

**Bracknell Forest Council
Record of Decision**

Work Programme Reference	I067536
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1. **TITLE:** Heathlands Care Home and Extra Care Housing Construction

2. **SERVICE AREA:** Adult Social Care, Health & Housing

3. **PURPOSE OF DECISION**

To approve the procurement Plan for the Commissioning of an EMI Residential Care Home.

4 **IS KEY DECISION** Yes

5. **DECISION MADE BY:** Executive Member for Adult Services, Health and Housing
& Director of Adult Social Care, Health & Housing

6. **DECISION:**

That the procurement plan for the Heathlands Care Home and Extra Care Housing construction works be approved.

7. **REASON FOR DECISION**

The supply of residential and nursing provision for older people in the borough has reduced significantly over the past 18 months due to provider closure. This has led to a significant increase in prices, which is causing considerable budgetary pressures for the department. There has also been significant progress towards more collaboration in commissioning both across local authority boundaries between different councils, and between the Council and the Bracknell and Ascot CCG.

The Council is proposing to commission to increase the supply of provision in the borough by constructing its own care home, in partnership with the Royal Borough of Windsor & Maidenhead and the CCG on the site of the former Heathlands care home and day centre. In addition it is proposing, as part of the same construction project, to build a small number of extra care housing units.

Based on financial modelling of the proposal, it is estimated that this scheme could generate cashable savings of over £500,000 per annum. This is based on a feasibility study of the costs of development, and analysis of Laing & Buisson's industry standard model of the costs of running a care home. However, this is not without risk, including for example the risk of demand for places being lower leading to voids. Working in partnership reduces the risks of this happening, as well as facilitating a system wide approach to gaps in the Health & Social Care market.

The plans for the care home are based on the most efficient size of care home, and as such leave some of the site available for other developments. A review of the different options for the other part of the site has concluded that the most appropriate use of the land would be to develop a small number of units of Extra Care Housing. There are implicit, very prudent, assumptions that there will be a neutral impact on the capital and revenue budgets arising from how these units are used, i.e. whether they are sold or rented, and if sold whether as individual units or to a registered provider. The decision will be informed by prevailing

market conditions at completion.

8. ALTERNATIVE OPTIONS CONSIDERED

1 Do Nothing, and sell the land

It is estimated that the land could be sold for £1m, generating a capital receipt. This is a low sum for the size of plot, however this is due to a restrictive covenant on the land requiring it to be used for residential care. Potentially a developer could purchase the land and develop their own care home, however this may not be developed for Council funded clients, nor would the Council necessarily be able to exert the same influence over the market that developing the home itself would provide. The opportunity for significant revenue savings would therefore be lost.

In addition, this option does nothing to address the need for more Extra Care units that has been identified.

2 Commission a provider to develop and operate the home

Although this option does have the advantage over the Do Nothing option of giving the Council some control over the market, it is considered that this would be more expensive than the preferred option. This is due to the following considerations:

- Any provider will, in addition to wanting a profit on its operations, require a return on capital over and above the cost of investment
- The cost of investment is likely to be higher for a provider than it would be for the Council, as their borrowing costs (the interest rate they pay) is likely to be significantly higher.

The preferred option allows each part of the overall programme to focus on its particular strengths, and therefore lead to a lower overall cost.

9. PRINCIPAL GROUPS CONSULTED: None

10. DOCUMENT CONSIDERED: Report of the Chief Officer: Commissioning and Resources

11. DECLARED CONFLICTS OF INTEREST: None.

Date Decision Made	Final Day of Call-in Period
21 July 2017	31 July 2017