

WILTSHIRE COUNCIL

CABINET CAPITAL ASSETS COMMITTEE

19 April 2011

Subject: Old Manor Hospital Site, Salisbury

Cabinet Members: Councillor John Thomson (Adult Care, Communities and Libraries), and Councillor Toby Sturgis (Waste, Property and Environment)

Key Decision: No

Executive Summary

This report requests approval to progress with negotiations for the acquisition of the Old Manor hospital and Old Laundry sites in Salisbury from the Wiltshire Primary Care Trust.

The Old Manor hospital site in Salisbury formerly performed the function of Salisbury's main psychiatric hospital but in recent years it has been left vacant and decaying. It also contains a collection of listed buildings which represent an important part of the City's evolution that are falling into significant disrepair and require urgent attention.

The Chairman of the Salisbury Vision has also identified this site in the Core Strategy as a site of strategic importance for Salisbury due to its location on a major gateway to the medieval city centre.

The acquisition of the Old Manor hospital and Old Laundry sites in Salisbury would provide the Council with a suitable site for the development of the specialist care home for older people with dementia and extra care housing in order to meet the needs of an increasing elderly population. Affordable general needs accommodation could also be delivered on the remainder of the site.

Furthermore, the Council's development of this site would ensure that the state of the listed buildings were addressed, improve the gateway into Salisbury from an aesthetic perspective and kick start the regeneration of this area of Salisbury as identified within the Salisbury Vision.

It should be noted that the Primary Care Trust intends to develop part of the retained site to provide a new Primary Care Centre and the Council would be responsible of these proposals.

A preliminary valuation of the site has been commissioned and received, which will form the basis of the negotiations with the Strategic Health Authority. It is proposed that these negotiations are delegated to the Head of Strategic Property Services, the Service Director for Adult Care

Commissioning and Strategy and the Service Director for Economy and Enterprise. These negotiations will be conducted on the basis that any final bid is subject to approval by Members through the Cabinet Capital Assets Committee.

Once the negotiations are concluded, a further report will be submitted to the Committee to seek approval to purchase the site and to identify the capital and revenue resource implications involved.

A full business case will also be produced for consideration by Members as to the proposed development on the site and the most economically advantageous method to achieve this.

Proposal(s)

The Cabinet Capital Assets Committee is asked to:

- a. Approve in principle the acquisition of the Old Manor hospital and Old Laundry sites in Salisbury from the Primary Care Trust for the development of extra care housing and care home facilities for older people subject to the satisfactory conclusion of negotiations with the Trust.
- b. To authorise the provision of up to £25,000 from the Adult Care capital budget to undertake further investigations on the site to include surveys and a robust feasibility study.
- c. Delegate authority to the Head of Strategic Property Services, the Service Director for Adult Care Strategy and Commissioning and the Service Director for Economy and Enterprise to progress the negotiations to acquire the site.
- d. Note that a further report will be submitted to the Cabinet Capital Assets Committee once the negotiations are concluded to seek approval to purchase the site and to identify the capital and revenue resource implications involved.
- e. Note that a full business case will be presented to Members once the site has been acquired as to the proposed development on the site and the most economically advantageous method to achieve this.

Reason for Proposal

The acquisition of the Old Manor hospital and Old Laundry site would ensure the regeneration of a major gateway into Salisbury in line with the Salisbury Vision. It would also enable the approach to the listed buildings on the site to be carefully considered and addressed.

Through the acquisition and associated development of the site, the Council would benefit from the provision of a new specialist care home for older

people with dementia and units of extra care housing to meet the needs of the growing elderly population in Salisbury. In addition to improving choice and control for older people, it would also enable the Council to make best use of increasingly scarce resources as outlined within the Older People Development Strategy.

Sue Redmond
Corporate Director, Department of Community Services

Dr Carlton Brand
Corporate Director, Department of Resources

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CABINET CAPITAL ASSETS COMMITTEE

19 April 2011

Subject: Old Manor Hospital Site, Salisbury

Cabinet Members: Councillor John Thomson (Adult Care, Communities and Library) and Councillor Toby Sturgis (Waste, Property and Environment)

Key Decision: No

Purpose of Report

2. To seek approval in principle to acquire the Old Manor hospital and Old Laundry sites in Salisbury from the Wiltshire Primary Care Trust for the development of extra care housing and care home facilities for older people.
3. To enable the negotiations with the Primary Care Trust to be conducted through delegated authority to the Director of Resources, the Director of Community Services and the Service Director for Economy and Enterprise.

Background

4. The Old Manor hospital site in Salisbury formerly performed the function of Salisbury's main psychiatric hospital but in recent years it has been left vacant and decaying. It also contains a collection of listed buildings which represent an important part of the city's evolution that are falling into significant disrepair and require urgent attention.
5. The Chairman of the Salisbury Vision has also identified this site in the Core Strategy as a site of strategic importance for Salisbury due to its location on a major gateway to the medieval city centre.
6. Through engagement with the local community, including the Salisbury Civic Society, the strength of local feeling for this site to be regenerated has already been established. Collaborative working with the community to plan for the re-use of this site could make this an important flagship project showing localism in practice.
7. Nationally, statistics illustrate that the number of older people will rise dramatically in future years. Following a comprehensive study into older people's accommodation, the Council has identified that the older population within Wiltshire will increase by 57.9% which is higher than the average for England and is the second highest growth projected for the

South West region. Within Salisbury, the older population will increase by 40% over the next 15 years.

Main Considerations for the Council

8. The Older People Development Strategy, which was approved by Cabinet on 25 January 2011, identified the requirement for a number of care homes and extra care developments within the Salisbury area to meet the needs of its older population. However due to the interdependencies associated with the release of existing sites for redevelopment, these developments are not envisaged to become operational until 2015.
9. Furthermore, the Council has recently been informed that it has not been successful in its Department of Health Private Finance Initiative and whilst it has an alternative proposal to deliver the nursing home in Salisbury, a site is required for the development of the specialist care home for people with dementia.
10. The acquisition of the Old Manor hospital and Old Laundry sites in Salisbury would provide the Council with a suitable site for the development of the specialist care home for older people with dementia and extra care housing. Affordable general needs accommodation could also be delivered on the remainder of the site.
11. The Council's development of this site could consider how the condition of the listed buildings may be best addressed, whilst improving the gateway into Salisbury from an aesthetic perspective and kick start the regeneration of this area of Salisbury as identified within the Salisbury Vision.
12. A cross function project team would be established to manage the further investigations and negotiation activities and would include representatives from Strategic Property, Capital Projects, Corporate Finance, Adult Care, Housing, Economy and Enterprise and Planning.
13. It should be noted that the Primary Care Trust intends to develop part of the retained site to provide a new Primary Care Centre and the Council would be respectful of these proposals.

Environmental and Climate Change Considerations

14. CO₂ emissions from council-run older peoples' care accommodation are included in the council's carbon footprint, while emissions from privately run older peoples' accommodation contribute to Wiltshire's carbon footprint as a whole. In order to ensure that energy consumption and carbon emissions from these buildings do not increase, as well as to ensure appropriate environmental management takes place, new stock will be built to Code Level 4 of Sustainable Homes and Lifetimes Homes standards increasing to Code Level 6 by 2016. Non-fossil fuel energy supplies will be considered for all new buildings.

15. In order to ensure the necessary transport-emissions for running the facilities do not increase, the location of these facilities is crucial. The Old Manor hospital site has access to good public transport links already and a transport strategy for the site would be prepared.
16. It is acknowledged that the very old, chronically ill and poor are amongst the groups most vulnerable to predicted climate change and risk of “fuel poverty”. The provision of accommodation for older people will take this into account by ensuring that buildings are not only built to the required Code Level 4/Code Level 6, but they will also include relevant climate change adaptation features.

Equalities Impact of the Proposal

17. The development of these facilities would promote independence, choice and control for older people and would offer opportunities for greater community engagement, involvement and inclusion in purpose built accommodation.
18. Processes to ensure that full care assessments and risk management strategies will be put in place for individual affected residents and a detailed Human Rights and Equalities Impact assessments of the proposals is to be undertaken.
19. The development of these facilities would also have a positive impact for people who will develop care needs in the future as it will enhance choice for people when choosing their care provision.

Risk Assessment

20. A number of key risks have been identified in relation to this site acquisition and associated proposed development.
21. The primary risk associated with the site acquisition is that the Council may be compelled to repair and reinstate the listed buildings on site prior to the other development taking place. This may result in up-front costs which may not be able to be fully recovered during any resultant site disposal. Any future report to the Committee seeking approval to purchase the site will include consideration of these potential costs.
22. A robust feasibility study would be required to ascertain whether the proposed development could be accommodated on the site whilst respecting the view of the planning department to retain the listed and historical buildings.
23. However, one of the key risks is associated with the Council not acquiring the site, whereby it could jeopardise the Vision for Salisbury and delay the proposed regeneration of this area of Salisbury due to the current owners' inability to progress proposals for development in relation to this site.

Financial Implications

24. A preliminary valuation of this site has been commissioned and can be found as a confidential appendix to this report to be taken under Part II of the agenda.
25. As Members will appreciate the valuation has been undertaken on the basis of certain assumptions. These are considered to be realistic at this stage but will require further investigation over the coming weeks.
26. Accordingly, Members are requested to approve the provision of a sum up to £25,000 to undertake such investigations and feasibility work to be funded through the Adult Care capital budget.
27. Members are invited to consider in particular the last paragraph of page 4 of the valuation report contained in the Part 2 appendix.
28. The Council intends to formally write to both the Primary Care Trust and the Strategic Health Authority registering its interest in acquiring the property. This will not commit the Council to buying the property, but if received sympathetically, it will provide the Council with time to enter into discussions with the Primary Care Trust. Any decision to agree to purchase the site and submit a final bid will be subject to consideration of a further report to this Committee, which will outline in detail the revenue and capital financial implications of the purchase.
29. It is proposed that the discussions with the Primary Care Trust are conducted by the Head of Strategic Property Services, in conjunction with the Service Director for Adult Care Strategy and Commissioning and the Service Director for Economy and Enterprise.

Legal Implications

30. Once the negotiations have been concluded, the contractual documentation to transfer the legal title of the site to the Council would have to be produced and agreed.
31. The Council may require indemnities or some form of financial endowment from the Trust as part of its transfer agreement. The terms of the agreement will be considered once further investigation of the site has been conducted.

Options Considered

32. Do Nothing
In the event that the Council did nothing, it would not be possible to ensure that this key gateway site into Salisbury would be developed which would adversely impact upon the Vision for Salisbury. Furthermore, it would result in the essential development of older people's accommodation being delayed due to the availability and release of other sites within the Salisbury area. Therefore, this option has been discounted.

33. Site to be Sold to a Developer / Investor
The Primary Care Trust could sell the site to a developer or an investor rather than the Council. This option is likely to result in the site being developed, however there is the possibility that the site could be sold in separate lots, which may not guarantee that the state of the listed buildings would be addressed. Therefore this option is not preferable as it does not meet the needs of the residents of Salisbury.

Conclusions

34. The acquisition of the Old Manor hospital and Old Laundry site would ensure the regeneration of a major gateway into Salisbury in line with the Salisbury Vision. It would also enable the approach to the listed buildings on the site to be carefully considered and addressed.
35. Through the acquisition and associated development of the site, the Council would benefit from the provision of a new specialist care home for older people with dementia and units of extra care housing to meet the needs of the growing elderly population in Salisbury. In addition to improving choice and control for older people, it would also enable the Council to make best use of increasingly scarce resources as outlined within the Older People Development Strategy.
36. The Cabinet Capital Assets Committee is asked to approve the proposals as set out in the Executive Summary of this report.

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Background Papers

The following unpublished documents have been relied on in the preparation of this report: NONE

Appendices

Appendix 1 – Confidential Valuation Report (Part II)