

Report to Cllr Dick Madden, Cabinet Member for Adults and Children	Forward Plan reference number: FP/009/02/15
Date of report: 6 June 2016	County Divisions affected by the decision: Saffron Walden
Title of report Capital Grant Award to East Thames for Radwinter Road, Saffron Walden , Uttlesford, Independent Living Scheme for Older People	
Report by Nick Presmeg, Director for Integrated Commissioning and Vulnerable People	
Enquiries to Gary Heathcote, Head of Commissioning Vulnerable Adults email: gary.heathcote@essex.co.uk , tel: 07730616633	

1. Purpose of report

- 1.1. To seek permission to award £983,000 of Capital Grant from the Independent Living Capital Programme to East Thames Group. The Capital Grant will support the development of a new 73 unit Independent Living Scheme for Older People in Saffron Walden in Uttlesford.
- 1.2. To request Independent Living Capital Programme budget of £491,500 be advanced from 2017/18 into 2016/17 to fund this year's milestone payment.

2. Recommendations

- 2.1. Approve the award of £983,000 of Capital Grant from the Independent Living Capital Programme to East Thames Group to support the development of a new 73 unit Independent Living Scheme for Older People in Saffron Walden.
- 2.2. That authority is delegated to the Director for Integrated Commissioning and Vulnerable People to enter into contracts, agreements and documents he considers appropriate in order to deliver the scheme, in particular the Grant Agreement and Nominations Agreement in a form approved by the Director for Essex Legal Services.
- 2.3. To approve Independent Living Capital Programme budget of £491,500 be advanced from 2017/18 into 2016/17 to fund this year's milestone payment.

3. Background and proposal

- 3.1 The Council has a programme of supporting Independent Living developments with capital grant. Some of these schemes are not financially viable for the market to provide but they allow vulnerable people to live independently for longer and they reduce need for placements in residential care homes.
- 3.2 Based on the demand data, there is an estimated total requirement for 155 Independent Living units in Uttlesford . Of these, 90 units should be for affordable rent and 65 should be for sale (either shared ownership or outright sale). Upon delivery of this scheme a further 50 affordable units and 32 ownership units will still be required in Uttlesford in order to meet the estimated requirement. The construction completion date for Radwinter Road scheme is May 2018.
- 3.3 The application for Capital Grant funding submitted by East Thames Group has been evaluated against the Capital Grant Application Evaluation Criteria at each stage of the Independent Living Programme Gateways. The evaluation included checking the development at each Gateway against critical Independent Living Programme criteria such as strategic fit, deliverability, affordability for residents, Lifetime Homes Standards, use of Assistive Technology and community amenities. The recommended outcome of these evaluations is to award capital grant to this scheme.
- 3.4 Uttlesford District Council has granted the development full planning permission and has agreed the proposed rents for the affordable rented units and the service charges that East Thames proposed to apply to all units in the development. The levels of rent and service charges will be reviewed by the provider each year. The terms of the grant will require the East Thames Group to ensure that any increase in rent and service charges do not exceed RPI + 0.5% in accordance with guidelines established by central government and will be agreed in consultation with the local housing authority.
- 3.5 There will be a seventy year Nomination Agreement between ECC and the East Thames Group which will give ECC the right to nominate older people with eligible care needs as potential tenants for the affordable rent units and an exclusivity period for ECC nominated clients on all units for sale (both shared ownership and outright sale).
- 3.6 Potential tenants for affordable rent units and potential purchasers for sale units will be identified by Adult Operational Teams beginning approximately one year before completion to allow units to be customised with assistive technology where required and for prospective occupiers to express a preference as to their own choices of colours etc. where possible. This timescale will also minimise the risk of empty units on completion.

4. Policy context and Outcomes Framework

4.1 The Independent Living Programme supports meeting the following objectives identified in Whole Essex Outcome 'People in Essex live independently and exercise control over their own lives:'

- Decrease use of residential care (numbers and spend).
- Decrease the number of people who move directly into residential care following a hospital admission.
- Increase the proportion of people living in their own home.
- Increase the number of people who are appropriately supported to regain their independence following a hospital admission.
- Increase in the number of social service users in receipt of a Personal Budget, including Direct Payments.
- Change the pattern of expenditure, increasing spend on Personal Budgets, including Direct Payments.
- Manage demand for social care better, diverting where possible away from formal care to other community based resources.
- More older people are able to continue to access informal care and support within their local communities.
- Decrease hospital admissions.
- Increase the number of people who die in their usual place of residence.
- Increase in the number of people who feel involved in planning end of life care.
- Decrease in the number of people who have end of life care in hospital.

4.2 In summary, the success measures, which are a subset of the success measures agreed for the Independent Living Programme, are:

- Total number of units occupied within 6 months of construction completion;
- Total number of units occupied within 1 year of construction completion;
- Tenure mix of units matches the demand for the area;
- Total proportion of the residents receiving their social care benefits payments via Direct Payments.

4.3 This development is one of multiple Independent Living housing schemes that contributes to the completion of the Independent Living Programme's objectives.

5. Financial Implications

5.1. The financial profile is as set out in the table below:

	Total	2016/17	2017/18
Capital Expenditure	£983,000	£491,500	£491,500

5.2. The grant is being funded from within the Independent Living Capital Programme.

5.3. Subject to approval being given, ECC will enter into a Grant Agreement with the East Thames Group which will provide a mechanism for payment in two stages:

- 50% (£491,500) will be paid following confirmation that construction has started (i.e. start on site has been achieved);
- the remaining 50% (£491,500) will be paid on receipt of a Practical Completion Certificate; and
- provide ECC with a level of financial assurance via clawback mechanisms should for example the grant not be used for the intended purpose or construction cease.

5.4. This is an invest to save scheme. This scheme enables a shift for appropriate ECC care clients from high care cost environments to the lower care cost afforded through Independent Living and it is expected to deliver significant on-going revenue benefits to ECC.

5.5. The scheme is to be delivered by the East Thames Group. The Independent Living Programme will monitor construction delivery closely and continue to work with the developer on matters related to the operation of the scheme (eg. sales and marketing, nominations panel).

6. Legal Implications

6.1 This proposal would see ECC making a grant for the purposes of the recipient social housing activity rather than specifying services to be provided to ECC, and so the proposal does not necessitate the application of EU and domestic procurement law.

6.2 There is also no infringement of the state aid rules, as the provision of social housing comes within the exemption relating to services of general economic interest (i.e. it is a service which the market does not provide and is in the general interest).

6.3 The rationale for the grant is that the resulting accommodation will be available in the long term for people whom the Council would otherwise have to accommodate elsewhere. For that reason it is essential to ensure that

- (a) The Council has nomination rights
- (b) The proposed rents (of the rented units) are likely to be affordable for people on housing benefit.
- (c) The proposed rates to be charged to residents are in line with rates which ECC is prepared to pay.
- (d) If required by law the care provider is different to the organisation providing the accommodation.

6.4 It should also be noted that the viability of this scheme depends on the continued availability of housing benefit. The future of housing benefit cannot be guaranteed. Therefore there is some residual risk that funding will in future become unviable as a result of future benefit changes. This is a clear risk for the Council but the Council can do little to control this risk.

7. Staffing and other resource implications

7.1. The Independent Living Programme will be delivered within existing resources.

8. Equality and Diversity implications

8.1 Section 149 of the Equality Act 2010 creates the public sector equality duty which requires that when ECC makes decisions it must have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

8.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation.

8.3 An equality impact assessment has been undertaken and shows that there will be no adverse impact on groups with protected characteristics.

9. List of Appendices

Equality impact assessment

10. List of Background papers

None

Role	Date
Executive Director for Corporate and Customer Services (S151 Officer) Approved by: Nicole Wood	 21/06/2016
Monitoring Officer Approved by : Paul Turner	 10/06/2016
Director for Integrated Commissioning and Vulnerable People Approved by: Nick Presmeg	 15/06/2016
Executive Director for People Commissioning Approved by: Dave Hill	 15/06/2016
I agree the recommendations in this report for the reasons set out in the report. Cllr Dick Madden – Cabinet Member for Adults and Children	 02 August 2016
I agree the recommendations in this report for the reasons set out in the report. John Spence – Cabinet Member for Finance	 23/06/2016