

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

14 MAY 2009

**REPORT OF CORPORATE
MANAGEMENT TEAM**

COUNCIL DECISION/CABINET DECISION/KEY DECISION

***Adult Services and Health – Lead Cabinet Member – Councillor Mrs A McCoy
Regeneration and Transport – Lead Cabinet Member – Councillor R Cook***

INTEGRATED HEALTH & SOCIAL CARE FACILITY, BILLINGHAM

1. Summary

This report provides a formal update regarding the proposal for an Integrated Health and Social Care Facility, Billingham.

2. Recommendations

It is recommended that Cabinet:

1. note the content of this report and authorise the advertisement for and appointment of a Regeneration Projects Officer to support (whole) scheme development

It is recommended that Cabinet recommend to full Council that they:

2. note the content of this report and authorise £270,000 to be funded from the one off resources outlined in the MTFP report (Cabinet February), required to develop the Outline Business Case, provide project management support and finalise the procurement route, as identified in sections 15-17 and summarised in section 21

3. Reasons for the Recommendations/Decision(s)

To enable the submission of Outline Business Case to the Department of Health to secure £35M Private Finance Initiative (PFI) credits toward an Integrated Health and Social Care Facility, Billingham.

4. Members' Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

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SUMMARY

This report provides a formal update regarding the proposal for an Integrated Health and Social Care Facility, Billingham.

RECOMMENDATIONS

It is recommended that Cabinet:

1. note the content of this report and authorise the advertisement for and appointment of a Regeneration Projects Officer to support (whole) scheme development

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BACKGROUND

1. In November 2007, the Department of Health (DH) informed authorities of the availability of Private Finance Initiative (PFI) funding for Adult Social Care projects, and in May 2008 the Council submitted a bid for the provision of Integrated Health and Social Care Services and Extra Care facilities in Billingham. This bid outlined the Council's commitment to the development of local, accessible health and social care facilities and services working in partnership with Stockton-on-Tees Teaching Primary Care Trust (TPCT).
2. Part of the Expression of Interest (Eoi) focus was given over to the connectivity of the health estates requirements and Billingham was identified as a key priority area. This identification offered important benefits such as extra care provision, of which there is none in Billingham at present; a greater potential for connecting health and council plans; and regeneration opportunities which can be realised more effectively.
3. The Eoi bid identified the followings objectives:

- i. An extra care facility providing long term residential care services for elderly and vulnerable adults
 - ii. An integrated facility providing access to information, advice and a range of services including:
 - a. Adults and children's integrated service area staff
 - b. Exercise, rehabilitation and physiotherapy services
 - c. One-stop shop to access information (multi-service centre)
 - d. Resource rooms / day facilities
 - e. Integrated care services (polyclinic)
 - f. Library
4. The Eol proposal submitted is complimentary to the TPCT's 'Momentum Pathways to Health' project, which explores the provision of health services as near to people's homes as possible and looking for options for delivery of community based services. It should be noted that the Council will be required to identify funding for the elements of the proposals that do not relate to Adult Health and Social Care, excluding TPCT elements which would be funded by the TPCT.
 5. The TPCT is working through the detailed requirements within the integrated care services and there is emerging interest from some of the GP practices within Billingham to join up with this development.
 6. Various sites were investigated and it was anticipated that the Integrated Health facilities be located within Billingham Town Centre and the Extra Care element to be located on the edge of the Town Centre. It was anticipated that in doing so the development would have the added benefit of complimenting the regeneration activity within the town centre and being located close to the Billingham Forum, which itself is due to undergo a major refurbishment commencing in July 2009.
 7. The Eol identified a major development with costs shared between the TPCT and the Council and aimed to secure PFI Credits to fund the adult social care element of the scheme. An Eol for £35.155M of PFI Credits was submitted to providing funding for the PFI unitary charge to cover capital expenditure, facilities management and lifecycle costs.
 8. In January 2009, the Council was notified that an allocation in principle had been confirmed by the Minister of State for Care Services for £30M of PFI credits. At that stage the DH had applied a cap of £30M on PFI Credits for any one project.
 9. Given the allocation in principle, the Council were invited to proceed to Outline Business Case (OBC) and requested to submit a timetable for OBC development and submission by March 2009.

DETAIL

10. The Council have committed to submit the OBC, which will finalise details of the scheme objectives and deliverables; and confirm costs, funding sources and affordability, including demonstration of value for money to DH by the end March 2010.
11. The key steps identified include:
 - i. Establish of a project team and the project parameters
 - ii. Establish strategic and business needs of all partners
 - iii. Identify, evaluate and mitigate project risks, opportunities and key milestones for all partners
 - iv. Appoint advisors / consultants
 - v. Clarify objectives and test suitability
 - vi. Appraise project and possible procurement routes

- vii. Complete financial appraisal
 - viii. Gain Stakeholder and Member approvals
 - ix. Ensure land assembly
 - x. Secure Planning permission
12. The Council was recently notified that their allocation in principle has been increased to £35.155M of PFI credits (as per the original Eol submission) and officers are now working to produce a Project Initiation Document (PID) and a more detailed and timetabled programme, the latter of which will be submitted to DH.
 13. Furthermore a project team and board have been agreed and initial work identifying the strategic and business needs of the development is underway.
 14. A procurement strategy will be completed which will address competing procurement issues and ensure the needs of both the Council and TPCT are met, whilst satisfying the objectives set out in the Eol.
 15. 4Ps the local government partnership and project delivery specialist has discussed the use of their Gateway Reviews to help enable a successful OBC and subject to OBC approval, a final check before Financial Close. The first gateway, Gate 1, is a peer review of our final draft OBC prior to submission to DH. It consists of a 3 days review by a peer organisation which has previously completed a successful PFI. The cost of this review is shared between the Council and DH with the costs to the Council anticipated at £7,500 (per review).
 16. As with any major project and investment opportunity, there will be costs associated with developing the scheme proposal. Although project management support has been identified internally (estimated 80% capacity of (Billingham) Regeneration Projects Manager) there will be costs of 'back filling' this role. A funding requirement of £50,000 p/a for 2 years has been identified to enable the fulfilment of Regeneration Projects Officer and Manager roles. Financial management support for the project has been identified via existing internal resource.
 17. There will also be external financial, legal and technical support requirements to finalise the procurement route and develop the OBC. The Council have estimated £170,000 is required for this support. This includes the commission of 4Ps in a consultancy capacity working with the Council to progress the OBC at a capped fee of no more than £20,000.
 18. Once the procurement route is determined, and subject to OBC approval, costs associated with the actual procurement route are estimated in the region of £500,000 plus. Elements of these costs could be capitalised as part of the scheme and considered in the overall funding package.
 19. At present management costs associated with delivery i.e. building works are unknown although it should be noted that following Financial Close any resource costs could be capitalised and met from the PFI Credits.

FINANCIAL IMPLICATIONS

20. A detailed financial model will be drawn up as a part of the Outline Business Case.
21. Resources of £270,000 will be required to fund the development of the OBC, provide project management resource and to support the procurement process to Financial Close. The TPCT will also require their own external advisors and discussions are ongoing regarding the possibility of sharing this advice which may reduce the £270,000 currently estimated.

LEGAL IMPLICATIONS

22. Whichever procurement option is ultimately chosen, given the values of the works and services to be procured, the Council must ensure and be able to demonstrate that it has complied with the requirement of the EU procurement regime as set out in the Public Contracts Regulations 2006.

RISK ASSESSMENT

23. A full risk assessment will be carried out as part of the OBC.
24. There is a number of competing procurement options each of which will be investigated in detail as part of the overall risk assessment and will encompass a review of legal, financial and technical issues.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

25. The Sustainable Community Strategy (Shaping Our Future) for Stockton-on-Tees 2008-2021 sets out the vision and key improvement priorities for the local area. The provision of an integrated health and social care facility contributes to this strategy by creating vibrant and successful town centres; supporting the Children's integrated services accommodation requirements; improving access to and a range of health and wellbeing services; the provision of social care housing / extra care facilities; and supporting the Older People Action Plan through extra care facilities and provision of a one-stop shop.
26. Stockton on Tees Council Plan 2008-2011 sets out directives aimed at helping create a sustainable community in which residents and local organisations play an active role in developing and maintaining their own environment and society. 'Being healthy, improved access to integrated services, improved health and emotional wellbeing, improved quality of life, increased choice and control, and leadership' are key objectives in the Borough.

EQUALITIES IMPACT ASSESSMENT

27. This report is not subject to an Equality Impact Assessment but one will be completed as part of the OBC.

CORPORATE PARENTING

28. The facilities on offer at an integrated health and social care facility would contribute to all of the key objectives noted in the aforementioned section of this report specifically relating to children and young people.

CONSULTATION INCLUDING WARD/COUNCILLORS

29. Consultation has taken place with relevant stakeholders in developing the EoI and will continue through the OBC development, including consultation with (as appropriate) Billingham Ward Councillors, Cabinet Portfolio holders, The Billingham Partnership, and all stakeholder groups.

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Background Papers

Report to Cabinet – February 2008

Ward(s) and Ward Councillors

Billingham Central	Cllr Mrs McCoy and Cllr Woodhouse
Billingham East	Cllr Cunningham and Cllr Stoker
Billingham North	Cllr Leckonby, Cllr Mrs Aggio and Cllr Mrs Apedaile
Billingham South	Cllr Smith and Cllr Mrs O'Donnell
Billingham West	Cllr Womphrey and Cllr Mrs Womphrey

Property Implications

Relate directly to Billingham Town Centre