



**ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE**  
**11 MARCH 2019**

**CAPITAL INVESTMENT INTO ADULT SOCIAL CARE**  
**ACCOMODATION BASED SUPPORT SERVICES**

**REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES**

**Purpose of Report**

1. The purpose of this report is to provide the Committee with an overview of the work being undertaken to develop a capital investment plan for adult social care accommodation based support services, with a particular update on the learning from the market engagement following publication of a Public Information Notice (PIN); and the proposed next steps in developing and implementing an investment prospectus.

**Policy Framework and Previous Decisions**

2. The Adult Social Care capital investment plan will contribute to the delivery of the following outcomes in the Council's Strategic Plan for 2018-22:
  - Strong Economy;
  - Keeping People Safe;
  - Affordable and Quality Homes.
3. In October 2018, the Cabinet noted the development of a capital investment plan for adult social care accommodation based support services, including its aims and objectives, and approved the publication of the PIN to initiate engagement with the adult social care and investment market.
4. In November 2018, the Committee was provided with an overview of the work being undertaken to develop a capital investment plan for adult social care accommodation based support services and the potential implications.

**Background**

5. The revenue costs of supporting those with social care needs are increasing and this is likely to continue annually for the foreseeable future. Accommodation based care is generally dependent on costs associated with the provision of accommodation, which itself is influenced by investment models within the private social care and investment markets.
6. Based on current population figures alone, the average population of people over the age of 65 is set to increase by 75% by 2037, with a small increase of 2% for people aged under 65 years. Using these population figures in conjunction with the strategic intention to reduce the use of residential care, it is estimated that by 2037 a further

750 units of supported living and 1,200 units of extra care accommodation will be required. The need for nursing care placements and residential placements will remain relatively stable, but those requiring services will have far more complex needs.

7. Supporting people to remain within their own home for as long as possible not only provides people with the greatest level of independence but is the most cost-effective response for adult social care. This requires the right type of accommodation, with the right level of support, to be available to meet need at the time it is required.
8. Active, healthy and engaged communities lead to reduced reliance on health and social care services, yet the provision of different models of housing and support options remain underdeveloped in the UK. There is limited public knowledge of the housing and support options available and there is a shortage in the supply of options offering a mix of tenure types. Further to this, the Care Act requires councils to shape the whole market, ensuring adequate provision for all, including for those people who fund their own care and support needs.
9. The Social Care market has changed significantly over the past few years and current financial models are not delivering accommodation at a sustainable level with “hotel” costs rising rapidly. The market is not always able to meet the needs of complex individuals at a ‘reasonable’ cost. The Council has the opportunity to use its assets to reduce revenue spend in the future, secure more appropriate accommodation for Leicestershire residents and potentially generate additional income.
10. The review of the Adult Social Care Target Operating Model is likely to alter the accommodation requirements in the future as an increasing number of people are supported to remain independent.

### Market Engagement

11. On 24 October 2018, following approval by the Cabinet, the Council published a PIN on the East Midlands Tenders portal titled “*Construction, provision and operation of accommodation based support for older people including options to rent or buy and for younger adults with disabilities*”.
12. The PIN engagement exercise closed on 19 November 2018 and the Council received 13 separate responses to a published questionnaire. Responses were received from large operations that have a major presence nationally within the social care sector, as well as from smaller regional commercial operations, regional housing and social care providers, and a limited number of development companies who specialise in the design and build of care accommodation.
13. Following receipt of the responses, officers met with 16 providers to gain further information of the submissions and comments made. The meetings were semi structured discussions and involved representatives from adult social care, Property Services, and the Commissioning Support Unit. A summary of the key findings from the meetings is as follows:

- There is significant interest in investing in Leicestershire and working with the County Council. The size, demographic and geographical placement of Leicestershire is attractive. Private investors are seeking information from the Council on demographics and projected need and are also seeking guidance on the requirements and approach to engaging with suppliers so that they can make informed decisions. Suppliers would like guidance on available land and support with planning.
- Buildings are an attractive financial investment. There are willing investors seeking opportunities. In larger developments, mixed tenure and mixed-use developments are generally more successful. Flexibility is key in terms of design and future use.
- Traditional frameworks and other procurement models are not enabling an agile, bespoke solution to commissioning accommodation and care packages. The need for flexibility in procurement methods was a recurrent theme and there are more flexible and responsive methodologies in use in other Councils, including the use of dynamic purchasing systems.
- Traditional models of the provision of land (at no cost), capital and void guarantees are still sought by providers, but there is a willingness to explore different models. Smaller specialist providers are looking for opportunities to innovate and develop care led accommodation, and for these, sustainability is linked to the need to secure long-term funding arrangements and assurance around support contracts.
- When asked about the role of the Council, many saw this as a facilitator in providing data and insight into future demand and as an influencer across other public sector partners, including health, for the commissioning of services. Several respondents cited the Council's role as setting a clear vision and priorities which they could react to.

### **Proposals/Options**

14. It is proposed that the Council develops and publishes an Investment Prospectus which provides guidance to the market on the identified needs locally, advises of the County Council's asset availability, identifies where private investors may want to focus their attentions, and where the Council will seek to invest. The prospectus will promote innovation and best practice and be supported by a communication strategy that will inform the public of the range of accommodation options available. The prospectus will be an iterative document that will seek, over time, to include the requirements of Children and Families Services to create a Social Care Investment Plan.
15. Secondly, it is proposed that the Council develops and publishes a transparent process for developing and enabling opportunities that are brought forward by the market. These have currently been made as tactical decisions. It is proposed that a cycle is developed with strategic preferences formed into clear evaluation criteria with delegated authorities to enable timely decisions to be made.
16. The third strand of work involves a review of the current procurement and contracting methodologies in use to ensure that they are reflective of national practice and offer the ability to be flexible and agile in approach.

17. The Council is exploring the development of a Housing Company and work will be undertaken to ensure that social care accommodation needs are considered in this.

### Priority Developments

18. There are currently five opportunities which the Council is seeking to develop into a full business case, the capital funding for which agreement will be sought from the Cabinet at its meeting on 24 May 2019. These are:

<b>Development</b>	<b>Where</b>
4 x one bed flats with staff facilities. High spec build for Learning Disability complex need.	Mountsorrel
8 flats with external space for individuals with mental health needs. Ground and first floor accommodation.	Enderby
20 unit specialist Dementia provision. Centre of excellence in terms of the design. Supported living model with communal kitchen, smart environment.	Blaby district
6 units of en-suite accommodation for use by young people transitioning from children's services into greater independence. Communal training / learning facilities on site.	Hinckley or Charnwood – site to be determined
50+ units of extra care for older adults, with mixed tenure options	Hinckley and Bosworth

### Resource Implications

19. The investment costs, potential savings and other non-financial benefits relating to each of the developments listed above are currently being assessed and quantified. These will form the basis of the full business cases that will inform a decision on a development by development basis. This will be considered by Cabinet at its meeting in May, which will include outlining how the capital costs of any developments to be taken forward, as well as the expected overall costs of managing the investment prospectus, will be funded.
20. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the contents of this report.

### Timetable for Decisions

21. A report will be submitted to the Cabinet on 24 May 2019 which will provide the first iteration of the Investment Prospectus, the implementation process, resource requirements and financial implications.

### Conclusions

22. The Committee is invited to comment on the proposals to develop a capital investment plan for adult social care accommodation based support services and the findings from the market engagement.

## **Background Papers**

- Leicestershire County Council Strategic Plan 2018-22 - <https://www.leicestershire.gov.uk/about-the-council/council-plans/the-strategic-plan16>
- Report to the Cabinet: 16 October 2018 – Capital Investment into Adult Social Care Accommodation Based Support Services  
<http://politics.leics.gov.uk/documents/s141198/Capital%20Investment%20into%20ASC%20Accommodation%20based%20Support%20Services.pdf>
- Report to the Adults and Communities Overview and Scrutiny Committee: 6 November 2018 - Capital Investment into Adult Social Care Accommodation Based Support Services  
[http://politics.leics.gov.uk/documents/s141941/5\\_Nov\\_Capital%20Inv%20into%20ASC%20Accomm%20based%20support%20services.pdf](http://politics.leics.gov.uk/documents/s141941/5_Nov_Capital%20Inv%20into%20ASC%20Accomm%20based%20support%20services.pdf)

## **Circulation under the Local Issues Alert Procedure**

23. None.

## **Equality and Human Rights Implications**

24. An Equality and Human Rights Impact Assessment (EHRIA) screening will be produced to support the development of the investment prospectus. It is anticipated that the development of accommodation based support will have a positive impact overall.

## **Officers to Contact**

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