the development will be the restored glass atrium and feature an internal market square, with cafes, street lighting, outdoor dining, shops, and other facilities. The planning application has been submitted and it is due to open in January 2017.

22. In addition, we are aware that another independent care home provider is interested in developing a 70 bed facility in the east of the city. In due course they may be interested in considering the Burnholme site.
23. The sale of Oliver House [Mickelgate ward] to McCarthy & Stone will allow the building of c30 high quality age related homes and contribute to meeting an identified need; 81% of York's older residents own their own home. The sale will also generate a sizable capital receipt which will be used to support this Programme. The reserve purchaser for Oliver House also plans to build age related housing.

## **The Business Case**

24. The business case is now ready to present to Members for approval and is encapsulated in this report.
25. Older Persons' Accommodation has been the subject of extensive review and scrutiny by the Council, as listed in **Annex 2**. A detailed set of options were identified and evaluated as part of the original OPH procurement process. Options included "take no action", "extend and refurbish existing homes", "purchase all or an increased number of beds from the independent sector", "Council fund the design and build of new care homes and continue to operate them with council staff", "the Council fund the design and build of new care homes and enter a partnership with an independent sector developer to fund and build a new home" and "a combination of the other options".
26. Following the abandonment of the original OPH procurement process in March 2015, the above options were revisited along with a further option - a mixed approach involving making more use of Extra Care, use of independent sector care beds and funding the building of a new care home. The final proposed Programme takes the March 2015 approach one step further and seeks an independent sector partner to fund and operate the new care home at Burnholme while making best use of Haxby Hall as we prepare for this.
27. The Programme is therefore as follows:

### Making Best use of Existing Provision

28. Our first focus is on making best use of the existing stock of Extra Care Housing in the city. There are five dedicated sheltered housing with 'extra care' services in York containing 205 units of accommodation. Four of these are Council managed schemes - Marjorie Waite Court, Gale Farm Court, Barstow House and Glen Lodge, whilst the fifth (Auden



House) is managed by York Housing Association. All homes in these schemes are to rent.

29. A joint Social Care and Housing review has revealed that best use is not being made of these assets. Overnight care is not available as a matter of course and as a consequence the proportion of residents with care needs is low compared to the national benchmarks. 61% of residents are not in receipt of a care package; a national benchmark would suggest that no more than 30% of residents would have a low care need. Furthermore, only 8% have a high care need against a benchmark of 30%. This means that this resource is being under-utilised as a solution to meeting the accommodation needs of older people with care needs.
30. The Programme will invest in care resources, make changes to allocations and lettings processes, and where necessary, make minor physical improvements at Glen Lodge and Marjorie Waite Court. Care resources have, from April 2015, already been enhanced at Auden House and modifications made to the allocations process; we are monitoring the impact of these changes and will “tweak” the approach before making changes at Glen Lodge and Marjorie Waite Court. For the time being the services at Barstow House and Gale Farm Court will remain as day-time care provision only.
31. We will work with existing residents to keep disruption to a minimum. In order to maximise best use being made of care resources we will support, with help and advice, existing residents who wish to move to more suitable accommodation.
32. These changes, implemented incrementally over the next year, will create at least 27 high care places that will facilitate the OPH replacement programme.

#### Extra Care for those with complex needs including dementia

33. Extra Care Housing is a very flexible form of accommodation with care for older people and has the advantage that residents remain living in their own home while receiving care and social support on site, which is our stated ambition wherever we can achieve it. Extra Care has the capacity to accommodate residents with complex care needs including dementia. Accommodation focused on those with complex care needs is now featuring in many newly built Extra Care facilities where residents live in a ‘family’ setting with others, having their own bedroom and bathroom, etc. but sharing lounge and dining space. This approach is

similar to the 'family setting' to care accommodation that we sought from our purpose-built care homes.

34. It is proposed that York builds its first Extra Care facility for people with complex care needs including dementia on land adjacent to Glen Lodge on Sixth Avenue, Heworth. Glen Lodge and the adjacent land are in the ownership of the Council and the intention is that procurement of the works will be undertaken in-house.
35. HCA funds have been sought for a 27 home extension to Glen Lodge. The overall capital funding will be achieved via grant funds and borrowing paid for from rental income. We will work with residents to keep disruption to a minimum. We anticipate having the new facilities open for use by 2017, accommodating up to 20 residents with complex needs including dementia who would otherwise have been accommodated in an OPH.
36. A key advantage of this approach is that the accommodation is community based which means that people may not need to move far in order to be accommodated there, helping with the maintenance of family and friendship ties and independence.
37. Future new build Extra Care schemes will be commissioned with facilities tailored to the needs of those with complex care needs including dementia.

#### New Extra Care provision

38. York is also under-supplied with Extra Care Housing given the city's demographics and the anticipated growth in the numbers of over 75s expected over the next decade. Analysis suggests that there will be a need for 490 units of Extra Care accommodation by 2020, rising to 645 in 2030, based upon national benchmarks. There is a need for both Extra Care to rent and Extra Care to buy; currently just one third of the provision in York is to buy despite 81% of York's older residents owning their own home.
39. The independent sector is beginning to address this need. For example, McCarthy & Stone are currently building 28 new sheltered homes to buy at Smithson Court on Top Lane in Copmanthorpe, and are seeking to buy the Oliver House site in Bishopthorpe in order to develop 30 more homes.
40. Other providers are also interested in developing Extra Care in the city. The Abbeyfields Society is in discussions regarding the extension of their

existing facility at Regent Mews and the JRHT have applied for planning permission to replace and extend Red Lodge in New Earswick.

41. The current Older Persons' Housing Strategy states that the Council should grow the provision of Extra Care in the city and the HCA has identified funds which could facilitate this growth. It is therefore proposed that the Council sets off on this path now, subject to formal approval by Executive, with the intention of identifying partners who will be willing to build and run Extra Care in the city, facilitated by HCA grant. The target location is Acomb, ideally close to the shops on Acomb Road or Front Street. This location is favoured both because it will be attractive to potential occupants and also because we can provide services in partnership with the CCG with local GP facilities on Acomb Road.
42. The new mixed tenure facility will be funded by a combination of grant, receipts from sales and borrowing funded by rental income.
43. Based on current projections, it is anticipated that the procurement and construction of a new Extra Care facility could be completed by 2018, allowing for the accommodation of residents who would normally live in/move to an OPH, releasing from use one of the Council's current OPHs.
44. In the longer term the Council should consider targeting the provision of three additional Extra Care schemes by 2025, providing a total of 180 units of accommodation to buy or rent, closing the gap in provision for York. Early indications are that the private and independent sector may be showing interest in developing such schemes in York, subject to land availability.

#### Independent Living

45. York Supported Housing Strategy 2014-2019, published in 2013, and the CCG Integrated Operational Plan 2014-19, published in June 2014 together drive our ambition for housing, care and health agencies to work together to deliver services which support independent living. These plans drive this and other programmes.
46. The Housing for Older People Programme is linked and complements our intention to work to keep the 'frail elderly' living safely in their own homes for as long as possible so that demand for residential care facilities suitable for people with high dementia and/or physical dependency care needs can be contained within a proportionately smaller estate of homes. Evidence of the success of the Council's re-

ablement approach is now clear: admissions to residential care homes have been held steady despite rises in the underlying population.

47. The further development and promotion of independent living does not form part of this Programme but instead is a fundamental part of the new operating model for Adult Social Care which is currently being implemented.

#### Working with the independent sector to increase supply

48. Since the Council began on the journey to replace its OPHs the private market has begun to change in York. A 90 bed home is to be built on the Terry Chocolate Works site, subject to planning permission. This will increase the quantity of private provision and also adds to the quality of care provided. Speculative interest is also shown in the building of a new, 70 bed, care home in the east of the city.
49. We will continue to engage with existing residential care home providers to examine what opportunities are available for expansion of specialist dementia care beds in current homes, many of which are already registered for this type of care. Together we will examine the barriers to expansion and the Council will consider the provision of capital loans and grants to facilitate the provision of additional dementia care beds in the city. The provision of loans and grants will need to be assessed against State Aid rules and the terms strictly defined. Even with modest success such a scheme could increase dementia care bed provision by 20 to 40. The Council would be an interested and active purchaser of these beds for existing OPH residents and for new entrants to residential care.
50. Looking towards demand for care beds at 2020 and beyond, the Council will build on the successful approach adopted over recent times in working in partnership with independent sector provision to develop new homes in the city (with dementia beds), alongside other homes and services on the sites. By actively promoting interest in care home provision we expect to see a growth in provision in the city.

#### The Burnholme opportunity

51. Executive agreed in July 2014 that the Burnholme School site (Plan A) should be developed as a Health and Wellness Campus which would benefit the community, and agreed to seek development partners to progress this vision.
52. To help inform this decision the Council held a consultation event in March 2014 and the key messages to emerge were:

- a. a place to access local services including health services as well as a place to meet and socialise;
- b. extensive support for sports uses and for activities that young people would find of interest;
- c. general acceptance that some residential use (ideally to include affordable housing) will be required to cross-subsidise other community activity;
- d. preference for re-use of some of the existing buildings and not completely demolishing the school; and
- e. connectivity with Tang Hall and Derwenthorpe.

53. We have also spoken with a number of key partners who would be interested in joining in with the development of the Burnholme Health and Wellness Campus, summarised as ‘an exceptional opportunity to create a place where people want to be: from toddler to centenarian’. The development can accommodate a child-care nursery, an Explore library, a care home, community church, sports areas (both indoor and outdoor), a GP surgery, community spaces for sessional hire, health services, community retail and homes; things to bring all together.
54. The re-development of this community asset will bring many benefits to the East of the city as well as meeting city wide need for care, health facilities, housing and employment.

	Meeting Community Need	Bringing income to Burnholme	Delivering health and well being	Meeting City-wide need	Creating Jobs & Enterprise
Explore Library including cafe	✓	✓	✓		
GP medical services	✓	✓	✓	✓	
Pharmacy	✓	✓	✓		✓
Hair dresser	✓	✓			✓
Care Home @ c82 beds	✓	✓	✓	✓	✓
CCG treatment and “step-up; step-down” beds	✓	✓	✓	✓	✓
Sports areas, in & out door	✓	✓	✓		

	Meeting Community Need	Bringing income to Burnholme	Delivering health and well being	Meeting City-wide need	Creating Jobs & Enterprise
Community Church	✓	✓	✓		
Community spaces for sessional hire	✓	✓	✓		
Third sector and 'start up' rooms to rent	✓	✓		✓	✓
Homes to buy and rent	✓	✓		✓	✓
Enterprise & innovation accommodation	✓	✓		✓	✓

55. Officers have met with colleagues in NHS England and the CCG and they have expressed interest in the proposals, describing the concept as “transformational”. NHS England indicate that funding is likely to be available for the capital, and some of the revenue, costs associated with the health elements of the development, and a new funding round may be available in the summer of this year. Funds may also be available to support feasibility and business case development.
56. The Burnholme Health and Wellness Campus will be fully integrated into the wider community and will work with the Tang Hall Big Local team (who have recently been awarded £1m of lottery funding) to achieve this goal.

Increasing the variety of accommodation opportunities for Older People

57. When the council or our partners bring forward key sites for redevelopment we will engage in consideration of opportunities for the provision of age related housing to facilitate ‘downsizing’.
58. Work is ongoing to review the Lowfields site (Plan B) so that it may be used for the provision of new homes with the extent and type of housing that can be accommodated mindful of access and other considerations. A capital receipt for the site is expected to be released, as anticipated when Lowfields School moved to the York High site in 2007.
59. It is also proposed that we explore the benefits of building additional ‘downsizing’ homes to buy and to rent by older people on some of the sites of Morrell House, Willow House, Winsor House and Woolnough House when they become vacant, complementing the provision of family homes on these sites and ensuring that vibrant communities used by

local people replace what is there at present. Each site will be examined on its own merits and in the context of the wider capital and asset needs of the city.

### Programme Outcomes

60. The Programme will provide replacement accommodation to facilitate the replacement of the Council's seven OPHs. In addition, it creates additional capacity in order to allow for population change. The provision of accommodation for those with high care needs is particularly important as it means that the needs of the increasing number of people with complex care needs including dementia can be met. The expected outcomes are listed below:

Table: Expected outcomes achieved by the Programme

Where	When	Total	High Care Needs	Medium Care Needs	Low Care Needs
Auden House Extra Care	Apr-15	41	16	15	10
Glen Lodge Extra Care (existing)	Dec-15	42	17	15	10
Marjorie Waite Court Extra Care	Apr-16	42	17	15	10
Glen Lodge Extra Care (extension) *	Dec-16	27	20	4	3
Chocolate Works Care Home *	Jan-17	90	90	0	0
Red Lodge – Care Home *	Jan-17	30	30	0	0
New Extra Care Scheme in Acomb*	Jun-18	50	20	15	15
Red Lodge - Extra Care *	Mar-18	129	44	43	42
Burnholme Care Home *	Nov-18	82	82	0	0
<b>TOTAL</b>		<b>533</b>	<b>336</b>	<b>107</b>	<b>90</b>

\* subject to planning and other consents.

61. To allow for an ordered and planned replacement of existing OPHs (and subject to relevant consultation) new provision will be brought into use in an orderly fashion so that we can provide for the Council residential care beds currently occupied by permanent residents. This outline transition plan is shown in **Annex 3**.
62. As the Programme progresses some residents of existing Council OPHs will be given the opportunity to move to Haxby Hall. Once new provision is available on the Burnholme site, and subject to consultation, the residents of Haxby Hall will move there.
63. The population of the Council OPHs is fluid and comprises, as at 25 June 2015, 186 permanent residents. Of the permanent residents

approximately 16% pay full fees and could choose to live in independently run homes while a smaller percentage are empty beds awaiting a permanent resident. The changing nature of these numbers, and the fact that any change can only follow full consultation, means the transition process to new provision is incremental. All changes for existing residents will be taken after following the Moving Homes Safely Protocol.

64. As the Programme progresses provision will be made for 'step down' beds, again on an incremental basis in homes as they prepare to close, and on a more permanent basis in suitable accommodation. The Council is currently in discussion with Health colleagues on this subject and several opportunities for new provision are in sight. As we move forward, we will seek to provide 'step down' accommodation in an environment that will support and speed re-ablement and which will have flexibility to meet with the changing demands of the seasons.

#### Delivering the Programme

65. The Programme takes a step-by-step approach to re-provision which is ordered, deliberative and has key decision points built in which aid flexibility and minimise risk. The stages or steps are as follows:

#### Stage One: 2015 and 2016

66. The first step is straightforward: we will invest in making best use of existing Extra Care facilities and promote the building of new provision in order to provide accommodation for at least 90 residents with high care needs. In the first two years of the Programme this will allow us to replace up to three of our existing OPHs with current OPH residents moving into Extra Care, independent sector residential care provision or Haxby Hall.

#### Stage Two: 2016 and 2017

67. The building of new Extra Care provision: an extension to Glen Lodge [27 new homes with at least 20 used by those with high care needs] and a new Extra Care scheme [with 50 places of which at least 20 will be for those with high care needs].
68. By Q1 2017 new independent sector residential care provision will also be available, subject to planning permission, at the Chocolate Works and at Red Lodge. These developments will increase provision in the city by 105 and the Council will seek to purchase up to 20 beds from one or



multiple providers in order to accommodate residents with complex needs moving out or displaced from existing Council OPHs.

69. These places will become available in late 2017 / early 2018 and will facilitate the replacement of two Council OPHs with some moving into Extra Care and others moving into independent sector residential care beds.
70. Over the same time-scale, other providers are also expected to deliver an increase in Extra Care provision in the city. The JRHT are seeking planning permission to provide up to 129 Extra Care Homes on the site of Red Lodge in New Earswick and this provision will aid this Programme and equip the city for future demand. This is expected to be open by March 2018.

### Stage Three: 2017 and 2018

71. For the longer term and to facilitate the completion of the replacement programme and mitigate the risk of over reliance on market led independent sector provision we will pro-actively seek the provision of new residential care provision [82 beds of which we block-purchase up to 55 at a target price] as part of the wider Burnholme Health & Wellness Campus.
72. The preferred option would be an independent sector capital funded solution procured via the wider Burnholme redevelopment. There may be insufficient appetite for independent sector investment in which case an alternative solution is set out in paragraphs 74-76 below.
73. Once complete, in 2018/19, all residents of Haxby Hall move to this new facility.

### 2017 Decision Point: alternative approach to new provision

74. By early 2017 (following detailed work by the project team) we should know for certain whether the independent sector is willing and able to invest in the care home at Burnholme. The plan allows for a decision to be made at this point for the Council to fund the construction of the Burnholme care home as an alternative to independent sector investment.
75. At this decision point we will know the real (rather than estimated) cost of construction and this could make Council capital investment attractive. The business plan and financial model demonstrates that this decision would increase required capital borrowing to £6.5m and reduce the 25

year revenue saving to £5.9m; no capital receipts would be generated. However, based on current assumptions in the financial model this option would still be affordable and can be delivered within the financial parameters set down for the Programme. Further detailed analysis of the figures will follow as the Programme progresses and we will keep Members fully briefed of any significant changes that impact on the affordability of the project.

76. At this decision point the Council will also consider an alternative option which would be to invest in the Haxby Hall site and also buy more beds from the independent sector. This would be achieved by re-modelling, extending and incrementally re-developing Haxby Hall to achieve a 48 bed residential care home and purchasing up to 37 beds in the independent sector. At the same time the Council would seek a partner to assist with the operation of Haxby Hall. Once more this option is affordable within the financial parameters set down for the Programme: it would generate a £6.2m saving over 25 years but require capital borrowing of £2.6m and no capital receipt would be forthcoming.

#### Moving forward with the Burnholme Health and Wellness Campus

77. The original Option Appraisal, which was considered by Executive in July 2014, has been reviewed, particularly in light of the decision in March 2015 to incorporate the residential care home into a more holistic and integrated vision for the site. All stakeholders and partners have reaffirmed their commitment to the redevelopment of the site, which was also widely supported by local people during consultation in early 2015.
78. The previous proposal for Burnholme (approved by Executive in July 2014) was for a partial refurbishment of the existing school buildings, providing flexible accommodation for community and third sector organisations, as well as for sports and active leisure, and for a new build primary health care development for GP and other healthcare services. The additional elements to consider following the termination of the original OPH procurement process is to provide for housing on the site previously earmarked for the OPH and integrate the new care home into the wider development. This will have the added advantage of providing income to fund those areas identified for community use. A capital receipt is expected to be generated from the release of the current Tang Hall Explore Library which could be used to fund community facilities at Burnholme, should the library move.

79. Some initial “soft” market testing indicates that the development as described should attract private sector interest subject to the following caveats:

- minimal abnormalities off site;
- no design creep from refurbished to brand new buildings on the community side;
- upgrading sports facilities - standard and extent to be realistic;
- maximising the housing offer (but excluding the 4.3 hectares of playing fields, area B on the plan);
- commitment from NHS England/CCG and/or appropriate provider to GP services to rent/lease/buy the GP accommodation;
- commitment from the Explore Library service to the revenue costs of accommodation provided for Explore library and reading cafe;
- commitment to block purchase some beds within OPH element; and
- minimal or no capital receipt to the Council for land (cross subsidises scheme because of risks on community space etc).

80. A specification is currently being developed to include the Council’s detailed requirements. The preferred option would be to procure a development partner through an existing OJEU-compliant procurement framework. This approach will expedite the procurement process and thus delivery, though the decision as to how to proceed will be subject to scrutiny by colleagues in legal and procurement departments, to ensure that the framework used is fit for purpose. There are alternative approaches to this procurement route and these are currently being considered by legal and procurement colleagues.

81. In parallel, we have held discussions with neighbouring schools to ensure that their needs for outdoor curriculum areas are met and as a result have lodged a submission to the Secretary of State to remove the “playing field” designation from disused and surplus land of 1.515 ha (area C on the plan). This allows the land to be integrated into the wider development. Failure to secure this approval is a significant risk to the delivery of this element of the Programme and is highlighted in the list of Programme risks.

## **Consultation**

82. The portfolio holder for Adult Social Care and Health is responsible for this Programme and will receive regular briefings and updates on its progress to ensure that it is delivered in a timely and effective manner.
83. The Executive will receive regular written updates on the Programme, charting the achievement of key milestones and outcomes.
84. The Health and Adult Social Care Policy and Scrutiny Committee will scrutinise delivery of this Programme and assess and monitor its impact upon the other key strands of the Adult Social Care Transformation programme.
85. The Health and Wellbeing Board will also be kept fully informed.
86. Whatever, and whenever, the announcement regarding the closure of individual Council run OPHs it will be important to follow the approach that has served us well throughout the programme: delivering sensitive messages in a careful, well managed sequence:
  - i. Briefing key external stakeholders who have been actively involved to date (e.g. Age UK York and York Older People's Assembly).
  - ii. Briefing OPH Managers/staff & Care Management colleagues.
  - iii. Updating OPH residents/relatives.
  - iv. Updating all other stakeholders, including NHS commissioner and provider organisations.
  - v. Media briefing.

## **Community Engagement**

87. The Council is sensitive to and aware of the concerns of older people/relatives/stakeholders about the closure of their existing OPH and will work with them to ensure that the moves/closures are handled sensitively.
88. As the Programme audience is diverse, it will be difficult to communicate to all of them with one method of communication. The target audience will therefore be broken down into smaller groups that can be targeted separately with tailored, accessible and consistent messages.

89. A Communications Strategy has been drafted which provides a framework for that communication over the period May 2015 – May 2016. The strategy is a working document and will therefore be regularly updated and reviewed throughout the lifespan of the project (2015-2018) to reflect the progress of the project, proactive communication opportunities and any required reactive communications.
90. The OPH Reference Group, comprising representatives from York Older Peoples Assembly, York Council for Voluntary Service, AgeUK York and others, will be revived and will work with the Council to guide this Programme as it moves forward.

### **Council Plan 2015-2019**

91. The proposals work towards achieving the following Council plan priorities:
- **A prosperous city for all** - where local businesses can thrive and residents have good quality jobs, housing and opportunities.
  - **A focus on frontline services** - to ensure all residents, particularly the least advantaged, can access reliable services and community facilities.

### **Implications**

#### **Financial**

92. The table below shows the high level financial appraisal to secure:
- 90 high needs extra care places;
  - an independent sector built and funded care home at Burnholme (with up to 55 beds for Council use); and
  - purchase 30 residential care beds in the independent sector.

Table: High Level financial appraisal of the Programme

(figures in £000)	2015/16	2016/17	2017/18	2018/19	2019/20 – 2023/24	ongoing
Project costs	3,858	3,576	3,278	3,601	2,801	2,801
Budget	3,554	3,354	3,354	3,354	3,354	3,354

(figures in £000)	2015/16	2016/17	2017/18	2018/19	2019/20 – 2023/24	ongoing
Cost/(saving)	304	222	(76)	247	(553)	(553)
Venture Fund repayment	0	0	0	0	269	0
Yearly saving	0	0	(76)	0	(284)	(553)
Venture fund paid back by:						2023/24
Overall 25 year project saving						£9.6m

\*the venture fund covers the shortfall in 15/16, 16/17 and 18/19 with repayments starting in 19/20 when Programme savings start to materialise.

93. The Programme is forecast to deliver annual savings of £284k per annum from 2019/20 rising to £553k by the end of 2023/24 and £9.6m over 25 years. Further detailed analysis will follow once more detail is known about the delivery model, the procurement route and the funding streams. The figures set out in this section below have been based on a number of assumptions which may be subject to change as the Programme progresses. We will keep Members informed of any significant changes.
94. This option would require early-year's investment of up to £1.2m which will be incurred prior to any revenue savings being delivered. This would be paid back within 8 years of the Programme starting. Members are asked to approve funding of this early year's investment from the Venture Fund.
95. The Programme realigns the current care population by planning to reduce the number of customers in residential care whilst increasing numbers in Extra Care schemes. Residential care is approx £170 more expensive per week than Extra Care.
96. Capital receipts of £3.6m are anticipated from the sale of:
- Fordlands Road OPH;
  - Grove House OPH;
  - Haxby Hall OPH;
  - Morrell House OPH;

- Oliver House OPH;
- Willow House OPH;
- Windsor House OPH; and
- Woolnough House OPH.

97. These receipts are to be ring fenced to support this Programme. They could be used to support other Council priorities should the Programme not require this funding,
98. The site of Oakhaven OPH, at nil capital value, will also be used to achieve the outcomes of the Programme.
99. The capital costs of the new builds at Glen Lodge and the new Extra Care scheme in Acomb will be funded from HCA or other grant and rental income over 30 years. There is discussion over whether the initial borrowing will be General Fund or Housing Revenue Account and this will be resolved before adding the item to the Capital Programme.
100. The project assumes £100k capital will be needed to make the existing facilities at Glen Lodge and Marjorie Waite Court fit for purpose. There is also £350k investment modelled for a health hub at the new Extra Care scheme in Acomb which delivers social care and health outcomes and which, therefore, cannot be met from rental or grant income.
101. The revenue costs associated with the 24/7 care staffing of the new Extra Care scheme in Acomb are included in the model. The schemes' running costs are assumed to be met by the customers' service charges.
102. The financial model has been developed using the following assumptions:
- a. The modelled target price for independent sector beds is higher than the published rate of £460 per week as this is felt to be prudent and takes account of care delivered to more complex customers.
  - b. No provision has been made to increase all independent residential care bed rates. It would cost £387k per annum to increase all other placements and as the Council is currently working on a Fair Price for Care review any changes in our published rate will be driven by that review.
  - c. The target hourly rate for domiciliary care is priced at market rate and/or the cost of in-house provision with the assumption that a

proportion of the total cost is met by customer income, as is the current approach to budgeting for such services.

103. Extra Care will be developed in 3 ways: increasing the provision at Auden House (an independent sector scheme), refocusing the provision in Council run schemes and building a new Extra Care scheme in Acomb. There is already a contract and plan in place to implement the changes at Auden house. Additional staffing needed to support high needs customers at Glen Lodge and Marjorie Waite Court have been costed using the current hourly rate of service.
104. Twenty high needs placements are being created at the new Extra Care facility in Acomb and the support for these has been costed at slightly more than the Auden House scheme as the needs profile of those customers is not yet known.
105. Programme management costs are included in the financial model and are as follows:

Table: Programme Management Costs

(figures in £000)	2015/16	2016/17	2017/18	2018/19
Staffing	279	269	269	138
Public consultation	40	27	20	20
Professional & Procurement costs	210	50	50	25
Total cost	529	346	339	183
<i>... of which charge to revenue</i>	<i>87</i>	<i>64</i>	<i>57</i>	<i>33</i>
<i>... of which charge to capital</i>	<i>442</i>	<i>282</i>	<i>282</i>	<i>150</i>

106. The majority of the Programme management costs can be charged to capital as the work undertaken will result in an asset being created or enhanced. This will be funded from the Adult Social Care Capital grant which has been accruing over the last few years to support this project.

Options regarding care home investment

107. The preferred Programme is contingent on the appetite of the independent sector to invest in the building of a new care home at Burnholme. We will know whether this is possible in 2017 (see



paragraphs 74-76 above). If that appetite to invest is not present the Council plan to explore two alternative options:

- i. The Council to invest up to £10m in the care home at Burnholme.
- ii. The Council to invest up to £5.2m in new and/or revamped care provision at Haxby Hall and purchase additional beds in the independent sector.

108. Both of the alternative options are affordable based on current assumptions, as the table below illustrates:

Table: Invest in Burnholme

(figures in £000)	2015/16	2016/17	2017/18	2018/19	2019/20	ongoing
Project costs	3,838	3,566	3,600	4,183	3,000	3,000
Budget	3,554	3,354	3,354	3,354	3,354	3,354
Cost/(saving)	284	212	246	829	(354)	(354)
Cumulative cost	284	496	742	1,571	1,217	863
Investment paid back by:						2023/24

Table: Invest in Haxby Hall

(figures in £000)	2015/16	2016/17	2017/18	2018/19	2019/20	ongoing
Project costs	3,838	3,452	3,070	3,346	3,054	3,054
Budget	3,554	3,354	3,354	3,354	3,354	3,354
Cost/(saving)	284	98	(283)	(8)	(300)	(300)
Cumulative cost	284	382	99	91	(209)	(509)
Investment paid back by:						2019/20

109. Should either of these options be pursued then the cost of use of the Venture Fund will be factored in, the net effect being minimal, as is the case with the current Programme.
110. The capital investment assumptions in both cases are based on calculations undertaken by advisers in 2011 and up-rated by 20% to take account of build-cost inflation. Further, in both cases the estimated capital spend includes a 15% contingency.

Financial Risks and mitigations

111. There are several financial risks associated with the Programme that could impact on the financial viability of the project; mitigations have been identified:
- i. The ability to secure beds at Burnholme up to the target rate.
    - ✓ This risk will be mitigated by the use of competitive procurement.
  - ii. The ability to use the places at Burnholme to lever and limit the costs with other providers we contract with.
    - ✓ This risk will be mitigated by promoting the provision of additional residential care provision in the city (including Red Lodge, the Chocolate Works and elsewhere) and via use of the Fair Price for Care review, which is currently underway.
  - iii. The construction costs for the Burnholme site are unknown.
    - ✓ External advisers indicate that the proposals are viable, we have good insight into the cost of building and running health facilities and the estimated costs of the new care home are based upon previous estimated, uplifted for inflation and containing a 15% contingency provision.
  - iv. The ability to move/redirect people from residential to Extra Care.
    - ✓ This risk will be mitigated by working with care assessment colleagues and following good practice from other authorities, including North Yorkshire County Council where moves from residential care to Extra Care have been successful.
  - v. The ability to redirect customers with no care needs out of Extra Care schemes.

- ✓ This risk is mitigated by making modest assumptions about the numbers of places which become available in existing Extra Care provision and by opening up dialogue with individual customers about suitable alternative housing choices.

112. The Programme is financially robust in light of cost inflation. We have tested it in light of several possible scenarios. In each case the Programme still achieved savings by the fifth year although in respect to increases in the cost of staff change, it takes longer to pay off the initial costs. The results are shown below:

Table: 5% increase in external residential care

(figures in £000)	2015/16	2016/17	2017/18	2018/19	2019/20	ongoing
Cost/(saving)	304	232	(67)	247	(477)	(477)
Cumulative cost	304	536	469	716	239	(238)
Investment paid back by:						2020/21

Table: 5% increase in Extra Care domiciliary costs

(figures in £000)	2015/16	2016/17	2017/18	2018/19	2019/20	ongoing
Cost/(saving)	324	264	(19)	311	(472)	(472)
Cumulative cost	324	587	568	880	408	(63)
Investment paid back by:						2020/21

Table: 5% increase in programme management costs

(figures in £000)	2015/16	2016/17	2017/18	2018/19	2019/20	ongoing
Cost/(saving)	308	235	(63)	247	(553)	(553)
Cumulative cost	308	543	480	727	174	(379)
Investment paid back by:						2020/21

Table: 50% increase in cost of staff change

(figures in £000)	2015/16	2016/17	2017/18	2018/19	2019/20	ongoing
Cost/(saving)	354	307	8	547	(553)	(553)
Cumulative cost	354	661	669	1,216	663	110
Investment paid back by:						2021/22

113. A high level transition plan has been used to develop the financial model (attached at **Annex 3**). A more detailed transition plan will be prepared after consultation with each individual home.

114. The business case for the Health and Wellness Campus at Burnholme will be brought to Executive in the autumn to agree the preferred approach to the development of Burnholme site including residential care provision. This will include consideration of the capital receipt from the release of the current Tang Hall Explore Library site.

### **Equalities**

115. In considering this matter the Council must have regard to the public sector equality duty. In summary, those subject to the equality duty must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equalities Act 2010.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

116. The Equalities Act 2010 explains that having due regard for advancing equality involves:

- Removing or minimising disadvantages suffered by people due to their protected characteristics.
- Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.

- Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low

117. An Equality Impact Assessment for the Housing for Older Persons Programme was produced for the 15 May 2012 Executive Report. It particularly highlighted the potential implications of the programme for the health, security and wellbeing of frail residents and also female members of staff who are older and also carers themselves.
118. In response, the Council developed and followed a 'Moving Homes Safely' protocol which it followed when (in the first phase of the Programme) it closed Fordlands and Oliver House in March 2012, to ensure that residents' moves to their new homes were as well planned and carefully managed as possible. Likewise, careful management of staff change helped to mitigate the impact of these closures. The approach to the new Programme will be guided by these experiences and careful attention to the needs of the individuals involved.
119. An OPH Wider Reference Group has been established to act as a sounding board for the development of plans as the implementation of the Programme unfolds. The project team also continues to use established channels to communicate with, and gather the views of, OPH managers and staff, care management staff, and Health colleagues.

## **Property**

### Existing Older Persons' Homes and proposed OPH sites

120. Our intention is to re-provide accommodation for older people who have care needs so that we are able to close or convert existing OPHs. Two homes have already closed (Oliver House and Fordlands) and the Council is currently reviewing bids to purchase the Oliver House site.
121. The Council currently own and manage seven OPHs: Grove House, Haxby Hall, Morrell House, Oakhaven, Windsor House, Willow House and Woolnough House.
122. The order in which homes should close will be determined following consultation with residents and their family/carers, with staff and with other stakeholders. We will also be guided by property investment decisions such as the condition of the existing building, opportunities for redevelopment of the site subject to any planning constraints and market conditions and demand.

123. York's current OPHs are old (built in the 1960's) and increasingly not equipped to meet modern day needs and expectations; for example, only 31 of the 225 beds have ensuite facilities. Despite best efforts to invest and the dedication of staff, it is right to seek to replace them.
124. While current Care Quality Commission inspections identify satisfaction with current standards it is probable that future changes in standards may make some homes obsolete and/or necessitate significant investment.
125. As a forward thinking authority, it is imperative that we ensure that we have a viable and deliverable programme, which pre-empts the further inevitable decline of these facilities and maintains a quality of service, which our residents rightly expect.
126. A phased replacement of OPHs is proposed with the first to go in late 2015/16 and some still remaining in use until 2018. It is necessary to keep up with essential maintenance during this period in order to keep homes safe and comfortable. This is to be funded from the existing revenue budget.
127. If there is no requirement to reuse vacant OPH sites then the sites will be sold and used to fund the project.

#### Glen Lodge Extension

128. Land beside Glen Lodge on Sixth Avenue was previously occupied by the Heworth Lighthouse project. They have moved out and the site is available for re-development. This land will be used to assist and facilitate the extension of Glen Lodge.

#### Burnholme Health & Wellness Campus

129. No capital receipt is expected from the school site and the Asset & Property Management team are actively involved in the development of the business case for this project.

#### Lowfields

130. A capital receipt is expected from the site as per the assumed receipt in the capital programme.

#### **Legal**

131. The procurement issues relating to the Programme can be summarised as follows:

- Procurement of capital works and/or extensions to current Council Sheltered Housing with Extra Care fits within the Council's normal approach to the procurement of capital works and subject to the necessary due diligence on the existing sites and confirmation of title/related property issues is, therefore, considered to be relatively low risk.
- Procurement of new Extra Care facilities in partnership with Housing Association partners and/or developers supports the Council's strategic housing obligations and may be able to be procured via existing procurement routes or frameworks. This will need to be considered in more detail in due course.
- The purchase of care beds from independent sector providers reflects current Council practice and it is considered to be relatively low risk.
- The development of the Burnholme site is a complex project given the range of partners involved and the outcomes expected. The procurement and legal structure are yet to be determined and will require further consideration prior to presentation of the business case for the Burnholme redevelopment to Executive in autumn 2015. There are a number of different procurement routes (including pre-existing frameworks) available depending on the final structure/details of the scheme. The various options will need to be subject to further review and scrutiny before a firm decision is made.

132. The consideration of the closure of existing council run OPHs should follow a clear and consultative path. There are a number of potential challenges to local authorities during the process of closing OPHs which will need to be considered in more detail in due course. Previous advice is held and this will be updated by specialist legal colleagues in Adult Social Care.

### **Human Resources**

133. The HR implications of the Housing for Older Persons' Programme have been considered in previous Executive Reports. The key implication is upon the existing 270 staff that deliver the service.

134. The recommended Programme includes a variety of methods of delivery of modernised care for Older Persons within the city which is appropriate to their needs and enables more independent living. In delivering this programme of change, the Council will need to consult closely with the

existing staff to ensure that, where there are opportunities, they are available to appropriately qualified staff, who wish to stay in employment.

135. A draft workforce plan is being developed with its purpose being to ensure that services have the right people with the right skills in the right places at the right time to deliver the right services in the right place.
136. In supporting the re-provision of the Older Persons' Accommodation consideration must be given to the impact on staff currently working in the OPHs whilst at the same time planning for the transition to the new service model.
137. In planning for the future we need to factor in the following:
  - a. develop a more structured approach to the ad hoc requests for voluntary redundancy being submitted at present;
  - b. demographic and social changes, such as an aging population which affect both demand for services and workforce supply;
  - c. minimise skills gaps and staff shortages so that during the life of the project we will not be reliant on temporary/agency staff; and
  - d. identify the people, skills and competencies required in the future by supporting values based recruitment ensuring we attract the right people in the right numbers going forward.
138. The timescales involved in achieving the transformed service delivery will impact the workforce and determine what action is required from an employment perspective at each of the project's key milestones.
139. We already know that the service re-provision could include replacement of the seven OPHs. This will include dispersal of some residents in to alternative provision whilst other closures will involve the transfer of all residents to different providers in newly built facilities. The latter option may afford staff in those homes employment rights under the Transfer of Undertakings Protection of Employment (TUPE) Regulations, as amended in 2014. The estimated cost of any potential TUPE transfer and/or associated redundancy costs have been factored into the financial modelling in relation to the Programme.
140. When we know the programme of closure full and formal consultation will commence with affected staff groups.



141. We will also explore requests for early voluntary severance and movement between homes in order to minimise any impact on staff during the programme of change.

142. In addition we will identify workforce gaps elsewhere in the social care sector and enable appropriate recruitment initiatives to secure the future workforce.

### Other Implications

143. There are no specific Crime and Disorder, Information Technology or other implications arising from this report.

### Risk Management

144. The Programme described in this report has a lower risk profile than the previous procurement, primarily because there are several different routes adopted, and they follow, with the exception of the Burnholme development, tried and tested approaches. However, there are still many risks associated with change of this complexity; these have been identified, will be kept under review and will be carefully managed:

ref	Risk	Mitigating Action
a)	Options for accommodation for older people do not match the expectations and aspirations of the current residents of York's Older Persons' Homes.	A wide range of options are made available and current residents are supported to assess these against their needs and wishes.
b)	Those with high care needs and their carers/advisers/assessors do not recognise Extra Care accommodation as suitable because there are limited examples in York of this type of accommodation and the care pathways are unclear.	Establish clear and robust care pathways to Extra Care and explain to those with high care needs and their carers/advisers/assessors how Extra Care operates, how it can be a flexible model for those with high care needs and how it operates in other towns as a viable alternative to residential care.

ref	Risk	Mitigating Action
c)	The existing sites do not realise the anticipated level of capital receipts included in the financial model.	Work closely with partners & the Council property team to maximise capital receipts. Agreement needs to be reached as to whether the full capital receipt from the sale of Oliver House can be allocated to this project in order to assist with cash flow in the financial plan. A receipt of this size, achieved early in the project, will help considerably to mitigate this risk.
d)	Insufficient funding to deliver all elements of the project.	The Programme financial model has been robustly tested and assumptions examined. There will be regular reviews of the Programme to ensure that it remains affordable and alternative options for the Programme have also been costed and are affordable.
e)	Title / related property issues - Incorrect procurement of capital works and/or extensions to current Council Sheltered Housing with Extra Care	Applying due diligence to ensure Council's normal approach to procurement of capital works and/or extensions is applied and that title and property issues are handled well.
f)	Inadequate third sector / independent care provider supply of residential care facilities suitable for people with high dementia and/or physical dependency needs	New provision is already the subject of two planning applications, demonstrating the interest from the independent sector to invest in new residential and Extra Care provision. Third sector and independent care providers will need to be encouraged and supported to

ref	Risk	Mitigating Action
		increase their supply of residential care facilities with high dementia and/or physical dependency care needs in York. The Council will need to identify and address any legal and procurement issues surrounding its use of appropriate grants.
g)	Increase in interest rates would impact negatively on borrowing.	An interest rate sensitivity test has been run against the proposed Programme and it remains affordable.
h)	Risk of the new developments/deals driving up the price the Council pays to external residential care providers	Undertaking negotiations with Independent providers.  Do not “flood” the market with purchase requirements before effort is made to increase supply.
i)	Project does not deliver the right number and type of care places required.	Modelling of predicted care levels to look at effect of the provision of different numbers of care places by type.
j)	Loss of EPH staff morale leading to negative impact on service provided to existing EPH residents	Maintain staff morale and focus through regular, open and honest briefings/updates; engagement through OPH Managers and staff groups; investment in staff training, support and development.
k)	The cost of any potential TUPE transfer and/or associated redundancy is greater than estimated.	The financial model has been “stress tested” to assess the impact of a 50% increase in the cost of staff change and is still viable.

ref	Risk	Mitigating Action
		Staff change will be managed carefully in order to minimise cost and legal risks.
l)	Challenge and negative publicity from existing EPH residents and relatives, EPH staff/TUs, other stakeholders, opposition parties, wider public	Development of well planned Communications approach through briefings to Residents and relative, Executive, group leaders, TUs, OPH Management & Staff, OPH Review Wider Ref Group, Media
m)	Lack of appropriately trained staff to deliver the type and quality of care required i.e. Dementia and high dependency care	Deliver a workforce plan based on best practice and identify service development programme
n)	Domiciliary care providers are not able to provide the additional 24 hours support at Glen Lodge or Marjorie Waite Court and/or are unable to provide it for a price that is affordable.	24 hour provision was secured at Auden House and at an affordable price, This sets the benchmark. We will consider use of the Council domiciliary care service for Glen Lodge and Marjorie Waite Court and test their costs and availability against what other providers can deliver.
o)	A partner cannot be found to provide the new Extra Care facility in Acomb.	We will consider offering land at nil value to facilitate this development and make use of an appropriate procurement framework in order to seek a suitable partner.
p)	Burnholme: Secretary of State does not give approval for disposal of redundant playing field	Partnership working with local schools to ensure that requirements for playing fields are addressed via access to existing

ref	Risk	Mitigating Action
		facilities. No significant expenditure on this element of the project will take place until consent is granted.
q)	Burnholme: NHS Provider organisations are not able to commit to long term lease due to relatively short term contracts (usually up to 5 years). Commissioning bodies therefore need to 'underwrite' by guaranteeing to mandate the premises within their tenders / contracts.	Early engagement with CCG as commissioning body. Identification of health partners who are able and willing to make longer term financial commitments, such as GP practices.
r)	Private sector not attracted by financial viability of the Burnholme scheme due to extent of Council requirements.	Soft market testing/"socialising" the scheme with potential bidders and engagement of a Development Partner who is motivated to drive up interest.
s)	Burnholme commercial delivery model - Need to procure elements of the whole site through differing commercial models negatively affecting the coherence of the whole site vision.	The brief for the Development Partner will set out clearly what outcomes the Council requires but will also afford them some flexibility to seek out and propose the most effective solution for the site.
t)	Inability to secure planning permission for Burnholme development of suitable size for financial viability	Site master planning and pre-submission engagement.
u)	Insufficient interest from third sector in organising activities from the Burnholme site	Support existing tenants and encourage additional activity in current facilities.

ref	Risk	Mitigating Action
v)	Burnholme construction costs exceed pre-tender estimates	Secure qualified technical advice when considering financial modelling, anticipate need for value engineering.
w)	Site utilities supply complexities leading to escalating costs at Burnholme	Early understanding of existing supply and future requirements; Technical advice.

### Contact Details

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		<b>Report Approved</b>	✓	<b>Date</b>	20 July 2015
<b>Specialist Implications Officer(s)</b> Legal – Ruth Barton (Ext 1724) Finance – Debbie Mitchell (Ext 4161) and Steve Tait (Ext 4065) Property – Philip Callow (Ext 3360) and Ian Asher (Ext 3379)					
<b>Wards Affected:</b> <i>List wards or tick box to indicate all</i>					<b>All</b> ✓
<b>For further information please contact the author of the report</b>					

### Background Papers

Care and Support Specialist Housing Fund, Homes & Communities Agency, February 2015.

Primary Care Infrastructure Fund, NHS England, January 2015.

Integrated Operational Plan: 2014-2019, Vale of York Clinical Commissioning Group, 2014.

Supported Housing Strategy: 2014-2019, City of York Council.

Positive Ageing, Housing Choices: Older People's Housing Strategy 2011-2015, City of York Council.

### Annexes:

**Annex 1** – The Need for Accommodation with Care

**Annex 2** – Programme Timeline

**Annex 3** – Transition Plan

**Plan A** – Burnholme site

**Plan B** – Lowfields site

References to relevant Executive reports can be found in **Annex 2**.

**Abbreviations:**

HCA – Homes & Communities Agency

HRA – Housing Revenue Account

JRHT – Joseph Rowntree Housing Trust

NHS – National Health Service

OJEU – Official Journal of the European Union

OPH – Older Persons' Home, previously referred to as – Elderly Persons' Homes

TUPE - Transfer of Undertakings (Protection of Employment) Regulations 2006, as amended by the 2014 amendment regulations

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## The need for Accommodation with Care

1. For older people it is recognised that having adequate accommodation is fundamental for dignity and security. Having access to appropriate accommodation with care underpins health and well-being and is the cornerstone to the delivery of sustainable NHS and social care services. York's older residents want to remain living independently in their own home for as long as they can and, if they must move, want choice over where to live to receive care.

### Population change

2. York's older population is growing and is estimated to increase by 50% between 2014 and 2030. As the 75+ population is growing, so is the incidence of limiting long term illness and complex needs; the incidence of dementia, for example, will increase by 59%.

	2014	2015	2020	2025	2030
<b>75+ population</b>	<b>17,200</b>	<b>17,600</b>	<b>19,600</b>	<b>23,500</b>	<b>25,800</b>
% change		+2%	+11%	+20%	+10%
		2014 to 2030 = +50%			
<b>Predicted to have dementia</b>	<b>2,266</b>	<b>2,313</b>	<b>2,579</b>	<b>3,109</b>	<b>3,606</b>
% change		+2%	+12%	+21%	+16%
		2014 to 2030 = +59%			

### Inadequate provision

3. The Council owned OPHs are no longer fit for purpose; the buildings place limits on the quality of care that we can provide with a consequent impact on the quality of life for our residents.
4. Just 31 of the 225 bedrooms have en-suite facilities and therefore dignity and privacy are difficult to ensure.
5. The Council's seven OPHs are small and therefore it is not possible to achieve the efficiencies in staffing which can be delivered in the larger facilities.

6. The OPHs have both a repairs and maintenance “backlog” and, as they were built in the 1960s and 1970s, will soon be due for a major re-fit including heating, electrics, lifts, kitchens, etc. Investment is not recommended in buildings which are, in terms of layout and size, neither practically nor financially viable.
7. Only one of the existing homes – Haxby Hall [Haxby & Wigginton ward] – sits on a site big enough to warrant extension and re-furbishment as a modern residential care home.
8. A key consideration is that it is not possible to achieve “dual registration” for the Council care homes; they remain residential care homes only. Independent sector providers now habitually seek registration for both residential and nursing care which enables the integration of care pathways between health needs and social care needs, which achieves efficiencies and, most importantly, ensures that residents do not have to move once they reach the stage of needing nursing care.
9. York performs well in keeping people out of residential care and therefore sustains a “run-rate” of provision which is c70% less than national benchmarks. But even with this good performance, the growing population demands additional residential care provision.
10. York’s supply of Extra Care [sheltered housing with 24/7 on-site domiciliary care support] is inadequate: the city falls far short of supply to meet demand and all of the current provision is for social rent while 80% of the city’s over 75s own their own home.
11. There is currently a mis-match between use and need within York’s older person’s accommodation: some people are currently living in Sheltered Housing with Extra Care who could/should really be accommodated in general needs, age related, housing; some who live in residential care could be accommodated in Extra Care housing. The Programme is focused upon increasing the supply of suitable accommodation so that residents can move to that which is best suited to their needs. At the same time, this gives us the opportunity to replace residential care homes that are no longer fit for purpose.
12. A further benefit of the Programme is that it frees up family housing for re-use.
13. The Council needs to work in partnership with a range of providers to increase the provision of extra care housing, age related housing and residential care accommodation. Our aim is to see the delivery of c300 net additional units of accommodation by 2020.

		2011	2014	2020	2030
Estimated Demand based on national benchmarks	Residential Care		1,936	2,156	2,828
	Extra Care		440	490	645
Current provision	Residential Care		1,385		
	Extra Care		270		
Shortfall in provision	Residential Care (at 70% run-rate)		-30	-124	-595
	Extra Care		-170	-220	-375

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## Programme Timeline

Date	Key Milestones and Decision-Making Points																											
19 July 2011	<p>Report to Executive by the Member for Health, Housing and Adult Social Services. Formal commencement of programme with Executive decision to proceed to 3 month consultation on five options presented which were:</p> <p><i>Option A - Taking no action and retain current operating model and provision</i></p> <p><i>Option B - Extend and refurbish</i></p> <p><i>Option C - Purchase all or an increased proportion of beds from the Private Sector</i></p> <p><i>Option D - Council fund, build and operate four new care homes providing 200 beds across 3 sites (Fordlands (55 beds), Haxby (55 beds), Lowfield (2 x 45 beds with care village concept).</i></p> <p><i>Option E - Council enters a partnership with a developer/operator to fund, build and operate four new care homes (sites as above).</i></p>																											
Aug-Nov 2011	Full public and stakeholder consultation																											
1 Nov 2011	<p>Report to Executive by the Member for Health, Housing and Adult Social Services. Results of consultation and proposed a programme of closures and new builds in three phases, supported by a further consultation period on proposed closures of Oliver House and Fordlands.</p> <table border="1" data-bbox="432 1267 1422 1827"> <thead> <tr> <th data-bbox="432 1267 751 1312"><b>Phase 1</b></th> <th data-bbox="751 1267 1118 1312"><b>Phase 2</b></th> <th data-bbox="1118 1267 1422 1312"><b>Phase 3</b></th> </tr> </thead> <tbody> <tr> <td data-bbox="432 1312 751 1357"><b>April 12</b></td> <td data-bbox="751 1312 1118 1357"><b>April 14</b></td> <td data-bbox="1118 1312 1422 1357"><b>April 15</b></td> </tr> <tr> <td data-bbox="432 1357 751 1402"><i>Oliver House closes</i></td> <td data-bbox="751 1357 1118 1402"><i>Lowfield Village opens</i></td> <td data-bbox="1118 1357 1422 1402"><i>New Haxby Hall opens</i></td> </tr> <tr> <td data-bbox="432 1402 751 1447"><i>Fordlands closes</i></td> <td data-bbox="751 1402 1118 1447"><i>New Fordlands opens</i></td> <td data-bbox="1118 1402 1422 1447"><i>Grove House closes</i></td> </tr> <tr> <td></td> <td data-bbox="751 1447 1118 1491"><i>Haxby Hall closes</i></td> <td data-bbox="1118 1447 1422 1491"><i>Woolnough closes</i></td> </tr> <tr> <td></td> <td data-bbox="751 1491 1118 1536"><i>Oakhaven closes</i></td> <td></td> </tr> <tr> <td></td> <td data-bbox="751 1536 1118 1581"><i>Windsor House closes</i></td> <td></td> </tr> <tr> <td></td> <td data-bbox="751 1581 1118 1626"><i>Morrell House closes</i></td> <td></td> </tr> <tr> <td></td> <td data-bbox="751 1626 1118 1671"><i>Willow closes</i></td> <td></td> </tr> </tbody> </table>	<b>Phase 1</b>	<b>Phase 2</b>	<b>Phase 3</b>	<b>April 12</b>	<b>April 14</b>	<b>April 15</b>	<i>Oliver House closes</i>	<i>Lowfield Village opens</i>	<i>New Haxby Hall opens</i>	<i>Fordlands closes</i>	<i>New Fordlands opens</i>	<i>Grove House closes</i>		<i>Haxby Hall closes</i>	<i>Woolnough closes</i>		<i>Oakhaven closes</i>			<i>Windsor House closes</i>			<i>Morrell House closes</i>			<i>Willow closes</i>	
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	<i>Willow closes</i>																											
Nov 11-Jan 12	Further 6 week consultation on proposed closure programme																											
10 Jan 2012	<p>Report to Executive by the Member for Health, Housing and Adult Social Services.</p> <p>Consultation with staff, residents and their families and</p>																											

Date	Key Milestones and Decision-Making Points
	<p>carers on proposal to close Fordlands and Oliver House, including changes to day care services as a result.  Recommendation to close Fordlands and Oliver House and proceed with proposal for phased development outlined in November 2011.</p> <p>The paper also recommended a soft market testing exercise throughout January and February 2012 to obtain more information regarding the Lowfields development in terms of level of interest and funding arrangements with feedback to be provided in April 2012 (see May 2012 Executive meeting below).</p>
March 2012	Fordlands and Oliver House closed
15 May 2012	<p>Report to Executive by the Member for Health, Housing and Adult Social Services</p> <p>Successful homes closure and transition for residents</p> <p>Feedback on soft market testing for Lowfield care village</p> <p>Detailed financial modelling and scenario analysis of four sub-options of original Options D and E</p> <p>Option 4 is recommended and approved for the Council to fund and operate Fordlands and Haxby Hall (later phase) and seek a Partner to design, build &amp; operate the Lowfield Village (Council team can operate).</p>
30 Nov 2012	Decision made public not to proceed at the Fordlands site, identifying Burnholme as a possible alternative site.
19 April 2013	<p>Member Briefing to Cllr James Alexander, Cllr Tracey Simpson-Laing</p> <p>Purpose to discuss and confirm, strategic vision, funding of the programme and procurement approach.</p> <p>Revised proposal for two care homes (162 beds) at Burnholme and Lowfield with community village</p> <p>Significant increase in build costs and highlights potential risk to affordability</p>
4 June 2013	<p>Report to Executive by the Member for Health, Housing and Adult Social Services</p> <p>Proposal on new modernisation programme as per April 2013 briefing. The Council to fund the building of the two new care homes and so retain ultimate ownership of the buildings and the land with care homes designed, built, operated and maintained by an external provider.</p> <p>Approval of new proposal, agreement to the household model, a single procurement under competitive dialogue process for both sites and project costs of up to £500k.</p>
June 2013	Formal procurement commences with 3 interested bidders.

Date	Key Milestones and Decision-Making Points
14 Feb 14	Procurement process paused and bidders advised
March 2014	Council held consultation event on Burnholme opportunity. Officers met with NHS England and the Vale of York CCG and they have expressed interest in the proposals. NHS England indicated that funding is likely to be available for the capital, and some of the revenue, costs associated with the health elements of the development and a new funding round may be available in the summer of this year. Funds may also be available to support feasibility and business case development.
May 2014	Procurement recommences in May 2014.
June 2014	Summary Position Statement to Programme Board highlighting key financial, procurement and timescale risks
July 2014	Record of decision to approve the procurement of a development partner to develop the Burnholme site as a Community Health and Wellbeing Hub.
Sep 2014	Informal meeting held between officers and key Executive Members as part of budget discussions.
Jan 2015	Development of alternative solution initiated by Acting Director of Adult Social Care
10 Feb 2015	Executive agreed 15/16 budget with no uplift to project
15 Mar 2015	Report to Executive by the Acting Director of Adult Social Care Revised proposals presented to Executive, based on creating new Extra Care Housing and reforming the Council's existing ECH stock; building a new care home on the Burnholme site as part of wider health and community facilities; and working more closely with current care providers to deliver more specialist dementia accommodation across the city. Proposal to abandon the current procurement process. Approved by Executive subject to development of business case.
16 Mar 2015	Corporate and Scrutiny Management Committee call-in the decision of Executive on 3 March 2015 and, following examination of the proposals the decision of Executive was confirmed.
25 Mar 2015	Health Overview and Scrutiny Committee Corporate and Scrutiny Management Committee Calling-in

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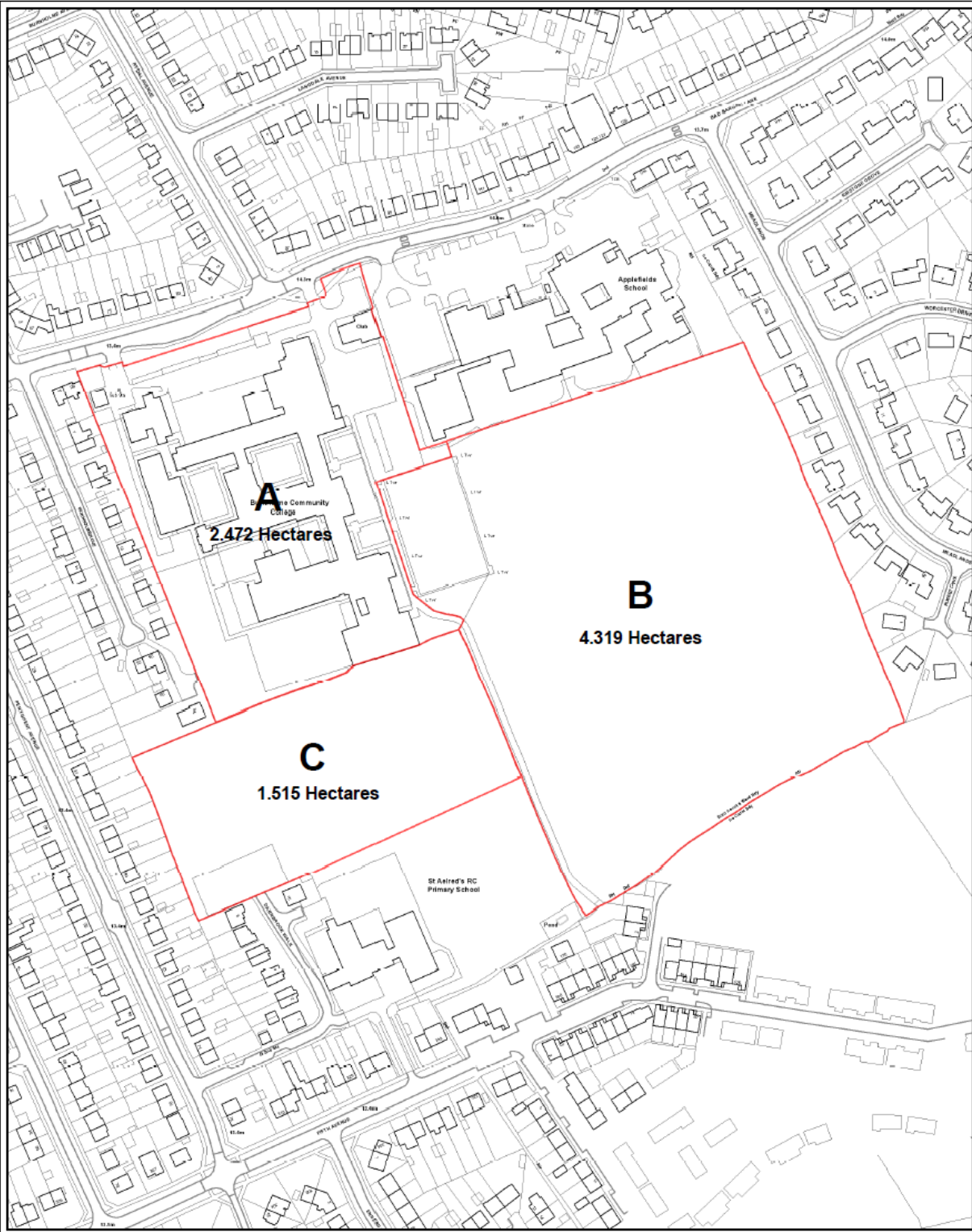
## Outline Transition Plan

## Annex 3

Year		2015/16	2015/16	2016/17	2016/17	2017/18	2017/18	2018/19
Quarter		Q3	Q4	Q2	Q4	Q2	Q4	Q4
<b>New Provision for existing OPH res</b>	<b>Beds</b>							
Auden House	Apr-15	12	3	3	3		3	
Glen Lodge existing	Dec-15	10		3	4		3	
Marjorie Waite Court	Jun-16	5			4		1	
Glen Lodge extension	Dec-17	20				9	9	2
New Extra Care Scheme	Jun-18	5					5	
Burnholme	Nov-18	34					6	28
<b>Independent Sector for existing OPH res</b>								
Chocolate Works (block purchase)	Jan-17	20				9	9	2
Routine vacancies	ongoing	10	4	3	3			
<b>Existing provision used for existing OPH res</b>								
Haxby Hall (48 beds)	ongoing	20	7	7	6			
<b>New Provision for CYC OPH diversions</b>			14	16	17	10	11	11
Auden House	Apr-15	4	3	1				
Glen Lodge existing	Dec-15	7	3	3	1			
Marjorie Waite Court	Apr-16	12			10	2		
Glen Lodge extension	Dec-16	0						
New Extra Care Scheme	Jun-18	15					11	4
Burnholme	Nov-18	21					7	14
Diversion of full payers to ind sector	ongoing	34	8	12	6	8		

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### Plan A: The Burnholme Site



**CBSS**  
*Asset & Property Management*

#### Land at Burnholme

SCALE 1:2,500

DRAWN BY: DH

DATE: 14/04/2015

Originating Group:

**Asset & Property Management**

Drawing No.

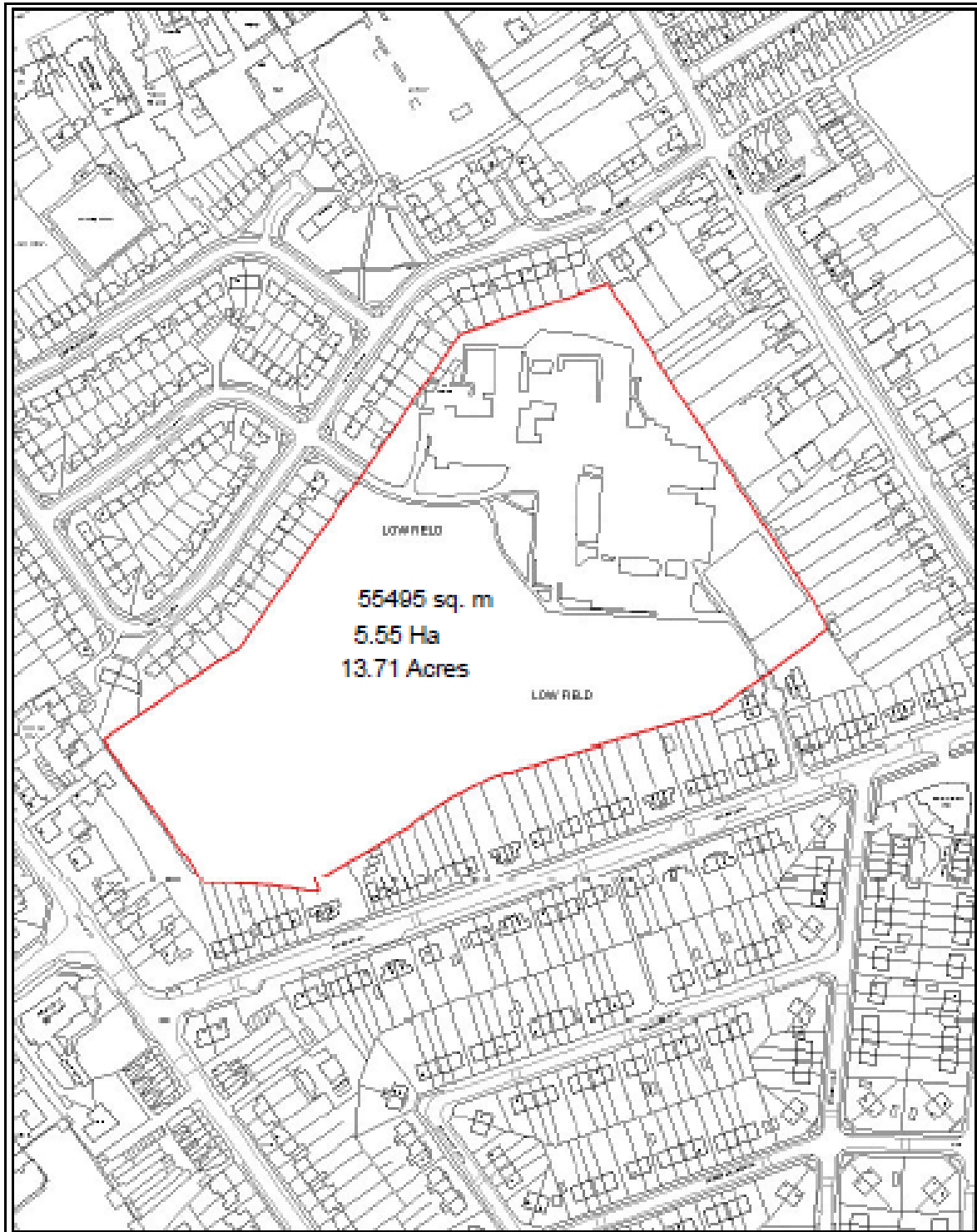
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Plan B: The Lowfields Site



 <b>CITY OF YORK</b> COUNCIL	<b>Former Lowfields School Site</b>		
	SCALE: 1:1000 Drawing Group	DRAWN BY: GJR	
<b>CBSS</b> Asset & Property Management	<b>Asset &amp; Property Management</b>		Drawing No: <b>E00546 6</b>
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