

**NORTH YORKSHIRE COUNTY COUNCIL****EXECUTIVE****8<sup>th</sup> March 2011****Harrogate Extra Care Housing Proposal****Report of the Corporate Director – Adult & Community Services****1.0 PURPOSE OF REPORT**

- 1.1 To inform and seek approval of Executive Members to a proposal of extra care housing schemes in Harrogate. This would be ahead of any other opportunities which may present themselves through the separate procurement for a strategic development partner.

**2.0 EXECUTIVE SUMMARY**

- 2.1 This proposal is to develop extra care housing and affordable housing within Harrogate town working with our framework partner Harrogate Neighbours Housing Association (HNHA), Bramall Construction and Harrogate Borough Council.
- 2.2 It requires approximately £1m worth of investment from the County Council in terms of land value in order to lever in a minimum of £23m of investment.
- 2.3 The schemes will provide replacement for two residential care homes; one County Council-owned and another owned and operated by HNHA. It is part of the County Council's existing policy to replace its Elderly Persons' Homes with extra care housing and this enables the early closure of Woodfield House without the need for decant.
- 2.4 In addition, it provides potential for an investment in the existing children's facility at Woodleigh House. Children and Young People's Services are currently considering whether and how to proceed. It may be that a capital sum could be agreed with the constructor to either refurbish the facility or pay for it to move to another location. This facility needs to be considered within the context of all residential provision for children and young people.
- 2.5 It will achieve 139 units of extra care housing and a minimum of 55 family houses.
- 2.6 The schemes will operate a centre of excellence which will accommodate social enterprise, training and apprenticeships through a partnership with Harrogate College and HNHA in the fields of care, support and catering as well as allotments/small agricultural facilities/experience for young people including those with a learning disability and a physical disability.

**3.0 BACKGROUND**

- 3.1 This project further develops the County Council's Our Future Lives policy and is based on the existing framework partnership that has previously enabled the delivery of extra care housing in North Yorkshire.

- 3.2 This is a development that enables a partnership with Harrogate Borough Council which has had limited provision previously.
- 3.3 This is a more complex and innovative arrangement than previously delivered extra care housing schemes. The previous method of one-off, ad-hoc delivery of schemes has relied on capital grant and this model is no longer achievable. This more complex financial modelling will be required henceforth to ensure we can continue to enable the delivery of extra care housing in North Yorkshire.

#### **4.0 PROPOSAL**

4.1 The proposal centres around four main sites:-

- 40 Wetherby Road
- Depot Site
- Greenfield Court
- Woodfield

In addition, part of the financial arrangements will lever in garage sites from Harrogate Borough Council to enable the development of modular family housing a minimum of 40% of which will be affordable.

4.2 Our framework partner, Harrogate Neighbours Housing Association (HNHA), has led this project from their need to expand their business. HNHA provides an extra care housing service in their existing home at Greenfield Court on Wetherby Road. Whilst the service is provided as extra care, the building does not meet modern extra care housing standards. They also own and manage a residential home at Heath Lodge. HNHA is a well-respected, local provider in Harrogate but it is very small and is now in a position of needing to develop and grow or risk being taken over, merged, sold or closed. The staff and Board much prefer the option of developing further and becoming a specialist, high-quality provider of supported housing and care.

4.3 They in turn will work with:-

- Constructor – Bramall Construction Ltd
- An organisation who will provide financial investment

4.4 40 Wetherby Road  
(Currently being purchased by the construction company)

This scheme would kick start the development process and would result in a fully for sale scheme of 23 units. It would ultimately be linked to the adjacent extra care housing provision at Greenfield Court with a physical link between the two buildings.

4.5 Depot Site  
(Owned by NYCC)

The site would be transferred to HNHA on the condition that NYCC receives nominations to house the residents currently living at Woodfield House and also on the condition that there are properties available for affordable rent. This scheme would provide enhanced facilities and services in the Starbeck area, such as:-

60 extra care housing apartments with the usual range of communal facilities but also:-

Community Catering Kitchen

HNHA has established a partnership with Harrogate College and this would provide a base for work-placement training for people with a learning disability. HNHA would directly employ the Chef and would run the service under the social enterprise model. The kitchen could also be used to provide meals on wheels to the community.

#### Facilities Hub

The scheme would incorporate a range of business opportunities for local people to take advantage of such as pub, sweet shop, florist, general store, pets etc all of which would be run under the social enterprise model but also as a resource for people living at the scheme if they wish to assist. This is particularly helpful in terms of providing day activity for people living with dementia or people with a learning disability.

#### Allotments

There will be a range of facilities in the gardens that will enable residents and people in the community to take part in outdoor recreation and activity.

#### Centre of Excellence

HNHA has its own Assessors and has a partnership with Harrogate College and ONTO (Overseas National Training Organisation) and will offer accommodation and training.

#### 4.6 Greenfield Court (Owned by HNHA)

This would provide 56 extra care housing apartments and the usual range of communal facilities. These apartments will be affordable to complement the sales units at 40 Wetherby Road.

#### 4.7 Woodfield (Owned by NYCC)

Once the Depot site extra care scheme is completed, Woodfield House EPH would close with residents having the right to move across to the extra care scheme enabling Woodfield House to then close and be demolished.

This would enable the development of affordable housing on this site by the constructor on behalf of Harrogate Borough Council.

In addition, as part of the financial package, a financial contribution towards the required developments to the existing children's facility at Woodleigh House could be made subject to Children and Young People's Services' instruction on whether and how to proceed.

#### 4.8 Garage Sites

Harrogate Borough Council has offered to include their garage sites in the wider place shaping approach on the basis that the development of these sites could be used in part to cross-subsidise the provision of the extra care housing. Harrogate Borough Council's Housing Needs Survey shows an overwhelming need for affordable housing within the district. Initial feasibility studies have been carried out and plans have been produced which estimate that the partnership could deliver 55 houses over 26 garage sites. The intention is to maximise the number of affordable units delivered with some of these being offered on a shared ownership basis. There may also be a number of units for market sale although these would reflect the local market conditions.

4.9 This proposal provides the following benefits for the partnership:-

For the County Council:-

- Two extra care housing schemes at Greenfield Court and Depot providing at total of 139 units of extra care housing including 24 specialist dementia units at the Depot site
- Guaranteed nomination rights for residents currently living at Woodfield House
- Financial contribution towards extension/refurbishment of the children's facility on Woodfield (subject to Children and Young People's Service decision)
- Training and employment opportunities for people with a learning disability
- Alternative day occupation and activity for people with a learning disability and people living with dementia

For Harrogate Borough Council:-

- 55 housing units for family housing including at least 40% of these units for affordable housing
- Enables them to dispose of 26 garage sites which would have been costly to maintain and repair
- Provision of the Depot extra care scheme enables them to close an adjacent community centre and offer this for housing either general needs or for people with a learning disability

For the community:-

- Business opportunities via the facilities and services that will be run from the site
- Access to facilities and services that are currently not available
- An alternative to residential care

It requires:-

- No capital cash contribution from the County Council
- No requirement for HCA grant
- NYCC to transfer sites at nil consideration: Depot Site and Woodfield

## **5.0 PERFORMANCE IMPLICATIONS**

5.1 This proposal provides for the replacement of a County-owned EPH (Woodfield House that has 20 permanent beds, 4 short stay beds and provides 68 day care spaces each week) without the need to decant residents into alternative accommodation and the provision of two extra care housing schemes thereby enabling:-

- More options for people to live independently in their own home (an additional 139 units of extra care – mostly 2 bed/3 person) thereby reducing the number of admissions to permanent residential care
- More people to live in their own home in the community (again, 139 x 2 bed units of extra care) and exercise choice and control over their accommodation and management of their finances

## **6.0 POLICY IMPLICATIONS**

6.1 This proposal meets the challenges in delivering extra care housing in line with the County Council's Our Future Lives policy and objectives within the Strategic Commissioning Plan.

6.2 Extra care development is a vital part of delivering sustainable communities for the future in line with the Lifetime Homes Lifetime Neighbourhoods Government Policy and the Sustainable Communities Strategy.

6.3 Extra care housing accelerates the Elderly Persons' Home replacement programme and secures supported accommodation with facilities/services for a range of ages and needs.

## **7.0 FINANCIAL IMPLICATIONS**

7.1 Woodfield House currently provides the following services:-

- 20 permanent residents
- 4 temporary, short stay units
- 68 day centre spaces per week
- 31 members of staff

7.2 To re-provide these services results in a net saving of £29k and is part of the savings proposals for 2011-15. If we are able to secure more cost-effective options, especially for day care, this financial benefit may improve.

By retaining Woodfield House there is requirement to incur expenditure in order to bring the facility up to standard, this has been estimated at £731,000. This proposal negates the need to undertake this work and the liability for future maintenance.

7.3 A formal valuation will be required and reported to Executive to confirm the extent of undervalue, in line with the County Council's Property Procedure Rules.

There are financial implications arising from this approach as the County Council had already assumed a capital receipt from the Depot site. This in turn has an impact on the capital programme or revenue budget.

7.4 The financial modelling for the proposal relies upon sales values of both a number of extra care apartments and of the general needs housing for Harrogate Borough Council. Bramall and the investor will take the risk here. They have undertaken robust market research into needs and local values and are confident that the financial model will support their findings. However, should the market depreciate at any time during the life of the project, they will jointly bear the cost of any shortfall.

7.5 The project will generate approximately £23m of investment in Harrogate for development over the coming 4-5 years including attracting private investment to negate the need for capital grant from public sector organisations.

7.6 The inclusion of modular housing will support the development of employment opportunities in North Yorkshire that will service the production of modular housing across Yorkshire and East Riding, creating long-term employment opportunities for local people.

7.7 The programme would secure approximately 20 apprenticeships and 6-8 full-time permanent posts for local people to manage the construction process.

## **8.0 LEGAL IMPLICATIONS**

8.1 The Council's Property Procedure Rules will apply to the sale of individual sites; this will necessitate approval of the Executive as the proposal is to transfer the sites at less than market value.

8.2 In light of the complexity of the proposals an Agreement which will restrict future use of the sites will need to be drawn up and this will also need to include various legal agreements relating to the future use of land at the Woodfield House site and former depot at Starbeck. This agreement will also need to include guaranteed nominations for the residents currently living in Woodfield House and the provision of units at affordable rent.

- 8.3 The appointment of a Housing Association and other partners for extra care projects is not a procurement in a legal sense and therefore tenders are not required. Nevertheless the Council does need to adopt a clear and equitable process to ensure that appropriate partners are selected and that there is a robust business case for doing so.
- 8.4 Because extra care schemes have a range of impacts upon their communities it is important to ensure that the specific commitments made by NYCC are confined to specific areas in respect of which it has legal powers to contribute. Similar diligence will need to be applied by other partners in respect of their contribution.
- 8.5 The replacement of EPHs by extra care projects does have staffing implications and it is important to ensure that these are recognised and adequately addressed in the transition from EPH to extra care.
- 8.6 The Council's legal powers to implement the proposals in this report are contained in The National Assistance Act 1948. The NHS and Community Care Act 1990 and the Local Government Act 2000.

## **9.0 CONSULTATION UNDERTAKEN AND RESPONSES**

- 9.1 No consultation has yet been undertaken with residents and service users of Woodfield House and three months' statutory consultation would be required before a decision is made regarding the closure of the EPH. In addition, statutory consultation would be required with staff currently working at Woodfield House. We have established procedures for consultation including public consultation via the statutory planning route and we will exercise these following the decision of the Executive.

## **10.0 IMPACT ON OTHER SERVICES/ORGANISATIONS**

- 10.1 There is a range of other services presently provided at Woodfield House and arrangements are being put in place to investigate replacement of the linked services. This is mainly to do with the day centre provision and there is a County-wide review to develop alternative provision.

## **11.0 RISK MANAGEMENT IMPLICATIONS**

Risks associated with this proposal are:-

- 11.1 Failure to secure Planning Consent on any or all of the sites. Planners have been consulted throughout the appraisal process and have not raised any major concerns except for the Depot site. Here, the site has previously been designated as employment use. Harrogate Borough Council's Economic Development Unit is concerned about releasing the site for housing as there is a strong demand for light industrial employment land in Starbeck. Housing Officers at Harrogate Borough Council have been in discussion with the Economic Development Unit to assess the scope to negotiate the return of some other former employment sites currently earmarked for 100% affordable housing development back to employment use and these negotiations are ongoing. Also, the employment opportunities provided by the proposed extra care scheme on the Depot site are much enhanced from traditional extra care housing and it is hoped that this will go some way to satisfying the employment demands.
- 11.2 Project Failure or Cessation: Due to the complex partnerships of this model and to mitigate the risk, the County Council would require a robust Development Agreement to protect its assets should this project fail to deliver at any stage. For instance, we would need to ensure

that our sites were returned to us or that we received a capital receipt for them should the project not go ahead or not be completed as proposed and agreed.

- 11.3 The construction company and the investor would take the risk on the sales values of all properties so that, should sales values reduce as a result of market conditions during the lifetime of the project, the financial modelling of the project would not be at risk and the project can therefore continue through each stage to successful completion.

## **12.0 HUMAN RESOURCES IMPLICATIONS**

- 12.1 A 90 day formal consultation period is required with staff and Unison. The Directorate will make every effort to find suitable alternative employment for staff at Woodfield House, however some redundancies may occur.
- 12.2 Harrogate Neighbours Housing Association will need to recruit additional staff as each of the schemes is completed and this will be an opportunity for people locally and it is anticipated that there will be a minimum of 50+ positions available across the two schemes plus the business opportunities generated by the on site shop, hair salon etc.

## **13.0 EQUALITIES IMPLICATIONS**

- 13.1 An overarching Equalities Impact Assessment has been completed for extra care development and is available if required.

## **14.0 ENVIRONMENTAL IMPACTS/BENEFITS**

- 14.1 Harrogate Neighbours Housing Association and their construction partner Bramalls take the risk here and would conduct the demolition of Woodfield House and the construction of the extra care schemes using their Environmental Management System and bespoke Construction Phase Plan and would seek to eradicate or minimise any negative impacts of the proposed works.
- 14.2 Bramall has extensive experience of utilising the least environmentally damaging methods available as a result of a strategic focus on the environment and sustainability.
- 14.3 Environmental awareness training would be in place during inductions for site operatives and subcontractors to ensure they are aware of the specific waste management requirements. Waste would be designed out of the site set-up by providing high-quality storage areas and material containers to reduce distortion, breakages and waste.
- 14.4 Bramall is part of the Keepmoat Group which has recently become a Gold Leaf member of the UK Green Building Council and is one of only 23 members of the UK's leading sustainability body for the built environment.

## **15.0 COMMUNITY SAFETY IMPLICATIONS**

- 15.1 Harrogate Neighbours Housing Association's construction partner, Bramall, operates under the 'Considerate Constructors' programme and will consult widely with the local community, going into schools to advise students and teachers of the dangers of a building site.

## **16.0 REASONS FOR RECOMMENDATIONS**

- 16.1 This proposal is an opportunity to develop extra care housing in Harrogate town without the need for capital grant. It will provide enhanced services and opportunities as well as the accommodation it brings. It enables a partnership with Harrogate Borough Council which

could be used as an example with other Districts. It enables the early closure of the County Council's EPH at Woodfield House without the need to decant residents and service users until the extra care housing is complete.

## **17.0 RECOMMENDATIONS**

- 17.1 Executive Members are asked to approve and support the extra care developments for Harrogate outlined in this report.
- 17.2 Members are asked to agree the transfer of Starbeck Highways Depot and the Woodfield House sites to Harrogate Neighbours Housing Association, terms to be agreed by the Corporate Director, Finance and Central Services

Derek Law MBE  
Corporate Director – Adult & Community Services

COUNTY HALL  
NORTHALLERTON  
18<sup>th</sup> February 2011

Author of report –  
Juliette Daniel  
Strategic Development Manager – Accommodation with Care