

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Executive Member for Policy & Resources
<b>Date:</b>	12 December 2013
<b>Title:</b>	Project Extra Care Update and Winchester Extra Care Business Case
<b>Reference:</b>	5303
<b>Report From:</b>	Directors of Adult Services and Culture, Communities and Business Services

**Contact name:** Louise Hague and Peter Rush

**Tel:** 846578 and 832162    **Email:** [louise.hague@hants.gov.uk](mailto:louise.hague@hants.gov.uk) & [peter.rush@hants.gov.uk](mailto:peter.rush@hants.gov.uk)

### 1. Executive Summary

1.1. The purpose of this paper is to provide an update on the progress on Project Extra Care and in particular to seek approval to the Business Case for the scheme to be developed in Winchester on the site of the Chesil Street surface car park.

1.2. This paper seeks to:

- summarise the background to Project Extra Care
- identify the progress made to date including emerging development opportunities
- secure approval to the Business Case for the first Extra Care development in Winchester to release the required funding contribution from the County Council towards the cost of the project.

### 2. Contextual information

2.1. In October 2011 Cabinet agreed to the allocation of up to £45m of capital funding to meet the challenge of the rising numbers of older people in Hampshire, and to transform the provision of accommodation based services by developing extra care housing schemes. This decision built on the success of four new build Extra Care housing schemes already developed in Andover, Gosport, Fleet and Basingstoke as part of the initial Extra Care programme (phase 1) agreed in September 2007, which together provide a total of 240 one and two bed apartments, of which 210 are available for social rent and 30 for shared ownership.

2.2. The last update on Project Extra Care set out the strategy to deliver a minimum of a further 500 affordable Extra Care apartments and the:

- Undertaking a demand-mapping exercise to assess the levels of need for Extra Care housing by District across Hampshire and identify key priority areas for delivery;
- Consideration of available County Council owned sites that may have arisen from departmental rationalisations; other transformation programmes and within the capital receipts programme;
- Identification of a range of methods to deliver the programme including:
  - Payment of a Capital Grant under a published Grants Programme
  - Sale of a County Council owned site under the Local Government Act (1972)
  - Established an OJEU compliant framework of providers

2.3. In establishing the original business case it was agreed that use of the approved £45m funding would require a formal Business Case to be submitted for EMPR approval setting out both the capital and revenue costs of the proposed project and the payback period.

### **3. Progress to Date**

3.1. At its meeting of October 2012, the Executive Member for Policy & Resources approved the first Phase 2 Business Case for the Surrey Court scheme in Eastleigh. This is being developed by First Wessex in two phases, adding in total a further 70 apartments. Phase 1 will open early in 2014 and will offer 42 apartments available for social rent, with Phase 2 due for completion in Spring 2015 offering an additional 28 apartments, 8 of which will be for social rent with the remaining 20 being offered for shared ownership.

3.2. As part of Phase 1 Consolidation, around £3 million was approved to support the delivery of extensions to the Westholme and Oakridge House Nursing Homes in Winchester and Basingstoke respectively. Detailed planning consents and expenditure approvals for each scheme have since been secured and both schemes have now commenced on site with completion planned for Summer 2014.

3.3. Authority to procure an OJEU compliant Partner Framework was secured at the July 2012 EMPR meeting and work has progressed in the succeeding 12 months to establish an appropriate framework arrangement, culminating in the appointment of 5 partner organisations. This framework will enable the development of extra care schemes on both sites owned by HCC and those brought forward by framework partner organisations. It offers partners the opportunity to be responsible for all aspects of the development from the design stage through to the provision of the care and support services for the initial three years. It is anticipated that the majority of the Phase 2 delivery will be via the use of this framework which has a call off period of 6-years duration.

- 3.4. With the Partner Framework having been launched, work is now on-going to detail the mini-competition selection process, and to confirm a programme of appropriate County Council owned sites to bring forward as development opportunities under the framework. The first site to be offered through the Framework will be the Fernmount site in New Milton. This will be vacated under the Learning Disability Transformation programme by September 2014, and in combination with other adjoining County Council owned land will be offered through a mini-competition early in 2014. Other sites owned by the County Council will then be offered through the framework by this route. Where no suitable County Council owned site can be identified, a site will be “called for” from the framework partners.
- 3.5. A stand alone procurement exercise is currently being undertaken for the joint provision of an Extra Care scheme of at least 50 apartments and a Nursing Home on the Oak Park site in Havant. This process will be completed by December 2013, with it being anticipated that building work will commence in late summer 2014 (subject to planning) and the scheme being fully developed by the end of 2015. A further report seeking authority to appoint the successful tendering party will be submitted for the EMPR approval in January 2014.
- 3.6. In January 2013 the County Council supported the submission of funding bids (in conjunction with Registered Partners) to secure funding from the Department of Health’s Supported and Specialised Housing Fund, announced in the Autumn 2012 Interim Budget statement. Bids were made in respect of proposed developments in Winchester and Farnborough. Although the Fund was heavily oversubscribed, in July 2013 confirmation was received of an award of £1.85m in relation to the proposed Winchester development.
- 3.7. The remainder of this report and the Business Case contained in the attached confidential appendix relates to this scheme. Although the Farnborough scheme was not awarded Department of Health funding, discussions are currently on-going to enable the scheme to still proceed albeit with a revised funding arrangements. Once these discussions have concluded a detailed business case will be reported to the Executive Member for Policy and Resources to release any necessary capital contribution from the County Council towards the cost of this project.

#### **4. Winchester Extra Care Scheme**

- 4.1. Based on the objective of meeting the need identified by the demographic data, and ensuring that Extra Care Housing becomes a realistic option for older people across the County, with population forecasts within the Winchester district indicating an increase of 12.5% in the over 75 population by 2017 and 79% by 2030, there is a demonstrable need for such provision in the Winchester area.
- 4.2. Despite a careful review of County Council owned sites arising from existing and emerging transformation programmes, together with the existing Capital Receipts programme, it has not been possible to identify a site of a suitable size to develop for Extra Care housing purposes in the centre of Winchester.

An opportunity for another site in the Winchester area for an Extra Care housing scheme has been secured within the proposed Barton Farm development in Winchester. This however is unlikely to come forward for perhaps another 5 years.

- 4.3. In discussion with Winchester City Council a site located within the city centre has been identified. Following a review of City Council owned car parks, the Chesil Street surface car park has been identified as being surplus (given the increasing success of the Park & Ride facilities), and has been identified as being a suitable location for an Extra Care scheme. The proposal to release this site for extra care housing development will be taken to City Council's Housing Cabinet in late November and then onto their Cabinet for a decision on 4 December 2013 .
- 4.4. The City Council will develop the site themselves (in conjunction with Sentinel Housing as developer) for an anticipated scheme of 50 one and two bedroom apartments, of which of which 44 will be for social rent and six for shared ownership. The scheme will also provide a full range of communal facilities including a catering kitchen and restaurant facilities allowing for the provision of one hot meal a day, treatment and therapy rooms, assisted bathrooms etc. in accordance with the principles of the County Council's Extra Care Housing Design Guide.
- 4.5. In addition, by working with the City Council, it has also been possible to secure agreement to the provision of enhanced community facilities within the proposed scheme. As agreed by the Executive Member for Adult Social Care in September 2013, this will allow the closure of the Winchester Older Persons Day Services facility currently still operating from the former Cornerways Care Home at Kingsworthy in Winchester. As part of the closure decision in relation to Cornerways residential care home, it was noted that any subsequent disposal would be subject to the satisfactory re-provision of the day centre either independently elsewhere or ideally as an integrated part of a new Extra Care scheme. The proposed Chesil Street scheme will, once opened, allow the sale of Cornerways site to be progressed as approved.
- 4.6. Subject to the City Council taking the required Member decisions to release the Chesil St site for the development of Extra Care, and following the necessary appointment of various consultants to develop the concept scheme, a detailed planning application for the site is anticipated May 2014 with a commencement of construction early in 2015, ensuring completion 12 - 14 months later. These timescales would allow a sale of the Cornerways site to contribute towards the Capital Receipts programme in 2015/16 onwards.
- 4.7. In addition to the Department of Health funding secured for the scheme, the City Council will be contributing c.£7m from its Housing Revenue Account (HRA )has committed a further £500,000 of its own funds (from a legacy for the development of accommodation for older people in Winchester). This has meant that the County Council contribution towards the cost of the Extra Care scheme including the enhanced community facilities, is significantly less than otherwise might have been required for a scheme of this nature and location.

- 4.8. The capital contribution will be made via the published Grants Programme, and will be made in 3 tranche payments. The Grant Agreement with the City Council will further include mechanisms to protect the authority's contribution should the use of the facilities cease at a future date.

## **5. Finance**

- 5.1. The Cabinet report in October 2011 approved up to £45 million towards Project Extra Care. To date commitments include around £3 million to support the nursing home extension projects at Westholme in Winchester and Oakridge House in Basingstoke, both of which recently started on site, the site acquisition costs of the Oak Park development in Havant to support the on-going procurement exercise and the previously approved, phased grant contributions towards the Surrey Court development in Eastleigh.
- 5.2. This report relates to the business case for a 50 unit Extra Care scheme with enhanced community facilities in Winchester. The background to the scheme and the funding requirement has been summarised in Section 4 above but is set out in more detail in a confidential Appendix 1. In terms of value for money, the proposed scheme contribution of £1.1m is considered to represent good value overall given the schemes location, the number of affordable Extra Care apartments to be delivered and the enhanced community facilities which will allow the sale of the former Cornerways care home to proceed. It is also considered to represent good value for money in terms of the level of requested contribution which is to be paid on a phased basis linked to scheme commencement and completion.
- 5.3. As the financial award is by way of the Grants Programme rather than a formal procurement, the required care and support services for the residents of the scheme will be secured under a separate procurement exercise, for which approval will be sought from the Executive Member for Adult Social Care and Public Health, once the scheme has commenced construction.

## **6. Performance**

- 6.1. Project Extra Care will provide a modern alternative form of care and support for older people, promoting greater service user independence, wellbeing and choice. In this regard the project supports the Corporate Priorities to Maximise Wellbeing and Enhancing our Quality of Place.

## **7. Future Direction and Programme**

- 7.1. This report has summarised the continued progress achieved in relation to Project Extra Care in terms of current delivery, future mechanisms to delivery additional schemes and projects that will be delivered in the short to medium term.
- 7.2. It has also presented a business case for a Winchester Extra Care project to secure the necessary approvals to draw down part of the Cabinet approved capital funding. The Winchester scheme fits in with the overall strategic

objectives of project Extra Care providing new capacity in an area of identified need at a cost that represents value for money.

**8. Recommendation(s)**

- 8.1. That the progress on Project Extra Care be noted.
- 8.2. That approval be given to the release of the required capital funding to support the proposed Extra Care development in Winchester on the basis set out in the report, with the Director of Adult Social Care (Deputy Director) authorised to work with Legal Services to agree the legal mechanisms to both make the award and also to protect the County Council's interests to make use of the scheme going forward.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	no
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	yes
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	yes
Corporate Improvement plan link number (if appropriate):	

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u> Modernisation of Adult Social Care – Project Extra Care	<u>Reference</u> 3175	<u>Date</u> 24 October 2011
<b>Direct links to specific legislation or Government Directives</b>		
<u>Title</u>	<u>Date</u>	

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

## **IMPACT ASSESSMENTS:**

### **1. Equalities Impact Assessment:**

- 1.1. The Equality Impact Assessment undertaken in respect of the development Extra Care housing for Older People is positive.
- 1.2. For the individuals who move into the scheme, it enables them to remain independent for as long as possible and living in their own flat/apartment rather than having to move unnecessarily early into residential care or nursing home accommodation.
- 1.3. For the local community the scheme will offer a local neighbourhood focus and a community hub which will help in responding to the demands of Winchester's growing older population, to which this scheme is directed. The development will also offer employment opportunities.

### **2. Impact on Crime and Disorder:**

- 2.1. There will be no significant impact on crime and disorder.

### **3. Climate Change:**

- a) The proposed development will be required to meet the sustainability requirements for housing within the emerging Winchester and District Local Plan which requires all new housing to meet Code for Sustainable Homes Level 5. At this level the scheme will need to be designed in such a way as to minimise its carbon footprint / energy consumption to meet the standard. In addition the location of the proposed development is very sustainable, enabling residents to be within easy walking distance to amenities in the town centre reducing the reliance to use the car thereby minimising emissions.