



Leicester
City Council

WARDS AFFECTED

All

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Cabinet

13th December 2010

Developing Intermediate Care and Dementia Facilities in Leicester: Programme Resources

Report of the Strategic Director, Adults and Communities

1. PURPOSE OF REPORT

- 1.1 The report requests the allocation of £235 000 capital funding to the 'Creating Dementia and Intermediate Care Facilities' PFI programme. This will support the support the delivery of two dementia resource centres which provide specialist intermediate care and a generic intermediate care unit

2. SUMMARY

- 2.1 Council had allocated £3.5 million via the capital programme in 2008/09 to enable the development of a 60 bedded intermediate care centre. This was intended to be a joint facility with NHS Leicester City but due to ongoing reviews of the requirements of the PCT for intermediate care, this centre has not progressed past planning stage.
- 2.2 Adult Social Care submitted an expression of interest for PFI credits to Department of Health in 2009 and was awarded, £40.5 million credits to develop two new dementia care centres and a new intermediate care centre. These centres, with a combined capital build value of £20 million, will replace existing facilities and enable service redesign with partners.
- 2.3 Supporting the growing numbers of older people and people with disabilities in a priority within 'One Leicester'. The Council's ability to support people to regain and maintain independent living skills, and to support carers, is integral to achieving financial efficiencies for the future. These schemes will support adult social care and partners in the delivery of these service and funding priorities.
- 2.4 The main funding source for the scheme is via the PFI credits and this brings investment into the city that would otherwise be unachievable through the council's own capital resources. However there are associated project delivery costs and the 'soft' fitting out of the centres that require Council funding. These are set out in further detail within the report.

3. RECOMMENDATIONS (OR OPTIONS)

- 3.1 Cabinet are requested to release £235k from the £3.5m Intermediate Care capital funding to support stage one of the PFI process.

4. REPORT

- 4.1 Adult social care is clear of its requirement for increased intermediate care capacity and for specialist capacity for the growing numbers of people with dementia. This is reflected in the transformation agenda and the shift towards prevention and early intervention. Therefore the PFI schemes have been developed to create that capacity within a model that supports the whole dementia pathway as well as intermediate care. The scheme comprises two dementia care centres which include the provision of specialist dementia intermediate care beds, as well as a further 32 bedded facility for generic intermediate care.
- 4.2 The benefits that can be achieved from this service redesign within modern facilities are significant. Intermediate care is well evidenced as delivering improved outcomes for individuals through greater independence, as well as significant financial savings for Local Authorities from reduced demand for high cost care services. The provision of a dementia pathway that draws in voluntary sector resources will enable a greater focus on early intervention, support to carers and to allow for a partnership approach to care that retains people within their own homes rather than costly care or hospital settings. For some people, specialist long term care will be required and the schemes offer potential to provide this in an integrated and cost effective way.
- 4.3 Whilst the capital development costs are met by the PFI credits, the development of the schemes will incur costs to the Council which generally fall into two categories. Firstly there are project related costs which cover all expenditure related to the scheme up until the buildings become operational. The second category of costs is running costs for operating the Centres once open.
- 4.4 Running costs for the proposed Centres were estimated as part of the Financial Modelling required for the Expression of Interest, and reported to Lead Cabinet Member Briefing on 13th April 2010. This work will be refined as part of Outline Business Case (OBC) development, and final estimates will be reported to Cabinet prior to submission of the OBC to Department of Health.
- 4.5 This report concentrates on the project cost element, which are the costs the Council will incur in developing the project to operational stage. The current target date for buildings becoming operational is early 2015, and therefore the costs will be accrued over a five year period.
- 4.6 There will be five main stages to the process as follows;
- i) outline business case
 - ii) readiness to procure
 - iii) procurement
 - iv) full business case

v) signing of contracts

4.7 Costs likely to be accrued over the five year period can only be estimated at this stage, but are likely to include the following main elements;

- i) **Specialist Support for Programme Delivery:** It is a Department of Health requirement that external specialist support is obtained to assist with the development of schemes. Local Partnerships (an advisory body set up to support Local Authorities on PFI schemes) estimate that costs of at least £750k will be accrued in obtaining specialist financial, legal and technical advice. This is the figure initially requested although experience from BSF and some other Local Authorities PFI Social Care schemes suggests this figure may be light. The cost of any in-house support from trading divisions e.g. Corporate Property will also need to be found from this budget.
- ii) **General Project Costs:** A smaller sum estimated at £100k over the five years will be required for general projects costs. This will cover such items as the cost of external Gateway Review, costs associated with competitive dialogue procurement, visits to other Authorities etc.
- iii) **Adult Social Care Staffing Costs:** Officers working on the programme to date have generally done so on top of their substantive roles. This will not be practical as complexity and volume of work increases, and additional staffing resources will be required. Current thinking is that a full time Programme Manager and full time operational lead post will be required, at a cost of £100k a year or £500k for the whole period.
- iv) **Furniture & Equipment Costs:** “Fixed” furniture & equipment e.g. sanitary ware will be included as part of the PFI contract, but the Authority will be required to provide all other items. Birmingham have recently developed similar facilities and their costs were £110 per square metre. Our proposed buildings are estimated at 8670 sq. mtrs and therefore a total cost of £954k is anticipated.
- v) **Site Costs:** A site options appraisal is currently underway and the options are sites on the ASC portfolio, UHL sites or sites on the CYPS portfolio.

4.8 In summary therefore estimated project costs over the whole life of the programme are as follows;

	£
Specialist Support for Programme Delivery	750 000
General Project Costs	100 000
ASC Staffing Costs	500 000
Furniture & Equipment	954 000
Possible site costs	Not Known
Total	2304 000

- 4.9 Detailed costing for the full programme is not finalised. The request at this stage is to release only those monies required for Stage One of the process i.e. OBC production and submission, acknowledging that a successful OBC will lead to ongoing project costs.
- 4.10 A detailed Programme Resource plan has been drawn up for Stage One which is attached at Appendix “A”. This identifies both existing establishment resources that will be diverted to the programme, but also estimates all other actual costs at just over £235k.
- 4.11 Cabinet are therefore requested to authorise the allocation of £235k from capital monies to cover costs of Stage One of the process, and earmark the remainder of the capital sum for the scheme should it progress beyond Stage One. Further Cabinet reports will be submitted to request authorisation of any further monies beyond the initial £235k.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

Financial Implications

- 5.1 This report is entirely concerned with financial implications. The report is asking for the release of £235k. Part of this money will be used to employ specialist financial support who will model all the future financial impacts of the scheme. This is a critical piece of work, which will enable the council to consider its future viability.

Rod Pearson: Head of Finance & Resources Management.

Legal Implications

- 5.2 This report is concerned with the early stages of procurement and further reports will be presented as the process develops, the next report being at “outline business case”.
- 5.3 The project is to be funded by PFI credit and this therefore means that Department of Health/Treasury processes, standard forms of contract and approvals are necessary. The process, and the legal work involved is highly complex.
- 5.4 The Council has powers to undertake this project under Section 21 National Assistance Act 1948, Section 117 Mental Health Act 1983, Section 111, 121, 122 Local Government Act 1972, Section 2 Local Authorities (Land) Act 1963, and Section 2 Local Government Act 2000.

Joanna Bunting: Head of Commercial & Property Law

Climate Change Implications

- 5.5 Whilst this report in itself does not have any immediate climate change implications the creation of two dementia resource centres will lead to an increase in carbon emissions and measures to ensure energy efficiency in these buildings must be taken during the design process.

6. OTHER IMPLICATIONS

OTHER IMPLICATIONS	YES/NO	Paragraph references within the report
Equal Opportunities	No	
Policy	No	
Sustainable and Environmental	No	
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	Yes	throughout
Corporate Parenting	No	
Health Inequalities Impact	Yes	2.3

7. RISK

- 7.1 There are no direct risks associated with this report. However as the programme develops a full risk assessment will be completed to ensure that Members are aware of any potential risks to the Council.

8. CONSULTATIONS

Mick Bowers: Resources Support Manager

9. BACKGROUND PAPERS

None

10. REPORT AUTHOR

Ruth Lake: Director of Care Services
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Key Decision	Yes
Reason	Is significant in terms of its effect on communities living or working in an area comprising more than one ward
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)

Programme Resources

Project Details	
Project Name: Creating Dementia and Intermediate Care Facilities	
Project Number: CPMO ref 350	Document Version Number: 0.6
Strategic Priority: Health and Wellbeing	
Date: 17th September 2010	

Programme Resources			
<p>This cost plan estimates costs for Stage One of the Programme only i.e. submission of OBC. The deadline for this is end April 2011.</p> <p>It is assumed that the following internal "establishment" LCC Staff will give the following commitment at no additional cost to the Programme.</p>			
Name	Role	Hours per week	Responsibilities
Ruth Lake	Programme Director	10	Overall accountability for delivery of programme.
Mick Bowers	Programme Manager	37	To manage and co-ordinate delivery of the programme.
Rohit Rughani	Project Manager (Finance)	5	Project Manage Financial and Affordability work-streams.
Swarsha Bhalla	Programme Officer	18.5	General Support
Lee Shawley	Programme Assistant	18.5	General Support

Project Budget

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Stage One Project Budget Overview	
The project budget is not yet confirmed but the follow is a high level estimate.	
	Estimated cost to end April 2011 (£)
Cost Item	
1) Local Partnerships Gateway Review x 2	20,000
2) GTUK (Financial Support)	30,000
3) Corporate Property fee's (see breakdown)	50,070
a) Senior Project Manager 5 hrs a week x 24 Week @ £75 per hour =	9,000
b) Project Manager 18.5 hrs a week x 24 weeks @ £65 per hr =	28,860
c) Architect 18.5 hrs a week x 12 weeks @ £55 per hr =	12,210
4) Programme Manager costs (£4,750 per month for nine months) *	42,750
5) Operational Lead costs (£4,500 per month for nine months)	40,500
6) Internal Legal Fee's	20,000
7) Additional Affordability work (£1000 per day x 20 days)	20,000
8) Outline Planning Costs	1,000
9) PRG Costs	5,000
10) Sustainability Costs	1,000
11) Other costs (room bookings, visits, engagement events etc.)	5,000
TOTAL:	£235,320

* NB Mick Bowers currently covering this role pending clarity re the SSR and Commissioning Unit Review.