
Update on Extra Care

Adult Social Care Scrutiny Commission

Briefing Report

Date of meeting: 3rd March 2022

Lead director: Martin Samuels
Strategic Director Social Care and Education

Useful information

- Ward(s) affected: Beaumont Leys and Braunstone Park & Rowley Fields
- Report author: Caroline Ryan
- Author contact details: caroline.ryan@leicester.gov.uk
- Report version number: 2

1. Summary

- 1.1. The purpose of this report is to provide The Scrutiny Commission with an update on the plans for Extra Care developments at Tilling and Hamelin Road.
- 1.2. We have recently held a series of engagement exercises with the market, who as we know, more broadly face new challenges such as material and labour shortages, to see if there is appetite to develop these sites.
- 1.3. The purpose of the paper is to share with The Scrutiny Commission the positive feedback we have received that suggests the market does have appetite and interest in developing Extra Care provision at these sites and gives us a mandate to proceed.

2. Recommended actions/decision

- 2.1 Scrutiny is recommended to note the engagement undertaken with the market, which indicates appetite to develop two Extra Care schemes at the Tilling and Hamelin Road sites.
- 2.2 Scrutiny to note the intention to seek approval to commence procurement.

3. Scrutiny / stakeholder engagement

- 3.1 An extensive process of engagement with potential providers of the service has recently been undertaken and lies at the heart of this report.

4. Background and options with supporting evidence

- 4.1 Original approval was given to develop Extra Care at the two sites in 2015. However, this paused during 2016 as the Government undertook a consultation on a change to funding for supported living developments. This would have substantially altered / reduced the funding structure of the rents and potential viability of bringing such schemes forward, which unavoidably stalled the development until 2019, when the Government noted the responses but did not implement any changes.
- 4.2 Dialogue resumed in late 2019/2020 to reach agreement with all parties to bring forward the developments. Despite attempts on all sides to reach agreement during 2021, we were advised that the other parties no longer wanted to proceed.

- 4.3 Given the experiences of the last exercise we have taken time to evaluate our approach and confirm our requirements and understand the market appetite and interest in developing these sites considering the time since its inception. We wanted to understand pressures the market might be experiencing in bringing forward such developments.
- 4.4 It is important to note that consideration has been given to the Local Authority building and operating the schemes itself. However, this is not a viable option as we are not able to attract the levels of rent, over and above Local Housing Rates.

5. Detailed report

- 5.1 A Soft Market Test (SMT) exercise was undertaken from November 2021, which was advertised widely and sought responses on a number of key areas. We received a total of 12 responses from a mixture of markets including care and support providers, private investment companies, linked to developers, but it was limited in terms of responses from Registered Social Landlords (RSL), with only 2 responding of whom 1 is newly formed within the last year.
- 5.2 Following the SMT a Market Engagement event was held on 13 January 2022. Again, we had a similar range of representation, but upwards of 40 organisations were in attendance, including a large developer.
- 5.3 The overall response and interest in bringing forward these sites was positive and has provided some useful intelligence to inform the procurement exercise, if agreed. Topics considered were: models of delivery for care and support; the age range of residents; the scope for a wellbeing charge; the viability of a community café; options around sale or lease of the land; nomination agreements; handling of voids; options for financing, including the potential to use Right to Buy Receipts (RTBRs); planning permission; and timescales.

Summary

- 5.4 The exercise with the market has gathered useful intelligence to inform the next steps in this exercise. We are currently finalising the options before seeking a decision to proceed.
- 5.5 There are a number of areas that should be noted more broadly that inform the exercise but do not necessarily require a decision.
- 5.6 Firstly, in relation to planning consents, organisations are more likely to review and possibly submit new plans for the site. This in turn will impact on the delivery timescale. The build is likely to take in the region of 18 months, additional time, not yet specified, will be used to update, and submit new plans requiring consent. The procurement timeline suggest that the schemes may not be ready, at the earliest, until 2025.
- 5.7 Similarly, in relation to the financing of the scheme there seems to be less reliance upon the use of RTBR's from the market in bringing these schemes forward.
- 5.8 Once approval to proceed is given we will look to go out to the market in April/May 2022. We are looking to use a negotiated procedure, to reduce risk of failure and

to ensure that agreement is reached on all aspects prior to award. Whilst this approach can take longer than the normal open procedure, it does mitigate risks of failed procurement. The expectation is that it should be possible to award the contract by May 2023, with construction starting in 2024.

- 5.9 There is an option for a member of scrutiny to be involved, to feed in their views, at various stages or to receive updates outside of scrutiny on the progress being made in realising the developments.

6. Financial, legal, equalities, climate emergency and other implications

6.1 Financial implications

A sum of £2.51m is still included in the existing capital programme and the soft market testing exercise should help to identify whether bidders are likely to want to call on this as part of the overall funding package.

Martin Judson, Head of Finance

6.2 Legal implications

Legal Services will need to be engaged to provide advice and assistance once options are known, and to ensure the projects are compliant with all relevant legal considerations (including public procurement, subsidy and land disposal requirements).

Mannah Begum, Principal Solicitor, Commercial Legal, Ext 1423

6.3 Equalities implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment and victimisation, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't. This includes where services are contracted out – the PSED cannot be delegated.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The report provides an update on the engagement exercise undertaken with the market, which indicates an appetite to develop two Extra Care schemes at the Tilling and Hamelin Road sites. The two Schemes will provide accommodation for a range of vulnerable people aged 18+ including people with learning disabilities, people with mental health need and people with physical or sensory disabilities, older people and people with dementia. It is important that inclusive design standards are adhered to in relation to the development of the schemes.

It is likely that the provision of developments that comprise self-contained homes with design features and support services available to enable self-care and independent living should help to foster good relations between people who share a protected characteristic

and those who don't. Good quality living services are essential in enabling individuals to increase their independence and supporting recovery, enabling people to participate effectively in public and community life.

As previously stated it is recommended that an Equality Impact Assessment be commenced as part of the development of the proposal in order to effectively assess the impact on protected characteristic groups and take steps to reduce or remove any disproportionate impacts where they are identified. This should include findings from consultation and/or engagement with relevant groups/ individuals as appropriate, in this case the engagement exercise undertaken with the market, in order to fully understand the potential impacts.

The Equality Impact Assessment should also be used to maximise positive impacts by making sure that the aims of the PSED are actively considered in the development of proposals and the final decision, as well as the procurement process.

Sukhi Biring, Equalities Officer, 454 4175

6.4 Climate Emergency implications

Housing is responsible for 33% of carbon emissions in Leicester. Following the city council's declaration of a Climate Emergency in 2019, and its aim to achieve carbon neutrality, addressing housing emissions is a vital part of the council's work. This is particularly important through the council's own projects and procurements, where it has the greatest level of control.

Where new accommodation is developed opportunities should be taken to make the properties as energy efficient and low carbon as possible from the earliest stages of the project process. Measures should include fitting high levels of insulation, low carbon heating, low energy lighting and renewable energy sources such as solar PVs. Not only would this minimise carbon emissions from the properties, it would also significantly reduce energy costs and could increase comfort levels for residents.

Any development will nonetheless be required to follow policy CS2 of the Adopted Leicester Core Strategy and relevant building regulations. A toolkit is also being developed to support the achievement of reduced carbon emissions in council capital construction and renovation projects.

Within this exercise the need to reduce carbon emissions and deliver energy efficient properties should be embedded within the further procurement stages, as appropriate. This should include setting out the council's requirements around energy efficiency and carbon reduction and requesting details from potential providers around their relevant experience or expertise or policies. If appropriate, this could also be considered as part of relevant future SMT exercises.

Aidan Davis, Sustainability Officer, 454 2284

6.5 Other implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

None

7. Background information and other papers:

None

8. Summary of appendices:

None

9. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)? No