



Report of the Director of Adult Social Services

Executive Board

Date: 22 August 2007

Subject: Re-provision of Windlesford Green hostel for people with a learning disability and site disposal at less than best consideration.

Electoral Wards Affected:

Rothwell

yes

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In
(Details contained in the report)

EXECUTIVE SUMMARY

1. This report updates members on the plan to re-provide the Supported Living Service for 27 people with a learning disability at Windlesford Green. It proposes to dispose of the Windlesford Green site at less than best consideration to enable the construction of suitable accommodation that properly meets the service user needs, and care standards requirements.

1.0 Purpose Of This Report

- 1.1 To inform Executive Board of the detail of the plan to re-provide the service at Windlesford Green.
- 1.2 To explain the necessity for the re-provision to take place as the means of ensuring that residents' interests are fully protected and the potential difficulties for current residents should the current service be registered as a care home.
- 1.3 To outline some of the factors leading to the achievement a financially viable proposal.
- 1.4 To consider a proposal to dispose of the Windlesford Green site at less than best consideration.

2.0 Background Information

2.1 Windlesford Green is a 27 bed Adult Services hostel providing a supported housing service for people with learning disabilities in Rothwell. Where support services are delivered not in an individual's own home but in an "establishment" that service should be registered as a Care Home. The current building has been described as being similar to a Care Home by the Care Standards Commission who have confirmed their intention to register Windlesford Green unless it is remodelled. The key areas of concern CSCI had originally were:-

- The physical environment. Tenants do not have their own front doors and there are shared communal spaces. In other buildings providing the same services it has been possible to provide additional external doors and make minor adaptations internally to create independent flats. This has proved impractical at Windlesford Green due to building design. This remains their major concern.
- There was a staff team and staff office within peoples own home. This has been addressed by removing the office from Windlesford Green and placing it in the adjacent day centre.
- The level of dependency of some of the residents who require high levels of physical care. Individual support plans have been re-written to emphasise the staff's role providing support and guidance to individuals rather than the traditional emphasis on care needs.

2.2 Through consultation with the residents at Windlesford Green it is clear that the hostel is no longer physically fit for purpose and does not enable individuals to live sufficiently independently, albeit with the appropriate support.

2.3 Should Windlesford Green be registered as a care home, any prospect of supporting individuals in an environment that promotes independence would be further reduced. This action would result in the loss of benefit and disposable income for the residents from about £70 per week to £18 with the resultant loss of choice and independence. There would also be a loss of £700,000 per annum Supporting People revenue income for the Council. In addition, capital investment in the region of £1,500,000 would be required to refurbish the hostel to meet residential care standards.

2.4 A formal housing provider procurement process jointly managed by Neighbourhoods and Housing and Social Services in 2001 appointed Bradford and Northern Housing Association, who later changed their name to Accent North East. A supported housing model based on open market house purchase subsidised by land sale receipts was developed. Accent has extensive experience in this type of development and was chosen through an open procurement process. This supported housing model was approved by Executive Board on 17th May 2002. It reflected service users express preferences on who they wanted to live with and Accent began to look for properties to procure for adaptation and to identify sites for new build in the Rothwell area. This approach has proven unaffordable in revenue and capital risk terms for the following reasons:-

- The impact of Housing Corporation Rent Restructuring on the agreed financial model requiring renegotiation and a new financial model being developed.
- The loss of expected Supporting People pipeline funding to cover additional staffing costs of a dispersed service and subsequent delays in approval of this revenue short fall from the Learning Disability Pooled Budget.

- The impact of an inflated housing market and increasing building costs in Leeds resulting in further financial modelling and the identification of the need for additional capital.
- 2.5 Officers have continued to work with Accent as the approved housing partner for the project and Accent have now developed an alternative model based on a single site development. This achieves the principal objectives of choice and provides an affordable solution. The Procurement Unit have confirmed that the procurement rules do not apply, as the consideration under the contract is merely nomination rights. Therefore, it is a matter for the department to satisfy itself that the use of Accent *formerly* Bradford Northern Housing is still appropriate given the changes made to the scheme since the original advertising exercise. Relatives have been sent briefing notes and site maps and fuller discussions will take place if the proposal is approved by Executive Board.
- 2.6 Accent, the Architects West and Machell with the involvement of Adult Social Care and Environment and Neighbourhoods have been working on design and financial options for delivering the single site model. An affordable scheme can now be developed. There will be two 3-bed, three 4-bed and eleven 2-bed affordable rented flats (two of which will be wheelchair accessible). The development will also include twenty four 2 bed flats for sale. This provision will be sufficiently flexible to meet the assessed housing and support needs of all Windlesford Green residents. The Local Authority will have nomination rights on the affordable flats. These nominations can be for any service user group, through any City Council referral source, and carries no minimum commitment. Nominations not taken up by Leeds City Council will be let by Accent as general affordable housing. Planning Services have scrutinised the plans, and have indicated their support in principal subject to formal planning application. (see plan appended to this report)
- 2.7 The current tenants at Windlesford Green and their relatives have been consulted on the new proposals. Both tenants and their families are re-assured by the fact that the choice of 2, 3, 4 and adapted flats does accommodate their original plans for who they would like to live with. The tenants have been supported by Leeds Advocacy throughout the process who will maintain involvement through further consultations on design and management of the transition to new services. One tenant has indicated he still wants to move to Beeston to be close to his family and we would aim to accommodate this within the independent living project. One other tenant has indicated she would still prefer to be off site but in the Rothwell area.
- 2.8 Rothwell ward councillors have been closely involved in the project, briefed on the revised scheme and are supportive of this re-provision plan.
- 2.9 The proposal was considered by Asset Management Group on 8th June 2007. Asset Management Group agreed to support option 3 (see section 5.1) being progressed which would result in the disposal of council land for less than best consideration to a value of £445k (Depending on the outcome of a bid for housing corporation grant).

3.0 Main Issues

- 3.1 The tenants at Windlesford Green have been waiting 6 years for the re-provision of their services. The delays due to the challenge of finding an affordable model have been the subject of ongoing communication. This has caused considerable frustration for the tenants, their families, and staff who are keen to proceed. The present plans provide the opportunity to do so.

- 3.2 The proposal involves many opportunities for service users to be involved in internal design specification. There are also opportunities for individuals to explore “right to buy” options, and shared ownership. This will be the first scheme that we have been able to offer these options.
- 3.3 The development will cover two sites, A and B as shown on attached plan. A is the affordable housing site and B the market housing site. Accent will purchase the land from the Local Authority on site B at market value, develop the site and sell the flats on the open market. All profits from this will be directed to the development of Site A to subsidise the development of affordable housing.
- 3.4 Application is being submitted for Housing Corporation Grant. To qualify for the grant the Housing Corporation has stated that affordable schemes will only be supported where land costs do not exceed £5,000 per dwelling, requiring Local Authority land to be disposed of at a “less than best consideration”. This requirement was highlighted in a report submitted to Asset Management Group on September 22nd 2006. In this case therefore Site A would need to be disposed at £80,000, which represents a subsidy of £290k. The Environment and Neighbourhoods Directorate have been kept informed of the scheme and are supportive of a Housing Corporation bid. Should the bid be unsuccessful the less than best subsidy required will be £455k. The market valuation of the site is £1.175m
- 3.5 The Assistant Chief Executive (Corporate Governance) has confirmed that the proposed disposal falls within the terms of The General Consent under Section 25 of the Local Government Act 1988 for Small Amounts of Assistance 2005. This consent allows the Council to provide financial assistance or gratuitous benefit (including the disposal of land) in connection with the provision of privately let housing accommodation, provided that the aggregate amount does not exceed a set limit (currently £2,158,800) in any financial year".
- 3.6 Accent have agreed to develop the site in two phases, Site A will be developed first. This means there will be no requirement to decant Windlesford Green residents and they will be able to observe the construction of their new accommodation.
- 3.7 In order to provide sufficient detail for the Housing Corporation bid, the site disposal at less than best consideration has already been supported in principle by the Councils Asset Management Group, in readiness for submission of the bid for Housing Corporation Funding in September this year.

4.0 Implications For Council Policy And Governance

- 4.1 This proposal will lead to significant improvement in the quality of accommodation for a vulnerable group of people, increasing advice and control in their lives. It is consistent with the objectives to enable independence and wellbeing as outlined in the recent White Paper “Our health, our care, our say” and also supports the Equality and Narrowing the Gap agenda.

5.0 Legal And Resource Implications

- 5.1 Adult Services have a statutory duty to provide housing and support for the current residents of Windlesford Green. The financial implications of the 3 available options are:

Option one - Continue providing services in the current building

Should this happen the Care Standards Commission have informed us that they will register the accommodation. This will result in a loss of £700,000 Supporting People income for providing the support service and £1,500,000 refurbishment capital costs. It will also result in the loss of benefit income for the residents.

Option 2 - Provide the service in a dispersed model (previous proposal.)

This will increase the current service operating costs by an unaffordable £250,000 per annum. Due to a lack of affordable housing availability in the Social Housing sector, a significant number of properties will need to be purchased. In this instance there will be no site capital receipts as these will be needed to subsidise the purchase in order to keep rents within Housing Corporation and Housing Benefit limits. Rental liability for voids would rest with the Council.

Option 3 - Single Site Development

The authority will have a gross income loss of £100,000 from Housing Benefit. This should be compared to the revenue and capital liabilities described in option 1 of £700,000 revenue and £1,500,000 capital and this income loss will need to be incorporated into the 2008/09 budget. An independent valuation indicates that the sale of the Site to Accent will realise a capital receipt of £885,000 (or £720,000 if Housing Corporation bid is unsuccessful) against a total site value of £1,175,000 (£455,000 subsidy). The risk of realising market sales receipts of less than £150,000 lies with Accent. Receipts over £150,000 will be reinvested in appropriate affordable housing projects in Leeds as agreed between Accent and the Local Authority. There is no rental underwrite for voids by the Council

Option summary

Option 1 does not meet strategic aspirations for the way housing and support services should be provided. It also carries an unacceptable level of capital and revenue liability. Option 2 meets strategic need but carries an unacceptable level of revenue liability and capital risk. Option 3 meets the strategic need to provide services in peoples own homes and carries the lowest level of capital risk and revenue liability.

- 5.2 As the scheme offers greater independence to tenants enabling them to live in their own discrete accommodation there are some staffing implications. The new staffing structure will cost £100k more than the current structure. This will be incorporated into budgets for 2009/10.

6.0 Conclusions

- 6.1 The tenants at Windlesford Green have been waiting six years for a viable plan to deliver suitable accommodation and support and this proposal offers that solution.
- 6.2 Doing nothing is not an option as the capital and revenue financial implications are too great, as are the potential financial implications for the residents. The proposals model can be delivered to service users by spring 2009.

7.0 Recommendations

- 7.1 That Executive Board approve option 3 (see section 5.1) for the re-provision of Windlesford Green.

7.2 That Executive Board approve proposals for disposal of the Windlesford Green site at less than best consideration to a value foregone of £455k or less dependent on the success of the bid for Housing Corporation Grant.

Appendix 1 – Windlesford Green Site Plan

