

# Adult Social Care Committee

Item No.....

<b>Report title:</b>	<b>Living Well – Homes for Norfolk</b>
<b>Date of meeting:</b>	<b>8 October 2018</b>
<b>Responsible Chief Officer:</b>	<b>James Bullion, Executive Director Adult Social Care</b>

## **Strategic impact**

Norfolk County Council (NCC) is committed to a vision of supporting people to be independent, resilient and well. The ASC Promoting Independence strategy identified a requirement for a range of housing options to help people maintain their independence. Having appropriate supported housing available in the right locations, at the right time and with the right characteristics will go a long way to fulfil our vision of keeping people independent.

Extra care housing, which provides an independent living option for older people, is less expensive than residential care and is identified as an effective way of supporting people to remain independent in their local communities. Increasing provision of extra care housing to match future demand will deliver circa £4m gross revenue saving per year.

## **Executive summary**

This report sets out the proposal and business case for accelerating the development of extra care housing in Norfolk. The creation of extra care units across the county will provide many older people with an alternative housing option that recognises their growing care needs and allow them to continue living independently in their local communities.

Extra care housing has been identified as a way of reducing unnecessary residential care admissions. Evidence has demonstrated that a significant proportion of residential care admissions in Norfolk are for people with relatively low care needs, suggesting that alternatives to residential care would have been appropriate. The current provision of extra care housing in the county is low. Demand analysis has shown that Norfolk requires 2,842 more extra care units by 2028.

There are two ways in which a scheme could be brought forward for development in Norfolk, dependent on land ownership. A capital contribution application process for private land and a scheme-appropriate process for public land. Each site would produce its own business case, and would be rigorously assessed against demand, location and other feasibility criteria.

A dedicated programme would be established to ensure that NCC can successfully deliver the number of required extra care units.

### **Recommendations:**

#### **To agree the following decisions:**

- a) To set up a housing programme to encourage and accelerate the delivery of extra care housing in Norfolk:**
- b) On privately owned land, setting up a capital contribution process to support the development of extra care housing.**
- c) On publicly owned land, following the most appropriate process when bringing**

**forward extra care schemes. This may include the establishment of a developer/provider framework or individual procurement process depending on the source of the land and stakeholders involved.**

- d) To fund programme costs of £150k per annum**
- e) To recommend to the Policy and Resources Committee that NCC funds capital investment up to £29m over the life of the programme**

**Appendix 1** – Homes for Norfolk business case (p65)

**Appendix 2** – Living Well – Homes for Norfolk position statement (p80)

**Appendix 3** – Equality Assessment Findings and Recommendations (p88)

**Appendix 4** – Extra Care Housing strategy (p95)

**Appendix 5** – Solution Design Extra Care in Norfolk (p140)

**Appendix 6** – Housing benefit position statement (p167)

**Appendix 7** – Delivery model part one (p176)

**Appendix 8** – Assistive Technology position statement (p207)

**Appendix 9** – Care model for Extra Care in Norfolk (p217)

## **1. Proposal**

- 1.1 The proposal is to set up a dedicated housing programme which will enable the development of extra care housing units across the county.
- 1.2 By facilitating the development of 2,842 extra care units across the county, NCC would be providing additional quality housing options for a population that is growing older with increasing care needs.
- 1.3 Extra care housing has been identified as a way of reducing unnecessary residential care admissions. Evidence has demonstrated that a significant proportion of residential care admissions in Norfolk are for people with relatively low care needs, suggesting that alternatives to residential care would have been appropriate. Once all units are complete and occupied, a gross £4m revenue saving per annum to NCC has been identified (**Appendix 1**)
- 1.4 There are two ways in which a scheme could be brought forward for development dependent on land ownership. A capital contribution application process for private land and a scheme-appropriate process for public land. Each site would produce its own business case, and would be rigorously assessed against demand, location and other feasibility criteria. The details setting out the financial case are set out in the business case (**Appendix 1**).
- 1.5 NCC would hold initial nomination rights for a proportion of the affordable units on each scheme and priority nomination rights when the same units were re-let. The proportion of units with nomination rights will vary across developments and be an intrinsic component of the site-specific business cases.
- 1.6 A dedicated programme, to develop extra care housing with resources and pathways, was also identified as a critical success factor in ensuring the programme can deliver.

## **2. Evidence**

- 2.1 Extra care housing provides an independent living option for people who have a care and support need but cannot meet those needs in their current accommodation. It is an

alternative to residential care, which is both expensive and inappropriate in many cases. An extra care unit is usually a self-contained flat which can either be rented or bought, which is part of a development where there are a range of facilities and 24/7 on-site provision for planned and unplanned care.

- 2.2 The current supply of extra care housing in Norfolk is low (698 units across the county) and adheres to a specific care model, where many residents already have high care needs. An Extra Care Strategy (**Appendix 4**) identified a need for 2,842 more extra care units across Norfolk by 2028, with increased provision for couples and improved access routes into this accommodation for those who fund their own care.
- 2.3 There are several reasons why extra care housing has not been developed in line with demand. The capital viability of developing extra care housing is a key issue. Affordable rents and the required communal (and therefore non-rentable space) in a scheme are a significant barrier to ensuring a schemes viability. To ensure the development of affordable extra care housing there is a requirement for capital investment to support inherently unviable affordable rent tenures and significant short-term revenue funding to implement the programme before it becomes self-funding.

### **3. Financial implications**

- 3.1 Each site will be subject to its own business case which will contain the financial detail. Schemes brought forward on private land, will have an element of capital contribution through our application process. Repayment on capital borrowing will mean revenue savings from each scheme are diluted by repayments until borrowing is repaid. However, even during the repayment period, revenue savings are still achieved.
- 3.2 The timeline from development to a completed and occupied building means savings from schemes are not immediate, so a long-term view on savings and programme delivery needs to be accepted by NCC.
- 3.3 A detailed financial case is contained within the business case (**Appendix 1**).
- 3.4 The proposed capital costs within the business case will need to be part of the future capital projections for NCC. It is not anticipated that additional capital will be needed over the next financial year.
- 3.5 Proposed programme delivery costs will be met from the revenue reserve as part of the service's invest to save approach.

### **4. Issues, risks and innovation**

- 4.1 A major risk is that the number of extra care units required are not developed. Work to mitigate this would be ongoing throughout the programme and involve continuous engagement with a range of partners and the market to unlock barriers and understand issues.
- 4.2 Another significant risk to the project is that the target number units of extra care are not occupied. Part of the programme is to develop a change management piece and work with operational teams to promote and actively engage the public in promotional and marketing activity.
- 4.3 A Programme Manager and two Project Officers have been identified as critical to the success of the programme by ensuring that there is a dedicated resource to bring schemes forward. The staffing costs of these posts is circa £150k per annum.

### **5. Background**

- 5.1 A position statement (**Appendix 2**) was published in July 2018 setting out the vision for extra care in Norfolk and indicating that Norfolk County Council has ambitious plans to increase extra care provision over the next decade. The vision included specifications on the type of housing, including the size, facilities and locations which would make a site feasible. The position statement also set out the care model, which included admitting residents with a mix of care needs (from low to high) and that residents would have the freedom to choose their own care provider when using their direct payments to purchase care.
- 5.2 The care model also included the provision of a 'wellbeing charge' which would cover the onsite unplanned care element (**Appendix 2**). Several county councils, including Essex and Oxfordshire, have successfully developed extra care housing with similar care models with unplanned and planned care provided in this way.

## **6. Recommendations**

### **6.1 To agree the following decisions:**

- a) To set up a housing programme to encourage and accelerate the delivery of extra care housing in Norfolk:**
- b) On privately owned land, setting up a capital contribution process to support the development of extra care housing.**
- c) On publicly owned land, following the most appropriate process when bringing forward extra care schemes. This may include the establishment of a developer/provider framework or individual procurement process depending on the source of the land and stakeholders involved.**
- d) To fund programme costs of £150k per annum**
- e) To recommend to the Policy and Resources Committee that NCC funds capital investment up to £29m over the life of the programme**

## **7. Supporting Documentation**

- 7.1 **Appendix 1** – Homes for Norfolk business case  
**Appendix 2** – Living Well – Homes for Norfolk position statement  
**Appendix 3** – Equality Assessment Findings and Recommendations  
**Appendix 4** – Extra Care Housing strategy

## **8. Background information**

- 8.1 **Appendix 5** – Solution Design Extra Care in Norfolk  
**Appendix 6** – Housing benefit position statement  
**Appendix 7** – Delivery model part one  
**Appendix 8** – Assistive Technology position statement  
**Appendix 9** – Care model for Extra Care in Norfolk

## **Officer Contact**

If you have any questions about matters contained or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

If you have any questions about matters contained in this paper please get in touch with:

<b>Officer Name:</b>	<b>Telephone:</b>	<b>Email address:</b>
Sera Hall	01603 222996	sera.hall@norfolk.gov.uk



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