

# Adult Social Care Scrutiny Commission

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**Development of  
Extra Care Housing**

Date: 25<sup>th</sup> September 2014

Lead Director: Tracie Rees

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**City Mayor**

## Useful information

- Ward(s) affected: All
- Report author: Tracie Rees
- Author contact details: 37 2301
- Report version number: 1.0

## 1. Summary

- 1.1 The purpose of this report is to provide the Adult Social Care Scrutiny Commission with an overview of the progress towards developing two 50 to 70 bed, Extra Care Housing schemes in the city.
- 1.2 One scheme will make use of £1.25m capital monies awarded to the Adult Social Care (ASC) Department for 2014/15, as a contribution towards the development of an Extra Care Housing scheme in partnership with a local housing provider. The development is likely to cost in excess of £7m.
- 1.3 To make the scheme viable it will also be necessary for the Council to sell land at a discounted price. In return for the £1.25m and discounted land, the Council will receive up to 100% nomination rights into perpetuity. Informal discussions have taken place with a number of Registered Social Landlords (RSL's) in the city, who have confirmed that it would be feasible to develop an Extra Care Housing scheme if the Council could make a financial contribution of £1.25m and discounted land. There will be no revenue costs associated with this scheme.
- 1.4 An options appraisal has been completed to determine the suitability of available Council land/sites across the city as detailed at Appendix 1.
- 1.5 The second scheme will make use of Right to Buy Capital Receipts from the sale of the Council's Housing stock, together with discounted land to develop a further Extra Care scheme in the city. The Affordable Housing Programme 2014 to 2018 was approved by the Executive in April 2014.
- 1.6 Approval has been given to use Right to Buy Capital Receipts monies (in the region of £1.2m) as a contribution to the development of an Extra Care Housing Scheme in the city, in partnership with a local RSL. Again it will be necessary for the Council to give discounted land in return for up to 100% nomination rights into perpetuity. Again, there would be no revenue implications for the Council.
- 1.7 Extra Care Housing provides self-contained flats and is essential to meet the growing needs of vulnerable people in the city, such as those with a learning disability, mental ill health and older people. Demand for this type of accommodation is detailed in the ASC Independent Living and Extra Care Housing Strategy.

## 2. Recommendations

- 2.1 The ASC Scrutiny Commission is asked to note:

- a) The release of the ASC Policy Provision of £1.25m for the development of Extra Care Housing
- b) The use of Housing Capital Receipts for the development of a second Extra Care Housing scheme
- c) The sale of land at the former Queensmead school site (Braunstone) and at Tilling Road (Beaumont Leys), at a discounted price for the purposes of Extra Care Housing, with detailed terms to be submitted to the Executive for formal approval in due course.

### **3. Supporting information including options considered:**

- 3.1 Investment in Extra Care Housing is essential to maximise the independence of vulnerable people, to address the historic over reliance on residential care, reduce costs and to prevent unnecessary admission and re-admission to hospital.
- 3.2 The ASC Independent Living and Extra Care strategy 2013-16 shows a shortfall in the supply of specialist Extra Care accommodation for vulnerable and older people and projects the requirement for an additional 288 flats by 2016.
- 3.3 Leicester already has Extra Care Housing schemes at Danbury Gardens and the Wolsey Building and a further development by ASRA at Abbey Mills is due to open later this year. In terms of demand, there were 140 expressions of interest for 50 flats at Abbey Mills which shows a ratio of 2.8 people for every flat. Abbey Mills is also an example of where the Council has contributed capital monies in return for nomination rights to 50 flats into perpetuity.
- 3.4 The first scheme will be part funded from £1.25m that has been allocated from the ASC Capital Programme for 2014/15, which will be used in conjunction with discounted Council land. Initial discussions with six local RSL's, has shown that there is interest for this type of development.
- 3.5 The second scheme will be part funded from Right to Buy Capital Receipts or grant monies from the Homes & Communities Agency, depending on the most advantageous option. Again, the Council would receive up to 100% nomination rights into perpetuity. The Executive has already approved the Affordable Housing Programme 2014 to 2018 in April 2014. The decisions about the spend is delegated to the Assistant Mayor for Housing.
- 3.6 The Conditions relating to the use of Right To Buy Receipts are:
  - The receipt must be spent within 3 years to provide new affordable homes;
  - The monies can be spent directly by the LA in providing HRA new affordable housing or can be used to facilitate other partners providing the new affordable homes;
  - No more than 30% of the cost of the new homes will come from the right to buy receipts;
  - Any monies not spent within the 3 year period must be returned to CLG together with interest at a punitive rate (4% above base rate).

The use of Housing Right to Buy capital receipts for this purpose has been approved by the Assistant Mayor for Housing.

- 3.7 The scheme/s would provide between 50 to 70 self-contained flats, built to 'Life Time Home' standards with a dementia friendly design. A proportion will be built to accommodate wheelchair users and cater for a mixed client group of various ages. The Council will receive nomination rights of up to 100% of the flats, subject to agreement with the partner organisations. ASC would oversee the nomination rights to ensure the balance of tenants with the appropriate level of support.
- 3.8 An options appraisal exercise (Appendix 1) has been undertaken across a range of available Council sites/land in the city, which highlighted the former Queensmead school site in Braunstone and Tilling Road/Butterwick Drive in Beaumont Leys to be the most suitable sites to support this type of development when judged against the given criteria. Appendix 2 details the criteria used to assess the suitability of the land/sites. The 2 Extra Care Housing schemes would provide up to 140 flats on the available land, whereas the same land space for general housing would only provide 80 houses or bungalows.
- 3.9 Negotiations are at an advanced stage for the sale of the first phase of the Queensmead site to Nottingham Community Housing Association for the development of 20 affordable homes (33% of the site) and 'in principle' approval has been given by the Executive for additional land on the remainder of the site to be sold at a discounted price for support further affordable housing. The provision of Extra Care Housing as described within this report would be within this remit.
- 3.10 The criteria for selecting the sites, shows that Tilling Road and Queensmead provide the most advantageous options. Also Tilling Road is adjacent to the proposed ASC Intermediate Care and Short Term Beds facility and there would be benefits accruing from this. Similar to Queensmead, approval is requested 'in principle' to sell the land at Tilling Road at the discounted price to support the Extra Care Housing proposals.
- 3.11 An Pre Qualifying Questionnaire (PQQ) to seek a partner organisation will be advertised in October 2014, with an award of contract due by January 2015. Once the preferred partner/s have been agreed then a report will be submitted to the Executive to approve the sale of the land at a discounted rate.

#### **4. Details of Scrutiny**

4.1 The ASC Capital Programme 2014/15 report was presented to Council on 20<sup>th</sup> March.

4.2 The Affordable Housing Programme 2014 to 2018 was presented to Executive April 2014. This has also been presented to the Housing Scrutiny Commission 9<sup>th</sup> July 2014.

## **5. Financial, legal and other implications**

### 5.1 Financial implications

This report seeks approval for the release of the Policy Provision of £1.25m for Extra Care Housing.

The 2014 to 2018 Affordable Housing Programme has been approved by the Council's Executive and contains recommendations for further funding of £1.2m for Extra Care Housing from Right to Buy Receipts. Other funding may also be available from the Homes and Communities Agency.

**Rod Pearson – Head of Finance for ASC & Housing - 37 4002**

### 5.2 Legal implications

It is recommended that legal advice on this procurement is taken prior to placing an advert in the OJEU, to confirm whether the Council will procure works or a works concession, and then to settle the terms of the procurement.

**Greg Surtees, Legal Services – 37 1421**

The Council is under a duty to dispose of land for the best consideration reasonably obtainable (other than a lease for less than 7 years), under s.123 of the Local Government Act 1972. The Council is permitted to dispose of land for less than best consideration under the provisions of the 2003 General Disposal Consent. This gives local authorities consent to the disposal of land within specified circumstances i.e. where the authority considers that the purpose for which the land is to be disposed of is likely to contribute to the achievement of the promotion or improvement of economic, social or environmental well-being. In each case it is a condition that the undervalue must not exceed £2 million. If this is exceeded, then a specific consent from the Secretary of State will be required. The Council will also need to act with regard to its general fiduciary duty in land and property disposals, and consider the disposal on the basis of evidence as to how these objectives will be met. Any sale documents should include appropriate provision relating to the future use of the property to ensure sustainability of the well-being objectives.

**John McIvor, Regulatory & Property Team, Legal Services - 37 1409**

### 5.3 Climate Change and Carbon Reduction implications

The development will be subject to planning policy CS2 on climate change and flood risk, and retained policy BE16 that will require on-site renewable energy. These policies will act to minimise the carbon dioxide emissions.

**Mark Jeffcote, Environment Team (x37 2251)**

#### 5.4 Equalities Implications

An EIA has not been carried out the present time as this report is looking at a possible site for extra care housing, however as the procurement process is underway an EIA covering all the protected characteristics will need to be undertaken and equality issues will need to be incorporated throughout the procurement exercise and process. Human Rights principles need to be embedded throughout the process, based on the FREDA principles of Fairness, Respect, Equality, Dignity and Autonomy.

The Extra Care Scheme should help to promote independent living and well-being and living in the community.

**Sukhi Biring, Equalities Officer, Corporate Equalities - (37) 4175**

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

None

#### **6. Background information and other papers:**

ASC Independent Living and Extra Care Commissioning Strategy 2013 to 2016  
Affordable Housing Programme 2014 to 2018

#### **7. Summary of appendices:**

Appendix 1 – Extra Care Sites Options Appraisal  
Appendix 2 – Extra Care Sites Options Appraisal Scoring Approach