

**HAMPSHIRE COUNTY COUNCIL  
Decision Report**

<b>Decision Maker:</b>	Executive Member: Adult Social Care
<b>Date:</b>	16 December 2011
<b>Title:</b>	Project Extra-Care: Oak Park Health and Wellbeing Campus development
<b>Reference:</b>	2531
<b>Report From:</b>	Richard Ellis

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## 1. Executive Summary

1.1 The purpose of this paper is to seek agreement, from Executive Member for Adult Social Care, to the proposed development of a Health and Wellbeing Campus at Oak Park, Havant in partnership with NHS Hampshire (NHSH). The Campus will be part of the first phase of Project Extra-Care with the development of Extra-Care Housing units on the site in addition to the development of a nursing home. The report also sets out the potential capital and revenue funding implications for adult social care. A request for permission for the disposal of the land relating to the Campus development will be sought from the Executive Member Policy and Resources (P&R) on 19 January 2012.

## 2. Contextual information

- 2.1 Approximately 10 years ago a portion of land at Oak Park, Havant, owned by Hampshire County Council, was sold to NHSH for the purposes of developing a Community Hospital. A remaining smaller portion of land at the site, known as River Way, was retained by Hampshire County Council for office use. The entire site currently has C2 (health and social care use) nature of use classification.
- 2.2 The development of the community hospital at Oak Park was reviewed by NHSH in September 2009, and it was decided that rather than providing all services from one location, the hospital services would be delivered within the community across a range of different sites in the Havant area. This included working with Hampshire County Council to provide nursing and reablement beds at a Health and Wellbeing Campus on the combined land at Oak Park, that would also include an Extra-Care Housing development.
- 2.3 Preliminary research undertaken mid 2011 indicated that there was sufficient demand for both additional nursing care and Extra-Care housing in the area. In addition the emerging Havant Waterlooville & East Hampshire Clinical Commissioning Group (HWEH CCG) is particularly keen to see reablement and general nursing beds available to provide care closer to home and reduce hospital admissions, urgent care usage, and length of stay in hospital.

- 2.4 Extra-Care Housing provides people with their own apartment coupled with access to communal and shared space. Twenty-four hour care and support is available on-site, to be used progressively by people as their needs increase, delaying or avoiding early or unnecessary entry to residential care alternatives. The White Paper 'Independence, Wellbeing and Choice' promotes Extra-Care Housing as providing a higher quality of life for many older people. Hampshire County Council demonstrated a significant commitment to achieving a countywide coverage of Extra-Care Housing developments through the approval of 'Project Extra-Care' by Cabinet on the 24 October 2011.

### **Demographics and demand**

- 2.5 The following demographics and demand statistics are taken from POPPI (Projecting Older People Population Information) <sup>1</sup>:
- In 2010, 21.8% of the population in Havant are aged over 65 (the second largest proportion in Hampshire), which will rise to 24.5% by 2015 and 27.9% by 2025.
  - In real terms there will be an increase in the number of people aged over 65 in Havant, from approximately 25,400 as at 2010, to an estimated 29,000 by 2015 and an estimated 34,700 by 2025. This equates to growth of 14% between 2010 and 2015 and 37% between 2010 and 2025.
  - the number of people in Havant with dementia is estimated to increase from approximately 1,850 people in 2010 to around 2,100 people by 2015 (a 17% rise) and to nearly 2,900 people by 2025 (a 59% rise).
  - It is also estimated that there will be a 15% increase of people over 65 with a Limiting Long Illness by 2015 (11,200 to 12,800) and that this will increase by 40% by 2025 (11,200 to 15,700).
- 2.6 The demographics shows that, with all other variables remaining the same, additional nursing care facilities and alternative housing options are likely to be required.

### **'Expressions of interest' - market test exercise**

- 2.7 On the 12 April 2011 the Executive Member for Adult Social Care gave permission for an 'expressions of interest' exercise to be conducted. There was no legal or formal requirement for any consortium / organisation to complete the exercise, however it was intended that the exercise would test whether the 'market' felt that the development of the Oak Park Health and Wellbeing Campus was both feasible and sustainable. It was also hoped that the exercise might provide an indicative market led value for the site and an indication as to the amount of any capital receipt that may be received from the disposal of the land. The exercise ended on the 16 August 2011.
- 2.8 A total of 8 expressions of interest were received, although the information provided by the responding parties did vary. The responses overall indicate that the market has sufficient appetite to develop this scheme and feels that it is feasible and sustainable. A summary of the responses to the 'expressions of interest' exercise is provided in Appendix C (Exempt).

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<sup>1</sup> POPPI has been developed by the Oxford Brookes University (Institute of Public Care) to help explore the possible impact that demography and certain conditions may have on populations aged 65 and over.

### **3. Proposed development process**

#### **Joint disposal of land**

- 3.1 On the basis of the responses from the 'expressions of interest' exercise, it is felt that there has been enough interest expressed to have further discussions with both NHSH and Havant Borough Council around the development of the site, and for approval to be sought from Executive Member for P&R for inclusion of the River Way site in a joint Oak Park land disposal
- 3.2 To achieve best value for both Hampshire County Council and NHSH land at Oak Park, whilst still achieving the required health and social care outcomes, it is proposed that the site should be marketed and disposed of as one lot (albeit with two separate ownerships).
- 3.3 A joint tender, that will need to comply with European Union Public Procurement Directives, will be required for the simultaneous disposal of the two parcels of land. The joint sale of both the NHSH land and Hampshire County Council land will be managed by Hampshire County Council Property Services team. It is intended that a share of the costs associated with the disposal will be recovered from NHSH.

#### **Single organisation / consortia approach**

- 3.4 It is considered, on the basis of early financial forecasts, that there is likely to be a need for capital and revenue cross subsidy across the different elements proposed at the health and wellbeing campus, to ensure financial sustainability. It is also felt that the delivery of the elements within the campus cannot be separated from the design and build stages as the services will have to link together seamlessly and that this will require a 'joined up' approach. Thus, like residential care, it is felt it will not be possible to detach the nursing care element from the capital requirements and design and build of the nursing home. Similarly it is also felt that it will be very difficult to split the funding and development from the landlord elements of the Extra-Care Housing.
- 3.5 It is therefore anticipated that a single organisation or consortia of organisations with the requisite specialist skills to design, build and provide both nursing and reablement beds and to be landlord for the Extra-care Housing at the campus, will be sought at the outset.

#### **Proposal - commissioning of care services**

- 3.6 It is proposed that a series of agreements are developed to enable the decisions on the level and price of care to be procured to be taken much nearer the time of completion of building works. It is felt that this will provide the most efficient way to proceed as:
  - there will be a clearer picture of the demand for care services required nearer the time of build completion.
  - pricing can be based on actual market conditions at the time of build completion rather than those predicted now.
- 3.7 It is anticipated that the agreements required would consist of:

- a proposed nominations agreement for Hampshire County Council for up to 50 Extra-Care Housing units.
  - the nominations agreement will not determine any care requirements, although it is likely that individuals nominated by Hampshire County Council will be eligible for Adult Social care funded support.
  - any providers of care for Adult Services eligible residents in the Extra-Care Housing will be commissioned by Hampshire County Council through a separate competitive tender nearer the completion of the Extra-Care Housing build (anticipated around 2014).
  - the type of services that are required will therefore not need to be specified until later which will allow models of care and specifications to be based on up to date guidelines and best practice and ensure the best quality provider at the time can be selected.
  - this process will also ensure there is a clear split between landlord and care provider, preventing any possible issues with Care Quality Commission (CQC) registration.
  
- A proposed option agreement for Hampshire County Council and NHSH / HWEH CCG, either jointly or independently, to purchase up to 20 reablement nursing beds.
  - the competitive tender for the procurement of the reablement nursing beds will be a part of, and linked to, the European Union Public Procurement Directives land disposal / development tender process, with the provider of the reablement nursing beds (and 10 OPMH nursing beds - see below) selected at this point.
  - the option will allow Hampshire County Council and NHSH / HWEH CCG to purchase the required reablement nursing beds from the selected provider at an agreed price range over a fixed time period.
  - the type of services to be provided will be described as part of the agreement, however this will need to be kept as flexible as possible to allow for up to date guidelines and best practice to be incorporated into models of care when they are actually delivered (anticipated to be from 2014).
  
- an option for NHSH / HWEH CCG to purchase up to 10 Older Persons Mental Health (OPMH) nursing beds.
  - the competitive tender for the procurement of the OPMH nursing beds will be a part of, and linked to, the European Union Public Procurement Directives land disposal / development tender process, with the provider of the OPMH nursing beds (and 20 reablement nursing beds - see above) selected at this point.
  - the option will allow NHSH / HWEH CCG to purchase the required OPMH nursing beds from the selected provider at an agreed price range over a fixed time period.
  - the type of services to be provided will be described as part of the agreement, however this will need to be kept as flexible as possible to allow for up to date guidelines and best practice to be incorporated into models of care when they are actually delivered (anticipated to be from 2014).

3.8 Organisations or consortiums responding to the disposal tender process will have to show that they will be able to meet any quality and service standard requirements included in the nursing bed option agreement and accept that they may not be the organisation selected to provide care to residents within the Extra-Care Housing units that are eligible for adult social care support.

## **4. Finance**

### **Capital**

- 4.1 Any organisation or consortium responding to the 'expressions of interest' exercise was expected to provide a capital receipt for the land purchase, and to be able to wholly fund the development of the campus (as it was anticipated that there would be no Hampshire County Council or NHS capital subsidy).
- 4.2 Any capital receipt will be split between Hampshire County Council and NHS following the payment of all costs. The actual split will be agreed with NHS before the project progresses to the proposed formal disposal tender process.
- 4.3 A summary of the capital funding implications of the responses to the 'expressions of interest' exercise can be found in Appendix D (Exempt). It must be noted that the amount of capital receipt will not be confirmed until after the proposed formal disposal tender exercise and may be more or less than indicated in the responses to the 'expressions of interest' exercise.
- 4.4 Any potential capital receipts in relation to the Hampshire County Council River Way site have already been hypothecated to the Havant Public Service Plaza project.

### **Revenue**

- 4.5 The developer will be expected to run the Health and Wellbeing Campus (with the exception of the health centre) as a sustainable and viable proposition. This will be tested through the proposed formal disposal tender exercise.
- 4.6 The care costs will be funded from operational budgets. Based on the demographic and demand figures highlighted above (section 2.5 - 2.6) it is anticipated that in Havant there will be an increasing need for adult social care support and that this will put pressure on these operational budgets. The proposals for services to be developed at Oak Park are anticipated to provide an efficient and economical way for adult services to meet this need. For further details see Appendix E (Exempt).
- 4.7 It is intended, through the proposed use of a nominations agreement, that affordable Extra-Care Housing Units can be secured without the need to secure the actual care requirements for those nominated residents until nearer the time of completion of the building of the Extra-Care Housing units in 2014. Similarly the options agreement for the reablement beds will mean purchasing decisions will not need to be made until nearer the time of completion of the building of the nursing home. This will mean that the actual costs of the care to be purchased will not be determined until late 2013 - early 2014 and it is hoped this will mean care prices can be agreed at a level appropriate to the market conditions at the time. Exact costs to Hampshire County Council for their share of the 20 commissioned reablement beds, and the care provision for people living in the Extra-Care Housing units can therefore not be confirmed until this time. The final exact contracting arrangement and price may be different to the responses received from the 'Expressions of Interest' market test exercise and assumptions made in this paper.

## 5. Performance

### Corporate objectives

- 5.1 Hampshire safer and more secure for all - The development of both nursing and reablement beds and Extra-Care Housing units on a single site provides residents with the availability of safety of care as well as the support and security these combined developments can provide. In addition, people choosing to live in the Extra-Care Housing Units will have security of tenure that they do not have in traditional residential care homes.
- 5.2 Maximise well-being - Additional nursing care capacity in the area will be created from which Hampshire County Council and NHSH/HWEH CCG will have the option to commission nursing beds for reablement. This will provide health and social care support to vulnerable adults to support them in regaining their independence or maintaining their quality of life for as long as possible. Extra-Care housing promotes independent living and empowers older people who might otherwise have required residential care. By improving access to NHS and social care services the development will have an important role in tackling any local health inequalities.
- 5.3 Enhance quality of place - The development will provide excellent health and social care facilities for the residents of Havant and South East Hampshire, providing a high standard of personal accommodation. It is envisaged that the development will, where possible, be a community development providing support and facilities for people in the neighbourhood.

### Department objectives

- 5.4 The Health and Wellbeing Campus will:
- Increase the supply of nursing care and reablement beds in the area to meet future demographic pressures
  - Influence the model of affordable housing requirements (required by Havant Borough Council) towards Extra-Care Housing units that can support people to remain independent for longer as they age.
  - With a number of housing options being developed, increase choice for the local community in line with personalisation.
  - Influence affordability of the accommodation options being provided to maximise our scarce resources, and maximise land values for the County Council.

## 6. Legal Implications

### Memorandum of understanding with NHSH and HWEH CCG

- 6.1 Prior to the disposal of the land, it is anticipated that a Memorandum of Understanding will be required between Hampshire County Council, NHSH and HWEH CCG. It is intended that this will specify the nature of the land disposal, setting up the requirements and responsibilities of each party, for example who the lead organisation is, governance arrangements, outlining the commitments from each party around legal issues, resources and timescales for decision making.
- 6.2 The memorandum of Understanding will also confirm the split of any capital receipt and the arrangements in relation to funding the costs of the management of the

project which will largely fall to Hampshire County Council. The initial proposal is that all costs relating to the disposal are taken from any capital receipt before any residual receipt is split between Hampshire County Council and NHS.

- 6.3 The Memorandum of Understanding will also specify the nature of the options agreement and subsequent commissioning of the 20 reablement beds.
- 6.4 The separation of all aspects of the health and social care responsibilities of each of the parties will need to be clarified within the Memorandum of Understanding.
- 6.5 The proposed transfer of legal responsibilities from NHS to Clinical Commissioning Groups during the period of the project will also need to be considered when developing the Memorandum of Understanding and the proposed option agreements.

### **Development agreement**

- 6.6 The land disposal will require a development agreement that will detail the terms of conditions for the development of the land ensuring that quality and other standards required by Hampshire County Council are met by the developing organisation / consortium. This will be developed and managed by Hampshire County Council Property Services.
- 6.7 The nominations agreement and the two option agreements, one for the commissioning of reablement beds by Hampshire County Council and NHS and one for NHS for their commissioning of nursing beds, will be attached to, and form part of, the development agreement. The background to these approaches are discussed in sections 3.6 - 3.8 above.

## **7. HR Implications**

- 7.1 As the services at the Health and Wellbeing Campus will be provided by an independent provider there are no Hampshire County Council staff issues involved with this development.

## **8. Risk management**

- 8.1 The key risks relate to cost uncertainty in advance of procurement, changes in NHS structures and the usual planning risks. A risk register for the project will be maintained.

## **9. Next Steps**

- 9.1 If the recommendations in this paper are approved by the Executive Member for Adult Social Care then a report will be presented to Executive Member for P&R on 19 January 2012 for agreement for a formal joint disposal tender process, with NHS, of the land and development of a Health and Wellbeing Campus at Oak Park, Havant.
- 9.2 If the disposal of the land and development of the Health and Wellbeing Campus is agreed then the formal disposal tender process is anticipated to start during Autumn 2012. Following selection of the preferred developer/provider, intended to be late 2012, further planning and design discussions and agreements will be required, with

building on the site not likely to commence until late 2013 at the earliest. The development is not likely to open before 2014.

## **10. Recommendations**

- 10.1 That the Executive Member for Adult Social Care notes the content of this report in respect of the proposed joint disposal, with NHS Hampshire, of land at Oak Park (subject to approval by Executive Member for P&R, which will be requested in January 2012), and for the development of a Health and Wellbeing campus.
- 10.2 That the Executive Member for Adult Social Care agrees to the submitted proposals for a development agreement that will include an option to jointly purchase up to 20 reablement beds and an agreement to secure nomination rights for up to 50 Extra-Care Housing units in the proposed Health and Wellbeing Campus.
- 10.3 That the Executive Member for Adult Social Care approves the proposal for the negotiation of a Memorandum of Understanding with NHS Hampshire and the Havant, Waterlooville and East Hampshire Clinical Commissioning Group.
- 10.4 That the Executive Member for Adult Social Care notes the summary of the capital funding implications of the responses to the 'Expressions of Interest' exercise, that can be found in Appendix D (Exempt).
- 10.5 That the Executive Member for Adult Social Care notes the potential future requirement for revenue funding for reablement care, if the reablement bed option is taken up in due course, and for the care associated with adult social care eligible residents in the Extra-Care units, as stated in Appendix E (Exempt).

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	yes
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	yes
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	yes
Corporate Improvement plan link number (if appropriate):	

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Adult Services Executive Member: Oak Park Health and Wellbeing Campus proposal	2531	12 <sup>th</sup> April 2011
Cabinet Report: Modernisation of Adult Social Care - Project Extra-Care	3175	24 <sup>th</sup> November 2011
<b>Direct links to specific legislation or Government Directives</b>		
<u>Title</u>		<u>Date</u>
NONE		

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

## **IMPACT ASSESSMENTS:**

### **Equalities Impact Assessment:**

Full Impact Assessment completed. Summary findings are:

That in general, where data is available, the characteristics of people using Adult Services support in Havant meet the characteristics of the local Havant population. The assessment has identified that Nursing Care in particular is used primarily by people who are older and who have frailties, disabilities or mental health issues, and it is to support the health and social care needs of these people that is being targeted with the commissioning of services at the proposed Oak Park Health and Wellbeing development.

Although there is a primary target group, there will be no exclusions in terms of age, sexuality, race, faith, gender, disability or socio-economic factors but this will require some specific actions. These will be to ensure:

1) that a specification is written for the service that ensures the service provider makes reasonable and appropriate adjustments as required to meet the needs all people referred to the services

2) that there is regular contract monitoring of performance against a key performance objective in relation to ensuring that the service provider works in partnership with Adult Services to ensure the service user characteristics match the local demography

and 3) that provider and Adult Services staff receive age, sexuality, race, faith, gender, disability and socio-economic awareness training and development to ensure that there are no exclusions on those grounds and that all people are treated as individuals with their personal needs met where appropriate and reasonable.

### **Impact on Crime and Disorder:**

It is not anticipated that the proposals suggested in this paper in respect of the disposal of Hampshire County Council land at River Park and the development of the Oak Park site into a Health and Wellbeing campus will impact on crime and disorder.

### **Climate Change:**

- i. How does what is being proposed impact on our carbon footprint / energy consumption?**
- ii. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?**

A number of the carbon footprint / energy consumption issues and climate change issues (including adopting and facilitating the prudent use of resources by developing a new more energy efficient building, urban planning and design to benefit all through a prudent mix of buildings and high quality design and architecture and mitigating climate change by adopting a responsible approach to the design and build of the health and wellbeing campus, promoting sustainable mobility choices through a transport plan) will be managed through Property Services, Culture Community and Business Services, who will be project

managing the design and build aspect of this project and will work to the latest standards of building performance requirements.

The project will re-use a brownfield site that has been derelict for a number of years and with its location in close proximity to identified areas of disadvantage, could provide the potential for equitable access to health and wellbeing services, fostering social inclusion and equality. The affordable Extra-Care Housing development will also ensure there is a supply of good quality and socially integrated housing.

In addition the carbon footprint and energy consumption will be lowered due to a reduction in travel as this service provides an alternative to traditional domiciliary care support that requires considerable travel across a neighbourhood area.

In respect to protecting and promoting the health and wellbeing of the local population, this project will support and enhance the independence of people in the Havant area, will reduce inequalities in health systems in the local area and will provide employment opportunities for local people that could reduce some people's poverty. The project supports the vision for Havant and Hampshire to prosper without risking our environment.