

MINUTES of the meeting of the **ADULTS AND HEALTH SELECT COMMITTEE** held at 2.00 pm on 7 August 2020 as a REMOTE MEETING.

These minutes are subject to confirmation by the Committee at its meeting on Thursday, 15 October 2020.

Elected Members:

- * Dr Bill Chapman (Vice-Chairman)
- * Mrs Clare Curran
- * Mr Nick Darby (Vice-Chairman)
- * Mr Bob Gardner
- * Mrs Angela Goodwin
- * Mr Jeff Harris
- * Mr Ernest Mallett MBE
- * Mr David Mansfield
- * Mrs Marsha Moseley
- * Mrs Tina Mountain
- * Mrs Bernie Muir (Chairman)
- * Mrs Fiona White

Co-opted Members:

- * Borough Councillor Vicki Macleod, Elmbridge Borough Council
- * Borough Councillor Darryl Ratiram, Surrey Heath Borough Council
- * Borough Councillor Rachel Turner, Reigate and Banstead Borough Council

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

Apologies were received from Angela Goodwin and Darryl Ratiram.

2 DECLARATIONS OF INTEREST [Item 2]

None received.

3 QUESTIONS AND PETITIONS [Item 3]

None received.

4 CALL-IN: DECISION ON THE CHANGE OF ROUTE TO MARKET FOR TWO EXTRA CARE HOUSING SITES [Item 4]

Witnesses:

Mark Hak-Sanders, Strategic Finance Business Partner (Corporate)
Peter Hopkins, Assistant Director of Commercial Property
Wil House, Strategic Finance Business Partner (Adult Social Care and Public Health)
Jonathan Lillistone, Assistant Director of Commissioning (Adult Social Care)
Sinead Mooney, Cabinet Member for Adults and Health
Simon White, Executive Director of Adult Social Care
Rachel Wigley, Director of Financial Insight

Key points raised during the discussion:

1. The Chairman of the Select Committee informed Members and witnesses that she had taken action to address the late submission of the Cabinet Extra Care report to the Select Committee for the 14 July 2020 meeting, so this issue should not be included in the discussion at this Call-In meeting.
2. Moreover, the Chairman was aware that the Select Committee had operational questions about the Accommodation with Care and Support programme, and these would be addressed with a deep dive by the Select Committee.
3. The Chairman then outlined the decision in question: the route to market for Extra Care Housing across two sites (Pinehurst and Brockhurst). On 21 July 2020, Cabinet had taken the decision to approve the proposed route to market. This decision had been called in by Cllrs Nick Darby, Fiona White and Angela Goodwin. Since the Call-In had been initiated, Cllr Darby had had meetings with relevant officers on the subject and the Select Committee had received the relevant reports with more information on the proposed route to market for the two Extra Care Housing sites.
4. The Members who had brought about the Call-In explained that the Select Committee was not against the principle of Extra Care Housing and that Members believed Extra Care Housing could be beneficial both in terms of outcomes for residents and financially for the Council; nor did Members object to the ambition of creating 725 Extra Care homes by 2028. The reason behind the Call-In was that Members did not feel they had been involved in the decision-making process early enough or presented with sufficient information, which had not allowed them to fulfil the Select Committee's role of providing genuine scrutiny, protecting tax payers' money and acting as a critical friend. Members desired formal confirmation in this meeting that that had been acknowledged by officers and Cabinet Members.
5. The Cabinet Member for Adults and Health emphasised the necessity of building more affordable housing in Surrey, the urgency of the Extra Care Housing scheme and the importance of supporting those most vulnerable. She detailed a case study of successful outcomes for a woman living in supported housing and emphasised its quality and safety.
6. Furthermore, the Cabinet Member emphasised that becoming a social landlord would not be in the Council's best interest, as it was a costly, lengthy process and most applicants were not accepted, meaning this application could add delay to the Extra Care Housing programme, which should be urgently implemented.
7. The Assistant Director of Commissioning (ASC) agreed with the Cabinet Member's statements and expressed a desire to deliver Surrey's ambition while facilitating scrutiny.
8. A Member asked for clarification on the breakdown of the previous arrangement for new supported housing with Living+. The Assistant Director of Commercial Property explained that Living+ was a subset of Places for People. The Council had entered into a Limited Liability Partnership with South Ridge Development; this constituted the Joint Venture with Places for People, which had been the previous plan for development of Extra Care Housing, before the Council made the decision to terminate the South Ridge Development contract (thereby terminating the partnership with Places for People) and, as mentioned, change the route to market. The Member asked what had been done

to attempt to prevent the breakdown of the relationship with South Ridge Developments, and the Assistant Director of Commercial Property stated that there had been attempts to realign with South Ridge Developments to reset the relationship with the Council, but when conditions were not met, the Council had made a wider decision to terminate the partnership.

9. A Member noted that the figures in the report on the client base comprised 2011 census figures and 2016 figures on service users. Did the figures give an accurate picture on the user base going forward? The Executive Director of Adult Social Care (ASC) said that as demographic figures were constantly increasing, the need for supported housing would only increase, so there was no risk that Extra Care Housing would not be needed. In addition, there were currently too many people in institutional care, so the Council also needed to move these people to more suitable housing.

It was agreed that the meeting would enter confidential discussion of commercially sensitive information under Part 2 of Section 100(A) of the Local Government Act 1972.

10. In Part 2, the Strategic Finance Business Partner explained that Homes England funding was available to registered social landlords only. Regarding capital investment, the recommended delivery model was to put the contract out to tender and, during this process, to confirm with organisations whether as part of their bid they would request any contribution by the Council. The amount of the contribution each bidder requested would be factored into the commercial evaluation and scoring of each bidder's tender submission. It was possible that the winning bidder might not require any capital contribution, but where the winning bidder did require a contribution, it would be limited within the amounts approved by Cabinet in July 2020. If the capital contribution were to be agreed, it would be paid on a stage-by-stage basis (not all up front in advance).
11. The Strategic Finance Business Partner went on to remind Members that the reason for the potential capital contribution was to ensure that rents and service charges were within the Local Housing Allowance rate for Extra Care Housing to ensure the schemes would be affordable for residents. The capital contribution was capped at the value of the land (net present value of operating the sites over a 40-year period).
12. Members felt reassured by the Strategic Finance Business Partner's statements about the capital payment and were satisfied that the steps outlined above would protect the Council's money.
13. A Member asked whether there was potential for individuals from Local Authorities outside Surrey to be offered placed in the new Extra Care Housing. The Cabinet Member for Adults and Health responded that it was important to ensure there was a robust allocations policy for what would be a precious site. The Council had started the planning for early identification of residents that would benefit most from Extra Care Housing.
14. A Member mentioned the void figure mentioned in the report, and commented that it seemed quite high in terms of potential loss. How was this calculated? The Executive Director of ASC replied that it was an industry standard used for modelling. The Council was not

intending to run the Extra Care sites at this level of occupancy – it was just an average.

15. A Member expressed concern about whether the Extra Care Housing would be affordable to people on low incomes or benefits. The Cabinet Member for Adults and Health assured the Select Committee that the rent and service charges were affordable. The Assistant Director of Commissioning (ASC) said that the key purpose of the capital funding was to keep the homes affordable.
16. A Member enquired whether the delivery partner would have a responsibility to fill voids if there was a higher number of voids than anticipated. The Cabinet Member for Adults and Health assured Members that there was a waiting list for Extra Care Housing, such as the high demand. The Assistant Director of Commissioning (ASC) confirmed that the Council did not anticipate that voids would be an issue, but if there were voids the Council would work through the lease agreement and would make sure all options were fully exhausted before any liability came to the Council.
17. A Member queried whether the lease would reflect the particular service that Surrey County Council would be delivering using that land. The Assistant Director of Commercial Property stated that the lease agreement would be negotiated to safeguard the Council's position over the whole term of the lease, ensuring that the development partner could only use the land for the purposes stipulated in the lease as designated by the Council.
18. A Member observed that there seemed to be a lack of in-house expertise and it seemed the case that the tender exercise was the best route for the Council.

Recommendation:

The Select Committee agrees that the Cabinet decision taken on 21 July regarding the change of route to market for two Extra Care Housing sites should stand.

5 DATE OF THE NEXT MEETING [Item 5]

The next meeting of the Adults and Health Select Committee would be held on 15 October 2020.

Meeting ended at: 3.10 pm

Chairman