

**Corporate Scrutiny 31<sup>st</sup> July 2017**

Extra Care Housing –Response to extract from feedback from the Corporate Scrutiny Committee 31<sup>st</sup> 2017

*Members expressed concern over the delays with the Extra Care Scheme in relation to the Authority signing off on the project with Linc and also slippage mentioned in terms of the selling of a school.*

**Background**

The process leading up to the approval and subsequent development of the new extra care schemes has been complex and has included a number of stages as follows:

- Identification of land
- Section 106 approvals
- Legal and Counsel advice
- Financial profiling
- Planning permission
- Selection of appropriate RSL
- Consultation

Below is further detail on aspects of the process and the timescale for completion.

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. Three RSLs 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.

All three RSLs 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.

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.

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.

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.

### **Current situation**

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 disposal 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).

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 disposal 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 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.

The completion dates have been revised due to a delay in planning being approved and legal documentation being completed on both sites. Planning has now been approved for both sites.

The Project timetable provided by Linc Cymru (26/01/17) is as follows:

	<b>Maesteg</b>	<b>Tondu</b>
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
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