

Wiltshire Council

Cabinet

Date of meeting – 21st November 2013

Subject: Devizes Extra Care Scheme

Cabinet member: Councillor Toby Sturgis, Cabinet Member for Strategic Planning, Development Management, Strategic Housing, Property and Waste

Key Decision: Yes

Executive Summary

The Older People's Accommodation Development Strategy set out that the older population in Devizes would increase by about 50% between 2007 and 2026 and identified the need for an additional 50 units of extra care in Devizes to meet some of this growing demand.

Over the last year, a community working group formed under the area board has considered various sites that could be used for extra care in Devizes. It has investigated the potential of a number of sites, all of which are in Council ownership. Two are currently operating as care homes but will close in September 2014 when a new facility opens in the town and the other is the Browfort site.

The working group has identified a preferred site as Southfields, currently operating as a care home.

Once this site is approved for use as an extra care scheme a procurement process will be undertaken to identify a developer for this site and deliver the affordable housing for older people.

The working group will be engaged at each stage of the process and will assist with detailing the design of the scheme, the facilities to be provided and the appointment of the developer / provider.

Proposal(s)

Members are asked to:

- a. Note the outcome of discussions with the local working group on their preferred site for extra care in Devizes.
- b. Approve the use of the Southfields site as the preferred site for the

development of an extra care scheme predominantly for older people.

- c. Authorise officers to consider other potential sites in Devizes for Extra Care if they provide a more suitable location and a better financial return for the Council.
- d. Authorise officers to undertake any associated procurement activities required to select a developer and registered housing provider for these facilities.
- e. Delegate authority to the Corporate Director for Adult Social Services and Public Health in consultation with the Cabinet Member for Strategic Planning, Development Management, Strategic Housing, Property and Waste to authorise the transference of the final chosen site to the highest scoring bidder to facilitate the development of extra care possibly at nil value if required to make the scheme viable.

Reason for Proposal

The Southfields site will provide the necessary land for delivery of the extra care facilities outlined in the Older People's Accommodation Development Strategy. This has set out the need for an additional 50 units of extra care in Devizes in the next 10 years.

Through the development of the site, the council would benefit from the provision of a new extra care housing to meet the needs of the growing elderly population in Devizes. Additionally, this development would improve choice and control for older people and provide a vital community resource, replacing an existing care home.

This development will protect some of the most vulnerable older people and meets one of the key actions in the Business Plan, to develop more affordable housing.

Maggie Rae
Corporate Director

Wiltshire Council

Cabinet

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Key Decision: Yes

Purpose of Report

1. This report seeks Members' agreement to use the Southfields site in Devizes for the provision of an extra care scheme.
2. Members are asked to:
 - a. Note the outcome of discussions with the local working group on their preferred site for extra care in Devizes.
 - b. Approve the use of the Southfields site for the development of a 40 to 50 unit extra care scheme predominantly for older people.
 - c. Authorise officers to consider other potential sites in Devizes for Extra Care if they provide a more suitable location and a better financial return for the Council.
 - d. Authorise officers to undertake any associated procurement activities required to select a developer and registered housing provider for these facilities.
 - e. Delegate authority to the Corporate Director for Adult Social Services and Public Health in consultation with the Cabinet Member for Strategic Planning, Development Management, Strategic Housing, Property and Waste to authorise the transference of the Southfields site to the highest scoring bidder to facilitate the development of extra care possibly at nil value if required to make the scheme viable.

Background

3. Nationally, statistics illustrate that the number of older people will rise dramatically in future years. Following a comprehensive study into older people's accommodation, the Council has identified that between 2007 and 2026, the older population within Wiltshire will increase by 57.9%, which is

higher than the average for England and is the second highest growth projected for the South West region.

4. Within Devizes, the older population will increase by 49.6% by 2026 – this will see the population of Devizes aged over 65 increasing from 5,750 in 2007 to 8,600 in 2026. The older population within Devizes with dementia is also projected to increase by 64.8% by 2026, which is higher than the Wiltshire projected increase of 59%.
5. The most recent population projections indicate that the older population will increase by 26% more than the anticipated growth rate indicated above.
6. In order to address the shortage of appropriate facilities for older people, an Older People's Accommodation Development Strategy was produced and approved by Members in January 2011.
7. The Older People's Accommodation Development Strategy identified that there was a significant under-provision of extra care housing across all tenures within Wiltshire. There was also an under supply of nursing care homes and specialist care homes for people with dementia.

Main Considerations for the Council

8. The Older People's Accommodation Development Strategy, which was approved by Cabinet on 25th January 2011, identified the requirement for a 50 unit extra care scheme in the Devizes area.
9. The community working group under the area board have assessed the options for extra care in Devizes and identified the Southfields site as best suited to meet the specific requirements of location, accessibility, local services and other needs.
10. The Southfields site will become vacant in September 2014 when the current care home closes and customers are moved to a new care home at Horton Road in Devizes. The Anzac House care home in Devizes will also close at the same time.
11. The extra care scheme will be tendered and the successful developer will work with the council and the community working group, established under the area board, to influence the designs for the scheme prior to submitting planning permission on the site.
12. The tenure mix for the scheme will be decided during the tender phase; however, it is expected that there will be a mix of affordable rent and shared ownership units, possibly with some open market units to make the scheme economically viable. The scheme will consist of between 40 to 50 units depending on the overall viability of the proposal. Care and Support could be delivered as part of a tender bid or through the current Help to Live at Home provider in that area.

13. Until the procurement process has been undertaken, it is unknown whether this site would be able to be developed without public subsidy. Therefore, approval is sought to delegate authority to the Corporate Director, in consultation with the Cabinet Members and to transfer the site at nil value if required in order to facilitate the development on this site.
14. It is anticipated that if approval is given work could begin on site by the end of 2014 and the scheme could be completed in early 2016.

Relevance to the Council's Business Plan

15. The development of the Devizes site will support all the Council's Business Plan priority to protect those who are most vulnerable, primarily older people. The development of Southfields site will support:
 - Outcome 3 - enable people to live in a high quality environment, in energy efficient and fully adapted homes to meet their needs as they change over time.
 - Outcome 5 – ensure that more disabled and older people with long-term health conditions can choose to stay independent and keep living in their own homes. Extra care will reduce the longer term care costs of older people.
16. The proposed scheme on the Southfields site would also be in accordance with two of the key actions from the Business Plan by:
 - enabling people to have healthy, active and high quality lives and delivering preventative services for older people by offering a realistic housing alternative in extra care that prevents many people requiring residential care.
 - The extra care scheme on the Southfields site will contribute towards the target of 2,000 new affordable homes by 2017.

Safeguarding Considerations

17. As part of the redevelopment programme, residents from both Southfields and Anzac House Care Homes will be moved to the new care home at Horton Road in September 2014. Everyone will be consulted with about their needs on an individual basis and will all receive a social care assessment to ensure that their needs are fully identified in the new care home
18. The residents will all be frail and elderly and Wiltshire Council will work alongside the Orders of St John Care Trust [our Care Home operator] to ensure that people's needs are met, dignity is respected and that the stress of moving is kept to a minimum
19. The new care home at Horton Road will provide significantly improved services for older people and will enable their care needs to be more effectively met.

Public Health Implications

20. Widening access to the well being schemes run at the site for wider members of the community should improve social capital, address wider determinants of health and aid in bringing equality of services. The local HTLAH Provider, working alongside the housing provider if they are different, will examine these possibilities and ensure that other older local people can access the facilities in the extra care scheme.
21. Evidence base: [Evaluation](#) performed by Personal Social Service Research Unit. This provides evidence about the value of extra care housing in meeting the needs of older people and delivering key outcomes.
22. Physical and mental health: There are likely to be positive improvements in physical and mental health due to proposed co-ordination of schemes and activities within the housing for residents and the wider community. The provision of more modern and tailored accommodation will assist in enhancing independence and preventing ill health (such as falls and other environmental factors).
23. Monitoring and evaluation: Close monitoring and evaluation of the health and wellbeing schemes focussing on outcomes will be required to ensure that the health and wellbeing improvements envisioned by the scheme are realised.
24. Partnership working: The scheme should improve partnership working between the Council, health and voluntary sectors, including the prospect of joint commissioning.

Environmental and Climate Change Considerations

25. As extra care developments consist of self contained properties for residents, these developments would not be included in the council's carbon footprint. In order to ensure that energy consumption and carbon emissions from these buildings do not increase, as well as to ensure appropriate environmental management takes place, new stock will be built to Code Level 4 of Sustainable Homes and Lifetimes Homes standards increasing to Code Level 6 by 2016. Low carbon and renewable fuel energy supplies will be considered for all new buildings.
26. In order to ensure the necessary transport emissions for running the facilities do not increase, the location of these facilities is crucial. The Southfields site already has access to good public transport links and a transport strategy for the site will be prepared.
27. It is acknowledged that the very old, chronically ill and poor are amongst the groups most vulnerable to predicted climate change and risk of 'fuel poverty'. The provision of accommodation for older people will take this into account by ensuring that buildings are not only built to the required Code Level 4 / Code Level 6, but they will also include relevant climate change adaptation features.

Equalities Impact of the Proposal

28. The development of these facilities on the Southfields site would promote independence, choice and control for older people and would offer opportunities for greater community engagement, involvement and inclusion in purpose built accommodation.
29. The development of these facilities would also have a positive impact for people who will develop care needs in the future as it will enhance choice for people when choosing their care provision.
30. The provision of new affordable homes enables those unable to meet their housing needs in the open market to access good quality housing. The new homes will be allocated in accordance with the council's allocations policy.

Risk Assessment

31. A number of key risks have been identified in relation to this site and associated proposed development. There are a number of risks that may arise if the proposed decision is taken.

Risk	Action to mitigate the risk
1. Abnormal costs identified on the site	Site surveys will be carried out to determine those costs and assess the impact at the earliest opportunity available once the property is vacated by the current residents. Surveys are inappropriate as long as the care homes are in operation.
2. Unable to achieve planning permission	Development Control has been consulted and has no objection to the principle of Extra Care being provided on the site. Bidders will be informed of any planning constraints identified by Development Control
3. Provider unable to deliver viable scheme	A legal interest in the land will not be granted until a viable scheme is deliverable. Consider an initial gateway obliging potential bidders to state whether they believe the site can be developed without public subsidy.

32. If the proposed decision is not taken, the following risk may arise:

Risk	Action to mitigate the risk
1. Lack of extra care units to	Other sites in Devizes would need to

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| meet demand | be considered or clients would have to be housed in facilities in other towns. |
| 2. Site becomes vacant and is a financial and security liability for the Council. | Timely procurement process so development can start as existing care home closes on Southfields site. Timely decision on future of Anzac House site made. |

Financial Implications

33. The Southfields site is owned by the council and will become vacant in September 2014. As such it will become a maintenance and security liability for the council and will incur costs against which there is no income stream to offset those costs. The same also applies to the Anzac House site.
34. Due to the lack of external public subsidy to facilitate the development of affordable housing developments, it may be necessary to transfer the land to the developer on a nil value basis to ensure that the facilities can be delivered. This will not be known until the competition for the appointment of a developer has been concluded.
35. Members are asked to delegate authority to the Corporate Director in consultation with the relevant Cabinet Members and to agree the potential inclusion of the land on this basis if required following the outcome of the procurement process.
36. The development of an extra care scheme on this site would generate long term revenue cost avoidance for the council as it would ensure that there was a greater supply of appropriate accommodation to support people with higher needs. This would in turn ensure that fewer older people would need to enter residential care in Wiltshire and that would secure cost avoidance in the long term.
37. The sites under consideration in Devizes could all be sold for development and would generate a capital receipt but would see the loss of a rental income. These values are set out in the Financial Part II annex to this report.

Legal Implications

38. There is a restrictive covenant on the title documents of the Southfields site which reads: "... not use or permit to be used ... for any other purpose than for the housing of elderly persons". Legal Services are of the view the proposed use for extra care would not be a breach of this covenant.
39. In addition there is a covenant that would require the Council "not to do or permit upon the said property anything whatsoever which would detrimentally affect the amenities of existing Almshouses". This will need to be taken into account in the design of any development.

40. As the extra care units are to be tendered through the preferred developer framework contracts would need to be set up with the successful developer. The detail of the contents of a legal agreement will need to be agreed in advance of any mini completion process.
41. If the successful developer for the extra care units does not submit within the procurement a quotation for the provision of care services this will need to be arranged through the Help to Live at Home arrangements.
42. The procurement regulations, state aid, and best value aspects of this project are considered below.

Public Contract Regulations.

43. This procurement will be tendered through the Council's framework for extra care developments. This framework was put in place in accordance with the requirements of the Public Contracts Regulations (2006) ("PCR").

State Aid

44. There are no additional state aid issues as the development will be competed through the Council's framework and so the award of contract will not be market distorting.

Best Value

45. Under the Local Government Act 1972 local authorities have a duty to obtain the best consideration reasonably obtainable when disposing of land, however if the Council believes it will improve the social well being of the region then it may dispose of land at less than best consideration reasonably available.
46. At this stage it is difficult to assess whether the consideration will be equivalent to the best reasonably available or is less than that. It is recommended that this point is reconsidered when the terms of the arrangements allow for an assessment of the consideration to be made and a view taken as to whether there is a transfer at an undervalue. If it is determined that the transfer is in fact at an undervalue then prior to the transfer a report detailing that fact should be produced and signed of at the level appropriate to the amount of the undervalue.

Options Considered

47. The following options have been considered:

Do Nothing

48. With the projected increases in the number of older people within the Devizes area over the coming years and the council's strategic direction to keep people independent in their own homes for as long as possible, the need for the provision of an extra care facility in Devizes was identified in the Older People's Accommodation Development Strategy.

49. In the long term the need to have access to appropriate housing and care services generated by the increasingly elderly population will need to be met. Additionally, this option would not address the maintenance and security implications associated with retaining the vacant sites at Southfields and Anzac House, therefore this option is not recommended.

50. If the current care home sites were to be sold on the open market, it would generate a capital receipt [as set out in the financial appendix attached], less demolition cost and cost of lifting the restrictive covenant on Southfields if a 40% affordable housing requirement was made.

Develop on another Site in Devizes

51. Through working with the local community working group, a number of sites were considered in Devizes. These were:

- i. Anzac House Care Home site – this is a 1.22 acre site on the corner of London Road and Windsor Drive and is located a considerable distance from the town centre and other services.
- ii. Southfields Care Home site – this is a 1.66 acre site located on Victoria Road in the centre of town, set just behind the Morrison's supermarket. This site has good access to other local services.
- iii. Browfort site – this site has been considered inappropriate for extra care.
- iv. Existing Sheltered Housing – a full review of existing stock in this area has been carried out and no suitable units have been identified. The upgrading and remodelling of existing stock would require substantial capital investment.

52. These sites were all judged to be inferior to meet the needs of older people. Therefore, selecting one of these options is not recommended.

Develop the Southfields Site

53. As the council is reviewing the assets currently within its portfolio and the site will be vacant in September 2014 there is a need to develop or sell the site. Under the area board, the community working group has assessed the options and considers extra care housing on the Southfields site as the most suitable option. Not only will this deliver additional housing but will provide vital services to the surrounding community.

54. The use of the Southfields site may generate a capital receipt but it is anticipated that the scheme will only be economically viable if the land is sold at nil consideration, representing public subsidy.

55. Therefore, this is the preferred option.

Conclusion

56. Having taken all of the above into account, the working group's preferred option of the Southfields site is recommended to the Capital Assets Committee.

Maggie Rae
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29th October 2013

Background Papers

CAC report 25/1/11 – Older People Accommodation Development Strategy.

Appendices

Part II – Financial considerations