
Report To: Social Work & Social Care
Scrutiny Panel

Date: 23 February 2023

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Partnership

Report No: SWSCSP/10/2023/AS

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Subject: Learning Disability - Community Hub Update

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of this report is to update the Scrutiny Panel on the on-going development of the Inverclyde Learning Disability Community Hub project.
- 1.3 The project continues to be progressed through the design stages towards market testing and financial close with a summary of key risks included within the report.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Scrutiny Panel:
- note the current progress and delivery programme for the project;
 - note the on-going review of the design proposals and affordability cap position including the inherent inflation risks;
 - note the on-going engagement with the relevant Scottish Government officials on maintaining the external funding commitment to the project.

Kate Rocks
Corporate Director (Chief Officer)
Inverclyde HSCP

3.0 BACKGROUND AND CONTEXT

- 3.1 The progression of the Learning Disability Redesign followed a Strategic Review of Services for Adults with Learning Disabilities in Inverclyde. The Outline and Final Business Cases for the new Learning Disability Community Hub, including identification of the preferred site, have been the subject of previous reports to the Health & Social Care Committee. The new Hub will support and consolidate development of the new service model and integration of learning disability services with the wider Inverclyde community in line with national and local policy.
- 3.2 The progression of the project for the new Learning Disability Community Hub has been the subject of regular update reports to the Corporate Management Team and Health and Social Care Committee / Social Care Scrutiny Panel / Integration Joint Board. Reports presented in June and July 2022 involved the approval of additional funding and a fundamental review of the design proposals to address the overall affordability of the project including the adoption of a low carbon design approach with the support of external grant funding through the Low Carbon Fund / Vacant and Derelict Land Investment Programme (VDLIP).
- 3.3 The Learning Disability Programme Board chaired by the Head of Health and Community Care continues to meet every three weeks to monitor progress including the development of the design for the site and building and review / update of the project risk register.

Project Delivery Programme and Key Risks

- 3.4 A summary of the current high level programme for the Inverclyde Learning Disability Community Hub is included below. The programme has been developed in conjunction with the Council's chosen delivery partner (hub West Scotland) following their formal engagement in late July 2022:

Inverclyde Learning Disability Community Hub High Level Programme	
Hub Stage 1	
Consultant Appointments	August - September 2022
Concept Design (RIBA Stage 2)	September - October 2022
Contractor Appointment (Stage 1)	September - December 2022
Spatial Design (RIBA Stage 3)	October 2022 – February 2023
Planning Application	February- March 2023
Hub Stage 1 Approval	February - March 2023
Hub Stage 2	
Detail Design (including enabling works)	February – June 2023
Market Testing	June – August 2023
Potential Site Enabling Works Package	June – September 2023
Hub Stage 2 Approval	August – September 2023
Financial Close	September 2023
Mobilisation and Construction	September 2023 – October 2024

The delivery programme position has been developed and influenced by the factors / constraints outlined below:

- the design proposals required to be fundamentally reviewed and brought back to the Health and Social Care Committee / Inverclyde Integration Joint Board to address the affordability / budget gap and incorporate the low carbon design elements that formed part of the VDLIP funding bid;
- the Committee approval process and additional funding commitment was obtained at a special meeting of the Integration Joint Board on 20th July. The Council were unable to formally engage the delivery partner (hub West Scotland) ahead of this approval;

- the Council's Property Service does not have the capacity to progress large construction projects utilising in-house staff and rely on external consultants including established delivery vehicles such as hub West Scotland with the input of senior officers on project management;

3.5 The Scrutiny Panel will be aware of the recurring reference within reports to the Council's Committees on the challenging economic and market conditions, including the extraordinary rise in the price of materials which are impacting the delivery of the capital programme. The projects within the capital programme, and particularly the small number of larger scale projects, remain at risk in terms of projected capital cost, primarily as a result of the uncertainty around future price increases linked to the factors below:

- General inflation/tender cost indices – rising oil and gas prices; material and labour shortages; the impact of various socio-economic factors and worldwide events; manufacturing and distribution constraints; local, national and worldwide demand;
- Risk management – contractors, sub-contractors and suppliers are factoring in additional risk allowances to cover any further increases, particularly for projects with a longer construction period, thus exacerbating the overall position.
- More stringent design and energy performance standards; this includes the adoption of the low carbon design principles for new build assets, and the requirement to work towards ambitious targets in relation to achieving Net Zero Emissions and a reduction in Construction Embodied Carbon.

3.6 The project is currently being progressed to the conclusion of hub stage 1 which includes a review of the cost plan in relation to the developing proposals and timescales within the high level programme. During the development of the RIBA Stage 2 and in the early stages of Stage 3 design, the cost reviews identified a projected budget gap of circa £240K predominantly linked to inflation and the current programme which has been influenced by the factors outlined in 3.4 above. A list of value engineering options was compiled and reviewed to address cost reductions associated with each item. This exercise has resulted in a reduction of the projected gap of circa £120K. The Panel is requested note however that the inflation risk will remain a live risk through the remaining design development period up to the point of market testing and financial close and there will be further cost reviews at key stages within the high level programme as the project is developed through the remaining RIBA stages 3 and 4. It is imperative that every effort is made to maintain the current high level programme in light of the continuing market challenges and volatile construction inflation position. In terms of potential mitigation of the main financial risks outlined above, the feasibility of an enabling works package is currently being explored. The main areas of risk in the next period relate to the progression of statutory approvals (Planning and Building Standards) with formal Planning application anticipated to be submitted in February 2023.

3.7 As confirmed in the reports in June and July 2022, the Property Services team liaised with officers in the Regeneration and Planning on an application to the VDLIP, initially in November 2021 and thereafter with a stage 2 submission in February 2022. A formal grant offer was received on 26 May 2022 with the original application and grant conditions based on the grant of £990k being received in the 2022/23 financial year. Officers from Property Services with the support of other Senior Council Officers have continued to engage with Scottish Government officials to provide information on the current programme for delivery including confirmation of the continued Council commitment to the project and the formal engagement of the delivery partner hub West Scotland, who have also provided supporting information. Officers will continue to engage with Scottish Government to provide the necessary grant claim information and evidence to support grant draw down by the end of the current financial year.

Project Design Development and Stakeholder Engagement

- 3.8 Engagement with the Client Service has continued in respect of the development of room layouts, interior design studies, development of loose and fitted furniture and equipment schedules, access control strategy etc. in conjunction with Property Services and the design team. Every effort has been made by the service to keep costs within available project funding whilst maintaining the requirement to achieve a high quality environment for service users. A site visit and workshop was undertaken with the Landscape Architect which has enabled the development of the external works design including hard and soft landscaped areas.
- 3.9 Consultation with service users, families, carers and all learning disability staff both NHS and Social Care continues. Four staff events took place in November / December. Up-dates on progress are included in the Learning Disability newsletters that are sent out to a wider group of service users, families, carers, staff and the wider community, published on social media platforms and council web pages.

4.0 PROPOSALS

- 4.1 The Panel is requested to note that the project continues to be progressed through the current hub delivery schedule as per the high level programme outlined in 3.4 and Officers continue to engage with Scottish Government on the terms and conditions of the VDLIP funding.

5.0 IMPLICATIONS

- 5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO	N/A
Financial	x		
Legal/Risk	x		
Human Resources		x	
Strategic (LOIP/Corporate Plan)	x		
Equalities & Fairer Scotland Duty		x	
Children & Young People's Rights & Wellbeing			x
Environmental & Sustainability	x		
Data Protection			x

5.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
Capital	Learning Disability	2020/24	8,517		Original £7.4m prudential borrowing plus additional £550k prudential borrowing and £567k IJB reserves (as July IJB approval)
Grant Funding (VDLIP)	Learning Disability	2022/23	990		

CFCR	Learning Disability	2020/24	500		Estimated kit out and ICT costs Funded from EMR.
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Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
General Fund	Loans Charges	2022/23	388		Original £360k estimated loans charges to deliver the £7.4m plus estimated £28k for additional £550k.
Learning Disabilities	Running Costs	2022/23	1,327		Estimated sum available for the running costs of the new facility

5.3 Legal/Risk

The progression of key capital programme projects continues to be challenging in the context of the current economic and market conditions with inherent cost risks up to the point of financial close.

The current VDLIP conditions of grant offer requires the full grant amount to be drawn down in 2022/23 and Officers continue to engage with Scottish Government to provide the necessary supporting information.

5.4 Human Resources

There are no human resources issues.

5.5 Strategic

The project for the new Learning Disability Community Hub is a key element of the Learning Disability Redesign which will support and consolidate development of the new service model and integration of learning disability services with the wider Inverclyde community in line with national and local policy.

5.6 Equalities and Fairer Scotland Duty

(a) Equalities

This report has been considered under the Corporate Equalities Impact Assessment (EqIA) process with the following outcome:

	YES – Assessed as relevant and an EqIA is required.
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x	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, assessed as not relevant and no EqlA is required. Provide any other relevant reasons why an EqlA is not necessary/screening statement.
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(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
x	NO – Assessed as not relevant under the Fairer Scotland Duty for the following reasons: Provide reasons why the report has been assessed as not relevant.

5.7 Children and Young People

Has a Children's Rights and Wellbeing Impact Assessment been carried out?

	YES – Assessed as relevant and a CRWIA is required.
x	NO – Assessed as not relevant as this report does not involve a new policy, function or strategy or recommends a substantive change to an existing policy, function or strategy which will have an impact on children's rights.

5.8 Environmental/Sustainability

The Inverclyde Learning Disability Community Hub project is included within the Council's Net Zero Action Plan which provides the objectives and associated actions that will achieve Carbon Reductions over the five years of the plan. The inability to progress the project or maintain the low carbon design approach will impact the current targets.

Has a Strategic Environmental Assessment been carried out?

	YES – assessed as relevant and a Strategic Environmental Assessment is required.
x	NO – This report does not propose or seek approval for a plan, policy, programme, strategy or document which is like to have significant environmental effects, if implemented.

5.9 Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
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x	NO – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.
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6.0 CONSULTATION

6.1 The Interim Director, Finance & Corporate Governance and the Head of Health and Community Care have been consulted on the contents of this report. There has been ongoing consultation sponsored by the Learning Disability Programme Board with support from partner organisations.

7.0 BACKGROUND PAPERS

7.1 Project Risk Register – P76 ALDH - 12 January 2023.