

Document Purpose

- To provide an initial outline of the proposed project sufficient to identify why it is being proposed and what it seeks to achieve.
- The Project Brief is to be initially approved by the Service Manager.
- If approval is given then the Project Brief and Corporate Impact Assessment is to be sent to the Directorate Assessment Board for approval to commence with the project.

Project details

Project Name	WCC Housing and Support (Supported Living) strategy 2014- 2017 Use of Kingfields SEC site for supported housing for DAS service users with learning and physical disabilities
Project Manager	Martine Bishop
Project Sponsor	Elaine Carolan
Business Owner	Richard Keble

PROJECT DEFINITION

1. Project description

WCC has a Housing and Support Strategy (2014-17) which is intended to transform the range of housing and support options available to people with learning and/or physical disabilities.

As part of this strategy it is proposed to use the Kingfields SEC site to develop supported housing ('supported living') for DAS service users who have learning disabilities and complex social care and health care needs.

2. Project background

Please detail the background to this project, what opportunities or problems prompted it?

The WCC Housing and Support strategy (2014-17) estimates that 260 service users funded by the Directorate of Adult Services (DAS) (including 45 younger people 'transitions' service users and 215 adults living in residential care, higher cost existing supported living services and people living with ageing parents) could be suitable for moves to a range of supported living services.

Worcestershire has a higher than average use of residential care for adults with learning and physical disabilities. There is an increasing expectation amongst service users and their families that supported living will be the preferred options rather than registered care

There is scope for financial efficiencies for WCC in making greater use of supported living rather than using residential care services. Financial efficiencies include:

- Cash savings, i.e. where the use of supported living reduces DAS expenditure compared to the use of registered care and some existing higher cost forms of supported living
- Cost avoidance, i.e. where the use of supported living avoids DAS incurring higher cost alternative for service users such as a move to registered care, a move to secure settings and incurring additional costs in supporting service users to remain living with their families.

3. Project objectives

Please list the objectives of the project that is what does it seek to achieve?

The project objectives are:

- To commission and facilitate the development of a range of supported housing options across Worcestershire to meet identified service user needs
- To broker accommodation from a range of external housing partners to meet identified service user needs
- To use WCC sites and capital funding to help enable supported housing to be developed where this meets identified service user need and is financially advantageous to WCC

- To achieve savings of approximately £2.4m through this process

This will be achieved through developing a range of new supported housing options including:

- 'clusters' of self-contained flats with shared communal space and 24/7 on site support
- Shared housing with shared communal space and 24/7 on site support
- Shared housing fully adapted for people who are wheelchair users with share communal space and 24/7 on site support

In addition, some existing registered care services will become supported housing through a change in registration status ('de-registration') agreed with the Care Quality Commission (CQC) where the property will change from a registered care home to become a supported housing service.

4. Project outcomes

Please list the outcomes the project that is what is it that will be produced or changed as a result of the project?

The project outcomes are:

- To accommodate in excess of 200 people with learning/physical disabilities in supported living by March 2018.
- To have achieved savings of approximately £2.4m through this process

The Kingfields SEC site being used for development of supported housing will support the achievement of these outcomes.

EQUALITY IMPACT RELEVANCE SCREENING

The questions in this section address factors you will need to take into account in assessing the relevance of the project in the lives of people who have one or more of the Protected Characteristics listed in the Equalities Act. The answers you provide will assist you in determining whether a detailed Equality Impact Assessment will be required during project development.

5. Could this project involve or result in a significant commitment, or reduction, of resources? If so, give details

No. the Kingfields facility will no longer be in use as a SEC (from April 2017) and is surplus to requirements.

6. Does this project relate to, or affect an area where inequalities are already known to exist? If so, give details

No. The Kingfields facility will no longer be in use as a SEC and is surplus to requirements.

7. Could this project have a disproportionate impact on service delivery or other aspects of daily life for people who have one or more of the following Protected Characteristics?

Age	N/A
Disability	N/A
Gender	N/A
Race	N/A
Religion / Belief	N/A
Sexual Orientation	N/A
Gender Reassignment (This refers to a person who has undergone, is undergoing or proposes to undergo a process (which does not have to be a medical process) to change their sex)	N/A
Pregnancy and maternity	N/A

8. Is a full EIA required?

An EIA is not always needed. If the answer to questions 5 and/or 6 is "yes" a more detailed assessment may be required. If the answer to 7 is yes a more detailed assessment will be required during project development.

Where you have decided that an assessment is not required please clearly summarise the reasons for your decision, including any factors you have taken into account, in the box below.

EIA Not Required: Reasons and Additional Comments

The Kingfields facility will no longer be in use as a SEC and is surplus to requirements.

If you need to undertake a full EIA, please go to <http://apps3/cms/rd/human-resources/eig-toolkit/equality-and-diversity/equality-impact-assessments-e.aspx> for the template. If you require assistance completing the full EIA, please contact the Corporate Equality and Diversity Team on ext. 6225.

INITIAL ENVIRONMENTAL AND SUSTAINABILITY IMPACT SCREENING

During the early stages of the commissioning and project management processes it is important to consider any environmental and sustainability implications that may be relevant to the service or project that is being commissioned. There is a new Environmental and Sustainability Impact Screening desktop exercise designed to be completed during the early stages of a new WCC project or programme. This will enable the project manager or commissioner to establish whether they need to consider taking further action to reduce any environmental impacts which may result from implementation of the project, and to act early to address this to mitigate any negative environmental or sustainability related issues. Please note this is a quick assessment of the likely impacts that your project will have, it is not a full Environmental Impact Assessment but an initial stage to highlight any areas within your project that may need further investigation or planning, potentially in partnership with a relevant WCC unit.

The Council must comply with all relevant environmental legislation. A list of environmental legislation has been collated so that all commissioning/contract/project managers are aware of relevant legislation which the Council must comply with, which is to be considered at the design stage. Please consult the ["Environmental Legislation for Commissioning and Contracts Managers"](#) page on SID.

If you require further help or guidance, please contact the Sustainability Team on **01905 766061** or sustainability@worcestershire.gov.uk



Initial Environmental
and Sustainability Imp

It is not possible to accurately complete the Environmental and Sustainability impact assessment until a decision has been made regarding the use of the site.

Outline Business Case

9. Options

What options for delivering the project have been considered?

Context

To deliver the WCC Housing and Support Strategy (2014-17) through developing supported housing for people with learning disabilities and/or physical disabilities the following options have been considered and/or used:

1. Promoting and encouraging housing associations and other housing providers to deliver 'clusters' of self-contained flats with shared communal space and 24/7 on site support. This has been successful in some locations and for some service user cohorts.
2. Encouraging the use of shared housing with shared communal space and 24/7 on site support as supported living, including through the change of use of existing registered care homes. This has been partially successful.
3. Using a tender process to deploy WCC capital funding to develop supported living, in particular to develop shared housing fully adapted for people who are wheelchair users with shared communal space and 24/7 on site support, including service users who have complex social care and health care needs.

This latter approach has not been entirely successful to date. This is a result of:

4. Uncertainty in the supported housing sector created by:
 - o Government cuts to rents for social housing landlords (although supported housing has since been exempted for 1 year) and
 - o Government plans to limit housing benefit for social housing tenants to 'local housing allowance' (to be implemented from April 2019). This is the most significant risk facing developers of supported housing currently and will have a significant impact on revenue funding and capacity to service debt.
5. In addition, housing providers were not able to identify suitable sites for this type of supported living development.

The potential options for the use of the Kingfields SEC site

Potential options for the use of the Kingfields site are outlined below. Further detail and return on investment for these options is shown at section 13.

1. Sell the site on the open market to achieve highest possible capital receipt. WCC receives a capital receipt. Current market valuation of the site by Place Partnership is £0.5m. DAS does not make any savings on care costs.
2. WCC commissions an external housing provider to purchase the site and to develop Supported Living on the site. Assume contribution of value of site, £0.5m, towards overall

scheme costs, if this was not realised DAS would make up the difference. WCC either sells freehold to external housing provider or retains ownership of site and leases buildings to housing provider for 25 years (for example). Housing provider may come with separate care partner who agrees to provide care below a set hourly rate, or DAS procures the care separately.

3. Retain site. WCC develops and operates a Supported Living scheme on the site. No external housing developer involved. WCC contracts the housing management for the new Supported Living scheme and procures care partner who may be the same organisation.

WCC held a market engagement event in April for housing and care providers with a potential interest in the development of supported living at the Kingfields site. Following the event providers were requested to submit a response to a series of questions regarding their interest in developing housing at the site or delivering care at a supported living scheme built on the site or both. Six out of the 12 providers that response would be interested in developing the housing on the site, 7 of the providers would be interested in providing the care only, and 3 providers would be interested in developing the housing and providing the care.

Of the 6 providers that expressed an interest in developing the housing, the majority stated that they could develop the housing without any capital subsidy from the Council provided the scheme could be delivered before April 2019 and the current Housing Benefit regulations applied (i.e. rent were nto restricted to Local Housing Allowance).

Why use the Kingfields SEC site for supported housing

1. The site is in an area of Droitwich where the community is accustomed to people with learning disabilities.
2. It is a site that is considered potentially suitable for the priority DAS service user cohort need – people with learning disabilities and complex social care and health care needs which it has not been possible to achieve to date through other approaches (as set out above as ‘context’) subject to market testing with potential housing developers). In addition to the broader needs assessment outlined in section 2, a minimum of 15 young people will coming through transitions in the next 3 years who would be suitable for this service, 7 people currently in long term nursing care who would be suitable and an aging population of people with learning disabilities in residential care who will need to move to ground floor accommodation.
3. As the site is in WCC ownership and control there is the opportunity to develop a scheme for this cohort of DAS service users more quickly than housing association developers who will need to identify and acquire a suitable site.

10. Information Technology Impact

What is the impact of this project on the information, applications or technical infrastructure for the council? The Systems and Customer Access Enterprise Architecture team can assess the project for you and advise to give a status (major, minor etc.) for the proposed project along with an explanation for this status. If your project has an information technology impact, contact the Enterprise Architecture team on 01905 766775.

Area	Status	Comments
Information, application or technical?	Major / Minor / Temporary / Standard?	<i>Explanation justification for the status given</i>
N/A	N/A	N/A

11. Project Cost

What are the estimated costs of the project?

The scheme development cost is based on a specification for 2 interconnected single story buildings for at least 10 DAS service users:

- 2 five bedroomed single storey properties on same site; 10 service user bedrooms.
- The two properties to have a physical link to allow staff internal access to both properties
- The aim is to create attractive and aspirational housing for people with complex disabilities that is non institutional in design and execution.

Each property to have the following features:

- Space standards to Lifetime Homes/fully wheelchair space standards in all internal areas.
- 5 bedrooms of approximately equal size with en-suite wet rooms. Bedrooms to have facility for overhead tracking/hoisting.
- Kitchen/dining room for 5 individuals with staff.
- Sitting room.
- Fully adapted bathroom. To have facility for overhead tracking/hoisting.
- Storage space e.g. for wheelchairs, mobile hoists.
- Staff facility to include a sleep-in room/shower room.

Availability of a range of assistive technology for use with service users including facility for different types of sensors in all bedrooms/wetrooms and bathroom.

External space – level access hardstanding/garden areas.

Parking. Sufficient parking for up to 6 vehicles including adapted vehicles for wheelchair users.

Based on this specification, evidence from Place Partnership’s architects is that such a development would cost approximately £1.26m including demolition costs.

In the event that capital funding was required in addition to the use of the Kingfields site for developing supported housing, DAS has an agreed capital funding allocation of £5m for investment in supported housing, subject to Cabinet Member approval. As at June 2016, £2.4m remains uncommitted.

12. Ongoing Costs

Please detail any ongoing operational or maintenance costs once the project has been completed

On-going costs (excluding care costs) for WCC are set out below for the identified options outlined in section 9.

Option 1

On-going building maintenance costs and site security until site disposal. A number of Guardians are now living at the property.

Option 2

DAS meets any shortfall in sale of site compared to capital receipt requirement, in order for site to be retained. It is possible that the site value will be met by an external developer through the sale of the site. No on-going costs related to the site.

Option 3

Retain site. WCC develops and contracts the housing management of the Supported Living scheme. DAS meets any shortfall in sale of the site compared to capital receipt requirement. On-going costs are maintenance of new property and housing management costs which are offset by rent charges (see ROI in section 13). Ongoing interest payments on the loan required to finance build.

13. Return on Investment (ROI)

What are the longer term benefits, savings and/or financial gains this project can bring to the Council?

The financial savings and benefits for the Council are summarised below.

Kingfields Site

<u>Assumptions</u>	£000
Estimated capital proceeds from sale of site:	█
Estimated annual care costs for 10 clients of this cohort in Residential Care:	932
Estimated annual care costs for 10 clients of this cohort in Supported Living:	777
Estimated Annual saving in care costs for 10 clients:	155
Estimated construction costs of Supported Living accommodation:	1,260
Estimated cost of borrowing:	3.5%

(ROI table has been removed due to the commercial sensitivity of the content)

Commentary

Option 1

The local authority receives a capital receipt for the sale of the land █ at last valuation.

The cohort of WCC-funded adults therefore continue to be housed in current placements, at an ongoing cost estimated at £932k per annum

No saving can be removed from the DAS budget

There is no asset value after the 20-year period

The 20-year NPV of cash flows is expenditure of £12.746m

Option 1 does not deliver any housing ‘gain’ to WCC in terms of new supported living capacity required to meet the needs of the cohort of clients with learning and associated physical/health related needs.

Option 1 leaves DAS continuing to be reliant of purchasing individual placements in registered care for this cohort.

Therefore Option 1 does not address the requirement for additional supported living capacity for this cohort in Worcestershire that allows DAS to manage the care costs in a more effective way (that a supported living scheme would permit).

Option 2

Provider buys land for £ [REDACTED] (last valuation)

Provider builds the required housing on the site

The cohort of WCC-funded adults can be housed in the new development, reducing ongoing care costs to £777k

No other ongoing revenue costs/income streams

Therefore an estimated £155k saving can be removed from the DAS budget.

The 20-year NPV of cash flows is expenditure of £11.543m

Option 2 is reliant on an external housing provider developing the required supported living scheme on the Kingfields site.

The Government's proposals for capping housing costs in supported housing to Local Housing Allowance (LHA) rates and the potential for a local authority 'top up' fund for housing costs above LHA rates from April 2019 are causing significant uncertainty amongst providers of supported housing. Many social housing providers are putting supported development plans on hold until the Government issues more detailed guidance, anticipated later in 2017, about how the proposed new funding system will work in practice.

Therefore, at the current time there is a risk that there may be limited interest in developing the supported living scheme required. However, a Registered Provider (housing association) that was interested in developing the site may be able to secure capital grant funding from the Homes & Communities Agency (HCA) towards the development costs.

However, following a market engagement event with providers (see pages 7/8), it is clear that there are housing providers who would be willing to pay market value for the site, and build a Supported Living scheme without capital funding support from WCC.

Any housing provider that states an interest in developing supported living on this site, and for it to be occupied before April 2019 is doing so on the assumption that they will be able to receive higher rates of housing benefit in advance of April 2019. Post-April 2019 they will expect DAS to fully underwrite any revenue funding risks the housing provider faces in relation to guaranteeing future rents and service charges. If this option is pursued DAS will need to agree how a potential future supported housing rental funding risk will be shared with the housing developer/provider.

Option 3

DAS transfers ██████ to corporate to satisfy the corporate target for the site.

WCC borrows an estimated £1.26m to build the site

The cohort of WCC-funded adults can be housed in the new development, reducing ongoing care costs to £777k

WCC still needs to pay £90k for loan per year for 20 years

WCC shares income for rents and services charges with provider, generating around £21k per year income for WCC.

Therefore, an estimated £86k saving can be removed from the DAS budget.

Note that a further £90k could be removed once the loan payback is complete

Assume that WCC would retain the land and building as an asset

The 20-year NPV of cash flows is expenditure of £13.286m

Option 3 would mean that WCC retains both ownership of the site and control of the development of the required supported living scheme and how it is subsequently managed.

This option is a way of WCC managing the risks associated with the current supported housing market uncertainty, i.e. WCC will be developing the scheme directly and will be in control of the timetable for the development. The risks associated with seeking a credible supported housing development partner are mitigated through this option.

If WCC develops this site in advance of April 2019, it can determine the level of rent to be charged, i.e. whether to set a rent at or close to LHA rates or in advance of April 2019, to take advantage of the current, more generous, housing benefit regime for supported housing if it appoints a housing association or charitable organisation to operate the housing on the Council's behalf (and to issue tenancies to DAS service users).

As this would be a shared housing model of supported housing, any right to buy arrangements are unlikely to apply.

The response from the market engagement exercise has been that most housing associations and private sector housing developers are not interested in this option. The interest in this option comes from care/support providers who are attracted to the housing management role as an additional revenue generating activity alongside the delivery of care. WCC would need to appoint a charitable (not for profit) organisation to undertake this role in order to fall within the more generous 'specified accommodation' housing benefit rules (which do not apply to private

sector organisations).

This option additionally provides a manageable, relatively small scale opportunity for WCC to test a model of the Council developing housing directly, retaining the subsequent housing assets and selecting in due course its preferred option for the management of the housing once developed.

Recommendation:

Option 2 is the preferred option because:

- It offers the greatest care cost saving for DAS (£155k compared to £0 for Option 1 and £86k for Option 3)
- It offers the most favourable NPV
- It is probable that an external housing developer will be able to build and develop the required housing more quickly than the Council (given the Council has no experience to date of developing and building this type of supported living scheme)

14. Risks to not pursuing the benefits

What are the initial risks to the Council not pursuing this project??

In relation to not retaining the Kingfields SEC site for Supported Living for DAS service users, the risks are:

- Other well located sites are not readily identified by external housing providers
- Other potential sites are not as well located and have same level of acceptability to families of service users
- Other potential sites do not have the same degree of local community acceptability to the service user group
- Not able to move existing DAS service users from residential care services to supported housing as there is no suitable provision.
- Savings to WCC/DAS from developing supported housing for this service user cohort are not achieved.

15. Stakeholders

Please list the main stakeholders associated with this project.

Stakeholders for this project are:

- DAS PLOT and social work teams
- DAS Commissioning
- WCC Property Services
- Place Partnership

- A housing association/developer delivery partner (Option 2)
- Parents/carers of service users who will move to the supported housing scheme
- Wychavon DC for support in relation to housing strategy and planning approvals

Outline Project Plan

16. Timescales

Please state the approximate desired start and completion dates. Please make it clear if there are any specific deadlines it would have to achieve.

Summary of key milestones: (If Option 2 selected; key milestones below; dates tbc)

- Kingfields SEC becomes vacant – by April 2017
- Market engagement exercise – April/May 2017
- PIAS sign off decision to sell the site and build supported living – June 2017.
- Development and confirmation of housing specification – by July 2017
- Instruction to Place Partnership to market site – by July 2017
- Buyer identified – by October 2017
- Delegated Officer and DLT sign off proposed sale - Nov 2017
- Planning application submitted –Nov 2017
- Planning application secured – Jan 2018
- Contractor appointed – January 2018
- Start on site – February 2018
- Procure care partner (if appropriate) – by July 2018
- Building completion and handover –by January 2019

Project Management

17. Resources

Estimate the number of people, skills and their time needed to complete this project.

- DAS PLOT and social work team/s:
 - Assessment of DAS clients to move to proposed scheme
 - Capacity assessments and applications to Court of Protection where applicable
- DAS Commissioning:
 - Leadership of scheme delivery
 - Commissioning of and working with housing delivery partner
 - Liaison with District Council as applicable in relation to housing, planning and housing benefit
 - Commissioning of care as applicable

- WCC Commercial and Change Property
 - Manage sale of site
 - Professional advice and support to scheme delivery
 - Professional advice and support to development of specification and terms of sale
- DAS Finance:
 - Appraisal of scheme financial benefits
 - Assessment and tracking of DASH financial savings
- WCC CoaCH
 - Procure care provider (if appropriate)
 - Professional support
 - Project management

18. Project Team

Please identify any specific/potential members of the project team if any have been identified as yet.

tbc

19. Additional Information

Amendment History		
Document Owner: Martine Bishop		
Version Number	Date	Reason for Amendment
1.0	23/05/16	Draft v1.0

2.0	29/06/16	Updates and comments
3.0	28/07/16	Updates and comments

Approvals				
Name	Signature	Title	Date	Version
Project Sponsor				
DMT / LT [name]				
FutureFit Steering Group [name]				
FutureFit Programme Board [name]				