

REPORT TO	ON
CABINET	22 January 2020



TITLE	PORTFOLIO	REPORT OF
Development of an Extra Care Scheme within South Ribble.	Deputy Leader and Cabinet Member (Health, Wellbeing and Leisure)	Director of Neighbourhoods and Development

Is this report a KEY DECISION (i.e. more than £100,000 or impacting on more than 2 Borough wards?)	Yes
Is this report on the Statutory Cabinet Forward Plan ?	Yes
Is the request outside the policy and budgetary framework and therefore subject to confirmation at full Council?	No
Is this report confidential?	No

PURPOSE OF THE REPORT

1. To provide Cabinet with an update on plans to bring forward an extra care scheme within South Ribble.
2. Lancashire County Council has identified the provision of at least 1 Extra Care for older adults in each district by 2025 as a top strategic priority. South Ribble is one of a number of authorities in Lancashire which have yet to develop an Extra Care scheme for which there is a pressing demand.
3. This report seeks a strategic decision from the Cabinet regarding developing an Extra Care Scheme within the Borough to meet the needs of older adults.

PORTFOLIO RECOMMENDATIONS

4. That Cabinet makes a strategic decision to develop, own and manage an Extra Care Scheme within South Ribble in line with the need for Extra Care Housing as outlined within the Lancashire County Council Housing Care and Support Strategy 2018 – 2025.

5. That Cabinet provides approval to the Director of Planning and Property to identify sites within the Council's ownership or which the Council could acquire in order to build an extra care scheme within South Ribble.
6. That the Director of Planning and Property establishes an officer working group with agreed terms of reference to drive forward the identification of a site, review procurement options and identify sources of funding to build and manage the scheme with details of the preferred site, procurement route and funding options being reported back to Cabinet in June 2020.

REASONS FOR THE DECISION

7. South Ribble Borough Council are one of a number of authorities within Lancashire that presently do not have an Extra Care Scheme and this is an issue that both the Borough Council and County Council are keen to address. Officers have been working with Lancashire County Council to consider plans for extra care however discussions have now reached the stage where it is not possible to progress the scheme until a strategic decision has been reached by the Council, namely does the Council want to own and manage an extra care scheme or does it want to partner with a Registered Provider to deliver the scheme?
8. The Lancashire County Council Housing with Care and Support Strategy 2018-2025 indicates there will be a need for at least 204 Extra Care apartments in South Ribble by 2025. The need for Extra Care will only increase thereafter due to an ageing population and a number of authorities in Lancashire are currently exploring the potential to build additional extra care schemes due to demand in their area.
9. Once a strategic decision has been made in relation to the ownership and management of the Extra Care Scheme then plans can be worked up to move the scheme onto a formal project footing and to give this work the priority it deserves.

CORPORATE OUTCOMES

The report relates to the following corporate priorities: (tick all those applicable):

Excellence, Investment and Financial Sustainability	
Health, Wellbeing and Safety	√
Place, Homes and Environment	

Projects relating to People in the Corporate Plan:

Our People and Communities	√
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BACKGROUND TO THE REPORT

- 10.** Extra Care housing provides housing with care primarily for older people. Occupants have specific tenure rights to occupy self-contained dwellings and separate agreements are in place to cover the provision of care, support, domestic, social, community or other services. Unlike living in residential care homes, extra care residents are not obliged as a rule to obtain their care services from a specific provider and legally the housing element of the scheme is separate to the care element which means that residents have security of tenure and housing rights as specified within their occupancy agreement.
- 11.** The aim of Extra Care is to provide a wrap around a la carte care and support service to residents who access services when they require them with the aim of supporting resident's independence and reablement. A factsheet from the Housing Learning and Improvement Network is attached at Appendix 2 which provides some background information on the concept of Extra Care.
- 12.** South Ribble Council is presently one of a number of authorities within Lancashire that does not have an Extra Care Scheme. This is an issue that Lancashire County Council are keen to address and within their Care and Support Strategy 2018-2025 the County Council have indicated there will be a need for at least 204 Extra Care apartments in South Ribble by 2025.
- 13.** Demand for Extra Care is likely to grow as a result of demographic changes resulting in people living longer and having to cope with long term health conditions.
- 14.** As has been stated the scheme could be provided by the Council or a Registered Provider. It is also worth noting that Extra Care Schemes can also be provided by Developers and Specialist Private Sector providers however in most of these models market rents rather than affordable rents are charged and in some schemes some or all of the apartments are for sale and as such they exclude many residents lacking the income to pay market rents or equity to purchase apartments.
- 15.** The scheme proposed by the Council and Registered Providers would not be reliant upon market rents and sales and therefore would provide for a more universal approach based upon need rather than the ability to pay market rents or possess the equity to buy apartments.
- 16.** It is important that the Council effectively utilises its asset base and the use of council land to build an extra care scheme would appear to meet this objective.

17. Should the council wish to directly deliver the extra care scheme then it shall need to be placed on a proper project footing and it is recommended that a project manager is appointed to drive the project forward.
18. Nationally, the current average level of provision for Extra Care equates to 15 units per 1,000 people aged 75 or over. As there are only two purpose- built schemes in Lancashire and three in development therefore there appears to be a significant under provision of Extra Care schemes when we compare Lancashire to other areas.
19. It has been recognised that there is still too much reliance on the use of traditional models of residential care which fail to help people maximise their independence and support reablement.
20. Housing with Care and Support is an effective means for ensuring that the county council meets its duties under the Care Act 2018. From a national perspective, the Care Act places a duty on local authorities to cooperate with partners to ensure that care and support is delivered in an integrated way.
21. Furthermore, the Care Act clearly states that housing is a health and social care related service as it plays a vital role in supporting people to maintain good health, independence and improved quality of life.
22. The development of an Extra Care Scheme within South Ribble will promote wellbeing, improve health prevention and enhance partnership working between the Borough and County Council, the NHS and other care providers which shall provide significant and sustained benefits to local residents.

PROPOSALS (e.g. RATIONALE, DETAIL, FINANCIAL, PROCUREMENT)

23. This report is seeking a strategic decision in relation to the Councils intention to build, own and manage an Extra Care Housing Scheme.
24. As part of the plans for the Council to directly deliver new housing, officers are in the process of applying to become a Registered Provider with Homes England which shall enable the Council to apply for Homes England development grant for this scheme and other new build schemes which the Council may look to develop.
25. The development of an Extra Care Housing Scheme has been identified as a key project within the Leyland Town Deal Funding bid and if successful funding shall be sought from this initiative to help bring forward the Extra Care Scheme.
26. The relevant legal, procurement and financial implications will be detailed in a further report to Cabinet in June 2020.

CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION

27. The Council has engaged Arc4 to carry out a housing needs and housing demand study which shall involve consultation and engagement with a number of local stakeholders. The results of this study are due at the end of January 2020

and should help to identify the potential demand for Extra Care within South Ribble.

28. The Lancashire County Council Housing with Care and Support Strategy 2018-2025 was subject to a public consultation exercise. South Ribble Borough Council responded to the consultation to state that it supported the recommendation for at least one extra care scheme to be provided within each local authority area within Lancashire.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

29. The Council has a choice. It could decide to develop, own and manage an Extra Care scheme itself or it could choose to partner with a Registered Provider to develop the scheme.
30. Should the Council develop, own and manage the scheme it shall provide the Council with a valuable financial asset for which grant funding could be secured to help with build costs and the scheme would provide a positive financial surplus for the Council to reinvest in the scheme or in other Housing and Care priorities.
31. Alternatively, the Council could choose not to develop an Extra Care scheme within South Ribble. This is not recommended as there is clearly an unmet demand for such a facility and failure to provide an Extra Care scheme would result in elderly residents with support needs receiving a lesser service than residents in neighbouring boroughs.

AIR QUALITY IMPLICATIONS

32. The decision Cabinet are being asked to make has no direct impact on Air Quality within the borough. However, the choice of location, size, scale of the development has the potentiality to negative impact on air quality or to place future residents at risk of being adversely affected by poor air quality.
33. In addition, the Council has recently declared a climate emergency with the stated aim that the borough will be carbon neutral by 2030. As such any design for the proposed Extra Care facility should ensure that it has been designed to be as carbon neutral as possible.

RISK MANAGEMENT

34. Failure to optimise capital values and income generation from the commercial asset portfolio could lead to a significant loss of income for the Council.
35. It is important that the Council adopts a robust approach to managing compliance from both a landlord and tenant perspective.
36. The lack of a robust strategic asset management plan could lead to higher than required maintenance costs as repairs and investment are undertaken on a short term, adhoc basis rather than a more strategic and planned approach being adopted.

EQUALITY AND DIVERSITY IMPACT

37. The allocations policy for an extra care scheme would need to be compliant with all relevant equalities and diversity legislation and good practice.

COMMENTS OF THE STATUTORY FINANCE OFFICER

38. The costs for a 60-65 apartment Extra Care scheme are estimated to be circa £10 million. This is inclusive of land and development costs.
39. There may be potential for the council to draw down funding from other sources including Homes England, Lancashire County Council and the Leyland Town Fund. The recently developed extra care scheme at Primrose Gardens in Chorley was successful in drawing down funding from both Homes England and Lancashire County Council in order to develop the scheme.
40. Other funding which could be applied to this scheme are the commuted sums (s106) received from developers in lieu of the provision of affordable housing. Some of the monies currently held have been allocated to new housing developments at Station Road and the McKenzie Arms site but the balance of s106 funding, and indeed any new s106 receipts, could be allocated to an Extra Care Scheme. This would result in lower annual borrowing costs.
41. The Lancashire County Council Care and Support Strategy 2018-2025 reported that a recent evaluation of potential revenue savings to the county council, based on their financial modelling tool, suggests an average weekly saving of around £100 per person for those individuals who would otherwise have been living in residential care. However, as people living in Extra Care will have a range of needs, weekly care costs are likely to be an average of £33 per person less expensive when compared to other settings. However, it is important to note that these figures assume no capital investment in the scheme by the county council.
42. Officers shall explore funding opportunities and provide Cabinet with an indicative budget for delivering the scheme at the Cabinet meeting in June 2020.

COMMENTS OF THE MONITORING OFFICER

43. At this juncture what is being sought from Cabinet is a high level in principle decision. Hence there will be no direct legal implications arising from this report. It is proposed to bring back a more detailed report to Cabinet in due course once the initial in principle decision has been made. Such a report will contain advice regarding the likely legal implications relating to land acquisition (if required), procurement considerations, contractual matters and any other relevant considerations.

BACKGROUND DOCUMENTS

Lancashire County Council - Housing with Care and Support Strategy 2018-2025

APPENDICES

Appendix 1 - Lancashire County Council Housing with Care and Support Strategy
2018 – 2025

Appendix 2 - Housing Learning & Improvement Network Extra Care Factsheet 'What
is Extra Care'

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