

Meeting: Cabinet
Date: 6 October 2005
Subject: LIFT/PFI Project
Responsible Officer: Lorraine O'Reilly
Contact Officer: Marilyn Vertes
Portfolio Holder: Margaret Davine
Key Decision: Yes
Status: Part 1

Section 1: Summary

This report follows up the report agreed by Cabinet on 28 July 2005 at which the following decision was made:

- (1) That, subject to Cabinet approval of a viable business plan, an Outline Business Case for three Neighbourhood Resource Centres be prepared which combined day care provision for people with severe learning disabilities and other complex needs with community based support from assessment and care management staff and outreach workers.
- (2) that the proposal to deliver residential buildings outside LIFT be endorsed.

Decision Required

- Endorsement of sites for redevelopment
- Endorsement of Outline Business case for the development of 3 Neighbourhood Resource Centres combining support services for people with severe learning disabilities and other complex needs with community based support from assessment and care management staff and outreach workers.
- Authorisation for the Director of Corporate Property to agree terms for the transfer to LIFTCo of the freehold or leasehold of the relevant sites, as required, in order to facilitate development.

- Agreement for officers to carry out all necessary work to achieve Stage 1 agreement with LIFT Strategic Partnering Board.
- Subject to Stage 1 approval and endorsement of the Outline Business case by Cabinet and the Department of Health, agreement to proceed to Stage 2 of the process.
- Agreement to establishment of a contract with LIFTCo for the provision of “soft” facilities management services such as catering and cleaning.

Reason for report

The report provides Members with detailed information about the proposals for the 3 Neighbourhood Resource Centres (NRCs) which were only given in outline at the meeting of 28 July 2005 and demonstrates how these centres meet the corporate priorities in relation to:

- Strengthening of Harrow’s communities
- Valuing Harrow’s customers
- Impact through Harrow’s partnership

Benefits

1. Capital funding available from the DoH to enhance Harrow provision by £10m.
2. The new Neighbourhood Resource Centres will significantly improve the quality of service to clients who use the current Brember and Vaughan Day centres neither of which is fit for purpose in terms of building design or service provision. The new NRCs will be designed to take account of the severe disabilities of the majority of Brember clients whilst providing improved opportunities to promote and support greater independence of more able clients. Based on the very best practice and modelled to meet future needs, the centres will make Harrow a leading edge authority.
3. Co-location of care management and outreach workers with staff from provided (day care) services will make better use of resources by enabling more “joined-up” working and simplifying client/carer’s contacts with service providers. It will also enhance person-centred planning which is required by the Valuing People White Paper.
4. The development of three multi-purpose NRCs in sites across the Borough will also contribute to the area model of working and become an important community resource linked with other local provision.

Cost of Proposals

Capital

- Secured funding of £10m worth of PFI credits from DoH
- Capital receipts potential: See Part II Information Item from 28 July Cabinet
- Consultancy fees of £100k already contained in capital programme 2005/6 and 2006/7

Revenue

- An estimated figure has been placed in the MTBS for 2007/8 (subject to an agreed business case) and this was specified in Part II of the July 28 2005 Cabinet due to the possible commercial implications.
- Revenue costs for current Brember and Vaughan services are based on provision within 2005/6 budget. They include staffing costs of £2.2m which do not form part of the LIFT process.
- Probability of savings accruing from the relocation of staff from the Civic Centre and other centres to the new Neighbourhood Resource Centres (NRCs)
- Possibility of significant contribution to ongoing costs by the PCT on relocation of services to new NRCs

Risks

- Loss of £10m in PFI credits from DoH if scheme not approved quickly
- Failure to deliver (because of withdrawal of PFI credits) project which has been planned and subject for consultation over long period
- Damage to Council's reputation
- Damage to relationship with PCT and DoH
- Financial constraints on the Council's ability to improve its support to clients
- Vulnerable clients put at risk with the resulting public disquiet

Implications if recommendations rejected

- Withdrawal of DH PFI credits.
- Inability to deliver project in short term due to lack of Capital provision
- Detrimental impact on clients having to use centres which are not fit for purpose
- Damage Council's reputation
- Inability to improve BVPI relating to people helped to live in the community

Section 2: Report

Brief History

The history of this project was detailed in the report presented to Cabinet 28 July 2005. Since then a letter has been sent to the Appraisal Officer of the Department of Health advising him of the Cabinet decision and providing him with a copy of the report. Officers of the Council and PCT have also worked closely with the lead consultant to develop the detailed project specification. A Stage 1 design brief approved by the Director of Community Care has now been sent to LIFTCo to enable them to prepare detailed proposals including indicative funding proposals.

Options considered

Details of the options which were considered were provided in the report of 28 July 2005 and are summarised in Section the Outline Business Case.

Consultation

Consultation will be undertaken with service users, the local community and other stakeholders to inform the development if the project. The Council will undertake consultation on the change of land use and as part of the planning permission application as appropriate.

Financial Implications

There is a PFI credit of £10m available for this scheme which will fund the capital investment required. The current MTBS includes a provision of £450k from 2007/08 for the affordability gap associated with the scheme. The Council is already providing day care services from existing budgets, but this enhanced provision may have additional revenue implications with a part year effect in 2007/08 and a full year impact from 2008/09. This will be picked up as part of the budget process.

In the event that the transfer of the freehold of any sites abates the value of the PFI credits the capital receipt will be used to offset any reduction.

Legal Implications

The property structure for the scheme will comprise either transfer of the freehold or long leasehold interest to LIFTCo and leaseback under the LIFT process of the sites to the Council and in respect of Kenmore Road the Council and to Harrow PCT.

One of the sites were originally acquired and used as statutory allotments but have ceased to be used for that purpose. The other site was in part acquired for but never used as statutory allotments.

The Council is required to obtain and has applied to the Secretary of State for consent to dispose of the same under the allotment legislation.

In addition, as two of the sites are in part designated as statutory open space the proposal to dispose of the same will be the subject of a public notice in the local press.

Equalities Impact

Where appropriate, highlight how this decision contributes to the corporate equalities plan, achievement of level 3 of the equalities standard, or the race equality scheme.

Section 3: Supporting Information/ Background Documents

Appendix - Draft Outline Business Case

Background papers

Cabinet Report 28 July 2005 – decision 804 – approved the preparation of an outline business case and endorsed the proposal to deliver residential buildings outside LIFT

Any person wishing to inspect the background papers should telephone 020 8424 1922