

DEVELOPMENT OF LAND FORMERLY KNOWN AS REARDON COURT

OVERVIEW & SCRUTINY CALL – IN RESPONSE

5 August 2021

There are many different types of older people's accommodation including that provided by the private sector, charities and housing associations (RPs) in the borough. In many cases this provision caters for individuals downsizing and releasing income to supplement their pension or support their families and could be viewed as a lifestyle choice. Whereas the decision to move into affordable extra care accommodation is usually when a resident's health has deteriorated and they need support from adult social care. They require a level of care & support to ensure that they remain safe but which also enables them to remain living as independently as possible within the community.

The strategic, financial and community value benefits of good quality affordable social care at Reardon Court is set out in the Cabinet report.

The model offers a real alternative for older people and older adults with disabilities who may be struggling to remain living independently in their own homes. It also offers a more appropriate alternative option for people who might otherwise be placed in residential care placements, and who - given the right support and the right environment, could continue to thrive in an independent and supported living environment.

Reason why decision is being called in:

1. The monies from the sale of Reardon Court were originally earmarked to help fund Bridgewood House in Enfield Highway. No explanation is given in the report why this arrangement was dropped leading to a consequential loss of income to the Council.

Response

The Council has closed and sold other properties which have contributed to the capital cost of Bridgewood. These included Honeysuckle House, Coppice Wood Lodge and Bridge House. The strategic requirement for additional extra care capacity in the borough has always been clearly articulated in Enfield's Market Position Statement and it is for this reason that options to continue to provide extra care supported living from this location were explored rather than outright disposal of the site. The market testing which was done indicated limited provider interest in the purchase of Reardon Court for the development of Extra Care Housing by an experienced RP. The land value or receipt associated with an outright disposal for 100% affordable housing was low, and for development of an extra care facility with housing landlord responsibility only the land receipt value was extremely low. A single expression of interest from one provider to both build, run and provide care and support, would have resulted in care and support costs prohibitive to the Council. These options were considered in previous Cabinet reports.

2. Reardon Court was closed in 2017 and planning permission and procurement for the revised scheme is still awaited. The report does not explain clearly why the concerns of residents of Cosgrove Close concerning size, massing and increased noise, etc. from the adjacent Barrowell Recycling Centre were not taken on board before the original planning permission was secured. The result of these delays is that the GLA grant (deadline March 22) has been put at risk.

Response

The Council designed and developed a scheme in line with statutory processes. As part of the process technical assessments were considered in relation to noise, traffic and scale and mitigated through the design. These were considered by planning committee and approved as appropriate development. As the report highlights, it is only when demolition started, that Cosgrove Close residents' complaints were brought to officers' attention in housing, about the consented 91 units scheme and its potential impact on existing residents. The Council's land ownership has been verified by HM Land Registry but the concerns about loss of parking were taken into consideration in the decision making. The risk of construction delays and safeguarding concerns for staff and older residents moving into the extra care scheme, related to potential parking disputes, were paramount in the decision to review the scheme. As the parking will need to be provided within the site, this resulted in changes to the footprint of the scheme, which triggered a new application. Officers carefully considered the programme and had early discussions with the GLA to agree the extension to March 2022.

3. The historic costs (money already spent by the Council on the scheme) are not broken down in the report.

Response

The historic costs are associated with security, demolition, design, planning, consultant and staff costs.

4. Para. 97 states that the option of disposing the Reardon Court site to a third party (e.g. a specialist provider such as a housing association) was not considered because the council would not be able to own or manage the units and therefore could not control lets. A specialist housing association would normally speaking provide up to 100% nominations rights to the Council in order to secure the site as well as providing the necessary borrowing and securing the grant from the GLA. The report does not provide a satisfactory explanation of why this option was discarded.

Response

For all social housing schemes, the Council requires 100% nominations at first let, but in order for an Registered Provider to comply with its regulatory requirements second lets and beyond are

usually at 75% which enables the RP to make transfers of tenants from elsewhere in its stock and outside of the borough. Whilst alternative options may deliver the same outcome in respect of unit capacity in this service area, they do not deliver the same long-term control and influence over:

- quality of support and care provided
- cost of support and care offered
- long term site use
- availability of affordable rental properties

The Council's preferred option was to secure the site for extra care with options considered for sale, build of an extra care scheme and running as landlord or landlord/care provider. The landlord option generated a low receipt. For the council to both build and run the facility maximises the letting of accommodation to Enfield residents and allows for collaboration with adult social care, to ensure ongoing care provision and cost savings arising from Enfield residents living independently for longer.

5. The original scheme for which planning consent was obtained was for 91 units at an estimated development cost of £32.7m. The revised scheme of 69 units has an estimated development cost of £30.1m. The report does not fully explain why a scheme of 69 units should cost nearly as much as a scheme of 91 units.

Response

The report (para 59 and 67) sets out that the budget remaining to develop the revised proposal is £27.8m, against an original budget of £30.1m. The budget includes build cost inflation and risk, based on assessment of current market conditions related to supply and materials, as confirmed by our professional advisers.

6. No information is provided in the report about any relevant conditions attached to the provision of £2.2m from the Kingsdown Charitable Trust such as timescale.

Response

Paragraph 73 states that the Kingsdown Society was prepared to allow these funds to be used for a purpose closely aligned with the original trusts of the society. The development of the Reardon Court site to an extra care accommodation meets this requirement and as a result the Charity has granted the Council £2,155,623 towards the scheme. This funding has been secured for its agreed purposes and is not time limited.

7. Para 37 and 38 of the report refers to the estimated £396,000 plus

savings in the Adult Social Care Budget resulting from the development of this scheme. No cost breakdown showing how this figure was arrived at is provided in the report.

Response

Projections on savings and cost avoidance relate to Adult Social Care support and care services relates to adult social care needs at the scheme for those eligible. Based on the assumption that Reardon

Court

will accept nominations on a three-tier care need split of 40/40/20, we would reasonably project cost savings as follow:

Cost avoidance	Split	Number of placements	Hours per week
New clients from residential to Reardon	20%	14	18
Intensive home care packages in the community to Reardon	40%	28	21
Moderate home care packages in the community to Reardon	40%	28	14
Total	100%	69	53

8. Para 40 refers to proposals for commissioning an independent housing care provider and the level of nominations to be provided. There is an apparent contradiction between this paragraph and para. 97 above. Also, without further information on the estimated level of nominations we have no assurance that the revenue savings referred to above can be achieved.

Response

Leading on development of Extra Care housing on a site owned by the Council will increase the long-term security of supply, helping to ensure that future costs can be managed and statutory care requirements can be met. Paragraph 40 is in relation to the commissioning of the care provider but allocations remain a function of the landlord, in this case the Council. If the site is sold then it is not guaranteed that 100% nominations will be for Enfield residents. The Council works with Registered Providers and charities who deliver both accommodation and support services. However, agreement on care costs are often a point of dispute which has resulted in providers approaching other local authorities for lettings.

9. No information is provided in para. 40 or para. 73 of the report about the estimated ongoing revenue costs to the Council of providing care in the new scheme, the most significant item in the revenue budget apart from borrowing costs. These cost issues should have been bottomed out before the revenue budget and the capital budget, which are interrelated, were signed-off by the Cabinet.

Response

The council funds the cost of care in residential settings regardless of ownership of the scheme. Reardon Court generates savings for the Council, with costs covered by placing less people in expensive residential and nursing home care and current domiciliary care in the community. The cost of providing care are accounted for in Adult Social Care revenue budgets. The money would otherwise be spent on unnecessary residential placements, or very intensive community packages would be diverted to cover the costs of this scheme.