
Extra Care and Supported Living: Review of Need & Delivery feasibility

ASC Scrutiny Commission

Date of meeting: 27 August

Lead director/officer: Kate Galoppi/Michelle Larke

Useful information

- Ward(s) affected: All
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- Report version number: 1

1. Summary

- 1.1. Leicester City Council commissioned an independent review of current and future demand for Extra Care and Supported Housing together with an assessment of market capacity, investment appetite and delivery options.
- 1.2. The purpose of the commission was to understand and verify the scale of need within Adult Social Care for people with care, support and housing needs and the practical route to delivery supporting the Council's [ten-year strategy for supported living and extra care](#).
- 1.3. The original strategy was developed and adopted during a period of significant external disruption, including the COVID-19 pandemic, which affected development activity and investment decisions. In addition, delivery has been impacted by competing demands on land use, changing market conditions, funding availability, and the complexity of bringing together housing, planning and care requirements within a single delivery programme. The purpose of the independent review was therefore to reassess demand, test market appetite, review site opportunities and establish a more deliverable programme approach building on the collaboration that exists between council departments.
- 1.4. The roadmap therefore focuses on creating the conditions required to accelerate delivery through a clearer pipeline, stronger governance arrangements and an investment prospectus.
- 1.5. Despite these challenges it should also be noted that whilst the original delivery profile has not been achieved, partly due to a failed procurement, additional supported living and extra care accommodation has been delivered (75 units between 2021 to date). ASC also currently has access to approximately 698 units across the city, with a further 142 units expected by 2027/28
- 1.6. This report presents the findings of the Extra Care Review of Need and Delivery Feasibility Commission (see [Appendix A](#) for an exec summary ppt) and seeks ASC Scrutiny views on the proposed strategic direction and delivery roadmap (Appendix B) for increasing Extra Care and supported housing provision across Leicester.
- 1.7. Key headlines from the commission suggest that

- 1.7.1. the scale of need is clearly evidenced – the demand analysis identifies a requirement for 684 to 1111 additional specialist, supported and extra care housing units by 2031.
- 1.7.2. The assessment focuses on need to 2031 as this aligns with current planning and strategic timescales. The roadmap is intended to establish a long-term delivery programme, with future demand reviewed regularly and plans updated as needs change.
- 1.7.3. market engagement confirms that Leicester is a widely recognised as an investable location
- 1.7.4. A cohort led site assessment translates both identified need and market insight into a prioritised and deliverable pipeline based on a structured evaluation of 33 Local Plan sites. Of these, the report identifies a shortlist of six sites that present priority opportunities for ASC.
- 1.7.5. These sites could form part of an investment prospectus as they represent sites which carry the lowest relative planning and build risks and offer the strongest alignment with LCC's Social Care and Education (SCE) strategic commissioning goals. This now relies on good collaboration with planning and housing to agree how sites identified can be allocated to achieve the growth needed to support communities recognising the pressure on the housing register.
- 1.7.6. The programme will also consider the implications of Local Government Reorganisation as these become clearer, and as future requirements become clearer.

2. Recommended actions/decision

- 2.1. ASC Scrutiny is asked to:
 - 2.1.1. Note the headline findings of the Extra Care Review of Need and Delivery Feasibility Exec Summary ([Appendix A](#))
 - 2.1.2. Recognise the scale of future demand and the identified gap in provision.
 - 2.1.3. Support the development of an Extra Care and Supported Living delivery programme.
 - 2.1.4. Note the proposed roadmap (Appendix B) and associated governance arrangements, noting the collaboration with colleagues in housing and planning to ensure a coordinated approach which achieves consensus on priority sites for ASC (with a focus in the short term on the six priority sites), both strategic and non-strategic.
 - 2.1.5. Agree to receive a further, future progress report outlining:
 - Further market engagement activity.
 - Development of the investment prospectus.

- Progress on priority sites once agreement is formally in place
- Proposed procurement and partnership models.

3. Scrutiny / stakeholder engagement

- 2.2. The independent review was commissioned to assess future demand, market capacity and delivery opportunities. As such, the work focused on demand analysis, site assessment and engagement with providers, operational teams, health colleagues, commissioners, housing and planning stakeholders. Co-production with people who draw on support and their carers will form a key part of the next phase of work, ensuring that future accommodation models, service design and delivery plans are informed by lived experience.
- 2.3. Finally, both strategic directors, and directors across ASC & Commissioning and Planning were consulted as part of a check and challenge process.

4. Background and options with supporting evidence

- 2.4. Leicester City Council commissioned an independent review of current and future demand for Extra Care and supported housing together with an assessment of market capacity, investment appetite and delivery options.
- 2.5. This review allowed for an objective and independent review of market appetite and willingness, validation of our demand for specialist housing and a cohort led site assessment to understand how we might move forward with a building programme. This project provides an important foundation for next steps which is set out in the roadmap at Appendix B.
- 2.6. The review identified a gap between projected demand and available provision, driven by demographic change, increasing complexity of need, and the ambition to support more people to live independently in community-based settings in line with our Care Act duties and strategic ambitions as a council.
- 2.7. The assessment of demand combines a refresh of the previous demand forecast with a new methodology which targets hidden unmet need. This was informed by local data, wider literature, policy and benchmarking, and incorporated further sense checking of the data through stakeholder workshops. The analysis undertaken demonstrates that whilst current activity suggests lower demand (which is in line with our own council led demand assessment), this more complete assessment indicates that an increase of provision is required to meet both our current and future need.
- 2.8. The strong message from the market was that Leicester is an attractive location for investment and development, with strong interest from housing providers, registered providers, developers and care operators.

2.9. The review demonstrates that Leicester has a significant opportunity to increase Extra Care and supported living provision and improve outcomes for people. The challenge is not a lack of demand or market interest, but the need for a coordinated programme of market engagement, site readiness, governance and delivery. Adoption of the proposed roadmap (Appendix B) will provide the strategic framework required to move from evidence and aspiration to tangible delivery and increased accommodation capacity over the next three years and beyond.

2.10. Headline findings include:

- By 2031 Leicester will need **684–1,111** more units of accommodation (Extra Care and supported housing).
- Noting that the range is necessary to show potential unmet need based on the data available and including estimates of hidden demand. Future, more detailed work could test specific assumptions to narrow down a more precise level of need
- Delivery of the identified priority sites could make a meaningful contribution towards addressing the delivery gap identified through the demand analysis. Further work is needed to ascertain how many units these sites could achieve but a low to high bound estimate suggests between 120 units and 240 units might be achieved.
- Strong evidence that delivery can be accelerated through earlier market engagement, a programme-based approach to procurement, and greater certainty (and visibility via an investment prospectus) around the Council's future development pipeline.

2.11. The findings reinforce the Council's wider Adult Social Care ambitions to:

- Promote independence and prevention.
- Reduce reliance on residential care where appropriate.
- Improve housing choice for older people and adults with support needs.
- Deliver better outcomes through integrated housing, health and care solutions.
- Secure long-term value for money through strategic commissioning and market development.

2.12. The review provides a clear opportunity for Leicester City Council to reposition itself as a strategic partner and market enabler, creating the conditions required to attract investment and increase the pace of delivery.

Next steps

2.13. As per the roadmap – our next steps are to ensure we are communicating a clear and investable pipeline via an investment prospectus. This will ensure the market has early visibility of sites, their scale and funding context enabling

them to align their investment decisions and Homes England bids with the council's anticipated programme.

- 2.14. Ongoing market engagement is also key, and the roadmap suggests a key action is establishing a forum to continue those strategic discussions with the market. This is planned for September.

Governance, funding, partnership and commissioning approaches

- 2.15. Whilst collaboration across key departments has been in place for some time in relation to progressing opportunities for new developments supporting ASC, this report and the roadmap suggest that formal ownership of this programme is shared across Adult Social Care, Housing and Planning. This recognises that successful delivery requires coordinated action across departments. The governance arrangements established will provide collective oversight of site prioritisation, investment decisions and programme delivery.
- 2.16. This collaborative cross-departmental approach will also support informed decision-making, helping to bring forward the right schemes in the right locations to meet identified need and improve outcomes for Leicester residents.
- 2.17. In relation to funding, this report also recognises that Providers are actively reviewing their investment pipelines, and the new round of Homes England funding presents a significant source of capital for supported and specialist housing delivery. This is our preference for funding schemes, so work is being done to ensure we are well positioned to maximise this opportunity.
- 2.18. Extra Care and Supported Living schemes support independence and better outcomes for residents but typically require more specialist design and infrastructure than conventional housing, making delivery more complex.
- 2.19. Delivering additional Extra Care and Supported Living schemes will require a combination of funding, partnership and commissioning approaches. National and local experience indicates that successful schemes are typically supported through:
 - 2.19.1. Effective partnership working across the Council, including consideration of how public assets and land can be used to support the delivery of specialist housing where this aligns with corporate priorities and delivers value for residents.
 - 2.19.2. Access to external capital funding opportunities, particularly through programmes such as Homes England's Social and Affordable Homes Programme, alongside other public sector investment where there is a clear housing, health and care benefit.
 - 2.19.3. Clear commissioning intentions and long-term partnership arrangements which provide confidence that schemes will be well utilised and meet identified local need.

- 2.19.4. Development models that maximise overall scheme viability, including opportunities to combine specialist housing with other complementary housing or community uses where appropriate.

Managing ongoing and future risks to delivery

- 2.20. Ultimately our approach via our roadmap will be to reduce uncertainty by offering the market commercial clarity to try and reduce risks to delivery.
- 2.21. Demand will also continue to be reviewed over time, ensuring that our accommodation strategies, ASC commissioning intentions and housing plans continue to take account of and respond to changing needs beyond 2031. Future delivery plans will also be shaped by the developing implications of Local Government Reorganisation (LGR). This is specifically included within Phase 2 of the roadmap to ensure emerging LGR proposals are factored into future delivery planning.
- 2.22. As the programme is formally mobilised, risks relating to funding, planning, market delivery, governance, site viability and LGR will be captured through programme management arrangements and regularly reviewed through the proposed governance structure.
- 2.23. This report does not seek approval for individual development schemes. Any future site-specific proposals will be brought forward through separate business cases and will be subject to detailed financial appraisal, risk assessment and the Council's established governance and decision-making processes.

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

5.1 Financial implications

This report sets out a review and delivery feasibility of the additional demand for Extra Care and Supported Housing, the market appetite to meet that demand, and a potential pipeline of sites that could be developed to deliver future units.

The report identifies that between 684 to 1111 additional specialist, supported and extra care housing units may be needed by 2031. This could have significant implications for future resource planning. However, this report is not seeking to commit the Council to any specific expenditure at this point. The recommendations are to note the scale of demand, develop a delivery programme and to receive future progress reports.

Substantial future capital investment will be required if the Council and its delivery partners are to address the additional demand identified for specialist housing provision. The delivery model will need to consider external investment by partners and the Council's own capital resources. Joint ventures, development partnerships or other delivery models may be considered through strategic commissioning and market development to secure value for money for the Council. The feasibility report indicates that Leicester is viewed positively by investors and providers which creates an opportunity to secure significant levels of third-party capital investment.

The delivery programme should also take into account the ongoing annual revenue costs. Increasing the number of Extra Care and Supported Living accommodation will require commissioning of care and support services within new schemes through the Supported Living Framework. Procurement and legal considerations will need to be checked and clarified.

Whilst more Extra Care and Supported Living provision has the potential to provide a cost-effective alternative to higher-cost care settings, such as residential care, the increased cost of the Framework will need to be considered within the overall budget envelope for Adult Social Care placement costs.

The delivery programme should bring forward each scheme-specific business case so that financial appraisal can be done on each one and formal approval sought through the Council's governance processes.

Signed: Mohammed Irfan, Head of Finance

Dated: 17 August 2026

5.2 Legal implications

There are no immediate legal implications arising from the recommendations within the report. The proposed delivery roadmap is however likely to involve procurement, property and development arrangements, funding, nomination arrangements as well as care and support provision, all of which will require separate legal consideration.

Any commissioned activity must comply with the Procurement Act 2023 and the Authority Contract Procedure Rules, likewise consideration may need to be given on property and planning matters, subsidy control. Legal Services should be engaged at an early stage as proposals for individual sites are developed.

Signed: Mannah Begum, Principal Solicitor, Commercial Legal Team.

Dated: 21st July 2026

5.3 Equalities implications

When making decisions, the Council must comply with the public sector equality duty (PSED) (Equality Act 2010) by paying due regard, when carrying out their functions, to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between people who share a 'protected characteristic' and those who do not.

Protected characteristics under the public sector equality duty are age, disability, gender re-assignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex and sexual orientation.

This report presents the findings of the Extra Care Review of Need and Delivery Feasibility Report. It identifies a current shortfall in provision, which may already be disproportionately affecting disabled people and older residents.

The proposal is expected to have a positive impact on equality by increasing the supply of suitable housing for people with care and support needs, many of whom share protected characteristics under the Equality Act 2010. The primary beneficiaries are likely to include, older people, disabled people, including those with physical, sensory, learning disabilities and mental health needs. And also, other groups experiencing disadvantage in accessing appropriate housing, including some ethnic minority communities. Increasing the availability of Extra Care and supported living accommodation can help support people to live independently for longer and provide more choice and control over living arrangements.

Overall, the programme has the potential to deliver positive equality outcomes, it is important that inclusive design and engagement are embedded in the next phase of delivery.

Signed: Equalities Officer, Surinder Singh, Ext 37 4148

Dated: 21 July 2026

5.4 Climate Emergency implications

In order to meet the council's climate emergency commitments, it is very important that all new housing built in the city is 'climate ready'. This means:

- it is energy efficient - ensuring low running costs as well as lower carbon emissions.
- it is all-electric – ensuring it will become 'net zero carbon' in operation when the national grid reaches net zero. Ideally a heat pump system would provide the heating and hot water.
- it has solar PV panels contributing to the electricity needs of the building.
- careful design is used to avoid overheating during summer heatwaves, using 'passive' measures such as external shading and cross-ventilation to avoid or limit the need for air conditioning, and

- the impact of the construction materials is reduced by using sustainable and lower carbon materials, minimising construction waste and designing the building to be easy to repurpose in the future if needed, or for the materials to be reused or recycled.

If the council directly commissions or promotes the creation of new Extra Care or Supported Living Accommodation, it should use its control or influence to ensure that the design meets the above requirements, which also feature in the new Local Plan policies on climate change.

Signed: Duncan Bell, Change Manager (Climate Emergency) Energy and Sustainability Service

Dated: 21st July 2026

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

6. Background information and other papers:

N/A

7. Summary of appendices:

Appendix A: Extra Care: Delivery Roadmap and Exec Summary Briefing

Appendix B: Proposed Extra Care and Supported Living Roadmap

8. 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

3. Is this a “key decision”? If so, why? No

Appendix A: Extra Care: Delivery Roadmap and Exec Summary Briefing



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Appendix B Proposed Extra Care and Supported Living Roadmap

A phased approach for Leicester, strengthening our delivery and attracting sustainable investment

Phase 1: Establish Foundations July to December 2026 (0-6 months)

Objective: Create the conditions for programme mobilisation and investment

1. Develop and publish an Extra Care & Supported Living Investment Prospectus setting out:
 - Demand evidence
 - Pipeline opportunities
 - Priority development sites for ASC
 - Expected delivery timescales
2. Establish a cross-council group able to collaborate around priority sites to ensure agreement is reached and work is progressed. This will involve: ASC, Housing, Planning, Estates, Legal, Procurement and Finance.
3. Launch a structured forum which facilitates provider engagement with registered providers, care operators, developers, investors and Homes England.
4. Review and identify any procurement barriers highlighted by the report and from previous exercises.

Success measures

- ✓ Investment prospectus published
- ✓ Governance arrangements established
- ✓ Provider engagement forum implemented
- ✓ Priority sites for ASC agreed

Phase 2: Unlock Priority Sites January 27 to July 2028 (6-18 months)

Objective: Convert market interest into deliverable schemes

1. Undertake detailed feasibility assessments of identified priority sites and consider impacts of LGR
2. Complete site-specific viability and delivery modelling
3. Finalise commercial options and understand any partnership opportunities
4. Understand route to market opportunities on a programme basis versus site-by-site procurements
5. Agree nomination and care model principles with stakeholders.
6. Ensure exec sign off on approach - key decision point for next steps in delivering key builds.

Success measures

- ✓ Development partners identified
- ✓ At least one priority scheme moved into procurement or delivery
- ✓ Development programme approved

Phase 3: deliver and scale July 28 onwards (18-36 months)

Objective: Build a sustainable long term Extra Care and Supported Living development programme

1. Commence delivery of first wave schemes
2. Monitor performance, costs and outcomes from developments achieved
3. Expand pipeline using lessons learned
4. Align future accommodation commissioning strategies with housing growth plans
5. Maintain ongoing market engagement to support investment

Success measures

- ✓ First wave schemes under construction
- ✓ Measurable increases in Extra Care capacity and identified gaps in portfolio have a plan to deliver
- ✓ Market reports improved market confidence and partner participation
- ✓ Reduced projected accommodation shortfall

Our vision: to create a thriving Extra Care and Supported Living market that delivers high quality homes, supports independence and meets Leicester's growing and changing needs.