

**Wiltshire Council**

**Cabinet Capital Assets Committee**

**19 January 2016**

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**Subject: Extra Care Housing Programme**

**Cabinet member: Councillor Jonathon Seed – Housing, Leisure, Libraries and Flooding**

**Key Decision: Yes**

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**Executive Summary**

In 2011 Wiltshire Council's Cabinet approved the Older People's Development Strategy ([Link to report](#)). The aim of the strategy was to reduce pressure on the hospital and care home system by enabling older people to remain living independently and receive the care and support they need at home. To achieve this, a number of outcomes were identified within the strategy. These are;

- a) Increasing the number of nursing and specialist dementia care homes
- b) Reducing the number of residential homes – aspirational aim to not commission any general residential beds by 2015
- c) Creation of 3 locality centres of excellence for rehabilitative step down and specialist dementia services
- d) Support more people to remain in their own homes by providing greater emphasis on preventative services, especially telecare
- e) Substantial development of extra care housing
- f) Management of future revenue and capital funding requirements

This paper focuses on enabling the development of extra care housing in Wiltshire to provide alternative choices to older people to ensure they are able to live independently in a safe and secure environment in the community.

This report seeks approval to

- g) use the sites, mentioned in this report, for extra care housing
- h) Commence derisking work on some of these sites for a maximum value of £25,000 per site
- i) Delegate authority to the relevant Associate Directors and Cabinet Members to approval any further steps in the process.

**Proposal(s)**

**Members are requested to;**

- 1) **approve commitment of the sites at Appendix 1 for the delivery of extra care housing**
- 2) **approve entering contracts for professional services to enable the**

**de-risking of the sites in preparation for disposal in accordance with the Corporate Procurement & Commissioning Board approach up to a maximum value of £25,000 per site.**

- 3) Members are recommended to delegate authority to the Associate Directors responsible for housing, finance, procurement, legal and assets in consultation with the Cabinet Member for Housing, Leisure, Libraries and Flooding, the Cabinet Member for Strategic Planning, Development Management, Strategic Housing, Property and Waste and the Cabinet Member for Finance, Performance, Risk, Procurement and Welfare Reform to approve;**
- a) following a tender process the transfer of the sites to a Provider or Providers, identified by the tender process, for the delivery of extra care housing, on terms determined as part of the tender process**
  - b) The commitment of some of the external HCA funding to a Registered Provider for the delivery of extra care**
  - c) Entering into funding agreements with HCA, as required, to secure the grant funding.**
  - d) Commitment of Local Authority (LA) funding required to support the delivery of the schemes which has already been allocated to the delivery of the extra care programme**
  - e) The general authority to enter into such documents and authorise such processes as are required to give effect to sub-headings a) to d) above.**

#### **Reason for Proposal**

Since the Older People's Accommodation Strategy was first approved in 2011 work has been ongoing to identify sites that would be suitable for the delivery of extra care housing. In addition to this, work has also been ongoing with Registered Providers (RP) to determine their interest in delivering extra care housing in Wiltshire.

This paper proposes the commitment of a number of council owned sites to provide extra care housing and enabling those sites to be put on the market to invite proposals for the delivery of extra care housing.

**James Cawley**

**Associate Director – Adult Care Commissioning, Safeguarding and Housing.**

## **Wiltshire Council**

### **Cabinet Capital Assets Committee**

**19 January 2016**

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**Subject: Council House Building Programme Review**

**Cabinet member: Councillor Jonathon Seed – Housing, Leisure, Libraries and Flooding**

**Key Decision: Yes**

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#### **Purpose of Report**

- 1.1 To gain approval to use the sites, mentioned in the report, for extra care housing,
- 1.2 To gain approval to commit a maximum of £25,000 per site to de-risking work
- 1.3 to delegate authority to the relevant Associate Directors and Cabinet Members to dispose of the sites to Providers on terms to be agreed, commit the HCA funding secured for these schemes and commit Local Authority (LA) funding required to support the delivery of the schemes which is already allocated to the delivery of extra care housing

#### **Relevance to the Council's Business Plan**

2. The delivery of extra care schemes across Wiltshire will meet the following priorities, objectives and outcomes in the council's business plan;
  - a) Priority – protect those who are most vulnerable
  - b) Key Action 6 – invest to refurbish council housing and encourage the development of new affordable homes, including supported living in rural areas
  - c) Outcome 3 – Everyone in Wiltshire lives in a high quality environment
  - d) Outcome 4 – Wiltshire has inclusive communities where everyone can achieve their potential
  - e) Outcome 5 – People in Wiltshire have healthy, active and high quality lives
  - f) Outcome 6 – People are as protected from harm as possible and feel safe.

#### **Main Considerations for the Council**

- 3.1 The Council currently has a number of sites which would be suitable for the delivery of extra care housing; these are identified in Appendix 1
- 3.2 Registered Providers have expressed an interest in delivering extra care housing on these sites

3.3 It is intended that in order to identify which Registered Provider will deliver the facilities a Procurement process will be carried out and the sites tendered in accordance with the Council's Financial Rules and Regulations

3.4 Alongside this we will be looking to de-risk the sites by undertaking a number of different surveys (e.g. topographical survey, utilities survey, ecology survey, archaeological investigations) at a maximum cost of £25,000 per site

3.5 On disposal, there will be requirement that the successful provider will purchase these surveys from the Council thus covering the costs in full

3.6 If aborted, the costs of these surveys will be met by commuted sums which have already been allocated to the delivery of the extra care housing programme

3.7 On receipt of bids they will be analysed by officers from housing, finance, property, legal services and procurement and a report written for the Associate Directors and Members with delegated approval, to make a decision for each site about; whether to proceed with disposal; what terms to dispose on – freehold or leasehold; what price to accept for the land OR what, if any, additional subsidy to provide to enable the scheme to proceed

3.8 Wiltshire Council will secure nomination rights to the affordable homes in line with the council's allocations policy and procedure for extra care housing

3.9 The Council has secured a number of funding streams to support the delivery of extra care housing in Wiltshire which has to be spent by March 2018

3.10 The Local Authority grant available for a potential top up is money already allocated to the development of extra care housing through the Social Care Infrastructure Grant. This grant is now part of the Better Care Fund

3.11 In order to enable the Providers to deliver extra care housing on the sites identified it may be necessary for Wiltshire Council to provide some local authority funding subject to a full open book assessment process with each provider, this will be subject to further approvals

3.12 The terms for disposal will be negotiated as part of the tender process and will be part of the report submitted to members at a later date as part of the Delegated Authority process. This will be subject to further approvals

## **Background**

4.1 In 2014 Wiltshire Council bid for and secured £5,500,000 of grant funding by the Homes and Communities Agency for the delivery of 250 affordable extra care housing apartments

4.2 In addition, the Council secured a further £2.08m from the Department of Health to deliver 52 new extra care housing apartments and £1.2m Housing Revenue Account (HRA) borrowing approval to deliver 40 new extra care housing apartments

4.3 Three extra care housing schemes are being built by the Council. The schemes being discussed as part of this paper follow a different model where an external provider will build, own and manage the extra care housing. This option has been chosen because there is not enough funding in the HRA account for additional Council built extra care housing

4.4 Extra care housing is not the same as care home accommodation. Each person is able to live independently with their own tenancy in extra care housing. There are communal facilities on site that can be used by tenants and the general public as required alongside 24/7 care and support

4.5 This project, to enable four extra care housing schemes, is part of a wider extra care programme that has been identified in Appendix 1

### **Safeguarding Implications**

5. The provision of suitable accommodation for older people with care and support services provided at home will contribute to ensuring vulnerable people are protected and able to live in a safe and secure environment. The communal facilities available within extra care housing also encourage older people living within the community who are at risk of social isolation to use the extra care housing facilities to meet people and spend time away from their home

### **Public Health Implications**

6.1 The extra care housing will be able to accommodate hoists if required and will be fully accessible

6.2 The extra care housing will have communal facilities and on-site 24/7 care and support services available to respond quickly and flexibly to the health and care needs of residents

6.3 The communal facilities and well-being suites will be available for health services and community groups to use to provide clinics and therapy sessions to benefit both residents and members of the wider community

6.4 These communal facilities will give the option of hosting social activities that will help combat social isolation and thereby help to reduce the incidence of mental health issues such as depression

6.5 The apartments and communal spaces will be designed to be dementia-friendly

6.6 Public Health will support the development of the programme by advising on Health Impact Assessments at an early stage and identifying what the scope and design of relevant HIAs would be

### **Corporate Procurement Implications**

7.1 Terms for disposal of the land to Providers will be developed as part of the tender process and subject to consultation with and approval by Members.

7.2 The Providers will be procured through a full OJEU tender process

7.3 Any procurement routes taken will be in line with the council's procurement regulations and the overall direction set by the Corporate Procurement Board requiring that an open and competitive process is used. It will be expedited in the appropriate timeframes to enable effective reporting, decision making and evaluation of the approach taken and benefits arising

7.4 Where possible the Professional Services Framework will be utilised to procure all services required to de-risk the site. Where this is not possible a tender process will be undertaken in line with the Procurement Rules and Regulations thresholds

#### **Equalities Impact of the Proposal** (detailing conclusions identified from Equality Analysis, sections 4 and 5)

8.1 The extra care housing will promote equality, reduce social exclusion and enable personal independence particularly for older, disabled and vulnerable adults and their carers. This meets both the Council's proactive duties under the Public Sector Equality Duty but also commitments under the Human Rights Act (1998). New affordable homes help to ensure that all members of the community have access to decent, affordable accommodation to meet their needs. Many of the health and well-being benefits (tackling health inequality) are outlined in section 6: It has been proven that good quality accommodation can contribute to overall health and wellbeing and that secure, safe and stable accommodation can enable households to contribute positively to their communities

8.2 Equality impacts will be monitored as the programme progresses and will be integrated throughout the life of the programme including the procurement processes. This is to ensure that the Council's statutory commitments to promoting equality and inclusion and tackling inequality are maintained. The delivery of these homes will also support the delivery of the council's vision to create stronger and more resilient communities

#### **Environmental and Climate Change Considerations**

9.1 The extra care housing provides an opportunity for a long term solution for low cost, comfortable and healthy living conditions for vulnerable people. With careful design from the outset, taking into consideration opportunities for orientation, highly insulated building fabric and energy efficient heat sources the housing provision for residents will enable them to not only afford their homes running costs but to also live comfortably and safely

9.2 As vulnerable residents require a higher than average home temperature for their long term health it is important to incorporate the maximum levels of insulation available, good build design optimising passive solar gain, as well as an efficient heating and hot water solution at the design and build stage. This will have a long term positive impact on their quality of life. By aiming to achieve BREEAM very good standard from the outset will avoid potential expensive retrofit measures to improve living standards and costs for vulnerable residents at a later stage, as well as reduce the energy consumption in the long term and the associated carbon emissions for the county

## **Risk Assessment**

### **Risks that may arise if the proposed decision and related work is not taken**

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- a) Hand back the grant funding to the HCA and potentially damage our chance of being awarded more in the future
- b) Care costs increase as older people continue to be admitted into residential care homes
- c) Affordable housing needs for older Wiltshire residents are not met
- d) Older People remain at risk of social isolation who are living within the community

### **Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks**

	<b>Risk</b>	<b>Mitigating Action</b>
a)	Insufficient resources to deliver the projects	The majority of the work will be undertaken by the respective Registered providers. Any derisking work will be undertaken as early as possible to ensure workload implications can be planned and managed in accordance with a Project Plan
b)	Cost of delivery	There is a risk that with a more buoyant construction sector the cost of building is increasing. This could cause increased build costs or lack of interest from developers and Registered Providers. A detailed site derisking process will be undertaken internally before the sites are transferred to ensure Registered Providers are aware of any development risk areas
c)	Planning	There is a risk that the remaining schemes will not achieve planning permission. Discussions are ongoing with planning officers. Terms of disposal would ensure that sites are disposed of subject to planning permission being achieved
d)	Community support	Consultation with local parish and town councils has been undertaken to ensure in-principle approval for the Older People's Development Strategy. Further consultation will be undertaken with communities as the projects progress on specific sites
e)	Meeting delivery timescales	A number of the funding streams are tied to delivery timescales. There is a risk of losing the funding if the existing timescales for practical completion (March 2018) is not met. Discussions are ongoing with the HCA to ensure they are aware of our efforts in delivering the Programme.

## **Financial Implications**

11.1 The Homes and Communities Agency awarded Wiltshire Council £5.5 million for the development of extra care housing of which £1.5 million has been allocated for the development of Council built extra care housing. The remaining £4 has been allocated for investment in the four sites that are the subject of this report. If extra care housing is not developed on these sites in conjunction with Registered Providers, we would have to hand back this grant funding to the HCA which may affect the future potential for receiving grant funding

11.2 Registered Providers will be expected to work with the Council on an open book basis so we can be assured that we are receiving best value on the land we have offered

11.3 A Grant Agreement will be produced between the HCA and the Registered Provider to protect the funding interests of the HCA

11.4 Additional agreements will be put in place to ensure the land is being used for the purposes of the tender exercise and to protect the funding interests of the Council (if additional top ups are required)

11.5 The Local Authority grant available for a potential top up is money already allocated to the development of extra care housing through the Social Care Infrastructure Grant. This grant is now part of the Better Care Fund

11.6 If these sites are developed for Extra Care in conjunction with a Registered Provider it is likely that they will be transferred to the Registered Provider at a nominal value. Capital Receipts will therefore be forgone as detailed in Appendix 2. This will not be known until bids are received which will then be subject to further approval

11.7 Financial modelling still needs to be undertaken to assess whether a model of extra care will generate revenue cost avoidance for the Council, and to take into account Welfare Reform and implications from future changes. This financial evaluation will be completed and given to Committee for review

11.8 There will be holding costs for the sites between the cabinet decision and the commencement of building (or the sale of the sites). These holding costs include security and National Non Domestic Rate payments. Actual spend on security at the both void sites in 2014-15 was £19,000 and £17,180 has been incurred Year to date 2015-16. Security costs vary between the sites depending of their circumstances and type of security provided. It is suggested that Strategic Assets and Facilities Management would continue to manage the void sites while the cost of doing so is carried by housing

## **Legal Implications**

12.1 Terms of disposal will be developed in the tender process. Appropriate mechanisms will be included in the terms to guarantee long term delivery of the



extra care nomination rights. These mechanisms will be negotiated as part of the tender process. This will be subject to further approvals.

12.2 A nominations agreement will be put in place to ensure the Council has 100% nomination rights in the first instance and 75% thereafter.

12.3 A contract will be put in place with an output specification that determines the Council's expectations for the quality of the build and the number of units required

12.4 Tendering these development opportunities through an OJEU tendering process will ensure that there is no "market distortion" or other competition issues that could raise State Aid concerns.

### **Options Considered**

13 An Options Appraisal at Appendix 2 identifies the options considered for each site

### **Conclusions**

14. The delivery of new extra care housing meets a range of objectives identified within the council's business plan and makes best use of capital funding and land resources

**James Cawley**

**Associate Director – Adult Care Commissioning, Safeguarding and Housing.**

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### **Background Papers**

[Older People's Development Strategy](#)

### **Appendices**

Appendix One – Extra Care Housing programme - CONFIDENTIAL

Appendix Two – Extra Care Options Appraisal - CONFIDENTIAL