

MUNICIPAL YEAR 2016/2017 REPORT NO. 67

MEETING TITLE AND DATE;

Cabinet
6th September 2016

JOINT REPORT OF:

Director of Health,
Housing and Adult Social
Care and the Director of
Finance, Resources and
Customer Services

Agenda – Part: 1

Item: 12

**Subject: Reprovision 2 - Care Home
Capital Funding and Procurement**

Wards: All

Key Decision No: KD 4337

**Cabinet Member consulted: Cllrs
Cazimoglu and Lemonides.**

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1. EXECUTIVE SUMMARY

- 1.1 On the 21st October 2015 Cabinet agreed the strategic approach of building a new care home with nursing within the next 3 years and authorised officers to commence feasibility, scoping, planning and commissioning.
- 1.2 This report summarises the need to secure additional good quality nursing supply for Enfield residents which is affordable and compliant with Care Quality Commission (CQC) standards.
- 1.3 A full Borough wide site search was undertaken and reported within the Delegated Authority Report KD 4283. In May 2016 under the KD 4283, the preferred option of the Coppice Wood Lodge as a location for the new care home was approved and an initial sum of monies was allocated for appointment of Architects to undertake design and detailed feasibility together with supported survey work in support of a Planning Application.
- 1.5 Levitt Bernstein have been appointed as architects for this scheme and have undertaken feasibility, and undertaken a pre-application meeting with the Local Planning Authority.
- 1.6 The current scheme design has gone through detailed feasibility. The brief for the project has been based on the scheme on the former Elizabeth House site with the aim to provide the same core spaces and similar number of welfare facilities. However, as the design has developed, the brief has been adapted to suit site requirements and design aspirations. The results of which are presented within this report.
- 1.7 In 2015 it was projected that over 1300 older people were living in a residential care home (with or without nursing care) in Enfield and this number is projected to rise to 1780 in 2025. With the increasing number of people in the Borough aged over 65 years and continuing to rise even further over the next 10 years, securing beds for nursing and dementia care for Enfield residents at an affordable rate is a high priority for the Council.

- 1.8 Enfield has twelve nursing care homes which are at full capacity. The Authority faces stiff competition for beds from neighbouring London Boroughs. It is therefore beneficial for the Council to own care homes and ensure that there is a sufficient and an affordable local supply available.
- 1.9 The key aim of this report is for Cabinet to approve and agree the build of a new care home on the current site of Coppice Wood Lodge, Grove Road, Enfield, N11 1LX together with the business case as presented in the Part 2 of this report.
- 1.10 To support the financial cost of developing the new care facility it is proposed that existing care home sites will be disposed of or free for other Council uses, subject to authority, to reduce and pay down the capital borrowing required for this development.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Delegates to the Director(s) of Health, Housing and Adult Social Care and Finance, Resources and Customer Services, in consultation with Cabinet member(s) for Health and Social Care and Finance and Efficiency, the approval to appoint a contractor(s) to deliver the demolition and redevelopment of the Coppice Wood Lodge site for the purposes of a new care home.
- 2.2 Approves the redevelopment of the Coppice Wood Lodge Care Home Facility and recommends to Council the approval of additional funds to the Capital Programme as detailed within Part II of this report.
- 2.3 Delegates authority to the Director of Health, Housing and Adult Social Care to approve the submission of a planning application for a new care facility at Coppice Wood Lodge Site.
- 2.4 Delegates authority to the Director(s) of Health, Housing and Adult Social Care and Finance, Resources and Customer Services in conjunction with Cabinet Member(s) for Health and Social Care and Finance and Efficiency to appoint a service provider.
- 2.5 Approves capital expenditure for Pre-construction services up to Contract Award from the Capital Programme as detailed within Part II of this report.

3. BACKGROUND

- 3.1 On 21st October 2015 Cabinet agreed the strategic approach of building a new care home with nursing within the next 3 years and responsibility was delegated to the Director of Health, Housing and Adult Social Care and Director of Finance, Resources and Customer Services to approve the site for a new care home.
- 3.2 Strategic Property Services were commissioned to conduct a search of Council owned locations within the borough. This site needed to be approximately 1 acre in size, with good public transport links and to be available for the development of a new build care home to be operational as soon as possible to ensure that the Council is able to increase nursing care capacity. A full Borough wide site search was undertaken and reported within the Delegated Authority Report KD 4283.
- 3.3 Several alternative options were considered including existing care home sites, sites both in private and public ownership; however due to the strategic location of CWL site in terms of need and transport infrastructure and planning sense this location suited the client requirements.
- 3.4 The site of Coppice Wood Lodge is owned freehold by the Council and lies on a plot approximately 0.38 hectares (1 acre), located to the south-west of the Bowes Road and Cross Road junction. Please see appendix 1 for site plan. The site is not located within a Conservation Area and there are no statutory listed buildings within close proximity of the site.
- 3.5 Vehicular and pedestrian access to the site is provided from Grove Road to the west, with a public right of way from Bowes Road to the north providing a further pedestrian approach. The existing nursing care home varies between one and three storeys in height and is located at the centre of the site.
- 3.6 In May 2016 under the KD 4283, the preferred option of Coppice Wood Lodge as a location for the new care home was approved and an initial sum of monies was allocated for appointment of Architects to undertake design and detailed feasibility together with supported survey work in support of a Planning Application.
- 3.7 Levitt Bernstein Design Consultants has been appointed to undertake feasibility, initial massing and design up to RIBA stage 3i for the designs for the new care home. In June 2016, a pre- planning application for the scheme was submitted.
- 3.8 The existing Coppice Wood Lodge facility is below Care Quality Commission (CQC) standards and in need of modernisation. To

facilitate this, the current residents of the building will be decanted into the new care home on the former Elizabeth House site on Old Road (off Hertford Road), a new dual registered home due for completion early 2017. After this, Coppice Wood Lodge will be demolished to make way for the new nursing care home building due to open late 2018.

- 3.9 The Council confirmed a requirement with the architect for a nursing care home of seventy to eighty beds with associated ancillary and staff areas. This represents a significant increase from the existing thirty-eight unit residential care home currently on the site.
- 3.10 An alternative option was also requested in order to optimise and seek assurance of the development potential of the site and the introduction of a small number of houses should be explored. As such, Levitt Bernstein has produced two feasibility studies; one looking at a three storey nursing care home spread over the site, and a four storey nursing care home with part of the site allocated to new housing.
- 3.11 Both options were submitted to the LPA for a Pre-application meeting to garner feedback. The client's preference to make an efficient nursing care home that works laterally as well as vertically is predicated upon a three –storey home that produces the optimum care ratio, ensuring unit size is of adequate numbers to enable efficient staffing levels. For these reasons the option to include a row of four townhouses will be excluded moving forward.
- 3.12 The brief for the project has been based on the Elizabeth House scheme with the aim to provide the same core spaces and similar number of welfare facilities. However, as the design has developed, the brief has been adapted to suit site requirements and design aspirations.
- 3.13 The design of the nursing care home has an important influence on the residents' quality of life. Design should be geared to satisfying the needs of residents and staff providing care within the home and will seek to:
 - provide a safe and secure environment for residents;
 - ensure residents' privacy and provide their own personal space under their own control;
 - protect residents' dignity;
 - offer residents a stimulating setting for daily activities;
 - enable residents to have easy access around the home; minimise residents' difficulties in understanding their surroundings;
 - provide a work setting which enables staff to deliver high quality care;
 - meet the standards relating to the design and fabric of residential and nursing care homes required by law, regulations and directives

- 3.14 The results of the feasibility show floorplans and massing block diagrams. These show that the feasibility undertaken and the comments received back from the LPA demonstrate the site can yield 70-80 beds (subject to final design) in a three storey formation.
- 3.15 On current programme, the delivery of the care home to the client is circa August/September 2018.
- 3.16 The Council's appointed cost consultants, Stace LLP, have submitted a high level cost plan for the proposed new build care home at CWL. The purpose of a feasibility cost plan is to establish a realistic cost limit for the development. The aim is to inform the overall budget required to complete this project.



The nursing home is arranged as three households over three storeys.

The main entrance and drop-off zone is accessed off Grove Road.

Communal/visitor facilities are located on the ground floor close to the main entrance to allow for ease of access and security.



Ground Floor Sketch – Levitt Bernstein

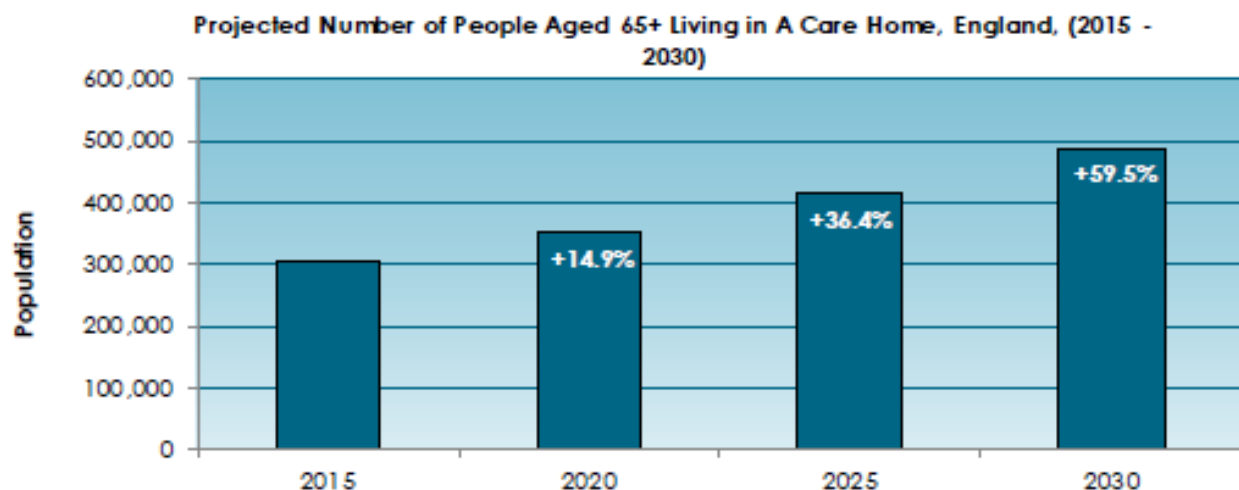


View from Bowes Road – Artists Impression, Levitt Bernstein

4. MARKET ANALYSIS

Residential Care

- 4.1 There are an estimated 5,153 nursing homes and 12,525 residential homes in the UK. According to the latest Laing and Buisson survey, there are 426,000 elderly and disabled people in residential care (including nursing), approximately 405,000 of whom (95%) are aged 65+ which equates to approximately 4.2% of the total population aged over 65 years. The resident care home population is also ageing: in 2011, people aged 85 and over represented 59.2% of the older care home population compared to 56.5% in 2001.
- 4.2 Research suggests that the median period from admission to a care home to death is 462 days, (15 months). Around 27% of people lived in care homes for more than three years. Projected recourse to a residential care home setting for England, suggests that there could be almost a 60% increase on current levels by 2030.



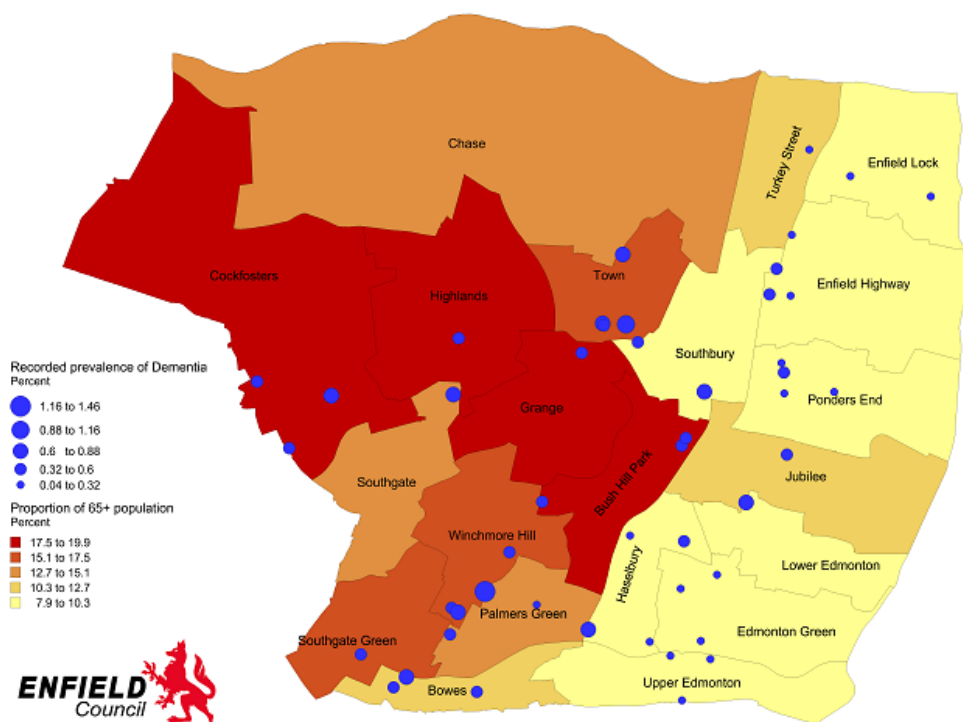
- 4.3 Alternatives to residential care are emerging all the time, in the form of care villages, assisted living, (or 'extracare') schemes and supported housing. Research in to population trends within these is somewhat limited. It is believed that there are circa 110 care villages in the UK, and overall there are fewer than 20,000 retirement village properties in the UK, the majority of which are located in the more affluent areas of the south of England.

5. STRATEGIC LOCAL NEED

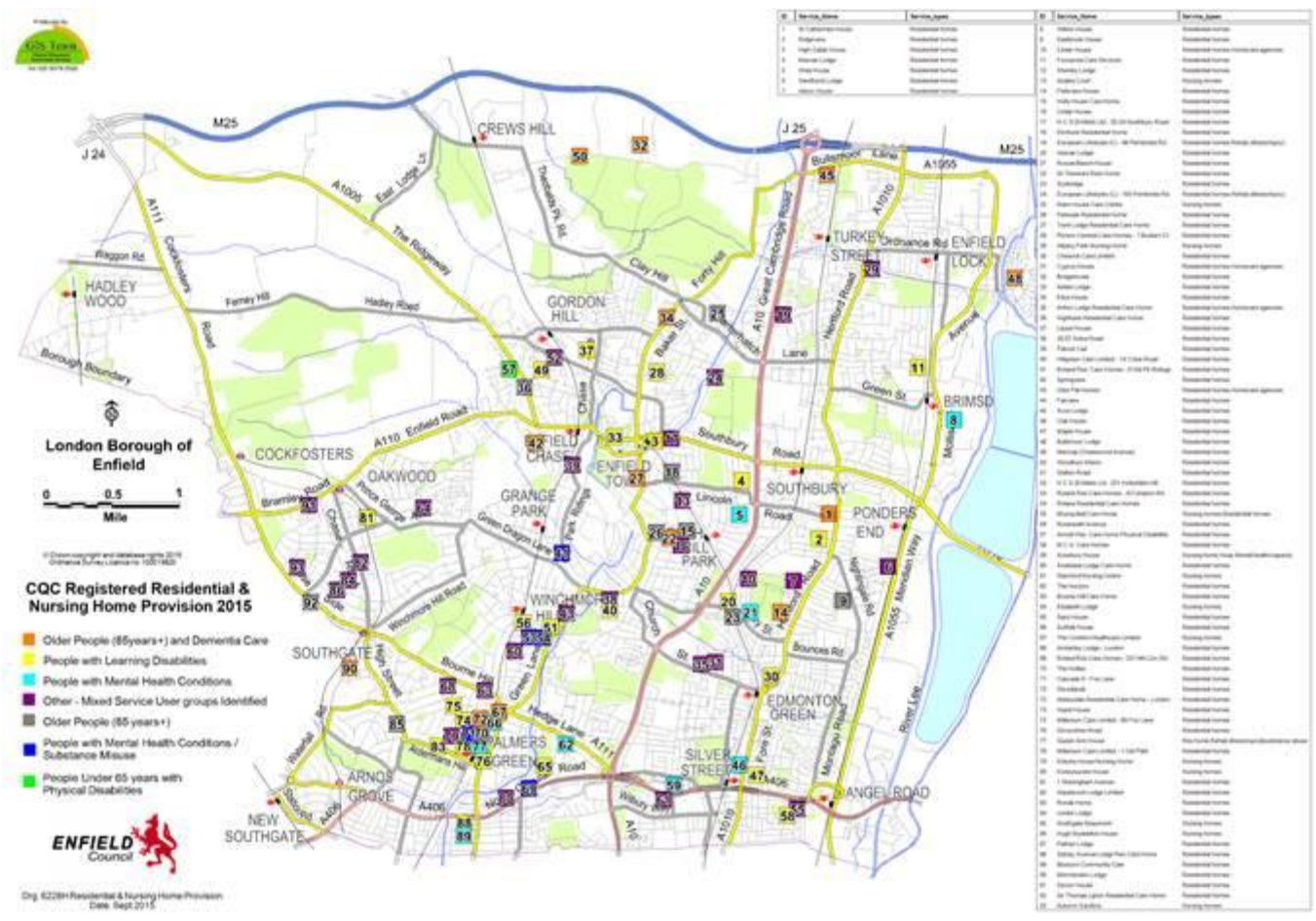
- 5.1 Enfield's nursing and residential dementia care homes market is highly competitive with private funders, neighbouring authorities and health services all seeking placements at increasing rates, reducing Enfield Council's ability to access supply. There are currently 99 residential

and nursing care homes located in the borough that are registered with the Care Quality Commission, providing a total of 2,016 bed capacity. In respect of service type, 745 beds are registered as providing nursing care.

- 5.2 The number of people in the borough over 65 years of age is forecast to increase by 23% in the next 10 years – from 42,400 in 2015 to 52,500 in 2025. This increase is slightly above the overall percentage increase of England (21%) and poses a significant local challenge in terms of developing services to meet future demand. In 2015 it was projected that over 1300 older people living in a residential care home (with or without nursing care) and this number is projected to rise to 1780 in 2025. In 2015/16 a total of 624 older people aged 65+ known to adult social care services as placed were in residential care (155 self-funded and 469 council funded) and 282 were placed in nursing care provision (64 self-funded and 218 council funded).
- 5.3 The number of people with dementia in Enfield continues to increase. There are currently over 3,100 and with improving rates of early identification and diagnosis, this is likely to increase further. The demand for high quality and value for money residential and nursing care provision for people with dementia for both the Local Authority and Enfield CCG continues to exceed the available supply which has placed significant upward pressure on price with associated pressures on both Council and CCG budgets. New placements in 2015/16 for nursing and dementia care saw price increases of 13% and 17% respectively.
- 5.4 The dementia graph outlined below provides a current understanding of the demographic distribution of dementia in the borough.



5.5 The map below shows a current understanding of residential and nursing care provision in the borough.



5.6 There is an ever increasing significant shortage of affordable nursing elderly dementia care beds in Enfield. It is important to note that vacant bed spaces fell to single figures on numerous occasions and dropping to one vacant bed during the winter periods of 2014 and 2015. This combined with competition from other parties, who often pay higher prices, makes supply even more scarce and difficult to secure. The ongoing shortage of nursing care beds in the Borough has placed upward pressure on care purchasing budgets, has also contributed towards delays in the timely and appropriate discharge from acute hospital beds. Securing additional high quality nursing supply for Enfield residents is, therefore, a priority.

6. ALTERNATIVE OPTIONS CONSIDERED

6.1 Do Nothing

6.1.1 As there is a significant shortage of affordable nursing care beds in Enfield, if the Council was to adopt this approach there would be

significant increased revenue pressure upon the Council and additional pressures placed on the market.

6.2 Purchase care home beds out of borough

6.2.1 The opportunity for the Council to purchase nursing dementia residential care from neighbouring areas does not afford the Council a cost effective solution as prices are at a higher rate than Enfield's mean market average.

6.2.2 In addition the Council Adult Social Care function is governed by the 'Directive on Choice' statutory guidance which requires the Council to afford individual services users choice of accommodation. The Care Act (2014) places a duty on Local Authority commissioners to facilitate development of a diverse and sustainable provider market in their local area; able to support the whole community. Purchasing services out of the Borough at the expense of developing a much needed local resource for Enfield residents with complex care needs and in need of local authority support would undermine this statutory duty.

6.3 Utilise alternative procurement method for construction contract

6.3.1 Due to the requirement to deliver the new care home as soon as possible to ensure capacity in the nursing care market, the timescales associated with a two stage tender process were unfavourable. In addition, two stage tenders are associated with increased costs as the contractor is appointed at an earlier stage and therefore the main lever of competitive peer-to-peer competition is lost. See part 2 report for further details.

7. REASONS FOR RECOMMENDATIONS

7.1 The site currently occupies a care home, Coppice Wood Lodge, which will be closing at the end of 2016. The site is of adequate size and is an strategic location in terms of need and geography - as it is not only on the opposite side of the borough to the new home currently being built on the former Elizabeth House site, but it is also in a quadrant of the borough which has a higher prevalence of dementia. Furthermore, the site is very accessible by car and also public transport.

7.2 Due to the requirement to build a new care home to increase nursing care capacity as soon as possible, it is important to source a location and approve funding for the new build care home in a timely manner to ensure that design and procurement can be undertaken; one of the key factors in deciding upon CWL as the best option.

7.3 The securing of extra beds in the Borough is a high priority and a duty falls on of the Council to ensure that there is a sufficient and affordable

supply of care services locally for users and carers under the Care Act 2014.

8. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

8.1 Financial Implications

8.1.1 Please refer to Part Two report for financial implications noting this is an addition to the existing capital programme.

8.2 Legal Implications

8.2.1 Under s.111 of the Local Government Act 1972 the Council has power to do anything which is conducive to its functions as a local authority. The provision of a care home is within that power. Additional powers are given for this by s.1 of the Localism Act 2011.

8.2.2 Although planning consent will be required for any redevelopment it should be noted that the use of the proposed site as a care home is in line with the existing authorised use of the site.

8.2.3 Where the Council procures works, supplies or services in connection with the proposals contained in this report it must comply with UK/EU procurement legislation where applicable, and the Council's Contract Procedure Rules. In addition, all legal agreements consequent upon the procurement exercise must be in a form approved by the Assistant Director of Legal Services.

8.3 Property Implications

8.3.1 Following the Referendum, held on 23 June 2016, concerning the U.K's membership of the EU, a decision was taken to exit. The property market has been in a period of uncertainty since Quarter 1 2016 which continues post the Referendum Vote, with many factors affecting the property market as a whole.

8.3.2 In "thin" transactional markets, by their nature, there is less certainty to be attached to valuation. With fewer transactions, there is less market evidence to provide definitive price guidance at any time, and this coupled to volatility in financial markets, creates additional risk. Strategic Property Services would, therefore, recommend that the assessment in this report is reviewed regularly particularly while this uncertainty remains.

- 8.3.3 Legal due diligence has confirmed there are no restrictions, wayleaves or rights of way across the Coppice Wood Lodge Site.
- 8.3.4 All Repairs and Maintenance scheduled on this property should be brought down to a minimal level where only urgent items in need of repair and health and safety issues are prioritised in the lead up to decant.
- 8.3.5 Adequate interim security measures need to be put in place as soon as the Property is vacant until contractors start on site to prepare for demolition.
- 8.3.6 The Council must ensure that any future lease/service contract for any new operator to operate the Care Home must have a full repairing clause within the terms so as to ensure the fabric of the new care home is maintained after warranties expire.
- 8.3.7 To meet statutory requirements it is vital to ensure that the Council's financial accounts do not include buildings (or parts of buildings) that have been demolished. To ensure we have high quality records and meet our statutory obligations HHASC Project Manager's will complete a demolition notification form and return to Property Services. This will enable Strategic Property Services to advise Insurance, Finance (Asset Register) energy management teams and various other departments within the Council of the changes.
- 8.3.8 Strategic Property Services are to be sent the new data being generated for the new care home. These will include floor plans with room data for the purposes of the Asset Management System, Atrium.
- 8.3.9 Planning permission when gained for the new build, Building Regulations will be adhered to as part of the infrastructure enabling and construction works. The oversight of this will fall under the Council's Contract Administrators (CA's).
- 8.3.10 Once the development is completed, Building Control will need to sign off on the completed development. All warranties and guarantees will be available in the event that building failure occurs. These guarantees will be assigned after practical completion occurs and held on behalf of the Council by Legal Services.
- 8.3.11 There should be a requirement upon the contractor at certain set dates for snagging inspections. These inspections will be organised by the Council's CA's.

9. KEY RISKS

- 9.1 There is a risk that if the Elizabeth House build programme or transition of service users is delayed this could result in a delay to this project. However, this will be mitigated through monitoring of key milestones of both projects to ensure that the impact is mitigated or minimised where possible.
- 9.2 Planning is a risk that should be highlighted at the start of the process as this is not a guaranteed outcome – the site is on the edge of a conservation area. This will be mitigated by early consultation with planners plus a pre planning application.
- 9.3 Brexit - Regarding the decision to leave the European Union; this has created a high level of uncertainty regarding investment decisions, sale evidence. All appraisals as to value and viability/cost should be re-evaluated every 6 months.

10. IMPACT ON COUNCIL PRIORITIES

10.1 Fairness for All

Approval of these recommendations ensures continued provision of high quality, affordable and accessible care services to all sections of Enfield's community.

10.2 Growth and Sustainability

Approval of these recommendations gives Enfield's citizens continued access to much needed provision for some of the Borough's most vulnerable people. The project will seek added community value within the build/ service provision through initiatives such as apprenticeships and training opportunities. These recommendations create business and partnership opportunities for developing innovative care services in the Borough: supporting the Council's statutory obligation to shape a vibrant and sustainable local care market.

10.3 Strong Communities

The new service will contribute to the community by providing a quality service to vulnerable older people in the Borough, and support maintenance of family relationships, may provide employment opportunity to borough residents and potentially be of benefit to other local businesses.

11. EQUALITIES IMPACT IMPLICATIONS

Corporate advice has been sought in regard to equalities and an agreement has been reached that an equalities impact assessment is not required at this stage to approve the report and the

recommendations set out for delegation. However it is recommended that a Predictive Equalities Impact Assessment be undertaken at the various stages as appropriate to ensure that the works and the service benefit the community and that it is fully accessible particularly by those in the protected characteristic groups. Equalities advice will be given as required to support this.

12. PERFORMANCE MANAGEMENT IMPLICATIONS

A new nursing residential dementia care unit will contain adequate contract provision to ensure that the required performance management measures are met to deliver quality provision and service user satisfaction to optimum effect. The additional capacity in the new care home will contribute to national performance indicators, including minimising delayed transfers of care (DToc).

13. PUBLIC HEALTH IMPLICATIONS

Provision of nursing care homes is a core part of maintaining the health and well-being of Enfield residents with dementia and complex needs.

Background Papers

None