

WEST DUNBARTONSHIRE COUNCIL

Report by the Director of Social Work and Health

Social Work and Health Improvement Committee: 19 September 2007

Subject: Provision of Residential Respite Services for Adults with Learning Disabilities.

1. Purpose

- 1.1** To provide Members with an update on progress regarding the provision of residential respite services for adults with learning disabilities.
- 1.2** To seek Members approval for the proposal to develop a provision in partnership with Knowes Housing Association.

2. Background

- 2.1** Respite services within West Dunbartonshire Council were previously provided at Marelen House, Drumry Road, Clydebank.
- 2.2** The Social Justice Committee agreed on 14 June 2006 to declare Marelen House surplus to requirements and to dispose of Marelen House through sale. This committee further agreed to the re-provisioning of respite services for adults with learning disabilities.
- 2.3** The Department now needs to take steps to purchase the required level of respite care as detailed in the report of 14 June 2006.
- 2.4** The purchase of this provision was detailed in a report to the Tendering Committee on the 15 November 2006. The Tendering Committee approved the process for the re-provision of respite care.

3. Main Issues

- 3.1** A site is currently being developed by Knowes Housing Association at Dunn Street in Clydebank.
- 3.2** Following approval by the Tendering Committee on 15 November 2006 expressions of interest were sought from provider organisations. These expressions of interest have now been short listed down to 3 providers who will soon be asked to complete the full tender process in accordance with West Dunbartonshire Council's tendering procedures.
- 3.3** The Department has taken advice from the Council's procurement team and it has been agreed that the procurement should run through the restricted tender process with the successful tenderer being the provider who submits the most economically advantageous tender.
- 3.4** As was reported in the two reports mentioned above the option of closing Marelen House, rather than to redevelop it from the Council's capital resources became available when Knowes Housing Association presented

the Council with an option of a new development. This option had not previously been available.

3.5 At that point the Council had three options:

3.5.1 Redevelop Marelen House at an original estimated capital cost of £300,000 (this was budgeted in the Council's capital budget) – which was later revised to £450,000.

3.5.2 Close Marelen House and enter into an agreement with Knowes Housing Association to access a new respite service in a new build facility with the care aspect being provided by a private or voluntary sector provider following a tendering exercise.

This option allowed the Council to save the £450,000 increased cost for refurbishing Marelen House, receive a capital receipt of around £250,000 and it was estimated that the new service provision, once procured, would result in a £100,000 per annum revenue saving.

Council agreed on 9 February 2006 to re-provide the respite service previously provided at Marelen House and, following this, the capital provision was adjusted with £100,000 remaining budgeted as the Council's contribution to the costs of the new provision.

3.5.3 Do nothing, as Marelen House was already effectively closed ready for the refurbishment and had been for around 6 months by the time of the decision on 9 February 2006 at Council. This option would have seen a significant revenue saving accrue together with the capital savings and capital receipt noted in 3.5.2 above. However this option would have significantly reduced the level of respite provision within West Dunbartonshire.

3.6 The Council decision on 9 February 2006 meant that the Department was able to go ahead with the closure of Marelen House and seek alternative provision through a tendering process.

3.7 As stated above, the only known available option for this provision within West Dunbartonshire was via the proposed development in partnership with Knowes Housing Association at Dunn Street.

3.8 Since the Council decision on 9 February 2006 the Department has entered into discussions with Knowes Housing Association regarding the specification of the new build provision which is being funded fully by Knowes. This has meant that the £100,000 capital provision noted at 3.5.2 above has been able to be redeployed by the Council for other capital projects. Knowes have themselves been out to tender for the building of the new premises and have identified their preferred bidder.

3.9 The Housing Association requires to recover the cost of its development through a rental charge for the premises and it would appear that there are two options available for this:

- The Council undertakes to rent these premises; or

- The successful Care Provider undertakes to rent these premises (in which case the cost will be recharged to the Council through the pricing mechanism for the care provision).
- 3.10 Knowes Housing Association are now seeking to reach an agreement with the Council regarding the rental tenure and length of tenure in order to provide them with some security prior to authorising the construction of the premises.
 - 3.11 The Housing Association were initially keen to enter into a rental agreement with the Council, however are also willing to consider the second option.
 - 3.12 Effectively there is little difference in the net effect on the charge made to the Council. The simpler option would be for the Council to enter into a rental agreement with the Housing Association. This would remove any need for the Care Provider to be involved in the rental and would potentially have the advantage of ensuring that, in the event of a Care Provider at some point in the future proving to be less than satisfactory (in terms of the care service provided), there would be no risk of the Care Provider having a tenancy of the premises and the Department wishing to change Care Providers.
 - 3.13 In the second option, where the rental would be paid by the Care Provider, Knowes Housing Association would seek some written undertaking from the Council that, in the event of the Care Provider changing or withdrawing from the premises, the Council would seek to re-procure further care provision at that site.
 - 3.14 It is expected that the annual rental charge for the premises will be around £75,000 per annum, though this is only indicative at present.
 - 3.15 The Department cannot envisage a situation in the foreseeable future where such adult respite provision will not be required and would envisage seeking to secure a rental period of 25 years.
 - 3.16 The rental level would be required to be negotiated and agreed through the Council's Estates Section with relevant involvement from the Legal Section.

4. Personnel Issues

- 4.1 There are no personnel issues.

5. Financial Implications

- 5.1 The financial implications are as noted above.

6. Risk Analysis

- 6.1 The provision of respite services is a statutory performance indicator from the Scottish Executive. We require to develop this new service in order to continue to meet our previously agreed targets.
- 6.2 The risk of an increased financial burden being placed on the authority by not being able to provide adequate respite support is high. Respite support is used to maintain people in family settings, often where the Care Provider is an older person.

- 6.3** The provision of respite services is an integral part of West Dunbartonshire Council's learning disability services partnership in practice agreement with the Scottish Executive and partner agencies.
- 6.4** There are risks attached to either option as to with whom the rental agreement should be and potential advantages and risks to the Council on both (as described in 3.12 and 3.13 above). The main risk to the Council is that either the Care Provider or the landlord (Knowes Housing Association) does not comply to the terms of their respective agreements. Any such issue with the Care Provider would be dealt with under that contract. Any issue re the landlord's duties could result in the Council incurring additional costs to maintain the premises to keep the service running and the potential for costs of recovery. This risk can be mitigated through having a suitable rental agreement in place which has been negotiated and agreed by the Council's estates section (if the Council enters into a rental agreement).

7. Option Appraisal

- 7.1** Paragraph 3.5 and its subsections provides information on the options available at the time of the decision by Council on 9 February 2006 to close Marelen House and to re-provide the respite service.
- 7.2** Paragraphs 3.7 and 3.8 indicate that the option to enter into a partnership with Knowes Housing Association is the only option available at present, as it was when the report was made to the tendering Committee on 14 June 2006.
- 7.3** In terms of the options regarding the form of this partnership, this relates primarily to whether the Council would wish to enter into a rental relationship with the Housing Association regarding the new premises and the two options available as described in Paragraphs 3.10 to 3.13.
- 7.4** The option for the Council to rent the premises from the Housing Association is the preferred option from this Department's point of view, as this offers the most flexibility in relation to the Care Provider should a change in provider be required for whatever reason.

8. Conclusions

- 8.1** The decision by Council on 9 February 2006 was that the Department seek to re-provide the adult respite care service which was previously provided at Marelen House.
- 8.2** The Tendering Committee of 15 November 2006 gave permission to seek an external Care Provider to run the service which was to be provided at the new development at Dunn Street which was being developed by Knowes Housing Association.
- 8.3** Discussion with Knowes Housing Association has continued since the Social Justice Committee of 14 June 2006 and Knowes have continued to progress the development and have identified a preferred bidder for the construction of the new premises.

- 8.4** To proceed with the build Knowes Housing Association require to agree with the Council on the rental of the premises and whether this should be by agreement with the Council or with the selected Care Provider.

9. Recommendations

- 9.1** Committee is asked to agree:

- 9.1.1** That this joint venture for the re-provision of respite services in the West Dunbartonshire area should proceed as indicated in the above report and agree that the Council's Estates Section should enter into negotiations with Knowes Housing Association to agree a rental rate and length of tenure for the use of the premises; and
- 9.1.2** That following selection of the Care Provider, the Executive Director of Social Work and Health, in consultation with the Head of Legal, Administrative and Regulatory Services, should determine whether the rental of the premises should proceed in the name of the Council or the selected Care Provider.

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Appendices:	None
Background Papers:	West Dunbartonshire Council: 9 February 2006 Social Justice Committee: 14 June 2006 Tendering Committee Report: 15 November 2006
Wards Affected:	All