

WEST DUNBARTONSHIRE COUNCIL

Report by the Director of the Community Health and Care Partnership

CHCP Committee: 21 May 2014

Subject: The Modernisation of Council Older People's Care Home and Day Care Provision for West Dunbartonshire

1. Purpose

- 1.1** To provide the Committee with a report on the progress of the plans to modernise the Council's care homes and day care provision.
- 1.2** To note that the capital cost of the project has increased to £ 21.95m.
- 1.3** To propose an adjustment to the bed capacity to meet new Care Inspectorate Standards and Guidance for Fire Safety standards issued by Scottish Ministers.
- 1.4** To propose the site for the new Clydebank Care Home.

2. Recommendations

- 2.1** Committee is recommended to:
- 2.2** Note progress on the development of replacement care homes in Dumbarton and Clydebank.
- 2.3** Approve the Queens Quay site as the preferred site for the new Clydebank Care Home.
- 2.4** Approve the reduction in capacity of each of the two new care homes from 90 places to 84 places.
- 2.5** Agree for its interests that the capital investment requires to be increased to £21.95m to reflect the revised cost of the two care homes and that this increase, along with a revised phasing of expenditure, is recommended to the Council for adjustment in the Capital Plan.

3. Background

- 3.1** In November 2012, Committee agreed to develop two new 90 bed older people's care homes to replace the Council's existing six care homes and four day care centres.

- 3.2** The capital investment for this project was £20m, agreed as part of the Council's 10 year capital plan.
- 3.3** The buildings are being procured in conjunction with hub West Scotland (hubCo) under the terms of their Territory Partnering Agreement (TPA) with West Dunbartonshire Council.
- 3.4** Committee previously agreed that Crosslet House is the preferred site for the Dumbarton Care Home.
- 3.5** Site investigations had or were to be carried out on the former St Andrews and St Eunans school sites in Clydebank. It was also reported that the CHCP would continue

“To explore the potential for a larger strategic development with other Public Sector organisations with access to land in Clydebank”.

4. Main Issues

- 4.1** In May 2013 it was reported to committee that three options were being considered for a site in Clydebank, two of these at the former school sites of St Andrew's Secondary and St Eunan's Primary had been prioritised using risk based evaluation criteria. In addition it was also reported that the CHCP would continue to explore the potential for a larger strategic development with other public sector organisations with access to land in Clydebank.
- 4.2** In order to prioritise an appropriate site in Clydebank, ground condition surveys and market appraisals have been carried out on both former school sites. These have indicated that there would be a significant additional cost attached to using either the St Andrews or St Eunans sites due to the required remedial ground works or lost income from potential future capital receipts.
- 4.3** The CHCP also identified an opportunity for the care home to be taken forward as part of a wider strategic development on the Queens Quay site. Discussions have taken place with the site owners and a letter of comfort offering a cleared, levelled and remediated part of the site with access and utilities to the boundary has now been offered to the Council at a nominal cost. Because of this and the potential the site offers for a larger linked development it is considered that this is the most advantageous site for the Clydebank care home.
- 4.4** Consultations with community and voluntary groups in Clydebank have met with support for each of these sites but strong support for the care home being built at Queens Quay as part of a larger strategic development
- 4.5** If an early agreement can be made for this site, it would enable the Clydebank development to progress in tandem with the development in Dumbarton and maximise potential cost efficiencies.

- 4.6** Work has been progressing between our project team and the design team to finalise a first stage design and an agreed cost plan for the Dumbarton care home.
- 4.7** Consultations with the Care Inspectorate have necessitated changes to the design to improve the quality of care to residents and meet the revised guidance on the design particularly relating to control of infection and access to facilities in care homes.
- 4.8** Consultations with the Fire Service and the publication of new fire safety guidance for care homes required further design changes. These relate to the ability to protect residents and staff in case of fire and create safe conditions for emergency evacuation.

Balancing the appropriate number of beds on the ground and upper floor was emphasised by new fire safety guidance issued by Scottish Ministers in February 2014.

“Where there is a mix of residents with different dependencies, there may be potential to locate high and medium dependency residents in rooms which offer the least difficulty for evacuation or where the threat from fire is the least. This may be on the ground floor and / or the smallest sub compartment”.

- 4.9** The design proposed allows access to outside space for residents and will only house residents upstairs who can be safely managed.
- 4.10** A value engineering review of the cost plan has yielded a £500,000 reduction in costs.
- 4.11** A comparative appraisal of two design and cost options was carried out looking at:
- Firstly, a 90 bed design which comprised a full 2 storey building with 45 beds upstairs and 45 on the ground floor;
 - Secondly, an 84 bed design, over 1 ½ storeys. The beds configured as 54 on the ground floor and 28 upstairs.
- 4.12** The 84 bed design represented a reduction in the floor area and the construction cost. The 84 bedded model offers the most cost effective solution together with a better configuration of upstairs and ground floor beds and a more attractive design solution, and which promotes high quality care.
- 4.13** The Fire Safety Officer has indicated that this design satisfies fire safety standards for care homes. Discussions with the Care Inspectorate have elicited positive feedback from inspectors who complimented our design as an optimal example of modern care home design.

- 4.14** Following the design and cost reviews and the value engineering exercise, the revised build cost for the Dumbarton care home, taking into account the increase in the overall floor space, the decrease in the number of bedrooms and the particular ground conditions of the Crosslet site is now £10,445,908.
- 4.15** Indicative costs from hubCo for the Clydebank care home are £9,889,858. This cost is based on the following assumptions;
- (a) That the site at Queens Quay is made available as a cleared, levelled and remediated site with access and utilities to the boundary;
 - (b) That there is no requirement for the Care Home Project to meet any of infrastructure costs associated with the redevelopment of the wider Queens Quay site. This will be the subject of a separate detailed report to the Council
- 4.16** An additional requirement within the Hubco model requires that there is additional funding available for contingencies and an additional sum set aside for inflation. This adds a potential further £1.95m to the total project cost. The costs for each development are shown in Table 1 and the cost of the total project is shown in Table 2.

Table 1

Item	Dumbarton £	Clydebank £
Total Construction Costs	10,445,908	9,889,858
Project Specific Contingency Costs	508,765	481,636
Inflation Allowance	327,531	295,706
Total	11,282,204	10,667,200

Table 2

Item	£
Total Construction Costs	20,335,766
Total Contingency Costs	990,401
Total Inflation	623,237
Total	21,949,404

5. People Implications

- 5.1** There are no people implications in relation to this report.

6. Financial Implications

- 6.1** The reduction in the number of beds in each care home from 90 to 84 will require up to 12 additional places to be purchased in the independent sector. This cost is offset by a reduction in the running cost due to the reduced number of residents resulting in an additional revenue cost of £6,000 in the first year of operation with a net saving of approximately £7000 in each subsequent year.
- 6.2** The original capital cost for the two care homes was agreed at £20m. Indicative construction costs for the two care homes are now £21.95m if allocations for contingency and building cost inflation which form part of our contractual arrangements with hubCo are required.
- 6.3** The additional capital is anticipated to cost around £110,000 per annum in revenue monies. The November 2012 report advised that there was an anticipated £250,000 saving after the cost of borrowing was taken into account. Therefore the additional cost of borrowing will reduce the potential additional saving, as will the £6,000 additional costs identified at 6.1 above. The £250,000 potential net saving has not been built into any current or future financial projections.
- 6.4** Overall there will be no additional revenue consequences for the project. Cost efficiencies, potentially in the order of £400K and contained within the existing costs, may be possible if both projects can be carried out in a coordinated manner.
- 6.5** The potential development of a reprovided Clydebank Health Centre on an adjacent site as the Care Home may bring further cost efficiencies to the development though will be dependent on development timelines of both projects.

7. Risk Analysis

- 7.1** The main financial risks relate to:
1. Whether inflation increases construction costs resulting in costs rising towards the upper limit of the cost framework.
 2. Unforeseen costs related to ground conditions or service infrastructure at either of the sites at Crosslet House and Queens Quay.

The budgetary control processes will monitor these issues which will be reported to a future Committee.

8. Equalities Impact Assessment (EIA)

- 8.1** There are no equalities implications arising from consideration of this report.

9. Strategic Assessment

9.1 The plan meets the Council's strategic priorities to:

- Improve care for and promote independence for older people and
- Improve the wellbeing of communities and protect the wellbeing of vulnerable people.



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Appendices: None

Background Papers: None

Wards Affected: All