

People Overview and Scrutiny Committee
Thursday, 8 September 2016

REPORT TITLE:	Meeting the Housing needs of Vulnerable People
REPORT OF:	Director of Adult Social Services

REPORT SUMMARY

- To provide an update to Committee on the progression of housing for vulnerable people in Wirral.
- Outlines the current challenges in relation to legislation and delivery.
- Outlines actions in relation to land.
- Sets out the current plan for delivering “Extra Care Housing” in Wirral, and the challenges.

Wirral Plan Links

- Older People Living Well
- People with Disabilities Living Independently
- Increase Inward Investment
- Good quality housing that meets the needs of residents
- Wirral residents live healthier lives

This matter affects all Wards within the Borough, and is not a key decision.

RECOMMENDATION/S

That Committee:

- 1) Notes the challenges in relation to delivery in this area
- 2) Supports the progress made with Housing for Vulnerable Adults in Wirral
- 3) Consider the challenges in working with the private housing development sector, if Registered Social landlords are not able to progress schemes due to capital return requirements
- 4) Consider the impact on rent levels if schemes are to be developed with private developers

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The challenges outlined in this report remain a significant issue for the delivery of Extra Care / Housing for vulnerable people in Wirral.
- 1.2 Whilst some progress is being made, this is slow due to the reasons outlined in the report.

2.0 OTHER OPTIONS CONSIDERED

N/A

3.0 BACKGROUND INFORMATION

- 3.1 Within the Wirral Plan, the council has stated ambition to build and improve 7000 homes over the lifetime of the five year plan. This includes building 3500 new homes, some of which will be to meet the need of vulnerable adults. Adult Social care has targets set to reduce the amount of people placed in permanent residential care, and increase the numbers of people maintained in their own home within a community setting. The cost of Extra Care and Supported Living care is predominantly lower in cost than that of residential and nursing care homes. Extra Care as a setting for care, produces good outcomes for people and reduces social isolation.
- 3.2 If we are not able to advance our plan, due to the issues described within the report, this will put the ambition for the Wirral Plan at risk.

Update on progress

3.3 Pipeline schemes

Four schemes are currently being worked through which will, if they all come to fruition, provide 152 units of Extra Care housing for both older people and people with Learning Disabilities. New build requires extensive legwork and preparation and this is prior to any physical start on site at pre-construction. Less than 50% of a project duration is the viable construction period on site.

The majority of time is spent on planning approvals, progressing legal documentation and financing.

All four schemes which are being worked on collectively by officers from Housing, DASS, Housing Benefit, Finance and Legal are located in Pensby, Heswall, Rock Ferry and Beechwood. There are however a number of issues which have been identified which are causing delays in progressing through to formalising funding agreements and schemes starting on site.

Positively the potential schemes in Pensby, Beechwood and Heswall have full planning approval in place which will see the provision of 21 x one bed apartments for older people, 26 x one bed apartments for older people and 19 x 1 bed apartments for people with Learning Disabilities respectively. In addition three (Pensby, Beechwood and Heswall) schemes have had rent levels agreed by Housing Benefit and the schemes in Pensby and Heswall have also been appraised for state aid (where a public body provides financial support which could distort competition and affect trade). The potential scheme in Rock Ferry has a Registered Provider partner identified and has been initially worked up where it is proposed to provide 45 x 1 bed, 25 x 2 bed apartments and 16 bungalows for older people.

3.4 Barncroft, Heswall

Plans have been approved with a Registered Provider in Wirral for this 21 unit apartment scheme. The landlord has however put the scheme on hold until the government has resolved its proposal to limit the housing benefit rate for social housing to Local Housing Allowance rate. Lower level rents would mean that the Registered Provider would not be able to recover the capital investment on the scheme and there would be a significant shortfall in the income from rents

3.5 Sevenoaks, Rock Ferry

Plans are being drawn up with a Registered Provider to deliver an 86 unit scheme, and whilst the social landlord wishes to progress, again the issues relating to rents and Local Housing Allowance rates are a concern for the organisation's board. A bid for the Homes and Communities Agency Care and Support Programme to help support the delivery of this scheme is being made on the basis that the Government will move forward in a similar timescale with decisions on exemptions in relation to Local Housing Allowance.

3.6 Pensby Road, Heswall

A significant amount of time and support has been provided to the Private Developer who is working up this potential scheme, as a considerable number of issues have had to be resolved to get to the point where appropriate planning approval is in place, rent levels agreed and state aid assessment taken place and signed off based on the information provided.

The Private Developer has a Registered Provider partner in place who will lease the finalised scheme and manage the Extra Care units and both have confirmed that they are prepared to progress this scheme rather than waiting for the final government decision on the outcome of the benefit cap to Local Housing Allowance Rates and supported housing. There are however a number of legal matters which need further clarification from the Private Developer, before a funding agreement can be signed.

3.7 Bidston Village Road, Beechwood

This scheme will see the development of 26 x one bed apartments for older people by a private developer. Appropriate planning approval is in place and rent levels have been agreed with Housing Benefit however this scheme is also subject to the same issues as the Pensby Road in Heswall scheme (detailed previously) as it will be developed by the same Private Developer and leased to the same Registered Provider. Until the outstanding legal requirements have been resolved the scheme cannot be finalised.

3.8 Other opportunities

- 3.8.1 New sites are being considered via the Capital asset group, with templates being filled in for each available site. There are a range of sites currently under review, both large and small as Extra Care of varying sizes is required.
- 3.8.2 In addition, a strategic review of sheltered housing provision is currently ongoing with the initial scoping of services completed with site visits conducted jointly between Housing and Adult Social Care representatives.
- 3.8.3 This scoping exercise, which involved input from sheltered housing providers, has resulted in the identification of some schemes that may be appropriate for reconfiguration into an enhanced sheltered service or, alternatively, Extra Care.
- 3.8.4 The delivery of enhanced sheltered services would enable older people to maintain their independence for longer thereby reducing the pressure on Extra-Care Provision. It is envisaged that the allocation of this enhanced provision will be administered through the Extra Care Panel, rather than general needs allocations through Property Pool Plus. Thereby ensuring that the enhanced sheltered services are targeted at those in most need rather than accommodation/lifestyle choice linked to age.
- 3.8.5 This should result in maintaining current older tenants in existing schemes for longer and will enable enhanced sheltered to be used as an alternative to Extra Care or residential for those clients that do not yet require that level of provision, but who are struggling to continue to live independently in their own accommodation.
- 3.8.6 In pursuing this model we will be able to offer a pathway/tiered approach to specialist accommodation for older people that would be responsive to the varying levels of need.

- 3.8.7 The overall strategic review is expected to be concluded in October 2016 and will now focus on evaluating the current pattern and role of existing sheltered services and how efficiently they work with other, relevant services, to deliver appropriate outcomes for Service Users.
- 3.8.8 There is also a current identified capital allocation of £4m to support the ambition for Extra Care in Wirral, with an identified framework of providers to implementation existing target of 150 up to 2017. £933,000 has been initially committed to two of those schemes which are currently being progressed.
- 3.8.9 Discussions have been ongoing with officers from the Procurement team to identify and agree how more partners could be obtained using the Council Capital grant funding for further Extra Care developments in Wirral. Officers have been clear throughout these discussions that this process needs to be as flexible and fluid as possible, to ensure that the best options for future Extra Care units can be developed with a wide range of partner organisations.
- 3.8.10 An initial Procurement Information Notice (PIN) was placed on the Chest to notify those interested that Wirral Council was working on developing this process. Subsequently in July 2016 an information event was held for all those organisations who had expressed an interest in any opportunities to work with Wirral Council to develop Extra Care in the future.
- 3.8.11 A total of 24 organisations attended including Registered Providers and Private Developers, with discussion taking place regarding a range of matters including revenue funding, quantum of units on sites, Council owned site opportunities, timescales for development, implications of Welfare Reform including the issues arising if Local Housing Allowance Rates are implemented for supported housing along with discussion on opportunities for new schemes to progress without Council capital grant funding.

3.8.12 Following on from the event and the information attained, the feedback has been reviewed by the Project Group to formalise a way forward. Advice received from Legal indicates that there is a potential option to move away from a traditional procurement process for this initiative and work is now underway to map out how future Council grant can be awarded to facilitate the development of new Extra Care housing in the Borough.

3.9 **Current Challenges in relation to Legislation and Delivery**

- The Government is reforming the Welfare Benefit system. The relevant reforms include:
 - The capping of social housing rents at Local Housing Allowance levels
 - A required 1% rent reduction per year in social housing sector for the next four years

3.9.1 Housing costs, and therefore service charges for supported housing for vulnerable groups often have significantly higher than average rent levels. The above limitations on rent levels therefore represent particular challenges for housing this group.

3.9.2 As part of the Spending Review and Autumn Statement 2015, the government proposed to *“cap the amount of rent that Housing Benefit will cover in the social sector to the relevant Local Housing Allowance Rate. This will include the Shared Accommodation Rate for single claimants under 35 who do not have dependent children.”*

3.9.3 When first announced, the policy applied to new tenancies signed after 1st April 2016, with Housing Benefit entitlement changing from April 2018 onwards. As such the proposed cap severely limits the ability of Housing Benefit to cover the necessary rental costs needed to run supported housing, which has subsequently resulted in many providers of supported housing either suspending or cancelling new developments.

- 3.9.4 Supported housing by its very nature in terms of providing homes to vulnerable people, means that rents will often be higher than in general needs rented housing in the same area. These higher rents reflect the higher costs associated with particular requirements such as adaptations, maintenance and development costs, higher intensive management costs, the need for special design, assistive technology and general day to day running, along with ensuring properties remain fit for purpose.
- 3.9.5 Currently in recognition of these costs, supported housing is able to secure a higher rate of Housing Benefit than is available for other forms of rented housing because a significant proportion of supported housing occupies a special status known as 'Specified Accommodation'. This status is only available to supported housing that is offered on a not-for-profit basis and where care, support or supervision is also provided, as is the case with Extra Care housing.
- 3.9.6 At present, rents for Specified Accommodation provided by Registered Social Landlords are regulated by the Homes and Communities Agency. In addition, rents for both registered and unregistered social landlords are also discussed and agreed with local authority Housing Benefit teams, as has been the case with the Extra Care schemes currently being worked up in Wirral. This ensures that the amount of eligible Housing Benefit accurately reflects the relevant core rent and housing management costs.
- 3.9.7 On 1 March 2016 the Minister for Disabled People announced a one year exception to the Local Housing Allowance rate for supported accommodation in the social sector. This means the change will now apply to tenancies in supported housing signed from April 2017. Further guidance is to be issued but the statement highlighted those fleeing domestic abuse, homeless provision, housing for ex-offenders and supported housing for older people and disabled people as examples of accommodation subject to the exemption.

3.9.8 This one year exception will allow Department for Work and Pensions to complete their strategic review of supported housing before any further decisions are made, as well as offering a much needed opportunity for further consultation with a range of providers. This still does not offer any certainty to tenants or providers over the future of supported housing around future revenue, hence the reason some Extra Care schemes which have been worked up in Wirral, remain on hold. Until a decision regarding this cap is finalised, those Registered Providers we are working with advise that progress with potential schemes will remain on hold. This position is reflected nationally with Registered Providers and is not just happening in Wirral.

Extra Care – Current Position

3.9.9 There are five purpose-built Extra Care schemes funded by the Council to provide 191 general tenancies and 10 specialist dementia related tenancies. The schemes provide on-site domiciliary support and leisure facilities to enable older people to lead active and independent lives for as long as possible.

3.9.10 As at December 2015 all 201 Extra Care units were occupied or allocated and waiting lists are in operation. Analysis of current tenancies and the corresponding levels of support indicate increasingly high levels of frailty and dependency with a need to enhance core contracted support as there are now greater levels of those with high support needs.

3.9.11 The Housing Learning and Improvement Network has developed a tool which enables a range of interested parties including potential housing occupiers to understand and model the need for particular housing options to reflect changing demographics specific to geographical locations. The tool has been populated to provide projected trend analysis in relation to Extra Care and the following data has been profiled:

Extra Care Units per 1,000 75 plus – Modelling Overview

Demand	Supply	Variance	% Difference
770	203	-567	-74%

Estimated Future Needs

Extra Care	2020	2025	2030	2035
% increase from 2014	12%	33%	47%	61%
Rent	865	1025	1133	1243

3.9.12 The above modelling reflects the assumed level of Extra Care Housing aligned to demographic projections but as the demand and supply analysis illustrates we are starting from a low level of current provision which increases market challenge to build such capacity and capability to afford greater choice to promote and sustain independent living with associated care and support.”

Care and Support Market

- Increased fee rates in to the local care and support market have been agreed from June 2016, as agreed by Cabinet.
- Rates for Supported Living have been agreed at £13.02 a rise from £12.28
- Rates for domiciliary care provision have been agreed at £12.92 a rise from £12.28
- Rates for sleep in and overnight support are now paid a rate which meets the local requirement to pay the hours at least the minimum wage
- Extra Care schemes have recently been tendered and have been awarded to one provider for all 5 schemes, which will deliver efficiency and consistency across all schemes

4.0 FINANCIAL IMPLICATIONS

4.1 There is a risk to the delivery of the proposed efficiencies (£1.3m) which have been put back to future financial years (2018/2019) due to the current issues relating to government’s rent proposals and the impact this has on the markets delivery of Extra Care properties.

5.0 LEGAL IMPLICATIONS

5.1 Any proposal to support with capital grant will need to comply with rules on State Aid.

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- As land becomes available, all land is being considered for Extra Care development. This is being managed by the Capital Asset Group, which meets on a monthly basis.
- Capital that has been allocated for the development of development of Extra Care has not been able to be spent, and therefore this has been rolled over in to future years until the issues described above have been resolved.

7.0 RELEVANT RISKS

- There is a risk to delivering the ambitions described in the Wirral Plan, to meet the numbers of new home builds
- There is a risk to the Adult Social care budget if Extra Care is not delivered, as placements will need to be made in residential and nursing care
- There is a risk in supporting people to maintain their independence within a community setting if there is insufficient supply of suitable housing to meet the need of vulnerable people

8.0 ENGAGEMENT/CONSULTATION

- Regular meetings have been held with developers and social landlords. Both are keen to progress the developments of housing for vulnerable adults but are unable to do so at present due the proposed restrictions planned in respect of rent caps etc.

9.0 EQUALITY IMPLICATIONS

N/A

REPORT AUTHOR: *Jayne Marshall / Ian Platt*
Interim Head of Transformation / Head of Housing
telephone: (0151) 666 4828
email: jaynemarshall@wirral.gov.uk

APPENDICES

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date