

Report to: **Adult Social Care Scrutiny Committee**

Date: **2 July 2009**

By: **Director of Adult Social Care**

Title of report: **Age Well – East Sussex**

Purpose of report: **To update the Committee on the progress of the Age Well Project (the “Project”)**

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## **RECOMMENDATIONS**

**The Adult Social Care Scrutiny Committee is recommended to note:**

- 1. the progress of the Age Well Project; and**
  - 2. proposals for further involvement of stakeholders.**
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### **1. Financial Appraisal**

1.1 £39m of Private Finance Initiative (PFI) Credits have been approved by the Department of Health (DoH) and HMT Treasury. This will be received via an annual annuity payment of c£3m for 25 years from the date at which the buildings become operational.

1.2 The PFI Credits support the Capital elements of Age Well. These include the Design, Build, Finance and Lifecycle maintenance costs of the Buildings.

1.3 An annual Revenue Budget of c£1.66m p.a. (indexed) has been allocated by Adult Social Care to cover all costs (other than capital costs) associated with cleaning, catering, utilities, waste and laundry services of the buildings.

### **2. Background and Supporting Information**

2.1 The Age Well Project was established following reviews of the East Sussex County Council residential homes for older people which ended in 2004 and which concluded that Ridgewood Rise in Uckfield, Harvard Rd in Ringmer and Mount Denys in Hastings, were particularly ill-suited to future requirements. Reviews also identified a gap in services in Rother.

2.2 The Project was initiated in September 2004 with the appointment of two Project Directors and the Project Delivery Board is chaired by the Director of ASC. A leaflet which describes the Project and which provides further information is attached at **Appendix 1**.

2.3 The Outline Business Case (OBC) for £39m of PFI Credits was submitted to the Department of Health in April 2006 in accordance with the Bid Round schedule and approval to proceed to advertisement in the Official Journal of the European Union (OJEU) was conditionally granted by the Treasury's Project Review Group (PRG) in March 2007.

2.4 All the PRG conditions were satisfied in Feb 2008 with the approval of Outline Planning Consent for the re-development of the Ridgewood Rise site in Uckfield. This followed Outline Planning Consent for the other three sites in Hastings, Westfield and Ringmer.

2.5 The Project was advertised in the OJEU on 25<sup>th</sup> February 2008 and is now in Procurement under the EU Competitive Dialogue (CD) procedures.

### **3. Update and Timetable**

3.1 The Procurement Timetable from OJEU to Financial Close is 24 months in line with issued guidance in respect of CD procedures.

3.2 Eleven responses to the Pre-Qualification Questionnaires were received. Ten companies passed the threshold required and the top seven companies were Invited to Submit Outline Solutions (ISOS).

3.3 Evaluation of the ISOS responses was completed in September 2008 and the three top scoring companies were short listed and Invited to Submit Detailed Solutions (ISDS) by 9<sup>th</sup> January 2009.

3.4 Evaluation of the ISDS responses was completed in March 2009 and two Bidders, namely Ryhurst with Rydon Construction and Time4Life (Geoffrey Osborne Ltd) are being taken forward in the competitive dialogue phase intended to culminate in June with an Invitation to Submit Final tenders (ISFT).

3.5 Details of the Bidders proposals remain commercially sensitive and confidential until the evaluation of the ISFT and selection of a Preferred Bidder timetabled for September 2009.

3.6 Indications are that the Project will meet its advertised target dates of Contract Award and Financial Close in February 2010.

3.7 Construction on a phased basis is expected to commence in March 2010 with overall construction expected to be completed in mid 2012.

3.8 The key risks to Age Well in connection with the current crisis in the economy relate to:

- Lack of funds in the Bank market;
- Increases in overall funding costs; and
- Financial failure of a sub-contractor.

3.9 Overall while Age Well is well placed, by virtue of its size, to be attractive to the Banking market the terms of any Bank commitment remain at risk. Close liaison with the DoH is being maintained on this cost pressure issue and there has been formal recognition of a potential call against an additional discretionary amount.

### **4. Stakeholder Engagement.**

4.1 The Project Team has maintained a web page on the external web site, and implemented a communication and involvement plan which has included a county wide consultation and update leaflet. Stakeholder representatives have participated in the preliminary evaluation of, and feedback on, design and service delivery proposals. The planned involvement during the construction and subsequent operational stages is allied to the imperatives of Putting People First and the importance of service users exercising increasing choice and control.

4.2 The Bidders' submissions have been evaluated for their proposals for engagement with the Authority and the wider community during the detailed design, construction and operational periods. Details of these will be advanced and implemented from the selection of Preferred Bidder.

### **5. Conclusion and Reasons for Recommendation**

5.1 The report is for information purposes only and the Committee is therefore requested to note its content.

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## Where can I find more information?

You can find more information at [eastsussex.gov.uk/agewell](http://eastsussex.gov.uk/agewell).

You may also contact the Age Well Project Directors, Lorayne Ferguson and Paula Kirkland, using the contact details below.

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It is also available in PDF format, which you can download onto your computer from our website at [eastsussex.gov.uk](http://eastsussex.gov.uk).



## Age Well ~ East Sussex

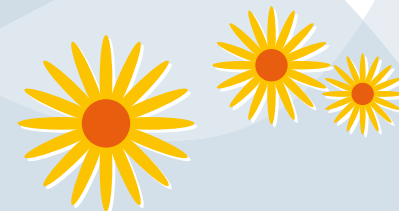
This leaflet is about the Age Well Project. We are planning improvements to some care services for older people (mainly over 65) in different parts of East Sussex.

This leaflet explains:

- the background of the scheme;
- how we are carrying out the project; and
- how you will be able to take part in the planning.



Issued: May 2008 [2008/09\_040]



## Background

The Government has agreed to give us £39 million in order to create new buildings to help us care for older people. We are planning four high-quality buildings in different parts of the county. These will be at:

- Moorhurst, Westfield;
- Harvard Road, Ringmer;
- The Ridge at Queensway, Hastings; and
- Ridgewood Rise, Uckfield.

They will be designed to help us provide support for a range of services. We will be able to offer specialist residential homes (which may also support people who need nursing care), respite care (temporary care to give people who care for older people at home a break) and some day services. Each building will have places for around 44 to 48 residents and we are planning them so they have spaces to offer some other care services to local people. These services may include surgeries held by occupational therapists and specialist nurses. The building work will begin in 2010, with all four sites finished and ready to open some time in 2011 or 2012.

A contractor will design, build, finance and manage the new buildings for 25 years. Managing the buildings means keeping them in good repair, cleaning them, providing services such as catering, and looking after the gardens.

## Where we are now

We have initial permission from the planners for our buildings on the four sites we have chosen. We have started the search for a contractor. We will reduce the list of contractors who want to develop the sites to two or three, and then ask them to submit detailed designs and plans for furnishing the buildings and running those contract services. We expect to make the final choice by September 2009.

We will be making separate arrangements for managing the different care services within the new buildings.

## What happens next

We have a number of important things to consider when we look at the ideas the contractors offer, and have already been asking for the views of local people. We want to make sure that the plans we agree with the contractors take into account the changing needs of the residents and help other local people. We have asked contractors to make sure they include some of the following.

For the residents, we would like the contractor to provide:

- buildings that wheelchair users and people with reduced mobility can get in and out of;
- good use of natural light and ventilation;
- ensuite toilets and showers;
- call systems;
- privacy;
- security; and
- access to gardens.

To care for the environment, we would like the contractor to:

- use environmentally friendly materials and recycle where possible;
- design buildings that use water efficiently; and
- reduce air and water pollution as much as possible.

For local people, we would like the contractor to reduce, as much as possible, problems with:

- noise;
- traffic;
- parking; and
- privacy.

Later this year we will be contacting local people and inviting them to comment on some of the detailed designs that the contractors give us, and their plans for the services. We will be pleased to hear all of your comments and we will use them to help us make our final decision.

