

READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR FOR SOCIAL CARE AND HEALTH AND EXECUTIVE DIRECTOR FOR ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	18 JANUARY 2021		
TITLE:	ADULT SOCIAL CARE ASSET REVIEW AND CAPITAL STRATEGY		
LEAD COUNCILLOR:	CLLR TONY JONES CLLR JOHN ENNIS	PORTFOLIO:	ADULT SOCIAL CARE HOUSING
SERVICE:	DACHS / DEGNS	WARDS:	BOROUGHWIDE
LEAD OFFICER:	MELISSA WISE & ZELDA WOLFLE	TEL:	937 4945
JOB TITLE:	ASSISTANT DIRECTOR COMMISSIONING, TRANSFORMATION & PERFORMANCE ASSISTANT DIRECTOR OF HOUSING AND COMMUNITIES	E-MAIL:	Melissa.wise@reading.gov.uk Zelda.wolfle@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Our vision for the Adult Social Care in-house provision is to deliver modernised, sustainable services that meet peoples' personalised expectations and outcomes whilst delivering value for money. However, our current accommodation offer is not sufficient in terms of building structure, layout, size & adaptability, yet it supports some of our most vulnerable service users.
- 1.2 This report provides an overview of the Adult Social Care Asset Review and Capital Strategy and the recommended option. This option meets the requirement to adopt a cross Directorate approach to considering assets in that it:
 - a. delivers options which will meet the needs of Adult Social Care service users in the short, medium and longer term
 - b. accords with the Council's Housing objectives
 - c. maximises opportunities to offset capital expenditure.
- 1.3 The recommended option proposes the development of two sites to provide a consolidation of Adult Social Care services which allows the needs of Adult Social Care service users to be met and enables housing opportunities to be maximised.

Appendices:

- Appendix 1 - Detail of Recommended Option
- Appendix 2 - Adult Social Care Pathway and Case Studies
- Appendix 3 - Summary of costs
- Appendix 4 - Adult Social Care Capital Strategy - Governance
- Appendix 5 - Project Programme for delivery of assets
- Appendix 6 - Images of current Adult Social Care Assets
- Appendix 7 - Equality Impact Assessment

2. RECOMMENDATION

That Policy Committee:

- 2.1 notes the completion of the Adult Social Care Asset Review and Capital Strategy and its findings.
- 2.2 endorses the recommendation to utilise Battle Street and Hexham Road sites to deliver both Adult Social Care and general housing provision subject to approval by Council in February 2021 in the HRA Capital Programme.
- 2.3 delegates authority to the Executive Director for Economic Growth and Neighbourhood Services, Executive Director for Social Care and Health and the Assistant Directors for Legal and Financial Services, in consultation with the Lead Member for Housing and Lead Member for Adult Social Care subject to approval by Council in February 2021 in the HRA Capital Programme to:
 - 2.3.1 procure a multi-disciplinary team to carry out all necessary work towards site development, including detailed designs, securing planning permission and assisting in the procurement of a main contractor for the development.
 - 2.3.2 appoint a demolition and main contractor to undertake all necessary works to deliver the proposal.
 - 2.3.3 allocate capital and spend up to £44 million (including contingency) of Housing Revenue Account (£38m) and General Fund (£6m) spend to deliver Profound and Multiple Learning Disabilities day opportunities, respite, mental health supported living, older people day opportunities and new Council homes on the sites outlined in the report.

3. POLICY CONTEXT

- 3.1 The Adult Social Care Capital Strategy aligns with the overall direction of the Council by meeting the following Corporate Plan priorities:
 - Protecting and enhancing the lives of vulnerable adults and children
 - Ensuring access to decent housing to meet local needs

- Ensuring the Council is fit for the future

3.2 There is no statutory duty to provide services internally to meet eligible needs however the Local Authority does have a Statutory Duty under the Care Act 2014 to:

- Ensure there is a range of high quality & appropriate services to choose from.
- Ensure that those Adults are able to receive services that prevent their care needs from becoming more serious.
- Meet an Adult's need if they meet the eligibility criteria.

3.3 **Relevant background reports:**

- *Adult Social Care, Children's Services and Education Committee (ACE Committee) July 2017* - Review of Focus House, Castle Crescent (mental health supported living service), and decision by ACE Committee to retain this particular service as in-house and transition 14 Castle Crescent from a residential to a supported living service. The review included a public consultation, which resulted in a petition to protect the service attracting 351 signatures. A consultation followed this, with formal feedback provided and subsequent informal updates with staff and service users & their families.
- *ACE Committee, Sept 2018* - Following a public consultation, a Committee decision was made to temporarily close The Willows (Residential Dementia service) in March 2019 and relocate the Discharge to Assess service to Charles Clore Court.

4. THE PROPOSAL

Current Position

4.1 Phase 1 of the Adult Social Care Asset Review and Capital Strategy reviewed Adult Social Care's current assets to understand the suitability and condition of the properties, carried out a needs analysis to identify the projected needs in the medium to longer term and reviewed service delivery models. The outcome of this work identified 5 priorities in terms of assets and services as follows -

- 2 properties in Castle Crescent (Focus House - Mental Health supported living / step down from hospital)
- Whitley Wood Lane (Learning Disability Respite)
- Hexham Road (The Willows)
- Strathy Close (Learning Disabilities Day Services)
- Rivermead (The Maples Older Persons Day Services)

Photographs of the active Adult Social Care Assets are detailed in **Appendix 6: Images of Current Adult Social Care Assets.**

4.2 Phase 2 focused on Hampshire County Council carrying out feasibility studies of the available assets and options. It allowed the broader options to be considered including the co-location of services both of Adult Services and Housing Services, to look at wider development opportunities, taking into account current and

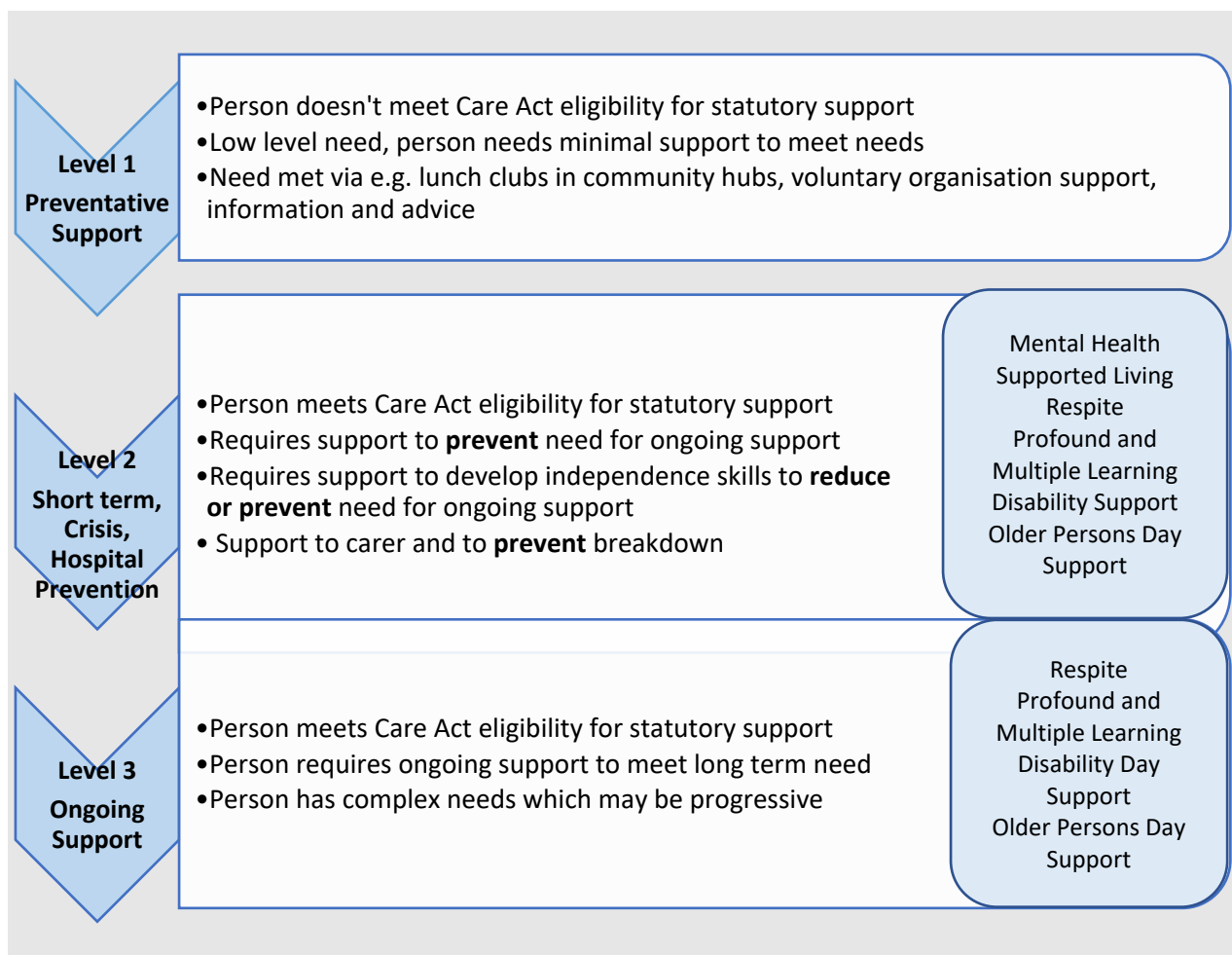
potentially available land and property assets. The asset scope was therefore widened to include general fund sites including:

- Dwyer Road
- Amethyst Lane
- Battle Street

4.3 Options were presented from the review which aimed to meet the needs identified by Adult Social Care but at the same time were aligned to the broader housing and wider capital receipt objectives. A number of these assets were previously identified for disposal to generate capital receipts to support the Medium Term Financial Strategy. From the options identified, development of the Battle Street and Hexham Road sites met all the specified objectives.

Adult Social Care need

4.4 The accommodation needs, needs analysis and service model for people supported through Adult Social Care is outlined below. Adult Social Care support people through a range of commissioned services provided through the external market and through inhouse services. This is broadly managed through a pathway as outlined below where Social Care support people at level 2 and 3, to provide short term support to prevent a hospital admission or support a crisis, or ongoing support where required, with the most complex needs met through in-house services. This review focuses on meeting the needs of people at levels 2 and 3.



Details and case studies reinforcing the levels within the Pathway is included in **Appendix 2: ASC Pathway & Case studies**

4.5 **Mental Health Supported Living**

Current provision

Focus House, across two properties in Castle Crescent provides supported living accommodation for 14 adults. The accommodation provides single bedrooms, shared bathrooms and shared living space, the latter providing the opportunity for staff to carry out therapy and enabling activities to support people's recovery.

Staff are on site 24 hours to support people who live at Focus House. It also provides an outreach service for people who live in 2 group homes and for people who have moved from Focus House into more independent living.

Building condition and suitability to meet future need

The building is no longer considered optimum for the needs of the residents due to its layout including narrow corridors, stairs and level changes. The shared bathrooms and lack of independent facilities inhibits the service's ability to offer service users the opportunities to re-establish the skills required to move on into general needs accommodation. In addition to lack of suitability the building condition needs improvement. With significant investment it may be possible to improve the condition of the building. However, this would reduce capacity and the building would remain suboptimal for the needs of service users as it cannot be upgraded fully to meet the required standards and service model.

Projected need

Mental Health Supported Living - projected need	
Year	Need
Current provision	14 people
2025	14 people
2030	14 people
Rationale: Evidence from the Adults Accommodation Needs Analysis suggests that the number of people requiring supported living will remain fairly static although the new model of working will result in more move on so this will not be the same 14 people year on year.	

Future service model

The service to offer a step down and outreach model to support people with complex mental health needs, including those who are discharged from hospital. Staff support people to develop their life skills to enable them to move on to more independent living.

4.6 **Profound and Multiple Learning Disability Day Opportunities**

Current provision

The current service is provided at Strathy Close, and provides support to people with complex learning disability and physical disability needs who require a high ratio of care, many needing one staff member to support them all the time that they are at the service (1:1 care). Service users will have a personalised programme to support intended outcomes which could include support to

develop life skills such as cooking and accessing the community; using the sensory room to provide them with a range of sensory experiences and support with maintaining their range of movement via muscle manipulation.

Building condition and suitability to meet future need

The current building needs some remodelling and refurbishment work to meet the needs of the current service users and develop it to support people who have challenging behaviours. However, this would only be short term fix and based on the projected need in the medium to long term, to ensure the service is able to accommodate this projected need a new facility would be required as the current site has limited room for expansion and can only accommodate minor increases in numbers.

Projected need

Profound and Multiple Learning Disabilities Day Opportunities: projected need		
Year	Number of people requiring service	Number of places at proposed resource
Current provision	27 people	24
2025	52 (27 current and 25 new people)	31
2030	77 (27 current and 50 new people)	31
Rationale: Projections are based on young people who have Education and Health Care Plans and projecting these figures forward to anticipate potential number of places required. Note whilst the numbers of people requiring the service grow rapidly we are retaining a broadly similar sized service.		

Future service model

The service will continue to support people with the most complex needs requiring up to 1:1 support. There is currently provision to support people with lower level needs through community support such as support offered by Mencap. As the projected need is anticipated to increase, the service model will offer a more flexible service operating over longer hours and make better use of the building to accommodate the increase in need while not significantly increasing the number of places. This could, for example, mean that the resource is open 8am to 8pm and people attend on a sessional basis for half of the day, over a number of days to achieve this objective.

4.7 Respite support

Current provision

The current service is provided at Whitley Wood Lane offering respite to people with profound and multiple learning disabilities, many needing 1:1 support. It offers a service primarily 3pm to 9am and in general doesn't provide day time respite as most service users do other things during the day to meet this need. The amount of respite a person requires is based on assessed need, but on average each person receives 50 days respite per year. The service also provides support to people who require emergency placements.

Building condition and suitability to meet future need

The existing property does not meet the service’s full needs with a poor layout, narrow corridors and inadequate circulation spaces. The building is therefore considered suboptimum for its current purpose. It is also the view of Officers and Hampshire that the building has reached the end of its design life and cannot be reconfigured to create a suitable environment to provide facilities to meet future need.

Projected need

Respite services: projected need		
Year	Number of people requiring service	Number of places
Current provision	9 people	2 + emergency beds
2025	74 (9 current + 65 new people)	9
2030	139 (9 current + 130 new people)	9
Rationale: Projections are based on young people who have Education and Health Care Plans and projecting these figures forward to anticipate the potential number of places. Note whilst the numbers of people requiring the service grow rapidly we are retaining a broadly similar sized service.		

Future service model

Co-locate with Profound and Multiple Learning Disability Day Services as many of the service users access both services. This provides benefits for service users as they will have less travel time between services and improved continuity of care. This will also provide some staffing cost efficiencies as there is the opportunity to share staff across sites and has positive environmental impacts, as co-location allows travel to be reduced between sites.

It is planned to develop a flexible service offer to meet individuals’ needs. This offer will be enhanced by the provision of two respite flats. These can be used as self-contained flats to support people to either develop their life skills, for example young people transitioning to adulthood or for people who have very complex needs and find it difficult to be with other people or complex physical needs.

Although the projected number of people who will require respite is anticipated to increase, the number of places required for 2030 is not expected to increase as the service model will allow for respite to be delivered in a more flexible way which will maximise the use of the building and ensure equity in the number of nights offered for each person.

4.8 Older Persons Day Opportunities

Current provision

The current service is provided at the Rivermead Site and offers day opportunities to older people who require physical or cognitive support. It has a focus on providing support to people who have dementia and require a safe environment to prevent wandering and provides respite to carers.

Building condition and suitability to meet future need

The existing service needs to be re-located due to the redevelopment of the Rivermead Leisure facilities. The timescale for the current service moving from the Rivermead site is currently estimated to be at the beginning of January 2023 when the new leisure facilities are due to open later that month. However, this is caveated as discussions are still on-going with Covid impact still relevant to construction time frames.

Projected need

Older Persons Day Opportunities: projected need		
Year	Number of people requiring service	Number of places
Current provision	56 people	35
2025	56 people	35
2030	56 people	35
Rationale: Demographic data is showing an increase in people over 65 years of age. However, the current trend of attendance at the service is not showing an increase in demand as although new people commence the service, a number of people leave the service each year due to changing needs. It is worth noting that we are seeing an increasing number of younger people accessing the service e.g. 50+.		

Service model

Co-locate with extra care or sheltered housing accommodation to support an environment of people with mixed needs and provide healthy communities who can support each other. This gives an opportunity for the service to act as a Hub and deliver personalised support by offering placed based support and / or support people to access community resources.

4.9 Housing Services Need

There are three blocks of sheltered housing flats which do not meet the needs of all older people. Two of the blocks are far from local services and amenities and all three do not have the facility to install lifts and as such are unsuitable for those who are frail, have mobility issues or who are disabled. The service ambition is to re-provide new homes for older people within modern facilities that meet the needs of existing tenants and new tenants including those who wish to downsize from family sized homes. The re-provision of homes would enable the service to eventually phase out the use of three current blocks releasing further site opportunities to develop new housing. It would also enable older people currently under occupying larger family home to relocate into more suitable accommodation.

Developing new homes for older people alongside the provision of older persons day services provides an opportunity to provide a dynamic and exciting new model of delivery with a level of cross fertilisation of services that improves the wellbeing of customers of both services.

In addition, the development of an older persons' day centre within the confines of a sheltered housing scheme would enable the development to be built out within the Housing Revenue Account saving the General Fund the cost of development. On completion a small rental cost would be required from the General Fund to the Housing Revenue Account for the use of the facility

5. RECOMMENDED OPTION

5.1 Based on the feasibility studies carried out by Hampshire County Council the recommended option is outlined below. This option recommends the consolidation of services over two sites which allows the needs of Adult Social Care service users to be met and enables housing opportunities to be maximised.

In addition, this approach releases sites to provide further opportunities for development or to generate capital receipts to support the Medium Term Financial Strategy.

A visual outlining the detail of the recommended option is included as Appendix 1: Details of recommended option

5.2 Recommended Option: Battle Street and Hexham Road

This option will provide the following:

- Battle Street - 74 flats split between sheltered housing flats and general needs, 35 places for Older Persons Day Opportunities, 14 Mental Health Supported Living Flats and 6 family size houses.
- Hexham Road - 36 sheltered housing flats, 31 places for the Profound and Multiple Learning Disabilities services and 9 Respite places.

Benefits of this combination of sites

The current sites are vacant and are therefore available to develop without phasing. This means that for example that a current Adult Social Care service will not be required to move to a temporary site to free up a site for redevelopment.

The sites will provide a significant number of housing units of a varied type.

Project risks are likely to be reduced by using two sites in comparison to using three sites to build. This would reduce preliminaries (site set up, site management etc) and design costs and would only require two main contractors rather than three and two planning applications instead of three.

The desired co-location of sites is achieved.

Benefits of Battle Street site

The use of the Battle Street site to support older people day opportunities, mental health supported living as well as provide a range of housing creates a dynamic mixed community.

A central location with good accessibility to the town centre and transport links would support all people who live, attend services or work on the site to access it easily via walking or by using public transport.

Co-locating the Older Persons Day Opportunities with sheltered housing flats, allows for a hub approach to be taken to support older people and for the

services to be mutually beneficial. Economies of scale mean it could potentially support a range of services such as podiatry, hairdressing and a hot meal service.

The nearby sheltered housing, Trinity Place allows synergies to be made as residents will have the opportunity to use facilities which will be on site such as podiatry, hairdressing and social activities.

A central location is a priority for the mental health flats to enable the service users to access the town centre (ideally walking distance), access public transport and medical and health facilities easily.

The introduction of additional general need family houses and flats would provide much needed homes for people on the housing register and allow for the development of a mixed and sustainable community on the site.

Benefits of Hexham Road site

Co-locating respite and Profound and Multiple Learning Disabilities services is a priority as it will allow efficiencies in terms of staff resources and benefits for service users. There will be the option to share staff across sites with an associated reduction in staff travel time. In terms of benefits to service users, many of the service users attend both services so travel time will be reduced, this will reduce the impact of sitting in transport for service users and there will be a positive environmental impact. It also allows staff to provide a more streamlined handover resulting in improved continuity of care.

It creates greater flexibility around the use of the building and sharing of space and resources which creates efficiencies and a more dynamic space.

The site has good access which is important as many of the people who attend are wheelchair users as well as having good access to local transport and shops.

Disadvantages

There are no service disadvantages in delivering Adult Social Care Services on either of these two sites, or to providing the suggested new build properties.

From a site perspective, it should be noted that the Battle Street site is close to neighbouring houses and other dwellings and will be subject to car parking requirements. There are some potential constraints on the Hexham Road site to note around legal restrictions as there is a sewer across part of the site; significant mature trees and a view from planning on parking requirements as well as noting that the building line is forward of the other properties on Northumberland Road. At this stage it is not anticipated that these will prohibit the development of this site.

6. CONTRIBUTION TO STRATEGIC AIMS

6.1 The Adult Social Care Asset Review aligns with the overall direction of the Council by meeting the following Corporate Plan priorities:

- To protect and enhance the lives of vulnerable adults and children
- Improving access to decent housing to meet local need
- Ensuring the Council is fit for the future

6.2 It would also support the delivery of the following strategic aims:

- To promote equality, social inclusion and a safe and healthy environment for all

7. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

7.1 On the 26th of February 2019 the Council declared a Climate Emergency and resolved to take action to accelerate a carbon neutral Reading to 2030. Reading Climate Change Partnership's Reading Climate Emergency Strategy 2020-25 and the new RBC corporate Carbon Plan 2020-25 was adopted in November 2020. The Council will therefore seek to ensure that all the schemes deliver on this commitment by developing designs that adhere to passivhaus principles.

7.2 The designs will consider a fabric first approach by applying passivhaus house principles reducing greenhouse gas emissions and delivering significant long-term energy savings to the tenants. The low running costs and higher quality buildings mean that costs are significantly reduced over the life of the building for the occupiers.

7.3 Studies undertaken by the Passivhaus House Trust indicate that buildings achieve a 75% reduction in space heating requirements and costs, compared to standard UK new build.

7.4 The use of sustainable material will play an important role in the design. This, combined with the high quality of building physics achieved through insulation, thermal bridge-free design and airtightness ensures that a Passive House will last.

7.5 In addition to the above, the sites offer sustainable locations for residents in terms of access to employment, schools and other local services via good public transport, pedestrian and cycling networks. While seeking to encourage and support sustainable travel, the scheme will provide charging points for electric vehicles where appropriate.

8. COMMUNITY ENGAGEMENT AND INFORMATION

8.1 Public consultations have already been carried out in terms of shaping the future services in relation to Focus House and the Learning Disability respite service. Service users, carers, families, staff, partner organisations and anyone with an interest in these services were encouraged to engage in the consultations (carried out Nov/Dec 2018). The key findings have been used to identify and shape options going forward.

8.2 Further consultation/s is expected once a proposal has been developed and agreed.

9. EQUALITY IMPACT ASSESSMENT

9.1 The Council's duty to eliminate discrimination, promote equality of opportunity and consider those who fall under the Equality Act has been considered throughout the process to date. An initial Equality Act Assessment has been

completed and will be reviewed and amended at all relevant stages of the project.

This is attached in Appendix 7: Equality Impact Assessment

10. LEGAL IMPLICATIONS

- 10.1 There are potential implications with Care Quality Commission regulations which are being explored.
- 10.2 Section 122 of the Local Government Act 1972 enables the Council to appropriate land for any statutory purpose for which it is authorised to acquire land.
- 10.3 Section 9 of the Housing Act 1985 enables the Council to develop housing Accommodation.
- 10.4 As the land for the proposed development sites is currently held by the General Fund, it would be necessary to first appropriate it into the Housing Revenue Account. Section 19 of the Housing Act 1985 allows any land to be appropriated into the Housing Revenue Account providing it is for use under Part II of the Housing Act 1985 (Provision of Housing). The appropriation results in a transfer of debt, equivalent to the value of the land, from the General Fund to the Housing Revenue Account, resulting in an ongoing interest and MRP saving to the General Fund.
- 10.5 Once the land has been appropriated, the Housing Revenue Account is able to construct the proposed developments in line with Section 9 of the Housing Act 1985, which permits Reading Borough Council to provide housing accommodation by construction, conversion and acquisition, and Section 12 of the Housing Act 1985, which permits the Council to provide other buildings which will serve a beneficial purpose in connection with the requirements of the persons for who the housing accommodation is provided.
- 10.6 It should be noted that the housing and living costs are anticipated to be met by the residents themselves (through rents and service charges) however in most cases these costs will be funded by the range of benefits they are entitled to. Therefore, only care costs are required to be funded by Adult Social Care. This essentially means that supported living is on average less expensive than a broadly comparable residential home but that the amount and quality of support is at least as good if not better because it can be more personalised for each resident.
- 10.7 Unlike most Housing Revenue Accounts homes, the Right to Buy will not be applicable for homes let as sheltered housing or designated for people with Mental Health issues, as Schedule 5 of the Housing Act 1985 will exempt them, even if secure tenancies are granted. Properties let as General Needs homes will be subject to Right to Buy.

11. FINANCIAL IMPLICATIONS

Capital and Medium Term Financial Strategy Implications

11.1 The following assumes that all the sites discussed in this report are appropriated to the Housing Revenue Account, details of which are included in a separate report to Policy Committee. It also assumes the scheme will be approved by Council in February 2021 as part of the HRA Capital Programme.

The capital development costs include all project costs and Hampshire County Council costs.

11.2 The Council's Housing Revenue Account is able to deliver much of the proposed developments leaving the Council's General Fund with the ongoing operational costs of delivering the Adult Social Care service. As far as the financial impact on the Housing Revenue Account is concerned, providing the General Fund builds the Profound and Multiple Learning Disability Day Opportunities and Respite Service, the Housing Revenue Account development costs are subsidised by Right to Buy Receipts or Homes England Grant, and rents and service charges to residents are sufficient to cover the housing and living costs, none of the options proposed will result in the Housing Revenue Account being put into an adverse financial position.

11.3 The service is currently provided across four sites; Castle Crescent, Strathy Close, Whitley Wood and Rivermead, with a proposal to run the service from two surplus general fund sites; Battle Street and Hexham Road. This option would allow Castle Crescent to be sold and is on the capital receipts schedule and sale date of 23/24. Strathy Close and Whitley Wood are not currently listed on the Medium Term Financial Strategy schedule.

11.4 The work required at Battle Street to develop the site for Older Persons Day Services, 14 Mental Health Supported Living Flats and general needs council housing (including 74 flats split between sheltered housing flats and general needs and 6 family sized houses) would be funded by the Housing Revenue Account subject to the approval of the capital programme in February 2021.

11.5 Adult Social care would need to fund 30% of the works at Hexham Road providing Profound and Multiple Learning Disabilities Day Service, Respite services and 36 sheltered flats. The Capital Programme has an approved £6.2m budget remaining for the social care funded works with approval needed to fund the remaining 70% from the Housing Revenue Account. To note that Adult Social Care will fund 100% of the costs of the Profound and Multiple Disabilities Day Services and Respite but this will equate to 30% of the total costs of the works at Hexham Road.

11.6 The tables below show the, demolition costs and development costs showing the impact on the Capital Programme;

Costs

Site	Demolition £000's	Development £000's	Total £000's
Battle Street	1,200	25,220	26,420
Hexham Road	150	18,653	18,803
Total	1,350	43,873	45,223

Funding

	Homes England £000	HRA funding % £000	Adults Capital Programme £000	Total £000
Battle Street	1,000	25,420	0	26,420
Hexham Road	0	13,057	5,746	18,803
Total cost	1,000	38,477	5,746	45,223

11.7 The table below illustrates the phasing of the development costs.

Phasing

Capital Programme	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total
Costs Battle Street and Hexham Road	406*	2,219	5,453	29,246	5,929	620	43,873
Funding HRA Homes England	355	940 1,000	4,767	25,567	5,106	542	37,277 1,000
GF Borrowing/ Section 106 TBC	51	279	686	3,679	823	78	5,596
Total	406	2,219	5,453	29,246	5,929	620	43,873

*20/21 costs are mainly fees for Hexham Road.

Revenue Implications

11.8 The table below shows the current cost of operating of the buildings and services provided, the current number of service users each site has and the average cost per service user.

Need	Employee	Running	Income	Net Budget	Current Users	Average Cost Per User
	£	£	£	£	People	£
Mental Health Supported Living	325,000	42,400	(44,100)	323,300	14	23,093
Profound and Multiple Learning Disability	553,500	45,000	(80,000)	518,500	27	19,204
Respite	411,800	38,800	0	450,600	9	50,067
Older Persons Day Services	232,700	44,100	(58,800)	218,000	56	3,893
Total	1,523,000	170,300	(182,900)	1,510,400	106	

11.9 The table below shows the expected cost of operating the future service provision based on the expected service users in 2025 if the proposal did not go ahead.

Care Type	Current Users	Unit Cost	Annual Cost
	People	£	£
Mental Health Supported Living	14	22,333	312,666
Profound and Multiple Learning Disability	52	16,424	854,053
Respite	74	12,600	932,400
Older Persons Day Services	56	5,281	295,751
Total	196	12,219	2,394,870

11.10 If the proposal is adopted projected costs are anticipated to be £295,383 lower at £2,099,487.

Care Type	Employee	Running	Income	Net Budget	Current Users	Average Cost Per User
	£	£	£	£	People	£
Mental Health Supported Living	325,000	31,800	(44,100)	312,700	14	22,336
Profound and Multiple Learning Disability	670,445	33,750	(80,000)	624,195	52	12,004
Respite	926,517	29,100	0	955,617	74	12,914
Older Persons Day Services	232,700	33,075	(58,800)	206,975	56	3,696
Total	2,154,662	127,725	(182,900)	2,099,487	196	50,949

11.11 Assuming the people supported changes incrementally each year this would equate to 6 new Profound and Multiple Learning Disability users per annum and 16 respite users. If the buildings are completed and fully operational by the end of 2023/24, the running costs and income are unlikely to be less with fewer service users however it may be less staff are required.

It is estimated that at the start of 2024/25 there would be 46 people using the Profound and Multiple Learning Disabilities service as opposed to full capacity of 52 people, if staffing could be reduced proportionally this would equate to an in year saving of up to £77k depending on when the new people begin using the service.

It is estimated that at the start of 2024/25 there would be 58 people using Respite as oppose to full capacity of 74 people, if staffing could be reduced proportionally this would equate to an in year saving of up to £200k depending on when the new people begin using the service.

11.12 The key assumptions behind these figures are:

Employee costs for mental health supported living and Older Persons day services stay consistent with the current levels as the same number of service users are supported. The employee costs for Profound and Multiple Learning Disabilities and respite would increase significantly due to the increase in demand and therefore service users receiving the service.

Running costs for all sites have been assumed to reduce by at least 25% due to more energy efficient buildings which would be easier to clean. The preferred option utilises two sites in the borough as opposed to the current use of four sites.

Income levels are assumed to stay consistent, there may be scope to generate additional income providing a service to residents of other boroughs.

The number of service users is based on work completed by the service to establish the demand on the service in 2025, further demand is expected by 2030 but it is proposed to spread the service received to encompass more users without changing the above costs.

11.13 The two services with additional demand are Profound and Multiple Learning Disabilities who are providing a service to 25 more people and Respite services who will be supporting 65 more people. This increases the running costs by £0.589m per annum.

11.14 The aim of utilising in-house facilities is to keep people at home with support which is financially beneficial compared to the costs incurred when someone is placed in residential and nursing placements. The table below shows the average annual cost per person of the in-house service and how this compares to the average residential or nursing package.

11.15 The above gives confidence in the delivery of the £0.250m saving within the current Medium-Term Financial Strategy and there is the potential for further cost avoidance once the services are operational as the demographic growth or cost of children transitioning to Adults could be reduced.

Benchmarking

11.16 Net costs for housing are based on the Reading Borough Council, North Street scheme. The Respite Accommodation, Profound and Multiple Learning Disabilities Day Services, Mental Health Flats, and Old Persons Day Opportunities, are based on Hampshire County Council Property Services built schemes.

Contingency

11.17 There is a design and construction contingency within the costs. The Contingency included as Design Risk is (5%), Construction risk is (5%) and Refurbishment Risk (where applicable) is (7.5%).

Fees

11.18 An allowance for professional fees of (16.5%) and surveys of (0.25%) is included.

The costs exclude:

11.19 VAT and site clearance/demolition.

A summary of the costs for each option including contingencies is detailed in **Appendix 3 - Summary of costs.**

12. VALUE FOR MONEY (VFM)

12.1 The delivery of the work through the Housing Revenue Account would enable Reading Borough Council to bid for Homes England funding and to appropriate the land from the general fund to offset borrowing costs.

13. PROJECT DELIVERY

13.1 The project governance is detailed in **Appendix 4 - Adult Social Care Capital Strategy - Governance.**

13.2 Hampshire County Council will project manage the delivery of the project with Officers from Reading Borough Council in Property Development, Housing and Adult Social Care acting as the Client Project Officers.

13.3 A high level project programme is outlined in **Appendix 5 - Project Programme for delivery of assets.**

14. BACKGROUND PAPERS

14.1 Appropriation of Land from the General Fund to the Housing Revenue Account - submitted at Policy 18/01/2021.