

SOLIHULL METROPOLITAN BOROUGH COUNCIL

Report to:	Full Cabinet
Meeting date:	1 December 2016
Subject/Report Title:	EXTRA CARE HOUSING DEVELOPMENT, CHELMSLEY WOOD
Report from:	Cabinet Portfolio Holder for Environment, Housing & Regeneration & Cabinet Portfolio Holder for Managed Growth
Report Author/Lead Contact Officer:	John Pitcher - Senior Housing Strategy Officer jpitcher@solihull.gov.uk
Wards affected:	<input type="checkbox"/> All Wards <input type="checkbox"/> Bickenhill <input type="checkbox"/> Blythe <input type="checkbox"/> Castle Bromwich <input checked="" type="checkbox"/> Chelmsley Wood <input type="checkbox"/> Dorridge/Hockley Heath <input type="checkbox"/> Elmdon <input type="checkbox"/> Kingshurst/Fordbridge <input type="checkbox"/> Knowle <input type="checkbox"/> Lyndon <input type="checkbox"/> Meriden <input type="checkbox"/> Olton <input type="checkbox"/> Shirley East <input type="checkbox"/> Shirley South <input type="checkbox"/> Shirley West <input type="checkbox"/> Silhill <input type="checkbox"/> Smith's Wood <input type="checkbox"/> St Alphege
Public/Private report:	Public
Exempt by virtue of Paragraph:	N/A

1. Purpose of Report
1.1 To approve the development of an affordable 'extra care' housing development at Marlene Croft, Chelmsley Wood, being part of the former Coleshill Primary School site.
2. Decision(s) Recommended
2.1 Cabinet are asked to,

- (a) Approve Housing Revenue Account (HRA) capital funding of £4.683m
- (b) Approve the use of planning policy (Section 106) financial contributions of £1.400m
- (c) Approve the appropriation of the land shown within the red edging on the plan at Appendix 1, and labelled 'Extra Care Site', from the General Fund Account to the HRA, subject to confirmation that Schedule 1 consent under the Academies Act 2010 is forthcoming, as outlined in Section 3 below.
- (d) Delegate approval to the Director of Resources and Deputy Chief Executive, acting in consultation with the Cabinet Member for Managed Growth, to finalise the financial terms for audit and budget for the appropriation of land from the General Fund to the HRA.
- (e) Approve the appointment of Jessup Brothers Limited to build the development and authorise the Council to enter into the Authorising Agreement with Dudley MBC and a legal contract with Jessup Brothers Limited.
- (f) Note the approvals required from the Secretary of State for Education in Section 3 below, and agree the proposed option at paragraph 3.14 so that development works can commence as soon as possible.

3. Background

Extra Care Housing

- 3.1 The Council's concept of extra care housing – sometimes termed 'Housing with Care' - is that it provides purpose designed self-contained accommodation with care and support. On-site housing management with integrated care and support services enables residents to live as independently as possible in a safe and secure environment.
- 3.2 Residents in extra care will have a range of ages, abilities and care and support needs. Extra care therefore provides suitable accommodation for people whose needs are anywhere on a continuum between general-purpose housing and residential care.
- 3.3 The Council wants to develop more extra care housing and this commitment is contained in a 'Market Position Statement' and 'Independent Living and Extra Care Housing Strategy' (ILEX), discussed paragraphs 7.4 – 7.5 below.

Site Relationships and Approvals

- 3.4 In 2015 the Council's Corporate Leadership Team (CLT) considered development options for the former primary school sites at Coleshill Heath and Fordbridge.
- 3.5 At Coleshill Heath, CLT agreed to proceed with an option to provide an Extra Care housing scheme, open market housing and retain an existing nursery building. The Extra Care development was significant in maximising housing delivery and enhancing the residual land value to the North Solihull Partnership (NSP) by providing the policy requirement for affordable housing units aggregated across both sites.
- 3.6 Planning permission for developments at both sites was secured on 4 November 2015,
 - Coleshill Heath Extra Care scheme (PL/2015/51758). The approved scheme provides 51 apartments at affordable rent of which 43 are 1 bedroom and 8 two bedroom. This consent relies upon drainage connections into the scheme below which provides a Sustainable Urban Drainage Scheme (SUDS) and

Public Open Space (POS) to the whole site

- Coleshill Heath residential scheme (PL/2015/51742). The approved scheme will be built by Bellway and provides 57 2, 3 and 4 bedroom dwellings. This consent can 'standalone' from the Extra Care consent, but relies upon shared capital funding contributions towards the SUDS/POS works
- Fordbridge residential scheme (PL/2015/51743). The approved scheme provides for 72 2, 3 and 4 bedroom dwellings. Nineteen of these will be affordable rented homes.

Taken together, the two sites provide 70 affordable homes which equates to 39% of the total development on both sites.

- 3.7 The three planning consents are not linked in planning terms but the intention under the Regeneration Agreement objectives is to provide a holistic package of development. Each site benefits from economies and viability support from each other, and will be delivered in a co-ordinated programme.
- 3.8 The sites were handed over to NSP under Licence in September 2015 to facilitate the demolition of both former schools, under contract managed and procured by the Council on their behalf, which were concluded in December 2015. The sites remain under Licence pending the planned development and disposals. The intention was to commence development simultaneously, with the Bellway construction scheme taking the lead in providing the drainage solutions.
- 3.9 There is a requirement to obtain Section 77 consent under the School Standards and Framework Act 1998 to release former school playing fields for disposal. The Bellway scheme cannot go ahead without this. The Extra Care development, the SUDS and the POS, is on land not requiring this consent.
- 3.10 There is however an additional requirement, which applies across the whole site, to obtain consent under Schedule 1 to the Academies Act 2010 to dispose or change the use of school land, in its entirety.
- 3.11 Both consents have been applied for but neither has yet been given. The Council and NSP have taken steps to escalate this delay.
- 3.12 The Extra Care development requires SUDS, POS and highways infrastructure to be provided. The original intention was for the Development Agreement to obligate Bellway to do these works and receive a financial contribution from SCH, but it is not possible to finalise the Development Agreement terms with NSP and Bellway without the certainty of the timing of the Schedule 1 and Section 77 consents being forthcoming.
- 3.13 An alternative drainage option has been investigated to provide a 'plan b' solution, in the event that the Schedule 1 consent is obtained prior to the Section 77 consent, which will provide contractual cost certainty for the Extra Care scheme, and avoid the construction programme being delayed unnecessarily waiting for Section 77. This involves a direct connection into the existing drainage system and an attenuation tank on site. The cost of this drainage option is £0.064m.
- 3.14 In the scenario that Schedule 1 consent has been received by end March 2017 but Section 77 consent has not, it is proposed to implement 'plan b' to ensure that the Extra Care development progresses in a timely manner.
- 3.15 In this eventuality there would be a need to revisit SCHs financial contribution to the SUDS element of the wider infrastructure so that the HRA is not paying twice for this part of the scheme.
- 3.16 The request to Cabinet is therefore to grant delegated authority to the Director of

Resources and Deputy Chief Executive and Cabinet Member for Managed Growth, to finalise that financial contributions between the parties, as the situation regarding the educational consents evolves.

4. Evaluation of Alternative Option(s)

- 4.1 The usual approach to developing sites in North Solihull has been for Bellway to build all of the housing with the agreed 'general needs' affordable housing provision then being transferred to a housing association, WM Housing.

5. Reasons for Recommending Preferred Option

- 5.1 The location and size of the Coleshill Heath site provided the opportunity to consider an alternative approach to provide a specialist affordable scheme for older people and meet a number of Council priorities.
- 5.2 The development option pursued at Coleshill Heath, provides an improved receipt to the NSP. This is because it enables a higher proportion of open market homes to be developed on both this site and its linked site at the former Fordbridge school site.

6. Scrutiny

- 6.1 The development of additional Extra Care housing is a priority of the ILEX Strategy. This strategy was considered by a joint meeting of the Healthier Communities and the Economic Development and Regeneration Scrutiny Boards on 26 November 2012 and was then approved by Cabinet in July 2013.

7. Implications

7.1 Delivery of the Council's Priorities

The proposal in this report will contribute to the delivery of the following Council Priorities:

1. 'Managed Growth'
 - 'Deliver the North Solihull Regeneration Programme'.
 - 'Define and develop the Council's approach to development of and access to housing'
2. 'Health and Well-Being'
3. The approved North Solihull Partnership Plan 2016/17 – 2019/20 recognises the work and intention to develop an Extra Care scheme on this site and this is also reflected in the Development Brief for the site. This reflects the effective contact that the NSP has with the commissioners of services for older people so as to incorporate specialist housing into its development programme where need and funding make this possible.
4. The development of this scheme is included in the approved SCH Delivery Plan 2016/17.

7.2 Policy/Strategy Implications

- 7.3 Solihull has an ageing population. The number of people aged 65 and over in Solihull is projected to increase from 43,300 to 56,600 by 2030 and the number of people aged over 85 from 4,000 to 6,200. There is an increasing need to provide more accommodation for older persons and in particular for the very dependent elderly.

- 7.4 Most people want to live independently, regardless of age or vulnerability. The ILEX

Strategy seeks to make that a reality for as many people as possible in two ways:

- By providing support for people to continue to live safely and comfortably in their current home, and
- By encouraging the development of more extra care housing for those who want or need to move.

7.5 The Market Position Statement aims, through additional extra care accommodation, increased capacity in the reablement service and increased use of Assistive Technology to offset, or at least limit, increases in the number of care home placements (mostly residential care) that the Council will need to fund in the future.

7.6 Housing associations have developed three affordable Extra Care housing schemes in south Solihull since 2008. The approved scheme at the 'Powergen' site will add to this provision. This proposal will be the first Extra Care housing scheme in North Solihull.

7.7 All of the apartments at the proposed scheme will be let to people on the Council's Housing Register and who have a housing and care need. This will be overseen by a Panel that brings together officers from SCH, the Council's Adult Social Care Directorate and the care and support provider. The Panel will help to ensure that an appropriate balance is maintained on the care and support needs of residents across the scheme.

7.8 It can be expected that some of the lettings to the extra care scheme will be to existing elderly Council tenants and this will provide an additional benefit in helping to free-up Council housing to meet other needs on the Housing Register.

7.9 **Meeting the duty to involve**

7.10 Community consultation was important in shaping the Development Brief for this site. This was supportive of proposals to develop an Extra Care housing scheme at this location. Public consultation sessions were held with local residents in May 2012, December 2013 and June 2015.

7.11 **Financial Implications**

Capital

7.12 SCH have worked with Jessups, the proposed contractor, to define a detailed capital cost for developing this scheme. SCH's Employers Agent has completed a full independent value for money report that includes comparisons with recent similar schemes. Once the scheme is in development the Employers Agent will undertake monthly valuations so that all payments are based on independently valued and completed work.

7.13 At its meeting on 16 August 2016, the NSP Joint Executive Board and Finance Committee approved that the sum of £222,806 be sought from SCH as a one-third financial contribution to the shared development costs for demolition, SUDS, creation of POS and play equipment.

7.14 On this basis the capital cost of the proposed scheme is,

- | | |
|---|---------|
| • Development
(including all project and
professional fees) | £7.479m |
| • Shared Development Costs | £0.223m |
| • Total | £7.702m |

7.15 The capital costs will be met from the following three sources,

- Housing Revenue Account £4.683m
- DoH/HCA capital grant £1.619m
- Section 106 £1.400m
- Total £7.702m

7.16 On 16 March 2016 the Cabinet Portfolio Holder for Environment, Housing and Regeneration approved the 2016/17 HRA capital contribution to this proposal, subject to Full Cabinet approval.

7.17 The grant funding is confirmed. The grant comes from the Department of Health's 'Care and Support Specialised Housing Fund'. The grant conditions require that the scheme is completed by 31 March 2019.

7.18 The Council's Section 106 affordable housing payments budget currently holds uncommitted funding of £0.567mm. Further payments of £2.408m have been secured by legal agreement and most will be received in December 2016 and early 2017 ensuring that the overall £1.4m capital contribution can be met.

Revenue

7.19 The revenue cost of providing the service in the development will be met from the following sources,

1. A tenancy service charge. This will cover heating, water and electricity to the communal areas of the building; cleaning of communal areas; annual maintenance and service contracts (including grounds and lift maintenance); day to day maintenance and repairs to communal areas; contents insurance to communal areas; renewal of equipment and staff time spent on the management and administration of eligible services

On 18 July 2016 SCH Board approved a HRA revenue plan to operate the scheme.

2. Domiciliary care. The Council's Adult Social Care Directorate support this proposed development and will commission and fund a care and support provider. This will result in an experienced provider being appointed to deliver flexible packages of care and support to residents. Supporting people in an Extra Care environment can lead to improved independence and wellbeing for residents, especially as there is more opportunity for crises to be averted. This may mean that less funding will be required for home care and residential care, than would otherwise have been the case. People moving to extra-care housing often have a level of social care previously, for example, home care in their own home. Therefore the majority of care and support costs would be covered by the equivalent transfer from the relevant budgets, e.g. home care budgets. If any additional funds are required over and above the equivalent cost transfers and any savings made as a result of enabling people to remain independent for longer, the further funding requirements of this scheme will be a call on the additional Better Care Fund monies that are expected by 2019.

7.20 **Legal implications**

7.21 The capital value of this project means that the developer must be appointed under European 'OJEU' procurement rules. The most efficient manner of doing this is to use an existing OJEU compliant tender framework. Dudley Council has carried out a 'Tender for a Framework Agreement for New Build Housing Construction and Advisory Services' (OJEU 2015/S067-117-689).

- 7.22 The Council's procurement officer has confirmed that this framework can be used for this scheme. CLT Procurement Board agreed on 10 November 2015 that the appointment of the developer should be done by using the Dudley Framework. Dudley Council has also been consulted and has worked with Council officers in taking this forward.
- 7.23 Jessup Brothers Ltd is the lead contractor on the Dudley Framework. They have recent experience of developing schemes for the Council/SCH and also constructed the most recent affordable extra care scheme developed in the borough, at Shirley Parkgate.
- 7.24 Through this development Jessups will create three new site apprenticeships (carpentry and/ or brickwork) and be able to maintain four apprentices already employed. Jessup will also contact local training colleges and arrange site visits for work experience and arrange site visits for local year 10 and year 11 school students.
- 7.25 The development site is in the Council's General Fund. The area to be developed by Bellway will be transferred to the NSP and then to Bellway in the normal way. For that part of the site to be developed as Extra Care with HRA funding the land will need to be appropriated from the General Fund to the HRA. This is the area within the red edging on the plan at Appendix 1.
- 7.26 **Risk Implications**
- 7.27 There are two risks associated with this proposal,
1. Site availability and development timescale. The build period for the proposed development is approximately 18 months. Subject to Full Cabinet approval and the land consents, a start on site could be achieved in January 2017 with practical completion in summer 2018. This means that the HCA grant funding condition to complete by 31 March 2019 is not a risk as long as the development commences by September 2017. Commencement as soon as possible is desirable so as meet needs and avoid any rise in development cost.
 2. Rents. The Spending Review and Autumn Statement on 25 November 2015 announced the Government's intention to cap the amount of rent that Housing Benefit will cover in the social rented sector to the relevant Local Housing Allowance (LHA) rate. Supported housing costs are often higher than mainstream housing and this proposal was therefore a concern to a wide range of organisations supporting vulnerable people.
- As a result Government has deferred the application of the LHA policy for supported housing to 2019/20. A DCLG/DWP consultation published on 21 November 2016 says that from April 2019 core rent and service charges will be funded through Housing Benefit up to the level of the applicable LHA rate. However, a new funding model '...will ensure that supported housing continues to be funded at the same level...'. This will be done by Government devolving funding to local authorities to provide an additional ring-fenced top-up fund to support vulnerable people.
- The consultation paper is the first in a number of stages of work that will result in a new national funding model from April 2019 which will give local authorities an enhanced role in commissioning supported housing.
- 7.28 **Statutory Equality Duty**
- 7.29 The development has been designed to ensure it can provide a 'home for life'. All apartments will be wheelchair accessible and careful thought given to the design of

communal area provision and the outdoor space. Attention will be paid to incorporating good practice in dementia design. This will have a positive impact for older people generally and also those older persons with other protected characteristics such as disability.

7.30 Carbon Management/Environmental

7.31 The proposed scheme incorporates a number of measures to reduce the energy demands of the development and the impact on the environment. For example there will be PV panels and LED lighting; efficient centralised gas boilers serving each apartment and soft landscaping and planting to help reduce surface water run-off with connection into a sustainable drainage system.

7.32 Partner Organisations

7.33 Council officers are working with NSP and SCH on this project.

7.34 Safeguarding/Corporate Parenting Implications

7.35 This proposal makes a contribution to meeting the Council's general responsibilities under the Care Act, 2014. A well designed and managed Extra Care scheme contributes to the 'wellbeing' principle and in preventing or delaying the needs for care and support.

7.36 Customer Impact

7.37 The development will have a positive impact for older people in Solihull who are on low incomes.

7.38 Other Implications

7.39 None as a direct result of this report.

8. List of Appendices Referred to

8.1 Appendix 1 – Approved Site Development Plan

9. Background Papers Used to Compile this Report

9.1 None.

10. List of Other Relevant Documents

10.1 None.