

SURREY COUNTY COUNCIL**CABINET****DATE: 26 JULY 2022****REPORT OF CABINET MEMBER: SINEAD MOONEY, CABINET MEMBER FOR ADULTS AND HEALTH****NATALIE BRAMHALL, CABINET MEMBER FOR PROPERTY AND WASTE****LEAD OFFICER: LIZ BRUCE JOINT EXECUTIVE DIRECTOR ADULT SOCIAL CARE AND INTEGRATED COMMISSIONING****LEIGH WHITEHOUSE DEPUTY CHIEF EXECUTIVE AND EXECUTIVE DIRECTOR OF RESOURCES****SUBJECT: RECOMMENDATION ON THE DELIVERY MODEL FOR EXTRA CARE HOUSING AT THE FORMER BENTLEY DAY CENTRE, BANSTEAD HORSESHOE, REIGATE AND BANSTEAD****ORGANISATION STRATEGY PRIORITY AREA: TACKLING HEALTH INEQUALITY/ENABLING A GREENER FUTURE/EMPOWERING COMMUNITIES**

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Purpose of the Report:

A paper was presented to Cabinet in July 2019 setting out Adult Social Care's (ASC) Accommodation with Care and Support Strategy for delivering Extra Care Housing for older persons and Independent Living schemes for adults with a learning disability and/or autism¹.

This paper sets out Surrey County Council's ("the Council") proposed delivery approach for one site proposed for Extra Care Housing. This will support our strategy to deliver Accommodation with Care and Support by 2030. That will enable people to access the right health and social care at the right time in the right place, with appropriate housing for residents that helps them to remain independent and ensures nobody is left behind.

Recommendations:

It is recommended that Cabinet:

1. Approves the development of Extra Care Housing on the former Bentley Day Centre site owned by the Council set out in this paper.
2. Approves external delivery of Extra Care Housing at the former Bentley Day Centre through a tender for a strategic development and housing management partner(s) as the preferred option. This site will be tendered with four further sites that have previously been approved for Extra Care Housing by Cabinet.

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<https://mycouncil.surreycc.gov.uk/documents/s57815/16.%20Accommodation%20with%20Care%20support%20Cabinet%20report%20July%202019.pdf>

3. Grants delegated authority for contract award to the following officers:
 - a. Deputy Chief Executive, Executive Director for Resources and Section 151 Officer in consultation with the Cabinet Member for Resources
 - b. Executive Director for Adult Social Care in consultation with Cabinet Member for Adult Social Care
4. Notes that a separate procurement process will be conducted to identify onsite support and care provision to avoid long-term support and care provision being tied into the development and housing management contract.

Reason for Recommendations:

The development of Extra Care Housing on the site set out in this paper will represent an important contribution towards the Council's strategic objective to expand affordable Extra Care Housing provision by 2030.

Tendering for strategic development and housing management partner(s) to take forwards the development of Extra Care Housing on the former Bentley Day Centre is consistent with previous decisions made by Cabinet. In October 2019, July 2020 and October 2020 Cabinet agreed to identify a strategic partner(s) for the development and housing management of Extra Care Housing at the former Pond Meadow School, the former Brockhurst Care Home and the former Pinehurst Resource Centre, Salisbury Road and Lakeside sites through tendering processes.

There are multiple benefits for the Council from including the former Bentley Day Centre site in the tender with the existing four sites. These include:

- Accessing economies of scale from delivering Extra Care Housing across more settings, which is likely to lead to a more commercially favourable response for the Council.
- Preventing unnecessary delay to the delivery of Extra Care Housing at the former Bentley Day Centre because it would not be advised to tender a single site.
- Accelerating the delivery of the strategy by including the site in the upcoming tender.

This is consistent with our ASC vision for development of Extra Care Housing, which has been clearly communicated through market and stakeholder engagement.

The other option available is for the Council to directly deliver the Extra Care Housing scheme at the Bentley site. This would involve the Council committing significant capital expenditure and be responsible for the ongoing housing management function of the Extra Care Housing setting. This option is not recommended as it is anticipated significantly less financially beneficial to the Council and would mean one Extra Care Housing scheme would be developed by the Council in isolation while a strategic development and housing management partner was developing four other Extra Care Housing schemes (assuming the tender for these sites is successful, which we expect to be the case based on market engagement). Financial modelling for both options is set out in the Part 2 paper.

Executive Summary:

Surrey County Council's Approach to Extra Care Housing

1. The site owned by the Council and identified for Extra Care Housing is:
 - i. The former Bentley Day Centre

2. ASC's Accommodation with Care and Support Strategy agreed by Cabinet in July 2019 set out the ambition to develop an additional 725 affordable units of Extra Care Housing in Surrey by 2030.
3. Extra Care Housing must be an enabling and accessible environment which makes independent living possible for older people with a spectrum of care needs, including those with dementia and other cognitive impairments. Its design and nature should mean that it is a 'Home for Life' - in most cases, people should be able to maintain their tenancies and live comfortably and with dignity without needing to go into residential and nursing care homes when their care needs increase. The key principles of Extra Care Housing can be found in Annex 1.
4. Initial feasibility sketches based on planning feedback and a review of the local area shows that these sites could provide circa 301 affordable Extra Care Housing units. In total this means, if Cabinet were to approve plans to develop Extra Care Housing at the former Bentley Day Centre site, then when combined with the planned developments already approved on the Pond Meadow, Brockhurst, Pinehurst, Salisbury Road and Lakeside sites, that there are plans to deliver circa 50% of the Council's strategic ambition.
5. To meet the Council's definition of affordability, rents and eligible service charges must be fundable through housing benefit.
6. National evidence and learning from Extra Care Housing schemes already used by the Council demonstrates the importance of maintaining an appropriate mix of needs of people living in schemes. The Council intend to operate a waiting list system to ensure appropriate nominations and care mix can be achieved and maintained through the life of the schemes. This will be essential to mitigate the risk of voids.
7. The Council's focus is on developing Extra Care Housing schemes that deliver affordable units for individuals with eligible ASC needs that the Council is required to support. As such, the default approach is to develop 100% affordable schemes whereby the Council has nomination rights for all of the units.
8. The Council's focus is on developing Extra Care Housing schemes that deliver affordable units for individuals with eligible ASC needs that the Council is required to support. As such, the Council's default approach is to develop 100% affordable schemes whereby the Council has nomination rights for all of the units. An alternative tenure model would only be considered for a site if development of a 100% affordable scheme on the site was not a realistic option. The Bentley Extra Care Housing scheme, along with those already approved, is proposed to be a 100% affordable tenure model.
9. A separate procurement process will be conducted to identify onsite support and care provision to avoid long-term support and care provision being tied into the development and housing management contract.

Consultation:

10. The consultation for this report builds on the previous discussions that have occurred during the lifespan of this programme, as outlined in previous Cabinet reports.
11. A preliminary pre-application meeting has been carried out with the SCC Reg 3 planning departments based on the intended use for the site.

12. During pre-tender engagement with market providers, it was strongly supported to bundle multiple sites together to ensure that the programme was attractive. The engagement was undertaken in relation to the four agreed market delivery sites, but the Council was informed by the market that a further site would be welcome.
13. In advance of publishing this report briefing notes have been circulated to the Adults and Health Select Committee, the local Surrey County Councillor for Banstead and senior planning and housing officers in Reigate and Banstead Borough Council. Briefing meetings will be arranged with the relevant district and borough ward councillors and senior officers as required.

Risk Management and Implications:

14. There is a risk that there may not be sufficient interest from the market to develop the schemes on the basis that the Council proposes. The Council has however undertaken extensive market engagement and learning will be available from the Pond Meadow tender to inform the procurement. We received positive feedback during our recent market engagement session on the existing four sites and the market responded positively to the potential inclusion of a further site in the tender. We anticipate a positive response to the upcoming tender.
15. There is a risk that once these sites have been launched the Council is unable to identify ASC funded residents for all of the affordable units. Void units would diminish the savings realised for ASC in Extra Care Housing compared to alternative forms of care, which would mean the Council would not be making best use of the land. To mitigate against this risk, ASC will seek to identify individuals suitable for Extra Care Housing a year in advance of each site's completion. This will provide adequate time to work with our own ASC operational teams, the future residents, their families, friends and carers to prepare them for occupying the flats once they are available. A full marketing strategy will be implemented to promote interest in the schemes and provide a waiting list of suitable residents.
16. Once the schemes are operational, ASC will continue to operate a nominations panel with district and borough colleagues to ensure any vacancies that occur are utilised as quickly as possible and that an appropriate mix of care needs is maintained across the sites.

Financial and Value for Money Implications:

17. As set out in the Accommodation with Care & Support Strategy presented to Cabinet in July 2019, the development of Extra Care Housing is expected to deliver financial savings compared to alternative forms of care for two main reasons:
 - i. The design and nature of Extra Care Housing settings means that in the vast majority of cases people should be able to live there throughout their remaining elderly life and avoid the need to go into residential and nursing care homes when their care needs increase. Some admissions into more expensive residential and nursing homes will therefore be avoided.
 - ii. The provision of care to people's own homes in Extra Care Housing settings is generally less expensive when compared to normal residences. This is due to a concentration of need within a bespoke housing setting, which allows care providers to minimise travel costs for care workers and more efficiently deploy

staff to support extra care residents. The average number of hours of care typically being lower for people in extra care settings.

18. Modelling based on the planned usage of the Council's new affordable Extra Care Housing units indicates that the Council should achieve savings of £5,100 per unit per year, compared to traditional alternative forms of care. Plans drawn up for the Bentley scheme estimate that circa 53 units of Extra Care Housing can be accommodated on the site. Therefore, total ASC care package efficiencies of £250k per annum are expected through the development of Extra Care Housing at the Bentley site (including expected voids). If Cabinet approve the recommended delivery model, and tender proceeds as planned, then the Council would either not be required to contribute to any of the capital development cost or only a small proportion of the development cost, meaning that most or all of the ASC care package efficiencies will be available to support the delivery of ASC's budget.
19. Beyond the direct savings to the Council, it is also important to recognise the wider financial benefits to the health and social care system. Evidence indicates that well managed Extra Care Housing schemes will typically result in fewer people requiring admission to hospital. Not only is this of course very positive for people's wellbeing and independence, it also reduces pressure on the health care system and avoids the higher levels of social care expenditure typically required following hospital discharge.

Section 151 Officer Commentary:
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20. Although significant progress has been made to improve the Council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
21. In this context, the Section 151 Officer recognises the development of extra care housing will be important in helping to expand accommodation provision in the community to help older people maintain their independence that is more cost effective than traditional alternative forms of care. Plans to develop Extra Care Housing and the associated care package efficiencies have been factored into the Council's Medium Term Financial Strategy
22. If Cabinet approves the recommendation to proceed with development of extra care housing schemes on the former Bentley Day Centre site, it will be important to ensure the Council works closely and swiftly with the relevant district and borough councils to finalise nomination agreements for the affordable units. As work progresses towards completion it will then be essential that individuals are identified who are suitable to move into the affordable units as close to the sites becoming operational as possible. Once the new schemes are operational, it will be important to track the costs of care provision across the affordable units and compare this to the modelled expenditure for affordable extra care so that this learning can be built into the proposed development of any further extra care schemes.

Legal Implications – Monitoring Officer:

23. The Council is seeking to develop the site known as the former Bentley Day Centre for Extra Care Housing. As owner of the site, the Council is empowered by legislation to dispose of, or develop, any land it owns. As further details become available, site-specific legal advice can be provided on the proposed legal transactions and requirements to facilitate the proposals set out in this paper.
24. If the recommended approach of using an external delivery model involving engagement of strategic development and housing management partner(s) is adopted, the Council proposes to grant a lease to the partner to facilitate development. The Council is empowered to grant a lease; however, it would be necessary to show that best value has been obtained. This is a legal requirement under Section 123 of the Local Government Act 1972. To show best value has been obtained, the Council may need to show that it had taken specialist advice (external) confirming that this represented best value. Under Section 123(2) of the Local Government Act 1972 the Secretary of State's consent would be required before the Council could dispose of land at less than best value. The grant of a lease falls into the definition of a disposal under the Local Government Act 1972.
25. Existing rights and interests of the Council in land it owns are not affected by the Public Contracts Regulations 2015. Regulation 10 (1) (a) exempts such transactions from the Public Contracts Regulations 2015. When the Council is attempting to enter into contracts for acquisition or rental of land, the public procurement rules do not apply, however there are exceptions. If the party the Council are wishing to contract with is also undertaking some element of works or services, the public procurement regime may be evoked, which requires contracts in excess of the threshold to be tendered.

Equalities and Diversity:

26. An Equality Impact Assessment (EIA) is included as Annex 2, examining areas of consideration for any implementation of the Accommodation with Care and Support Strategy. Identified impacts at this stage centre on improved resident experience and outcomes, more people remaining independent within their own homes for longer and further consideration needed of people's natural communities, recognising that communities do not necessarily fit with statutory boundaries.

Other Implications:

27. The potential implications for the following council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	No significant implications arising from this report
Safeguarding responsibilities for vulnerable children and adults	Improving the accommodation options available for people with care and support needs could have a positive impact in terms of safeguarding, ensuring that

	<p>vulnerable adults can live within safe, secure environments with appropriate care and support services designed around them.</p>
<p>Environmental sustainability</p>	<p>The surveys listed below have been completed and guided the design of this scheme. No impacts to the environment were identified.</p> <ul style="list-style-type: none"> • Arboriculture surveys • Archaeology DeskTop • Archaeology Survey ongoing • Asbestos R&D and Asbestos Demolitions • Badger & Bat Surveys • Botanical Survey • Drainage/Utilities • Ecology • Mammal Hole Monitoring • Topography • Redline Plan • Drainage CCTV • Ground Investigation – Desktop • Ground Source Heat Pump (GSHP) Desktop studies and site borehole tests • Flood Risk Assessment • Intrusive Ground Investigation: Geo-technical/Geo-environmental • Soil Investigation Survey • Transport Feasibility Survey • Underground Utilities Ground Penetrating Radar (GPR) Survey
<p>Compliance against net-zero emissions target and future climate compatibility/resilience</p>	<p>Consistent with the Council's Net-Zero Carbon target, the buildings will be designed to be operationally net-zero and future-proofed to be adapted and resilient to the impacts of climate change.</p> <p>The key features of an operationally net-zero carbon building include: high thermal efficiency, a low carbon heating system, and maximising the generation and use of on-site renewable energy.</p> <p>Materials and construction emissions will be reduced where feasible. The next design stages will address the Green Agenda within the budget allowance for the project and will</p>

	<p>design solutions to address the agenda, e.g.: Sustainable Drainage Systems, opportunities for rainwater harvesting, irrigation solutions, biodiversity net gain, landscape boundary treatments etc.</p> <p>Bidders will also be evaluated on the environmental implications of the proposed operation of the site and how they plan to maximise environmental benefits.</p>
Public Health	<p>Accommodation with Care and Support can positively impact on public health outcomes, including reductions in social isolation and/or loneliness; improved nutrition and hydration; increased wellbeing for residents participating in activities, such as exercise classes, and minimising the ill effects of fuel poverty and/or seasonal health risks.</p>

What Happens Next:

28. If Cabinet approve the recommendations in this paper, we will:

- i. Include the former Bentley Day Centre site in the upcoming tender for a development and housing management strategic partner(s) with the previously identified sites; Brockhurst, Lakeside Pinehurst and Salisbury Road.
- ii. The tendering process will commence in August 2022.

Report Author: Simon Montgomery, Senior Programme Manager, 020 8213 2745

Consulted:

Cllr Sinead Mooney, Cabinet Member for Adults and Health

Cllr Natalie Bramhall, Cabinet Member for Property and Waste

Adults and Health Select Committee

Reigate and Banstead Borough Council; councillors and officers

Liz Bruce, Executive Director, Adult Social Care and Integrated Commissioning

Simon Crowther, Director, Land and Property

Surrey County Council Finance, Legal and Procurement officers

Annexes:

Annex 1 – Principles of Extra Care Housing

Annex 2 – Extra Care Housing Equality Impact Assessment

Part 2 report

Sources/background papers:

Adult Social Care Accommodation with Care and Support Strategy for Extra Care Housing for Older People and Independent Living Schemes for adults with a learning disability and/or autism <https://mycouncil.surreycc.gov.uk/ieListDocuments.aspx?CId=120&MId=6328&Ver=4>

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