Relocation of Adult Social Care Teams to Akerman Road Neighbourhood Resource Centre

Vassall Ward

Executive summary

This report seeks approval for a proposal in principle to enter into a 25 year property lease to facilitate an integrated primary care, community health and social care Resource Centre at Akerman Road, SW9.

Akerman Road Neighbourhood Resource Centre scheme is being procured using the Local Improvement Finance Trust (LIFT) initiative and will create a landlord and tenant relationship between LIFTCo and the head lessor, NHS Lambeth. In turn, NHS Lambeth will create sub-leases with various Health services and other organisations such as the council. The financial business case has been considered by the NHS London Capital Management Group and was approved by the NHS London Capital Investment Committee on 6th July 2010.

Summary of financial implications

The initial annual lease plus costs will be £103,284 excluding an annual rebate of £12,000. The lease term is for 25 years and contains a clause, which allows the council to sub-let the premises if the council decides to vacate the building at any time. In addition there will annual service costs of £37,000, taking the full cost to £140,000 (including a VAT charge of £16,000) per annum. Thus the initial net cost of the lease will be £112,000 (excluding the VAT and rebate).

The total cost of the 25 year lease (excluding indexation) will be £2.8m. However, 22 staff will move from Phoenix House at an estimated notional saving of £125,500 per annum (£3.1m over 25 years). Any realisation of actual savings will be achieved as part of the overall financials for the Office Solutions project.

There are estimated additional one off start up costs, mainly related to furniture and IT, of £53,887. The annual costs of the lease will be met from within the Older Peoples business unit (215). The start up costs will be funded from funding set aside to facilitate these moves as part of the larger Adults’ and Community Services transformation programme. The resulting release of space at Phoenix House will also contribute to the councils overall office solutions strategy, with an improvement of occupation rates and improving the value for money delivered on Phoenix House.
Recommendations

(1) That Cabinet agrees to take a lease of the Akerman Road Resource Centre for a period of 25 years on terms set out in this report.

(2) That Cabinet note that the lease costs will be funded from budgets within the Older Persons service.

Consultation

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<td>Jo Cleary</td>
<td>Executive Director of Adults’ and Community Services</td>
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<td>Gregory Carson</td>
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<td>Cllr Jim Dickson</td>
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<td>Head of Asset Strategy</td>
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Report history

Decision type: Key Decision
General Urgency Item
The financial business case will now be considered on by NHS London Capita Investment Committee on 6th July. If agreement is made, the council and NHS London will need to financially close the deal as soon as possible. This lease forms part of that closure. If proper notice on the forward plan was given this would delay the closure of the project until 11/08/2010, impacting on the financial and reputational risk to the council. As this affects the whole Myatt’s Field project.

Authorised by Cabinet member: 05.07.10
Date report drafted: 05.07.10
Date report sent: 05.07.10
Report deadline: 05.07.10

Report no.: 48/10-11
Report author and contact for queries: Maria Millwood, Divisional Director, ACS Resources

Key decision: reason
EITHER a) expenditure or savings of £500,000 or more  x
OR/AND: b) proposal affects significantly two or more wards
Background documents
None

Appendices
None
Relocation of Adult Social Care Teams to Akerman Road Neighbourhood Resource Centre

1. Context

1.1 This proposal provides the supporting information and financial details associated with the relocation of one community care management team consisting of 22 staff members, from Phoenix House to the Akerman Road Resource Centre on a 25 year lease. The co-location with Health colleagues will result in better co-ordination of services and closer working partnerships across both organisations, which will greatly improve outcomes for Lambeth’s citizens. This development is one element of an overall land swap arrangement between the council and NHS Lambeth, which includes Myatt’s Field PFI scheme and the development at Norwood.

2. Proposals and reasons

2.1.1 Akerman Road Neighbourhood Resource Centre is scheduled to open in 2011/2012. This scheme is being procured using the Local Improvement Finance Trust (LIFT) initiative and will create a landlord and tenant relationship between LIFTCo and the head lessor, NHS Lambeth. In turn, NHS Lambeth will create sub-leases with various Health Departments and other Organisations such as Lambeth ACS.

2.1.2 This neighbourhood Resource Centre will provide an integrated primary care, community health and social care services. Within the Akerman NRC there will be 6 organisations including General Practice (X3) and Community Nursing, with about 150 staff based there. The Akerman Road NRC will be based in an area of the borough with high levels of deprivation and an expanding population and the overall vision is to create an integrated building, providing seamless access to a customer friendly resource centre. The community ethos of the building will be further enhanced by the proposal that community groups will have access to meeting room suite on the ground floor of the premises when not being used by Health or Social Services.

2.2 Expected Benefits

2.2.1 The benefits of this development and of Norwood, and the existing centre at Gracefield Gardens, relate to wider and closer partnership working between the council and health, including potential opportunities for future service integration, which have wider benefits across the health and social care agenda.

2.2.2 The inclusion of a community care management team within this resource centre demonstrates the continued engagement of Lambeth Adult & Community Services to the principles of joined up working with our Health colleagues. Better co-ordination of services, closer working partnerships across both agencies will greatly improve outcomes for Lambeth’s citizens; standards that are currently being extolled in the consultation document ‘Shaping the future of care together’.
2.2.2 The move to Akerman Road NRC will place the South East Locality team within their catchment area, thus reducing overall time taken to travel between base and visiting service users. The team will also benefit from the opportunity to develop closer working relationship with a range of health care professionals who are also engaged in delivering services to largely the same group of service users.

2.2.3 The benefit of having staff based within the locality that they cover and in close proximity to health colleagues has been evidenced through the lessons learnt from Gracefield Gardens. The outcomes thus far have demonstrated positive impact on a number of levels, not least of all the ability of staff to interact on a face to face basis, crossing boundaries within one building. The increased willingness of GP’s to engage with care managers; improved information sharing between district nurses/community matrons and care managers; and the increased number of joint visits collectively contribute to service user receiving a more responsive and cohesive service.

2.2.4 The shared goal of Health and Social Care to ensure that their service users are assessed holistically and provided with a person centred approach is greatly enhanced through the connectivity of staff to all available information. Unfortunately, the achievement of Standard 2 of the National Service Framework has been severely hampered, due largely to the fact that the IT systems used by Health and Social Care are not compatible. The accommodation of staff in one site has also contributed to identifying ways in which to begin to overcome such obstacles. Health and Social care staff now have access to the database of service users of the respective agency; thus facilitating early access to assessment details, clarity regarding involved workers and service provision.

2.3 Rental Valuation

2.3.1 The space occupied by the Social Work team comprises of 252 square metres of office space.

2.3.2 As a result of negotiations between the council’s Valuation and Estate Management consultants, Lambert Smith Hampton, and the PCT the parties agreed a core rent of £171.38 per square metre (including the £12,000 rebate). In addition the council will pay service charges, rates and VAT which will amount to a total charge of £140,000 in the first year.

2.3.3 The council sought to include a break clause within the terms of the lease which would enable the council to terminate the agreement at certain points during the 25 years. However, this was not accepted by the PCT or the LIFTCo as it would have jeopardised funding for the scheme and NHS London required a commitment to the full term from the council.

2.3.4 It was therefore agreed that the council would be permitted to sublet the space in the event that the space or service was no longer required by the council. It is unlikely that the council would exercise this clause as the council is proactively working to rationalise its own accommodation and there are a number of other teams or services that could utilise this space within Adults’ and Community Services.
2.3.5 The final business case for whole Myatt’s Field development, including the Akerman Road site was considered by the NHS London Capital Management Group on the 21st June. They agreed the case in principle, with the caveat that all partners were committed to build. The business case has been considered and approved by the NHS London Capital Investment Committee on 6th July. This report is presented to seek formal approval to formalising the lease. This will enable the council to prepare the necessary legal documentation and meet the tight deadline for financial closure.

3. Comments from Executive Director of Finance and Resources

3.1 There are annual accommodation costs of £103,284 excluding an annual rebate of £12,000, which will be incurred as a result of the lease for Akerman Road. In addition there will annual service costs of £37,000, taking the full cost to £140,000 (including a VAT charge of £16,000) per annum. Thus the initial net cost of the lease will be £112,000 per annum (excluding the VAT and rebate).

3.2 These costs represent a financial commitment to the authority for the 25 year length of the lease will be funded from within existing budgets held within the Older Peoples business unit. There are also one off costs of £54,000, relating mainly to the move and new furniture and IT, which will be met from funding set aside to utilise the move.

3.3 The movement of the South East Locality Team to Akerman Road will release space at Phoenix House and could ultimately contribute to the ability to reduce office accommodation costs in the authority. It is estimated that the notional cost of the space that the team will be vacating is approximately £125,500 per annum. Any realisation of actual savings will be achieved as part of the overall financials for the Office Solutions project.

4. Comments from Director of Legal and Democratic Services

4.1 Section 120 of the Local Government Act 1972 provides that a Principal Council can acquire land by agreement whether situated inside or outside their area for the purposes of any of their functions under that act or any other enactment, or the benefit, improvement or development of their area,

4.2 Paragraph 5(e) of the scheme of delegation contained in Part 3 of the Council’s constitution provides that the authority to grant and acquire leases for terms of up to 20 years subject to a rental limit of £50,000 per annum and the cost being contained within existing budgets is delegated to the Head of Asset Strategy. By implication, leases that are in excess of one or both of those limitations will require Cabinet approval.

4.3 Whilst the Council may be permitted to sublease part or all of its interest in the land under the terms of the lease, this will not absolve the Council of its contractual duties should the sublessee default or there is no third party who is interested in subleasing the land.
5. Results of consultation

5.1 As part of the development of the Older Peoples and Carers Strategies we consulted with a full range of service users and talked about access to services and the delivery of joint services with Health. What they said was that they had difficulty accessing services and were not happy with the fact that they had to repeat the same information twice and in some cases more than this.

5.2 The members of the South East Locality Team are fully aware of the proposal and where appropriate have been engaged in planning the layout of their proposed space at the Akerman Road NRC. All are extremely motivated by the clear benefits of being based in their locality and the opportunities to be gained from closer working with Health colleagues.

6. Organisational implications

6.1 Risk management:

6.2 The building will be managed by the LIFTCo. There is a risk around the length of the lease and the financial commitment this entails, which will be managed by the department in liaison with Asset Manage Team. If the space is no longer required a sub let would have to be entered into as soon a possible to minimise the financial exposure.

6.3 The installation of IT capabilities has risks and an area that has produced difficulties with other relocations. Based on the experience at Gracefield Gardens, it is important that the IT/Telephonic requirements of ACS staff are properly assessed and catered for. Failure to do so will result in repeated disruption to both computer and telephone systems and will have an overall negative impact on the smooth operation of the care management team and efficient service delivery. The risk will be managed through project management and liaison with ICT to ensure that IT facilities will be available.

The move will facilitate the sharing of data, there are risks associated with the security of personal data being held and accessed. The risk will be managed through the governance of the Councils Information Security Policy and that of partners as operated in successful partnerships, such as Gracefield Gardens.

6.4 Equalities impact assessment:
A stage 1 Equality Impact Assessment has been completed for the impact on service users and staff in consultation with the Equalities Lead Officer. The assessed impact level of this project is rated as low.

6.5 Community safety implications:
None

6.6 Environmental implications:
None

6.7 Staffing and accommodation implications:
The proposal will involve 22 staff moving locality. This will free up accommodation at Phoenix House, which will enable the office solutions programme.

6.8 **Any other implications:**
None

7. **Timetable for implementation**

7.1 The final NHS Lambeth financial business case was considered and agreed by the NHS London Capital Investment Committee on 6\textsuperscript{th} July. Financial closure on the total programme is due to be completed by 30\textsuperscript{th} July. The projected date for completion of Building work is January 2012. Should work proceed according to plan, a project plan will be devised at the latter part of 2011 for the re-location of ACS staff. List of measurable aims and outcomes with the date by which they should be achieved.