

**Report to the Cabinet**

24 November 2025

**Wards:** All

<b>Day Care Centre - Capital Investment</b>
---------------------------------------------

**Report of the Director of Legal Services and Partnerships**

**Report Status:**

This item is not exempt

Therefore exempt reasons are not applicable

This is a key decision. The matter is in the Forward Plan

Forward Plan reference: 49/25

**1. Purpose of the Report and Summary**

1.1. This report seeks Cabinet approval for proposed investment in Day Care centre investment in the implementation of proposals set out within the Corporate Maintenance Strategy 2025-2030.

1.2. In 2023 the Council established a Dynamic Purchasing System to facilitate the procurement of Day Care provision. The procurement approach was predicated upon a recognition that there existed three bands of provision, for those who are with complex needs, those with intermediate needs and those with general needs. There was recognition that the Council's internal resource was best deployed toward those with the most complex needs, for whom the resources available in the market in Hull were insufficient to meet demand and projected future demand. The Council had consequently, over a number of years, repositioned its offer, to an offer primarily for those with complex needs. The Council retained three resources for different those with complex needs, two for those primarily with learning disabilities including complex health needs and complex behaviours and one for older people with dementia.

1.3. The Corporate Maintenance Strategy approved in February 2025 identified that the Council's Day Care centres at Buckingham Street and Fernleigh which provided for

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these groups were in need of significant investment. Initial funds were identified within the capital programme to facilitate investment in delivering improved infrastructure and enabling bringing forward of a proposal for initiation within the current financial year.

- 1.4. This report seeks approval of the strategy to ensure the continuation of facilities that are appropriate for those with complex needs and the initiation of the implementation of the proposed solution.

## **2. Recommendations**

- 2.1. That Cabinet approve the re-provision of the day care facilities at Fernleigh within the Orchard Centre in Orchard Park.
- 2.2. The Cabinet approve:
  - 2.2.1. The utilisation of the CityCare Framework Contract for the undertaking of the required works to adapt the building;
  - 2.2.2. The application of funds arising from refinancing the PFI contract for the site currently held to the Council's account for the Orchard Centre;
  - 2.2.3. The acceptance of such contributory funding as may be provided by the NHS (including from Community Health Partnerships (CHP) toward the capital costs.
- 2.3. Subject to approval of the subsequent business case being approved by Decision Record of the Deputy Leader, that Cabinet approve the refurbishment of the day care building at Buckingham Street, utilising the Fernleigh building as temporary provision to the extent necessary while refurbishment is undertaken.
- 2.4. That Cabinet approve the utilisation of existing capital funds identified within the capital programme to support delivery of the refurbishment programme, through existing framework contract provision, within the available budget.
- 2.5. That the existing building at Fernleigh be released for the provision of housing upon completion, subject to a contribution from the HRA that reflects the value of the site for housing provision.
- 2.6. The decisions upon the implementation of the works be delegated to the Director of Adult Social Care in consultation with the Director of Regeneration, the Assistant Director, Property and Assets, the Director of Corporate Resources, the Deputy Leader and the Portfolio Holder for Adult Social Care.

## **3. Reasons for Recommendations**

- 3.1. There is a continuing requirement for day care provision in the city which is currently met through a tiered approach, broken down into 3 component elements: Complex Needs (Tier 3); Medium Needs (Tier 2) and lower level support (Tier 1).

- 3.2. The Council provides for the day care needs of those with complex needs (Tier 3), consequent upon learning disability, dementia and Alzheimer's, and needs to retain sufficient service capacity to that purpose to complement capacity available in the market.
- 3.3. The buildings from which day care is presently provided, in particular Fernleigh, are dated and require significant investment, to enable them to be retained for use. The level of investment required in Fernleigh warrants consideration of whether investment in the existing building would produce an optimal solution, or whether an alternate facility can assist implementation of a comprehensive programme of re-provision.
- 3.4. The city benefits from modern, purpose build health and care buildings that are owned within the public estate between local authority and health partners. Developing a solution upon the existing health and care infrastructure provides for an optimal solution building upon the principles of One Public Estate and the integration of health and care.
- 3.5. The Orchard Centre at Orchard Park, already has within it a range of health and care facilities. Expanding that provision to include a Complex Care day centre provides a longer term solution for that building and offers an efficient approach to investment in city assets, building upon existing health and care assets, and will enable available funds to be recycled into the refurbishment of Buckingham Street Day Centre.
- 3.6. Re-using the Orchard Centre enables the concentration of health and care support services in a single building within the locality and freeing up the existing Fernleigh site to contribute toward the housing crisis in the city.
- 3.7. The CityCare framework contract was procured by the Council to facilitate the delivery of design and build solutions for the Health and Care sector at pace, and is able to be used to enable the delivery of solutions at pace, progressing a proposal through planning to completion.

**4. Impact on other Executive Committees (including Area Committees) and decision makers:**

- 4.1.1. Service users are transported from all areas of the city by the Council to the existing Day Care facilities, consequently there is some impact on all wards. However, the major impact will be upon Orchard Ward, through improvements to the utilisation of the Orchard Centre.
- 4.2. Contribution to the delivery of the Community Plan, the Council Plan and/or Area Plans:
  - 4.2.1. The proposals will support the theme of a healthier and fairer Hull within the Community Plan.
- 4.3. Impact on other key strategies/business plans:

4.3.1. The proposals will support the Corporate Property Strategy and Hull Community Plan through enhancing the assets provided by the Council for disabled people.

4.4. Equalities Impact Information

4.4.1. The proposals address the need for investment in facilities that meet the needs of those in the city with complex needs.

**5. Consultation**

5.1. Consultation upon the proposals has taken place with Ward Members from affected wards and will be further undertaken through the Health and Care Overview and Scrutiny Commission. Officers have provided assurance upon the measures in place to ensure re-provision of Customer Service support in the area of Orchard Park through re-providing Customer Access points at a number of locations in the community. As the Council has invested in 24/7 digital access channels for customers the footfall from members of the community accessing Customer Services at Orchard Park has steadily declined. This is as expected under the Customer Services strategy and has enabled the Council to reach out to locations where service users are present, expanding our network of locations where we can reach out to our residents who require more help. The Council is engaged with a number of service providers in the community with the aim to re-provide Customer Access opportunities through alternate community based locations.

5.2. Everyone who attends Fernleigh Day Service and Buckingham Street Day Service and their family members have been informed of the proposals and will be engaged fully on the design of the new services to ensure that they best meet the needs of everyone.

**6. Background**

**6.1. Day Care Provision**

6.1.1. The Council has re-organised its Day Care provision over the last ten years. Within that process, it has reframed its offer, so that the Council delivers day care services to those with the most complex health and care needs only.

6.1.2. The Day Care offer has become a Day Opportunities offer, with the market in Hull delivering care and activity solutions for a range of needs. To support this approach the Council established a Day Opportunities Dynamic Purchasing System, with payment band rates for those who require complex and intermediate day care. Providers in the city commit to provide day care at the fixed rates established for provision annually, and, subject to meeting the

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required standard, are admitted onto the system. Where the Council or Health Partners have a statutory duty to fund provision, a referral is made to an appropriate day care provider based on need.

6.1.3. Those who fall outside the complex and intermediate areas of provision, and are people for whom the Council does not have a statutory duty to fund their care, are primarily supported through the Voluntary Sector. Work with the voluntary sector is supported through close work with the Umbrella Organisations, Hull CVS and Forum, working together through the Sector Connect brand. Where grant funds become available, they are managed together with the Umbrella Organisations, to achieve the most effective outcomes.

### 6.2. Day Care Facilities

6.2.1. The Council operate two specific day care centres at Fernleigh and Buckingham House, together with complementary day care provision at the residential facility at **Pennine**. The works to Pennine have been primarily to the external building and have been progressed without disruption to the use of the site.

6.2.2. **Fernleigh** – the building was not originally established as a day care facility and has been adapted over time to the purpose. It is in significant need of maintenance and refurbishment were it to continue to be used to address leaks to the roof, lighting, entry door failings, boiler and damage to the infrastructure. The extensive nature of the works necessary would require a comprehensive refurbishment project. However, the location of the site is isolated within an area of housing and service users are brought by Council transport to the facility. The car parking available is inadequate for the staff and buses required at the site. Even with extensive investment, the building would remain sub-optimal, isolated and make no provision for an external sensory garden.

6.2.3. **Buckingham Street** – the building mainly is in requirement of renovation and redecoration and improvements to the outside area, addressing access levels in the garden, cracking to the pavement, external lighting and secure access/egress. As much of the work required is landscaping outside the building, it may be possible for the Council to utilise the Council's landscaping framework contract to deliver these works within the available budget alongside the delivery of the Orchard Centre facilities, reducing the time period in which there may be a need to decant service users to Fernleigh, while internal refurbishment is undertaken.

### 6.3. Local Improvement Finance Trust City Care Programme

6.3.1. The Council tendered a contract for the facilitation of integrated Health and Care facilities in the city within the Local Improvement Finance Trust (LIFT)

programme and a provision for a 5 year extension which was exercised in [September 2024](#). The intention of the contract was to deliver a programme of investment that supports, improves and delivers lasting transformation of the primary care and community health estate in the city. The contract has delivered significant improvements to the community health estate as well as delivering the Jean Bishop Integrated Care Centre in East Hull. The contract is utilised by Community Health providers and the Humber Teaching NHS Foundation Trust to support the delivery of an integrated health and care estate.

6.3.2. The Orchard Centre was delivered as a shared Council/NHS asset and is managed by CHP, a company owned by the NHS, on behalf of both partners on LIFT lease plus terms entered into on 17th March 2008. The scheme was delivered utilising PFI credits from Central Government. The PFI arrangements have a further 9 years to run. At the conclusion of the PFI the asset will be returned to the public estate, unless a revised arrangements is agreed. The building is managed through the LIFT contract provider (Sewells) alongside other LIFT PFI projects until the end of the scheme.

6.3.3. The LIFT contract PFI projects were refinanced in 2022 and credits arising from the refinancing held to the benefit of the Health and Care partners. Under the lease plus agreement between Kingston upon Hull City Council and Citycare Limited, Hull pays 43.81% rent (supported by PFI credits), with NHS Property Services paying the remaining 56.19%. Under the agreement Hull and NHS Property Services were entitled to a proportion of the overall gain arising from refinancing. The gain attributable to the City Council now has a value of [£350k]. Credit sums available to NHS Property Services and Hull City Council [are available] to fund the works to the Orchard Centre and the proposal is to apply the Council's credit to this purpose.

6.3.4. CityCare have worked with the Council upon developing the proposals for the Orchard Centre and have identified that, subject to planning consent, there would be a 20 week delivery programme. Authorisation of the proposals will enable the initiation of the requisite consents and subsequent initiation of the programme of works with a plan for completion by the Autumn of 2026.

## **7. Issues for Consideration**

### **7.1. Continuation of Day Care Provision**

The Service offer has been re-shaped and the Dynamic Purchasing System contract relet. The Council has determined that it requires two long term day centres for those with complex day care needs beyond its provision at Pennine to complement market provision for intermediate support and Voluntary Sector/Social Landlord provision for Day opportunities for those who fall outside statutory provision.

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As those who use Fernleigh and those who use Buckingham Street have very different needs, the Council needs to continue to make provision for both needs groups.

However, most people using the day services are transported by the Council to the facilities, consequently, so long as the proposed building is accessible by mobility transport and within the city, it can address the need.

Placing the day care centre within a facility with wider Adult Social Care service provision, provides opportunities for efficiencies and improved service in terms of access for people and better links to wider community resources. It also allows for the utilisation of under-used resources.

### **7.2. Orchard Centre opportunity**

The Orchard Centre has been under-utilised for some time. While Customer Services operate from the part of the building in which it is proposed to operate the Day Care Centre, they are not present every day as footfall to the site does not warrant it. The provision has been slimmed down and could be made as easily available through an alternate community facility in the area. There are modern kitchens and a café in the building which are used to a minimal extent presently.

The Jubilee Church have leased the use of the café for some parts of the week, however, their lease has expired. There are alternate solutions for their needs in the locality and negotiation upon the same will be progressed if the scheme is supported.

There are several teams sharing the upper floor of the building, and there is the opportunity to enhance the shared use of the building.

The Centre presents as a facility within the public estate that has much greater potential than present utilisation and has open space that can facilitate the provision of a sensory garden;

Undertaking landscape work to the area surrounding the building has the potential to improve the integration of the Centre with other facilities in the area.

Parking use at the Orchard Centre is less than optimal with some parking space provision under utilised and other areas over-subscribed. A programme of works provides the opportunity to reset the arrangements to ensure that they are appropriately used and use of public transport is encouraged.

The detail of the proposed scheme can be seen at Appendix 1.

The cost of conversion of the building to the proposed purpose has been assessed and falls in the bracket £1.3 to £1.5 m. Utilising the Council's funding within the CityCare contract together with funding from CHP, has the potential to reduce to a minimum the requirement for the Council's capital, enabling it to be utilised to support works, in particular, landscaping works at Buckingham Street.

### **7.3. PFI Scheme**

The PFI scheme at the Orchard Centre has an unexpired term of 9 years. The Council receives PFI credits against the building, which at the end of the agreement, will remain in the public estate in the city. A long term arrangement between the NHS and the Council for its future utilisation is required that informs the development of the strategy at the point that the PFI agreement expires. In the meantime the Council continues to receive credits and funds its maintenance obligations. Negotiation upon the mutual maintenance arrangements following expiry of the PFI agreement has been initiated, however, will remain a cost to the public estate in the long term, meriting the most efficient use of the available resources.

#### **7.4. Corporate Estate Management**

The buildings at Fernleigh and Buckingham Street are energy inefficient and regularly require reactive maintenance. This is a drain on the Corporate Estate energy and maintenance budgets. Addressing the maintenance and energy costs will reduce the maintenance drain and estate energy costs and supports the Corporate Estate strategy.

#### **7.5. Procurement Route.**

The Council established the LIFT contract through which CityCare were established as a Special Purpose Vehicle to support integrated management of the health and care estate in the city as a One Public Estate approach. The Orchard Centre is managed through the framework contract presently and the contract is available for the commissioning of further works.

The Council has also tendered a landscaping framework contract through which to call off landscaping works. The major issues at Buckingham Street Centre relate to the external landscaping. There is the potential to progress these alongside the works to Orchard Centre through that framework, so as to minimise disruption to users of Buckingham Street while their building is refurbished at the point that the Orchard Centre is complete and the users of Fernleigh are relocated to this facility. The funding identified in the Capital Programme for Day Centre provision is sufficient to meet these costs.

### **8. Options and Risk Assessment**

#### **8.1. Do Nothing**

Should the Council do nothing, the Fernleigh and Buckingham Street buildings will continue to deteriorate and increasing reactive repairs will be required. The Council has already had to undertake an emergency repair at one of these buildings necessitating the displacement of residents while the repair was undertaken. This will continue, as well as the associated inefficient use of buildings that have poor EPC scores for energy use.

The Orchard Centre and the modern kitchen facilities will continue to be under-utilised with energy use being deployed to Fernleigh unnecessarily.

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A site which could support measures to address the city's need for housing would not be used for that purpose, but would instead, continue to be used for an inefficient, sub-optimal day centre.

### **8.2. Refurbish the existing buildings**

This would provide some improvement, but would be costly, beyond the existing budget provision and require the displacement of people who access the day services while refurbishment was underway. It would leave the facilities at Orchard Park under-utilised. Miss the opportunity of integrated working at the shared site at Orchard Park and lose the opportunity of freeing up a site for Housing.

### **8.3. Progress with the Orchard Centre Proposal and refurbishment and landscaping works at Buckingham Street (Preferred Option)**

This proposal uses assets within the public estate in a cost effective and energy efficient manner, providing improved Day Care facilities within the available budget, reducing revenue costs associated with maintenance and energy, and frees up a site for housing development. The proposal applies the capital funding set aside in the February 2025 budget to address the clear and apparent need to address the condition of the Council's existing Day Care facilities.

## **8. Comments of the Monitoring Officer (Assistant Director, Legal and Governance)**

- 8.1. The CityCare LIFT Contract was extended by five years to facilitate integrated working between the local authority and health organisations in the city. The Council has a record of investing in the Health estate in the city using the CityCare contract and the contract provides the opportunity for the system to similarly invest in the Care Estate.
- 8.2. The Council's Landscaping Framework contract was tendered to enable the Council to progress landscaping schemes and is able to be utilised to address external landscaping works if so advised.

## **10. Comments of the Section 151 Officer (Director of Finance and Transformation)**

- 10.1 The S151 Officer supports the proposal with an initial funding envelope included in the Capital Programme as detailed in the Capital Strategy approved by Council in February 2025.

## **11. Comments of the Assistant Director OD & HR and compliance with the Equality**

### **Duty**

The content of the report is noted. There are no staffing issues arising from the decision to invest in these facilities which provide much needed day care services for those with complex needs. KH

**12. Comments of Overview and Scrutiny**

This report will be considered by the Health and Social Well-being Overview and Scrutiny Commission at its meeting to be held on Friday 17<sup>th</sup> October 2025. Any comments or recommendations agreed by the Commission will be submitted to Cabinet for consideration. Ref: Sc8954 [MK].

**13. Comments of the Portfolio Holder (Deputy Leader)**

13.1 In February 2025 the Leader's Budget committed £2m capital funding to deliver the works necessary to address deficiencies in the Council's day care facilities managed by the Council. I am pleased to see the innovative and efficient manner in which this money will be utilised to improve services to our most vulnerable residents. (PF0105)

**14. Comments of the Portfolio Holder for Adult Services and Public Health**

14.1 Adult Social Care deliver day care services to the most vulnerable residents in our city in the highest tier of need. Presently the day care premises at Fernleigh are deficient, however, the proposals within this report will enable the re-provision of these services in an under-used health and care facility in the city, as well as addressing the maintenance requirements at Buckingham Street. These improved services will have potential to accommodate Hull City Council's Supporting Independence Team, providing them with a permanent and appropriate base which has to date operated from temporary workspaces. I therefore support these proposals as Health and Care partnership working. (PF0104)

Ian Anderson

Director of Legal Services and Partnerships

Contact Officer: Chris Barker Head of Service (Corporate Buildings)

Telephone No.: 01482 816180

Officer Interests: None

Background Documents: -

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[Report to Health and Care Joint Committee in relation to CityCare Contract, 6<sup>th</sup> March 2024](#)

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**Implications Matrix**

**This section must be completed and you must ensure that you have fully considered all potential implications**

This matrix provides a simple check list for the things you need to have considered within your report

If there are no implications please state

I have informed and sought advice from HR, Legal, Finance, Overview and Scrutiny and the Climate Change Advisor and any other key stakeholders i.e. Portfolio Holder, relevant Ward Members etc prior to submitting this report for official comments	Yes
I have considered whether this report requests a decision that is outside the Budget and Policy Framework approved by Council	Yes
Value for money considerations have been accounted for within the report	Yes
The report is approved by the relevant Director/Assistant Director	Yes
I have included any procurement/commercial issues/implications within the report	Yes
I have considered the potential media interest in this report and liaised with the Media Team to ensure that they are briefed to respond to media interest.	Yes
I have included any equalities and diversity implications within the report and where necessary I have completed an Equalities Impact Assessment and the outcomes are included within the report	Yes
Any Health and Safety implications are included within the report	Yes
Any human rights implications are included within the report	N/A

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I have included any community safety implications and paid regard to Section 17 of the Crime and Disorder Act within the report	Yes
I have liaised with the Climate Change Advisor and any environmental and climate change issues/sustainability implications are included within the report	Yes
I have considered how the decision may contribute or impact on culture and heritage within the city.	Yes
I have included information about how this report contributes to the Community Plan/ Area priorities within the report	Yes
I have considered the impact on air quality, carried out an appropriate assessment and included any resulting actions or opportunities necessary to improve air quality in the report.	Yes

Appendix 1

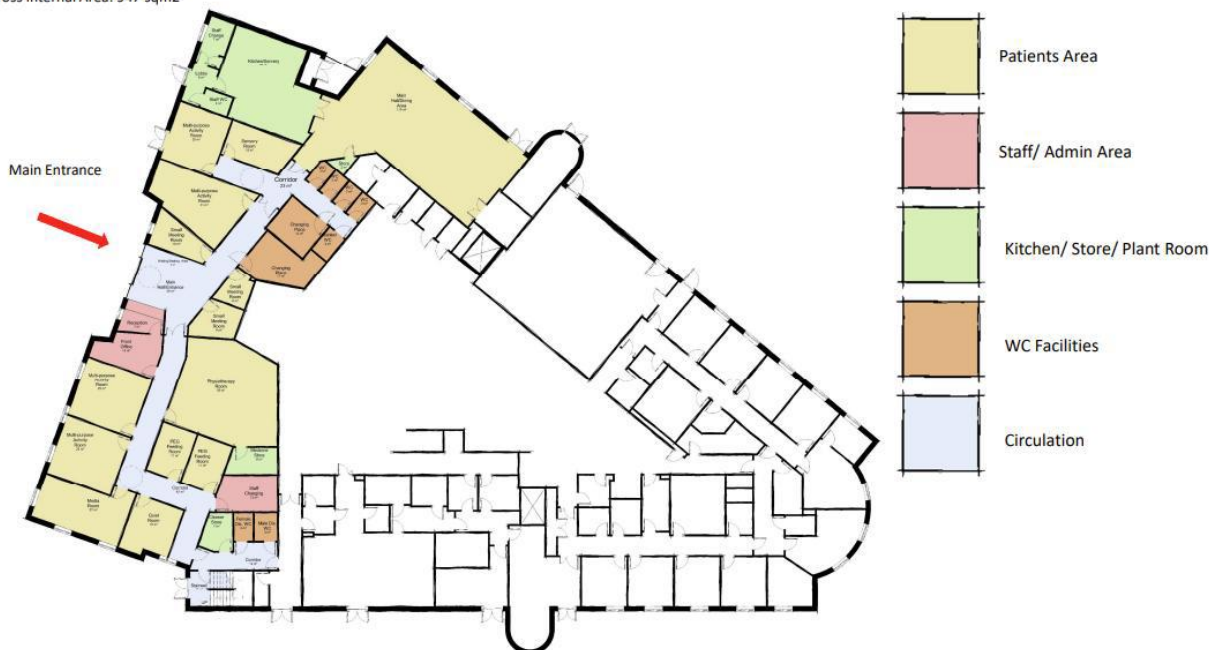
Current Occupation Orchard Centre Ground Floor:



Proposed Revision to Council space::

**Ground Floor**  
Gross Internal Area: 696 sqm2

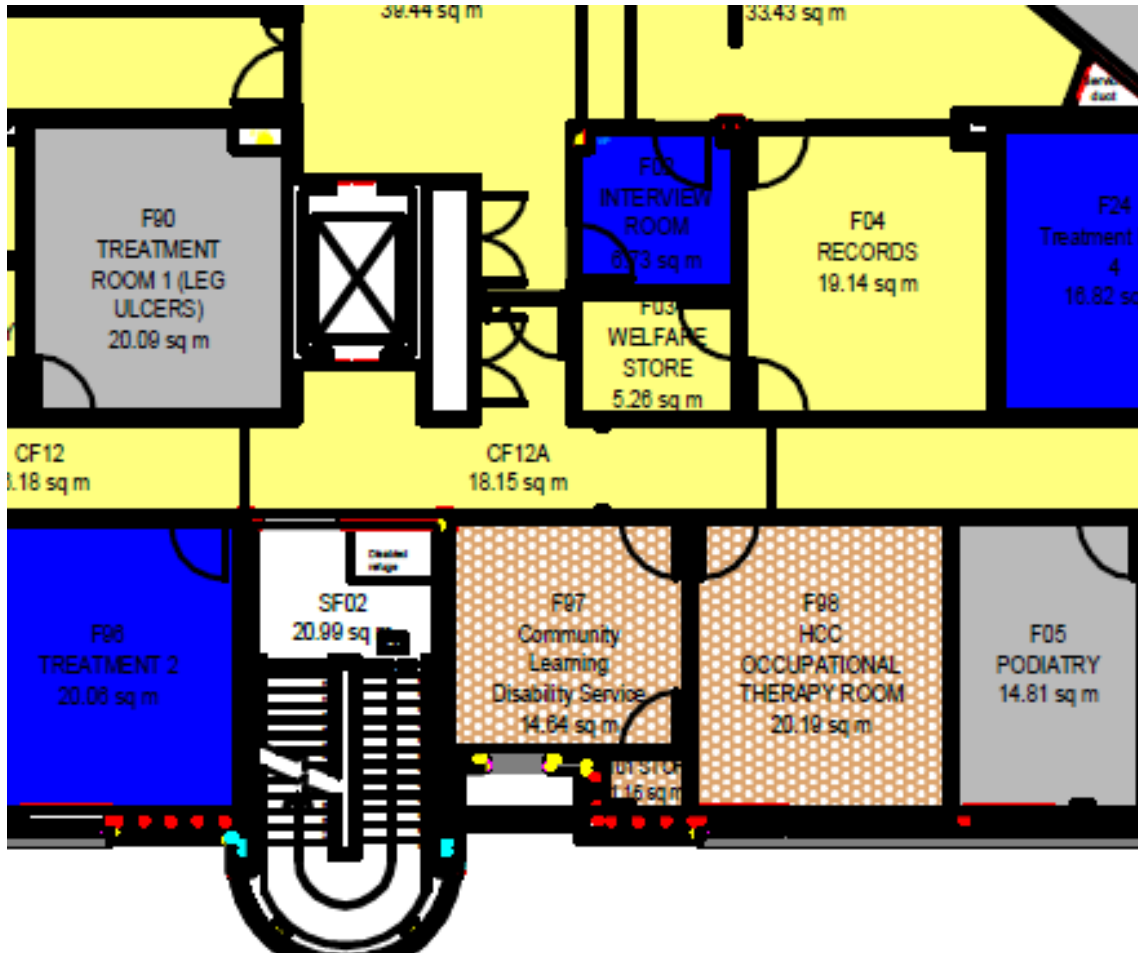
**TOTAL Ground and Second Floor:**  
Gross Internal Area: 947 sqm2



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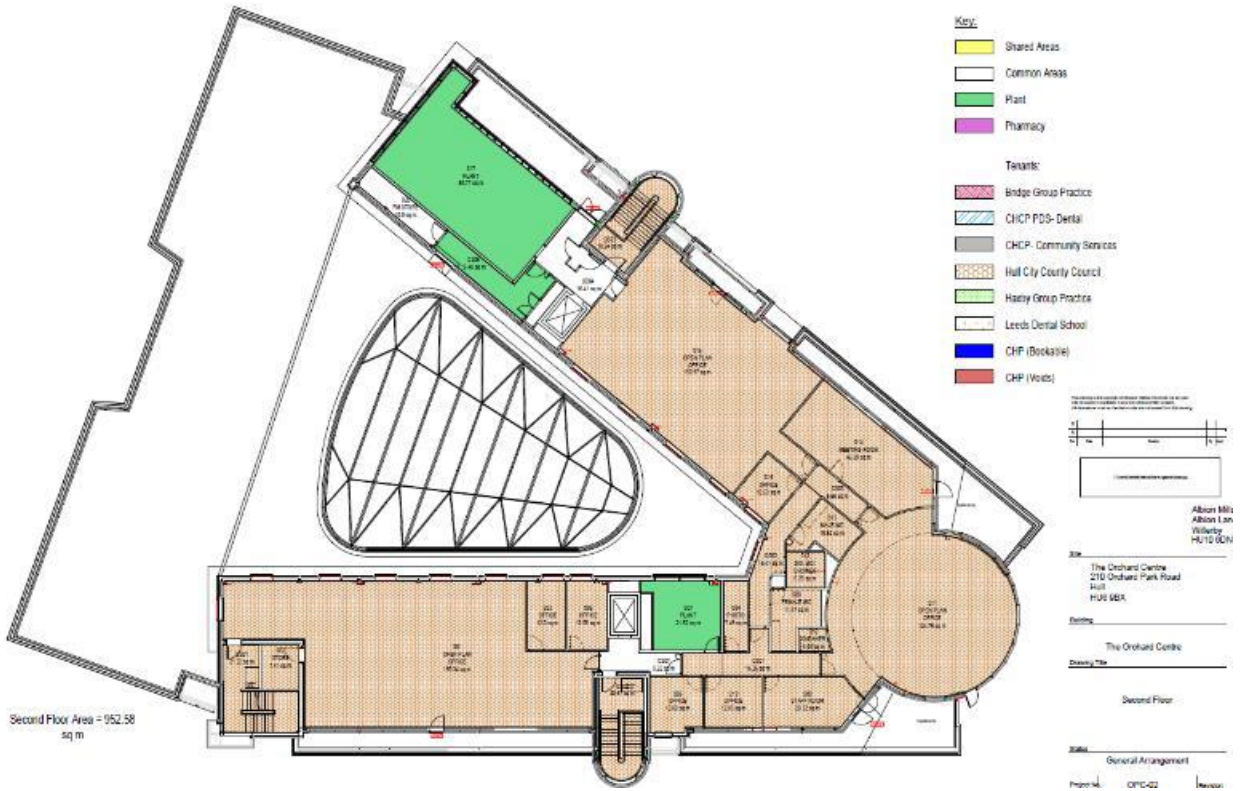
First Floor

Current Provision:



Second Floor:

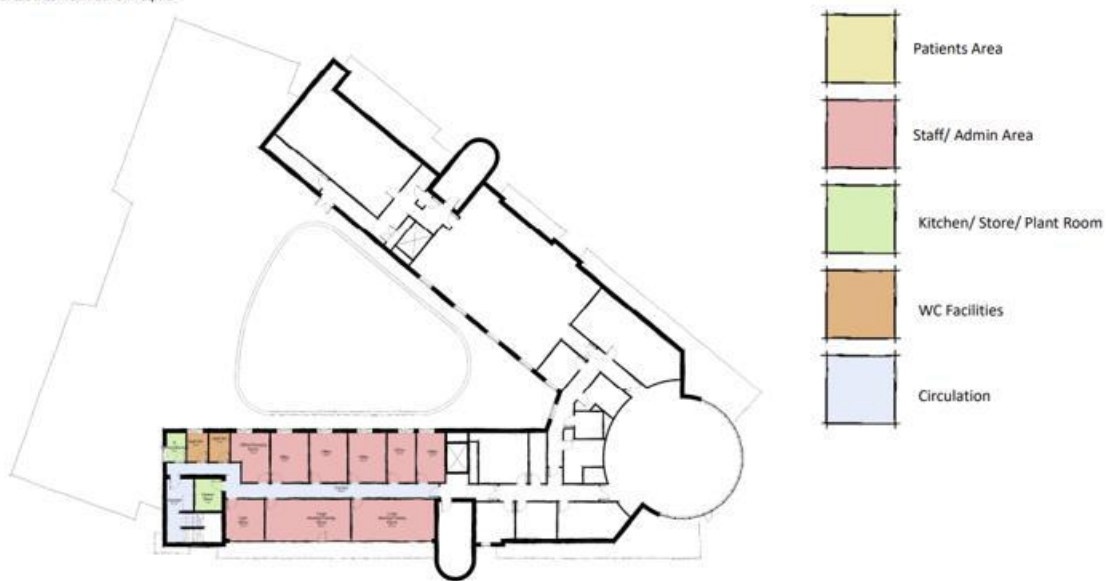
Current Provision:



Potential Adjustment to Council space (if required)

**Second Floor**  
Gross Internal Area: 251 sqm2

**TOTAL Ground and Second Floor:**  
Gross Internal Area: 947 sqm2



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Outdoor

Area for Sensory Garden

Turning Circle for Transport

