

# Nottingham City Council

## Business Case

**Project Title: Reprovision of Oakdene Residential Unit to a refurbished Laura Chambers Lodge**

**Lead Department: Adult Social Care**



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**DOCUMENT CONTROL**

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<b>Date</b>	June 2016

Version	Status (Draft/Final)	Date	Summary of Changes	Revised By	Sign-Off
1.0	Draft	17/02/16			
2.0	Draft 2	22/03/16			
3.0	Draft 3	23/03/16		L Saxton	
4.0	Draft 4	24/3/2016		P Haigh	
5.0	Final	9/06/2016	Update financials in Options appraisal and provide scoring matrix. Amend dependencies/constraints. Add preferred procurement route, governance and estimated programme dates	S Foster	

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## 1.0 SUMMARY

This Business Case looks at five options for the provision of improved accommodation for Adults with learning disabilities

The recommendation(option 3) is to:

1. Refurbish Laura Chambers Lodge in Clifton as a residential unit to meet the needs of 21 adults with moderate to severe learning disabilities, currently residing at Oakdene residential unit on Woodborough Road and to provide an additional 8 places for respite, emergency or permanent use.
2. Build a new unit on the Laura Chambers Lodge site, to create accommodation for 6 adults with a learning disability who also have complex and challenging behavioural needs. This provides a total of 35 beds on the site.
3. To close and demolish the Oakdene Residential Unit on Woodborough Road, Nottingham and dispose of the land for redevelopment.

For the new service to be open and at full capacity by spring 2018.

The capital funding required for this scheme is to be sourced via Prudential Borrowing as the savings made through not having to purchase beds for adults with a learning disability within the private sector will be the most cost effective option for the Council.

## 2.0 CONTEXT

### 2.1 Business Need

Oakdene residential unit on Woodborough Road, in the St Anns area of Nottingham, currently provides long term residential care for 21 people and up to 5 short break / emergency respite beds for adults with a learning disability who may also have physical disabilities, sensory impairment, communication difficulties, and/or behaviours which challenge the service and additional health needs.

The configuration of the Oakdene building is across 4 levels, with numerous small side rooms, stair cases and corridors making the service difficult to manage in regard to supporting very vulnerable people with the aforementioned complex needs.

Oakdene provides no ensuite facilities but instead offers communal shared personal care facilities resulting in residents having to wait on occasions to have their needs met.

As a result the Council fails to provide the modern facilities expected by users and their families.

In addition, the age, design and construction of the unit does not lend itself to both cost effective refurbishment and modernisation and is furthermore expensive to maintain.

Furthermore the facility is fast approaching the latter stages of its economic life and will require significant investment within the next 2-3 years simply to maintain it in a safe and habitable condition. The age, design and construction of the unit does not lend itself to either cost effective refurbishment or modernisation and is furthermore expensive to maintain.

Laura Chambers Lodge is a former residential home for older people with dementia located in Clifton to the south of the city. A review of Adult Services Provision in 2013 identified that there was surplus residential accommodation for older people within the city of Nottingham resulting in the vacation and closure of the Laura Chambers Lodge in 2015. The review further identified that there was insufficient capacity for adults with learning disabilities and adults with learning disabilities with more complex and higher needs. As a consequence, the Adult Provision Estate Plan recommended in January 2016 that Laura Chambers Lodge be refurbished and re-assigned as a home for adults with a learning disability. If Laura Chambers Lodge is not refurbished as a replacement for Oakdene then it is highly likely, in the next 2-3 years, that the Oakdene service will have to be closed unless significant investment to refurbish that site is approved. Citizens that use the Oakdene service will have to be relocated to other as yet unidentified accommodation which may result in out of city placements

## 2.2 Strategic Fit

This project forms a key element of the Adult Provision Estate Plan agreed by the council in 2013. In addition, the project meets with other Local Authority initiatives:

- **Citizens at the Heart** – the proposed refurbishment of Laura Chambers Lodge to re-provide a residential unit for Adults with a Learning Disability currently residing at Oakdene Residential Unit, together with the creation of a new build 6 bedded residential unit for adults with severe to complex learning disabilities and additional high support needs will meet the Citizens at the Heart Agenda as delivered in 2013, in that Learning Disabled services in the City of Nottingham will be:
  - Value for money
  - Be right for citizens and customers

- Located when and how citizens and customers need them
- **Citizens First** – the preferred option will ensure “great quality customer service and high customer care standards”
- **The Adult Social Care Business Plan states that –**
  - “The adult provision estate plan will be implemented and this year we will see” “LCL closed and refurbished”.
  - Sites across the adult provision estate will be modern and suitable for the citizens that use them for the services. We will be proud of our facilities.
  - Regulators will feel confident that the services are committed to meeting and exceeding the desired standards of care.
  - Services to citizens will be enhanced.
- The ethos of the Adult Social Care Business Plan is underpinned within the Adult Provision Ishikawa 2016/2017, in regard to “maintaining and improving environments” whilst actively “promoting services to new customers and maximising occupancy”.
- **The Adult Social Care AGM 2015** identifies five key objectives including
  - Wellbeing of citizens enhanced through early intervention and support
  - Providing value for money services

## 2.3 Scope

The following will be within scope for the preferred option i.e. to refurbish Laura Chambers and provide a complex needs unit:

- Refurbishment of Laura Chambers Lodge into a residential care home for adults with learning disabilities to include reconfiguration of rooms and redecoration of the building.
- A new build on the same site to provide specialist residential accommodation for six adults with severe, complex learning disabilities and challenging behaviour.
- Increase capacity in the city for in-house residential care for adults with a learning disability from 26 to 35. Additional capacity to be used in a variety of ways: to maintain respite beds at their current level, maintain the emergency bed availability, and introduce 6 new beds for adults with complex learning disabilities.
- The transfer of current Oakdene staff along with residents; ensuring that needs continue to be identified and supported by an experienced and skilled workforce, who have built up individual relationships of trust with the residents, their family members and/or carers.

- Disposal of Oakdene site once vacated with advice from Property regarding the best method in order to achieve best value.

### **Out of Scope**

- Changes to the existing Oakdene staff establishment as the changes required to support the new service have already been made as part of the closure of Laura Chambers Lodge.
- Any additional building works other than those listed above that are in scope.

## **2.4 Constraints**

Financial – The Adult Provision estate plan agreed by the Executive Board in January 2013 has reached its final phase but exhausted its funding. Due to the absence of capital and grant funding, the scheme will be funded from Prudential Borrowing which will need to be paid back over a 25 year period

Legal - the project will be delivered within legal constraints, including site usage, funding streams

Site - constraints in relation to the site levels, proximity of residential properties, the requirement for on-site parking and the need to minimise any disturbance

## **2.5 Dependencies**

- Demonstrates ability to cover the costs of prudential borrowing as no other funding sources are available
- Planning permission for the extension to Laura Chambers lodge and change of use
- Staff willing to move from Oakdene to Laura Chambers Lodge and potential recruitment costs
- Complex needs beds are filled from either those transitioning from Children's services or Adults needing to move from their current home over a 4 month period following the opening of Laura Chambers Lodge

## **2.6 Key Risks**

- Scheme is unable to pay back the costs of prudential borrowing. No other funding sources are available.

- Maintenance costs may be high if the scheme doesn't go ahead. Oakdene will not be fit for purpose within the next 2 -3 years as the building maintenance issues identified in the building asset survey 2012 identified significant remediation and refurbishment works would be required to maintain the building in a safe and habitable condition. The likely cost of this work was estimated, at that time, at over £400,000.
- Reputational risk for the Local Authority. Laura Chambers Lodge has been vacated in readiness for the refurbishment. Suitable alternative accommodation for older persons formerly resident at Laura Chambers Lodge has already been sourced and residents have all moved into their new accommodation in early January 2016. Initial consultations in regard to the closure of Laura Chambers Lodge for Older Persons Residential use and the reprovision of the service currently delivered at Oakdene Residential Unit had already met with local opposition. The consequence of this plan not going ahead will cause further damage to the reputation of the Local Authority.
- Older citizens have already moved from Laura Chambers Lodge into private care providers leaving the site empty and exposed to risk of anti-social behaviour and irregular occupancy. Mitigation to prevent this is in place and incurring ongoing security costs.

## 2.7 Benefits

### For the preferred option:

- The in-house learning disability currently rated as “overall Good” by the Care Quality Commission will continue to be part of the Adult Provision service giving reassurance to the learning disabled community of Nottingham.
- Nottingham City adults with learning disabilities will benefit from having affordable, high quality, residential provision within the City of Nottingham.
- The City Council will save money on the cost of learning disability residential care as this in-house model proposal is a more cost effective option.
- The City Council will be able to respond to emergency situations affecting adults with learning disabilities i.e. immediate responses to safeguarding situations / family breakdowns as the service will be City Council led and managed.
- The Laura Chambers Lodge site will be refurbished at a significantly lower cost than a total new build for a service of the same size.
- Nottingham City Council will maintain a “foothold” in the adult learning disability residential market.

A benefit realisation plan will be produced during the detailed design phase with



measurements, targets and owners assigned.

### 3.0 OPTION APPRAISAL

The following options have been considered for this project.

#### **Option 1 - Do Nothing**

a) **Output** - This automatically results in the retention of Oakdene Residential Unit - refurbishment costs will be high and will not result in a good quality building that offers both modern fit-for-purposes facilities and value for money. Maintenance costs will increase over time and the building itself is time limited. This will result in the sale of a perfectly viable building in Laura Chambers Lodge which currently is an asset to the authority.

Although Oakdene has a capacity of 26 beds, there are only 21 permanent residents and respite beds are difficult to fill due to the current layout and condition of the building.

b) **Benefits** – None

c) **Costs** - Laura Chambers Lodge will be sold without demolition and has an approximate value of £300,000. Laura Chambers Lodge is currently incurring additional costs in regard to site security for the prevention of access by travellers or instances of anti-social behaviour whilst the building remains largely empty and in regard to the continuation of statutory testing, lighting, heating, telephone costs and emergency repair.

There is significant building work that needs to take place urgently at Oakdene as identified in the condition survey conducted in 2012. Although a maintenance liability of £404,000 was identified in 2012 over a 5 year period, the work now required urgently has been estimated at c£200,000.

**Timescale** – N/A

**Risks** - It is thought that there will be reluctance from private sector providers to purchase the Laura Chambers Lodge building as it will not afford enough accommodation in regard to the number of beds to generate their required revenue.

Staff who are currently in addition to the staffing establishment at Oakdene Residential unit will be put at risk of redundancy. There will be additional costs in regard to staff consultation.

There is a risk that Oakdene will close in 2 to 3 years' time as the premises is not fit for purpose

**Deliverability** - This is not thought to be a viable option.

### **Option 2 – Basic refurbishment of Laura Chambers Lodge and relocate Oakdene Residential Unit service to the Laura Chambers Lodge site**

a) **Output** - Oakdene currently has 26 beds and Laura Chambers Lodge can currently accommodate 30 beds, although up to five of the rooms as they stand are long and narrow, making access for hoists etc. difficult if this should be required.

Laura Chambers Lodge would still require cosmetic refurbishment - sanitary ware in ensuites, communal bathrooms etc. redecoration and minimal works to external elevations in this model.

b) **Benefits** – The Oakdene site could be demolished and sold with an approximate capital receipt, after demolition costs, of £100,000.

c) **Costs** – No exact costs have been gathered for this option but based on the refurbishment of The Oaks residential care home that is underway now it will be in the region of £700,000 for cosmetic interior refurbishment of the Laura Chambers Lodge building plus minimal work required to external elevation (gutters/fascias etc).

Costs will also be incurred in the provision of fixtures and fittings at a cost of approximately £100,000.

d) **Timescale** – Approximately 9 months from decision being made.

e) **Risks** – Some of Laura Chambers Lodge's room layout is not suitable to accommodate adults with learning disabilities which would reduce capacity.

The general public will feel the Council have been disingenuous as they have been led to believe the home will be refurbished to accommodate not only the current Oakdene residents but a new unit to accommodate 6 learning disabled citizens with complex needs.

The private sector will have total control of the complex learning disability residential market as the Council will have no provision for this citizen group.

f) **Deliverability** – This option is possible although not the preferred option.

g) **Partnerships** - The adults with learning disabilities that currently use in-house residential care are already supported by a multi-disciplinary team and this would

continue should the project proceed.

### **Option 3 - Preferred Option, Full Refurbishment of Laura Chambers Lodge, plus new build and close Oakdene Residential Unit**

a) **Output** - This option will create additional capacity in the City of Nottingham for adults with a moderate to severe learning disability who are assessed as requiring residential care.

This option also creates a small six bed unit for Adults with a Learning Disability who have complex needs and challenging behaviour. Currently adults with similar needs are not accommodated in Nottingham, requiring expensive "out of city" placements. Typically the cost for such specialist care amounts to between £2,000 and £3,000 per week.

b) **Benefits** - Clifton is an area of Nottingham with a strong community focus with the result that citizen inclusion will be maximised whilst maintaining or enhancing independence and providing increased and varied opportunities and experiences.

The site has extensive safe, secure, level outside spaces.

The unit is situated in a residential area, opposite a public park and with extensive public facilities nearby.

This option will create a future proof service. The current 21 Oakdene residents will transfer to Laura Chambers Lodge, thereby minimising disruption and stress. Citizens with Complex Needs will receive a service in their own community.

Ongoing building maintenance costs will be minimal in the first 5 years as new works will be covered under warranty.

Whilst there are other options for independent living for this client group – Shared Lives, Supported Living for example, these options are not generally suitable for people with a moderate to severe learning disability who might have other complex support and health needs.

Whilst during the consultation phase in regard to the closure of Laura Chambers Lodge as a Residential Unit for Older People, there was opposition from the public; this was mitigated by the proposal to relocate the service currently being delivered at Oakdene Residential Unit. The successful delivery of a bespoke service in an environment to meet the assessed needs of Nottingham citizens will enhance the reputation of Nottingham City Council both locally and nationally.

The nature of learning disability will often mean that people are assessed as requiring

residential care at a relatively early age – parents becoming elderly and unable to continue to care, citizen support needs changing and increasing as they too get older. Similarly advances in technology have meant that people with the highest needs are living longer. Residential care for this client group can be, for the people with the highest needs, a lifelong requirement.

The 21 residents at Oakdene Residential Unit will transfer to Laura Chambers immediately; the remaining 8 beds will be a mixture of respite care beds and emergency beds. The financial model in Appendix 2 is based on a conservative estimate filling 2 more permanent beds and allocating 1 additional respite bed 50% of the year. It is anticipated that the six complex needs beds will be occupied within four months of opening either by service users transitioning from Children’s accommodation or service users who are unhappy in their current placements. The additional income from these 6 beds at £1875 per week assumes that 25% is funded by NHS Continuing Health Care.

c) **Costs** – Total refurbishment and new build costs are £2,782,000. This is broken down into three elements. The refurbishment and building alterations to the existing Laura Chambers Lodge - £1m. The demolition of part of the existing Laura Chambers Lodge, new build consisting of six bedrooms for people with high and complex needs, separate reception, dining room and community spaces (activity rooms) £700,000. The remaining monies will take into account preliminaries, design costs, surveys, project management and fit-out. The works will also create a new central kitchen in the building which will service both the residential unit and the complex needs new unit. (see Appendix 1 - Plan supplied by Philip Best Design Ltd. This plan has been highlighted by Philip Best for ease of reference).

The demolition and sale of Oakdene Residential Unit will provide a capital receipt, after demolition costs, of approximately £100,000

d) **Timescale** – On the assumption that design is signed off and build can commence summer 2016, it is envisaged that a high quality service will be delivered, from an appropriately refurbished building and needs led new build by early 2018.

e) **Risks** - Prudential borrowing request not supported.

The expected demand in regard to the take up of Complex Needs beds is not realised as service users in private accommodation are unwilling to relocate.

f) **Deliverability** - Deliverable

g) **Partnerships** - The adults with learning disabilities that currently use in-house residential care are already supported by a multi-disciplinary team and this would

continue should the project proceed.

#### **Option 4 – New build residential facility on same site and same footprint.**

**a) Output** - This option will create additional capacity in the City of Nottingham for adults with a moderate to severe learning disability who are assessed as requiring residential care.

This option also creates a small six bed unit for Adults with a Learning Disability who have complex needs and challenging behaviour. Currently adults with similar needs are not accommodated in Nottingham, requiring expensive "out of city" placements. Typically the cost for such specialist care amounts to between £2,000 and £3,000 per week.

**b) Benefits** – The benefits are the same as option 3

**c) Costs** – Total new build costs on the same site and same footprint are £4,500,000. This is to include new build, project management, engineering and fit-out. These figures are based on those already supplied by Philip Best Design.

**d) Timescale** – It is expected that this option may take in the region of 30 months to complete. This is broken down into 3 months for demolition, 6 months for design and 21 months build leading to an early 2019 completion date

**e) Risks** - The expected demand in regard to the take up of Complex Needs beds is not realised as service users in private accommodation are unwilling to relocate.

The payback period for Prudential Borrowing may result in this option not being viable

**f) Deliverability** - Deliverable

**g) Partnerships** - The adults with learning disabilities that currently use in-house residential care are already supported by a multi-disciplinary team and this would continue should the project proceed.

#### **Option 5 – Outsource function.**

**a) Output** – This option will result in there being no in-house residential services for Adults with a Learning Disability within the City of Nottingham.

**b) Benefits** – The sale of Laura Chambers Lodge and the demolition/sale of Oakdene Residential Unit will provide a total capital receipt for the Local Authority of approx.

£400,000

**c) Costs** – There are no additional costs in procurement, commissioning, ongoing monitoring and review of Private Sector provision as this would be funded from existing locality budgets.

This option will inevitably result in the loss of highly trained, skilled staff currently employed at Oakdene Residential Unit and the resultant redundancy payments. There are currently 44 staff at Oakdene and if all staff were made redundant, this would cost the Council approximately £638,000 (average £4500 redundancy plus £10,000 pension strain per person). The number of redundancies would depend on where service users are moved to as some staff may be entitled to TUPE arrangements. If the 21 service users moved to the same location, it is likely that all staff would have TUPE rights which would cost the Council £10,500 in pension deficit per person.

**d) Timescale** – 6 months, assuming capacity and that appropriate placements are available in the Private Sector.

**e) Risks** – This option will leave no in-house residential services in the City of Nottingham for Adults with a Learning Disability. Should there be capacity issues within the private sector or a shortage of appropriate placements, Nottingham citizens may have to be accommodated outside of the city, with the inevitable pressure, stress and inconvenience this will cause for family and carers.

Nottingham citizens will have to “fit” into already existing services rather than having a bespoke service and environment designed around their individual needs.

Nottingham City Council will potentially lose highly trained and skilled staff. This will contribute to the inevitable damage to the reputation of the authority if staff are lost and the plans already in the public domain through the consultation process in late 2015 do not come to fruition.

Since, in this option, all citizens will be accommodated in the Private Sector, Nottingham City Council will be limited on the amount of influence they have in setting rates for residential placements. The quality of care and accommodation provided by the Private Sector varies, as evidenced by several recent closures actioned by the Care Quality Commission.

**f) Deliverability** – deliverable but with high risks.

**g) Partnerships** - The adults with learning disabilities that currently use in-house residential care are already supported by a multi-disciplinary team and this would continue should the project proceed.

The tables in Appendix 2 outline the capital and revenue implications for all the above options and a financial model for the preferred option.

Each option has been scored based on the objectives in this Business Case. Appendix 3 covers this scoring matrix and demonstrates why option 3 is the preferred option.

## 4.0 AFFORDABILITY

### 4.1 Capital Costs for the Preferred Option

The total scheme cost is estimated at £2.782 million including 7.5% project contingency – refer to breakdown below

<b>Estimated Costs</b>	<b>Amount £m</b>
Pre-approval (RIBA stage 3/Business Case)	0.063
Fees (detailed design, surveys, planning application)	0.129
Design and Construction Project Management	0.057
Client Project and Programme Management	0.059
Construction	2.069
Fit-Out (furniture)	0.150
Kitchen Fit-Out	0.050
IT provision	0.008
Relocation expenses	0.003
Project Contingency (7.5%)	0.194
<b>Total scheme cost</b>	<b>2.782</b>
Demolition/Sale of Oakdene	-0.100
Allocated capital funding (DDM Feb 2016)	-0.237
<b>Funding required</b>	<b>2.445</b>
Table 4.1 Estimated Capital Costs	

### 4.2 Revenue Costs for the Preferred Option

#### 4.21 Current Oakdene Revenue Budget

The following table shows the existing annual budget at Oakdene Residential Unit

<b>Budget</b>	<b>Amount £m</b>
Resource	0.893
Premises cost	0.047
FM Supplies/Services	0.058
<b>TOTAL</b>	<b>0.998</b>
Table 4.21	

#### 4.22 Estimated Revenue Costs – Refurbished Laura Chambers Lodge

The following table is an estimate of the future running costs at the refurbished Laura Chambers Lodge. Once detailed technical design has been completed, a more accurate figure can be obtained.

<b>Estimated Running Costs (LCL)</b>	<b>Amount £</b>
Resource	0.893
Additional resource	0.434
Premises Cost (2014/15)	0.053
FM Supplies/Services (2014/15)	0.086
Saving - <i>EVO Energy prediction</i>	-0.009
<b>TOTAL</b>	<b>1.457</b>
Table 4.22	

In November 2015, a delegated decision approved the disestablishment of Laura Chambers lodge and establishment of staff at Oakdene to the value of £434,070. This will allow the new complex needs unit at Laura Chambers to have a core group of 13.3 FTE staff which will consist of a dedicated Care Team Leader, 3 care workers available on each daytime shift and 2 staff at night.

All staff are required to meet QCF Diploma standards equivalent to their role. It is recognised that staff will require training around positive behavioural support to work with more challenging citizens in the future. Oakdene is currently considering training key staff to deliver Management of Actual and Potential Aggression in preparation for Laura Chambers.

**Lifecycle costs** assume £32,000 p.a. sinking fund over 25 year period

#### 4.3 Procurement and Funding

This scheme is to be funded from Prudential Borrowing over a 25 year period (2.85% interest rate). A remaining £195,000 is available in the Capital Programme for this scheme and £100,000 as the capital receipt from the demolition and sale of Oakdene. Therefore this scheme will need to borrow £2.487m over 25 years resulting in a borrowing repayment of c£0.142m per annum.

The following procurement options are available for this scheme:

- Nottingham City Homes (NCH) project manage the scheme and Keepmoat are called off for detailed design and build from the NCH Assisted Living framework.
- NCC Design Team manage the design and build and either tender the work or



appoint a contractor from the EMPA framework

The staffing costs at Oakdene are over-establishment (to retain some staff for Laura Chambers Lodge). This is costing £36,000 per month while the building is empty. If an open tender process is followed, this is likely to delay start on site by at least 9 months which will cost an additional £324,000.

Following technical design when detailed construction costs are available, NCC Strategic Assets and Property Development will advise on the preferred procurement route with authority delegated to the Corporate Director for Development and Growth.

Philip Best Design Ltd will continue to provide architectural services and CDM responsibilities as approved by the Delegated Decision No. 2338 in February 2016.

The Commercial & Operations Department's Design Service is currently working with client departments on reviewing suitable project delivery mechanisms to allow better control and monitoring over consultants performance, service and information received.

Design Services will provide the following services;  
 Design Management and VFM Assurance Service overseeing any appointed consultants (eg Philip Best). This services provided will review and quality assure the design and construction process - and will help ensure that the service and project information from consultants is, where appropriate, robustly challenged against design, cost and technical content and will help offer the Council greater value for money in the services and performance received from external consultants and providers.  
 Design Services will also assist the client team in their duties under CDM2015 including the assembly of pre-construction information.

## 5.0 ACHIEVABILITY

Key milestones have been identified for the delivery of the preferred option (Option 3 – Full Refurbishment of Laura Chambers Lodge with an additional new build Complex Needs Unit):

Milestone	Date
Completion of Initial Designs and early survey work (RIBA Stage 3)	May 2016
Exec Board Approval of Scheme and Business Case	July 2016
Detailed Technical Design and Consultation (RIBA stage 4)	December 2016
Procurement of Construction Contractor	March 2017
Construction Completion (RIBA stage 5)	January 2018
Fit Out	February 2018
Relocation of Users from Oakdene	March 2018
Demolition of Oakdene	April 2018
Project Closure	May 2018

## **Governance**

The following Project Board will be set up to manage this scheme:

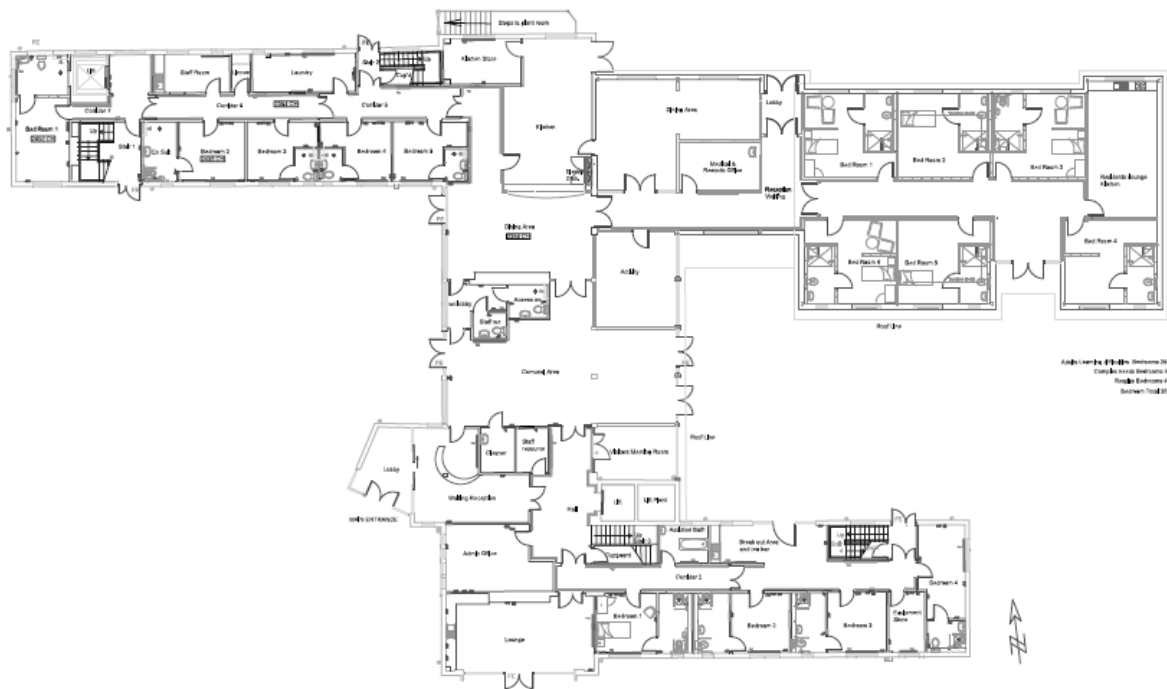
Project Sponsor	Helen Jones, Director of Social Care
Programme Manager	Simon Hickman, Major Projects
Client Project Manager	Sue Foster, Major Projects
Senior User	Paul Haigh, Head of Adult Provision
Finance Lead	Tim Gallimore, Senior Finance Officer, Capital Programme
Procurement Lead	Sue Oliver, Category Manager (Construction)
Property Lead	Chris Read, Business Partner, Asset Management Team
HR Lead	Joanne Hill
Design and Construction PM	NCC Design Team (tbc)

This Project Board will report into the Strategic Asset Management Property Transformation Programme (tbc)

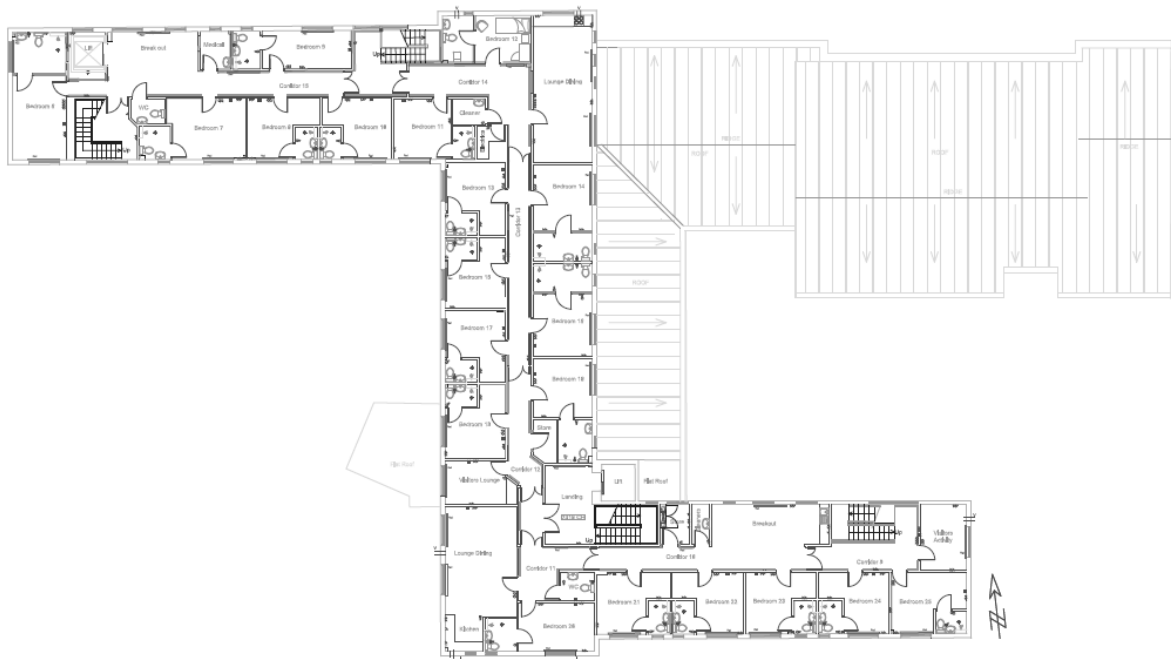
## **Stakeholders**

Facilities and Supplies Manager	Lesley Saxton
Finance Officers	Jamie James
Building Service Manager	Richard Groves
Architect	Philip Best Design
M&E Consultant	D H Squires Consulting Engineers
QS	NCC Design Team

**Appendix 1 – Option 3 Outline Plan, Ground Floor (new build element highlighted)**



**Option 3 Outline Plan, First Floor (new build element highlighted)**



**Laura Chambers Lodge – Artist Impression**



**Appendix 2 – Financial appraisal**

Option	Capital (£ mill)	Capital Receipt (£ mill)	Revenue/Running Costs p.a (£ mill)	Maintenance Liability – 5 years (£ mill)
1. Do nothing (sale of LCL, maintenance on Oakdene)	0	0.300 (sale of LCL)	0.998	0.404
2. Refurbish Laura Chambers lodge	0.700	0.100 (demolish and sell Oakdene)	1.403 (existing LCL costs)	0.135
<b>3. Refurbish LCL and extend (preferred)</b>	<b>2.782</b>	<b>0.100 (demolish and sell Oakdene)</b>	<b>1.457</b>	<b>0.160 lifecycle costs (sinking fund)</b>
4. Demolish LCL and new build	4.5	0.100 (demolish and sell Oakdene)	1.457	0.190 lifecycle costs (sinking fund)
5. Outsource	0.638	0.400 (sale of LCL and Oakdene)	<i>Additional care costs v staffing costs</i>	0

**See attached Financial Model spreadsheet showing Prudential Borrowing payback period.**

### Appendix 3 Scoring Matrix - Option Appraisal

The following table scores each option (1-10) against X objectives highlighted in this Business Case.

Option 1: Do nothing

Option 2: Basic refurbishment of Laura Chambers Lodge

Option 3: Refurbishment and extension of Laura Chambers Lodge

Option 4: Demolition and new build on Laura Chambers Lodge site

Option 5: Outsource Adult Learning Disability provision currently at Oakdene

Each objective has been given a weighting of 1 to 5

Objective	Weighting	Score – option 1	Score – option 2	Score – option 3	Score – option 4	Score option 5
Improve facilities for Adults with moderate Learning Disabilities currently at Oakdene	5	0	25	50	50	40
Improve facilities for Adults with complex/severe Learning Disabilities	5	0	0	50	50	0
Provide accommodation for Adults with Learning Disabilities in Nottingham City close to their families	4	0	20	40	40	8
Provide quality in-house accommodation allowing flexibility of provision	4	16	28	40	40	0
Revenue saving (running cost)	3	0	0	21	30	30
Capital cost	5	50	30	20	0	50
Maintain Council reputation	5	0	30	50	40	0
<b>Total</b>		<b>66</b>	<b>133</b>	<b>271</b>	<b>250</b>	<b>128</b>