

PART I - BUSINESS CASE

DEVELOPMENT OF A PLYMOUTH SHORT TERM CARE CENTRE



EXECUTIVE SUMMARY

This paper has been produced to support the Executive Decision to develop a Short Care Centre ("STCC") for Plymouth, by investing to refurbish part of the William and Patricia Venton Centre ("the Centre"), entering into a 25 year lease for the building, and contracting care and support services.

It is recommended that the Leader of the Council:

- Approves the Business Case (Part I and Part II);
- Approves the Council entering into a lease of part of the Centre for use as a STCC on the basis of a 25 year lease on the terms set out in Part II of the Business Case;
- Allocates £823,415 in to the Capital Programme funded by service borrowing;
- Delegates authority to the Strategic Director for People to enter into all construction, care and support, and other relevant contracts in relation to the Centre.

Statutory and voluntary sector partners have been discussing the need for a STCC for Plymouth for a number of years, to support discharge from hospital, promote independence and reduce reliance on long-term residential care and large long-term packages of domiciliary care. The Covid-19 pandemic has exacerbated the need to improve hospital discharge pathways which enable people to return to health, in a supported therapeutic environment.

It is proposed that the Council enters into an lease for a term of 25 years (subject to a break at years 10, 15 and 20) with a charitable partner, Age UK Plymouth, for the use of part of the Centre and uses service borrowing of £823,415 to fund the refurbishment of the top two floors of the Centre in which to deliver the STCC. The Council's project contract management team would oversee the refurbishment.

The Part 2 report contains commercially confidential information in relation to the lease agreement.

The Council will invest up to £823,415 to fund the reinstatement of 24 bedrooms, along with a number of offices and meeting and social spaces. The Centre will offer Step Down and Step Up, mainly for older people in Plymouth who are ready for discharge from hospital, but not yet well enough to return home.

In terms of the eligible cohort for the STCC, data shows us there is sufficient ongoing demand to fill 24 beds (figures below show a snapshot of current demand):

- 220 people in residential/nursing placements under the Discharge to Assess (D2A) team. The average length of stay in open D2A beds is currently 18 weeks;
- 29 people supported by the community crisis response team;
- From the D2A cohort, there are 13 people who are current or long term wheelchair users.

Physiotherapy, Occupational Therapy, and other support services will be available in the STCC. This will provide immediate and focussed interventions to speed up rehabilitation processes so that patients can be more quickly and confidently discharged home. The STCC will also offer support to older people who would otherwise be at risk of being admitted to hospital. The onsite care provider and therapy team would assist people to access Assistive Technology and equipment in order to support their recovery, in the STCC and beyond.

The Council and Age UK Plymouth will be parties to the lease agreement. The care and support provision operating within the building will be jointly commissioned by the Council and NHS Devon CCG. Funding for the service is not new spend; it will be offset against the existing spend on intermediate residential placements. The use of intermediate residential placements will reduce in proportion to the use of the STCC.

Outcomes and Benefits

- The provision will achieve savings through the provision of more cost effective rehabilitation beds by reducing length of stay to a maximum of 6 weeks, reducing hospital bed stays, and focusing therapy services for a number of residents on one site.
- The reduction of the use of D2A beds could be up to a maximum of 191 people (based on full occupancy of 24 beds over one year).
- There will be wider benefits to the wider health and social care system by reducing length of stay in hospital, reliance on long term care and promoting independence.
- There are potential savings for the Council, relating to the reduction of long term dom care packages. There are further potential savings for NHS Devon CCG through their D2A pathway by reducing the length of stay in a D2A bed.
- The proposal is key to the progression of the Council's approach to promote resilience and independence for our citizens and reduce reliance on specialist services, in line with Strategic Co-operative Commissioning's Caring for Plymouth approach.
- Working co-operatively with partners Age UK Plymouth, UHP, Livewell SW and care agencies to serve the best interests of our City and its communities.

SECTION I: PROJECT DETAIL

Project Value (indicate capital or revenue)	£823,415 capital works	Contingency (show as £ and % of project value)	£241,689 (41.5% of project value)
Programme	Community Infrastructure	Directorate	People
Portfolio Holder	Cllr Kate Taylor, Health and Adult Social Care	Service Director	Anna Coles (Integrated Commissioning)
Senior Responsible Officer (client)	Emma Crowther (Strategic Commissioning)	Project Manager	Karlina Hall (Strategic Commissioning)
Address and Post Code	William and Patricia Venton Centre, Astor Drive, Mount Gould, Plymouth PL4 9RD	Ward	Sutton and Mount Gould

Current Situation: *(Provide a brief, concise paragraph outlining the current situation and explain the current business need, problem, opportunity or change of circumstances that needs to be resolved)*

There is an ongoing need to improve the range of options for people being discharged from hospital, who are clinically fit for discharge but not yet well enough to return home and live independently. An intermediate, reablement focused provision is needed, to provide more intensive care and therapy in the short term, with a focus on supporting a return to more independent living. Such a provision could also offer Step Up support, if a patient was to begin to need more support, but not require a readmission to hospital. Currently, patients needing this level of support are dispersed across the city into a range of residential homes or other provision.

An opportunity has arisen with the William and Patricia Venton Centre. Sited near to Mount Gould Hospital, the former residential care home contains a day centre on the ground floor, and living accommodation, meeting rooms and offices on the top two floors. The building is ideal in location and design to be remodelled into a STCC for Plymouth.

The STCC will reduce the time spent by the therapy services travelling across the city to numerous care homes. Unnecessary admissions to hospital will be reduced as well as the length of

stay in intermediate residential care placements and the size of long term dom care packages. The STCC will increase bed capacity in the Plymouth system to address “winter pressures”, as well as other pressures such as Covid 19.

Proposal: *(Provide a brief, concise paragraph outlining your scheme and explain how the business proposal will address the current situation above or take advantage of the business opportunity) and (What would happen if we didn't proceed with this scheme?)*

The proposal is to enter into a lease for a term of 25 years with Age UK Plymouth to lease the top two floors of the Centre and to fund the conversion of 24 bedrooms within the leased property, along with a number of offices and meeting spaces, into a STCC. The Centre will offer Step Down and Step Up, where up to 24 patients can be placed at one time, mainly for older people in Plymouth. There will be specialist bedrooms for wheelchair users and bariatric patients, although all bedrooms and communal spaces will be wheelchair accessible.

Physiotherapy, Occupational Therapy, and other support services will be available in the STCC. This will provide immediate and focussed interventions to speed up rehabilitation processes so that patients can be more quickly discharged home. The STCC will also offer support to older people, who would otherwise be admitted to hospital.

The Council and NHS Devon CCG will commission care and support for the residents from a suitably skilled care provider with a focus on reablement.

Planning and Building Control would be the responsibility of the Council who are funding, through service borrowing, and delivering the capital project.

This option is recommended due to:

Strategic fit – a long term collaborative partnership with the Council, NHS Devon CCG and a VCSE organisation

Commercially viable - compared to the long term costs of residential care placements and other options.

Best public value – appropriate use of public funds to support hospital discharge and independent living.

Deliverable – can be delivered within required timescales to reduce pressure on the local health and social care system.

Outcomes and Benefits

Financial outcomes and benefits:

The provision will achieve system efficiencies by supporting improved recovery from illness through reablement, and reducing higher level longer term care needs. Support services will be more efficient by being able to be based on one site. Potential savings to the Council on long term care. Exact savings cannot be quantified at this stage, but will be tracked closely during the progress of the project.

The rental costs for the building are affordable for the Council, compared with other types of provision. The rental costs have been independently assessed by the Valuation Office Agency as being at market value.

The Council and Age UK Plymouth will be parties to the lease agreement. The care and support provision will be jointly commissioned

Non-financial outcomes and benefits:

Improved customer experience, in being placed in a provision specifically designed to support reablement.

The proposal is key to the progression of the Council's approach to promote independence and reduce reliance on specialist services, in line with Strategic Co-operative Commissioning's Caring for Plymouth approach.

Working co-operatively with partners (Age UK Plymouth, UHP, Livewell SW and care agencies to serve the best interests of our City and its communities.

Reduce the number of older people being admitted to hospital, or readmitted following discharge.

by the Council and NHS Devon CCG from a suitably skilled care providers. Funding for the service will be offset against the existing spend on intermediate residential placements. The use of intermediate residential placements will reduce in proportion to the use of the STCC.	Improvement in at least one aspect of the Therapy Outcome Measure Improvement in the Elderly Mobility Score.
---	---

SECTION 4: FINANCIAL ASSESSMENT

CAPITAL COSTS AND FINANCING

Breakdown of project costs including fees surveys and contingency	Prev. Yr. £m	20/21 £m	21/22 £m	22/23 £m	23/24 £m	24/25 £m	Future Yrs. £m	Total £m
Costs			£467,392					
Fees			£114,334					
VAT			£0					
Contingency			£241,689					
Total capital spend			£823,415					

Provide details of proposed funding: *Funding to match with Project Value*

Breakdown of proposed funding	Prev. Yr. £m	20/21 £m	21/22 £m	22/23 £m	23/24 £m	24/25 £m	Future Yrs. £m	Total £m
Service borrowing to the Council at 1.9% repayable of 25 years			£823,415					
Total funding			£823,415					

Tax and VAT implications	Age UK Plymouth have not opted to tax the Centre so VAT will not be payable on the rent and the lease will be an exempt transaction. The provision of social care services to clients by the Council under a statutory duty, is a non-business activity and also outside the scope of VAT. This means that any VAT incurred by the Council on costs relating to the project will be fully recoverable. Since the project will not generate any VAT-exempt income for the Council, there will be no adverse impact on the Council's partial exemption position.
Tax and VAT reviewed by	Sarah Scott

Ongoing Revenue Implications for Service Area							
	21/22 £k	22/23 £k	23/24 £k	23/24 £k	24/25 £k	Future Yrs. £k	Total £k
Loan repayment <i>(terms agreed with Treasury Management)</i>		42	42	42	42	874	1,042
Other <i>(running costs including cost of care)</i>	668	1,335	1,335	1,335	1,335	25,617	31,625
Total Revenue Cost (A)	668	1,377	1,377	1,377	1,377	26,491	32,667
Annual revenue income <i>Savings from current care packages across the Integrated System.</i>	(668)	(1,377)	(1,377)	(1,377)	(1,377)	(26,491)	(32,667)
Total Revenue Income (B)	(668)	(1,377)	(1,377)	(1,377)	(1,377)	(26,491)	(32,667)
Service area net (benefit) cost (B-A)	0	0	0	0	0	0	0
Has the revenue cost been budgeted for or would this make a revenue pressure		Costs would be offset by care package savings across the Integrated System					
Which cost centre would the revenue pressure be shown	Has this been reviewed by the budget manager	Y/N	Yes				
Name of budget manager		Anna Coles					
Loan value	Interest Rate	1.9%	Term Years	Annual Repayment		£41,682	
Revenue code for annual repayments		tbc					

Service area or corporate borrowing		Strategic Cooperative Commissioning
Revenue implications reviewed by		

Version Control: *(The version control table must be updated and signed off each time a change is made to the document to provide an audit trail for the revision and update of draft and final versions)*

Author of Business Case	Date	Document Version	Reviewed By	Date
Karlina Hall	08/09/2020	v 1.0	Michelle Endacott	08/09/2020
Karlina Hall	15/09/2020	v 3.0	Emma Crowther Michelle Endacott	17/09/2020 22/09/2020
Karlina Hall	18/11/2020	v 4.0	Mohammed Sajjad	25/11/2020
Karlina Hall	10/03/2021	V 5.0	Emma Crowther	11/03/2021
Karlina Hall	12/03/2021	V 6.0	Alison Critchfield & Chris Flower	12/03/2021
Karlina Hall	12/03/2021	V 7.0	Lisa Evans	12/03/2021

SECTION 6: RECOMMENDATION AND ENDORSEMENT

Recommended Decision

It is recommended that the Leader of the Council:

- Approves the Business Case (Part I and Part II)
- Approves the Council entering into the lease for the STCC on the basis of a 25 year lease with rental and service charge
- Allocates £823,415 in to the Capital Programme funded by service borrowing;
- Delegates authority to the Strategic Director for People to enter into all construction, care and support, and other relevant contracts in relation to the Centre.

<i>Cllr Kate Taylor</i>		<i>Craig McArdle</i>	
Either email dated:	<i>Date: 12/03/21</i>	Either email dated:	<i>Date 15/03/21</i>
Or signed:		Signed:	
Date:		Date:	