



LATE REPORT

Council Business Committee

Thursday 26th June 2014

The following report was received too late to be included on the main agenda for this meeting and was marked 'to follow'. It is now enclosed, as follows:

Agenda Item Number	Page	Title	Reason for Late Report
6	1 - 8	CONSULTATION: EXTRA CARE AND SPECIALIST HOUSING STRATEGY FOR LANCASHIRE	Consultation not received in time for a report to be prepared.

COUNCIL BUSINESS COMMITTEE

Extra Care and Specialist Housing Strategy for Lancashire - Consultation Response 26th June 2014

Joint Report of Chief Officer (Regeneration and Planning) and Chief Officer (Health and Housing)

PURPOSE OF REPORT

To allow the Committee to consider how they would wish to respond to a consultation request in respect of Lancashire County Council's Extra Care Strategy published in May 2014.

This report is public

RECOMMENDATIONS

- (1) **That the Council Business Committee approves or amends the officer response, appended to this report, to the consultation by Lancashire County Council on the Extra Care and Specialist Housing Strategy, and that an officer be authorised to send the consultation response on behalf of Lancaster City Council.**

1.0 Introduction

1.1 Lancashire County Council have recently published and circulated the Extra Care and Specialist Housing Strategy for Lancashire, and is seeking views from the key stakeholders and partner organisations.

1.2 Extra Care is a term used to describe a form of sheltered/supported housing for a prescribed group, which includes older people and/or those with disabilities that provides a level of on-site care provision, sometimes provided by the same organisation or is jointly delivered by a housing provider and a separate care provider. Each resident is normally provided with their own self-contained accommodation often with a range of communal facilities and services and receive care from an on-site care team.

2.0 Rationale for the Extra Care Strategy

2.1 The Extra Care Strategy is divided into 8 sections containing an executive summary, introduction, the identified need both nationally within the county and at district level, some financial analysis of care costs, the commissioning context, commercial and financing options and proposed actions.

2.2 The County Council have identified a need to increase and improve the provision of Extra Care Schemes across the 12 two-tier districts within Lancashire, because there has been an over-provision of placements into residential care. The main drivers are:-

2.2.1 The gross costs of residential/nursing care exceeds £70M per year within Lancashire, and the county council cannot continue to meet these costs currently and in the future these costs are likely to increase with an ageing population.

2.2.2 The county council recognise that placements into residential care are often a last resort, historic models of care provision are out of date and not what the ageing population would choose to opt into.

2.2.3 The county council believe that by increasing the provision of purpose built extra care schemes, there will be financial benefits for the County Council in reducing admissions to residential care, older people and vulnerable groups will have more choice with better outcomes, and can remain more independent for a longer period of time.

2.2.4 Across the county there are around 350 existing extra care units which operate on different models. There has been mixed successes in relation to the existing provision. Locally, Lancaster City Council entered into a partnership with Lancashire County Council some years ago and set up extra care schemes in two of its pre-existing sheltered housing schemes at Beck View, Lancaster, and Parkside Court, Morecambe. Lancaster City Council provides the accommodation and landlord function, and the County Council fund and manage the on-site care teams. This model has not been particularly effective for either party, both in terms of the operational management and impact of the extra care placements, the eligibility criteria that the County apply, and the fact that referrals from the County have reduced over time.

2.3 The county council's aspirations are to provide a new extra care facility in each of the 12 two-tier districts within Lancashire and adopt a model which could continue to be rolled out as demand increases.

3.0 Level of Need

3.1 In formulating this Strategy, the county council have taken into account the national context, need and demand for extra care, and the primary reasons and trends for residential and nursing care placements, with further analysis at county and district level. The calculations made around need are assumptions made about the predicted number of older people who may not have needed a residential care placement, or who could otherwise move into step-down extra care accommodation from residential care, NHS acute hospital beds or step-up from home. The county council have calculated an immediate need for 988 units across the county. A further analysis of need (HGO methodology) suggests that the following need exists in Lancaster district as follows:-

2013	-	331 units
2023	-	386 units
2033	-	468 units

Lancaster City Council undertook its own Housing Needs Study in 2011, and at that time, the estimated need for extra care accommodation was 362 units, with the demand coming from existing households responding to the survey and older people moving into the district.

4.0 Commissioning of Extra Care

- 4.1 In terms of the delivery of new extra care schemes, the Strategy confirms that in order to achieve the right economies of scale in relation to the costs of care provision and reduce their current spend, new schemes need to be a minimum of 60 units, and need to meet a minimum outline specification around the communal facilities provided i.e. communal lounge/dining facilities, laundry, scooter/wheelchair storage, appropriate level access to and around the schemes, good access to shops and services including GP/Health related services, local transport and community facilities, and adequate staff offices and accommodation. The likely development costs of this type of facility is circa £7M.
- 4.2 The Strategy suggests that the county council has the financial capacity to provide funding to support the delivery of new extra care schemes and either build and retain new provision, or through its enabling role, provide some financial support and/or land, to a development partner (i.e. a Registered Provider). However, it is unclear from the Strategy, to what extent the county has the capacity to either directly provide the new provision, or in its enabling role, and the Strategy also acknowledges that the County has not yet determined how financial resources will be prioritised.
- 4.3 The Strategy has considered the feasibility of using/converting existing sheltered housing stock into extra care facilities, and recognises that for the most part, this would be difficult, ineffective and often very inefficient.
- 4.4 The Strategy sets out three potential financial models that the county could consider to deliver purpose built extra care provision, which include a direct development model whereby the county builds and retains ownership with the operational management outsourced through a management agreement, an income strip model, where the county build and own the premises, but then enter into a lease agreement with an operator for a 35-40 year period, and thirdly, a developer operator model whereby the county retain no active ownership of the premises (but may provide the land) and provide a block contract to guarantee occupancy and rental income for the operator. However, the Strategy does not give any clear indication of the county's preferred route.
- 4.5 The Strategy recognises that whilst the county can identify some financial resources to bring forward new extra care provision, there is great emphasis on partnership working with district councils, Health and Registered Providers who can draw down some element of funding from the Homes and Communities Agency. However, to date, there is no clarity to what extent the HCA can fund new build extra care schemes. Whilst the Strategy makes reference to the Care & Support Specialised Housing Fund in 2013, none of

the bids made for Lancashire received funding, and whilst the average grant rate cited in the Strategy as being an average of £32K per unit, there is no current programme specifically set aside to support extra care provision and no real indication of what grant rate could be applied to schemes coming forward.

5.0 The role of district councils

- 5.1 The county council places great emphasis on partnership working in terms of the delivery of the Extra Care Strategy, in order to balance the risk and to achieve a broad range of approaches to meet the required number of units across Lancashire. Lancaster City Council is one of 10 district councils with a commissioning relationship already in existence in respect of Lancashire County Council's Supporting People Programme and is also a provider of Supporting People funded services for older people.
- 5.2 Lancaster City Council has already undertaken its own housing needs study in 2011 and its study concluded that the Council needs to support the delivery of housing that will meet the needs of the ageing population. The study made a number of recommendations about providing a higher quantum of smaller units of accommodation through the planning system, and highlighted the need to provide a range of accommodation (including specialist accommodation) for older people. Therefore, it is very clear that there are many shared objectives from both the county and city council's perspective. Furthermore, Lancaster City Council has identified the need to prepare its own Older People's Housing Strategy, to undertake a holistic analysis of the existing housing provision for older people in the Lancaster district, and how the city council can support new housing delivery to meet our district's ageing population and to provide the widest choice of housing options as demand increases.
- 5.3 The Extra Care Strategy makes reference to sites in Lancashire that have already been identified with potential to deliver new extra care schemes. To date, there has been no indication that any such sites are located in Lancaster district, but through the Lancashire Regeneration Partnership, there will be continued dialogue with the county council and Carillion if suitable sites emerge. There are limited opportunities for the City Council to identify its own land for the delivery of new extra care provision, however, the city council could have an active role to play in supporting the delivery of new extra care schemes through the planning system and planning gain, in particular on larger strategic sites that might provide the capacity to deliver the required land and/or some element of financial contribution. There is no existing policy, model or approach for this and therefore this would require further investigation and analysis.
- 5.4 Given the likely costs involved in the delivery of new extra care schemes (circa £7M to provide the minimum specification), the city council's ability to become a direct provider would be extremely limited in terms of our capacity and the specialisms required around the provision of care. However, officers are having continued dialogue with the county council's Supporting People Team around the existing extra care provision in Lancaster district at Beck View and Parkside Court, and depending upon the outcome, there may be some continued provision in the intervening period until purpose built extra care accommodation is provided in Lancaster district.

5.5 In relation of Lancaster City Council's enabling role, a strong partnership already exists with a number of Registered Providers, some of which are key development partners such as Adactus, Great Places, Guinness Northern Counties and Impact, with strategic partnership meetings taking place both formally and informally. Registered Providers are also being consulted on the Extra Care Strategy, some of whom already own and manage extra care accommodation outside of Lancaster district, but within Lancashire and beyond. It is very difficult to gauge what appetite currently exists within the sector to meet the current and future need. However, as the Strategy already acknowledges, there are a number of factors and risks which Registered Providers would need to take account of, which include but may not be limited to:-

5.5.1 The development costs associated in delivering the outline specification within the strategy.

5.5.2 The demand and take up of extra care accommodation – many social housing providers experience differing levels of demand in relation to accommodation for older people, and in some instances, there has been an over-supply of some types of accommodation i.e. bedsits. Furthermore the city council's experience of its own extra care provision is that the eligibility criteria applied by adult social care would need to be reviewed and set appropriately, to allow the right balance and integration of varying levels of care and support needs within extra care schemes, giving some flexibility to older people to make timely choices about moving into more suitable accommodation instead of this being crisis led.

5.5.3 The likelihood and level of grant funding that may be available from the Homes and Communities Agency to support Registered Providers.

5.5.4 The required tenures to be provided, the associated costs to service users, and whether in the future, extra care accommodation will be treated as "exempt accommodation" in terms of eligibility for housing benefit payments for the rental element of the total charges.

5.5.5 The certainty of continued revenue funding from the county council, in the current financial climate of reducing budgets and the need to achieve savings, and whether or not the county will enter into management agreements that safeguard occupancy levels/voids.

5.5.6 There is no certainty as yet that funding from Health will be made available in the future to support the new provision, although the Better Care Fund may provide some opportunities.

6.0 Other Vulnerable Groups

6.1 The primary focus of the Extra Care Strategy is around meeting the needs of older people. However, the Strategy also takes account of the needs of other vulnerable adults, and commissioning strategies for other groups such as those with learning disabilities or enduring mental illness. To this end, officers are engaging with the county's commissioning managers to meet the continuing needs of other groups, and through the city council's enabling role, has supported the development of a 12 unit scheme in Lancaster currently being built by Impact Housing Association, for people with learning and/or physical disabilities. Similar partnership working and commissioning arrangements need to be established for other vulnerable groups such as those with mental illness.

7.0 Conclusion

7.1 The Extra Care Strategy in its current form is a high level strategic document, which will need to evolve over time. There needs to be more clarity around the scope and the actual delivery vehicle to be adopted to address the needs identified by Lancashire County Council. Given the common objectives that exist, it is important that Lancaster City Council, and other relevant parties, fully engages with the county to support the delivery of the strategy so far as we are able. In particular, in order to facilitate the delivery of new extra care schemes in Lancaster district and help identify suitable development partners/operators, there will need to be more clarity on the model the county intend to apply. The role of Lancaster City Council as the local planning authority in supporting new development will also be critical.

**CONCLUSION OF IMPACT ASSESSMENT
(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

Lancaster City Council are being consulted on Lancashire County Council's Extra Care and Specialist Housing Strategy.

LEGAL IMPLICATIONS

None as a result of this report

FINANCIAL IMPLICATIONS

None as a result of this report but some financial implications may emerge as the Strategy progresses. These would be reported separately.

OTHER RESOURCE IMPLICATIONS

Human Resources:
NA

Information Services:
NA

Property:
NA

Open Spaces:
NA

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has been consulted and has no further comments.

BACKGROUND PAPERS	Contact Officer: Kathy Beaton Telephone: 01524 582724 E-mail: ksinclair@lancaster.gov.uk

Suggested Consultation Response from Lancaster City Council

Lancaster City Council notes the evolving strategy for the delivery of extra care and specialist housing, and we recognise the need to continue to work in partnership with Lancashire County Council, and other partners, to progress and deliver this strategy.

There is an obvious need for Lancashire County Council to reduce its current spend on residential/nursing care provision, and we agree that provision of additional extra care schemes across Lancashire will allow older people and vulnerable adults to have access to a wider range of housing, care and support options to allow them to remain independent for as long as possible.

In order to support the delivery of the strategy, and achieve the required quantum of extra care units, Lancaster City Council makes the following observations and recommendations:-

We note that the document acknowledges it is an evolving strategy, and that continued work needs to be undertaken with a number of partners. However, there needs to be more clarity around Lancashire County Council's preferred model for delivery of extra care and how capital funding will be prioritised and allocated, which will enable Lancaster City Council, through its enabling role, to identify potential development partners, and that sufficient detail is provided to enable meaningful dialogue with potential partners in due course.

Lancaster City Council recommends that there is continued dialogue between Lancashire County Council and the Homes and Communities Agency around the grant funding that may be required to support new delivery of extra care schemes, given the likely capital costs involved and the reducing grant rates being applied across the social housing sector, and to what extent funding would be made available from Health to lever into new extra care provision.

As an existing provider of two extra care schemes at the present time, Lancaster City Council acknowledges that the current model applied locally needs to change. The existing partnership has not been effective for either the city or county council, and has resulted in inappropriate placements and a reduction in the number of referrals when vacancies arise. Given the scale of the proposed roll out of extra care schemes across Lancashire, the county council will need to carefully consider the eligibility criteria to be applied and that extra care schemes will require a sufficient level of marketing and publicity to ensure an adequate number of referrals, with enough flexibility to allow older people with a lower level of need to make timely moves in a positive way to plan for increased needs.

Lancaster City Council has already recognised the need to improve and increase the housing options for older people in Lancaster district underpinned by the Housing Needs Study commissioned in 2011, and in terms of its role as the local planning authority will endeavour to support the provision of a wider range of accommodation for older people and vulnerable adults. As part of this role, we will explore what

potential exists through planning obligations to support the delivery of extra care schemes as a potential means of cross-subsidising new schemes.

Lancaster City Council also recommends that as a way of reducing the overall capital expenditure of new extra care provision across Lancashire, that Lancashire County Council consider commissioning an extra care scheme design that offers potential to be cloned in every district across the county to save on costs.