

### Appendix 1.

#### Options appraisal relating to the future of Occombe House.

Criteria	Option 1 Do nothing
Learning Disability strategy requirements	This option does not fit well with the local and national learning disability strategy; we are aiming to develop more person centred services for the longer term through building capacity in the community through tailored housing provision and support arrangements. We aim to ensure more person-centred approaches, rather than continuation of the residential services model.
Person Centred Planning requirements	Person Centred Plans could still be developed but their implementation is constrained by the existing service model.
Implications for Families	Families would like individuals to stay together, they like the services at Occombe and are generally happy with the care provided..
Implications for Individuals	Residents are settled at Occombe they have lived there for many years and individuals know each other and the staff there. However there are constraints on how the service meets their needs.
Security for the future	This option offers little security for the future. The building at Occombe is no longer fit for purpose. It does not offer the best solutions for the long term, both for residents or for the population in Torbay. There is a falling demand for residential care.

	<p>When Occombe was opened it housed 25 people, today 7 people live there, 2 will be moving on. <i>This will leave 3 Torbay residents and 2 people placed from other authorities in Occombe.</i></p>												
Cost	<p>The current budget for Occombe is £635,950 (£572390 pay, £63560 non pay). The short stay element of this is estimated at 20%. The 2010/11 year end position is predicting an overspend of £71342 which is mainly pay overspends due to additional hours worked and bank staff, this is a scenario that has been repeated over several years. This means that the expenditure for the current year at Occombe will be £707,292.</p> <p>Meals are also provided to Fairwinds day care centre at an approximate cost of £8K per annum.</p> <p>Ongoing maintenance costs would be incurred on a building that is old and cannot be utilised fully. This offers poor value for money. Over the years the number of people will naturally diminish creating poor economies of scale.</p> <p>The unit costs per person per week would rise as follows,-</p> <div data-bbox="665 730 1798 1246" data-label="Figure"> <p style="text-align: center;"><b>Unit Costs for Occombe House</b></p> <table border="1"> <thead> <tr> <th>No. of Long Term Residents</th> <th>Cost (££)</th> </tr> </thead> <tbody> <tr> <td>8 residents</td> <td>1200</td> </tr> <tr> <td>7 residents</td> <td>1300</td> </tr> <tr> <td>6 residents</td> <td>1400</td> </tr> <tr> <td>5 residents</td> <td>1550</td> </tr> <tr> <td>4 residents</td> <td>1800</td> </tr> </tbody> </table> </div> <p>In addition maintenance costs at Occombe have been extensive over the past 5 year amounting to £170,000 of expenditure. It is likely that ongoing maintenance of a similar amount would be</p>	No. of Long Term Residents	Cost (££)	8 residents	1200	7 residents	1300	6 residents	1400	5 residents	1550	4 residents	1800
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	required over the next five years.
Risk to the organisation	A number of CQC reports and in house accessibility assessment has identified problems with the building. In estates terms the current building will be faced with on-going maintenance and capital investment concerns in particular to ensure continued Disability Act compliance. In reality this means that the whole top floor of Ocombe cannot be utilised, there is no lift, and the floors are uneven. This creates pressures on space on the ground floor; such that four residents with complex mobility needs have to share a bathroom. Commissioners and staff agree this is not acceptable.
HR implications	No immediate impact, but staffing levels would have to be constantly reassessed in line with reductions of residents. It could be hard to fill vacancies as they arose as the service demand is diminishing.
Recommendation	This option is not recommended.

Criteria	<b>Option 2</b> <b>Refurbish Occombe as residential care on the current footprint</b>
Learning Disability strategy requirements	Is not supported by our strategy “Getting a life, not just a service” and we have less demand for residential care.
Person Centred Planning requirements	Person Centred Plans could still be developed but their implementation is constrained by the existing service model.
Implications for families	This is preferred by families as a potential option.
Implications for Individuals	Would require a move to unknown services/ arrangements whilst the building is redeveloped, and a move back, creating a two stage change programme.
Security for the future	Still does not provide security of tenure for individuals and is not regarded as settled accommodation.
Cost	<p>A previous estates report (August 2010) estimated the level of capital investment required in Occombe House to bring the building up to standard in terms of issues such as Backlog Maintenance, access, privacy and dignity, Disability Legislation and compliance. The total estimate of £750,000 is a guide figure and the report set out in detail the assumptions made and cost comparators used.</p> <p>Please note that the costing(s) included in the report were high level estimates based on the previous experience of various schemes and knowledge of our estate and local conditions. Detailed feasibility costing would need to be undertaken at each stage of any proposals at the appropriate juncture to establish realistic budgets based on technical assessments from the relevant building professionals. However for the purpose of this report these guide costing(s) are generated through adopting a pragmatic approach to provide a general impression of what is required at Occombe. Please be mindful of these caveats when using the figures (£) later in this report.</p>

### **Renovation budget & assumptions.**

- (a) The accommodation of four rooms on the Ground Floor wing are not compliant in terms on en suite facilities, i.e. one bathroom for four people. Consequently these rooms would need to be re-located elsewhere on site to be compliant in terms of facilities and size. These rooms could not be enhanced and/or extended in the current location as they are above ground level on both sides so this would be costly and challenging in engineering terms, but most significantly would require planning approvals beyond the existing building footprint.
- (b) As a result of the above it is highly likely that the whole building including the First Floor would need to be made viable and accessible to be flexible enough to accommodate all the residents. On that basis a lift will be required in the building. This would prove an operational challenge, the work would be invasive and Occombe would have to close for a period to achieve works safely. Also space will be lost to the lift shaft and car with a knock on impact upon adjacent areas. Minimum cost circa £150,000.
- (c) DDA Compliance: In order to ensure continued DDA compliance changes to the layout of the building and internal fittings are likely to be necessary. Each resident's room and general areas will need to be fitted with appropriate toilet facilities and in some areas access routes should be widened to allow for better access for wheelchair users. DDA toilets can cost in the region of £15,000 plus each depending on adjacent work and specific specifications. Whilst not entirely scientific I would suggest a budget in the region of £200,000 would make sufficient progress in this area.
- (d) The building is in need of general refurbishment. Much of the infrastructure is in a poor and tired condition. An assessment last week confirmed that many aspects of the building require replacement and/or improvement and in some areas the building requires total refurbishment.

**To be replaced or refurbished:** Most of the flooring/carpets throughout in rooms and common areas, some lighting and fittings, much of the sanitary wear, improvements to heating and radiators required, single glazing areas need to be replaced with double glazing to meet energy efficiency requirements and to improve the environment, replacement ceiling tiling in some areas, replacement furniture throughout, much of which is in a poor condition. Based on the floor area of Ocombe and based on comparator projects recently undertaken, a budget in the region of £350,000 would be required to make an impact on these concerns.

**To be reviewed/assessed if the building remained occupied in the medium to long term:** The Fire system is compliant but could be upgraded, the electrical system requires testing and upgrading. If the First Floor came into use Fire escape arrangements would require review and possible additional investments. Full Structural survey if any of the above works (a-d) took place as some of the suggestion simply may not be feasible.

The above would have a total value of circa £700,000. Usually such projects apply an allowance of at least 5% to allow for professional fees to deliver such works. This would include Building Regulations applications, various building and structural reports, project management fees, architects, mechanical and electrical engineering advisors etc. 5% would equate to £35,000 however, given the complexity of the above it's preferable to allow £50,000 for this purpose.

#### **(4) Cost Summary**

Lift	£150,000
DDA Compliance	£200,000
General Refurbishment	£350,000
Fees	£50,000
Total Capital Requirement	£750,000

The 2008 independent site valuation for Ocombe and Fairwinds was £700,000. This reflected the market as the time, post "credit crunch"; this is unlikely to be significantly different in 2010.

	The Fairwinds Day Care facility is also in need of modernization and investment.
Risk to the organisation	High, because it is likely that future demand for residential care will be low. Achieving a good return on investment would be reduced because the life span of this design of service would be limited.
HR implications	Very little, but there would be a need to develop service structure whilst residents moved out to redevelop the current site.
Recommendation	This option is not recommended.

Criteria	<b>Option 3</b> <b>Knock down and build new accommodation on Occombe site</b>
Learning Disability strategy requirements	This would comply with having a more individualised approach to support. It would allow for security of tenure and enable effective support.
Person Centred Planning requirements	Enables tailored services for each person in relation to accommodation and support. Enables valued relationships to continue.
Implications for families	Families have been open to looking at this potential option.
Implications for individuals	Redeveloping the current site in line with the required accommodation specifications would be prohibitively expensive and create a “double move” scenario for residents that would undoubtedly be unsettling.
Security for the future	As demand for residential care is falling we do not anticipate that places would be filled at numbers of current residents diminish. This would create a problem in relation to the sustainability of the service in the future despite initial investment.
Cost	<p>This approach would have to be broken into several phases and elements approached in a linear fashion/sequence as follows:</p> <p>(a) <u>The South Hams Planning Authority</u> (within whose jurisdiction Occombe House sits) has already indicated they would not permit any over development of the site. Architects and other fees would be required to scope a scheme and reach agreement with South Hams with respect to an acceptable development style and footprint. Any scheme would have to be</p>



proportionate in terms of scale, design, access, parking etc. Would a small scheme of 5-7 dwellings be cost effective enough in terms of demolition, planning and build costs?

- (b) Torbay Council would need to make the land available and support the developmental proposals. The entire site footprint has a value of £700,000, this would presumably need to be accounted for as a cost in any scheme unless the land was gifted by the local authority.
- (c) Capital: The NHS does not have a capital allocation to fund the scheme and will not for the foreseeable future given financial constraints the public sector is facing.
- (d) Demolition of the Ocombe House building would constitute a significant pump priming cost. During this period and the time of the rebuild Fairwinds Day Centre would need to be relocated to enable the demolition/construction work to proceed. Ocombe House is over 700 sqm and is a two story brick building with annex and outbuildings accommodation. A full survey would need to be undertaken, however a desk top assessment by a consultant used by the Trust suggests the cost of this may be in the region on £100,000 for demolition and clearance.
- (e) Build cost. A consultant assessment who works widely in the South West area suggests, based on his current market experience, that the build cost per bed space would be in the region of £80,000 to £100,000 per bed created, depending upon specification required such as size of rooms, hoists etc. In addition approx 15% should be allowed for professional fees and a further 20% for VAT. This assumes a single building. Breaking this down further into smaller dwelling would increase the cost per bed.

	<p><b>Cost summary</b></p> <table> <tr> <th>item</th><th>£</th></tr> <tr> <td>Demolition costs</td><td>100000</td></tr> <tr> <td>Build costs for five people</td><td>500000</td></tr> <tr> <td><i>sub total</i></td><td>600000</td></tr> <tr> <td>technical costs @15%</td><td>90000</td></tr> <tr> <td><i>sub total</i></td><td>690000</td></tr> <tr> <td>Vat @20%</td><td>138000</td></tr> <tr> <td><b>Total cost of build</b></td><td><b>828000</b></td></tr> </table>	item	£	Demolition costs	100000	Build costs for five people	500000	<i>sub total</i>	600000	technical costs @15%	90000	<i>sub total</i>	690000	Vat @20%	138000	<b>Total cost of build</b>	<b>828000</b>
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Risk to the organisation	High due to the cost of rebuild. This would require a willing partner who would wish to invest the total required.																
HR implications	Very little, but there would be a need to develop service structure whilst residents moved out to redevelop the current site.																
Recommendation	This option is not recommended.																

Criteria	<b>Option 4</b> <b>Procure supported living accommodation from the independent sector</b>
Learning Disability strategy requirements	Fits well with the strategy, enabling more choice and control.
Person Centred Planning requirements	Enables tailored services for each person in relation to accommodation and support. Enables valued relationships to continue, both with known staff and with individuals.
Implication for Families	Families have expressed concerns about service development, they are concerned it would isolate people and would be concerned about the quality of care.
Implications for Individuals	Any move can be unsettling. Individuals will be with people they like and have good relationships with. There would be opportunities to visit other residents from Ocombe at their home if required. Some people do respond to change well if there are lots of opportunities for gradual adjustment and getting to know a new place or new faces before a final move.
Security for the future	Individuals would have security of Tenure, with allocated resource for their care.
Cost	<p>The housing related element would be funded through a housing association. One provider has expressed an interest in funding the specified housing.</p> <p>This leaves the Care Trust to fund the support costs for those residents that they have funding responsibility for.</p> <p>Although some economies of scale are lost by individuals living on their own or in smaller groups, this is covered by savings in non staff costs, utilising spare capacity in short breaks services at Baytree House and utilising these efficiencies to provide improved levels of care to individuals.</p>

This means that individuals will have **a minimum of 35 additional hours per week each of 1:1 care**, and shared care at other times where a person is not living alone, Those who need to live alone will have 1:1 support at all times. This will enable much greater flexibility and choice for individuals in respect of what people do during their day.

Costs also include waking nights and sleep ins and the TUPE premium to ensure that staff can be paid on the same level as now with their terms and conditions of pay protected as part of the new arrangement. As staff leave through natural turnover processes, the levels of hourly cost would fall to the standard market rate.

#### Occombe re-provision calculation

	£000
New Cost of Independent Provision (7 Clients)	
Client 1	1,261.50
Client 2	1,261.50
Client 3	1,437.75
Client 4	1,401.75
Client 5	1,401.75
Client 6	2,037.00
Client 7	2,037.00
Total Per week	10,838
Total per Annum	565,106
Cost of Providing Meals for Fairwinds	28,000
Loss of Income due to Change to Dom Care Rates	12,000
Less hours above relating to Devon Client	(73,087)
Less hours above relating to Surrey Client	(74,964)

	Loss of Current Income re Devon Client	43,261
	Loss of Current Income re Surrey Client	49,952
	<b>Total Cost of New Provision</b>	550,268
	<b><u>Current Cost of Ocombe Staff</u></b>	
	Management / Admin	(95,451)
	Healthcare Asst Support Worker	(459,903)
	Ancillary	(82,938)
	Current Non-Pay Costs re Ocombe (Exc Fairwinds)	(69,000)
	Estimated Cost of Short Break Service TxF to Baytree	141,458
	<b>Draft Estimate of Potential Cost/(Savings)</b>	<b><u>(15,566)</u></b>
	Assumptions,-	
	Ocombe current cost is based on forecast out turn for 2010/11. Note budget is only £635950 and overspend of £71,000 is forecast	
	Short Break Service Transfer based on 20% of Ocombe spend being transferred to Baytree / Independent Sector.	
	Ocombe non support staff can be redeployed into vacant posts (risk - £175k)	
	Devon and Surrey clients remain their responsibility (risk - £150k)	
	This assumes that individuals are not attending day care. If they continue with day care savings would be greater than the £15,566 stated.	
Risk to the organisation	Initially the expressed concerns of individuals will create some pressure for the Care Trust. However this appears to be a natural response according to other organisations who have	

	<p>undertaken a similar path. Once completed there would be a lower long term risk for the Care Trust and Council.</p> <p>Another risk consideration is the potential for challenge regarding the ordinary residence of the Surrey and Devon clients when they move into their own accommodation.</p>
HR implications	Staff would be subject to TUPE should another provider run the support arrangements. The Costs associated with maintaining the terms and conditions of staff have been accounted for in the costs above.
Recommendation	This is the recommended option.