



ADULTS AND COMMUNITIES OVERVIEW AND SCRUTINY COMMITTEE
10 JUNE 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 update on the detailed needs analysis that has been undertaken to inform the Social Care Accommodation Development Plan and Investment Prospectus and to provide information on the ways in which the Council intends to meet the identified gaps in provision.

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 Prior Intention Notice 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.
5. In March 2019, the Committee received an update on the findings of market engagement.

Key aims

6. The aims and objectives of the Social Care Accommodation Development Plan and Investment Prospectus are:
 - a) **Improve service user outcomes** - Support the adult social care commissioning strategy by promoting independence and avoiding long term institutional care by having a range of more suitable options.
 - b) **Shape the market and ensure capacity** – Have greater control in the design of property development for use as social housing and accommodation-based

support services; determine the most suitable locations based on local intelligence.

- c) **Contain demand growth** - Manage demand by delaying and reducing the need for care by the County Council having a greater influence over the development of the care market, ensuring it has the right mix of services to meet local demographic need.
- d) **Contain cost pressures** – Transfer the emphasis from revenue expenditure to improved use of capital expenditure, as well as support cost avoidance of high hotel costs incurred in the purchase of residential/other specialist care/support.
- e) **Generate income** - Get a return on investment and therefore generate income to offset challenges of austerity on available budgets.

Characteristics of Social Care Accommodation Schemes

- 7. Social care accommodation is designed, built or adapted to facilitate the care and support needs that its tenants or owners may have now or in the future. For older adults, this includes extra care schemes that normally include a minimum of 60 homes. For working age adults, supported living schemes typically mean flats incorporating around 12 homes, although this can vary depending on the needs of the individuals the scheme is intended to provide for.
- 8. Supported accommodation and extra care are models where the individual either has a tenancy or owns/part owns the property that they live in with the care or support provided by a registered provider. The individual meets their own accommodation costs, utility costs and accommodation service charges. In supported living or extra care, the individual has greater independence and protections as a tenant or leaseholder.
- 9. Residential care is provided by a registered provider and the fee paid to the provider covers both the accommodation (hotel) costs and the care.

Characteristic	Extra care scheme	Supported Living Scheme
Self-contained one or two bedroom apartments or bungalows as part of a wider scheme	Yes	Yes
Available to people eligible under the Care Act	Yes	Yes
Available to people with no eligible needs under the Care Act	Yes	No
Unplanned care available to meet urgent care needs	Yes	Yes
24/7 onsite response to unplanned or urgent care needs	Yes	Maybe
Communal facilities for activities to promote social inclusion and wellbeing	Yes	Yes
People will be tenants or owner occupiers responsible for their housing and living costs	Yes	Yes
Provision of respite care	Maybe	No

Equipped with assistive technology to promote independence and meet needs	Yes	Yes
A community hub providing a base for activities, facilities and services for the local community	Yes	Maybe
Links to volunteering, employment, training or leisure activities	Yes	Yes
Intermediate care/assessment/reablement facilities	Maybe	Maybe

Population increases and demand for social care accommodation

10. Between 2016 and 2041, the number of households in the county is set to increase by over 60,000 households, an increase of over 21%. The largest actual change is projected to be in Charnwood, which will see a considerably higher rate of household formation than other districts. By 2041 there is projected to be an extra 18,000 households, an increase of 25%. The next highest district is Hinckley and Bosworth, which is projected to experience an increase of over 10,500 households, an increase of 22%. Oadby and Wigston will see the smallest actual change (just under 2,000 additional households), as well as the smallest percentage increase (8.6%).
11. Between 2014 and 2039, households headed by those aged 25-64 are projected to decrease from 65.9% of all households to 56.5%, while households headed by those aged 75-84 are projected to increase from 10.9% of all households to 15.3%. The Housing and Economic Development Needs Assessment (HEDNA) estimates a need for an additional 9,460 specialist dwellings for older persons in Leicestershire over the 2011-36 period.
12. 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.
13. In addition to general supported living, Leicestershire requires the provision of specialist units that can accommodate individuals with more complex needs such as those leaving long stay hospital. These types of accommodation are built more robustly, have greater space standards and features such as underfloor heating rather than radiators on the walls. They typically accommodate 2-5 people and require space for staff. Due to these additional features they are more expensive to build than 'standard' supported living and are not readily available on the market. This additional cost often means that the ongoing revenue costs are higher. The Council has already developed one such scheme in the Hinckley area and would generate revenue savings by developing more. A lack of suitable accommodation of this type contributes to delayed transfers of care for people leaving hospital.
14. Another sub-category of need identified within supported living is that of transitional accommodation for young people. 16 of the 85 referrals received by the Council's Pathway to Supported Living Team are for young people (aged 17-18) with a growing need for transitional accommodation that can support young people with emotional and behaviour difficulties and enable their preparation for greater independence. This type of accommodation would be ensuite with communal kitchen and living areas designed to enable young people to gain further independence before moving

on to more settled accommodation. This is a type of accommodation that can also accommodate students and is a familiar model to the private market.

15. In terms of residential care, there have been gaps identified in the provision of short term assessment and reablement units for both older adults and working age adults. Recent requests to the market to deliver short term residential reablement and assessment beds for older adults have proved unsuccessful. There is no current assessment provision for working age adults. This is an area that the Council would benefit from directly investing in as the longer-term placement costs for individuals are likely to be at a reduced rate once a full understanding of their needs has been determined.
16. There has been an identified gap in the provision of specialist dementia provision. This is both in terms of long term accommodation options for people who have been recently diagnosed and would benefit from a more supportive environment and for those with either complex behaviours or intensive support requirements.
17. The Council has recently engaged with Newton Europe to develop the Target Operating Model for Adult Social Care. This work is ongoing but has already identified a cohort of 210 working age adults currently in residential care who could be better supported in a more independent setting. Combining these figures with the population growth figures detailed above, the following number of units have been identified as a priority to develop over the next five years. There is a significant time delay in developing extra care accommodation and although the commitment to schemes can be made within the year, it is unlikely that any additional accommodation will be available until 2021.

Type Scheme	of	2019	2020	2021	2022	2022
Extra Care		80 units	50 units		100 units	100 units
Supported Living		38 units	60 units	70 units	50 units	30 units
Transitions Accommodation		6 units	6 units	6 units	6 units	6 units
Transforming Care/Complex		4 units	4 units	4 units	4 units	
Dementia Unit			20 units		20 units	
Assessment Unit			10 units	10 units		

18. More detail on the current supply and demand for accommodation at a district level can be found in the attached needs and gap analysis document appended as Appendix A.

How the increased Social Care Accommodation demand will be met

19. There is no single model that will meet the demand for increasing the range of social care accommodation needed in the County. It can only be delivered through a range of interventions including direct development, as well as enabling and facilitating developments through the wider accommodation and support market. The Council

will also need to work with the District and Borough Councils who hold the housing duty for local residents to ensure developments take proper account of social care accommodation needs when considering planning applications. Outlined below are the approaches that the Social Care Accommodation Development Plan and Investment Prospectus proposes.

Developing Provision

20. The current model the Council has used in the development of direct provision is to undertake a tender for each aspect of the work (design, build, operate). Should the Council consider the development of a County Council Company to develop accommodation, it could also consider becoming a Registered Social Landlord and therefore issue and administer appropriate residential tenancies. This would provide the Council with the greatest control and return on an investment. However, whilst the Council explores these options, it will be necessary to procure a Registered Social Landlord who can take on the landlord function and provide additional design expertise where required.
21. In order to develop appropriate accommodation, the Council will use an Investment Prospectus to identify annually the priority schemes for development and consider them within the current estates and capital investment programme. The Council will seek opportunities where it can invest capital to either acquire ownership or an interest in suitable property. This will particularly apply where an identified need is not likely to attract interest from the wider market (such as bespoke, higher cost schemes), or where build costs make it prohibitive without contribution. The Council will consider these opportunities where it can offset revenue costs through the capital development. A decision-making matrix is being established that considers factors such as the identified need, the return on capital, suitability of location, utilisation risk, and exit strategy. Where a scheme passes these screening criteria a full business case will be developed including the options for care/support delivery.
22. The key advantages of the County Council funding accommodation provision is that it enables the Council to build the type of accommodation that is required, creates a valuable asset for the Council and the costs may be recovered in part by the Council selling some properties in a mixed tenure development.

Enabling developments

23. The Council will update the Investment Prospectus on an annual basis so that the market has up to date information on the current supply and demand of social care accommodation and the identified gaps. It will seek feedback from stakeholders on what information is included so that it becomes increasingly comprehensive and relevant.
24. The Council will make capital contributions to developments where this will enable an identified need to be met. This could include contributions to fund areas such as communal areas within supported living schemes not met by grant conditions, or in exchange for nomination rights into extra care. The evaluation of capital contributions to schemes will be conducted on set methodology that considers the identified need, the location, the revenue saving, and whether the need could be met in a different way.

25. Where an identified gap can be evidenced the Council will work with partners wishing to progress applications to bodies such as Homes England or NHS England. This will enable accommodation to be developed within affordable rent limits for the individual and not require enhanced support contract fees from the Council. The Council will then update the investment prospectus so that the market is aware that the need has been met.
26. The Council recognises that some providers require the contract to deliver support in order to commit to developing accommodation within an area. The Council will therefore develop a more flexible approach to procurement using flexible/dynamic frameworks that enable providers to bid to develop both the accommodation required and provide the support if this is identified as the most appropriate model.
27. There are currently a number of legacy supported living schemes owned by providers that are increasingly unable to meet future demand. This is resulting in an increased number of voids within the properties making them economically unviable. The Council will therefore work with service users who may be affected should providers or landlords wish to decommission this accommodation and seek the reinvestment of the capital into suitable alternative provision.
28. The Council recognises that voids present a risk in the viability of schemes and will therefore work with providers to find a mutually acceptable position. In the majority of schemes, the void risk will be shared between the landlord and the support provider, however where the Council seeks full nomination rights to ensure the utilisation for a specific client group it will seek to negotiate acceptable terms.

Facilitating and encouraging

29. Private developers will continue to be the major provider of new accommodation across Leicestershire. It is therefore essential that an element of the Council's strategy for the provision of accommodation over the next 20 years is to work with developers and District Councils to engage, inform and influence investment decisions to ensure as far as possible that the housing needs of Leicestershire residents are met. Districts have a large role in providing social care accommodation and they have significant market influence through Local Plan policies and decisions on individual planning applications. The Council will therefore seek to establish stronger working relationships to enable needs data to inform local plans and developments.
30. The Council will seek to develop strong partnership arrangements with suppliers so that best practice and innovation can be shared and encouraged. The Council recognises that many of the challenges it faces are not unique and that providers are working in creative ways to meet these needs in other areas. It will seek to develop ways of engaging with suppliers that seek their expertise and creativity rather than dictating delivery methods.
31. Finally, the Council will seek to ensure that residents of Leicestershire are widely informed of the range of housing options available and the different models of support within them so that they are enabled to make informed choices about meeting future or current care and support needs.

Delivering the Care and Support

32. Over recent years the care market has changed significantly, and with the introduction of the living wage and other legislative changes, the differential between public and private sector pay and reward structures have reduced significantly. This combined with the successful commercial approach taken in some parts of the Council means that a full range of delivery options has to be considered when determining how best to ensure the delivery of care and support.
33. For the majority of provision, the Council proposes to use a range of flexible frameworks to identify the most suitable provider to deliver the care and support. However, the Council wishes to retain the right to consider directly delivering the care within developments if this is the best option.

Governance and delivery

34. In order to ensure the increased demand for Social Care Accommodation is met, and in recognition of the skills and knowledge needed to do this, it is proposed that a Social Care Accommodation Development Team is established for an initial period of two years. It is anticipated that after this time the skills and knowledge will have been developed within the Council and can be undertaken within business as usual.
35. The proposed governance of this work is through the establishment of a Social Care Investment Board comprising of senior officers from Adults and Communities, Children and Family Services, Finance, Legal, Commercial Services and Property Services. This Board will oversee the work of the Social Care Development Team and agree business cases before presenting them to the Asset Investment Fund Board and ultimately the Cabinet for agreement of capital spend.
36. A stakeholder map has been developed to ensure that key partners, such as districts and boroughs, local members and health partners, are kept informed of relevant developments.

Priority developments

37. Work is currently underway to develop business cases seeking capital investment into the following schemes:
 - A dementia centre in Coalville requiring investment of approximately £3.6m to provide 24 units of specialist dementia provision and 7 x 2 bed affordable houses.
 - An extra care scheme in Hinckley that is already contained within a Section 106 agreement. The capital contribution and delivery model are still being developed
 - A small mental health provision in Blaby requiring investment of approximately £1m to provide eight self-contained flats, with staff support on site.
 - A transitions schemes in Hinckley requiring investment of £800,000 to provide six ensuite units with a communal area within a learning/enabling environment.

Resource Implications

38. This change in approach to adult social care accommodation will require an increase in capital expenditure. The extent of the increase will depend on the pipeline of new projects and this will be reflected in the future capital programme. Business cases will be developed for each project to ensure that investment is supported by a sound economic case. In addition, the Cabinet will be asked to approve the establishment of the Social Care Accommodation Development Team.
39. It is worth noting that the 'capital' cost of existing private and public sector social care accommodation is currently being funded through revenue expenditure. The proposed new approach whilst increasing capital expenditure will reduce the revenue costs associated with the new accommodation.
40. The Director of Corporate Resources and the Director of Law and Governance have been consulted on the contents of this report.

Timetable for Decisions

41. A report will be submitted to the Cabinet on 25 June 2019 which will provide the first iteration of the Investment Prospectus, the implementation process, resource requirements and financial implications.

Conclusions

42. The Committee is invited to comment on the identified gaps and proposed methods of delivering social care accommodation.

Background Papers

- Promoting independence, Supporting Communities; Our vision and strategy for adult social care 2016–2020 - https://www.leicestershire.gov.uk/sites/default/files/field/pdf/2016/3/23/ASC_Strategy_2016_2020_0.pdf
- Report to the Adults and Communities Overview and Scrutiny Committee: 11 March 2019 - Capital Investment into Adult Social Care Accommodation Based Support Services - <http://politics.leics.gov.uk/ieListDocuments.aspx?CId=1040&MId=5687&Ver=4>
- 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

Circulation under the Local Issues Alert Procedure

43. None.

Equality and Human Rights Implications

44. An Equalities and Human Rights Impact Assessment (EHRIA) screening was undertaken and concluded that the overall impact of this work would likely be positive or neutral and is attached as Appendix B. EHRIA screenings, and if required full assessments, will be carried out at the appropriate time for individual investment opportunities falling within the programme. These will be driven by intelligence and involve engagement and consultation with local and strategic stakeholders. They will be informed by outcomes achieved and lessons learned from property refurbishments carried out in 2017-18.

Officers to Contact

Jon Wilson, Director of Adults and Communities
Adults and Communities Department
Telephone: 0116 305 7454
Email: jon.wilson@leics.gov.uk

Sandy McMillan
Assistant Director (Strategic Services)
Adults and Communities Department
Tel: 0116 305 7752
Email: sandy.mcmillan@leics.gov.uk

Fiona McMahon, Head of Service
Adults and Communities Department
Telephone 0116 305 0333
Email: fiona.mcmahon@leics.gov.uk

Appendices

Appendix A – Social Care Accommodation Needs Data and Gap Analysis 2019-2037
Appendix B - EHRIA

This page is intentionally left blank