

# **Business Case Template**

**Project Name:  
Cherry Trees**

**Author: Stephen Stead**

**Project Executive: Richard Parry**

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### Amendment History

Issue	Date	Author	Reason
1		Stephen Stead	
2	10 <sup>th</sup> June 2019	Stephen Stead	Additional information
3	21/6/19	Julie Uttley	Additional information
4	29/07/19	Julie Uttley	Additional information / amends following board on 290719
5	13/08/19	Stephen Stead	Additional information and drawing amendments
6	28/08/19	Stephen Stead	Additional Cost information and change to drawings
7	06/09/19	Julie Uttley	Additional information
8	09/09/2019	Stephen Stead	Final edition of business case.
9	16/09/2019	Julie Uttley	Additional comments from finance incorporated
10	23 October 2019	Stephen Stead	Seek additional funding of £235,000
11	31 October 2019	Stephen Stead	Amend funding statement

### Distribution List

Name	Department / Organisation
Adults Capital Delivery Board	
Adults SCLT	26/9/19
Strategic Finance	Eamonn Croston
Legal Services	Karl Larrad

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## 1. Executive Summary

Cherry Trees is an 8 bedded learning disabilities respite unit in Shepley, Huddersfield. The unit is owned and managed by Kirklees Council and provides respite services mainly for those residing in South Kirklees.

Cherry Trees is a purpose built 8 bedroom bungalow unit with all the rooms on the ground floor. The service provides respite solely for adults with learning disabilities, but with varying levels of needs. Four of the rooms have ceiling tracking hoists for those with very complex movement and handling needs. It has 1 bathroom with 1 bath.

This business case seeks approval to tender for a range of proposed works and changes to the existing building to ensure it is fit for purpose for the ever-changing needs of current and future service users. Information on those currently in Children Services and moving toward adulthood clearly identify a growing number of those with complex health/nursing needs and people with LD and autism with behaviours that may challenge. Accordingly to deliver this ambition will require improvements to the existing building layout to provide additional space for those with challenging behaviour and to provide additional facilities to provide a calmer environment to enable staff to manage more extreme behaviours. Improvement will also be made to provide enhanced sensory rooms to carry out sensory therapies and improved bathing facilities for people with profound multiple disabilities including sensory impairments. The proposed investment will increase the number of ceiling tracking to some bedrooms and communal areas including the proposed new extensions. Attached as **Appendix A** is a table showing the benefits of the proposed multi-sensory spaces. These planned works are essential to meeting the varied individual needs of clients coming through the system.

In addition it is proposed to invest monies in external areas. This will improve access to recreational outdoor space and fundamentally support those with complex and challenging behaviours.

Key objectives;

- Improved outcomes for service users through improved facilities and environment.
- Improved enhancement of our overnight respite service which will ensure full adaptability to meet the current and future needs of an increasing population of those with profound multiple and complex health/nursing need.
- Provide improved break-out capacity (calming spaces) for those with challenging behaviours.
- Provide improved therapeutic and multi-sensory facilities for those with profound and complex physical and learning disabilities and sensory impairments.
- Enhance use of grounds and external facilities
- Ensure young adults coming through into adult services continue to benefit from the therapeutic and sensory facilities they have been used to in their school environments.

The above improvements are required to ensure we can continue to safely and effectively deliver respite services to more complex people that are entering adulthood. The existing communal lounges and dining areas are not appropriate spaces to deliver the types of group and individual interventions and therapies that we will need in the future to meet these changing needs.

The attached drawings confirm the extent of the proposed works which are estimated at £850,000 (this includes £115,000 approved for essential fire prevention works which will be completed at the same time and will be funded from separate corporate funds). Subject to an acceptable tender it is anticipated that the works could commence in March 2020 and complete by August 2020.

Profile of spend (excluding fire safety works funded via corporate budget) is as below:-

	<b>Year 1 201920</b>	<b>Year 2 202021</b>	<b>Year 3 202122</b>	<b>Total Cash Outlay</b>
<b>Investment Value (£) – Capital and Revenue</b>	£100,000	£600,000	£35,000	£735,000 (excludes the £115,000 fire safety works)
<b>Available / Committed Funding</b>	£100,000	£600,000	£35,000	£735,000 (excludes the £115,000 fire safety works)
<b>Return on Investment (ROI)</b>	£	£	£	£

The current approved provisional budget for the scheme is £500,000 plus £115,000 from corporate funding for fire safety works. Following detailed design the revised estimate for the scheme is £735,000 plus £115,000 for fire safety.

## 2. Introduction and Overview

The scheme provides additional enhanced facilities on the Cherry trees site which will enable the service to respond to and mitigate changes in service demand.

The business case seeks approval to the release of £735,000 (excluding fire safety funding which already has separate approval) to enable procurement of works to extend and enhance the respite facilities for Adults with Challenging Behaviors and Complex needs in accordance with the attached drawings.

Evaluation of the proposals throughout the concept and design stages resulted in several changes to ensure the needs of the service are met. These evaluations have taken into account comments and advice from staff and carers. This has resulted in this final version of the scheme. The scheme will comprise:-

- Provision of 1 “Immersive Technology” room
- Provision of 1 room for activities and quiet space
- Provision of 1 new large bathroom with sensory bath, hoists and changing facilities
- Provision of 1 new sensory room
- Garden works to include new external patio areas, appropriate seating / lighting and wheelchair adaptable swings, garden landscaping, design and planting
- Full tracking to 4 additional bedrooms and dining rooms etc
- External works to the rear grounds to increase accessibility
- Provision of specialist equipment for the new sensory room, bathroom and bedrooms
- Necessary improvements to the call system
- Necessary fire safety works (funded via corporate resource budget)

The numbers of those attending respite with increased levels of challenging behavior and multiple complex needs are increasing. The objective of this scheme is to provide additional facilities on the respite site to mitigate and respond to these changes. There are limited alternative respite places available in the marketplace and failure to invest in our asset will likely lead to increased costs faced by the service in providing higher levels of support to clients within their home environment, for example by having more expensive 2:1 support on a 24/7 basis rather than gaining on economies of scale within a specialist overnight respite facility.

### **3. Market analysis:**

The Council has a vision of focusing on doing the things that only the Council can do, recognising where we can make a real difference and concentrating our resources and effort on those things. In relation to social care, where we do provide our own services we are increasingly targeting our direct provision on those people with the most complex needs and where short term, intensive and urgent support can deliver longer term benefits.

As set out in the learning disabilities strategy, respite services are a key part of the market. They ensure service users can remain living in the community rather than in residential settings and they also ensure carers get regular respite and prevent carer breakdown through offering emergency placements.

Commissioning intelligence tells us that over the coming year's young people entering adulthood there will be growth in those with more complex needs and this will continue into future years. Respite services for adults with learning disabilities, with profound and multiple complex health/nursing needs is a recognised gap in the market and Cherry trees is vital to support and meet this need.

#### **Contracted Short Breaks Market in Kirklees**

Kirklees CCG's spot purchase short breaks provision for people that are health funded and we are working in partnership with them for them to utilise more of our beds and we are already seeing an increasing number of health funded service users using Cherry Trees. The cost of these support packages are health funded (and have no cost impact to us) but brings a system/outcome benefit. It would also bring benefit/saving for CCG's, which is in the spirit of more collaborative cross-system working.

There are no contracted alternative overnight respite facilities in Kirklees for social care funded people with complex needs.

### **4. Assessment of benefits and Option Appraisal:**

#### **Do Nothing Option**

- Limited respite and residential places are available in the locality to meet the demand for adults with learning disabilities especially those which meet the criteria for profound and multiple complex health/nursing needs.
- Over the coming years, we know from commissioning intelligence, that there are more young people entering adulthood with complex needs and the pressure will be to meet this demand.
- It is important we can respond to user needs. The current building is limited in the management of increasing levels of challenging behaviour and complex needs. To be more effective requires provision of added bathing, sensory and recreational quiet rooms.
- There are likely to be higher costs if we don't take action

#### **Preferred option**

- The current Cherry Trees building provides excellent respite care services but needs further investment to fully cope with the management of growing levels of complex needs.
- Investment will support our longer term commitment to provision of an integrated specialist respite service (with CCGs)
- The proposed investment will provide more creative and effective use of space and the enhancements to the environment will reduce behavioural incidents.
- The proposed investment will provide a safe and stimulating environment where individuals can be appropriately supported to develop their life skills and independence
- Many adults with learning disabilities go on to have dementia and we will ensure the design / refurbishment meets dementia friendly standards.
- The investment will also create an environment where we may be able to provide places, where appropriate, for those who are currently placed out of area, because their needs could not be met in Kirklees.

## Risk

There are associated risks in not investing. These include an increasing difficulty in managing complex needs respite within the existing building. This will create added difficulties for users, carers and staff and will have a direct impact on families and carers where respite is seen as a valuable support mechanism to help keep people within their home environment for as long as possible. Failure to do this will see potentially increase family crisis and breakdown resulting in ever increasing costs of care to the local authority and an increase in requests for emergency overnight respite.

## Benefits

We will be supporting the most complex vulnerable service users in an environment that meets their needs. The environment will enhance their wellbeing and experience whilst in respite. This will improve their outcomes including reducing reduce behaviours that challenge and improved therapy through better access to multi-sensory therapy environments. This will have a direct impact on carers who rely on respite care for their own longer term well-being so they can continue in their caring role. This is particularly important where we do want to ensure that users remain within their home setting to avoid admissions to long term residential care. Once someone is admitted to residential care it becomes their new 'norm' and is more limiting for the client and high long term cost for the authority.

Financial impact is difficult to predict. It is also difficult to put a financial value on the benefit to users and carers of maintaining home living for as long as possible. This will be financially favourable to the Council and other care partners.

## **5. Cost/Benefits Assessment**

It is projected that there will be limited increased revenue costs associated with the scheme. For Corporate Asset Management it is estimated that annual running costs will increase by approx. £1,700 pa based on floor area growth. For Adult Services costs will relate mainly to additional cleaning at around £6,300 p.a. and annual license costs of £3,000 relating to new equipment.

The financing charges for the borrowing of £735,000 capital will equate to £46,305 per annum based on a prudential borrowing rate of 6.3%.

Future increased operational service costs will be met from either existing Adult Services revenue resources or additional income via CCG/Health funded placements. Future staffing costs (excluding cleaning costs) will increase where the numbers with complex needs increase, however these will be met from other existing revenue budgets (where the service user is social care funded) or income from CCGs (where the service user is health funded), for example where service users are allocated 1:1 funding either from social care or health placement budgets. This increase will be inevitable due to the nature of this demand.

The benefits of this scheme will be that projected increased direct care costs will be mitigated through having the most appropriate facilities to manage this level of care. Increased complex needs cases will also attract potential income from the CCGs (as Health funded service users) and this will off-set future increased operational costs.

## **6. Option Appraisal**

### **See item 4**

It should be noted that the service has every intent that this investment will be secure for the medium to longer term. At present there are no proposals to reduce or seek competitive tender to outside providers.

Investment in these works will continue our compliance with Care Quality Standards and it is envisaged that no further significant investment will be required in the short to medium term. This however may not relate to specific equipment where technological change and advancement is a key change driver. At present this is impossible to factor.



## 7. Key assumptions and dependencies:

### Key assumptions

- Planning approval - Informal discussions with Planning suggest approval is likely and could even be considered under permitted development.
- Tender Cost – estimated that tender cost will be in line with current estimated costs of £735,000 excluding fire safety works.
- Meeting all statutory requirements – the building will meet all Fire and Health and Safety Regulations, and will meet CQC Standards.

### Dependencies

- Future increased revenue costs will be met from either Adult Services revenue resources or additional income via CCG/Health funded placements.

## 8. Risk and Sensitivity analysis:

<p><b>Political</b></p> <p>Lack of political approvals</p> <p>Political instability</p>	<p><b>Operational</b></p> <p>Increasing numbers of complex cases over coming years.</p>
<p><b>Economic/Financial</b></p> <p>Inadequate funding available to meet the capital cost of the refurbishment / extension - potential for unexpected costs</p> <p>Potential for revenue budget reductions</p> <p>Demographic pressures</p> <p>Potential increase in revenue costs v potential higher costs on alternative placements / packages of care if nothing is done.</p>	<p><b>Technical</b></p> <p>Options for future re-design should conditions and client group dramatically change.</p>

### Mitigation

- Early engagement with members
- Clear communication and engagement plan developed for staff, users and carers
- The service has a 5 year projections forecast, this is revisited annually
- There are no planned reductions to the service budget at this time
- The service will look to work with an external agency/body to ensure that there is sufficient expertise for design
- Commissioners work closely with providers to shape and monitor the market

## 9. Resource requirements and costs:

Resource requirements and costs:	Man years	Capital £	Running costs per annum (range)
External (bought in equipment)	0	0	0
External services	0	0	0
Internal costs	Minimum period will be the term of borrowing	0	£9,300 pa plus inflation for Adults and £1,700 for Corporate Asset Management
<b>Total</b>	0	0	£11,000 pa

## 10. Funding source / Timing / Certainty:

The funding source is baseline borrowing 2019/2021. Projected spend is as per Item 1

## 11. Timescales:

Main milestones and dates:	Proposed start:	Proposed end:
Outline/concept design	May 2019	End June 2019
Consultation with Users/Carers	May 2019	End May 2019
Design agreed by Board	June 2019	June 2019
Commission of detailed design	July 2019	July 2019
Completed design and costing	September 2019	September 2019
Planning Application	September 2019	November 2019
Capital Governance Board	November 2019	November 2019
Executive Team	November 2019	November 2019
Tender	November 2019	January 2020
Tender Validation and Letter of Acceptance	January 2020	February 2020
Key Decision Notice	December 2019	December 2019
Cabinet Approval	January 2020	January 2020
Works	March 2020	August 2020

## 12. Comments / Issues:

none

## 13. Conclusions and Recommendations

- The business case outlines clearly the changing requirements for respite placements and the growing level of users with complex needs and increasing levels of challenging behaviour. It also identifies the lack of appropriate alternative respite care resources in the Kirklees locality and confirmation that this service is required in the short, medium and longer term.
- This investment is vital to the support of carers and families. Respite is a valuable resource both for users and carers and reduces the levels where crisis intervention, which can often be more costly, is urgently required due to family/carer breakdown.
- To create the most appropriate and adequate respite resource it is recommended that the business case be approved and that the process for accommodating the revised cost of £735,000 be agreed from within the wider Adults capital programme.

## 14. Appendices to Business Case

Appendix A – Benefits of new multi-sensory Environments table  
 Appendix B – Design and Access Statement