

North Yorkshire Council

Executive

7th January 2025

Development of Care and Support Hubs

Report of the Corporate Director – Health & Adult Services

1.0 PURPOSE OF REPORT

- 1.1 To update Executive Members on the options appraisal and business case undertaken to consider proposals to address:
- the escalating pressures on HAS budgets driven by the requirement to purchase increasing levels of specialist older people's residential care in the independent sector; and
 - the risks and issues faced as a result of the age and condition of the current Elderly Person's Homes which mean this provision is unable to meet need for specialist residential care.
- 1.2 To seek approval for the recommended option to develop new Council-run Care & Support Hubs in place of existing Elderly Person's Homes with delegated responsibility to the Corporate Director of Resources in consultation with the Corporate Director – Health and Adult Services, the Executive Member – Finance & Resources, and the Executive Member – Health & Adult Services, to consider and approve individual strategic business cases on a locality basis.
- 1.3 To seek approval for decisions to proceed with Net Zero opportunities to be delegated to Corporate Director of Resources in consultation with the Executive Member – Finance & Resources, Deputy Leader and Executive Member – Managing Environment, based on individual business cases.
- 1.4 To seek approval of the inclusion of the proposal as part of the Capital Budget to be brought to Executive on 21st January 2025.

2.0 SUMMARY

- 2.1 A strategic business case has been drawn up to consider the options to address the escalating pressures on adult social care budgets within the Health and Adult Services (HAS) directorate; one of the main drivers being the requirement to purchase increasing levels of high-cost specialist older people's residential care in the independent care sector, due to a growing demand for the provision of services for people with more complex dementia, as well as intermediate care, which helps people to be discharged from hospital.
- 2.2 The business case proposes a **key market management intervention** through the replacement of the Council's in-house older people's residential care services, currently known as Elderly Person's Homes (EPHs), with five new-build Care & Support Hubs strategically located across the county.
- 2.3 A range of options has been considered. The proposal is an ambitious re-design of the Council's care provision which requires significant capital investment of up to £60m. It is an 'invest to save' proposal estimated to reduce future costs of up to £14.8m per annum in the HAS budget, once the full programme has been implemented and depending on prevailing market conditions. Using evidence-based assumptions on market conditions, we have calculated an optimum return on investment period of the proposal of four years. If

approved, the capital programme could be delivered within five years, but the aim would be within a shorter timescale.

- 2.4 The paper sets out the key drivers in increasing demand for specialist residential care, in particular specialist dementia care and intermediate care, and the associated care market position and costs. It also addresses the risks and issues faced as a result of the age and condition of the current EPH estate, and the inability of the current EPHs to respond to and meet need for specialist residential care services.
- 2.5 The proposal would see the Council's in-house Care Provider Service being able to meet the specialist care needs of up to 250 people at a cost per week which is significantly lower than that charged by the independent care sector. The service offer would deliver:
- A. specialist residential dementia care in a purpose built setting able to dynamically meet the needs of people with advanced dementia and other specialist needs with a significantly reduced requirement for one-to-one support and therefore reduce the reliance on 'high cost' specialist provision in the independent care market.
 - B. a robust pathway into bed-based intermediate care for people discharged from hospital on Pathway 2 (short term residential placement) ensuring sufficient capacity to meet demand in appropriately designed physical environment with specialist reablement and rehabilitation focussed care and wraparound therapy support.
- 2.6 Potential site options have been considered and modelling work completed with strategic property partners and Align Property Services.
- 2.7 The Care & Support Hubs would be strategically located across the county tailored to meet the future service operating model, responding to demand and market conditions. The properties would be designed, constructed and owned by the Council through the Council's Strategic Property Service.
- 2.8 It is proposed that subject to approval of the outline business case, individual business cases would be brought forward for approval for each of the five proposed Care & Support Hubs. These business cases will detail site-specific capital costs based on confirmed sites and associated feasibility studies. Revenue costs will be tailored to meet the exact proposals set out within each Hub. The proposed replacement programme would be delivered in phases; phase one would prioritise delivery of new Care & Support Hubs in Harrogate and Scarborough localities.
- 2.9 The programme will remain agile, allowing for ongoing market analysis to understand any changes in demand as well as any changes in care market position, including capacity and cost. A phased and agile programme will also enable continuous learning and reflection throughout.

3.0 BACKGROUND

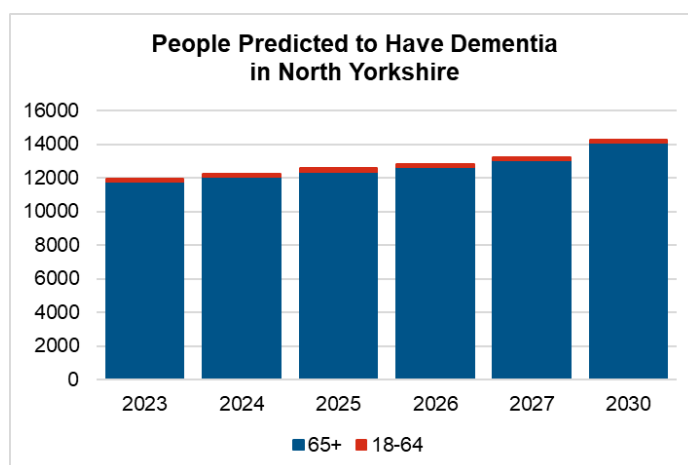
3.1 Population Health

North Yorkshire has an ageing population:

- people aged 65 and over made up 25.7% of the population in 2023, compared with 18.7% for England and 19.7% for the Yorkshire & Humber region. This is projected to increase to 33.0% by 2043, an additional 54,142 people.
- people aged 85 years and over made up 3.4% of the population, compared with 2.5% for both England and the region. By 2043, this is projected to rise to 6.1%, an additional 18,079 people.

- 3.1.1 Local dementia profiles published by the Alzheimer’s Society in December 2021 estimated there were 9,272 people over 65 living with dementia in North Yorkshire. By 2030, this was projected to increase to 15,002 people, 9,617 (64%) of whom would have severe dementia and, therefore, be more likely to require long-term social care services.
- 3.1.2 The Institute of Public Care (IPC) at Oxford Brookes University also projects a significant increase in the number of people aged over 65 with dementia in North Yorkshire. Estimates from POPPI, their older people’s projection tool, indicates an increase to 14,089 people by 2030, which equates to an increase of over 2,300 people, or 19% in the next seven years.

People predicted to have dementia in North Yorkshire



- 3.1.3 At age 65, the IPC projections indicate less than 2% of the population will have dementia. However, by the age of 85, this has increased to 15% for men and 20% for women.
- 3.1.4 In 2023/24, the average age on admission to permanent residential care for someone age 65+ in North Yorkshire was 84.4 years of age, with 55.5% (584) of admissions being for someone aged 85 or over.
- 3.1.5 This presents a significant financial risk to the Council which, without market intervention will see costs rising exponentially.

3.2 Intermediate Care

North Yorkshire Council is working with our 3 NHS Integrated Care Boards, 7 NHS Foundations Trusts and voluntary and care sector providers to develop a new model of intermediate care in North Yorkshire.

3.3 Transformation of in-house care services

- 3.3.1 Transformation of the services offer delivered by the Council’s Care Provider Services (CPS) forms a part of the wider HAS Transformation Plan to deliver the ambitions set out in the Council and HAS Plans and the Council’s Medium Term Financial Strategy, and to support market management intervention. The vision of the CPS transformation programme is:
- To transform the Council’s in-house Care Provider Services provision to focus on delivering high cost, specialist and time critical care that responds to locality need.

- To increase value for money, off-set costs and achieve savings for the Council through reformed in-house care services.
- To maintain and establish the reputation of in-house care services as provider of high quality care and accommodation.
- To ensure services are commercially viable, adequately resourced and have the capabilities to support resilience in local care markets.

3.3.2 To deliver on this vision, it is envisaged that Care Provider Services would deliver a core services offer which would include:

- intermediate care
- specialist residential care for older people, particularly people living with dementia
- specialist care for working age adults, particularly those with a learning disability and/or autism

4.0 CASE FOR CHANGE / RATIONALE

4.1 There are three key drivers for change, these being:

1. Market intervention as a result of increased demand for specialist dementia services
2. Market intervention as a result of increased demand for intermediate care services which don't increase reliance upon long term residential care.
3. Existing property condition of EPHs limiting the ability to meet the above demand

4.2 Demand & Market Analysis for Specialist Residential Dementia Care

- 4.2.1 One of the main drivers of the pressures on HAS budgets is the requirement to purchase increasing levels of high-cost specialist residential dementia care in the independent care sector. The cost of such provision is often further increased by the requirement to fund additional 1:1 hours to meet a person's needs, which is not only costly but can represent a highly restrictive model of care.
- 4.2.2 In addition to growth in demand, North Yorkshire is also experiencing an upward shift in the acuity of care needs of people requiring residential care. Dementia prevalence is expected to increase by 62% by 2030.
- 4.2.3 This growth and change in demand for older people's residential care needs to be addressed better within our current care market. Specialist residential care for older people is scarce and expensive in the independent sector. The Council is increasingly reliant on a small group of 'high cost' providers for 'specialist' residential dementia care.
- 4.2.4 Weekly base rates of these specialist providers have increased by 25% in the last two years, and the number of placements has increased by 53% in the same period. As demand for specialist provision continues to significantly outstrip supply, we can assume further moderate increases through demand pull inflation.
- 4.2.5 Dementia bed use over the last 12 months has been equivalent to 10% of the projected population prevalence. Based on the projections, produced by the Institute for Public Care and the Alzheimer's Society, dementia prevalence will increase to between 14,089 – 15,002 by 2030, we can estimate that the market will need to generate an additional 125 – 225 specialist dementia care beds to keep pace.

4.3 Demand & Market Analysis for Specialist Bed-Based Intermediate Care

- 4.3.1 Demand for adult social care services is directly impacted by hospital activity. During 2023/24, hospital discharges to adult social care averaged 15.1 per day, more than 50% higher than the settled pre-pandemic average of 10 per day.
- 4.3.2 In 2021, the percentage of people leaving hospital who required bed-based intermediate care in North Yorkshire was 24%. This equated to 1,244 people, with an average of 104 placements per month. In 2023, this increased to 31%; which equated to 1,471 people and 123 placements per month. This represents an 18% increase (227 people) across the county over the two years.
- 4.3.3 The 2023 Better Care Fund review identified that additional intermediate care capacity was required to meet demand and improve services across the county. Buildings constraints with the existing EPHs limit the full range of intermediate and specialist care that can be provided by the Council and requires us to commission additional intermediate care beds in the independent sector to support higher levels of need, which comes at a significantly higher cost.

4.4 EPH Property Condition / Health & Safety

- 4.4.1 The majority of the current properties were built in the 1970s and all require significant investment to support the continued safe delivery of social care services from the sites.
- 4.4.2 There are significant annual maintenance costs across the sites, with a total servicing and responsive maintenance spend across the EPH sites operational over the last five years of over £2m. It is anticipated that this will continue to escalate with a significant failure of some part of the buildings or infrastructure increasingly likely over time which would potentially necessitate unplanned conclusions to the use of the buildings.
- 4.4.3 Total annual maintenance spend last year, including servicing, capital and responsive maintenance across the seven remaining sites totalled nearly £900k. This is an average of over £120k per site.
- 4.4.4 The latest round of Condition Reports for the EPHs undertaken in January 2023 indicated that maintenance work to the total value of over £9.8m would be required over the next five years to maintain safe standards.
- 4.4.5 Over the last two years, difficult decisions have had to be taken to close two of our EPHs; Neville House in Gargrave which closed in Winter 2023 and Ashfield Malton in November 2024 with services being re-configured and provision consolidated at 5 Whitby Road in Pickering. The prevailing reasons for ceasing to deliver services from these settings were related to property condition and associated health and safety and compliance concerns impacting viability and sustainability of services.
- 4.4.6 In addition to the above, additional costs should be noted relating to fire safety compliance and to address issues in the design and layout of the buildings as well as the facilities, fixtures and fittings which do not meet requirements for people living with dementia or those that require bariatric support to manage obesity.
- 4.4.7 To address the design, layout and facilities would require reconfiguration and refurbishment of the settings; Option 4 of the options appraisal undertaken, at a cost of £31.7m prior to additional contingency, Part B regulations and furniture.

5.0 RECOMMENDATION - REPLACEMENT CARE & SUPPORT HUBS

- 5.1 An options appraisal has been undertaken to consider how the Council addresses these issues, and the recommended option is to replace our current EPH provision, which

consists of seven EPHs, with new build provision of five Care & Support Hubs, to be operated through our in-house Care Provider Services.

- 5.2 From a property perspective this option would provide a reduced and optimised asset footprint. The indicative capital requirement for this option is c£60m.
- 5.3 In light of the Council's Net Zero ambitions, an additional allowance of £8.2m for potential Net Zero opportunities to be explored on a site-by-site basis has also been calculated. This is described further in 9.1.4 below.
- 5.4 The proposed option delivers the optimum saving to the revenue budget with overall total annual revenue costs reduced to c£27.5m, owing to the ability to deliver specialist residential dementia care and intermediate care that reduces reliance on high cost independent sector provision. In-house costs would be c£21.9m with a more efficient staffing model able to offer better value for money and economies of scale than an in-house low level residential model. Independent costs of this model would be c£5.6m. Some of this saving is related to evidence-based assumptions on achieving improved outcomes for people receiving specialist intermediate care through the Care & Support Hubs, which will support more people to return home with increased independence with reduced reliance on social care services.
- 5.5 This will achieve a reduction in projected gross expenditure of up to £14.8m per annum in the HAS budget, dependent on market conditions. This is the annual sum for all five sites to be operational, based on full occupancy of the new Care & Support Hub provision and accelerated inflation on independent sector costs based on previous years. Potential variance and changes in market conditions is acknowledged, and the savings impact of different scenarios has been assessed.
- 5.6 The new-build replacement option demonstrates the most cost-effective model for future provision of specialist residential care. This model is in line with the strategic vision for the transformation of Care Provider Services and demonstrates an ability to off-set current escalating costs in the independent sector.
- 5.7 The projected financial benefits of the proposed option to deliver replacement Care & Support Hubs, are illustrated further in section 9 of this report.

5.8 Service Offer

- 5.8.1 The new build provision would take the form of a series of five strategically located locality-based Care and Support Hubs that will deliver 250 units of specialist care services based on locality demand. These will focus on specialist residential dementia care and specialist intermediate care services providing intensive rehabilitation and assessment.
- 5.8.2 We expect to have at least one unit in Harrogate and one unit in Scarborough as a minimum. The location of further sites across the county will remain under review to ensure that development responds to and targets the localities where market intervention is most required, taking account of demand, market capacity and cost of care. In doing this, we commit to ensuring that services will be accessible for people across the county.
- 5.8.3 The nature of the physical design and operating model within the new provision will allow for the Care & Support Hubs to operate flexibly to respond and adapt to changing demand on a locality footprint, future-proofing the services and investment. Whilst the services will primarily support older people, they will be equipped with an appropriately skilled workforce and the required CQC registration to support working age adults where necessary. In particular, the services will be equipped to support people with early onset dementia, for whom there is an identified gap in provision.

5.9 Site Options & Property Design

- 5.9.1 We have worked with Align Property Services to design and develop an indicative concept design for a Care & Support Hub.
- 5.9.2 The replacement option enables us to design the physical care setting using national guidance and best practice design guidance to ensure that the environment meets the needs of and facilitates support for people with advanced dementia and other complex needs and enables delivery of therapy and reablement-focussed care and support.
- 5.9.3 Extensive work was also undertaken with the service to understand the essential and desirable site requirements for delivering a safe and effective service for people with care and support needs. The prototype design work coupled with the service site requirements exercise enabled Align to derive a building footprint for different storey building options, which subsequently has informed indicative site area requirements, and enabled the identification of potential sites.

5.10 Implementation

- 5.10.1 Subject to approval of this strategic outline business case to invest in the capital replacement programme of our EPHs, individual strategic business cases will be brought forward for each of the five proposed Care & Support Hubs to include more detailed capital costs based on identified sites and associated site feasibility studies.
- 5.10.2 Delivery of each site is scheduled as an independent project over a staggered period to aid quality, cost control and management of resources. The programme will remain agile, allowing for ongoing market analysis to understand any changes in demand as well as any changes in care market position, including capacity and cost. A phased and agile programme will also enable continuous learning and reflection throughout.
- 5.10.3 The programme assumes commencement of RIBA Stage 1 feasibility no later than Quarter 4 2024/25. Based on this, it is projected that all sites can be completed by March 2030. The aspiration is to improve on this delivery and the Strategic Property team will challenge the programme, seeking to deliver sites in parallel, where possible, and engaging in an efficient procurement strategy.

6.0 CONTRIBUTION TO COUNCIL PRIORITIES

- 6.1 The proposal aligns with the ambitions of the Council Plan 2021 – 2025 and Health and Adult Services Plan 22-25 – Longer, healthier, independent lives. The proposal also considers opportunities to support the Council’s target to be operationally Net Zero by 2030 or as close to this date as possible.
- 6.2 There are specific priorities within the Council’s plans that create opportunities for the development of our in-house care services, in particular to support and deliver on our ambitions to further embed Home First, develop a new model of intermediate care with wraparound therapy to maximise the opportunities for people to live as independently as possible for as long as possible, and to support people to live well with dementia.

7.0 ALTERNATIVE OPTIONS CONSIDERED

- 7.1 An options appraisal has been undertaken to consider how the Council addresses these issues. The alternative options considered are as follows:

1. **Do nothing - Continue to undertake responsive maintenance only & deliver existing EPH provision**
2. **Do something - Undertake essential remedial works to achieve minimal compliance & continue to deliver existing EPH provision**
3. **Close & Re-provide in Independent Sector**
4. **Reconfigure and refurbish existing EPH provision**
5. **Replacement new build provision – Recommended Option**

7.2 Options 1 – 4 have been discounted due to failure to address the inability of current services and properties to meet the changing and emerging demand for more specialist residential care and intermediate care and associated costs of such provision in the independent sector.

7.3 The proposed option to replace the current EPHs with new build provision delivers the optimum revenue saving and financial benefit to the Council of up to £14.8m per annum. This is the 'best case' scenario saving. A number of other scenarios have been considered and are summarised in Appendix A. Scenarios considered include reduced occupancy, reduced market rates and other variables. This analysis still demonstrates that the investment will result in significant revenue benefits.

8.0 IMPACT ON OTHER SERVICES/ORGANISATIONS

8.1 Subject to approval of the proposal, it will be critical to consult and involve key stakeholders, service users and carers in the further development and refinement of the service model and architectural design. This will take place in line with the principles and standards set out in the recently launched Health and Adult Services Involvement Charter and Framework which recognises that listening to and working with people and communities is the only way we can design and deliver effective, high-quality services. We recognise that we will need to be flexible and innovative in our approach to ensure involvement is accessible and inclusive.

8.2 Key stakeholders will include, but may not be limited to:

- Integrated Care Boards
- Occupational Therapy Leads; Local Authority and NHS
- Community Nursing Teams
- Local Authority Social Care Teams
- Community Mental Health Teams including Older People's Mental Health Teams
- Primary Care Networks / GPs
- Dementia Forward
- Representatives of people who use services

8.3 Alongside these proposals, the HAS Service Development Team are also leading work with the independent sector care market to upskill the workforce and build capacity within residential and nursing care homes in North Yorkshire to try to ensure that existing provision can better respond to and meet the needs of people with a higher level of need. We know that independent sector care providers face challenges in delivering advanced dementia care owing to a range of factors including recruitment and retention of an appropriately skilled workforce and limitations of their buildings and environments. Whilst there has been an increase in residential dementia provision in recent years, the growth has not been in specialist care provision. A shared programme of work is being developed and delivered with NHS partners and care sector representatives which includes training for care home staff and development of a system-wide wraparound support offer to ensure care homes

have access to professional support, advice and guidance. The Service Development Team is also exploring alternative commissioning models for specialist older people's residential and nursing care, in recognition that the current Approved Provider List does not define this nor offer an effective cost model for this type of care. It is anticipated that this will further contribute to market management and improved supply, further contributing to cost reduction.

9.0 FINANCIAL IMPLICATIONS

9.1 Capital Investment Requirements

9.1.1 Based on the above-described prototype design work, Align has calculated indicative costs for new build provision of £59.2m based on available costing information for this building type. .

9.1.2 Costs are based on commencing Stage 1 no later than Quarter 4 24/25, and as such allowances for inflation have been included.

9.1.3 The upfront capital funding requirements include:

- Design and construction costs
- Client risks and professional fees
- External site preparation
- Where abnormalities and site conditions are known these costs are also included. Examples of site abnormalities are unusual ground conditions such as a sloping or uneven site, required off-site highway improvement works or remediation of contaminated land.
- Allowances have also been made for demolition and survey requirements.
- Costs include internal refit and furniture.
- 20% contingency
- Capital recharge fees

9.1.4 It is expected that modern building materials and adherence to new building regulations and standards will result in a positive impact of the overall programme on greenhouse emissions, waste, and water use in the long term, thus reducing running costs. However an additional allowance of up to 15% (£8.2m) for further potential Net Zero opportunities to be explored on a site-by-site basis has also been calculated. This allowance enables investigation of opportunities to exceed building regulations to the future building's impact on the environment and surrounding areas. Opportunities will vary dependent on the site conditions and will need to be tested at RIBA Stage 1, but practical examples may include self-generation of renewable electricity through wind turbines and/or solar panels, reducing the building's reliance on grid electricity. Net Zero will be investigated within the proposed individual business cases brought forward for each site and outline the opportunities, costs and benefits for each site and development. A decision would be taken at this stage for each site on whether to proceed with Net Zero opportunities, and will need to satisfy the assumption that any such additional costs will be repaid over a recognised timescale relative to the expected life of the asset.

9.1.5 Further site-specific design and investigation is required to understand definitive costs. This would only be undertaken subject to approval of this option. Costs of undertaking such site-specific design and investigation are included in the above costs. These figures will be challenged to ensure best value is realised for the Council, and where possible achieve efficiencies and reduction in the above stated costs.

9.1.6 It should be noted that the figures here show the upfront funding requirement. It is acknowledged that the land identified has a cost and potential capital receipt. A desktop valuation exercise has been undertaken to understand the market values of the current

EPH sites as well as that of the potential sites identified. Details of funding will be established as part of the capital plan. Work has also been undertaken to understand the potential costs of capital for the purpose of demonstrating the business case.

9.2 Operating Costs & HAS Revenue Implications

- 9.2.1 A cost recovery model for the potential new provision has been developed which identifies the main drivers behind the running costs of the new Care & Support Hubs, as follows:
- Staffing costs included reflect a proposed new staffing model developed to deliver specialist provision, and are reflective of a recent job evaluation exercise on proposed roles.
 - Utilities costs are based on published independent data which calculates the average cost per resident per week for a similar sized 'efficient' facility, inflated by CPI.
 - Other variable costs such as catering, equipment purchases, materials, waste collection and cleaning are based on a unit cost in line with 2023/24 expenditure within the Councils current EPH sites with an allowance made for inflation.
- 9.2.2 Calculations result in a total estimated annual cost of £21.9m for the provision of 250 beds across five Care & Support Hub sites. The proposed bed cost utilised in the modelling of the projected financial benefits is £1,678 per bed per week. Although the overall financial benefit projections assume 100% occupancy, this weekly cost is prudently based on costs arising through an assumption of 95% bed occupancy. This compares with an expected average market rate cost of £2,376 per week for specialist residential dementia care and £1,930 for intermediate care.
- 9.2.3 The ongoing revenue implications to Health and Adult Services of the five options have been calculated utilising relevant comparable market rates, and assuming 100% utilisation of available provision.
- 9.2.4 The proposed option delivers the optimum saving to the revenue budget with overall total annual revenue costs reduced from c£42.3m to c£27.5m, owing to the ability to deliver specialist residential dementia care and intermediate care that reduces reliance on high cost independent sector provision. Of this c£27.5m, in-house costs would be c£21.9m with a more efficient staffing model able to offer better value for money and economies of scale than an in-house low level residential model. Independent costs of this model would account for the remaining c£5.6m.
- 9.2.5 This will achieve a reduction in projected gross expenditure of up to c£14.8m (i.e £42.3m - £27.5m) per annum in the HAS budget. This is based on full occupancy of the new Care & Support Hub provision and accelerated inflation on independent sector costs based on previous years. Potential variance and changes in market conditions is acknowledged, and the savings impact of different scenarios has been assessed.
- 9.2.6 The new-build replacement option demonstrates the most cost-effective model for future provision of specialist residential care. This model is in line with the strategic vision for the transformation of Care Provider Services and demonstrates an ability to off-set current escalating costs in the independent sector.

10.0 LEGAL IMPLICATIONS

- 10.1 Engagement has commenced with Legal Services and key implications have been identified. It is acknowledged that the legal implications of the proposal are multi-faceted, and legal advice will be required throughout the programme. Subject to approval of the proposal, the legal implications will need to be considered on a site-by-site basis as part of the individual strategic business cases brought forward.
- 10.2 Legal Services colleagues have identified the following key areas where legal advice will be required:
- Impact on people and communities
 - Property & Construction
 - Planning
 - Procurement & Contracting
 - Employment / HR
- 10.3 It is anticipated that Legal Services will be engaged in the Programme/Project Steering Group(s) established following approval to ensure that the appropriate Legal advice is sought at each stage of the programme and all legal implications considered.

11.0 EQUALITIES IMPLICATIONS

- 11.1 Consideration has been given to the potential for any equality impacts arising from the proposed development of new Care and Support Hubs. The Equality Impact Assessment Screening Form is attached at Appendix B. Full Equality Impact Assessments will be undertaken for each development.

12.0 CLIMATE CHANGE IMPLICATIONS

- 12.1 Consideration has been given to the potential for any climate change impacts arising from the proposed development of new Care and Support Hubs. The Climate Change Impact Assessment Screening Form is attached at Appendix C. Full Climate Change Impact Assessments will be undertaken for each development.
- 12.2 As detailed above at section 9.1.4, an allowance of £8.2m for potential Net Zero opportunities to be explored on a site-by-site basis has also been calculated. Opportunities will vary dependent on the site conditions and will need to be tested at RIBA Stage 1. This will be detailed within the proposed individual business cases brought forward for each site and outline the opportunities, costs and benefits for each site and development. A decision would be taken at this stage for each site on whether to proceed with Net Zero opportunities.

13.0 RISK MANAGEMENT IMPLICATIONS

- 13.1 A full risk assessment has been undertaken of the recommended option to replace our current EPH provision with new build provision of five Care & Support Hubs, to be operated through our in-house Care Provider Services. This can be found at Appendix D.
- 13.2 The risk assessment identifies the risks to the capital development programme, in particular the risks associated with site identification and preparation, and also risk of cost inflation. Service delivery risks and mitigations are also identified including workforce recruitment and skills development, risk of delivery cost escalation, as well as the risks and impact if the Hubs are not used as intended to support people without specialist care needs.
- 13.3 The risk of potential variance and changes in market conditions is also acknowledged, and the savings impact of different scenarios has been assessed.

14.0 HUMAN RESOURCES IMPLICATIONS

- 14.1 Care Provider Services already has a workforce development plan in place to develop the knowledge, skills and competencies of the workforce to deliver specialist care, advanced dementia care and intermediate care. This includes a commissioned programme of specialist training to frontline care professionals and Registered Managers.
- 14.2 It is acknowledged that due to the proposed change in service model to that delivered within our current EPHs, and the associated change in responsibilities for our CPS workforce; in particular frontline care professionals, it will be important to engage and consult with and involve the workforce in the shaping of the new services throughout the programme. As services in our EPHs will be maintained throughout the capital delivery programme, it will allow the time to undertake and implement a robust communications and engagement plan to ensure that the workforce is fully briefed on the proposed changes, have access to information and support, and able to contribute in meaningful ways to the further development and implementation of the new service model. We will work closely with HR colleagues and Unison on this.
- 14.3 All current job descriptions have been reviewed, and in some cases new ones have been created, to facilitate the new Care and Support Hubs operating model.

15.0 DATA AND ICT IMPLICATIONS

- 15.1 A Data Protection Impact Assessment (DPIA) Screening Tool has been completed. This can be found at Appendix E. As the proposal does not involve the handling or processing of personal information or make any changes to systems and processes, a full DPIA is not required.
- 15.2 ICT requirements for the hubs will be built into the corporate network.

16.0 REASONS FOR RECOMMENDATIONS

- 16.1 A market management intervention is needed to address the escalating pressures on Health and Adult Services (HAS) budgets, one of the main drivers being the requirement to purchase increasing levels of high-cost specialist older people's residential care in the independent care sector, due to a growing demand for the provision of dementia services and intermediate care.
- 16.2 An options appraisal has been undertaken, and the recommended option is to replace our current EPH provision, which consists of seven EPHs, with new build provision of five Care & Support Hubs, to be operated through our in-house Care Provider Services.
- 16.3 The proposed option delivers the optimum saving to the revenue budget of up to c£14.8m per annum in the HAS budget and the most cost-effective model for future provision of specialist residential care. This model is in line with the strategic vision for the transformation of Care Provider Services and demonstrates an ability to off-set current escalating costs in the independent sector.

17.0 RECOMMENDATIONS

- i) That Executive notes the options considered to address the escalating pressures on HAS budgets driven by the requirement to purchase increasing levels of specialist older people's residential care in the independent care sector, alongside the risk and issues faced with the current EPH estate.
- ii) That Executive approves the recommended option to develop new Council-run Care & Support Hubs in place of existing Elderly Person's Homes with delegated responsibility to

the Corporate Director of Resources in consultation with the Corporate Director – Health and Adult Services, the Executive Member – Finance & Resources, and the Executive Member – Health & Adult Services to consider and approve individual strategic business cases on a locality basis.

iii) That Executive approves delegation of responsibility for approval of individual site-specific Net Zero business cases to the Corporate Director of Resources in consultation with the Executive Member – Finance & Resources, Deputy Leader and Executive Member – Managing Environment.

iv) That Executive approves inclusion of the proposal as part of the Capital Budget put forward to Executive on 21st January 2025

APPENDICES:

Appendix A – Confidential Report

Appendix B - Equalities Impact Assessment Screening Tool

Appendix C – Climate Change Impact Assessment Screening Form

Appendix D – Risk Assessment

Appendix E – Data Protection Impact Assessment Screening

Richard Webb
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County Hall
Northallerton
7th January 2025

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Presenter of Report – *Hannah Brown; Provider Services Development Manager*

Note: Members are invited to contact the author in advance of the meeting with any detailed queries or questions.

PLEASE ALSO NOTE THAT IF ANY REPORTS / APPENDICES INCLUDE SIGNATURES THESE MUST BE REMOVED / DELETED PRIOR TO SENDING REPORTS / APPENDICES TO DEMOCRATIC SERVICES. Appendices should include an Equality Impact Assessment and a Climate Impact Assessment where appropriate