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**Cabinet**

**3 March 2015**

Report of the Director of Adult Social Care from the portfolio of the Cabinet Member for Health and Community Engagement

## **The Council's Housing for Older People Programme**

### **Recommendations**

1. Members are asked to:
  - a. Agree to a new approach to the provision of accommodation with care for older people which, subject to approval of the detailed business case:
    - i. makes best use of the existing Sheltered Housing with Extra Care accommodation owned by the Council by changes to allocations and lettings, staffing changes and capital investment so that residents with care needs, including those with complex needs and those with dementia, can be accommodated;
    - ii. authorises officers to develop the business case for an integrated care, health, housing and community facility on the Burnholme School site so that residents with care needs, including those with complex needs and those with dementia, can be accommodated alongside health, sports, library, nursery, other community facilities and family housing.
    - iii. supports and encourages the independent sector to develop and provide additional care beds by use of block-purchase, help, advice and (if viable) grants or loans so that residents with care needs, including those with complex needs and those with dementia, can be accommodated;

- iv. authorises officers to seek funding opportunities for, and if necessary an RSL partner to develop, a newly built Extra Care and Health Hub in Acomb on a site made vacant by the closure of an existing Council-run Older Persons' Home (OPH), foregoing a capital receipt for the site;
- v. allocates the development site at Lowfields for housing use which would include homes to rent and to buy for older residents who down-size from a family home as well as family housing, subject to obtaining a capital receipt for the land;
- vi. authorises the potential disposal and development of up to four sites made vacant by the closure of existing Council-run OPHs for housing use which would include homes to rent and to buy by older residents who down-size from a family home, subject to obtaining a capital receipt for the land and also the disposal of the remaining sites when they become vacant in accordance with the Council's disposal policy; and
- vii. agrees to the development of a detailed business case which sets out how all of the above proposals can be funded either within existing budget provision or by a combination of council and other external funding.

*Reason: to provide suitable accommodation, ideally in a community setting, for the city's older residents including those with complex care needs, those with dementia and those moving out of, or diverted from moving to, existing Council-run OPHs which are no longer fit-for-purpose.*

- b. Approve the use of unspent project management funds allocated for this purpose in 2013 to facilitate moving forward this programme of work, with further costs to be included in the business case for specific activities in the plan.

*Reason: So that the project can progress.*

- c. Agree to receive further reports to update Cabinet on progress of these plans and to submit for approval the detailed business case for the Burnholme development and other investments.

*Reason: to ensure that Members are kept informed of progress and that the financial implications of investments in property are considered.*

- d. Agree to abandon the procurement of care homes at Burnholme and Lowfields (plus a Community Village and Community Hub) on the grounds of unaffordability.

*Reason: that the procurement exercise was unable to provide a solution that fulfilled the Council's requirements within the financial resources available to the project.*

### **Summary**

2. This report provides an update on the Council's existing Housing for Older People Programme and seeks permission to pursue an alternative approach.
3. The Council are currently involved in a live procurement process to find a partner to deliver new care home facilities and a community village for older people; this procurement process has been paused because, during the competitive dialogue phase, it became apparent that the Council's detailed requirements for the project (advertised to the market at the outset of the procurement process) are not deliverable within the funding available. The Council have worked within the legal framework provided by the procurement process to find a viable solution to meet our needs but the most recent budget review confirms that no more money is available to support this scheme and with construction costs rising the options for our potential partner to model an alternative is limited.
4. Since the procurement begun in 2013 York's care and housing sectors, and the national funding framework, have changed and we therefore have access to an alternative approach and resources to meet the care and accommodation needs of older people that is community focused and progresses key strategic aims of the city:
  - a. reform the provision of existing Extra Care Housing, and seek to build new provision, in order to meet the needs of those with complex care needs and those with dementia, accelerating a commitment made in the 2011 Older Persons' Housing Strategy (and later in the York Supported Housing Strategy 2014-2019, published in 2013) and taking advantage of Homes

& Communities Agency funding available for Housing with Care and Support;

- b. integrate the provision of care facilities for older people and people with dementia into the wider redevelopment of the Burnholme School site, bringing together community and health services including GP services, the Tang Hall library (Explore), sports and child care facilities; giving life to a renewed commitment of the Clinical Commissioning Group, published in June 2014, for health and care service to work together in “care hubs”, taking advantage of a range of potential funding including the government’s Primary Care Infrastructure Fund;
  - c. work more closely with current providers of care to deliver more beds for those with dementia in locations across the city, responding to renewed interest from independent providers and supporting smaller providers where we can;
  - d. expand the provision of housing options for older people in Acomb by developing the Lowfields site for housing, which would include homes targeted at older residents who wish to down-size (following the success of similar schemes which opened in 2014) while at the same time earmarking the potentially vacant OPH site of Oak Haven on Front Street (subject to planning and other considerations) as suitable for Extra Care Housing and Health Hub for older people; and
  - e. explore the use of the existing sites of Morrell House, Willow House, Windsor House and Woolnough House, as they are released by the closure of OPHs, for development as “downsizing” homes to buy and to rent by older people, complementing the provision of family homes and ensuring that vibrant communities used by local people replace what is there at present.
5. Recently announced funding available from the Homes & Communities Agency and NHS England afford the opportunity for change as they facilitate investments not envisaged by the previous plan.
  6. The alignment of Care and Health services in York continues at a pace with strategic alignment being identified in the Clinical Commissioning Group’s five year plan published in 2014 and the most recent decision of the CCG and City of York Council to

submit a bid to the government's New Models of Care Programme to become a vanguard provider. The intention of the Programme is to speed up the development of new care models for promoting health and wellbeing and providing care. The delivery of housing with care and the exciting proposals for Burnholme give life to this new way of work.

7. It is recommended that we abandon the current procurement process and seek Cabinet approval to begin work on the new approach.
8. Our aim is still to provide replacement accommodation to facilitate the completion of the Housing for Older People programme (which currently accommodates up to 213 residents with a further twelve used by health colleagues as step down beds), achieved as follows:

What	By when	Units of accommodation	OPHs replaced
Making best use of Existing Extra Care Housing	2015/16	14	2
	2016/17	14	
	2017/18	46	
Additional independent sector care beds	2017/18	36	1
Care and community Hub at Burnholme	2018/19	60	2
New Extra Care homes	2018/19	43	2
TOTALS		213	7

9. Additional capacity will also be generated in the independent sector, bringing the total new provision up to 265. Further capacity will be achieved by additional independent sector provision and the building of down-sizing homes.

### **The Current Position**

10. In 2011 the Council began a strategic review of its Accommodation for Older People and in May 2012 Cabinet agreed to explore options to re-provide.
11. On 4 June 2013 Cabinet agreed to fund the building of two new care homes plus other facilities and services on land at Burnholme and Lowfields (including a community village) so that the city

would meet the needs of residents with dementia and those with high dependency care needs. It was agreed that the Council would undertake a competitive dialogue procurement exercise to procure an external provider who would design, build, operate and maintain the facilities, funded from capital receipts and revenue savings released by the closure of the Council's seven OPHs. Project costs of up to £500k were earmarked to complete the procurement process.

12. The procurement began on 7 June 2013 and in October 2013 three suitably qualified bidders were asked to engage in dialogue to explore the detail of their proposals. As is the intention of the competitive dialogue process we explored issues relating to the proposed timetable, the wider Burnholme site, the transition arrangements from the existing OPH's and the affordability of the project overall. We have continued in dialogue in an attempt to resolve the key issue of affordability, discussing the matter during the summer of 2014 and, via internal budget reviews in the autumn, exploring the potential for more resources to be made available to the project and the implications of this upon other service priorities. The conclusion, reached during the budget setting process for 2015/16, is that no more resources can be made available to this project over and above those allocated by Cabinet on 15 May 2013. Cabinet met on 10 February 2015 to confirm the 2015/16 budget without uplift for this project.

### **The need for Accommodation with Care**

13. There is still a demonstrated need for accommodation with care in York, both now and to keep pace with the growing older persons population.

<b>Accommodation with Care: need &amp; supply</b>		<b>2011</b>	<b>2014</b>	<b>2020</b>	<b>2030</b>
	<b>75+ population</b>	<b>16,486</b>	<b>17,200</b>	<b>19,600</b>	<b>25,800</b>
	% change		+4%	+14%	+32%
Estimated Demand based on national benchmarks	Residential Care		1,936	2,156	2,828
	Extra Care		440	490	645
Current provision	Residential Care		1,385		
	Extra Care		270		

It is noted that:

- a. In York, we have been successful in supporting people to continue to live at home and therefore we should not necessarily strive to meet the national benchmark. However, even at our current levels of provision and taking into account planned changes to Council-run homes and growth based on population change, York will need more residential care in the coming years.
- b. The York Extra Care picture is complex as the majority of provision is not “full” Extra Care but instead is Sheltered Housing with Care. In addition, 65 units of accommodation, at Red Lodge, will soon be taken out of action as the Joseph Rowntree Housing Trust begins to re-develop.
- c. The number of people in York who have dementia is rising and, as it currently stands, 105 of the 225 bed space in the Council’s OPHs are occupied by a person diagnosed as having dementia. As we plan for future accommodation with care we need to factor in the needs of this citizen group.

### **Moving Forward**

14. It is recommended that the current procurement process is abandoned and we move forward with an amended plan which seeks to address the accommodation needs of older people and which has a greater community focus that can be delivered, in smaller steps, which at least initially can be realised quickly.

#### The Current Procurement

15. The current procurement is not affordable.
16. The Council reserved the right within the procurement documentation to terminate the procurement process at any time.
17. Should Members agree to abandon the procurement then we will take the necessary steps to formally inform bidders and close the current procurement.

#### Making best use of existing Extra Care Housing

18. Moving forward, our first focus will be on making best use of the existing stock of Extra Care Housing in the city. There are five dedicated sheltered housing with ‘extra care’ services in York

containing 205 units of accommodation. Four of these are Council managed schemes - Marjorie Waite Court, Gale Farm Court, Barstow House and Glen Lodge, whilst the fifth (Auden House) is managed by York Housing Association. All homes in these schemes are to rent.

19. A joint Social Care and Housing review has revealed that best use is not being made of these assets. Overnight care is not available as a matter of course and as a consequence the proportion of residents with care needs is low compared to the national benchmarks. Currently 61% of residents are not in receipt of a care package; a national benchmark would suggest that no more than 30% of residents would have a low care need. Further, only 8% have a high care need against a benchmark of 30%. This means that this resource is being under-utilised as a solution to meeting the accommodation needs of older people with care needs.
20. It is proposed that, subject to approval by Cabinet, we proceed to invest care resources, administrative change and, where necessary, capital in order that best use is made of the existing Extra Care housing in the city. We will work with exiting residents to keep disruption to a minimum. As a result of these changes we anticipate that up to 54 OPH beds can be released from use.
21. York is also provided with specialist accommodation services for older people via the Joseph Rowntree Housing Trust including 65 Extra Care flats at Red Lodge in New Earswick. The Joseph Rowntree Housing Trust have ambitious plans to redevelop Red Lodge and we will closely follow these proposals, learning and helping as we go.

#### Extra Care dementia facilities

22. Extra Care Housing is a very flexible form of accommodation with care for older people and has the advantage that residents remaining living in their own home, which is our stated ambition wherever we can achieve it, while receiving care and social support on site. Extra Care has the capacity to accommodate residents with high care needs and residents with dementia. Dementia focused accommodation is now featuring in many newly built Extra Care facilities where the resident with dementia lives in a “family” setting with others, having their own bedroom and bathroom, etc. but sharing lounge and dining space. This



approach is similar to the “family setting” to care accommodation that we sought from our purpose-built care homes.

23. It is proposed that York builds its first Extra Care dementia facility on land adjacent to Glen Lodge on Sixth Avenue, Heworth, at the same time refreshing the existing building and bringing care levels up to the required ratio in order to address the needs of new residents. This building is in the ownership of the Council and design and procurement of the works will be undertaken in-house. Homes & Communities Agency (HCA) funds will also be sought. We will work with residents to keep disruption to a minimum. We anticipate having the new facilities open for use by 2017, accommodating up to 20 residents with dementia who would otherwise have been accommodated in an OPH.
24. A key advantage of this approach is that the dementia accommodation is community based which means that people may not need to move far in order to be accommodated there, helping with the maintenance of family and friendship ties and independence.
25. Future new build Extra Care schemes will be commissioned with “dementia facilities”.

#### New Extra Care provision

26. York is also under-supplied with Extra Care Housing given the city’s demographics and the anticipated growth in the numbers of over 75s expected over the next decade. Analysis suggests that there will be need for 490 units of Extra Care accommodation by 2020, rising to 645 in 2030, based upon nation benchmarks. There is a need for both Extra Care to rent and Extra Care to buy; currently just one third of the provision in York is to buy despite 81% of York’s older residents owning their own home.
27. The independent sector is beginning to address this need. For example, McCarthy & Stone are currently building 28 new sheltered homes to buy at Smithson Court on Top Lane in Copmanthorpe. Elsewhere in Yorkshire they are beginning to build and provide their Extra Care offer – called Assisted Living – and we would expect that they will continue to provide new accommodation as the market demands.
28. The current Older Persons’ Housing Strategy states that the Council should grow the provision of Extra Care in the city and the

Homes & Communities Agency has identified funds to facilitate this growth, including the recently announced Care and Support Specialist Housing Fund. It is therefore proposed that the Council sets off on this path now, subject to formal approval by Cabinet, with the intention of identifying partners who will be willing to build and run Extra Care in the city, facilitated by HCA grant.

29. It would be expected that the procurement and construction of York's newest Extra Care facility could be completed by 2018, allowing for the accommodation of up to 43 residents who would normally live in/move to an OPH, releasing from use one of the Council's current OPHs.
30. In the longer term the Council should consider targeting the provision of three additional Extra Care schemes by 2025, providing a total of 180 units of accommodation to buy or rent, closing the gap in provision for York. Early indications are that the private and independent sector may be showing interest in developing such schemes in York, subject to land availability.

#### Independent Living

31. York Supported Housing Strategy 2014-2019, published in 2013, and the Clinical Commissioning Group Integrated Operational Plan 2014-19, published in June 2014 together drive our ambition for housing, care and health agencies to work together to deliver services which support independent living. These plans drive this and other programmes.
32. The Housing for Older People programme is linked and complements our intention to work to keep the 'frail elderly' living safely in their own homes for as long as possible so that demand for residential care facilities suitable for people with high dementia and/or physical dependency care needs can be contained within a proportionately smaller estate of homes. Evidence of the success of the Council's re-ablement approach is now clear: admissions to residential care homes has been held steady despite rises in the underlying population.

#### Working with the independent sector to increase supply

33. Since the Council began on the journey to replace its OPHs the private market has begun to change in York. An announcement is expected soon from a private provider who plan to open a 70 to 90 bed care home on the West side of river. This will increase the

quantity of private provision and also adds to the quality of care provided.

34. We will continue to engage with existing residential care home providers to examine what opportunities are available for expansion of specialist dementia care beds in current homes, many of which are already registered for this type of care. Together we will examine the barriers to expansion and the Council will consider the provision of capital loans and grants to facilitate the provision of additional dementia care beds in the city. The provision of loans and grants will need to be assessed against State Aid rules and the terms strictly defined. Even with modest success such as scheme could increase dementia care bed provision by 20 to 40. The Council would be an interested and active purchaser of these beds for existing OPH residents and for new entrants to residential care.
35. Looking towards demand for care beds at 2020 and beyond, the Council will seek to engage with developers who are currently looking at sites in York to explore interest in the provision of care homes (with dementia beds) alongside other homes and services on these sites. By actively promoting interest in care home provision we expect to see a growth in provision in the city.

#### The Burnholme opportunity

36. Cabinet agreed in July 2014 that the Burnholme School site should be developed as a Community Health and Wellbeing Hub which would benefit the community and agreed to seek development partners to progress this vision.
37. To help inform this decision the Council held a consultation event in March 2014 and key messages to emerge were:
  - a. extensive support for sports uses and for activities that young people would find of interest;
  - b. a place to meet and socialise;
  - c. a place to access local services (Council, health, learning);
  - d. general acceptance that some residential use (ideally to include affordable housing) will be required to cross-subsidise other community activity;

- e. preference for re-use of existing buildings and not completely demolishing the school; and
- f. connectivity with Tang Hall and Derwenthorpe via eg green corridor/cycling paths.
38. We have also spoken with a number of key partners who would be interested in joining in with the development of “The Burnholme”, summarised as “an exceptional opportunity to create a place where people want to be: from toddler to centenarian”. The development can accommodate a child-care nursery, an Explore library, a care home, community church, sports areas (both indoor and outdoor), a GP surgery, community spaces for sessional hire, Health services, community retail and homes; things to bring all together.
39. The re-development of this community asset will bring many benefits to the East of the city as well as meeting city wide need for care, health facilities, housing and employment.

	Meeting Community Need	Bringing income to The Burnholme	Delivering health and well being	Meeting City-wide need	Creating Jobs & Enterprise
Explore Library including cafe	✓	✓	✓		
GP medical services	✓	✓	✓	✓	
Pharmacy	✓	✓	✓		✓
Hair dresser	✓	✓			✓
Care Home @ 82 beds	✓	✓	✓	✓	✓
CCG treatment and “step-up; step-down” beds	✓	✓	✓	✓	✓
Sports areas, in- and outdoor	✓	✓	✓		
Community Church	✓	✓	✓		
Community spaces for sessional hire	✓	✓	✓		
Third sector and ‘start up’ rooms to rent	✓	✓		✓	✓
Homes to buy and rent	✓	✓		✓	✓

40. Officers have met with colleagues in NHS England and the Vale of York Clinical Commissioning Group and they have expressed interest in the proposals, describing the concept as “transformational”. NHS England indicate that funding is likely to be available for the capital, and some of the revenue, costs associated with the health elements of the development and a new funding round may be available in the summer of this year. Funds may also be available to support feasibility and business case development.
41. If it is to be deliverable, the project must be financially sound and Members are asked to support the further development of the business case for The Burnholme.

#### Increasing the variety of accommodation opportunities for Older People

42. It is proposed that the Lowfields site be used for the provision of over 100 new homes including “downsizing” homes to rent and buy for older people as well as starter homes to rent and buy so that younger families can get on to the housing ladder. This mixed use will address a number of housing needs in this part of the city while also freeing up much needed “family homes” as older residents “downsize”. A capital receipt of at least £2m for the land will also be released, as anticipated when Lowfields School moved to the York High site.
43. As stated above, it is also proposed that the facilities for older people originally envisaged as part of the Community Village on the Lowfields site be, instead, provided at a newly built Extra Care and Health Hub which is expected to replace the Oakhaven OPH on Front Street. This central location will be ideal for both the residents of the Extra Care Scheme but also for their neighbours who are out and about in Acomb, able to pop in to use the facilities on site. This would, of course, be subject to approval of business case and funding bids.
44. It is also proposed that we explore the benefits of building additional “downsizing” homes to buy and to rent by older people on the sites of Morrell House, Willow House, Windsor House and Woolnough House when they become vacant, complementing the provision of family homes on these sites and ensuring that vibrant communities used by local people replace what is there at present.

## **Consultation**

45. Whatever, and whenever, the announcement regarding York's Older Persons' Homes it will be important to follow the approach that has served us well throughout the programme: delivering sensitive messages in a careful, well managed sequence:
- a. Briefing key external stakeholders who have been actively involved to date (e.g. Age UK York and York Older People's Assembly).
  - b. Briefing OPH Managers/staff & Care Management colleagues.
  - c. Updating OPH residents/relatives.
  - d. Updating all other stakeholders, including NHS commissioner and provider organisations.
  - e. Media briefing.
46. A key stakeholder at this point is the current bidder in the ongoing procurement process and they have been kept informed of our plans, as highlighted above.

## **Council Plan 2011-2015 Priorities**

47. The proposals work towards achieving the following Council plan priorities:

### Protecting Vulnerable People:

- providing great facilities that support dedicated high quality care for people with dementia and other specialist needs; and
- investing in services to support people in the community.

### Built Strong Communities:

- improving community infrastructure; and
- addressing housing need to ensure that vulnerable people have supply to meet their needs.

## Implications

### Financial

48. A new finance model will be developed and work will continue on this over the coming weeks. It should be noted that not all of the proposals outlined in this report can be delivered within the existing approved budget. Further work is needed to identify any potential additional sources of income from the HCA, health partners and betterment on receipts from the disposal of sites allocated to fund this programme. The full strategic vision outlined in this report can not therefore be delivered without securing this additional funding.
49. Some costs are likely to be able to be funded from capital receipts associated with the project (i.e. the sale of the current OPHsites).
50. As part of business case preparation we will examine the potential to bid into the:
  - a. £120m Homes & Communities Agency Care and Support Specialist Housing Fund which has a closing date of 29<sup>th</sup> May 2015 and an announcement of allocations in October 2015;
  - b. NHS England Primary Care Infrastructure Fund which has £1b of funds to allocated over the next four years with the next call for bids likely to be in the summer of 2015; and
  - c. the Homes and Communities Agency's affordable housing programme which has c£750m to allocate prior to 2020 and where bids can be made at any time.
51. Following competitive procurement we now know that we cannot secure a provider who can meet our detailed requirements and specification with the resources we have available:
  - a. based upon our original intention of commissioning 162 care beds for the exclusive use of the Council the average annual costs were £1.5m greater than budget; and
  - b. further options to bring the costs down were explored but these have not proved possible and all alternatives left a significant funding gap.
52. Since Cabinet approved a budget of £500k on 4 June 2013 to progress the procurement, £330k has been spent to date. This

was primarily on legal, financial and procurement costs. This will need to be funded from within existing revenue budgets.

### **Equalities**

53. In considering this matter the Council must have regard to the public sector equality duty. In summary, those subject to the equality duty must, in the exercise of their functions, have due regard to the need to:
  - a. Eliminate unlawful discrimination, harassment and victimisation and other conduct 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.
54. The Act explains that having due regard for advancing equality involves:
  - a. Removing or minimising disadvantages suffered by people due to their protected characteristics.
  - b. Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
  - c. Encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low
55. An Equality Impact Assessment for the Housing for Older programme was produced for the 15 May 2012 Cabinet Report. It particularly highlighted the potential implications of the programme for the health, security and wellbeing of frail residents and also female members of staff who are older and also carers themselves.
56. In response, the council developed and followed a 'Moving Homes Safely' protocol which it followed when (in the first phase of the programme) it closed Fordlands and Oliver House in March 2012, to ensure that residents' moves to their new homes were as well planned and carefully managed as possible. Likewise, careful management of staff change helped to mitigate the impact of



these closures. The approach to the new proposals will be guided by these experiences and careful attention to the needs of the individuals involved.

57. An OPH Wider Reference Group was established to act as a sounding board for the development of plans as the implementation of the programme unfolds. The project team also continues to use established channels to communicate with, and gather the views of, OPH managers and staff, care management staff, and Health colleagues.

## Property

### Existing Older Persons' Homes and proposed OPH sites

58. Our intention is to re-provide accommodation for older people who have care needs so that we are able to close or convert existing OPHs. Two homes have already closed (Oliver House and Fordlands) and the Council is currently reviewing bids to purchase the Oliver House site.
59. The Council currently own and manage seven OPHs: Grove House, Haxby Hall, Morrell House, Oakhaven, Windsor House, Willow House and Woolnough House. The proposals listed above would allow these homes to close in the following order

Year	2016	2017	2018	2019
Number	1	2	2	2

60. The order in which homes should close will be determined following consultation with residents and their family/carers, with staff and with other stakeholders. We will also be guided by property investment decisions such as the condition of the existing building, opportunities for redevelopment of the site subject to any planning constraints and market conditions and demand.
61. York's current OPHs are old (built in the 1960's) and increasingly not equipped to meet modern day needs and expectations; for example, only 31 of the 225 beds have ensuite facilities. Despite best efforts to invest and the dedication of staff, it is right to seek to replace them.

62. While current Care Quality Commission inspections identify satisfaction with current standards it is probable that future changes in standards may make some homes obsolete and/or necessitate significant investment.
63. As a forward thinking authority, it is imperative that we ensure that we have a viable and deliverable programme, which pre-empts the further inevitable decline of these facilities and maintains a quality of service, which our residents rightly expect.
64. A phased replacement of OPHs is proposed with the first to go in late 2016 and some still remaining in use until 2019. It is necessary to keep up with essential maintenance during this period in order to keep homes safe and comfortable. This is to be funded from the existing Adult Social Care Capital Grant.
65. If there is no requirement to reuse vacant OPH sites then the sites will be sold and used to fund the project. If any of the sites are to be reused then either other sites will need to be identified to obtain the capital funding required or an alternative revenue stream will be need to be identified to fund the additional prudential borrowing.

#### Glen Lodge Extension

66. Land beside Glen Lodge on Sixth Avenue was previously occupied by the Heworth Lighthouse project. They have moved out and the site is available for re-development. The site has been assessed as suitable for up to 20 homes (which could be built through the HRA subject to land transfer from the General Fund) or as an extension to the Glen Lodge Extra Care Scheme.
67. If Members agree to the extension of Glen Lodge then the capital costs will be c£2.5m, funded from HCA grant funding. Members have already agreed to transfer the site from General Fund to HRA at the capital value for the site (to be determined by Head of APM) and subject to this strategic review.

#### Burnholme Care and Community Hub

68. No capital receipt is expected from the school site and the Asset & Property Management team are actively involved in the development of the business case for this project.

### Lowfields

69. A minimum £2m capital receipt is expected from the site as per the assumed receipt in the capital programme.

### The site of Oakhaven Older Persons Home

70. This is an excellent location on a busy main street and would suit alternative use as an Extra Care Home. Planning and site constraints may limit the size and massing of any new development.

## **Legal**

### The current procurement process

71. It is the view of the legal team that the procurement process has been run correctly to date and that appropriate legal input and advice has been taken at all stages. The dilemma that the Council are currently faced with and which has ultimately led to the withdrawal of two bidders is intrinsically linked to the affordability of the project rather than the procurement process itself.
72. If we receive approval from Members to abandon the procurement process the Council will need to take formal steps to bring the current procurement process to an end.

### Opportunities available for delivery

73. The new proposals detailed in this report are permissible and can be summarised as follows:
- a. Procurement of capital works and/or extensions to current Council Sheltered Housing with Extra Care fits within our normal approach to the procurement of capital works and subject to the necessary due diligence on the existing sites and confirmation of title/related property issues is, therefore, considered to be relatively low risk.
  - b. Procurement of new Extra Care facilities in partnership with Housing Association partners and/or developers is permissible given our strategic housing obligations and may be able to be procured via existing procurement routes or frameworks. This will need to be considered in more detail in due course.

- c. The purchase of care beds from independent sector providers reflects current Council practice and it is considered to be relatively low risk.
- d. The use of grants or other support to encourage third sector and independent care providers to increase the supply of residential care facilities suitable for people with high dementia and/or physical dependency care needs is uncharted territory for the Council and will require further investigation before the legal and procurement risks are fully understood.
- e. The development of the Burnholme site is a complex project given the range of partners involved and the outcomes expected. The procurement and legal structures are yet to be determined and will require further consideration. There are a number of different procurement routes available depending on the final structure/details of the scheme and whether or not the additional care facilities are provided for. The various options will need to be subject to further review and scrutiny before a firm decision is made.

### **Human Resources**

- 74. The Human Resources implications of the Housing for Older programme have been considered in previous Cabinet Reports. The key implication is upon the existing staff that run the service.
- 75. The previous plan (to replace OPHs with two newly built care homes) would have seen some staff transferring under TUPE arrangements.
- 76. The proposals within this paper include for a variety of methods of delivery of modernised care for Older Persons within the City, which is appropriate to their needs and enables more independent living. In delivering this programme of change, the Council will need to consult closely with the existing staff and to ensure that, where there are opportunities, they are available to appropriately qualified staff, who wish to stay in employment.
- 77. A workforce plan will be developed to maximise opportunities for existing staff and, where necessary, to offer retraining or redundancy.

### Other Implications

78. There are no specific Crime and Disorder or Information Technology implications arising from this report.

### Risk Management

79. The previous proposal relating to the procurement of two new care homes was identified at the outset as having significant, long term financial implications for the Council. A key risk identified at the time was that there was a risk that the tenders could come back at a higher cost than estimated, resulting in an ongoing budget pressure for the Council. This risk has crystallised and no more funding is available.
80. There was also a risk that the existing sites may not realise the anticipated level of capital receipts included in the financial model. Indications from recent land sales show that this risk is minimal.
81. The new proposals contained in this report have a lower risk profile, primarily because there are several different routes adopted, and they follow, with the exception of the Burnholme development, tried and tested approaches. However, risks will be carefully managed.
82. There remains a significant risk that the proposals outlined in this report can not be delivered within the funding currently available. Should the Council be unsuccessful in identifying and securing alternative sources of funding some elements of the proposals will need to be reviewed and amended in order to keep within the Councils approved budget.

### Contact Details

<b>Author:</b>	<b>Chief Officer responsible for the report:</b>
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	<b>Report Approved</b>	✓	<b>Date</b>	23 <sup>rd</sup> February 2015
<b>Specialist Implications Officer(s)</b> Legal – Ruth Barton (Ext 1724) Finance – Debbie Mitchell (Ext 4161) Property – Philip Callow (Ext 3360) and Ian Asher (Ext 3379)				
<b>Wards Affected:</b> <i>List wards or tick box to indicate all</i>			<b>All</b>	✓
<b>For further information please contact the author of the report</b>				

## Background Papers

Care and Support Specialist Housing Fund, Homes & Communities Agency, February 2015.

Primary Care Infrastructure Fund, NHS England, January 2015.

Integrated Operational Plan: 2014-2019, Value of York Clinical Commissioning Group, 2014.

Supported Housing Strategy: 2014-2019, City of York Council.

Positive Ageing, Housing Choices: Older People's Housing Strategy 2011-2015, City of York Council.

Glossary of abbreviations used in the report:

HCA – Homes & Communities Agency

HRA – Housing Revenue Account

NHS – National Health Service

OPH – Older Persons' Home, previously referred to as – Elderly Persons' Homes

RSL – Registered Social Landlord

TUPE - Transfer of Undertakings (Protection of Employment) Regulations 2006