

CABINET

4 DECEMBER 2013

WINCHESTER EXTRA CARE SCHEME

REPORT OF HEAD OF NEW HOMES DELIVERY

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RECENT REFERENCES:

[CAB2441\(HD\)](#) –Extra Care Scheme, Bid for Homes and Community Agency Funding 17 January 2013

CAB2511 – Winchester District Car Parking Strategy, 11 September 2013

EXECUTIVE SUMMARY:

The report updates Members on the latest position with regard to the opportunity to provide an Extra Care housing scheme for elderly people in Winchester. It outlines the next steps in the process and recommends that attention be focussed on one site to be tested as a location for the development.

RECOMMENDATIONS

1. That Cabinet confirms its support for the principle of an Extra Care scheme as part of the Council's new homes Approved Development Programme with an initial budget of £10.883 million.
2. That officers commission the technical studies and local consultation to determine whether the land currently occupied by the Chesil Street surface car park can accommodate the scheme.
3. That expenditure on professional fees and associated costs necessary to develop this scheme to the next stage, estimated at £39,000 in 2013/14 and £230,000 in 2014/15, be approved in accordance with Finance Procedure Rule 6.4.

4. That a further report is brought back to Cabinet, in accordance with the Council's Financial Procedure Rule 6.4, prior to the submission of a planning application detailing the outcome of the consultation with local residents, studies, the estimated final scheme cost and the overall viability.
5. That the Chief Finance Officer, in conjunction with the Head of Legal Services and Assistant Director (Chief Housing Officer), be authorised to finalise the Grant funding arrangements with the Homes and Communities Agency, Hampshire County Council and Sentinal Housing Association.

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1. Background and Need

- 1.1 As part of the Council's strategic housing responsibilities it has been working with Hampshire County Council (HCC) to look at ways of achieving the provision of an extra care housing scheme in Winchester. Winchester's population is ageing and a higher percentage of older people are now choosing to remain as independent as possible rather than agree to move into institutional accommodation. As a result, they may struggle to remain in accommodation which is increasingly unsuitable for their needs and in which it is difficult to provide the care they need. The alternative of purpose-designed accommodation, into which they could move and receive a significant level of care, whilst remaining otherwise independent, provides both a better environment for the individual and potentially frees up family sized accommodation which is currently in short supply.
- 1.2 The Government's vision for adult social care is for services to be delivered in a way that is more personalised and financially sustainable. All public sector housing providers have to consider how they are to meet the housing needs of their elderly tenants in the future, whilst care providers seek cost-effective ways of delivering care packages. Large scale housing schemes which are specifically for people who also need in-home care is one of the mechanisms for achieving this. District Councils (which have the housing obligation) and County Councils (which have the care obligation) are working together in many locations to achieve schemes of this type for people who are in the affordable housing sector.
- 1.3 Demand for modern purpose-built older persons accommodation which reflects the changing living patterns will be a particular issue in Winchester District as the number of residents over 80 continues to grow. Based on the latest census data from 2011, there has been a 25% increase in the District's households over the age of 85 since 2001 (and a 45% increase in the 60 to 64 age group). In the St. John and All Saints, St. Michaels and St. Bartholomew's wards, around 11% of the population of these wards is currently over 75 years of age, and that is set to increase by around 150 people by 2017.

2 Detail

- 2.1 In July 2012 the Government launched a reform of the care and support system including the White Paper "Caring for our future: reforming care and support" and accompanying draft legislation. Specialised housing is seen as a

key element of this new system by allowing older people to remain independent for as long as possible. To encourage public sector projects to get out of the ground, up to £300m of capital grant funding has been made available from the Department of Health administered by the Homes and Communities Agency (HCA).

- 2.2 On 17 January 2013, Cabinet (Housing Delivery) Committee approved the submission of a bid for £1.85 m (via Sentinal Housing Association) to the HCA to provide an Extra Care scheme in Winchester ([CAB2441\(HD\)](#) refers). This bid was supported by Hampshire County Council as their top priority of all the bids submitted in Hampshire, based on the current and forecast future need. The bid results were announced at the end of July 2013, with the Winchester bid being the only successful new-build project in Hampshire awarded funding. The funding is to support the provision of 50 one and two bedroom flats.
- 2.3 The scheme which formed the basis of the Council's bid was for 50 x 1 and 2 bed self-contained flats, all of which will have their own front door and are designed to accommodate single people and couples with varying care needs. There will be 44 rented flats and 6 shared ownership. The rented flats will be owned and managed by the Council, and the shared ownership units will be funded and co-owned by Sentinal (as specialist providers of this tenure). The purpose of the shared ownership flats is principally to help with the economics of the scheme as it reduces the capital cost to the City Council and Hampshire County Council, but it also provides a choice to potential residents who may have funds to invest and prefer shared ownership. Shared ownership flats in other Extra Care schemes recently developed in Hampshire have proved to be very popular and it meets the City Council's policy objectives of encouraging mixed tenure developments. The ground floor of the scheme will primarily be the communal facilities - library/kitchen /common room and a day care centre – which are an integral part of extra-care provision. The City Council will provide the landlord and management function, and the County Council will commission and manage the health care provided to residents.
- 2.4 Extra-Care housing schemes provide flexible 24 hour care and support on site in accordance with a resident's assessed care needs. They have the advantage that couples with different needs can remain together, and people can retain their independence. It is also cost effective and sustainable, both for the individuals and for County Council, which has to arrange and pay for their care. The full specification for Extra Care schemes are included in the "Housing our Ageing Population: Panel for Innovation" (HAPPI) guidance published by the Homes and Communities Agency. The residents of an extra care scheme will generally have a mixture of care and support needs, broadly split equally between high, medium and low requirements.
- 2.5 HCC will provide capital funding to assist with the project because it helps to ensure that they can meet their care obligations cost effectively. The main cost would be provided by the City Council from its Council House New Build programme. The units would be owned by the HRA and rents paid in the

normal way, at a level to be determined, as part of the detailed evaluation process. Members should be clear that any units provided in this way are a straightforward addition to the Council's housing stock – the only difference is that they are aimed at a specific and growing customer segment. Some of the residents of these new units, if they are provided, will move out of larger Council homes, thus freeing up units across the District, so this should not be seen as a specific benefit only to Winchester Town.

3 Site Requirements

3.1 A suitable site for Winchester's extra care scheme will need to accommodate 50 x 1 and 2 bed flats, extensive communal and day care facilities with offices for staff and meet the 10 key design requirements set out in the HAPPI guidance, which are

- space and flexibility
- daylight in the home and in shared spaces
- balconies and outdoor space
- adaptability and 'care ready' design
- positive use of circulation space
- shared facilities and 'hubs'
- plants, trees, and the natural environment
- energy efficiency and sustainable design
- storage for belongings and bicycles
- external shared surfaces and 'home zones'

3.2 A key point is that extra care schemes are designed to enable people to remain active and independent as long as possible as their care needs increase and they become frailer. To achieve this provision needs to be made in an accessible location, which will allow residents to access facilities which are important to them by foot or mobility scooter. Hampshire County Council has consulted widely with older people across Hampshire through the Hampshire Older Persons Wellbeing Forums and has identified what are considered to be the key services to achieve the aim of being active and independent. These can be summarised as access to a local shop, post office, bank, local centre, supermarket, GP, public transport, visitor parking, community and leisure facilities, other social amenities, places of worship, and a library. In addition, nearby parking is important for staff and visitors. Given the need for extra care provision some proposed locations do not meet all of these requirements, but a scheme will always be improved by achieving as many as possible.

3.3 Officers have considered a number of possible sites to determine which would meet the criteria to make them suitable for an extra care scheme. These are summarised below:

- Avalon House – this site is too small to accommodate 50 flats and care facilities whilst respecting the height of the existing building. A relet of Avalon House has now been agreed subject to contract.

- Victoria House – this site is also too small and cannot build higher due to right to light constraints for neighbours
- Abbots Barton – has some potentially large sites but these are all too far from the centre of town. The building would be very dominant in local environment and out of context to the area and on the basis of previous debate about development in the area it is not likely to be well supported locally.
- Cattle Market Car Park – this site too far from the city centre. This location has primarily been identified as being ideal for office development and will be important for the economic development of the City.
- Middle Brook Street Car Park – ideal as a City Centre location, the site is large enough to accommodate a scheme. However, the car park has high demand for shopping, social and leisure uses and there is no proposal within the emerging Car Parking Strategy to release this site for other uses.
- Cossack Lane Car Park – site may be large enough but significant right to light issues for surrounding business and residential properties. Car parking also in high demand.
- Former Bar End depot site. This is too far from the city centre and planning policy would require the site be retained for employment uses. Consideration is currently being given to the development of a new leisure centre on the site. If a leisure centre is not built on this site, further consideration will be given to whether the land is developed with a commercial scheme in accordance with the proposals in exempt reports CAB 2027 and 2072, with a view to securing financial benefit for the General Fund.

- 3.4 The site which remains a potentially suitable location for the extra care scheme is the land which currently forms the Chesil Street surface car park. The site meets the requirements set out in 3.1 above and the emerging car parking strategy notes that there is scope to consolidate parking provision within the existing multi-storey car park without an unacceptable impact on car parking provision locally. There would be some effect on parking opportunities for residents, but any full evaluation of the site would explore how these could be accommodated or suitably relocated. Various improvements can also be carried out to Chesil Street multi storey car park to make it feel a more attractive environment for evening parking. Consideration is being given to replacing the existing lighting with new low energy lights and the ceilings are currently being decorated to make the car park more attractive to users.
- 3.5 The Council considers its Car Parking Strategy in another report on the Cabinet agenda (CAB2539 refers). If Members agree with the suggested approach in that report, there would then be scope to consider the development of the extra care scheme at Chesil Street. This would be subject to an evaluation of the technical and design issues which would address the car parking issues for local residents and businesses. Cabinet would have the opportunity to consider whether it was satisfied that these had been addressed before a final decision to proceed to a planning application.

4 Next Steps

- 4.1 If Cabinet confirms its support for the Extra Care scheme by agreeing to include it in the Council's new build programme, various professional appointments will be made to undertake technical and planning studies. These appointments will enable planning issues to be tested and accurate scheme costings developed. In addition, local pre-application consultation would be carried out with local residents. Following completion of these studies and the consultation process, Cabinet will receive a further report to consider the outcome of the work and, if the outcome suggests a scheme is deliverable, to seek authority to submit a planning application and agree a final scheme budget.
- 4.2 The current indicative timetable is that a planning application can be prepared for submission by April 2014 and construction started early in 2015. The HRA Business Plan as reported to Cabinet (Housing) CAB2535 (HSG) on 28 November 2013 has been amended to reflect this potential commitment.
- 4.3 Hampshire County Council will be seeking Member approval for their capital contribution in mid-December 2013, and as has been previously noted the Homes and Community Agency have confirmed the grant funding from the Government (on the basis that a planning consent can be obtained before March 2015 and the scheme completed by 2018). If Member approval is given to the recommendations in this report, Officers will negotiate Heads of Terms with Sentinal Housing Association outlining the relationship between the two parties in respect of the shared ownership units. A full financial appraisal of the scheme in accordance with Financial Procedure Rule 6.4 will be brought back to Members prior to a planning application being submitted.

OTHER CONSIDERATIONS

5 SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO)

- 5.1 Developing new homes is a key priority of the Council as it seeks to promote active communities. It also facilitates the District's economic prosperity

6 RESOURCE IMPLICATIONS

- 6.1 In order for the scheme to proceed the Council will need to ensure that it has the resources available in the HRA new build capital programme to meet the expected costs. Some of the capital funding would come from HCA grant, from Hampshire County Council and from the provider of shared ownership units if shared ownership housing is included. It is also considered that this scheme is an appropriate use of the Harris Bequest recently made to the Council (report CAB 2283 refers).

- 6.2 The HRA Council New Build programme that was presented to Cabinet (Housing) Committee on 28 November 2013 includes provision of £10.883m for the gross cost of this scheme. As the recommended site is a General Fund asset, this sum includes the estimated cost of transferring the land from the GF so that the GF receives appropriate value for the site. The best way of achieving this is under consideration, given the new HRA self-financing rules and the need to remain within the debt cap. A further report will be brought to Cabinet in due course. The total contributions from other parties are estimated at £4.45m, leaving the HRA to meet a net cost of £6.433m.
- 6.3 As noted earlier, a full development appraisal will be prepared when firmer costings are available and a specific site determined. The modelling work done so far suggests that a scheme can comply with the approved viability criteria that are contained in the development strategy.
- 6.4 In paragraph 4.1 it was identified that it would be necessary to spend money on various technical and professional appointments to take the scheme forward. This expenditure is included in the overall £10.883m. Whilst approval for spending this full sum is not being sought at this time, it is necessary to obtain approval to spend the money on these appointments. It is therefore recommended that, in accordance with Finance Procedure Rule 6.4, spending of £39,000 in 2013/14 and £230,000 in 2014/15 is approved.
- 6.5 As the site in question is currently in use as a car park it will be necessary to consider the impact on the General Fund. The Car Parking Strategy has identified that the demand for off-street parking in this part of Winchester Town could be met the adjacent multi-storey car park alone. As noted in paragraph 6.2 above, the General Fund will receive appropriate value from the HRA for the changed use of the surface car park.

7 RISK MANAGEMENT ISSUES

- 7.1 The significant financial risk involved at this stage is the preparation of a planning application and associated technical work.

BACKGROUND DOCUMENTS

Hampshire County Council Executive Decision Record 3772

http://www3.hants.gov.uk/councilmeetings/advsearchmeetings/meetingsitems/summary.htm?tab=1&item_ID=3772

APPENDICES

None.