

Addendum to September Financial Monitoring Report

Reason for Urgency: The chairman has approved the submission of this report as a matter of urgency as it provides the latest available information on financial monitoring and requires consideration urgently to utilise external funding.

Recommendation:

- F) That Council be requested to add the Conversion of the Gables costing an estimated £577,300 to the Capital Programme subject to reviewing the need for the legal charge/financial penalties and clarification of the financial benefit to the Authority**

Conversion of The Gables, Mitcham to Provide Suitable Accommodation for Severe Learning Disability Clients with Challenging Behaviour

Attached as Appendix A is the business case submitted for this ringfenced funding. The scheme would convert The Gables in Mitcham from 12 supported housing units to a minimum of 4 units (plus two respite units) for people with severe learning disabilities and challenging behaviour.

The estimated cost of the scheme is £577,300 which would be funded by grant. New schemes above £500,000 require Council Approval. Given the length of time it has taken to develop a suitable scheme it must be commissioned by 31 March 2015 or the funding will be lost. To meet this deadline it is essential that it is progressed to Council for approval in November 2014. Approval by Council in February 2015 will not allow sufficient time to progress the scheme sufficiently by financial year end.

Approval to this scheme is requested subject to:

- i) The Authority reviewing the need for the legal charge and financial penalties
- ii) Clarification of the financial benefit to the Authority

MANSELL PROJECTS

NHS England Business Case

1. **Strategic context:**

The Mansell report was published in 1993 and later revised in 2007. It set out the principles for service development for people with learning disabilities and challenging behaviour or mental health needs.

The Mansell Report identified key principles which have been recognised nationally:

- People with learning disabilities, whose behaviour presents a challenge to services, need good quality, specialist support, close to their family homes. This includes both housing and meaningful daytime opportunities.
- Challenging behaviour can be better or worse depending on how well services support the person. Our goal is to support the individual in achieving as good a quality of life as possible *in spite of* their challenges. The Mansell report states that “It is not an appropriate or achievable goal that the risk of challenging behaviour be completely eliminated.”
- For most people supporting them in a home (their own home or a small shared placement) near their family and friends will be the right decision.
- We need to recognise housing rights, so that once people have a proper home they cannot just be moved from one place to another because services have difficulty providing the support they need.

The report recommended better use of investment to achieve two aims:

- to develop and expand the capacity of local services for people with learning disabilities to understand and respond to challenging behaviour, and
- to provide specialist services locally which can support good mainstream practice.

2. **Local context:**

The Tri-Borough Learning Disability Commissioners’ Group is a partnership between the London Boroughs of Croydon, Merton and Richmond-Upon-Thames. The findings and recommendations in the Mansell report heavily influenced the Group to set up the Mansell Project Group.

The group bid for capital funding through the Learning Disability Development Fund to commission “a Registered Social Landlord (RSL) to provide 12 specialist supported housing units for people with severe learning disability and challenging behaviour”, with each borough receiving an allocation of 4 units.

In May 2006 the South West London Strategic Health Authority approved Capital funding of £1.8m towards the cost of providing this locally based accommodation for 12 people, although it was not until March 2008 that the £1.8m capital grant was transferred to Croydon Council, who undertook to manage the project on behalf of the boroughs .

In April 2009 a procurement exercise was undertaken but this attracted a poor response because of the downturn in the economy and RSLs deciding to consolidate rather than take on building of new schemes. NHS SW London Capital and Estates Committee granted an extension of the use of the grant until March 2013.

In March 2013, in light of the difficulties in procuring the developments through a single procurement process, a Memorandum of Understanding was produced which requested permission to split the remaining grant monies equally between the three boroughs, to take forward their own respective service models separately.

In December 2013, Croydon Clinical Commissioning Group confirmed the agreement for the remaining £1,731,886.00 capital fund to be split between the 3 boroughs. Each borough will receive £577,295.00, as well as the interest earned on the £1.8m, to take forward its own respective service models. Each borough is currently waiting for the transfer to be made.

There are currently no supported housing units for people with learning disabilities and challenging behaviour in LB Merton.

3. **What is the opportunity to improve?**

Since 2006, LB Merton has identified a significant problem placing people with severe learning disabilities and challenging behaviours in suitable accommodation within the borough, due to lack of specialist capacity amongst local providers. As a result, LB Merton places clients with challenging behaviour outside their local area at significant cost, making regular contact between the Learning Disabilities team, family and partnership working with the provider of services difficult. This has led to people moving when placements have broken down .

Out-of-borough Residential LD challenging behaviour placements	
Minimum	£1343.00
Maximum	£5976.32

There is an agreed need for a supported living service to address the shortfall of provision within Merton. Furthermore there is potential to deliver a better value for money service by utilising accommodation which enables efficient and economic delivery of care and support.

This presents an opportunity for LB Merton to commission a new local service which will improve provision for people with learning disabilities and challenging behaviour.

4. Client group:

The Learning Disabilities and Complex Needs Team works with 211 LD Adults receiving day care, many of whom have challenging behaviour. Working alongside Merton's Learning Disabilities Team, there is a Transitions Team. There are currently 200 clients on the Transitions Team case load, 23 of whom have challenging behaviour.

Merton's Learning Disabilities Team has identified 4-6 transitions clients living in residential colleges who will require Supported Living accommodation in approximately 1year's time and will benefit from being moved into a new in-borough service.

5. Options appraisal

The Mansell Project internal stakeholders group carried out an options appraisal to establish the best service model for the Mansell Project.

5.1 Option 1 - Do Nothing:

Do not use the Mansell capital funding to develop supported housing units in Merton but continue to place people with learning disabilities and challenging behaviour out of borough. This is not an option as it goes against the principles in the Mansell Report. Furthermore, LB Merton will continue to place clients with challenging behaviour outside their local area, making it difficult to find solutions when placements break down, causing a failure to meet the needs of clients and increasing LB Merton's spend on placements.

5.2 Option 2 - Partner with a registered provider to develop land or an existing site in Merton.

If an RSL had a site or land, it would be cost effective for the LB Merton to partner with them. The partner would manage the scheme because L B Merton is not a stock-owning Local Authority.

However, this is not an option as a market engagement exercise was undertaken with registered providers to establish whether the registered providers had site or land with which to develop supported housing units for people with learning disabilities and challenging behaviour. The response from 3 registered providers was that the size of the project was too small to resource from a development point of view and therefore they were not interested in engaging in this project. The registered providers were Moat, Viridian and Haig Housing.

The time and resources required to source a registered provider to develop the supported housing units could mean the project became delayed, the capital grant may not be spent in FY2014/15 and the units may not be ready to accommodate clients who need housing in 2015.

6. Option 3 - Preferred option- Refurbish The Gables, 112 Tamworth Lane, Mitcham, Greater London CR4 1DB.

LBM already uses this building for people with learning disabilities. The Mansell capital will be enough to redesign the building to accommodate between 4-6 supported living units and 2 respite units for people with challenging behaviour.

6.1 Refurbishment Design Specification

- 4-6 supported housing units
- 2 respite units
- day opportunities 'hub', including a quiet sensory room and an active sensory room
- a sensory garden

Currently The Gables consists of 15 self-contained supported living units for people with learning disabilities. The redesign of The Gables will be delivered in partnership with Grenfell Housing Association, to whom the council-owned building is let until 2031. Grenfell will not be surrendering their current interest and will retain their current lease. They are in agreement for this project to go ahead and will continue to work in partnership with LB Merton.

The Mansell Project Internal Stakeholders Group visited best practice supported living services for people with learning disabilities and challenging behaviour, such as to Oakwood care home, Coulsdon Road, Caterham, Surrey, CR3 5WP and Holly Lodge, Vines Lane, Hildenborough, Kent, TN11 9LT. Gaining an understanding of best practice design principles, features and technology available will inform the redesign spec at The Gables to ensure it is a best practice model itself. Furthermore, the stakeholders' deep understanding of The Gables site and its potential for development will enable the redesign offer optimum value and effectiveness.

The day opportunities hub and sensory rooms will provide an opportunity for income generation for the council, making the service more sustainable. It will enable the LB Merton to continue to pay the same rents per room to Grenfell Housing Association, ensuring that the reduced number of housing units does not have a negative financial impact.

The project will be managed by LB Merton's Facilities Management Major Projects Team. This team has a proven track record of developing sites in Merton and will ensure the project is delivered in full compliance with all statutory regulations health & safety, building control, planning and design requirements for the delivery support and treatment of vulnerable persons.

6.2 Cost

The Capital Requirement will be covered by the £577,295 capital grant.

The current rent per room per week is currently £255.11. Income generation from the day opportunities hub and the sensory rooms and the housing benefit paid towards the housing and respite units will ensure that Grenfell Housing Association continue to receive the same level of income before and after the redesign of The Gables, therefore the project is sustainable.

6.3 Care and Support provision

This is to be provided either by LB Merton's in-house team or commissioned externally via a procurement process

7. Development programme

Please see the attached Project Programme and Budget Plan, developed by LB Merton's Facilities Management Team.

8. Valuation

A valuation of the property was carried out on 18.08.14. The opinion of Market Value of the Freehold interest subject to a lease as at 18.08.14 is £470,000 (Four hundred and seventy thousand pounds sterling).

9. Legal Charge:

The Local Authority is prepared, subject to legal agreement/contract, to accept the Legal Charges associated with the grant such that the value of the Charge will be returned to NHS England should the service for people with learning disabilities cease or the property be sold before ten years from the date of the Charge and providing that the percentage to be repaid by the Local Authority will never be greater than an amount that would represent a financial loss.

10. Planning Permission

A Planning submission will not be required for this scheme.

11. CCG Commissioner support

That the scheme will deliver suitable and compliant premises:

The Council's Facilities Management Major Projects Team will ensure the project is delivered in full compliance with all statutory regulations health & safety, building control, planning and design requirements for the delivery support and treatment of vulnerable persons.

That use of the Grant is value for money (VfM) to the NHS compared to the NHS directly using the grant resources:

The scheme will be designed by an in house multi-disciplinary project team to meet the design brief and requirements for operational delivery. Tender documents will be prepared and checked by legal and procurement colleagues within the London Borough of Merton prior to invitations being issued via the London Portal to suitable qualified and accredited

contractors. The tenders will be evaluated and awarded under a criteria of 70% cost and 30% quality and the recommended award will be checked and signed off at Director level. The Facilities Management Major Projects Team will then manage the construction process on site and check programming, quality and value for money to completion.