

SURREY COUNTY COUNCIL

CABINET

DATE: 21 JULY 2020



SELECT COMMITTEE: ADULTS & HEALTH SELECT COMMITTEE

SUBJECT: SCRUTINY OF THE DECISION ON THE CHANGE OF ROUTE TO MARKET FOR TWO EXTRA CARE HOUSING SITES

Note: This paper should be read in conjunction with the Decision on the Change of Route to Market for Two Extra Care Housing Sites reports (Items 9 & 16, Cabinet, 21 July 2020).

INTRODUCTION:

1. On 14 July 2020, Members of the Adults & Health Select Committee scrutinised the Decision on the Change of Route to Market for Two Extra Care Housing Sites, which is subject to a Cabinet decision on 21 July 2020. This scrutiny formed part of an update report on the wider Accommodation with Care and Support transformation programme, and the Select Committee heard evidence from the following Cabinet Members and officers:
 - Sinead Mooney – Cabinet Member for Adults and Health
 - Mel Few – Cabinet Member for Resources
 - Jon Lillistone – Assistant Director for Commissioning, Adult Social Care
 - Steve Hook – Assistant Director for Learning Disability and Autism
 - Peter Walsh – Property Account Manager for Adult Social Care

2. As outlined in the Decision on the Change of Route to Market for Two Extra Care Housing Sites report to Cabinet, the two sites owned by the Council and agreed to be used for Extra Care Housing developments are as follows:
 - Former Brockhurst Care Home, Brox Road, Ottershaw, Runnymede
 - Former Pinehurst Resource Centre, Camberley, Surrey Heath

3. A Cabinet paper in October 2019 recommended that the delivery model for these two sites was through a Joint Venture. Due to a delay in delivery and a pressing need for Extra Care Housing accommodation, an alternative delivery now needs to be agreed.

KEY AREAS OF DISCUSSION:

4. The Select Committee expressed concern at the **lack of progress** that had been made in the building of Extra Care Housing to date. Members heard that the Cabinet Member for Adults & Health and officers shared their frustrations with the slow progress made, but they expressed confidence that they were now moving at pace and that the change of route to market for two Extra Care Housing sites would only help accelerate this further.

5. Members raised concerns about the **length of contracts** and were informed that the approach to these would be done in a way that was flexible and allowed the Council to be responsive over time to changes in the model of care. Further to this, Members heard that Council-owned land would be leased to a development and housing management strategic partner(s) for 125 years on peppercorn rent, and that the developer would be responsible for maintenance of the grounds and every day running costs, with a separate contract for a separate care provider.
6. Another area of concern raised by the Select Committee related to the reasoning behind the Council deciding not to apply to be a **registered social landlord**. Several Members questioned whether this approach was the correct one and were informed that Cabinet had considered this in October 2019 but had decided that the better option was the build and operate model, allowing the Council to work closely with established registered providers of Extra Care Housing. The Select Committee also heard that the flexibility of the contracts being offered would allow for a change in approach in the future if required, keeping open the possibility of the Council applying to become a registered social landlord if circumstances changed.
7. The Select Committee discussed the possible use of **capital investment** and the associated financial figures, as outlined in recommendations 2 and 3 in the Part 2 Cabinet report. Members heard that the aim was to avoid or limit as far as possible any capital investment by the Council, but that this could be necessary if the winning bidder in the tender required it as part of their proposal. However, the Select Committee received assurance that the savings would significantly outweigh the costs of capital investment, even if the full costs were required.
8. Regarding potential risks, the Select Committee raised the possibility that the Council could be unable to identify Adult Social Care (ASC) funded residents for all of the units. In response, the Cabinet Member for Adults & Health explained that ASC would seek to identify individuals suitable for Extra Care Housing a year in advance of the units' completion, and that the Council would ensure it worked closely with district and borough council colleagues to ensure any vacancies are filled as quickly as possible. Members welcomed this approach and asked that it remained a priority.
9. It was explained to the Select Committee that the recommended approach (to tender for a development and housing management strategic partner(s) for Extra Care Housing schemes on Council-owned land on a design, build, finance and operate basis with up to a 125-year lease) had several strengths. Namely, these related to there being less financial risk to the Council because there would be little to no capital requirement, the ability to procure a development and housing management strategic partner(s) who had a track record of delivering Extra Care Housing, and registered providers of Extra Care Housing being able to access Homes England grant funding.
10. The Select Committee also heard about the tender exercise which will be completed during summer 2020 in order to identify a development and housing management strategic partner(s) of Extra Care Housing at the former Pond Meadow School site. Officers explained that market engagement had been conducted for the former Pond Meadow School site and that positive feedback had been received, despite the challenges raised by the Covid-19 pandemic.

CONCLUSIONS:

11. The Select Committee welcomes the change of route to market for two Extra Care Housing sites, notwithstanding the concerns mentioned above, inasmuch as it represents a much-needed change in the pace of delivery.
12. Members do not feel they have been provided with the level of information required to fully understand the rationale behind the change in approach and the associated financial figures. Furthermore, the Select Committee is disappointed that it was not able to spend more time reviewing the relevant documents. Moving forwards, the Select Committee asks that scrutiny is involved at an earlier stage in the decision-making process.

Bernie Muir
Chairman of the Adults & Health Select Committee

Cabinet Response

We welcome the feedback from the Select Committee in this report and the recognition of the improved pace of delivery for increasing affordable Extra Care Housing capacity in Surrey.

We are pleased the Select Committee endorses the change of route to market for the two Extra Care Housing schemes recommended in the July 2020 Cabinet report and that the committee also notes that the recommendation will help accelerate the pace of delivery for affordable Extra Care Housing in Surrey

The Select Committee's support for Adult Social Care's Accommodation with Care and Support Strategy reinforces the council's ongoing strategic commitment to delivering improved outcomes for Surrey's residents through the delivery of specialist accommodation.

Reply from Ms Sinead Mooney
Cabinet Member for Adults and Health
21 July 2020

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