

Wiltshire Council

Cabinet Capital Assets Committee

14 September 2011

Subject: The Paddocks Care Home Site, Trowbridge

**Cabinet Members Councillor John Thomson
Adult Care, Communities and Housing**

Key Decision: Yes

Executive Summary

This report requests approval to progress with the freehold sale of The Paddocks care home site to The Orders of St John Care Trust (OSJCT).

In September 2010 Cabinet agreed to allow the site to be redeveloped into a specialist dementia care facility following a period of consultation with the existing residents. The proposals were that OSJCT would become the owners of The Paddocks care home site in Trowbridge and the Council would become the owner of land at Old Sarum near Salisbury.

The land swap would have provided the necessary land in the Salisbury area for the Council to deliver the facilities outlined in the Department of Health Private Finance Initiative (PFI); being an 80 bed nursing home and 64 bed specialist care home for people with dementia.

As part of the comprehensive spending review initiated by central government in the autumn of 2010, all live PFI schemes were reviewed by the Department of Health and only 4 of the 17 schemes were successful in retaining their funding. Wiltshire Council was unfortunately not able to retain the necessary funding to proceed with the PFI project and therefore the land swap is no longer required. However, OSJCT will continue to progress the purchase of the site at Old Sarum on which they are intending to develop a care home.

OSJCT are committed to deliver the redevelopment of The Paddocks care home site, however, due to funding constraints this would require them to have freehold ownership of the land. The purchase price has been agreed and any agreement would be conditional upon OSJCT obtaining planning consent for the development.

The Paddocks is now vacant following the relocation of the residents to other residential placements and the new extra care facility, Florence Court, in Trowbridge.

Proposals

Members are asked to:

- a. Facilitate the redevelopment of the site to deliver a new 66 bed specialist care home for people with dementia by approving the freehold sale of The Paddocks care home site to OSJCT.
- b. Consider allocating the capital receipt from the sale of The Paddocks to the Adult Social Care capital budget

Reasons for Proposal

Demographic projections indicate there will be significant growth in the 65+ age group in Trowbridge from 7,210 in 2007 to 12,580 in 2026 (74.5% increase). Additionally, the number of people aged 50+ with dementia in Trowbridge will increase by 85% by 2026. It was identified in the Accommodation Strategy for Older People that there is an adequate supply of residential care but an identified shortage of dementia and nursing home provision in Wiltshire.

The Paddocks was a 30 bedded home which was built in the 1970s. The bedrooms do not have en-suite facilities and communal space is very limited. Due to its current condition and design, this building was no longer considered 'fit for purpose' as the space standards precluded the provision of care to people with high level needs.

The focus of national policies (*Putting People First; National Housing Strategy for an Aging Society; Our Health Our Care Our Say*) support older people to remain independent, healthy and active. The redeveloped facility will deliver a purpose built environment that encourages people who require specialist support to maximise their potential.

OSJCT are prepared to fund this development through private borrowing, provided that the Council agree to purchase services as part of its existing long term block contract agreement. This is permissible within the terms of the existing arrangements.

This approval will allow the site to be redeveloped to provide much needed high quality facilities for the care of older people within Trowbridge.

Sue Redmond
Corporate Director of Community Services

Wiltshire Council

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Subject: The Paddocks Care Home Site, Trowbridge

**Cabinet Members Councillor John Thomson
Adult Care, Communities and Housing**

Key Decision: Yes

Purpose of Report

1. To seek approval to sell The Paddocks care home site in Trowbridge freehold to the Orders of St John Care Trust (OSJCT) to facilitate the delivery of a new 66 bed specialist care home for people with dementia.
2. Consider allocating the capital receipt from the sale of The Paddocks to the Adult Social Care capital budget

Background

3. The former Wiltshire County Council transferred the operation of The Paddocks and 17 other residential care homes to OSJCT in 1999 and 2000. In 2005 the care contract was renegotiated to make it co-terminus with the property leases which expire in 2025. The contract recognised that in order to continue to deliver the same or improved level of service and standard of care in the longer term, that some homes would require significant refurbishment or redevelopment during the contract term.
4. The Paddocks was a 30 bedded home which was built in the 1970s. The bedrooms did not have en-suite facilities and communal space was very limited. Due to its condition and design, the building was no longer considered 'fit for purpose' as the space standards precluded the provision of care to people with high level needs.
5. There is a significant amount of land with this property, and planning permission was granted in 2001/02 to build a new care home on the same site. This permission has now lapsed, although it is anticipated that this would have set a precedent with the planning authority and discussions so far with neighbours and planning officers have been positive.
6. A new planning application has been submitted by OSJCT under reference number W/11/01266/FUL.
7. The focus of national policy (*Putting People First; National Housing Strategy for an Aging Society; Our Health Our Care Our Say*) supports older people to live life to the full, to remain independent, healthy and

active. This represents a shift from dependency to wellbeing and independence.

8. Demographic projections indicate there will be significant growth in the 65+ age group in the Trowbridge area:

Age Group	2007	2026	% Increase
65 – 74	3,800	6,050	59.2
75 – 84	2,470	4,480	81.4
85+	940	2,050	118.1

9. The number of people aged 50+ with Dementia in Trowbridge is also expected to increase:

Dementia	2007	2026	% Increase
Aged 50+	605	1,120	85.1

10. Peter Fletcher Associates were commissioned in 2007 to undertake data collection and analysis to support the development of an Older People's Accommodation Strategy. Their report identified that in Wiltshire there is an adequate supply of care home provision but a shortage of dementia and nursing home provision, especially when considering future trends and demographic projections. They recommended that Wiltshire Council works with providers to decrease placements in residential care whilst maintaining diversity and service quality, with future emphasis on the development of more nursing and dementia care provision.
11. The Older People Accommodation Development Strategy was approved by Cabinet in January 2011, which will modernise the way that older people's accommodation is provided over the next 10 years, develop and adopt an integrated accommodation system, ensure the best use of increasingly scarce resources and respond to local needs in local communities. The proposal for The Paddocks is included within the overarching Development Strategy but it is a self contained development that will assist the Council to change the shape of care accommodation.

Main Considerations for the Council

12. In September 2010 Cabinet agreed to allow the site to be redeveloped into a specialist care home facility for people with dementia following a period of consultation with the existing residents to meet the requirements set out in the Older People Accommodation Development Strategy. At this time Cabinet also approved a land swap with OSJCT for a site at Old Sarum to deliver facilities outlined in the Department of Health PFI project.
13. The Council has since been informed that it has not been successful in its bid for funding through the Department of Health PFI schemes resulting from the comprehensive spending review and therefore the proposed land swap of The Paddocks site for the Old Sarum site is no longer required.
14. OSJCT are committed to the redevelopment of The Paddocks site to provide specialist care services for people with dementia, however, they

require freehold ownership of the site to obtain the necessary funding to proceed.

15. The Paddocks care home site has been vacant since June 2011 following the relocation of the residents to other residential placements and the new extra care facility, Florence Court, in Trowbridge.
16. A planning application has been submitted for the new facility by OSJCT and is awaiting determination.
17. The purchase price has been agreed between the parties (see Appendix 1 for further information) and freehold sale will be conditional on OSJCT obtaining planning permission for the new care home.

Environmental and Climate Change Considerations

18. The architects responsible for this development are committed to scheme design and specification that maximises current best practise, and are very experienced in care home design (one recent example being Athelstan House in Malmesbury). The new building will conform to the enhanced sustainable building regulations that came into force in October 2010 and it is anticipated the design will achieve a BRE Environmental Assessment Method (BREEAM) rating of at least 'very good'. OSJCT will be encouraged to take a green approach to energy and water use, considering energy efficiency, renewable energy technology and Carbon Reduction Commitment, thereby maximising savings in lifetime operating costs and carbon emissions. As this building will be owned by OSJCT, the Council will not be responsible for purchasing CRC allowances for the site. However, it will be included in the carbon management plan footprint which is aiming to reduce emissions by 20% by 2014 with the aspiration of a 50% reduction by 2020.
19. Due consideration will also be given to climate change adaptation, for example through natural ventilation and tree planting, to future-proof the building design in a changing environment.
20. A Transport Strategy will be developed following approval for this development. The site is on the main route into Trowbridge, with reasonable public transport links and within walking distance from the town centre and local housing estates.

Equalities Impact of the Proposal

21. 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.
22. 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

23. There is a risk that through selling the freehold of the site to OSJCT, the Council would minimise its influence and control over the standard of care to be provided in the new care home facility. However, due to the length and breadth of the service contract with OSJCT, stringent monitoring and governance processes are in place whereby any issues that arise can be addressed.
24. Another risk that has been identified when considering this proposal is that OSJCT would not receive the required planning permission to conclude the purchase of this site. In this instance, further discussions would be held with the planning authority but in the event that agreement could not be reached, the 5% deposit would be returned to OSJCT without interest.

Financial Implications

25. The purchase price for the site has been agreed between the parties.
26. The existing lease for the site will continue, with OSJCT being liable for all commitments there-under, until completion of the sale.
27. On exchange of conditional contracts, OSJCT will pay the Council a deposit of 5% of the purchase price, refundable without interest in the event that planning permission for a care home is not achieved within a reasonable period.
28. Each party will be responsible for their own legal fees in relation to the sale.
29. Following the cessation of the lease and the sale of the site, the Council would incur a loss of rental income (see appendix 1).
30. As the redeveloped care home will provide specialist placements for people with dementia this will impact on the category of beds purchased and the associated costs. This revenue implication will be monitored and managed as part of the overall contract management of the block contract with OSJCT.

Legal Implications

31. There is a Transfer and Deed of Grant recorded in the Council's title that requires the Council to ensure that any purchaser enters into a Deed of Covenant with the adjoining owners which may involve additional parties and could extend the timeframe for completion of the purchase.

Options Considered

32. Do Nothing
Approval was received in September 2010 to close the home and relocate the residents of the care facility to alternative accommodation due to the age of the building, the limited space standards and lack of en-suite

facilities. This was agreed on the understanding that the site would be redeveloped to provide specialist care services for people with dementia. Therefore, the do nothing option is no longer feasible as the home has been closed and the site vacant.

33. Continue to Lease the Site to OSJCT
In the current economic climate, OSJCT would be unable to secure the necessary funding to proceed with the development through a leasehold arrangement. This is due to there being no collateral from land or buildings to be able to secure any financing against. Therefore, this option has been discounted.
34. Sell the Site Freehold to OSJCT
The freehold acquisition of the site will allow OSJCT to obtain the necessary financing to proceed with the development of a new 66 bed specialist care home for people with dementia which has been identified within the Council's Accommodation Strategy for Older People. This is the preferred and recommended option.

Conclusions

35. Through the freehold sale and associated development of the site, the Council would benefit from the provision of a new specialist care home for older people with dementia to meet the needs of the growing elderly population in Trowbridge. 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. Members are asked to:
 - a. Facilitate the redevelopment of the site to deliver a new 66 bed specialist care home for people with dementia by approving the freehold sale of The Paddocks care home site to OSJCT.
 - b. To request a further report on the adult social care accommodation programme.

Sue Redmond
Corporate Director, Department of Community Services

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Date of report: 31st August 2011

Background Papers

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

Appendices - Confidential valuation information (part 2)