

## **CITY COUNCIL - 9 FEBRUARY 2009**

### **REPORT OF THE LEADER**

#### **URGENT DECISION BY CHIEF EXECUTIVE UNDER USE OF CHIEF EXECUTIVE'S DELEGATED AUTHORITY – RE-PROVISION OF NUFFIELD HOUSE DAY CENTRE FOR OLDER PEOPLE**

##### **1 SUMMARY**

- 1.1 This report informs the Council of an urgent decision made by the Chief Executive on 4 November 2008 and outlines the reasons for the urgency. The decision has also been reported to the Executive Board on 18 November 2008.
- 1.2 The decision was taken to give authority to Leicester – ASRA Housing Association to include the development of a Day Centre in the extra care housing facility being built on the site of Welland Court sheltered housing scheme in St Anns at a cost of £1.1m, as a re-provision for the out dated Nuffield House Day Centre in Carrington.
- 1.3 An urgent decision was required in order to ensure that the Council could meet deadlines for the draw down of grant from the Department of Health (£3m) for the extra care housing project as a whole.

##### **2 RECOMMENDATIONS**

###### **2.1 IT IS RECOMMENDED that Council notes:-**

- (1) the Chief Executive's urgent decision taken on 4 November approving the proposal to finance the relocation of Nuffield House outside of the usual cycle of approvals for capital expenditure at a cost of £1.1m, to be paid to Leicester – ASRA Housing Association in 2009/10;
- (2) the reason for the urgency, namely that failure to make an urgent delegated decision could have resulted in the project to develop an extra care housing facility on the site of Welland Court sheltered housing scheme being jeopardised.

### **REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)**

- 3.1 Decisions taken as a matter of urgency must be reported to the next available meeting of the Council with the reasons for urgency.
- 3.2 If the decision was not made promptly and outside of the usual cycle of capital spending planning, the Council would have lost the opportunity to procure a replacement for Nuffield House at this price.
- 3.3 £1.1m is the price quoted by Leicester - ASRA Housing Association, calculated by Faithful and Gould's quantity surveyors.

### **OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

- 4.1 The only other option would have been to take the decision to a meeting of the Executive Board on 18 November 2008. However, authorisation needed to be given to the architects to draft up plans for the Day Centre before this date. Waiting for the next meeting of the Executive Board would have jeopardised the whole project as the deadlines indicated in 5 below would not have been achieved.

### **BACKGROUND**

- 5.1 A briefing report was considered by the Chief Executive before the decision was made.
- 5.2 Timescale for implementation of proposals:-
  - the Department of Health Grant awarded for the development of the extra care facility will be made available to the Council in four instalments dependent on the project meeting set milestones on four specific dates;
  - the first of these was on 14 November 2008 when the partnership agreement between Leicester - ASRA Housing Association and the City Council needed to be signed and presented to the Department of Health;
  - the second deadline is 15 March 2009 (full planning permission);

In order to achieve this March planning deadline, the

architectural team needed immediate authority to include the Day Centre in the plans for the extra care facility. If the Day Centre was not included in the plans at that stage, it could not be added later as the plans would have been submitted with this area allocated to more housing units to enable us to achieve the grant deadlines. The Council would then have lost the opportunity to re-provision day care services in this unique, flagship scheme;

- further deadlines – 30 September 2009 (start on site), 31 January 2010 (nominations agreement, draft care and support contracts in place).

## **6 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)**

- 6.1 The total cost to the Council is estimated at £1.1m which includes design fees and finishes but no furniture. The furniture cost will be met from within Adult Services and furniture from Nuffield House will also be used in the new Day Centre. The revenue costs of Nuffield House will transfer to the new Day Centre and it is hoped that this will be sufficient to cover the revenue costs. The new centre's running costs have yet to be calculated however and further revenue budget may be required. This will have to be met from the appropriate departmental budget. The breakdown of the £1.1m was unavailable as costs for the centre have been calculated as a pro rata share of the overall development costs.
- 6.2 The capital receipt from the eventual sale of Nuffield House (currently valued at £600,000) may be used to contribute to this cost but will not be achieved in 2009/10, when it is anticipated that the money will be required. In addition the current market means that achieving sales to this value cannot be guaranteed. Discussions will need to take place with Leicester-ASRA Housing Association to determine the payment schedule to minimise the risks to the Council. The scheme is due to commence in September 2009 and therefore no payments will be required until this time.
- 6.3 The scheme will be included in the capital programme to be funded from existing capital resources.

#### 6.4 Value for money:-

- including the Day Centre as part of the main project to develop the extra care facility would offer the Council a saving in the region of £1.9m;
- officers of the Council will be negotiating with Leicester-ASRA Housing Association to provide a cleaning and catering service, a successful outcome to this will be a more efficient use of the Council's resources.

### **7 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS AND EQUALITY AND DIVERSITY IMPLICATIONS)**

- 7.1 If an urgent decision on the inclusion of the Day Centre was not made the main project, to build the extra care facility, would be jeopardised.
- 7.2 If the main project fails to meet its deadlines the Council would find itself in the position where it would be required to return the £3m Department of Health Grant. This would be very damaging to the reputation of the Council.
- 7.3 Legal Implications - the commissioning of this additional facility within the Welland Court scheme will not, in itself, raise legal issues wider than those already generated by the main scheme. In pursuing that scheme the Council will need to:-
- comply with relevant procurement law;
  - agree and complete a development / management agreement and lease (for freehold disposal) with Leicester-ASRA Housing Association;
  - agree and sign up to external funding agreements and then comply with the conditions within them;
  - address any TUPE issues arising from any transfer of service responsibilities to Leicester-ASRA Housing Association.

- 7.4 There are no Crime and Disorder Act implications.
- 7.5 Equality and Diversity Implications – the development of the Day Centre at Welland Court will provide appropriate and accessible facilities for some of Nottingham’s most vulnerable older citizens.

**8 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION**

None.

**9 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

- 9.1 Executive Board Report – Stonebridge Park Regeneration Project – 18 September 2007.
- 9.2 Use of Chief Executives delegated authority – Addendum to Delegated Power 120 granted by City Council 2/11/98 – Minute 36.
- 9.3 Executive Board Report and minutes – Re-Provision of Nuffield House Day Centre for Older People – Urgent decision taken by Chief Executive– 18 November 2008.

**COUNCILLOR J COLLINS  
LEADER**