

DEMENTIA CARE RESOURCE CENTRE

SUMMARY

- 1.1 The Council's Social Services Department, Derby Primary Care Trusts and the Derbyshire Mental Health Services NHS Trust ("DMHST") have had a long-standing commitment to develop a Dementia Care Resource Centre. The site of the former Lois Ellis Home for Older People in Mackworth has been referred for this project.
- 1.2 The costs for the Private Finance Initiative being used to fund the project have only recently been made known to the Social Services Department. These extra costs have raised significant concerns about the viability of the project which does not now represent value for money. A decision is required about whether the project continues or the Social Services Department withdraws from the project.
- 1.3 Subject to any issues raised at the meeting, I support the following recommendation.

RECOMMENDATION

- 2.1 To approve the withdrawal of the Council from this project.
- 2.2 To authorise the Director of Corporate Services to terminate the option with the DMHST on suitable terms

REASON FOR RECOMMENDATIONS

- 3.1 The project does not represent value for money.
- 3.2 Alternative methods of procuring specialist dementia social care beds will lead to more effective use of the Department's resources.



DERBY CITY COUNCIL

COUNCIL CABINET 27 SEPTEMBER 2005

Report of the Director of Social Services

DEMENTIA CARE RESOURCE CENTRE

SUPPORTING INFORMATION

- 1.1 The proposed Mental Health Resource Centre is a partnership project between the Social Services Department and Derbyshire Mental Health Services NHS Trust (DMHST). It will provide a service for older people with dementia and include 18 specialist NHS beds and 22 residential beds. The site of the former Lois Ellis Home for Older People in Mackworth has been reserved for this project.
- 1.2 This project has a long history. On 18 July 2001 Policy Committee agreed to enter into consultation on the proposal to close the Lois Ellis Home for Older People to allow the development of a new multi-agency resource centre for older people with dementia. The closure of Lois Ellis was approved on 22 January 2002. It has been substantially delayed because expected NHS capital was not available.
- 1.3 Council Cabinet agreed on 13 January 2004 that a licence be granted to DMHST to demolish the Lois Ellis building. It was agreed that the Council grant DMHST an option to purchase the site at open market value or such other terms as are agreed between the parties, subject to the PFI bid to re-develop the site being successfully concluded. The option is open until 31 January 2006.
- 1.4 The Batch PFI programme is progressing but there has been slippage in the timescale. The PFI partner has now been announced. The Lois Ellis building has been demolished by DMHST and at their expense. The site has been cleared and fenced. Financial close is now anticipated to be September 2006.
- 1.5 The Social Services Department was only notified in May that costs for the Dementia Care Resource Centre will be approximately £442,000 p.a. over the 30 years of the PFI. Together with a staffing cost of approximately £400,000 p.a., this makes the cost of each of the 22 beds £38,272 p.a., or £736 p.w. Using the land value of the Lois Ellis site does not significantly reduce capital and commissioning comparators show that equivalent beds can be procured at a lower cost meaning that this project does not represent value for money. This apart, no budget has been set aside to cover the PFI costs making the project unaffordable given other budget pressures.

- 1.6 The Social Services Department has been seeking to resolve this matter with DMHST and Health commissioners but an appraisal of a range of options has not presented an acceptable alternative within the PFI process. Within the Southern Derbyshire Health and Social Care Community, other projects within the PFI and Kingsway Retraction programme are being reviewed.
- 1.7 A decision is urgently needed on the future of the project so that DMHST can work with the PFI team to develop a contingency plan. This is likely to be the provision of the 18 NHS beds on the Kingsway Hospital site. Providing the NHS beds in another location in Derby, very near to the Lois Ellis site will not disadvantage Derby residents in any way who may need to use this service in the future. There will be a loss of opportunities to create a combined service which would have had more overall flexibility.
- 1.8 If DMHST and the PFI team are not notified soon of the Department's decision on this matter, there is a risk that unnecessary re-design costs will be incurred and that the Department would be liable for these costs.
- 1.9 The Social Services Department remains committed to a partnership approach to improving services for older people with dementia and will work with DMHST and Derby Primary Care Trusts to ensure that all the elements of the preferred service model are in place. These will be dispersed across the City, rather than provided from a single resource centre. [NB: a decision had already been made that day services and a base for the specialist team could not be provided on the Lois Ellis site as it was too small].
- 1.10 The procurement of the planned social care beds and the future of the Lois Ellis site will be considered within the context of the Supported Accommodation Strategy, which will be presented to Cabinet in the near future.

OTHER OPTIONS CONSIDERED

- 2 No other options are viable, given the constraints of the PFI process and the need for a definite decision at this point in time.

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Background papers:	None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial

- 1.1 The financial situation is described in the report. PFI mortgage costs were not budgeted for, making the project unaffordable. Regardless of this the project does not provide value for money.
- 1.2 DMHST have demolished the former Lois Ellis building using PFI enabling funds at a cost of approximately £52,000 plus professional fees. The agreement is that the Department will need to repay this amount if the project does not go ahead and if DMHST has to repay the enabling funds. Negotiation on this matter will take place with DMHST. If the Department has to repay DMHST the costs can be contained within the current cash limit.

Legal

- 2.1 The Council has granted DMHST an option to purchase the site, which is open until 31 January 2006, but which is subject to the PFI bid to re-develop the site being successfully concluded. It is anticipated that the DMHST will consent to the option being withdrawn given the timescale for conclusion of the PFI bid is no longer within timescale granted in the option and the other circumstances described in the report.
- 2.2 An alternative would be to let the option lapse, however it would be necessary to let DMHST know of the decision to withdraw from the scheme as soon as possible, to avoid them incurring additional costs.

Personnel

- 3.1 None.

Equalities

- 4.1 The intention is to ensure that appropriate alternative services are available for older people with dementia in Derby.

Corporate Themes and Priorities

- 5.1 This accords with the Council's objectives of **healthy, safe and independent communities** and furthers the priority of **modernising social care, including adult home care**.