

Committee: **Cabinet**

Date: **27 January 2004**

By: **Director of Social Services**

Title of report: **Ridgewood Rise, Uckfield**

Purpose of report: **To inform Cabinet of the outcome of the market testing exercise in order for a decision to be made about the future of the home.**

---

## **RECOMMENDATIONS**

**The Cabinet is recommended to:**

- 1. note the outcome of the market testing exercise carried out to establish if the services currently operated from Ridgewood Rise could be transferred to suitable independent sector provision;**
  - 2. agree to the Director of Social Services exploring Government Private Finance Initiative grants to purchase a suitable site in Wealden to replace Ridgewood Rise with a home that meets the required standards and to link the development, both in funding and joint strategic planning, with the proposed development of Harvard Road in Ringmer and a further development in Rother; and**
  - 3. agree, until the Director of Social Services reports on the outcome of 2 above, to Ridgewood Rise remaining open to provide respite and day care and to continue not to admit long stay residents to the care home.**
- 

### **1. Financial Appraisal**

1.1 Annex A sets out general financial information about the costs of operating Ridgewood Rise including details of the services provided.

### **2. Background**

2.1 Due to it falling below the Government's proposed physical standards for care homes under the Care Standards Act 2000, the future of Ridgewood Rise as a care home was under threat for many years. However, five months before the new standards were to be introduced in April 2002, the Government decided to relax the physical standards on existing homes. This meant that Ridgewood Rise, which would have had to close, could continue to operate.

2.2 In July 2003 the Cabinet considered a report on the outcome of the review of Ridgewood Rise. The review concluded that there was no unique service offered which, it was thought, could not be replicated in the independent sector at lower cost.

2.3 In order to inform the review of Ridgewood Rise as to the suitability and availability of alternative accommodation in the independent sector, a detailed market analysis was carried out. The analysis found that, of the four Primary Care Trusts (PCT) in East Sussex, the PCT area in which Ridgewood Rise is situated has the lowest number of residential places per 1000 (of the over 65 population), the highest numbers placed by the County Council outside of the area and the lowest percentage of the independent sector commissioned by the Council.

2.4 In addition to the market analysis, the architects Owen Williams Ltd carried out a feasibility study to assess the potential of the Ridgewood Rise site for development. The report on the outcome of the feasibility study, which took into account the site's access, location and size and the poor standard of the building, concluded that "Ridgewood Rise has some inherent problems which hamper running a suitable service from this location."

2.5 Because of the relatively low numbers of residential care homes in the area, it was decided, that before a decision is made about the future of the home, a market testing exercise should be carried out to establish if there is the capacity in the independent sector to relocate the current residents, and the respite care service, to suitable alternative provision.

### **3. The Outcome of the Market Testing Exercise**

3.1 The market testing exercise, which was carried out with residential care homes in the Wealden area, established that it may be possible to transfer the long stay residents and the respite care places to suitable alternative homes in the area at a marginally lower cost than at present. However, over the last three years the differential between the market rate for independent sector residential care in Wealden, and the cost of providing care at Ridgewood Rise, has narrowed considerably and there is no reason to believe that this trend will not continue.

3.2 The market testing exercise also established that, because homes in the area currently have few vacancies, it is estimated that this may take up to two years to achieve and would result in additional transitional costs in the region of £450,000. It would also carry the risk that a change in market conditions, such as the closure of independent sector homes in the area, would make it impossible to transfer the services within two years and so increase the transitional costs.

### **4. The Strategic Context**

4.1 Ridgewood Rise is situated in the same PCT area as Harvard Road in Ringmer. Harvard Road is also a County Council run care home for older people which was reviewed at the same time as Ridgewood Rise and was also found to be in need of upgrading. However, unlike Ridgewood Rise, the architect's report indicated that the Harvard Road site has potential for development due to good access; its location to local services and its sheltered position.

4.2 In July of last year, the Cabinet agreed to the Social Services Department exploring means of attracting capital funding to redevelop the Harvard Road site to provide residential services to older people to the required standards. Since that time, officers have visited a number of schemes and have attended meetings with staff from the Local Government Association's 4P's agency (which provides procurement support to local authorities) and the Department of Health (DoH). The conclusion reached is that the Government's PFI grants provide the most advantageous method for local authorities to develop capital schemes. However, before approving the grants the schemes for development should be in excess of £10 million and the DoH would need to be satisfied that they are provided in a jointly agreed strategic context. This is timely, as the joint interim commissioning strategy has been written, and the market analysis also indicates the need for a site to be identified in the Rother area to provide a mix of residential services.

### **5. Conclusion and Reason for Recommendation**

5.1 After years of being under threat of closure, the Government's decision to relax the required standards for care homes in existence before April 2002 means that Ridgewood Rise can continue to operate. However, the fabric of the building is poor and the design is institutional and is not conducive to caring for increasingly frail residents.

5.2 Whilst the market testing exercise established that long term and respite care places could be purchased in the Wealden area at marginally lower cost, the trend is that that this differential is reducing. The market testing also indicated that the transfer of the residential services currently operated would take in the region of two years with additional transitional costs in the region of £450,000.

5.3 Doing nothing about Ridgewood Rise is not a viable option. It is recommended therefore that until the home is replaced it should remain open. Permission is also sought to explore further means of accessing PFI grants to purchase a suitable site in Wealden to replace Ridgewood Rise and to link the development, both in funding and joint strategic planning, with the proposed development of Harvard Road in Ringmer and a new development in Rother.

DAVID ARCHIBALD  
Director of Social Services

Contact Officer: John Windebank, Project Director (Homes Review) Tel No 01273 481226  
Local Member: Councillor Dowling

Background Documents - Cabinet reports October 2001, May 2002 and July 2003