

POLICY & FINANCE COMMITTEE

28 JUNE 2018

EXTRA CARE SCHEME – OLLERTON

1.0 Purpose of Report

- 1.1 To seek approval in principle to progress the development of an extra care scheme in Ollerton financed through the Housing Revenue Account (HRA) Business Plan, and subject to a successful housing grant bid submission to Homes England.

2.0 Background Information

- 2.1 Ollerton & Boughton has a population of 9,840 (*Census 2011*) residing in 2,861 properties, of these 18% are designated as social housing, which is higher than the rest of the district. The owner occupation rate of 69.70% is lower than the district average of 73.98% and 7.60% reside in private rented accommodation, (*Census 2011*).
- 2.2 The Council owns 356 properties in Ollerton and a further 334 properties in Boughton, of these 116 are flats and bungalows designated as supported housing, located at De-Lacy Court in Ollerton. Registered Providers own 320 properties in this locality.
- 2.3 The Council's housing register has 669 applicants who have registered an interest in social housing in Ollerton & Boughton. Nearly half of all applicants on the register are in Bands 1 – 3. There are 220 applicants eligible for supported housing (*Applicants 60 years and over or have medical needs*) and of these 90 have been assessed as having a medical need to move. Most of the applicants (498) require one or two bedroom properties.
- 2.4 Bidding history for Council accommodation in the Ollerton sub-area shows a strong demand, averaging 14 bids per property. The greatest need is for 1 and 2 bedroom bungalows receiving between 21 and 49 bids on average (*April 2018 data*).
- 2.5 The District's 'Housing Needs, Markets and Affordability Study' (2014) identifies that there is an acute affordable housing need shortfall in the 'Sherwood and Mansfield' sub-market (*of which the Ollerton & Boughton area is part of*).
- 2.6 The Study reports that in the affordable housing sector there is a net shortfall of 780 units. The main size of property required by existing households is two bedrooms, (453) and the concealed household need is for one bedroom only. Over 80% of the overall requirement is for smaller units (*one and two bedrooms*).
- 2.7 It also considers the future housing requirements of older people. The Study identifies the type of property required for the Sherwood and Mansfield sub-market and states that 7.8% of responses required supported accommodation.
- 2.8 The Nottingham Outer Strategic Housing Market Assessment (2015) projects population growth across Newark and Sherwood. The district's population is projected to increase from 116,817 to 129,521 (7,639 increase) to 2033, an increase of 10.4%. There are significant increases in the population groups 60 – 74 at 26.7% and over 75 at 78.2%.

- 2.9 The Census (2011) records that 45% of residents living in the Ollerton area are over the age of 45 and nearly 18% are over the age of 65, slightly higher than the UK average at 17%. 25% of all residents have a limiting long term illness and over 8% of residents do not enjoy good health. Further health data for this locality can be found in the report being presented to the Committee on 'Leisure Provision'.

Nottinghamshire Older Persons Housing with Care Strategy

- 2.10 On 16th April 2018 Nottinghamshire County Council's Adult Social Care and Public Health Committee recommended the '*Nottinghamshire Older Persons Housing with Care Strategy 2018 – 2025*' (<https://bit.ly/2Jl9cdL>) to their Policy Committee for approval, which is on the agenda for the 20th June 2018 meeting.
- 2.11 At the heart of the Strategy is a County Council commitment to increase the range of alternatives to residential care. The aspirations of older people are changing. National and local evidence shows that increasingly, older people prefer to remain as independent as possible and to retain their 'own front door' for as long as they can.
- 2.12 "Housing with care" is an intentionally broad term used by the County Council to cover a variety of different types of older adults housing, which benefits from readily available care. The County's Extra Care Services provide residents who are eligible for social care with planned and rapid response 24/7 care and support. This is funded by the County Council, which purchases the care and support services from independent sector homecare providers who are registered with the Care Quality Commission (CQC).
- 2.13 Newark and Sherwood District currently has the highest number (78) of existing housing with care places located in the County (*Newark, Southwell and Bilsthorpe*) and the needs analysis shown in the County Strategy shows a further 118 new housing with care nomination rights are required by 2025. The district will have the highest number of people over the age of 75 (15,700) in the County by 2025.

Gladstone House

- 2.14 As the Committee will note the Council is already working in partnership with the County Council to meet this agenda, which has recently seen the development of Gladstone House in Newark, a 60 unit (*48 x 1 bed & 12 x 2 bed units*) extra care scheme.
- 2.15 The scheme is let on an affordable rent basis, which includes meals at lunchtime, laundry and community facilities, with the intensive housing management service provided by Newark and Sherwood Homes who manage the scheme on behalf of the District Council.
- 2.16 Nottinghamshire County Council have nomination rights to 40 of the units (*32 extra care & 8 assessment units*) and provide extra care support to eligible residents in these units.
- 2.17 The Council has entered into a Co-operation Agreement with the County Council for the 40 nominated units, which guarantees a rental income to the HRA Business Plan should a unit continue to be void after a prescribed period of time.

3.0 Extra Care - Ollerton

3.1 Set against the matters outlined above officers of the District Council, the Company and the County Council have discussed the feasibility for the development of a new extra care scheme in Ollerton, where there is a specific identified need for around 40 nominated units.

3.2 Outline principles of the scheme have been reported to the Homes & Communities Committee, with the proposal to develop this on the allocated housing site in the Council's ownership held within the Housing Revenue Account (*Allocations & Development Management Development Plan Document - Policy OB/Ho/2 - Ollerton & Boughton - Housing Site 2*).

3.3 Most recently the Council has received a letter of support from Nottinghamshire County Council, stating:

'On 16th April 2018 Nottinghamshire County Council, Adult Social Care and Public Health Committee recommended it's new strategy for 'Housing with Care' to Policy Committee for approval. Following this the Council is now starting to formally engage with all relevant partners to develop an implementation plan.

In respect of the above development, as proposed by Newark & Sherwood District Council, I can confirm that Nottinghamshire County Council will be seeking to agree nomination rights to a proportion of the new homes to be created for use as 'housing with care' for its service users as part of the implementation plan.

The County Council will meet all of the ongoing eligible social care needs of all the occupants living in the units that the County Council's has nomination rights for, as well as occupants living in the other units at the scheme where these individuals develop future needs that are assessed as eligible for social care support.

The care support contract will be funded from the County Council's ongoing revenue budget.'

3.4 The County Council's position on the provision of capital finance for extra care schemes is now set out in its' draft '*Nottinghamshire Older Persons Housing with Care Strategy 2018 – 2025*', which states:

'The County Council will seek to work with partners to fully utilise available capital grants to develop housing with care schemes. The County Council will seek to minimise any requirement to borrow capital funds'

3.5 Whilst the County Council did contribute capital towards Gladstone House, the County no longer receives National Social Care Capital funding within the Better Care Fund, as this has been incorporated into District Disabled Facilities Grant discretionary allocations, and therefore a capital contribution has not been designated for this proposal.

3.6 In addition the Newark and Sherwood Homes are not making a capital contribution on this occasion, due to commitments within their existing housing growth programme.

- 3.7 Indicative scheme designs have been drawn up by Newark and Sherwood Homes, on the Council's behalf, showing that the site can accommodate 40 extra care units (*30 x 1 bed apartments in a main building and 10 x 2 bed bungalows on the remainder of the site*), as well as on-site communal facilities.
- 3.8 On the same principle as Gladstone House the accommodation specification will be in line with extra care design guidance, along with incorporating communal facilities including a dining area and kitchen for meal provision, laundry facilities, communal room and upstairs external balcony, assisted bathing provision, hobbies room, guest bedroom and interior designed themed communal areas.
- 3.9 To date a formal planning application has not been submitted, though pre-application advice has been sought. Despite considerable site constraints, including restrictions linked to overhead power cables and other neighbouring properties, pre-discussions with the Development Management Business Unit have been constructive with them being supportive of the indicative scheme drawn up.
- 3.10 The Company has commissioned feasibility work to estimate the cost of this development based on the indicative scheme design, incorporating the principles of the Gladstone House specification.
- 3.11 Due to the specialist nature of the proposed scheme, it will need to be procured outside of the existing approved 5 year HRA development programme that Robert Woodhead are contracted to deliver and financed separately to the programme.

HRA Capital Finance

- 3.12 The capital finance contributions for Gladstone House were as follows:

Funding Source	Capital Contribution
Homes England	18%
Nottinghamshire County Council	38%
Newark & Sherwood District Council <i>(Through Housing Revenue Account (HRA) Balances and/or Borrowing).</i> Newark and Sherwood Homes <i>(The Company's Board approved a contribution from their reserves).</i>	44%

- 3.13 Taking into consideration the current capital finance position set out paragraphs 3.4 – 3.6 an appraisal has been completed of the HRA Business Plan Financial Model, recently rebased set against approved assumptions and existing commitments, to ascertain whether there is available finance in the HRA to deliver the scheme.
- 3.14 The outcome of this work is that if the Committee wishes to support the proposal to develop an extra care scheme in Ollerton, it will be dependent on a housing grant bid being submitted and successful to Homes England through their Affordable Homes Programme , based indicatively on the below capital finance split.

Funding Source	Capital Contribution
-----------------------	-----------------------------

Homes England	30%
Newark & Sherwood District Council <i>(Through Housing Revenue Account (HRA) Balances and/or Borrowing).</i>	70%

- 3.15 Early discussions have been held with officers at Homes England on this matter who are supportive of a bid submission.
- 3.16 To clarify, the delivery of this scheme would be in addition to the current approved HRA development programme (335 units).
- 3.17 As with the current development programme and Gladstone House, it is anticipated that Newark & Sherwood Homes will project management the development, in line with the agreed project management specification and fee schedule, and follow the Council's Contract and Procedure Rules.
- 3.18 Should the scheme be approved and capital finance secured a very much indicative timescale for delivery will see commencement on site late 2018/early 2019, with the build programme lasting approximately 12-15 months.

HRA Revenue

- 3.19 As with the arrangements at Gladstone House and set out at paragraph 3.3, the County Council nominated units (*currently indicated at 30*) will be subject to a Co-operation Agreement. This guarantees a rental income to the HRA Business Plan should a unit continue to be void after a prescribed period of time.
- 3.20 All units will be charged at an affordable rent level, and have a service charge and provision of an intensive housing management service. (**NB:** *An Affordable Rent is set at up to 80% of the market rent (i.e. the average rent for local private lettings) inclusive of any service charges.*)
- 3.21 For Committee information the current affordable rent and service charge levels for Gladstone House are £264.31 for a two bedroom unit and £220.16 for a one bedroom unit. It is anticipated that the rent and service charges for the Ollerton proposed scheme will be at a similar level inflated to reflect the indicative letting at 2020/21, which would provide an estimated charge of £233.57 and £280.41 for a one and two bedroom unit respectively. At Gladstone House the affordable rent and service charges are housing benefit eligible, with the exception to a proportion of the midday meal, TV licence and care line facility.
- 3.22 Newark & Sherwood Homes will provide the housing management and repairs service to all the units in accordance with the existing Management Agreement and those units not under Co-operation Agreement will be allocated through the Council's housing register as general supported housing.

Housing Need

- 3.23 This proposal will assist in meeting the evidenced housing, and care & support needs of local residents, dependant on the current housing circumstances of any new tenants to the

scheme. However, it also has the potential to free up larger, under occupied accommodation in the area to meet the area's wider housing needs.

4.0 Proposals

4.1 As set out above the proposal is for the Committee to approve the development of a new extra care scheme on the allocated HRA housing site (*Policy OB/Ho/2 - Ollerton & Boughton - Housing Site 2*), in partnership with Nottinghamshire County Council, Newark and Sherwood Homes and Homes England.

4.2 The Scheme will be funded through the capital finances available within the HRA Business Plan and delivery of the scheme will be dependent on:

- a) Submission of a housing grant bid through Homes England's Affordable Homes Programme and subject to this being successful.
- b) Securing planning permission.
- c) Satisfactory procurement of a development partner within the prescribed cost envelope.
- d) Signing of a Co-operation Agreement with Nottinghamshire County Council.

5.0 Equalities Implications

5.1 As detailed in section 2 of this report the proposed extra care scheme will meet evidenced housing, health and social need for the older population in Ollerton & Boughton.

6.0 Impact on Budget/Policy Framework

6.1 Within the contents of the main report all the budgetary and policy framework requirements have been considered.

7.0 Comments of Director of Resources and s151 Officer

7.1 As noted in 4.2 above, delivery of this scheme will be dependent on a successful Homes England bid. Without this, the scheme will be unaffordable.

8.0 RECOMMENDATIONS that:

- a) **the Committee approves in principle the development of a new extra care scheme on the allocated Housing Revenue Account housing site (*Policy OB/Ho/2 - Ollerton & Boughton - Housing Site 2*), to be delivered in partnership with Homes England, Newark and Sherwood Homes and Nottinghamshire County Council; and**
- b) **the development of the extra care scheme be financed through the Housing Revenue Account Business Plan and subject to successfully securing the matters set out at paragraph 4.2 of the report.**

Reason for Recommendations

To meet the Council's strategic priorities under the theme of 'home', set against the evidenced housing, health and social care need for this locality.

Background Papers

Nil

For further information please contact Rob Main, Business Manager - Strategic Housing on 01636 655930 or Jill Sanderson, Housing Development Officer on 01636 655624.

Karen White
Director – Safety