

CYNGOR GWYNEDD CABINET



Cyngor Gwynedd Cabinet meeting report

Date of meeting: 28 March 2023
Cabinet Member: Councillor Dilwyn Morgan
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Item title: Penyberth, Penrhos Care Home Business Case

1 DECISION SOUGHT

- 1.1 The Cabinet is asked to approve the Strategic Business Case in Annex A, subject thereto, to
- 1.2 Authorise the Head of Adults, Health and Wellbeing to submit the Strategic Outline Business Case to Welsh Government to seek £14.6million of Health and Social Care Integration and Rebalancing Capital Fund (IRCF) funding to create a public sector partnership development at the Penyberth, Penrhos site, in partnership with Betsi Cadwaladr University Health Board (BCUHB) and move forward to develop an Outline Business Case.

2 BACKGROUND AND CONTEXT

- 2.1 Members will be aware that Gwynedd Council is already a residential provider of care for our residents. We have seen it as an important part of our responsibility as a Council towards our most vulnerable residents. In terms of residential provision for older people, the Council currently provides 50% of the total provision, with the independent sector providing the rest.
- 2.2 Nevertheless, as members will be aware, all nursing home provision for our residents is provided entirely by the independent sector. The main reason for this is that it has not been legally possible for Local Authorities to actively provide nursing care. We are therefore totally dependent on the independent sector to provide this necessary nursing care to the population.
- 2.3 The Government's views on the need to externalise provisions nationally have changed significantly recently. Members will be familiar with the [White Paper on Rebalancing Care and Support](#) which sets out the benefit of a more balanced care market.
- 2.4 The Penrhos care home closed in 2020, and the site has transferred to Clwyd Alyn Housing Association and there is an agreement to transfer 2 acres of land to Gwynedd Council for the construction of a new care home on the site.
- 2.5 As evidenced by the work of the Population Needs Assessment there are a total of 130 residential beds in the Llŷn and Eifionydd Area, but after the Penrhos Nursing Home closed at the beginning of December 2020 there is no provision of nursing beds in the Llŷn area. The most recent data shows that an increasing number of our residents are in nursing

settings outside Gwynedd, and many of these will be due to a shortage of beds in their community.

- 2.6 A report was presented to you on 19 July 2022 to endorse the case for a change to create a public sector partnership development at the Penyberth site, Penrhos, in partnership with BCUHB.
- 2.7 In that report the legal opinion outlined, “that the Council can provide Nursing care with the permission of the Health Board or by working in partnership with the Health Board”.
- 2.8 Ongoing discussions with the Health Board indicate their support in principle for the change and are of course dependent on a viable business case. The Health Board will discuss the business case during March.

3. THE CASE FOR CHANGE

Executive summary

- 3.1 Currently there is an under-provision of nursing home places in Gwynedd, which is more acute in the Llŷn area, which has no nursing provision. As commissioners, the Local Authority and the Health Board are therefore keen to explore how they can improve the current situation by themselves becoming providers of a care home with nursing.
- 3.2 The new model of partnership working between Cyngor Gwynedd and Besti Cadwalader University Health Board (BCUHB) will support the rebalancing of the residential and nursing care market (for the Gwynedd area) by increasing delivery from the public / not for profit sector focused on delivering person centred outcomes for all.
- 3.3 The Partnership would see a new care home with nursing being built on the Penyberth, Penrhos site to accommodate 32 residential dementia beds as well as 25 nursing beds of which 15 would be prioritised for nursing dementia care.
- 3.4 This Strategic Outline Case looks to bid for £14.6million of IRCF funding from the Welsh Government to build the new care home, which would then be run by Cyngor Gwynedd and BCUHB through current revenue funding streams.
- 3.5 The care home would be built on the Penyberth site which houses new housing with care developments undertaken by Clwyd Alyn Housing Association. Both projects will be interdependent.
- 3.6 The Penyberth, Penrhos Care Home with Nursing is a new kind of partnership that recognises the importance of cross sector collaboration to deliver the best outcomes for local residents and communities. The project will be undertaken as a Partnership between Cyngor Gwynedd and Betsi Cadwalader University Health Board.
- 3.7 A local, sustainable, and quality provision of care homes is an essential part of any health and care system. Without such a provision, individuals will not be able to secure the best health and wellbeing possible; and the health and care system as a whole will be inefficient and ineffective in delivering on the health outcomes of the wider population.

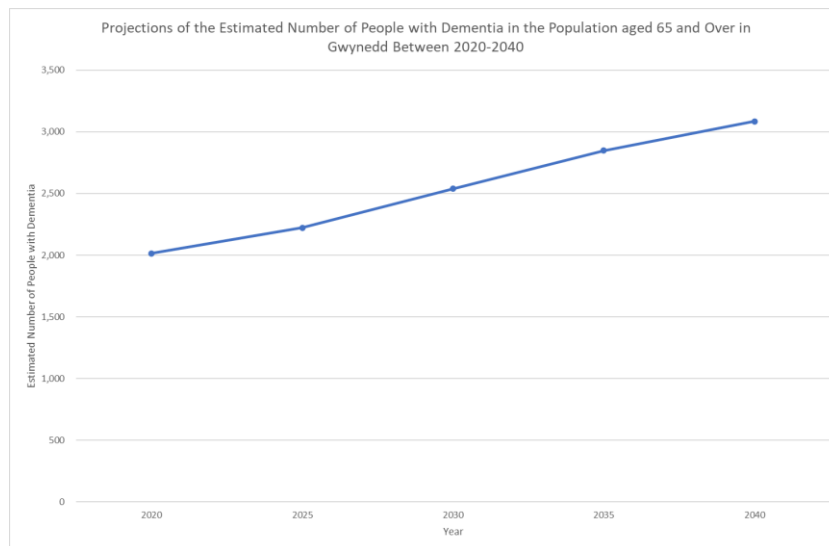
- 3.8 As commissioners of care provision, Local Authorities and Health Boards therefore need to ensure that they have the appropriate number of homes in the right location and providing the right level and quality of care.
- 3.9 For older people services in Gwynedd, in-house, public-sector provision has been a cornerstone of residential and residential dementia services within care homes. However, for nursing provision in care homes, all provision is currently provided within the independent sector.
- 3.10 Currently there is an under-provision of nursing home places in Gwynedd, which is worse in some parts of Gwynedd, namely Llŷn and Meirionnydd. As commissioners, the Local Authority and the Health Board are therefore keen to explore how they can improve the current situation by themselves becoming providers of a care home with nursing.
- 3.11 The vision, objectives and scope of the project are closely aligned with the strategic objectives of the Welsh Government:
- **The Well Being of Future Generations (Wales) Act (2015)** - the collaborative partnership project described in this SOC is particularly well aligned with the five ways of working, and this is reflected in the project's Investment Objectives which are described in this SOC
 - **A Healthier Wales: Our Plan for Health and Social Care** – the partnership will address the key aims of working collaboratively and making the best use of resources to deliver the care closer to home
 - **Social Services and Wellbeing (Wales) Act** – the act states the need to promote co-operation and partnership working to promote integration of care and support. The act also gives the powers to local authorities, with permission or working in partnership with the Health Board, to provide residential and nursing care
 - **Rebalancing Care and Support** – this project addresses the issues raised in the government White paper to rebalance the care and support market away from cost to quality and from outputs to outcomes.
- 3.12 They are also in alignment with a number of strategic and policy documents referenced below, which have a significant impact and influence on the current and future direction and design of services in Wales and for this development including:
- NHS Wales Planning Framework 2022 – 2025
 - Decarbonising Social Care in Wales
 - Health and Social Care Integration and Rebalancing Capital Fund (IRCF) – Priority 2
 - Living Healthier Staying Well: Working in Partnership to Improve Health and Deliver Excellent Care across North Wales.

Gwynedd population needs assessment

- 3.13 There are a total of 130 residential beds in the Llŷn and Eifionydd area but following the closure of the Penrhos Nursing Home at the beginning of December 2020 there is no provision of nursing beds in the Llŷn area.
- 3.14 This means that people must travel to find suitable and qualified provision, increasing pressure on housing in the areas they would move to. We also know that some individuals

must look for locations outside the county which creates difficulty in terms of visiting and maintaining contact with families and it can be more difficult to receive a service in Welsh.

- 3.15 75% of the Llŷn residential provision can be provided in the Dwyfor area, a figure which falls to 45.5% for nursing provision. In the County, 58.7% of nursing provision can be provided within the area, so a greater number of Llŷn residents must travel out of their community to receive nursing care. It is also likely that they must travel further to gain access. Llŷn is able to meet 75% of residential provision within an area, which is comparable to the County average of 75%.



- 3.16 This Council continuously reviews the care home provision across Gwynedd and the impact of this development at Penyberth will be monitored in the surrounding area.

4. WORKFORCE ISSUES

- 4.1 It is acknowledged nationally that the care sector is facing huge challenges in staff recruitment and retention. This project will look at workforce best practice to ensure high quality staff in the Llŷn area.
- 4.2 Cyngor Gwynedd carries out recruitment campaigns regularly and uses various methods to do so. The campaigns are held locally by targeting specific areas and towns.
- 4.3 Alongside our partners Cyngor Gwynedd are constantly seeking to change the perception that exists in terms of jobs in the care sector. Cyngor Gwynedd take opportunities to seek to highlight the wide range of opportunities that exist, the flexibility of the contracts that are available and also the benefits for staff.
- 4.4 One aspect in particular that should be highlighted is the collaboration that is ongoing with partners to seek to further develop career pathways within the field. Cyngor Gwynedd appointed an officer in December 2021 to lead on this aspect and also to support the work programme in terms of holding events, various marketing methods, creating original and bespoke material, and identifying opportunities to improve work processes.

5. THE VISION

5.1 The Llŷn community is known for its resilience and independence borne out of the surrounding geography and rurality. Traditionally, children have settled as adults nearby close to family members which has meant families have been able to step in to provide care for older relatives when necessary. However, this trend is becoming less prevalent and is likely to continue. This element of unmet need has to be considered within the overall service model.

5.2 There is also wide recognition that the former Penrhos Polish Home model of care was very innovative in terms of keeping its residents well, independent, and out of care. It will be important to maintain and build on this ethos in terms of the future plans for the site.

5.3 The service model should:

- Maintain the current overall ethos - promoting quality of life, maintaining independence, ensuring wellbeing and reducing reliance on dependent care for as long as possible;
- Deliver a spectrum of supported care - from minimal dependence (independent living apartments) to assisted living, with access to step-up/down care, to residential care and to nursing and end of life care, as determined by an individual's needs;
- Promote a flexible approach to the care home beds allowing flexibility in bed usage where possible to meet local needs rather than fixed / designated bed provision, thereby improving efficiency;
- Recognise the importance of relationships (contracting) with the Third Sector to ensure service resilience (for example Mental Health);
- Future-proof the overall provision taking into account older people population projections and current unmet need.

5.4 The project's vision is for a new kind of partnership, which thinks differently about the relationship between services and the community for the future.

5.5 The project's Investment Objectives are:

Investment Objectives	
One	To support the rebalancing of the residential and nursing care market (for the Gwynedd area) by increasing delivery from the public / not for profit sector focused on delivering person centred outcomes for all.
Two	To support the provision of care closer to home by improving the accessibility of residential and nursing care, ensuring provision of services in the Welsh language.
Three	To support sustainability of local residential and nursing care provision through a collaborative, partnership approach which will integrate with the wider spectrum of care delivered from the Penyberth, Penrhos site.
Four	To develop an innovative workforce model that will support the long-term health and social care sector with the potential for application in other areas of North Wales and create opportunities for training through Welsh Language.
Five	To ensure purposefully designed accommodation which will meet the care needs of individuals both now and into the future.

Six	To deliver value for money through the efficient use of resources and delivery of environmentally sensitive accommodation that is carbon neutral.
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5.6 Key service requirements are the service changes required to meet the investment objectives described above. The key service requirements for this business case are summarised in the table below.

5.7 The site should be designed with flexibility for the future in mind.

	Requirement	Desirable
Residential requirements	<ul style="list-style-type: none"> ▪ 32 beds for dementia care ▪ 2 beds for respite care 	<ul style="list-style-type: none"> ▪ Space on site to accommodate future needs. ▪ Consideration given to Covid management, easy to isolate residents, air circulation, manage infection. ▪ Consideration to RNIB requirements. ▪ Toilet facilities close to communal areas but also private. ▪ Proximity to nursing station and staffing. ▪ Consideration given to planning for dementia residents, colour contrast etc ▪ Safe outside space and visual interest.
Nursing care requirements	<ul style="list-style-type: none"> ▪ 25 beds of which 15 would be prioritised for nursing dementia care ▪ 2 beds for respite nursing care 	<ul style="list-style-type: none"> ▪ A modular design approach to allow for Single Rooms and to be Dementia friendly ▪ Dedicated garden for walking and exercising / keeping fit ▪ Robust design for challenging behaviour. ▪ Generic design to meet requirements for Dementia and General Nursing to ensure flexibility in use, and to adapt in changes to demand and needs.

This project does not address the need for extra care housing, step down flat, sheltered housing, Discharge to Recover then Assess (D2RA) beds as they form part of the Penyberth, Penrhos Redevelopment Project. End of life beds would be offered at Bryn Beryl hospital.

5.8 The Benefits Criteria are aligned with the Investment Objectives and are shown below. These will be further developed at next stage business case.

Investment Objectives	Main Benefits Criteria
1 To support the rebalancing of the residential and nursing care market (for the Gwynedd area) by increasing delivery from the public / not for profit sector focused on delivering person centred outcomes for all.	<ul style="list-style-type: none"> ▪ Securing of nursing provision in local area within LA and CHC rates ▪ Flexible health and care provision (“seamless care” as described in A Healthier Wales) ▪ Partnership approach between Health and Local Authority may provide further opportunities for integrated approaches
2 To support the provision of care closer to home by improving the accessibility of residential and nursing care, ensuring provision of services in the Welsh language.	<ul style="list-style-type: none"> ▪ No-one stays longer than they need to in acute inpatient care. There are no “delayed transfers of care” due to lack of provision of residential and nursing beds
3 To support sustainability of local residential and nursing care provision through a collaborative, partnership approach which will integrate with the wider spectrum of care delivered from the Penyberth, Penrhos site.	<ul style="list-style-type: none"> ▪ By having public sector provision in nursing – ability to understand more acutely the pressures of sector and ability to support smaller providers
4 To develop an innovative workforce model that will support the long-term health and social care sector with the potential for application in other areas of North Wales and create opportunities for training through Welsh Language.	<ul style="list-style-type: none"> ▪ Employment opportunities for local residents ▪ Provide local residents with the right skills for long term employment ▪ Provide school leavers with career aspirations meaningful and long-term employment ▪ Local supply chain is supported and grown ▪ Ability to train and develop medical, nursing and care staff through secondment and shadowing opportunities within the provision ▪ Welsh language skills of all staff will be part of the recruitment policy of Council.
5 To ensure purposefully designed accommodation which will meet the care needs of individuals both now and into the future.	<ul style="list-style-type: none"> ▪ Resilient and more appropriate buildings and infrastructure ▪ The new development will be well integrated into the character of the surrounding area ▪ Providing a modern, accessible working environment that motivates different professional groups to operate collaboratively ▪ Provides a demonstrable vision for service integration ▪ Positive contribution towards decarbonisation / net zero agenda; Accommodation that meets current building recommendations (e.g. HBN / DDA / ventilation / infection prevention) ▪ Meets BREEAM aspirations.

6. PREFERRED WAY FORWARD

- 6.1 The Economic Case sets out the details of the option development and option appraisal process completed by the project partners. A preferred way forward has been identified.
- 6.2 We have engaged with Lovelock Mitchell and Wakemans to do the initial design, planning and estimation. The Table below provides our best estimates for the overall project development, excluding VAT.

Description of Component Cost	£'000
New Build Care Home with Nursing	9,655
Other Costs (Pre-construction, Preliminaries – 15% of Construction cost)	1,284
Fit out	250
15% contingency and Optimism Bias	1,708
15% Inflation Uplift and Risk Allowance	1,498
OBC Development phase costs (Project Manager, Design, Planning, OBC development)	200
TOTAL COST	14,595

Note:

- A. Including Inflation Uplift and Risk Allowance, allowance for OBC development phase the total cost estimate amounts to **£14.6 Million**
- B. Seek grant funding of **£200,000** in 2023-24 (highlighted in red font in the table above) to develop a fully detailed plan, estimate and a comprehensive Outline Business Case.
- 6.3 The next step is for this Strategic Outline Case to be processed and submitted for approval and for the Outline Business Case to be developed which will assess the economic costs and benefits in more detail. In conjunction with this, detailed design and planning processes will be established. A Full Business Case follows from this.
- 6.4 These are the project milestones:

#	Project Milestones	Indicative Dates
A	Partnership Approval of SOC	March 2023
B	WG review of SOC and approval to proceed	May 2023
C	Planning process commenced	August 2023
D	Outline Planning permission	May 2024
E	Completion of OBC inc. internal approval to proceed	July 2024
F	WG review of OBC and approval to proceed	September 2024
G	Formal Planning Application	September 2024
H	Completion of FBC inc. internal approval to proceed	March 2025
I	WG review of FBC and approval to proceed	April 2025
J	Construction, Completion and Handover	September 2025 – March 2027
K	Occupation	April 2027

Equalities Act 2010

The Council is subject to public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics and having due regard to the socio economic duty under Section 1 of the Act. An equalities impact assessment has been prepared and is appended at Appendix E. The Cabinet will need to have regard to its findings when coming to a decision. The assessment does not identify any particular negative impacts stemming from the decision.

7. NEXT STEPS AND TIMESCALES

- 7.1 The Welsh Government has earmarked Capital Grants to promote the integration of Health and Social Care, and to support work on the second modelling of the care sector. The Health and Social Care Integration and Rebalancing Capital Fund (IRCF) will give us the opportunity to apply for £14.6million of funding to fund the development. Discussions have already begun with the Welsh Government about accessing the funds in a timely manner.
- 7.2 Move forward to develop an outline business case while also developing a design for the home and initiating the planning process.

8. VIEWS OF THE STATUTORY OFFICERS

Monitoring Officer:

“The recommendation reflects the work which has been undertaken with specialist advice on the Legal feasibility of the model which is recommended. I would refer specifically to paragraph 2.3.2 of the Strategic Business Case which highlights the nature of the model which will require establishing a close and formal partnership arrangement with the Health Board. This work will continue as the Business Case is developed as well as supporting land and property aspects. I am satisfied with the propriety of the recommendation.”

Head of Finance:

“The approach taken in developing these documents follows the recognised methodology of the Five Case Model. As highlighted in the documents, the development of the Strategic Business Case is the first of three key stages. If Cabinet approves this document, work will go on to develop the Outline Business Case. Developing that stage will require further input from a Finance perspective as very close attention is needed at that time to the Financial Case.

In the meantime, I am satisfied that the contents of the Strategic Business Case show that detailed analysis has been undertaken to reach the current point. I have no objection to the decision sought, and I believe it is timely to make a case to the Welsh Government in the form of a grant application.”