

Report to:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	6 July 2020
Reporting Officer:	Sandra Whitehead - Assistant Director of Adult Services
Subject:	ADULTS CAPITAL PROGRAMME
Report Summary:	<p>This report provides an update of the development and plan in relation to the Adults Capital Programme. The two projects currently contained within this report are:</p> <ol style="list-style-type: none"> 1. The extension of the Oxford Park development, and 2. Christ Church Community Developments (CCCD) - 4C Community Centre in Ashton. <p>In addition, the Adults Capital Programme now also includes three schemes that are being funded from the Disabled Facilities Grant: Moving with Dignity (Single Handed Care) (£339k), Disability Assessment Centre (£250k) and Brain in Hand (£20k). Progress on these schemes is reported alongside the main Disabled Facilities Grant within the Growth Directorate capital update report. A detailed progress update for these schemes will be provided at the next reporting period.</p>
Recommendations:	<p>To note the updates provided in this report, including:</p> <ul style="list-style-type: none"> • The progress of the Oxford Park business case and alternatives that had been considered, with a recommendation that it is incorporated into the overall daytime offer review that has been initiated • The progress of Christ Church Community Developments (CCCD) including the success of obtaining match funding to support the project
Corporate Plan:	The proposals contained within this report support the delivery of the Corporate Plan.
Policy Implications:	In compliance with Council policy.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>The Council's capital programme ambition is currently unsustainable. The current committed programme requires £18.8m of corporate resources, with only £14.6m available in reserves, leaving a £4.2m shortfall, which needs to be met from the proceeds from the sale of surplus assets. Whilst this report is not identifying significant cost pressures at this stage, incremental cost pressures across a number of schemes will soon result in substantive additional resource requirements. Any cost pressures arising as a result of Covid-19 or other factors will increase the resources needed to deliver the approved programme, and the current shortfall of £4.2m will increase.</p> <p>The broader ambition of the Council points to a further requirement of £33.2m of corporate funding to pay for schemes identified as a priority and subject to future business cases. Clearly these will be unable to progress until additional capital receipts are generated. The Growth Directorate are reviewing the estate and developing a pipeline of surplus sites for disposal.</p>

Oxford Park:

In March 2018 Executive Cabinet approved a capital budget of £455k for Oxford Park. The project has experienced a number of on-going delays and a number of different procurement routes have been explored. A final quote for the completion of the works was received via the Local Enterprise Partnership (LEP) in early June 2019 which is significantly in excess of the approved budget. Therefore the approved capital is no longer sufficient, nor offers value for money on this development. Alternatives were investigated in the form of demountable buildings.

A wider strategic review of the Council's estate (including Sports and Leisure facilities) is due to take place throughout Summer 2020. The Oxford Park proposal will be included in this review.

The scheme was originally expected to deliver revenue savings for Adults Services which are no longer achievable of £267k in 2020/21, this has been factored into the revenue budget forecast. It is therefore essential that alternative proposals to achieve the level of savings are considered and implemented urgently. Part of the Council's Improved Better Care Fund (iBCF) allocation was originally committed to support the start up and running of the Oxford Park service once the development had been built. Due to a number of other pressures across Adult Service, this funding is no longer available and the ongoing revenue operation costs have been factored into the Council's Medium Term Financial Plan.

4C:

In March 2018 Executive Cabinet approved a capital budget of £150k, alongside match funding to be raised from other sources by 4C. The capital project was approved to support the delivery of a new community based development, building on the successful Grafton Centre model, in partnership with CCCD who were to lever £51.5k of match funding from other sources. There have been on-going delays to this project due to change in contractors which has resulted in an increase of £34k in costs and an increase in the match funding required to be raised by CCCD.

CCCD have thus far been successful in securing an element of the additional match funding requirement from external sources.

It should be noted however that, due to the impact of Covid-19, there have been significant delays to the construction work due to the implications of the Government guidelines and restrictions. Revised timelines are included in Section 3.11

Legal Implications: (Authorised by the Borough Solicitor)

This report is intended to provide an update as to the progress with regards the adults capital programme and the Oxford Park and Christ Church Community Developments in particular.

The report in addition to updating on progress further highlights significant variations in anticipated project costs, funding as well as changes in anticipated service delivery which Members will be wanting to take particular regard to especially in light of the Council's overall budgetary position

Consideration of the future of both of these projects is ongoing and it is anticipated that both projects will be subject to further individual, due diligence, governance and Executive decision making. The LEP is required to provide independent certification

of whether the contract price that it procures on the open market is vfm and therefore a review should probably be undertaken as to how the cost envelopes for the project was determined initially.

Risk Management:

Delays in the development of Oxford Park will impact on:

- Short/medium term savings proposals – but including this work as part of an overall daytime offer review will be able to provide a more holistic view of financial efficiencies
- The level of capital funding that has been approved since the original quote was obtained being insufficient
- Rise in demand and a unmet need affecting outcomes for local people

The risk management of these is contained within section 5 of this report.

In relation to 4C, the major risks associated with time delays occurring during the development and delivery phases are increasing costs. CCCD has a robust business plan and cost plan in place. Grant funding conditions are to be applied which will outline the monitoring and evaluation requirements of the Council, including the mitigation of risks.

Access to Information:

The background papers relating to this report can be inspected by contacting:

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1. INTRODUCTION

- 1.1 The Oxford Park business case report and the Christ Church Community Developments (CCCD) 4C Community Centre in Ashton reports were submitted to the Strategic Planning and Capital Monitoring Panel on 27 November 2017 and to Executive Cabinet on 21 March 2018. This report provides an update on both schemes.
- 1.2 In March 2018 Executive Cabinet approved a capital budget of £455k for Oxford Park. The capital investment was sought to support the development of the Oxford Park facility to provide a purpose built disability and community facility that will host a wide range of services to children and adults. The investment was expected to enable the commissioning and provision of services that meet the needs of vulnerable children and adults within the borough, and avoiding the additional costs of out of borough provision.
- 1.3 The March 2018 Executive Cabinet meeting also approved a £150k capital grant to Christ Church Community Developments Charitable Organisation (CCCD). The capital grant was approved to support the delivery of a new community based development, building on the successful Grafton Centre model, in partnership with CCCD who were to lever £51,583 of match funding from other sources.

2. OXFORD PARK

Background

- 2.1 The Oxford Park development was proposed following an initial review of learning disabilities and Autism Spectrum Disorder (ASD) services that are currently provided and/or commissioned by Adult Services. The principle reasons for this review were to meet financial savings targets and also to future proof the service to enable complex day services to be provided within borough as more young adults transition through from Children's Social Care.
- 2.2 The strategic vision was based on diversification of services being offered to facilitate greater choice and control, the introduction of a more diverse market to increase competition, drive up quality and reduce cost. It would also allow us to differentiate internally provided services to focus on the provision of higher cost specialist complex provision of day services to adults who have learning disabilities and/or Autistic Spectrum Disorder (ASD) who have complex needs. Many of these individuals will require the complex service provision that is currently provided by internal services and many will also access existing services provided by partners through Children's Services.
- 2.3 As the young people with eligible needs transition into Adult Services, demand may significantly exceed service capacity which could realistically result in increases in high cost out of area placements. Post 16 placements have traditionally been provided by Tameside College's Dovestones Unit, and by placements in colleges outside the borough. These out of borough placements can be at significant cost and they do not always meet the required outcomes identified with individuals. Due to capacity issues and syllabus changes at Dovestones, their offer of a five day per week service has been reduced which has meant that more young people are being referred to Adult Services for day service provision, increasing pressure on existing services to provide day service provision.
- 2.4 As a result of all the known pressures, this review became a cost avoidance exercise rather than a savings exercise in terms of maintaining and possibly increasing current capacity to meet current and future predicted demand. The Capital Investment approved by Cabinet in March 2018 was intended to increase 'in-borough' capacity for day service provision that meets the needs of children and adults in the borough.

Progress Update

- 2.5 The project has experienced a number of ongoing delays, which in turn has resulted in increasing costs as a result of inflation in the construction industry. Since the approval of the investment in March 2018, a number of different procurement routes have been explored. A final quote for the completion of the works was received via the Local Enterprise Partnership (LEP) in early June 2019 which is significantly in excess of the approved budget; more than double the amount (the original capital approved was for £455k, and this latest quote was for £1.1m for the same specification but did not include all costs). Therefore the approved capital is no longer sufficient, nor offering value for money on this development.
- 2.6 Alternatives were investigated in the form of demountable buildings as well as utilising other estates such as delivering services from The Wellness Centre. The quote obtained for a demountable building at Oxford Park is approximately £530k and does not include all costs.
- 2.7 However, these are only interim solutions to ensuring that the demand for day services is met presently and in the future, both in terms of complexities of people's conditions and in the right locations as close to home as possible.
- 2.8 Through Adults Services transformation priorities set for the coming year, a further 'daytime offer' review has been initiated to drive this piece of work across all our provision - inclusive of Oxford Park - continuing to work collaboratively with Children's Services and Education to understand what longer term daytime offer of provision needs to look like to manage demand and growth for all cohorts of people.
- 2.9 It is recommended therefore, that the Oxford Park development is incorporated into this overall daytime offer review to consider the provision for day services holistically. Updates on the further daytime offer review will be provided to the Capital Monitoring Panel as appropriate.

Implications and risks of delay

- 2.10 The Oxford Park development was expected to deliver revenue savings for Adults Services from 2019/20 onwards. Savings (cost avoidance) of £79k were anticipated in 2019/20, rising to between £270k and £300k for each year thereafter. Delays to this scheme therefore inevitably create a revenue budget pressure for the service, and alternative savings proposals are currently being explored.
- 2.11 Part of the Council's Improved Better Care Fund (iBCF) allocation was originally committed to support the start up and running of the Oxford Park service once the development had been built. Due to a number of other pressures across Adult's, this funding is no longer available and the ongoing revenue operation costs have been factored into the Councils Medium Term Financial Plan
- 2.12 The quoted costs for the original scheme and the demountable building now significantly exceed the forecast in the original business case. There remains a risk that further delay will result in further cost increases but economies of scale could be identified through a wider daytime offer review.

3. CHRIST CHURCH COMMUNITY DEVELOPMENTS (CCCD) - 4C COMMUNITY CENTRE

Background

- 3.1 The sole purpose of CCCD is the development of the 4C Community Centre project to build and operate a centre in the grounds of Christ Church, Ashton-under-Lyne for the benefit of all members of the community. The capital investment approved by Executive Cabinet in March 2018 was intended to support this development, alongside match funding to be raised from other sources by CCCD.

- 3.2 As the Council plays a vital role in leading change and stimulating action within the local community with a broader role in promoting health and wellbeing, for the last three years the Council has been working with CCCD to establish and complete the development of a new community asset in Ashton.
- 3.3 As part of the Council's ongoing development of the asset based community development offer, to date, the Council has been successful in developing services via the asset transfer model, for the whole of the community with a focus on specific areas. The Grafton Centre in Hyde had a specific focus on older people whilst still being accessible to all. The Together Centre @ Loxley House has a specific focus on people with disabilities, again, whilst still being accessible to all. The focus now has developed to that of providing a whole family offer and this is where the developments at 4C Community Centre are integral to providing services and support to all members of the family from children through the spectrum to grandparents.

Progress Update

- 3.4 Since the approval of the Capital grant by Executive Cabinet in March 2018, there has been a change in contractors which has resulted in an increase of £34k in costs and an increase in the match funding required to be raised by CCCD. The additional costs have arisen due to the change in contractor and their increased price, increased cost of materials and the delay in funding being made available. These additional costs will be met by 4C through their own fundraising activities. The majority of the match funding will be delivered through external bids which are reliant on the confirmation and release of the funds by the Council.
- 3.5 CCCD have successfully obtained funding from Viridor Credits to the value of £50k and are in discussion with a number of other funders who are keen to offer support. The match funding will also be quantified through voluntary hours given in kind to complete the development. Payment of the grant funding from the Council will be conditional on the approval of the match funding required.
- 3.6 Additionally, since the Executive Decision to agree the capital funding of £150k in March 2018 there has been ongoing discussions between CCCD, the Council's Legal team, Adults Services and the Diocese in relation to the need to apply a legal charge to the property. After much discussion it was agreed that a legal charge was necessary and a valuation of the property was required to secure this.
- 3.7 The valuation has now been completed and the Land Registry form CH1 was finalised on 7 February 2020 which enables the charge to be registered on the property. The grant agreement has been signed and sealed by Legal Services also on 7 February 2020 which means that all governance requirements have now been met.
- 3.8 However, due to the current climate and the impact of Covid-19, there have been significant delays to the construction work due to the implications of the Government guidelines and restrictions. This has resulted in no significant progress taking place onsite and as a result the previously reported timescales have obviously not been met.
- 3.9 As a direct result of the implications of Covid 19 and in a bid to ensure the safety of all future members and attendees, CCCD are in the process of making changes to the current project specification to allow for the design and layout of the building to accommodate the delivery of services in a new, Covid 19, safe environment, taking into consideration the ongoing social distancing guidelines. Discussions are taking place with CCCD and the contractors to agree a new cost effective and safe layout within budget and once this is agreed, a new set of timescales can be agreed.
- 3.10 The grant agreement includes details of the payment schedule and these are shown in Table 1. Payments due from April to June have not yet been invoiced due to the delays in construction work due to the implications of Covid 19.

Table 1

Amount of Grant payable	Date of Payment
£15,000	February 2020
£15,000	March 2020
£55,000	April 2020 (not yet paid due to delays)
£35,000	May 2020 (not yet paid due to delays)
£15,000	June 2020 (not yet paid due to delays)
£15,000	July 2020
£150,000 TOTAL	

- 3.11 The estimated milestones as a result of the delays referred to in section 3.9 of the report are shown in Table 2.

Table 2

Key Milestone	Target Date for Completion
Build start (16 weeks)	July 2020
Build completion	October 2020
New facility open	November 2020

- 3.12 The primary risks associated with 4C are:

Risk	Mitigation
Funding being released and CCCD do not progress the agreed works	CCCD have been committed totally to the provision of a community centre in the area for the benefit of the local area – having secured over £1 million to construct the shell of the building it is believed that the chance of the Council's funding not being used as planned are remote. However, to mitigate the chances of this it is proposed that the funding will be released in phases and visits will be arranged to monitor that the work at each stage has been delivered before the next phase of funding is released.
No take up of service	Intensive, ongoing engagement with communities has taken place and consultation has highlighted that people are very interested in the centre and take up will be high. Plans are in place to focus on all areas of the community and good relationships have already been achieved and are being maintained.
No volunteers to support the development of the centre	The centre already has a pool of volunteers and trustees and could be supported by paid workers once the centre is financially viable.
Other external funders do not take up the investment opportunity	Match funding discussions are taking place and the CCCD are confident of the planned investment opportunities. CCCD are in the process of having discussions with other funders.
Maintaining interest and demand for building throughout final build stage of the project	There has been ongoing and continued engagement with the local communities.
Impact of Covid 19	As a consequence of the restrictions put in place as a direct result

	<p>of Covid-19, building work has not yet been able to commence. In response to the current climate, however, structural and internal design changes have needed to be made to ensure that the building is safe for members to attend post Covid and with social distancing guidelines and practice in place.</p> <p>CCCD are also putting into place a Special Measures/Risk Assessment to ensure that all safe practice is adhered to and risk is managed effectively.</p>
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4. CONCLUSION

- 4.1 Both of these Adult Services capital projects have been delayed for unforeseen reasons as outlined in the body of the report.

5. RECOMMENDATIONS

- 5.1 As set out at the front of the report.