

BRIDGEND COUNTY BOROUGH COUNCIL

ADULT SOCIAL CARE OVERVIEW AND SCRUTINY COMMITTEE

14 MARCH 2017

REPORT OF THE CORPORATE DIRECTOR – SOCIAL SERVICES AND WELLBEING

NEW EXTRA CARE HOUSING SCHEMES

1.0 Purpose of Report

The purpose of this report is to provide Adult Social Care Overview and Scrutiny Committee with an update on the progress of the development of two new Extra Care Housing (ECH) schemes within the County Borough.

2.0 Connection to Corporate Improvement Objectives/Other Corporate Priorities

2.1 The report links to the following priorities in the Corporate Plan 2016-20:

- Helping people to become more self-reliant
- Smarter use of resources

Plus the following background documents:

- Adult Social Care Commissioning Plan 2010 – 2020: Living Independently in Bridgend in the 21st Century
- Western Bay joint commitment “*Delivering Improved Community Services*”
- Remodeling Adult Social Care Programme
- Medium Term Financial Strategy (MTFS)

3.0 Background

3.1 In November 2014, Cabinet approved the option for the Council to seek Registered Social Landlords (RSL) to develop two new ECH schemes in the County Borough. There were a number of meetings and discussions on the individual sites and Counsel’s opinion was sought on the way forward. As a result, the Council decided to re-engage with all RSLs zoned to work in Bridgend (Linc Cymru, Wales and West, Hafod, United Welsh and V2C).

3.2 The three RSLs, Linc Cymru, Hafod and United Welsh were sent a briefing note and selection criteria that clearly set out the Council’s intention to dispose of two parcels of land for the potential development of two ECH schemes. Scheme 1 – Former Maesteg Lower Comprehensive site; and Scheme 2 – Former Archbishop McGrath site. The sites include an area for social housing, as well as the ECH development, which the RSL could elect to include within their development. The document set out the information that the Council required from the RSLs on how they proposed to develop the new Schemes. The brief clearly stated the Council’s expectations for a scheme of this type and in particular the likely requirement for a combination of 1 and 2 bedroom ECH flats. The Council provided indicative information to be considered by the RSL submissions in respect of the balance in

the Schemes; Maesteg Lower Comprehensive - 10 Residential Units and 20 ECH, a total of 30; and Archbishop McGrath 15 Residential Units and 25 ECH, a total of 40.

- 3.3 All three RSLs, Linc Cymru, Hafod and United Welsh submitted proposals including financial details, outline sketch designs and project plans. The RSLs were advised that subject to the off market valuation of the sites being met by the RSL, the Council would select one RSL who provided the best value for money offer.
- 3.4 The submissions were evaluated based on value for money (quality, cost and time) determined by the Project plan; the costs of leasing the residential units (for 5 years min); and the level, nature and timing of any subsidy required; together with the need to meet the essential criteria set out in the brief.
- 3.5 The Extra Care evaluation panel, which consisted of Officer representatives from Social Services and Wellbeing, Housing and Community Regeneration, Communities and Resources, evaluated the submissions and elected to invite both United Welsh and Linc Cymru to attend interview/discussion to clarify points in their respective submissions, and to discuss how they would work in partnership with the Council in their capacity as the landlord and Council's role as the care provider. Following the value for money assessment and the panel being satisfied with the response to questions surrounding their submission, Linc Cymru were deemed to be the preferred RSL partner by the evaluation panel.
- 3.6 Cabinet, in due course, authorised the disposal of the sites to Linc Cymru at the market value, to be agreed by the District Valuer. The Council's Corporate Director – Resources and S151 Officer, in consultation with the Assistant Chief Executive – Legal and Regulatory Services and Monitoring Officer, were authorised to negotiate the final terms of the sale contract and any ancillary documents relating to the disposal and development that they considered necessary, with a view to legally completing the sale as soon as possible and in a manner that is in compliance with State Aid law. These officers were also given delegated authority to enter into formal agreements with Linc Cymru to grant the subsidy to Linc Cymru at a level that delivers value for money in accordance with the proposed financial model.

4.0 Current situation

Land & Development

- 4.1 The Council has disposed of the land at the Former Archbishop McGrath site (Tondu) having an area of circa 2.1 acres for the amount of £735,000. The sale of the land is by way of a 125 year lease. Linc Cymru will develop a scheme on the site consisting of 25 ECH flats (2 two bedroom and 23 one bedroom) and 15 residential care units. Linc Cymru will also develop 19 affordable housing units on the site (15 two bedroom and 4 three bedroom).
- 4.2 The Council has disposed of the land at the Former Lower Maesteg Comprehensive site having an area of circa 2.7 acres for the amount of £370,000. The sale of the land is by way of a 125 year lease. Linc Cymru will develop a scheme on the site consisting of 20 ECH flats (2 two bedroom and 18 one bedroom) and 10 residential care units. Linc Cymru will also develop 17 affordable housing units on the site (7 one bedroom and 10 two bedroom). The affordable housing units are bungalows which are 'self-contained elderly persons dwellings (not wardened)' and restricted to

use / purchase by persons over a particular age i.e. over 55. This site is designed with an 'older persons' village' type development in mind.

- 4.3 Linc Cymru has the option to purchase the freehold interest of the affordable housing on both sites once the houses have been constructed. Linc Cymru has the option to purchase the freehold interest of the ECH on both sites after the 30th year of the lease. The use of the sites is restricted to housing and Extra Care for the first 10 years of the lease. Thereafter the Extra Care can be used for other compatible uses including older persons' social care and housing. Linc Cymru is responsible for keeping the premises in good repair.
- 4.4 The Council has taken a sub-lease of part of the Extra Care developments to be used as residential care homes. The lease is for a period of 10 years at a rental of £60,000 per annum (Tondu), £48,000 per annum (Maesteg) and payment of a service charge. The Council has the right to renew the lease under the Landlord & Tenant Act 1954. Linc Cymru is responsible for maintaining the premises in good repair.
- 4.5 The Brynmenyn Primary School is also being developed on part of the Former Archbishop McGrath site. This has required master planning meetings to be held between the relevant parties for both developments (school and Extra Care / affordable housing).
- 4.6 Planning has been approved for both sites. There had been a planning condition applied to the Former Archbishop McGrath site which required that Linc Cymru complete junction works which have been agreed as being the responsibility of the primary school project. This condition was amended at Development Committee on 19th January 2017 to remove the requirement. There has been a delay in planning being approved on the Lower Maesteg site due to Highways observations not being received. These observations have now been received and the final report has been completed and signed off. Both sites have required separate S106 Agreements to be signed before the final planning approval was provided.
- 4.7 The Project timetable provided by Linc Cymru (26/01/17) is as follows:

	Maesteg	Tondu
Tender Issue	14/10/16	01/11/16
Linc Board Approval	26/01/17	26/01/17
Contract Mobilisation	27/02/17	27/02/17
Design and Build Construction Period	10/04/17	10/04/17
Fit out period	06/08/18	10/09/18
Completion	20/08/18	24/09/18

- 4.8 Linc Cymru have procured a contractor and submitted all required approvals to Welsh Government to release the Recycled Capital Grant (RCG). Welsh Government is very supportive of the Schemes.

- 4.9 Linc Cymru went to their Board on 26th January 2017 to advise them of the final land values as agreed by the District Valuer and the final build costs and to ask for approval to exchange contracts, subject to Welsh Government's approval of the RCG.
- 4.10 Linc Cymru is fully conversant with the expectations of the Care and Social Services Inspectorate and the ground floor residential care element of each Scheme is fully compliant with current CSSIW regulation. Linc Cymru has significant experience of meeting such regulations having secured CSSIW registration for their two nursing homes and subsequent registrations for alternative services within each home. The Extra Care units are fully compliant with Development Quality Requirements (DQR) as currently applied by the Homes and Places Division of Welsh Government.
- 4.11 The residential care element caters for a range of care needs. If in the future the demand for residential care accommodation diminishes, the ground floor bedrooms have been designed to readily convert into additional Extra Care units.

Service Modelling & Financial Profiling

- 4.12 A service modelling workstream was established in December 2016 involving colleagues from the Council, Linc Cymru and ABMU. The objectives of the workstream are to agree a service model for both the Extra Care and residential units and identify the staffing structure required and the associated skill mix to deliver the agreed service model. The workstream will also develop the Nomination Agreement / Transition Nomination Agreement, the Residential Allocation Policy and the Service Agreement. The precise details of the service model are yet to be finalised.
- 4.13 All service users transitioning from the existing residential establishments will receive an assessment of their need, taking into account their wellbeing outcomes, when planning their future care with their family and carers. The transition will be a collaborative approach with timely transfer of care to appropriate settings as required and it is imperative that current service users are safeguarded throughout the process.
- 4.14 The proposed service model will be agreed by the appropriate officer(s) and will inform the financial profiling moving forward. The finance workstream has detailed plans in order to meet the Medium Term Financial Strategy (MTFS) requirements and has undertaken a placement profiling / analysis looking at the admissions and departure rates within each of the homes. This will inform the financial profiling tracker and any future decisions in respect of stopping new placements and/or closing sections within the existing residential homes.
- 4.15 The workstream for the transition planning of staff from the existing residential establishments will commence after the staffing structure and the associated skill mix to deliver the service model has been agreed. Further work will then take place to determine the relevant job descriptions and the need for further recruitment.

Communication

- 4.16 Engagement with key stakeholders is a fundamental part of the project and it is anticipated there being as much engagement as possible. To facilitate this, a communication workstream has been established and a Communication Strategy developed (**Appendix A**).
- 4.17 Communication via direct correspondence and engagement meetings at the residential establishments with service users, their families and carers, and staff, has been ongoing since the beginning of the Project. Frequently Asked Questions documents have been developed as a result of the questions asked at the engagement meetings and is regularly updated and provided to service users, their families and carers, and staff.
- 4.18 Relevant Council Members are copied into the correspondence sent to service users and their families and carers. Meetings have also been held with Council Members as follows in order to brief them on the progress of the developments:
- 14th September 2016 - Angie Bowen (Group Manager Housing & Community Regeneration), Cllr Melvyn Nott (Leader), Cllr Philip White (Cabinet Member for Social Services and Early Help), Sue Cooper (Corporate Director - Social Services and Wellbeing), Jackie Davies (Head of Adult Social Care), Robert Smith (Chief Executive Linc-Cymru)
 - 14th September 2016 - Angie Bowen (Group Manager Housing & Community Regeneration), Cllr Melvyn Nott (Leader), Cllr Philip White (Cabinet Member for Social Services and Early Help), Cllr Lyn Morgan (Local Member for Ynysawdre), Sue Cooper (Corporate Director - Social Services and Wellbeing), Jackie Davies (Head of Adult Social Care)
 - 15th September 2016 - Angie Bowen (Group Manager Housing & Community Regeneration), Sue Cooper (Corporate Director - Social Services and Wellbeing), Jackie Davies (Head of Adult Social Care), Meeting of Maesteg Members
- 4.19 Staff champions (spokespersons) came forward to visit one of Linc Cymru's existing Extra Care schemes at Llys Glyncoed in Ebbw Vale. The visits were very constructive and have helped to affirm a positive view of the developments and the transition.
- 4.20 A drop-in engagement event at the Heronston Hotel was held on 26th September 2016. The event was open to service users, their families and carers, and staff who could attend at any time between 10am to 6pm during the day at a time which was most convenient to them. All Members were also invited to the drop-in engagement event. The event was communicated via a written invitation and also verbally by managers and staff at the existing residential establishments. The attendance at the event was relatively low which could partly be attributed to the poor weather on the day. Lack of engagement has been identified as a potential risk to the Project and therefore service users, their families and carers, and staff will be asked to share their preferred method of communicating information to maximise engagement. At the event the proposed designs of the new Extra Care facilities were made available (a selection of these are included as **Appendix B**) giving attendees the

opportunity to share their views and any feedback they may have. The families and carers that attended were very impressed with the proposed designs and seeing these and discussing with officers at the event helped to alleviate uncertainties. There was opportunity to meet with representatives from Linc-Cymru and the Council, including Social Workers, Occupational therapists, Human Resource Advisers and Finance & Benefits Officers. The event was an informal opportunity to view proposed designs and engage with the representatives mentioned above to ask questions and receive appropriate advice and information. A short film made by the Council's communication team, which showed some of Linc Cymru's existing Extra Care schemes and showed real life stories and how the schemes had improved the tenants' lives, was shown at the event.

- 4.21 Following the drop-in engagement event, DVD copies of the Extra Care film have been shared with the existing residential establishments. The use of social media e.g. YouTube to share the film will also be explored. Communication will now be extended via newsletters and social media to all stakeholders and include staff within the existing residential schemes, staff within Adult Social Care, families & carers and the local communities where the Schemes are being developed.
- 4.22 A media release was also made in April 2016 and a further media release is planned for the beginning of March 2017 following a photo opportunity between Linc Cymru and Council Members, etc. at the Tondu site.
- 4.23 Once the final land transfer has taken place the communication work stream using an array of methods (e.g. face to face meetings, DVD's, social media and newsletters) will continue with regular communications on the developments. Communication is seen as a key area going forward with this Project. It is imperative that service users, families, carers, staff, local communities and other stakeholders are kept up to with the progress of the developments on these two sites.

5.0 Effects on the Policy Framework and Procedure Rules

- 5.1 There is no impact on the policy framework and procedure rules.

6.0 Equalities Impact Assessment

- 6.1 An Equality Impact Assessment is not required for disposals of land and buildings.

7.0 Financial Implications

- 7.1 Council approved capital funding of £3 million in the Medium Term Financial Strategy 2016-17 to 2019-20 to support the creation of the 2 Extra Care schemes. This constituted a £2.5 million capital grant in line with Linc Cymru's submission and £500,000 for any unforeseen additional costs following detailed site surveys or through the planning process, including any associated highways works. The capital grant is intended to meet the funding gap in the construction costs which Linc Cymru have identified. A Business Case was developed to evaluate the project in value for money terms, against both certainty and timescale of payback. This level of funding satisfied the requirements of the business case, and was agreed following a rigorous tender process.

- 7.2 The capital grant will be paid on a quarterly basis through the submission of interim valuations and subject to the Council's satisfaction during the construction of the project based on the value of work completed. Each payment made shall represent no more than 38% of the value of the certified works for the relevant quarter, in line with the Council's overall contribution to total costs. The grant will be funded from the earmarked reserves established during 2016-17 from funding for one-off budget pressures and service reconfiguration.
- 7.3 The Medium Term Financial Strategy includes £660,000 of recurrent budget savings in 2018-19 which will result from the provision of the two ECH Schemes. This saving may need to be re-profiled in line with the revised completion dates detailed in the Project timetable in paragraph 4.7. The completion dates have been revised due to a delay in planning being approved and legal documentation being completed on both sites. These MTFs savings are in addition to cost avoidance associated with approximately £735,000 required maintenance works which would otherwise be required at the existing residential care homes over the next 10 years, based on condition surveys carried out in 2016.
- 7.4 The capital receipt generated from the land sales will contribute to funding the School Modernisation Programme within the Council's Capital Programme. One of the requirements of the Welsh Government's 21st Century Schools Programme is that the Council contributes 50% of the total cost of the Programme. The Council has committed to fund £13.2 million of this through capital receipts generated from the sale of school and other buildings.

8.0 Recommendations

- 8.1 The Adult Social Care Overview and Scrutiny Committee is asked to note the information contained in this report, and provide comment on the work undertaken to date and on the proposed next steps.

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Background documents:

- Cabinet Report – 11th November 2014 - Developing Extra Care Housing
- Council Report - 10th March 2016 - Medium Term Financial Strategy 2016-17 to 2019-20