POLICY & RESOURCES COMMITTEE	Agenda Item 127 Brighton & Hove City Council

Subject:		**Developments at Craven Vale**
Date of Meeting:		**24 January 2013** 21 January 2013 – Adult Care & Health Committee 28 January 2013 – Joint Commissioning Board
Report of:		Director of Adult Social Services
Contact Officer:	name:	Jane MacDonald
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Ward(s) affected:		All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

1.1 Craven Vale a Brighton and Hove City Council owned Resource Centre, currently (winter 2012) has 24 community short term service beds, 7 crisis care/planned breaks beds; a current total of 31 beds. This report outlines the proposal and recommendation for an additional 20 bedrooms to give a total of 51 bedrooms at Craven Vale, 44 of these would be Community Short Term beds.

1.2 Proposals outlined in this report are consistent with recommendations in the Short Term Services Strategic review. This is for fewer sites to provide short term service beds across the city.

1.3 The Clinical Commissioning Group Board support the recommendations to develop Craven Vale.

2. RECOMMENDATIONS:

On 21st January the Adult Care and Health Committee were recommended to:

2.1 Agrees to the development of Craven Vale to create an additional 20 bedrooms and to a formal collaboration agreement between the Council and Brighton and Hove Clinical Commissioning Group in relation to the development to enable both parties to fulfil their statutory functions;

2.2 Agrees to delegate power to the Director of Adult Social Services/Lead Commissioner Adult Social Care and Health to sign the collaboration agreement on behalf of the Council; subject to satisfactory terms being agreed;

That the Policy & Resources Committee:

2.3 Notes that the development will be delivered by Property and Design using the Council's existing Strategic Construction Partnership;

2.4 Agree that delegated power is given to the Director of Adult Social Services and Director of Finance and to enter into a building contract with an estimated value of £2.2million.

2.5 Agree that the Craven Vale Development be added to the Capital Programme at a total cost of £2.883m (£1.442m in 2013/14 and £1.441 in 2014/15) to be funded as detailed in paragraph 5.2.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

3.1 Current Service

3.1.1 The community short term service is a joint funded integrated care and health service. Craven Vale currently has 24 community short term service beds, 7 crisis care/ 7 planned breaks beds. This is a current total of 31 beds.

3.1.2 It is proposed that an additional twenty bedrooms are constructed with ancillary areas which would require building another floor. This would make a total of 51 beds. 44 of these beds would be Community Short Term beds.

3.1.3 The development will be managed and contract administered by the Council's Property and Design Team and will be delivered using the existing Strategic Construction Partnership. The Partnership has already been procured through OJEU and has an established track record of delivering projects on time and on budget. The partnering process uses an 'open book' approach which ensures Best Value and will deliver the project in a timely manner as there is no need to go through a traditional tendering process. Use of the Partnership also ties in with the roles and responsibilities associated with Corporate Landlord.

3.1.4 The project includes re-providing Craven Vale day centre. This was reported to Adult Social Care Committee in September 2012 as part of the Day Services Review. Following a decline in numbers over a few years and consultation with existing members it is anticipated that the centre will close at the end of January 2013. The last few members will be moving to Tower House in January 2013.

3.2 Short Term Services Review

3.2.1 The joint Adult Social Care and Health Short Term Services Review has been underway for the last two years. It has made recommendations for current and future service commissioning and a number of reports have been presented to both Adult Social Care Cabinet Member and the Joint Commissioning Board. Many of the proposed changes to the service model have already taken place. These are delivered under the new service name which is the Community Short Term Service, these developments include:

- A joint 'short term' service with an integrated intermediate care and transitional care service working together
- A non means tested service
- An improved prevention of avoidable admissions to hospital and long term residential/nursing care homes

- A more timely discharge from hospital and prevention of avoidable admission
- Streamlined pathways
- Improved user experiences and outcomes

3.2.2 Key to the success of Community Short Term Service is the on going savings to both the Council and Health. A recent National Audit provided evidence that following intermediate care there was a 77% reduction in admissions to long term care, 62% reduction in hospital repeat admissions and 62% reduction in length of stay for certain conditions. *National Audit of Intermediate Care Report 2012*

3.3 Community Short Term beds

3.3.1 The Short Term Services Review recommended that the total number of community short term service beds is reduced in favour of more provision in the community within service user's own homes. The Review also proposed a reduction in the number of sites from which bed based services are delivered, ideally to one site but with a maximum of three. Beds are currently provided in 3 venues, Craven Vale, Knoll House and Highgrove Nursing Home. Following the closure of Newhaven Rehabilitation Centre the number of beds was reduced from 92 to 65. Currently there are an additional 13 extra capacity beds in the system, partly to mitigate the impact of the bed closures and partly to provide additional flexibility in winter.

3.3.2 The Community Short term Beds at Craven Vale and Knoll House are funded jointly by the Clinical Commissioning Group (CCG) and Council. The services are jointly provided by Sussex Community Trust (SCT) and the Council under a section 75 agreement. The CCG also has a separate contract with the Victoria Nursing Home Group for 21 beds at Victoria Highgrove Nursing Home. SCT provide the in reach service to all these bed based services.

3.3.3 The development of the Craven Vale site to provide an additional 20 beds gives the opportunity to reduce the number of sites to two Council owned resource centres. A decrease in sites reduces the length of time spent on travel and thus increases the amount of time staff can spend on service user care.

3.4 Rationale for Developing Craven Vale

3.4.1 The rationale for developing Craven Vale is:

- Craven Vale is a Council owned building that is underdeveloped. Community care analysts Laing & Buisson have developed an 'efficient' care home for older people model. They argue that size is key to efficiency and those homes with fewer that 50 beds are likely to be inefficient http://www.jrf.org.uk/sites/files/jrf/2252-care-financial-costs.pdf
- Public services in the city have a track record of providing quality short term services. Craven Vale has a proven history of delivering a high quality complex service.
- There is a long history of close partnership working between the council and health colleagues. The White Paper, Caring for our future published in July 2012 alongside the draft Care and Support Bill emphasize the importance of joint working. Developments at Craven Vale will build on this integrated model of care.

3.5 Advice on Developing Craven Vale

3.5.1 Legal advice has confirmed that it is possible for public bodies to enter into joint arrangements including the provision of services in order to achieve a goal which they mutually have to perform, and which is not commercial in nature, without having to go out to tender, provided that certain conditions are fulfilled. This would apply to the integrated developments at Craven Vale.

3.5.2 The proposed mechanism is for the parties to enter into a collaboration agreement in which the Council will agree to fund the development subject to the CCG agreeing to continue to purchase the Council's services for a fixed period. The final terms of the agreement are yet to be confirmed (e.g. Length of the agreement, service levels and occupancy levels)

3.6 Finances

3.6.1 The Council's gross direct expenditure revenue budget for the existing 31 residential beds at Craven Vale is £1.356m which with overheads increases to £1.540m. Approximately £1.050m (£1.192m including overheads) relates to the 24 Short Term Service beds. An outline business model has been developed for the 20 additional beds which demonstrates that costs for these beds are likely to be £111 per bed per day. The contribution from the CCG as described in paragraph 3.6.2 below is expected to cover these costs. Any additional risks on revenue costs are expected to be managed within the Craven Vale budget.

3.6.2 The CCG state that the expectation is broadly that current financial levels would be maintained and transferred, but ultimately that there would be some economies of scale in terms of locating the majority of the resource on one site.

		Resources for 24 plus 20 beds at developed site
	£m	**£m**
Craven Vale - Current 24 beds		
NHS contribution to be costs	0.671	0.671
In reach provided by SCT	0.521	0.521
Medical cover	0.055	0.055
Highgrove - current 21 beds		
NHS bed costs	0.843	0.803
In reach provided by SCT	0.512	0.512
Medical Cover	0.046	0.046
Revenue that would transfer to ASC		**0.803**

3.7 Capital project

3.7.1 The construction period is likely to be 15 months with approximately six months lead in for detailed design, consultations, planning and other approvals. It is

proposed that the project will be designed and Contract Administered by Property and Design and procured through the existing Strategic Partnership, which is also managed by Property and Design.

3.7.2 If funding is secured in January, design work can commence in March 2013 with a target completion in late autumn of 2014.

3.7.3. It is proposed that the Council fund all the capital costs.

Estimated Capital Costs (Over Project Life)

	£m	
Build (inc. professional fees)	2.448	*Figures include a 5% construction contingency*
Fixtures and Fittings	0.342	*Figures include a 10% contingency*
Project manager	0.093	*Figures include on costs*
Total	**2.883**	

The Capital Costs include details of a Project Manager and the professional fees associated with build costs.

3.7.4 The project will need support from other Council teams as it develops eg Communications, Finance, Legal, Procurement, Human Resources. The amount of input needed will depend on how the project develops.

4. COMMUNITY ENGAGEMENT AND CONSULTATION

4.1 There has been a range of consultation undertaken as part of the Short Term Services Review. This has included cross organisation and lay engagement.

4.2 An Equalities Impact Assessment has been started for the project. This includes the re-provision of the day service currently based at Craven Vale. If recommendations are agreed this will be kept live throughout the project, with full consultation and engagement.

4.3 A number of discrete processes eg Planning will have engagement attached to them.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

5.1 The estimated capital costs of the development at Craven Vale are £2.883m as detailed above with the anticipated profile being £1.442m in 2013/14 and £1.441m in 2014/15.

5.2 The provisional allocations for the Adults Personal Social Services (PSS)/ Community Capacity capital grant for 2013/14 and 2014/15 have been announced by the Department of Health as £0.661m and £0.674m respectively. It is therefore proposed that the capital costs are funded from anticipated PSS grant together with the as yet unallocated PSS grant for 2012/13 of £0.447m and

the ASC Long Term Capacity Reserve of £0.753m. It is further proposed that the balance of £0.348m be funded from revenue through a contribution in the current financial year. This would be dependent on an agreement being met with the CCG regarding the ongoing revenue costs of the additional beds.

5.3 The Council's gross direct expenditure revenue budget for the existing 31 residential beds at Craven Vale is £1.356m which with overheads increases to £1.540m. Approximately £1.050m (£1.192m including overheads) relates to the 24 Short Term Service beds. The CCG currently contribute £0.671m p.a. towards the 24 CSTS beds which is based on a combination of calculations towards costs. Using the latest bed per day contribution agreed with the CCG, an additional 20 beds would equate to approximately £0.800m p.a. and it is understood that the CCG would divert funding from CSTS beds currently provided for elsewhere in the city to support the new beds at Craven Vale.

5.4 It is anticipated that efficiencies will be achieved as a result of delivering the service from one site although costings are still being quantified. It is intended to rationalise the funding contributions from the CCG and council as part of the ongoing development of the scheme for mutual benefit. Agreement is being sought from the CCG for their commitment to the ongoing revenue costs and it is expected that a verbal update will be given at Committee. There is a risk that the CCG may choose to withdraw from this joint working in future and it is intended that the contractual arrangements will mitigate this. However, should this happen, the asset would remain under the council's control and it would present an opportunity to review service delivery across all client groups.

Finance Officer Consulted: Anne Silley Date: 09/01/13

Legal Implications:

5.4 The power for the parties to enter into this type of partnership agreement is set out in section 75 of the National Health Service Act 2006. The legal advice confirming the ability of the Council to enter into this type of arrangement is set out above. Given the value of the proposed building contract, the process followed in letting that contract must comply with the Procurement Rules. The Strategic Partnership Agreement is EU compliant, having been the subject of an OJEU when the Agreement was entered into.

Lawyer Consulted: Jill Whittaker Date: 21/12/12

Equalities Implications:

5.5 Development of Craven Vale is an investment in short term services that people say they want and need. An EIA has been completed. Unions have been advised of the proposed developments and staff have received a briefing paper which outlines the proposed developments at Craven Vale contained within this report. If the recommendations are agreed, management will work within the Council's Change Management Framework in order to consult with staff who may be affected by any proposed changes.

Sustainability Implications:

5.6 Development of the Craven Vale site will mean that fewer sites across the city are delivering short term services. This will result in significant economies of scale and rationalisation of resources. Less time will be spent on travel.

5.7 At the same time there will be improvements made to the existing Craven Vale building. The Council's Asset management will oversee the project and they are compliant with Council strategy and directives.

5.8 Craven Vale is in the east of the city and the developments will have a positive impact on the very local area.

Crime & Disorder Implications:

5.9 There are no specific crime and disorder implications.

Risk and Opportunity Management Implications:

5.10 An on going risk log for the project will be maintained. Each risk will have mitigating action listed against it.

Public Health Implications:

5.11 Short term beds are in high demand and many are used to help people move out of hospital. It is essential that there is the right number of beds in the system and they are managed well. Having the beds on fewer sites will lead to efficiencies.

Corporate / Citywide Implications

5.12 Care will be taken through out the project to adhere to Council's policies. The new service will generate new opportunities for people to receive a joined up service delivered by Health and Adult Social Care at Craven Vale.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

6.1 Below are two options that were considered and not taken forward

Tender for new provider

- Craven Vale have a history of providing a high quality service (currently 31 beds is less than an 'efficient' size)
- The current undersupply of older people care home could if impacted if the process if the tender was awarded to a current provider – ie beds already used in the system would be changed and thus not available for other use

Do nothing

- The current 'short term' service is spread across the city (efficiency savings are possible)

- Craven Vale is not an ‘efficient’ size

7. REASONS FOR REPORT RECOMMENDATIONS

7.1 The recommendations are consistent with recommendations in the Short term Services Review.

SUPPORTING DOCUMENTATION

Appendices:
None

Documents in Members’ Rooms
None

Background Documents
None