

**HAMPSHIRE COUNTY COUNCIL
Decision Report**

Decision Maker:	Executive Member for Adult Social Care
Date:	28 June 2013
Title:	Procurement of services at proposed Oak Park Health and Wellbeing Campus development
Reference:	4878
Report From:	Director of Adult Services

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1. Executive Summary

1.1 The purpose of this paper is to seek authority from the Executive Member for Adult Social Care, to go out to tender for the procurement of care and support services at the proposed Health and Wellbeing Campus development at Oak Park. The authority to procure is sought for the following:

- the provision of a 24/7 care and support service within an extra care scheme,
- the option to purchase up to 10 re-ablement beds in a nursing home

1.2 In addition, and subject to confirmation, the procurement may include:

- the option to procure 20 nursing beds on behalf of the South East Hampshire Clinical Commissioning Group (to be purchased by them)

1.3 As the final number of apartments in the Extra Care scheme will only be determined through the procurement process a further authority to spend will be sought from the Executive Member for Adult Social Care following the completion of the exercise, once exact revenue costs have been confirmed.

1.4 This paper does not include the authority to procure the building of the extra care scheme, nursing home or potential ancillary developments. A separate paper is being taken to the Executive Member for Policy and Resources on 26 June 2013 to seek this authority.

2. Contextual information

2.1 The proposed services will be delivered on a site known as Oak Park in Havant. The site (site plan attached as Appendix C) is now fully owned by Hampshire County Council following the successful purchase of part of the site from NHS Hampshire (NHS) in February 2013. Authority to procure the building of the extra care scheme, nursing home and ancillary developments is being sought from the

Executive Member for Policy & Resources.

2.2 The site in question had previously been identified for the development of a community hospital. This proposal was then reviewed by NHSH in 2009, when 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 a proposal to work 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 Both of these proposed developments will provide much needed additional capacity to meet the growing needs in the area. Statistical information from Projecting Older People Population Information (POPPI) ¹ indicates that:

In 2012, 21.9% of the population in Havant were aged over 65 (the second largest proportion in Hampshire), which will rise to 24.9% by 2020.

In real terms there will be an increase in the number of people aged over 65 in Havant, from approximately 26,500 as at 2012, to an estimated 31,000 by 2020. This equates to growth of 17% between 2012 and 2020.

The number of people in Havant with dementia is estimated to increase from approximately 1,915 people in 2012 to around 2,480 people by 2020 (a 29% rise).

2.4 It is also estimated that there will be a 18% increase of people over 65 with a Limiting Long Illness between 2012 and 2020 (11,752 to 13,835).

2.5 Following the transfer of health commissioning responsibilities from NHSH to Clinical Commissioning Groups (CCGs) in April this year, the ongoing commitment to this development has been re-confirmed by the South East (SE) Hampshire CCG.

3. Proposed procurement approach

3.1 In April 2011 the Executive Member for Adult Social Care gave permission for an 'expressions of interest' exercise to be conducted to test whether the market felt that the development of the Oak Park Health and Wellbeing Campus was both feasible and sustainable. A total of 8 expressions of interest were received. These indicated that the market had sufficient appetite to develop this scheme and that it was feasible and sustainable.

3.2 On the basis of the responses received, and the need to deliver economically viable schemes Executive Member for Policy and Resources approval was obtained in January 2012 for the development of a new Health and Wellbeing Campus comprising a minimum of 50 affordable Extra-Care units and a 60 bed nursing home, 'the base scheme'.

¹ 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.

- 3.3 It is however recognised that the site is of a larger size than is required to solely accommodate these ‘base scheme’ developments. As such the proposed procurement process will also include the opportunity for tender submissions to include the provision of additional ancillary developments. These could be additional capacity for the nursing home or extra care scheme, or unrelated private housing.
- 3.4 Given the variable elements that will comprise the overall development there is likely to be a need for capital cross subsidy across the different elements proposed at the health and wellbeing campus, to ensure the overall financial viability and sustainability of the development. To achieve best value for money across the delivery of the elements within the campus, it was concluded that the procurement of the care and support services should not 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 it would 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 would be disadvantageous to split the funding and development of the Extra-Care scheme from the ongoing care and support provision.
- 3.5 An approach has therefore been adopted that enables the procurement of the buildings and care and support services at Oak Park for both the Nursing Home and Extra Care scheme to be undertaken through one OJEU (Official Journal of the European Union) compliant process.
- 3.6 As stated at 2.1 above the authority to procure the development of the buildings is being sought from the Executive Member for Policy and Resources. The overall procurement will not commence until both the authority to procure the buildings and the authority to procure the services has been given.
- 3.7 At this stage the authority of Executive Member for Adult Social Care to procure a care and support service for the extra care scheme, and the option to purchase up to 10 re-ablement beds in a nursing home is sought. Indicative costings for this are outlined in section 4 below.
- 3.8 Given the multi faceted nature of the proposed development, and the fact that exact scope and size of the development, above the ‘base scheme’ specified, will not be known until after the completion of the procurement process, further approval will be sought from both the Executive Member for Policy and Resources and the Executive Member for Adult Social Care before any capital or revenue expenditure is incurred.
- 3.9 The following separate services will be procured as part of this process:
- 3.9.1 The provision of a 24/7 on site care and support service within the extra care scheme for an initial period of 3 years with the option of two further annual extension, providing for a maximum of 5 years in total.
- 3.9.2 An option for Hampshire County Council to purchase up to 10 re-ablement beds within the nursing home, for a period of up to 5 years. Under this options agreement the number of beds purchased in one year determines the maximum that can be purchased in the subsequent years

- 3.9.3 Subject to confirmation from the SE CCG an option to purchase (by them) of up to 20 nursing beds.
- 3.10 Subject to Executive Member approval of this report and that of the Executive Member for Policy and Resources on 26 June 2013 to the procurement of the buildings, it is proposed to launch the procurement process in early July. It is anticipated that the procurement process will be completed by December 2013.
- 3.11 Following completion of the procurement process a business case detailing any capital requirement for the extra care development will be presented and further approval sought from the Executive Member for Policy and Resources for any capital spend, and from the Executive Member for Adult Social Care for spend on the care and support services before a tender is accepted and the contract awarded.

4. Revenue

- 4.1 All care costs will be funded from operational budgets. Based on the demographic and demand figures highlighted at 2.4 above 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.
- 4.2 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. Expenditure will only be committed in respect of clients who have an assessed care need and meet Adult Services eligibility criteria.
- 4.3 As stated at 3.3 above the available site is of a sufficiently large size to support developments in excess of the size specified as the 'base scheme'. Whilst this will have no impact on the maximum nursing home revenue requirement, as the take up option is limited to a maximum of 10 beds, a larger extra care development would lead to an increased revenue requirement as set out in Exempt Item 5 and summarised below.
- 4.4 Any increase in the final number of apartments in the Extra Care scheme above the minimum 'base scheme' requirement of 50 apartments will not be known until the conclusion of the procurement process.
- 4.5 The revenue implications for the developments results in a potential range between a minimum 'base scheme' level of:
- 4.5.1 £300,000 per annum (pa) for the nursing bed option, totalling up to £1,800,000 if the maximum allowable option was exercised over the 5 year life of the contract
- 4.5.2 £301,600 per annum and £603,200 pa for the care and support services within the Extra Care Scheme, totalling up to a maximum of £3,016,000 over the maximum 5 year life of the contract.
- 4.6 As the figures at 4.5.1 – 4.5.2 are indicative, and will only be confirmed once the procurement has been completed, a further approval from the Executive Member for Adult Social Care to award a contract will be sought, before an award is made.

5. Legal Implications

- 5.1 The proposals to tender the contracts for these schemes will be compliant with Hampshire County Council Standing Orders, and are subject to the European Union (EU) Procurement Directives (current regulations 31 January 2006).
- 5.2 As stated above at 3.7 the proposed procurement will include an option to procure 20 beds in the nursing home on behalf of SE CCG. This will not be proceeded with until written authority to do so is received from a duly authorised representative of SE CCG. While the proposed procurement will be run by Hampshire County Council on behalf of all parties, in the event that this option is exercised these beds will be purchased by the SE CCG.
- 5.3 In exercising its functions an authority must have due regard to the need to: eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act and advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

6. HR Implications

- 6.1 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.

7. Risk management

- 7.1 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 is maintained jointly with SE CCG.

8. Equalities Impact Assessment

- 8.1 An Equalities Impact Assessment has been carried out on this proposal and has been included in Integral Appendix B.
- 8.2 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. The commissioning of care and support services at the proposed Oak Park Health and Wellbeing development will help to support the health and social care needs of these people.

9. Recommendations

- 9.1 That the Executive Member for Adult Social Care give authority to proceed to go out to tender for the procurement of the following services on the Oak Park Health and Wellbeing Campus:

- 9.1.1 The provision of a 24/7 on site care and support service within the extra care scheme at an anticipated cost of up to £603,200 pa, totalling up to £3,016,000 over the maximum 5 year contract period.
- 9.1.2 An option for Hampshire County Council to purchase up to 10 re-ablement beds within the nursing home at an anticipated cost of £300,000 pa, totalling up to £1,800,000 over the maximum 5 year contract period.
- 9.2 That a further report seeking approval from the Executive Member for Adult Social Care to spend at the level determined through the procurement process, and to award a contract be submitted before an award is made.

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

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

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Adult Services Executive Member: Oak Park Health and Wellbeing Campus proposal	2531	12 April 2011
Cabinet Report: Modernisation of Adult Social Care - Project Extra-Care	3175	24 November 2011
Executive Member for Policy and Resources approval to procure jointly with NHS Hampshire	3203	19 January 2012
Executive Member for Policy and Resources granted approval to purchase land from NHS Hampshire	4254	24 January 2013
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

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?**

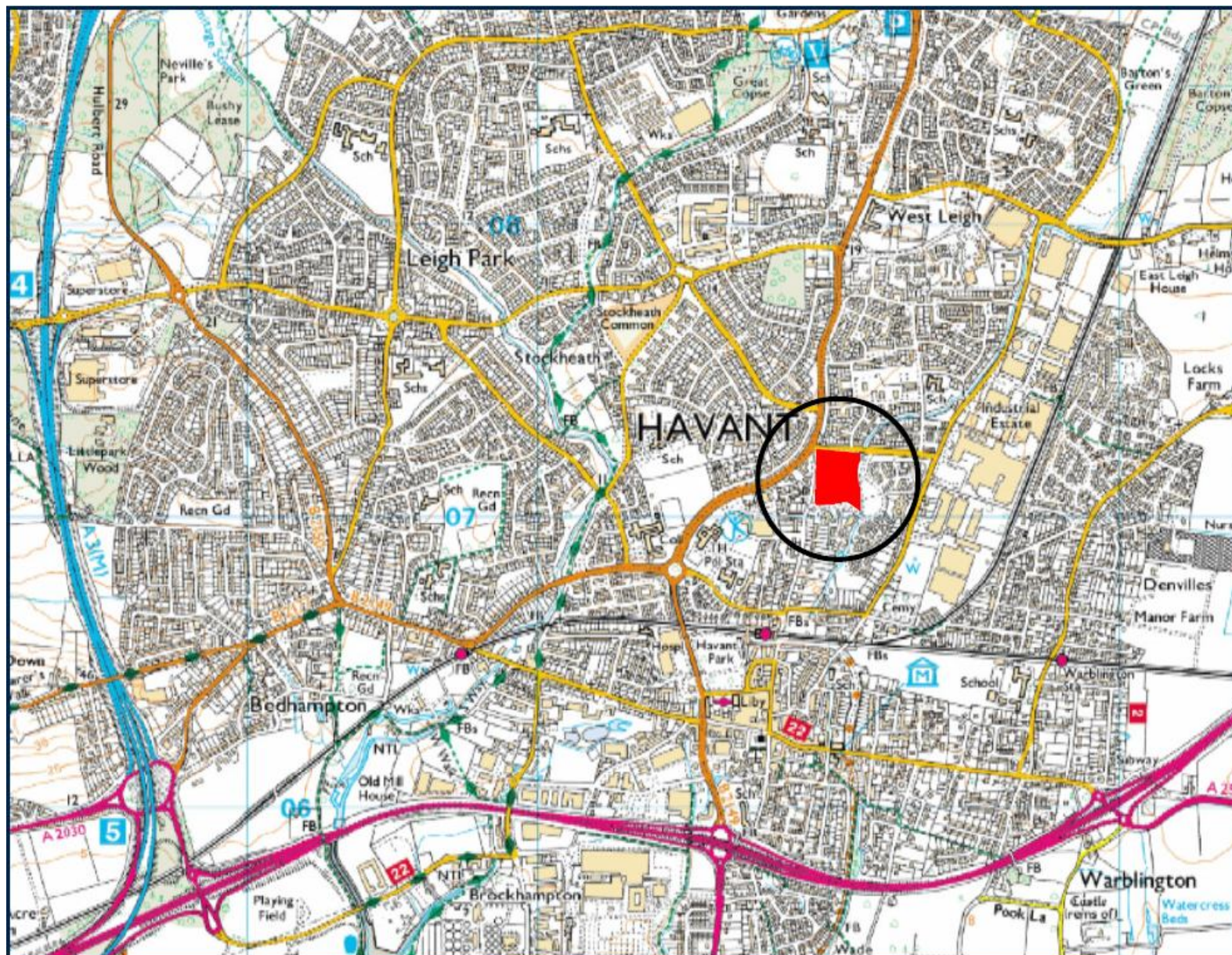
A number of the carbon footprint / energy consumption issues and climate change issues (including adopting and facilitating the prudent use of resources by developing a new more energy efficient building, urban planning and design to benefit all through a prudent mix of buildings and high quality design 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.

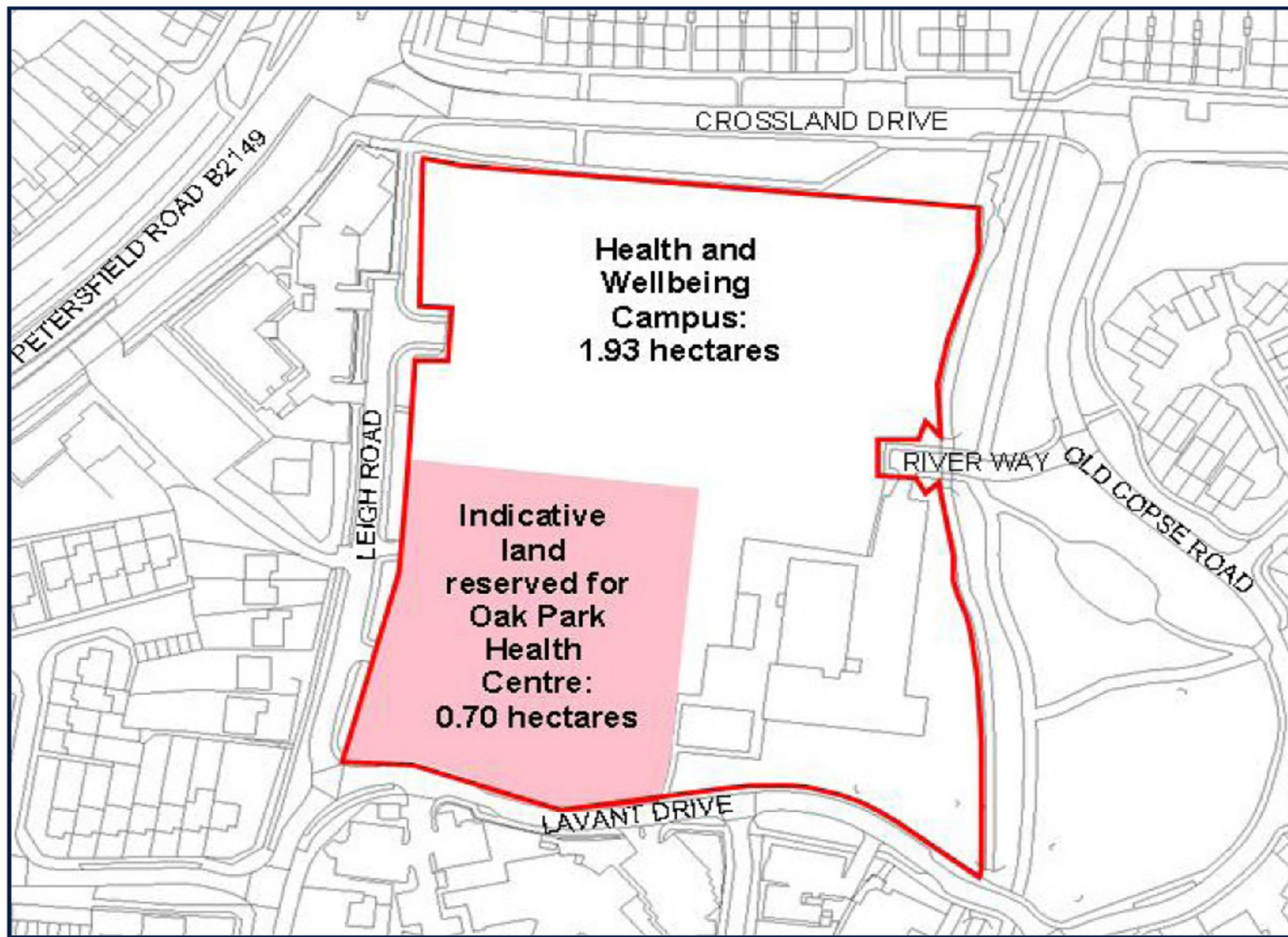
In addition the carbon footprint and energy consumption will be lowered due to a reduction in travel as this service provides an alternative to traditional domiciliary care support that requires considerable travel across a neighbourhood area.

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.



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Site Plan
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