

Executive

19 March 2020

Report of the Director of Health, Housing & Adult Social Care
Portfolio of the Executive Members for Health & Adult Social Care and
Housing & Safer Neighbourhoods

Lowfield Green: responding to older persons' accommodation needs

Summary

1. In line with the Council's aim to enable residents to live well independently for life, and in response to recent research with residents about where they would like to live in their later years, this report proposes that the plot earmarked for a Care Home on the Lowfield Green site instead now be made available for the development of Extra Care accommodation.

Recommendations

2. The Executive are asked to:
 - a) Note that the procurement for a developer and operator of a care home on the Lowfield Green site has been terminated.
 - b) Approve the procurement of a developer/operator to construct and operate an Extra Care Housing development on the Lowfield Green site (instead of a residential and nursing care home); and delegate authority to the Corporate Director of Health, Housing & Adult Social Care to award a contract.
 - c) Approve the disposal of the site of the proposed Extra Care development to its developer by way of a long lease (125 years) in return for payment of a premium/capital sum;
 - d) Impose an obligation within the lease to construct an extra care accommodation scheme on the land within a specified period and to thereafter operate that scheme for a specified minimum period.

- e) Impose a covenant within the lease that the land can only be used for extra care accommodation (not for any other purpose/use) for a specified period;
- f) Note that these proposals reflect the views of residents about where and how they want to live in their later years gathered through a consultation and engagement exercise.

Reason: To enable the development of independent living accommodation with care in response to what our residents have told us they want, and to work towards the Council plan ambitions for residents good health and wellbeing.

Background

- 3. On 7th December 2016, Executive agreed that the Older Persons' Accommodation Programme should include the procurement of a new residential care facility within the Lowfield Green development site, in addition to the general needs housing development, to provide multi-generational living in the heart of this residential area.
- 4. At the meeting it was agreed to procure an independent sector care provider to construct and operate a Care Home and that the care provider be chosen through a competitive process.
- 5. Integral to this procurement was that the care provider should enter into a contract with the Council for the purchase of 25 beds in the Care Home at Actual Cost of Care (ACOC) for ten years (with a possible 5 year extension)

The Procurement Process

- 6. The opportunity to develop, construct and operate a care home on the site was advertised in the Official Journal of the European Union on 3rd May 2019. Two bidders expressed an interest in this opportunity and, following an initial assessment of the quality of care provision through a Selection Questionnaire stage, only one was invited to tender.
- 7. However, prior to the submission deadline, that bidder advised the Council that the proposal was not commercially viable and that they would withdraw from the procurement. In the absence of any interest in the opportunity, the procurement has been terminated.

8. Feedback from the potential bidders has led officers to conclude that a care home in that location is unlikely to be able to offer beds back to the Council at Actual Cost of Care rates (ACOC).

Consultation

9. During summer 2019, the Council talked to over 500 people to gain a better understanding of the priorities and preferences of York residents when thinking about accommodation for later life. To refresh our Older People's Accommodation Programme, data was drawn from a survey as well as consultation and engagement events with advocacy groups, interest groups and community groups. We also conducted in depth interviews with a number of York residents to gain a deeper insight into their survey answers. We believe that this approach provided us with a rich source of data which can help to inform a practical and effective older persons' housing programme.
10. In summary, this report has told us that:
 - i. Autonomy when making decisions about where to live in later life is extremely important, however awareness of the types of accommodation and support available varies. Raising awareness of the types of accommodation available should be prioritised to enable people to make informed decisions and select the type of accommodation most suitable for them. Home ownership is also extremely important therefore opportunities for different tenures, including shared ownership should be made available and well publicised.
 - ii. When thinking about accommodation in later life the most important factors are privacy, access to outdoor space and living in a manageable home. Being part of a community and the benefits of living in appropriate accommodation in the right location are also viewed as key factors
 - iii. York needs to adapt to changing demographics and preferences, it should address the lack of purpose built affordable accommodation for retirement living. There is a demand for homes which are safe, manageable and affordable within the city. The city should seek to support developers who can provide homes which are age friendly. Pursuing this would have knock-on beneficial effects for the city as it would free up more family homes into the market.

- iv. There appears to be a strong appetite for assistive technologies with the potential benefits recognised by many. With this in mind pursuing opportunities to integrate assistive technologies into accommodation for older people would seem prudent.
11. Our consultation regarding this particular proposal also includes soft market testing and structured conversations with Registered Social Landlords and commercial developers to gauge the level of interest in developing mixed tenure extra care (independent living apartments with on-site care and support) on the site.
 12. This work is ongoing but current feedback indicates that a number of Registered Social Landlords would be interested in developing the scheme. There are a range of different opinions on what the most appropriate and viable tenure mix should be.
 13. Health and Adult Social Care Policy & Scrutiny Committee considered the options for the Lowfield Green Older Person's Accommodation plot at their meeting on 18 February.
 - The committee were supportive of the idea of an extra care development on the site.
 - Scrutiny committee members would like the evaluation criteria to reward low energy solutions.
 - The principle of mixed tenure was discussed and supported. The committee would like to see bidders offering a tenure mix which demonstrates an understanding of the local demographics and market, with a focus on affordability.
 14. Westfield Ward Councillors and local community representatives have expressed an ongoing desire to see the Lowfield Green site provide a supportive retirement community

Review of requirements

15. Given the lack of responses to the care home procurement and the conclusions from our consultation, it was clear that there was an opportunity to review our requirements of the Lowfield Green site.
16. In reviewing the use of the site, we have also taken into account the surrounding residential development, both in terms of programme and tenure mix. The housing development is progressing well with

infrastructure including roads and utilities being provided as part of the housing delivery contract. Development on the older person's accommodation plot is likely to take approximately 2 years. With development starting early in 2021.

17. From this information it is evident that:
 - i. Our older residents would like to be able to live in a home which is "small, safe and manageable" while having care and support available when required.
 - ii. While there is still an ongoing need for nursing care beds for our residents, particularly those who are living with dementia, any attempt to re-procure a care home on the Lowfield Green site is unlikely to generate any viable bids. Alternative opportunities to work with partners elsewhere in the city will be sought.
 - iii. Housing development is underway on Lowfield Green and to ensure the occupation of these properties and the creation of a new community, it is important that a clear alternative plan for the Older Person's Accommodation plot is progressed.
 - iv. There is interest in the market to develop mixed tenure extra care accommodation on the site.
18. York has a high rate of home ownership, however there are currently no extra care developments offering market sale (leasehold) properties. Consultation with Age UK York and other advocacy groups has identified some of the challenges for home owners trying to find age appropriate properties within their local community.
19. Extra care accommodation would include communal social facilities, these could be opened to the wider community. On the Lowfield Green site extra care accommodation could offer community facilities for those living in the neighbouring bungalows and flats for the over 55s. This would help to create a supported retirement community in the area.

Options

20. The options available to the Executive include:
 - a) Undertaking a procurement exercise to secure a developer and future operator of extra care accommodation on the Older Person's Accommodation plot within the Lowfield Green development.

- b) Repeat the exercise to procure a care home developer and operator, potentially with a reduced requirement for beds at ACOC.
- c) Appropriate the older person's accommodation plot into the HRA and for the Council itself to develop extra care accommodation within the housing delivery programme.

Analysis

- 21. Option a), is recommended as it provides an opportunity to create the type of property that the city's older residents have said they want. Residents with care needs will be able to live independently within this popular residential area. The extra care properties will be in the heart of this new community, close to local amenities and with direct access to the local open space.
- 22. Based on the ongoing soft market testing exercise, the procurement will require the developer to:
 - i. Provide, (construct and operate) a mixed tenure development, with a minimum of 3 tenure types (including social rented) and a minimum of 20% of properties of each of these tenure types.
 - ii. Provide properties designed to maximise independence particularly for those living with long term conditions, including dementia.
 - iii. Provide a development which creates community facilities for the residents and, where appropriate, for the surrounding community.
 - iv. Demonstrate the deliverability of the scheme and provide a development timetable that is compatible with the surrounding Lowfield Green housing development.
 - v. Include low energy solutions within the development. The procurement process will be designed to reward low carbon homes and fabric first construction.
 - vi. Commitment to working in partnership with community organisations and Independent living communities in the surrounding area.
- 23. The Council would commission care and support through the Neighbourhood Home Care Framework for individuals whom are assessed as requiring support.

24. Option b) does not deliver independent living accommodation, and is unlikely to generate any viable and compliant bids. Following the terminated procurement exercise developers indicated that the location of the site, the strength of the York self-funder market and the requirement for nursing care beds at Actual Cost of Care all contributed to the lack of viable bids.
25. Option c) would deliver independent living accommodation to the design and environmental standards agreed for the housing delivery programme. However the Council is already committed financially in the delivery of homes on the site. This would increase the HRA capital commitment on the first site being developed through the programme.
26. The council is already the provider of social rented extra care accommodation at Glen Lodge and Marjorie Waite Court. Through discussions with registered social landlords it is clear that there is a desire for others to expand into that market and provide choice for residents.

Council Plan

27. This proposal directly contributes to Council plan objective:
 - i. “Good Health and Wellbeing” specifically the aim to *support individual’s independence in their own home*.
 - ii. “Creating Homes and World-class Infrastructure” specifically the aim to *deliver housing to meet the needs of older residents*

Implications

Financial

28. A capital receipt of £450k is expected from the disposal of the site. No revenue saving has been budgeted from the original intention to procure 25 beds at ACOC rate and the recommended option would not generate savings in the short term.

One Planet Council / Equalities

29. A Best Decision Making assessment is attached at Annex 1. This identifies the quality of life benefits for older people of living in independent living, extra care accommodation. Individual rights and communities of identity are supported through independent living homes. The assessment also highlights that as this is a procurement project, positive environmental impacts will have to be secured through the procurement and contract elements of the project. The assessment

will be shared with bidders and the procurement evaluation will reward proposals which provide the maximum positive environmental impact.

Legal

30. The Council has power (pursuant to Section 123 of the Local Government Act 1972) to dispose of land/property (including by way of long lease). Depending upon the nature of the sub-leases of individual dwellings granted by the developer to the occupiers, some of the occupiers may have a statutory right (under enfranchisement legislation) to purchase a 90 year extension to the term of their lease or to purchase the freehold ownership of their dwelling from the Council in due course.
31. The procurement exercise will be compliant with EU regulations (which are still extant post Brexit, during the transition period) and Corporate Procurement Regulations.

Risk Management

32. The key risks in relation to the proposal are listed below.

<p>Inability to attract any developers to build an extra care development on the site.</p>	<p>Soft Market testing is being carried out with Social landlords and commercial developers in the region and there is interest in the site. This process is also identifying concerns and barriers for some developers which can be addressed through the procurement process.</p>
<p>Inability of the developer to get planning approval to build an extra care scheme on the site.</p>	<p>Outline planning approval has been granted for the development of a care home on the site. The intention is that this scheme will provide older person's accommodation on the same plot, within the same footprint and height restrictions.</p>
<p>Construction on site at the same time as the development of properties through the housing delivery Programme.</p>	<p>Phase 1 of the Lowfield Green development will be completed before development of the older person's accommodation begins which will limit the cross over between contractors. The sites will be clearly separated. The main Lowfield Green contractor is supplying utilities to the site, so the older person's accommodation site will be self-contained.</p>

Developer is unable to make a mixed tenure development viable on the site.	The soft market testing exercise is picking up on some of the risks and concerns about the viability and operation of an extra care scheme. The procurement exercise will allow flexibility in mix and housing and care service design.
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Ends.

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Wards Affected: Westfield |

For further information please contact the author of the report

Background Papers:

7 December 2016 Executive report.

Older Persons' Accommodation Programme Update: - Lowfield Green Development: Moving forward to deliver a care home, health facility and housing.

Annexes

Annex 1 - Best Decision Making Assessment