

MUNICIPAL YEAR 2019/2020 REPORT NO. 48

MEETING TITLE AND DATE:

Cabinet - Wednesday 17th July 2019

Council – Wednesday 18th

September 2019

JOINT REPORT OF:

Executive Director People

Tony Theodoulou

Executive Director Place

Sarah Cary

Agenda – Part: 1

Item: 13

**Subject: Reardon Court Extra Care
Housing Scheme**

Wards: Winchmore Hill

Key Decision No: 4898

Cabinet Member consulted:

Cllr Cazimoglu

Contact officer and telephone number:

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1. EXECUTIVE SUMMARY

1.1 In July 2018, Cabinet approved:

- a Council led demolition, design and redevelopment of the Reardon Court Site for provision of Extra Care Housing provision
- indicative borrowing subject to securing a capital contribution from the Greater London Authority (GLA).

1.2 Indicative borrowing requirements included within the July Cabinet report were based on a high-level assessment of 69 homes with a projected GLA contribution of £60,000 per home.

1.3 Since this time, more detailed work has been undertaken. Early discussion with Enfield's Local Planning Department suggests it might be possible to develop circa 91 self-contained homes on the Reardon Court site subject to consideration of a full planning application. Negotiations with the GLA have resulted in an increased capital contribution – from £60,000 to £103,771 per unit, and following a successful bid in February 2019, £9.443,161 funding has now been secured.

1.4 This report updates on requirements for allocation against the Council's Capital Programme to support the development of this project in line with the Council's GLA bid submission.

2. RECOMMENDATIONS

It is recommended that Cabinet:

- 2.1 Note the content of this report, including the Council's successful bid to the Greater London Authority (GLA) for £9,443,161 capital funding to develop Extra Care Housing at Reardon Court.
- 2.2 Delegate authority to the Executive Director of Place in consultation with the Cabinet Member for Finance and Procurement, the Director of Health & Adult Social Care and the Cabinet Member for Cabinet Member for Health & Social Care:
 - 2.2.1 the award of construction work contracts for the demolition and redevelopment of the site.
 - 2.2.2 project management and procurement arrangements including operational resourcing, appointments for all pre and post contract construction services and submission of a planning application.
- 2.3 Approve the application of funds (circa £2.5m – see section 3.5.7) from the Kingsdowne Society Trust to this project - subject to administrators releasing the funds and the Charity Commission approval - to reduce the Council's borrowing requirement for the scheme.

It is recommended that Council:

- 2.4 Approve the allocation of capital funding for this development from the Council's Capital Programme based on the improved business case. (See Part 2).

3. BACKGROUND

3.1 In July 2018, Cabinet:

- approved removal of the Reardon Court Site from the Council's current disposal list
- approved a Council led demolition, design and redevelopment of the Reardon Court site for the provision of modern, accessible, self-contained Extra Care Housing provision
- approved the appointment of design expertise to develop architectural plans and support an application to the Local Planning Authority
- granted permission for officers to tender for a building contractor to develop the scheme

- approved indicative borrowing requirements for development capital, subject to securing a capital contribution from the Greater London Authority (GLA)
- delegated to the Executive Director Place, in consultation with Adult Social Care, Legal and Procurement Services, the appointment of a design team

3.2 It was recommended that Cabinet receive a further report to:

- appoint a building contractor to develop the scheme
- tender and appoint a provider of support and care services (as required)

3.3 Since this time Council officers have engaged with the Greater London Authority (GLA) and submitted an extended bid to the Mayor's Specialist Housing Care & Support Fund for the development of 91 fully accessible self-contained homes plus communal facilities on the Reardon Court Site.

3.4 This bid was successful and in February 2019, the Council was awarded £9,443,161 for development of the Reardon Court Extra Care Housing scheme. This GLA funding is equivalent to £103,771 per home and exceeds the expectation of £60,000 per home as detailed in the Cabinet Report of July 2018. See Part 2.

3.5 Capital Programme Requirements

3.5.1 – 3.5.4 See Part 2.

The Kingsdowne Society

3.5.5 The Council has been made aware of Kingsdowne Residential Care Home Limited, which is subject to a Charity Trust, The Kingsdowne Society. It has been identified by the administrators that the successor to the trust is potentially Enfield Council. After considerable work and having taken legal advice and consulted with the Charity Commission this position has been confirmed.

3.5.6 The Kingsdowne Residential Home Limited, Barnet, was closed a number of years ago and the administrators sought to sell the building and release the remaining capital assets in Trust to the successor organisation, identified now as Enfield Council. It is the Council's understanding that the Charity Commission require the funds (Capital) to be used for the purposes of the object of the charity which is "the relief of sickness and the preservation of health among people residing in the London Borough of Enfield and surrounding areas." It is felt that a capital project such a Reardon Court would meet the objectives of the charity and permission is being sort from the Charity Commission to proceed on this basis. It is the Council's understanding that the resources cannot be converted to revenue expenditure.

- 3.5.7 The Kingsdowne Residential Home is understood to have sold for circa £2.8 million. It is therefore proposed that, subject to approval from the administrators and the Charity Commission, the funds remaining following deduction (circa £2.5m) be used to contribute to the capital cost of Reardon Court and reduce the Council's borrowing proportionately.

3.6 Development Progress

Design Approach

- 3.6.1 A Project Board has been established to oversee the early development of this project. High level architectural plans have been drawn together, informed by the views of Occupational Therapists and service user / carer representatives. In line with the Council's funding bid, early designs include the provision of 91 wheelchair accessible self-contained homes plus shared facilities including lounges, a hairdressing/treatment room, activity rooms and sensory green space to support healthy, active and inclusive ageing.
- 3.6.2 As part of a holistic approach to connecting and caring for people living at the project new technologies shall be explored, including the use of assistive technology and health monitoring tools. The scheme will meet and where possible exceed standards in respect of sustainability as set out in Housing Supplementary Planning Guidance (2016) and Building Regulations. The building will be designed to reach the equivalent of Code for Sustainable Homes Level 5 and will include green roofing and Photo-Voltaic (PV) panels to supplement energy used in the building.

Procurement Approach

- 3.6.3 A procurement approach for the selection and appointment of services to deliver this project has been developed and agreed at the Council's Procurement and Commissioning Board (February 2019).
- 3.6.4 Design services will be led by the Council's Corporate Maintenance & Construction Team (CMCT), utilising consultants via compliant frameworks.
- 3.6.5 The demolition works contract will be a single stage procurement, competitively tendered to include local SME contractors.
- 3.6.6 The main construction works contract will be in excess of the EU threshold for works. An OJEU notice will be issued for a single stage procurement, competitively tendered for a Design & Build contract.

Operational Approach

- 3.6.7 The Reardon Court site is owned by the Council and held within the Council's General Revenue Fund.
- 3.6.8 Rent and service charge income generated from the Reardon Court Extra Care Housing scheme will be paid to the Council's General Revenue Fund to enable the repayment of Council borrowing as detailed in Part 2 of this report.
- 3.6.9 In line with GLA funding bid rent and service charges will not exceed 80% of Market Rent for comparable properties. Rents will not exceed Enfield Local Housing Allowance levels as applicable to specialist/supported housing of this nature.
- 3.6.10 Financial modelling undertaken for this project is based on applying London Affordable Rent levels. It is noted that increases above and beyond London Affordable Rent levels would be scrutinised to ensure genuine affordability. Currently, London Affordable Rent levels are less than Local Housing Allowance caps.
- 3.6.11 Housing Management (including tenancy management and general maintenance functions) will be provided by a Housing Management organisation to be determined and selected in line with Legal and Procurement advice. One option that will be considered is the provision of these services by Enfield's Council Housing services.
- 3.6.12 In line with Cabinet Report July 2018, support and care services at the scheme shall be delivered by a separate organisation, to be selected and appointed in line with appropriate Procurement and Legal advice.

Projected Timescales

- 3.6.13 Pending approval of recommendations within this report, officers will progress works in line with the programme approved by the Greater London Authority (GLA). This includes the development and submission of a planning application to Enfield's Local Planning Authority, and, pending necessary planning approvals, the tender and appointment of building contractors.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 Do nothing

- 4.1.1 This option is not recommended as it does not address the strategic requirement for additional accommodation of this nature, resulting in avoidable and costly placements to residential care. Over £9.4m capital funding to support the redevelopment of this site would be lost, as would opportunities for cost avoidance to the value of circa £740,00 per annum (See 5.1.2)

4.2 Proceed on existing borrowing approvals

- 4.2.1 An option considered is to proceed based on existing Council borrowing approvals and develop 69 homes rather than 91 new homes. This option is not recommended as the Council would lose additional external funding that has been secured at a time when supply is required to meet escalating need. Cost avoidance opportunities to the value of circa £180,000 per annum would also be lost (See 5.1.2)

5. REASONS FOR RECOMMENDATIONS

5.1 Financial Rationale

- 5.1.1 Increasing the number of units delivered on this local authority owned site will increase the long-term security of supply, helping to ensure that future costs can be managed, and statutory care requirements can be met.
- 5.1.2 The development of Extra Care Housing on the Reardon Court site will support cost avoidance for Adult Social Care in respect of funding care and support. Local evidence indicates that the average cost to Adult Social Care of supporting an individual in Extra Care Housing is less than high cost residential placements or community packages. The current cost of supporting an individual within one of the Council's directly commissioned extra care services is £178.51 per week. The average cost to adult social care of an intensive package within this setting is £304 per week (£264 average net cost per week). The average weekly cost of a residential care placement for older people with physical frailty is £670 per week (£420 average net cost per week). On this basis the development of 91 homes on the Reardon Court site holds potential to support cost avoidance in excess of circa £740,000 per annum. This compares to circa £559,000 per annum if 69 homes are developed.
- 5.1.3 Longitudinal research undertaken by Aston University in association with the Extra Care Charitable Trust is also helpful in quantifying the potential cross cutting impact of Extra Care Housing. In a recent study, 162 new extra care housing residents were compared against control participants on measures of health, well-being, cognitive ability and mobility following 18 months living in an extra care housing environment. The research documented:
- significant savings in NHS budgets (38% cost reduction over 12 month period)
 - a reduction in the length of unplanned hospital stays
 - a reduction in GP visits
 - significant cost savings on Adult Social Care (lower level care 17.8% less, higher level social care 26% less)
 - reductions in depressive symptoms

5.1.4 Additional cross departmental efficiencies linked with the development of Extra Care Housing on the Reardon Court site may also be realised through:

- the reduction of hospital discharge delays and cost associated with delayed discharge;
- a reduction in costs relating to carer breakdown – by providing a supportive environment whereby partners can remain living together;
- a reduction in costs relating to the adaptation of inaccessible properties that are not suited to the often complex needs of older people with care and support needs;
- a potential reduction in temporary accommodation costs, realised through the increase in local housing supply, and in some instances, release of Council and Housing Association properties.
- a potential reduction in levels of social isolation and loneliness, and costs associated with this, given the identified links between loneliness and mental/physical ill health.
- a reduction in falls, injuries and subsequent hospitalisation caused by housing design that does not suit the needs of people with disabilities.
- a potential reduction in care package costs for people with dementia, who require 24-hour support in a community setting due to risk factors of living alone, but have minimal support and care needs

5.2 Strategic Rationale

5.2.1 The development of Extra Care Housing on the Reardon Court site is consistent with national drivers for improvement and change set out in the Care Act 2014. Strategic development in this area will contribute to the delivery of a local housing with care market that helps to ensure:

- people receive services that prevent their support and care needs escalating, or delay the impact of their needs;
- the emotional physical and mental wellbeing of people in need of care and support, and their carer is maximised;
- people are supported to maximise their independence and feel in control of the support and care that they receive;
- people experience an integrated approach to the planning and delivery of support and care;
- people have a choice of a range of providers offering high quality, safe and appropriate services from a vibrant and diverse marketplace;
- people feel able to maintain the social and support networks that are important to them

- 5.2.2 Locally, the development of Extra Care Housing on the Reardon Court site is consistent with priorities set out in Enfield's Housing Strategy (2012-2027) and Enfield's Joint Health and Wellbeing Strategy (2014-2019), specifically priority 5 – enabling people to be safe, independent and well and delivering high quality health and social care services.
- 5.2.3 Development of Extra Care Housing provision in the borough is aligned with Adult Social Care Commissioning Priorities, as set out in Enfield's Adult Social Care Market Statement.

5.3 Community & Public Value Rationale

- 5.3.1 Community and Public Value Benefits include opportunities to
- raise the profile of high-quality housing with care options in Enfield, to support a positive understanding of what high quality housing with care can offer
 - improve building quality within the Housing with Care sector, to better meet the changing aspirations of older people with support needs

6. COMMENTS FROM OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.1 - 6.1.6 See Part 2.

6.2 Legal Implications

- 6.2.1 Section 111 of the Local Government Act 1972 gives a local authority power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The provisions of Section 9 of the Housing Act empowers the Council to provide housing accommodation as part of its functions.
- 6.2.2 The Council also has a general power of competence in section 1(1) of the Localism Act 2011. This states that a local authority has the power to do anything that individuals generally may do provided it is not prohibited by legislation. The proposed services the Council wishes to provide within this report are in accordance with this power.
- 6.2.3 The Council must ensure compliance with its Constitution. Where required, the Council shall carry out any procurement exercises in accordance with its Contract Procedure Rules and the Public Contracts Regulations 2015 (where procurements are caught by these Regulations) seeking assistance from the Council's Procurement & Commissioning Hub and Legal Services where required.

- 6.2.4 The Council must ensure value for money in accordance with the Best Value principles under the Local Government Act 1999.
- 6.2.5 As this is a Key Decision the Council must comply with the Key Decision procedure.
- 6.2.6 Any legal agreements (and ancillary documents where relevant) arising from the matters described in this report must be approved in advance of contract commencement by Legal Services on behalf of the Director of Law and Governance.
- 6.2.7 The Council is being advised by external lawyers, Browne Jacobsen, in relation to the receipt of funds from the Kingsdowne Society Trust. Without amendment, and by virtue of 139 of the Local Government Act, the Trust's charitable objects would prevent the Council from accepting the funds to be used to fund the development at Reardon Court. In order to apply the funds as required, the Council will need to be appointed as the sole trustee of the Trust and a Charity Commission Scheme must be put in place to change the Trust's objects.
- 6.2.8 Work is now underway to appoint The Council as the sole trustee of the charity. A Charity Commission Scheme is being finalised which will change the objects of the charity, and enable the application of funds to this project. Officers should continue to seek legal advice to ensure that the Kingsdowne Trust funds are legitimately applied.

6.3 Property Implications

- 6.3.1 Reardon Court is no longer fit for purpose as outlined earlier in this report. Refurbishing the asset is not an option, as this would not be a good return on the investment required. The ongoing revenue costs relating to security and incursions will be eliminated by development of the site.
- 6.3.2 All new or revised asset data arising out of the proposed works must be sent by the Project Manager to Strategic Property Services for input onto the Asset Management Data System, ATRIUM, including revised site plans, floor plans, asset information and maintenance regimes.

6.4 Corporate Procurement Implications

- 6.4.1 All procurements of goods/services/works will be in accordance with the Councils Constitution, Contract Procedure Rules ("CPRs") and the Public Contracts Regulations 2015. In particular, the Council is able to utilise a range of EU compliant frameworks to engage the services of construction contractors or technical support staff such as architects or quantity surveyors in full compliance with the CPRs. Any use of a framework must be in accordance with the framework terms.

- 6.4.2 The proposed use of frameworks set out in Part 2 is compliant with the Council's Contract Procedure Rules.

7. KEY RISKS

- 7.1 There is a risk that the project will exceed projected timescales for completion. To mitigate this risk, project progress shall be monitored by the Project Board. Foreseeable delays will be escalated to enable a timely response. Contractual provisions shall be put in place to help ensure the timely development of this project.
- 7.2 There is a risk that planning permission for the development of this site will not be secured. Early consultation with the Local Planning Authority to include pre- planning advice (by way of a pre- planning application) shall be sought to help mitigate this risk.
- 7.3 There is a risk that development costs will exceed those projected in this report. Officers will put in place contract and review mechanisms to minimise this risk.
- 7.4 There is a risk that delay in tenancy uptake upon scheme opening will impact the financial viability of the project through loss of rent and service charging. This risk shall be reduced through the application of an early marketing strategy to promote awareness of the project, including the availability of open days and show flats, to engage potential residents at an early stage.
- 7.5 A Project Risk Register is maintained and owned by the Project Board to monitor the above-mentioned risks and escalate accordingly.

8. IMPACT ON COUNCIL PRIORITIES – CREATING A LIFETIME OF OPPORTUNITIES IN ENFIELD

8.1 Good homes in well-connected neighbourhoods

- 8.1.1 The development of Extra Care Housing at Reardon Court will support the creation of thriving, affordable neighbourhoods, through the provision of good quality, accessible and affordable housing options for older people with support and care needs.

8.2 Sustain strong and healthy communities

- 8.2.1 The development of Extra Care Housing at Reardon Court will enable the provision of good quality, affordable housing for those most in need, supporting older people to maintain independent and full lives in the community. It will also support the improvement of public health and wellbeing, through the promotion of healthy, active and ageing, that supports social inclusion and reduces the likelihood of social isolation and loneliness.

8.3 Build our local economy to create a thriving place

- 8.3.1 The development of Extra Care Housing at Reardon Court will provide a vibrant inclusive living environment for older people with support and care needs, that fosters connection with the wider community through shared activity and social space. It supports work on reducing inequalities through the provision of accessible and affordable housing in later life.

9. EQUALITIES IMPACT IMPLICATIONS

- 9.1 A Predictive Equalities Impact Assessment has been completed for update and review pending approval of recommendations within this report. The proposed development is predicted to have a positive impact on disability and age groups, and a positive socio-economic impact on disadvantaged community groups, including people in poor health and people in social housing, through the extension of affordable Housing with Care options in the borough.

10. PERFORMANCE AND DATA IMPLICATIONS

- 10.1 The need for appropriate performance measures will be reviewed and implemented as required, aligned with any contractual agreements that may arise from this recommendation.

11. HEALTH AND SAFETY IMPLICATIONS

- 11.1 Health & Safety measures shall be implemented as required and appropriate to ensure that development on this site adheres to all necessary measures for correct planning implementation for safety. All construction and building work projects have to be managed under the various parts of CDM regulations.

12. PUBLIC HEALTH IMPLICATIONS

- 12.1 The Reardon Court Extra Care Housing development will contribute to the improved health and wellbeing of older people with care and support needs in the borough, facilitating prevention and early intervention, the reduction of health inequality and the delivery of high quality, integrated approaches to the delivery of housing with care in the borough.
- 12.2 The scheme will offer a purposefully designed environment to encourage healthy, active and inclusive ageing through for example, accessible allotment/garden space, accessible walkways and shared social space to encourage human connection and socialisation.

Background Papers

None