

Cabinet

15 October 2024

Reablement Centres

For Decision

Cabinet Member and Portfolio:

Cllr S Robinson, Adult Social Care

Local Councillor(s):

Cllr Bridget Bolwell, Cllr Dave Bolwell, Cllr Sarah Williams

Executive Director:

Jonathan Price, Executive Director of Adults & Housing

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Report Status: Public

Brief Summary:

To seek approval, subject to a successful planning application, to develop the site of the former Sidney Gale Care Home, Flood Lane, Bridport as Dorset's first reablement centre for older people at an estimated cost of £28.32m.

This will be the first scheme to be delivered under the business case agreed by Cabinet in July 2022, which allocated capital funding of up to £80m over the next ten years to develop three reablement centres for older people who require a higher level of care.

The services provided at the centre will:

- Reduce the pressure on the Council's finances from the demand and cost of adult social care services.
- Ensure that the Dorset Council area has sufficient care services to meet future demand for care.
- Reduce pressure on NHS beds and services, including preventing admissions.

- Improve health outcomes for Dorset Council residents discharged from hospital who require ongoing care and support.

It is estimated that the first scheme will generate £3.47m Adult Social Care cost avoidance benefits per annum from the first full year of operation and a further £2m of rental income per annum from the operation of the building.

Following a detailed design phase, public consultation and planning application, an award report will be presented to Cabinet for a final decision on the construction of the scheme.

Recommendations:

- i. To allocate the Council owned site of the former Sidney Gale Care Home, Flood Lane, Bridport for development as Dorset's first reablement centre.
- ii. To authorise the Executive Director of Adults & Housing, in consultation with the Cabinet Member for Adult Social Care, the procurement and award of contract for services for the demolition of the existing buildings and clearance of the site in accordance with the Council's financial regulations and Contract Procedure Rules.
- iii. To authorise the Executive Director of Adults & Housing, in consultation with the Cabinet Member for Adult Social Care, the procurement and award of contract for services to develop the design of the new centre and submit a planning application for the development of the centre in accordance with the Council's financial regulations and Contract Procedure Rules.
- iv. To authorise the Executive Director of Adults & Housing, in consultation with the Cabinet Member for Adult Social Care, the commencement of the procurement of services for the construction of the centre, subject to the outcome of actions within Recommendation iii, with the contract award to be approved by Cabinet (estimated autumn 2025).

Reason for Recommendations:

Why this project?

Dorset Council considers it necessary to intervene in the care market to secure the provision of reablement services for older people requiring higher levels of care by building up to three homes in the county at an estimated cost of £80m which will then be leased to one or more third party care providers to operate.

Without this investment, the Council considers that there is an unacceptably high risk that it will be unable to meet some of its duties under sections 1 & 2 of the Care Act 2014. This assessment is based on:

(i) Recent experience of failing to secure effective reablement services for older people discharged from hospital who require higher levels of support.

(ii) A projected shortfall in the supply of nursing care beds available in the county to meet demand by 2030 - these are beds in care homes that are registered, staffed and equipped to deal with people who are well enough to be discharged from hospital but not yet well enough to return to their own homes or usual place of residence without a higher level of nursing and care support.

(iii) the risk-averse assessment of the Dorset care market by private care providers, which makes it unlikely that the Council will be able to secure with certainty the additional supply of reablement services it requires at an acceptable price through procurement from the market.

Why this site?

This Council-owned site, with planning precedence for existing use, meets the selection criteria for a reablement centre site and represents the most certain way for the Council to achieve its objectives within an acceptable timescale.

What happened with the negotiations for the NHS owned site in Dorchester?

After 15 months of negotiations, it has not been possible to agree terms acceptable to the Council for the potential use of the NHS owned site in Dorchester (site identified in the report to Cabinet in July 2023). Discussions on the site will continue as part of the overall review of bed capacity in the health system.

1. Report

1.1 Project Timeline – work to date:

1.2 July 2022 Cabinet agrees the business case for the project with the following decisions:

- To delegate authority to the Portfolio Holder for Adults and Health, in consultation with relevant Portfolio Holders and the Executive Director of Adult Social Services and the Executive Director of Corporate Development, to initiate a project to develop up to three 80 bed reablement centres to meet the needs of Dorset Council residents.
- To commit capital funding of up to £80 million over the next ten years to secure the provision of reablement services for older people requiring higher levels of care and to initiate a project to develop the first unit at an estimated cost of £18 million.

- To approve the delivery approach and governance and management arrangements for the project and return to Cabinet for approval prior to the award of a design and build contract(s).
 - To review sites in the Council's property portfolio against the site criteria for each unit and prioritise the allocation of a site for the project. If a suitable site is not available within the Council's property portfolio, initiate a market search for a site that meets the selection criteria.
- 1.3 **July 2022 Capital Strategy Asset Management (CASM)** - Site requirement and business case reviewed and agreed by CASM and Asset Strategy Board.
- 1.4 **Feb - Apr 2023** - Independent review of business case and project approach.
- 1.5 **July 2023** - Cabinet received and agreed an update report on the project - identifying collaboration with the NHS, an option to use an NHS site in Dorchester for the first scheme, a full scheme cost estimate of £30.4m for an 84 bed centre on the first site:
- To delegate authority to the Executive Director of People - Adults and Housing, the Executive Director of Corporate Development and the Portfolio Holder for Adults, Health and Housing and the Portfolio Holder for Finance, Commercial and Capital Strategy to finalise negotiations with NHS partners to secure the Dorchester County Hospital site for the first centre.
 - To approve the procurement of a design partner to develop detailed plans and costings for the Dorchester Reablement Centre and to return to Cabinet for delegated authority to approve the capital commitment required to deliver the construction phases of the project.
 - To delegate authority to the Executive Director of People - Adults and Housing and the Executive Director of Corporate Development in consultation with the Portfolio Holder for Adults, Health and Housing, the Portfolio Holder for Finance, Commercial and Capital Strategy and the Portfolio Holder for Assets and Property to commence design of the scheme.
- 1.6 **July 2023** - RIBA Stage 1 Project Brief for a scheme on the Dorset County Hospital Foundation Trust (DCHFT) site, Bridport Road, Dorchester Site.
- 1.7 **September 2023 to April 2024** - Negotiations with DCHFT on terms of agreement for use of the site.
- 1.8 **September 2023** - Completion of RIBA Stage 1 feasibility studies for schemes on Council owned sites in Bridport (former Sidney Gale House Care

Home) and Wimborne (site of Streets Meadow Care Home) as alternative sites for the development of the first centre in the event that a suitable agreement cannot be reached on the DCHFT site.

1.9 **April 2024** - Project restarted with a deadline for agreement on the use of the DCHFT site, review of the Council's portfolio to identify potential alternative sites in the event of a failure to reach agreement with DCHFT, revised cost estimates for the scheme.

1.10 **September 2024** - CASM recommends prioritisation of plans to develop the first recovery and rehabilitation centre on the site of the former Sidney Gale Care Home, Flood Lane, Bridport at an estimated cost of £28.5m.

2. Reasons for recommending the Sidney Gale site

2.1 The site is in a prime location in Bridport with easy access to the town. The site meets the selection criteria for a recovery and rehabilitation centre set out in the July 2022 Business Case.

2.2 Advantages of the site

- Suburban site in a key strategic location with high demand
- Close to a supply of nursing and care staff (existing hospital and care homes)
- Good public transport links
- High likelihood of planning approval
- Close to proposed extra care housing development, supporting ageing well in communities
- Council owned site with restrictive covenant restricting use for social care purposes
- Potential for added value mixed use, ancillary facilities and key worker accommodation nearby
- Potential for Care Dorset Ltd to provide cross-border services into Devon, enhancing commercial viability

2.3 Disadvantages of the site

- Further from major hospitals than other sites - however, the level of demand in the West Dorset area and the lack of supply of community-based recovery services are considered to outweigh the slightly longer travel times.

The site is recommended as the location for the first recovery and rehabilitation centre.

2.4 **Site assessment process**

In October 2023, feasibility studies of the six existing council-owned care homes were commissioned to support discussions on the suitability of these sites and the existing buildings on them:

- As an alternative to the Dorset County Hospital site in Dorchester for a new build 60-80 bed recovery and rehabilitation centre
- For the refurbishment and upgrading of the existing buildings to modern standards and continued operation as a care home (en-suite to all bedrooms).
- Refurbishment of existing buildings and extension to provide one or more recovery and rehabilitation units (10-12 beds).

2.5 Of the six sites, four (Streets Meadow; Sidney Gale House; Castleman; and The Hayes) offered the potential for the development of a 60-80 bed recovery centre. Two of these sites, Streets Meadow; Sidney Gale House, were selected for further development of feasibility studies and cost estimates for reablement centre programmes.

2.6 Streets Meadow is the Council's most modern care home. East Dorset is an area of high demand for bed-based care and the Streets Meadow home is currently fully occupied. The development of this site will require the development of a decanting site to replace the operational capacity provided by the home during the refurbishment/upgrading of the facility. It is therefore not recommended as the site for the first centre, but it is recommended that a site search be commenced now to identify and develop a decanting site for the second centre, subject to the development of the business case.

2.7 Sidney Gale House was operational at the time of the feasibility study, but the building was deemed unfit for purpose and has since been closed (summer 2024). The initial feasibility study demonstrated that, subject to planning permission, a 60-bed reablement centre could be developed on the site to meet the Council's requirements.

2.8 **Site Options Appraisal**

The Council's standard options appraisal tool has been used to assess the financial implications of developing the site as a reablement centre versus disposal at an estimated value of £2m.

3. **Timeline for Development of the Centre**

Subject to decision by Cabinet and successful planning application the estimated timeline for development of the centre and commissioning of services will be:

OCT 2024

Procurement of demolition services & Procurement of design services

DEC 2024

Design Phase (RIBA 2 & 3) for Sidney Gale Site BEGINS

MAY 2025

Design Phase (RIBA 2 & 3) for Sidney Gale Site ENDS

JUNE 2025

Planning Application, Public Consultation & Procurement of RIBA Stage 4 Design & Construction Partner

SEPT 2025

Cabinet - Award report on RIBA Stage 4 Design & Construction Phase

OCT 2025

Contract finalisation and mobilisation for RIBA Stage 4 Design

NOV 2025

RIBA Stage 4 Design BEGINS

FEB 2026

RIBA Stage 4 Design ENDS & Guaranteed Maximum Price for Construction (Under NEC 4 Collaborative Contract)

MAR 2026

Construction BEGINS (18 months)

OCT 2027

Construction ends and building handed over

NOV 2027

Operational commissioning of the building & service preparation (4 months)

FEB 2028

First admission

4. Financial Implications**4.1 Scheme Cost Estimates 21 Aug 2024**

Construction Total	£20,077,286
Inflation (5%)	£1,003,864
Professional Fees (14%)	£2,810,820
Equipment & Furniture	£1,100,000
IT	£308,640
Optimism Bias	£2,452,563
Client Side Costs	£333,784
VAT	Excluded
TOTAL	£28,315,838

Notes

i. Scheme costs based on RIBA Stage 1 design for a 60 bed Centre with a GIFA of 3858 SQM.

ii. Cost estimates (included in the scheme cost estimates above) for development of the design to RIBA 3 and submission for planning are £1.75m.

iii. The RIBA 3 design will be the requirement for procurement of a construction partner (via CCS framework) for completion of the design and construction of the scheme under an NEC 4 Collaborative Contract with target GMP.

iii. A Construction Contract award report will be submitted, via PSP and CSAM to Cabinet for decision (estimated late Summer/Autumn 2025).

4.2 Benefits Case

Non-cashable, cost avoidance benefits from operation of the Centre are estimated at **£3.47m per annum**. This estimate is based on the success rate for interim rehabilitation services delivered by Care Dorset in Winter 2023/24 and assume:

- 40% recovery rate for people admitted to the Centre
- 40% of people admitted to the Centre will be eligible for Council funded care following a financial assessment.

- A significant differential in the cost of six months care at home after successful recovery and discharge (£13,923) and the alternative cost of six months bed based care (£43,706) which is the most likely alternative for people who do not receive timely and effective recovery support.

4.3 Calculation of benefits

Cost advantage for each person successfully reabled	£29 783
No. of people entering the Centre per year	728
No of people able to return to their own home after discharge	291
Number of these people eligible for Council funded care	117
Annual benefit to the Council from Operation of Centre	£3.47m

4.4 Budget implications

Financial Year	2023-24	2024-25	2025-26	2026-27	2027-28
RIBA Stage	RIBA 1	RIBA 2-3	RIBA 4 & 5	RIBA 5	RIBA 5 & 6
CAPEX in year	£250,000	£600,000	£6,000,000	£10,400,000	£11,055,000
CAPEX Cumulative	£250,000	£850,000	£6,850,000	£17,250,000	£28,315,000
Annual Cost of Borrowing	£19,725	£67,065	£540,465	£1,361,025	£2,248,650

Notes:

i. Cost of borrowing calculated on 23 Aug 2024 at 7.89% (5.39% PWLB Standard Fixed Interest Rates for new loans- Period over 40 not over 40 ½ repayment on Maturity + 2.5% revenue provision).

ii. Revenue risk to the Council will be offset by negotiation of an S75 agreement with the NHS for purchase of System Recovery and Rehabilitation Services - in 2023-2024 c£3m was passed to Dorset Council for delivery of bed-based recovery and rehabilitation services.

5. Natural Environment, Climate & Ecology Implications

5.1 Dorset Council is committed to tackling climate change and supporting our natural environment as a core priority. The scheme will be built to a target BREEAM standard of 'Excellent' for performance at specification, design construction and use stages across the performance categories of energy and

water use, internal environment (health and wellbeing), management processes, pollution, transport, materials, waste, and ecology.

6. Well-being and Health Implications

- 6.1 The Reablement Centre will play a pivotal role in improving health outcomes for Dorset residents and represents a major contribution by Dorset Council to improving the health system in Dorset.

7. Other Implications

- 7.1 The Reablement Centres (Bed-Based Care) will make a major contribution to improving the integration of care services in the County.

8. Risk Assessment

- 8.1 HAVING CONSIDERED: the risks associated with this decision; the level of risk has been identified as:
Current Risk: Moderate - High
Residual Risk: Moderate-High

9. Equalities Impact Assessment

- 9.1 The schemes will be developed to Stirling Gold Standard for dementia services design and will be fully compliant with the Councils processes and procedures to ensure that the scheme does not unlawfully discriminate against any protected characteristic.

10. Background Papers

[Link to Cabinet Agenda and Report of 26 July 2022](#) (this exempt paper is available to Dorset Council Councillors upon request)

[Link to Cabinet Agenda and Report of 25 July 2023](#)

[RIBA Stage 1 Project Brief. Dorchester, Bridport Road Feasibility Study - 60 Bed Reablement Centre, Flood Lane, Bridport](#)

11. Report Sign Off

- 11.1 This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)