

<b>DECISION-MAKER:</b>	CABINET COUNCIL		
<b>SUBJECT:</b>	REBUILD OF ERSKINE COURT, SUTHERLAND RD, LORDSHILL		
<b>DATE OF DECISION:</b>	16APRIL 2013 (CABINET) 15 MAY 2013 (COUNCIL)		
<b>REPORT OF:</b>	COUNCILLOR WARWICK PAYNE - CABINET MEMBER FOR HOUSING AND LEISURE		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	<b>Nick Cross</b>	<b>Tel: 023 8083 2241</b>
	<b>E-mail:</b>	<b>nick.cross@southampton.gov.uk</b>	
<b>Director</b>	<b>Name:</b>	<b>John Tunney</b>	<b>Tel: 023 8091 7713</b>
	<b>E-mail:</b>	<b>john.tunney@southampton.gov.uk</b>	
<b>STATEMENT OF CONFIDENTIALITY</b>			
<b>Not Applicable</b>			

### **BRIEF SUMMARY**

This report seeks formal approval in accordance with Financial Procedure Rules for expenditure on completely rebuilding a supported housing scheme for people over the age of 55 at Erskine Court, Sutherland Road, Lordshill.

The rebuild of this as an extra care housing scheme will contribute to the Council's strategic housing objectives by providing new affordable housing, including the Council's wider Public Health and adult social care priorities around the provision of housing and care for older people.

The proposals for the project at the funding levels described are subject to obtaining the HCA (Homes and Communities Agency) capital grant during May as described in the report. The proposals are consistent with the principles set out in the Housing Revenue Account (HRA) Business Plan approved by Council in July 2011 but would require an addition to the Capital Programme under the HRA self financing regime that was agreed at Council in February 2013.

Approval at this stage will enable the project to comply with HCA grant conditions regarding a start on site by 31<sup>st</sup> March 2014

### **RECOMMENDATIONS:**

#### **Cabinet**

(1) To note that extensive prior consultation has taken place in relation to the rebuild proposals with residents however the proposed changes to previously discussed decant arrangements necessitates a further period of consultation under the Housing Act 1985. Therefore it is proposed to delegate authority to the Interim Director of Environment & Economy to:

- (i) Carry out all necessary consultation on the revised decant arrangements under the Housing Act 1985, section 105.

- (ii) Determine the final decant arrangements following consideration of any representations received pursuant to 1(i) above taking into account the need to sensitively decant the remaining residents having regard to their individual circumstances and housing needs.

(2) Subject to the satisfactory completion of the Housing Act 1985 consultation referred to in 91) above and subject to obtaining Care and Specialist Supported Housing (CASSH) Grant of £2,7000,000 from the Homes and Communities Agency,

- i) To recommend that Council approve acceptance of the CASSH grant to part fund the rebuild of Erskine Court.
- ii) To recommend that Council approve, in accordance with Financial Procedure Rules, the addition of £9,800,000 to the HRA Capital Programme for the rebuild of Erskine Court funded by the CASSH grant, any available capital receipts and the balance from additional borrowing within the HRA Business Plan.
- iii) To recommend that Council approve, in accordance with Financial Procedure Rules, expenditure of £1,000,000 in 2013/14, £5,200,000 in 2014/15, and £3,600,000 in 2015/16 on the rebuild of Erskine Court.
- iv) To delegate authority to serve Initial Demolition Notices on secure tenants under the provisions of the Housing Act 1985, to the Director of Environment and Economy following consultation with the Cabinet Member for Housing and Leisure, the Head of Legal, HR and Democratic Services and the Head of Finance and IT (CFO).
- v) To implement the Council's adopted Decant Policy, including the award of additional Housing register points, for the remaining residents who are required to move as a result of the rebuild.
- vi) To delegate authority to enter into a Development Agent agreement with First Wessex Housing Group, part of the Wayfarer Consortium, to the Director of Environment and Economy, following consultation with the Head of Legal, HR and Democratic Services, Head of Property and Procurement and the Head of Finance and IT (CFO).
- vii) To delegate authority to enter into a build contract with a contractor engaged via First Wessex using their OJEU compliant framework to the Director of Environment and Economy following consultation with the Head of Legal, HR and Democratic Services, Head of Property and Procurement and the Head of Finance and IT (CFO).

## **Council**

Subject to obtaining Care and Specialist Supported Housing (CASSH) Grant of £2,7000,000 from the Homes and Communities Agency,

- i) To approve acceptance of the CASSH grant to part fund the rebuild of Erskine Court.
- ii) To approve, in accordance with Financial Procedure Rules, the addition of £9,800,000 to the HRA Capital Programme for the rebuild of Erskine Court funded by the CASSH grant, any available

capital receipts and the balance from additional borrowing within the HRA Business Plan.

- iii) To approve, in accordance with Financial Procedure Rules, expenditure of £1,000,000 in 2013/14, £5,200,000 in 2014/15, and £3,600,000 in 2015/16 on the rebuild of Erskine Court.

## **REASONS FOR REPORT RECOMMENDATIONS**

1. Erskine Court is no longer 'fit for purpose' and the existing building can not readily be brought up to 21<sup>st</sup> century supported housing standards. Some 16 of the 32 properties at Erskine Court do not have their own bathrooms and therefore any residents are required to use shared bathing facilities which are not an acceptable housing standard and result in flats being unpopular and empty for long periods of time with consequent loss of rent income.
2. Rebuilding provides a unique opportunity for the Council to deliver its new Public Health partnership agenda to improve health outcomes for older people. The proposal also resonates fully with the National Institute for Health and Care Excellence's new quality standards for supporting people to live well with dementia; these call for people with dementia to live in housing designed to meet their needs and also enables them to maintain their involvement in community life and activities.  

The new Erskine Court will create improved modern local facilities to meet the increasing needs of the elderly and is a partnership initiative that will bring added health and well being benefits to local communities serving as a hub for health and social care providers and a demonstrator site for telecare and other solutions. Flexible use of space will enable community access to services designed not just for extra care residents but for other elderly local residents in need..
3. The demand for older persons housing will continue to grow due to demographic factors and a modern scheme where care and support can be efficiently provided to a larger number of residents will help provide a cost effect alternative to residential care provision. Very few opportunities exist for building new supported housing and Erskine Court provides the Council with the opportunity to deliver a modern and vibrant scheme fit for the 21<sup>st</sup> century whilst meeting our longer term strategic approach to providing improved 'extra-care' style accommodation. Health and Adult Social care's joint strategic commissioning approach is explicit that the use of residential care is expected to reduce in favour of greater use of extra care accommodation.

## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

4. In 2009 the City Council developed a Supported Housing Asset Plan which reviewed all of its 24 Supported Housing schemes designated for older people. The purpose of this plan was to set out the strategic decisions within a plan for the investment and use of the Supported Housing schemes to help meet the future needs of the City. This plan identified those schemes where there was the need to invest, review or consider alternative options based on the demand, facilities and location of each of the individual schemes.
5. This plan was developed in coordination with Health and Adult Social Care in

order to best reflect the changing needs of the city's older population. Since 2009 this plan has shaped decisions to:

- Invest £1m in the refurbishment of the Manston Court extra care scheme to bring it up to modern standards for extra-care in the City;
- Extend the number of units of extra-care at Rozel Court to meet increasing need; (SaxonWeald Housing Association have provided new extra care housing in the East of the City at 'Rosebrook Court'.)
- Invest £1.5m in partnership with Health & Adult Social care in the refurbishment of Graylings in Shirley to provide the first specific dementia flats within the city; and
- Invest over £2m in improvements to the communal areas at a number of other schemes to improve the property condition, lettable and therefore viability.

This plan was refreshed in 2012 and further investment is now being planned in schemes as part of the current Capital programme. The refreshed plan incorporated the capacity planning for future accommodation options for people with social care needs and identified extra care accommodation as a growing need both to meet demographic changes and to actively reduce the use of residential care.

6. As part of this plan a number of schemes went through a review as to their future demand and viability and this included the three remaining schemes in the City that contained bedsits, including Erskine Court). This was undertaken in 2010 and as a result of the review the two other schemes were able to have the shared bathrooms designed out due to the very small numbers of bedsits in each scheme. However, the large number of bedsits left at Erskine Court plus the site and location of the scheme led the Council to undertake a further review as to the wider options. This review looked at the following options:
  - Refurbish and remodel the scheme to remove the shared bathing facilities (as had previously been undertaken at Kinloss Court);
  - Let the scheme for alternative age group or housing needs;
  - Dispose of the scheme for a capital receipt; or
  - Redevelop the scheme for new housing.

As a result of the review it was proposed to redevelop the scheme for new housing due to the potential to increase the number of properties on the site to help meet the wider demand for housing and 'extra-care' style housing in the City.

7. The Housing Strategy 2011-2015, has as one of its priorities, to provide extra support for those who need it, to enable vulnerable people (particularly older people) to maintain independence in their own home within the community that they live
8. The proposal, following this review, is to develop a new purpose built scheme is based on local need, as identified in the city's Housing Strategy and the city's Joint Strategic Needs Assessment (2011-14) which highlights the growing older population within the city in future. The decision also fits with the Council's wider priorities around the provision of housing and care for older people. The Council has undertaken significant work around looking at the

future of its entire existing older people's accommodation to maximise opportunities for current housing to meet the future demands of the city and Erskine Court provides the best opportunity for the development of a new purpose built scheme.

9. Adult Social Care has identified a growing need for extra care housing as a more flexible and lower cost alternative to residential care. Extra care housing provides independence but with variable levels of planned and reactive care to support people with a number of disabilities. Southampton has a significantly lower proportion of extra care provision relative to other similar authorities. It is a clear priority for Adult Social Care to bring forward new models and locations for extra care across the city and the proposal for Erskine Court complements this.
10. The review discounted the option of undertaking a refurbishment of Erskine Court for the following reasons:
  - The cost of the work was in the region of £1.5m with the net result of reducing the number of units from 32 to 24;
  - There would be significant disturbance and distress caused to the residents during the course of the works.; and
  - The net loss of 8 units would not help meet the growing needs for extra care within the city and would not make best use of the land available at Erskine Court.
11. The option of doing nothing would not achieve the Council's objectives of creating sustainable communities on our estates and would not address the current serious issues with the accommodation. The Council is unable to let the existing void properties due to the shared bathing facilities and has made a previous commitment to ensure that all Council housing designated for older people should have their own shower or bathing facilities.
12. The Council could decant remaining residents and attempt to relet the scheme as general needs housing. However this would not provide new care and support housing for older people and would still require major investment to remove the shared facilities.
13. The Council could decant remaining residents elsewhere and then dispose of the site on the open market. This would potentially bring in a small capital receipt but would not provide new supported housing for older people.
14. The existing residents have an expectation from the consultation process that the scheme will be rebuilt and the majority support the proposals.

15. In summary the following is a comparison of the three potential options:

Option	Number of units	Cost	Outcomes in 10 years time
Do nothing	16 shared facilities flats 'mothballed', 16 self contained flats let	£250 k	Some investment needed to secure properties not let and bring others up to lettable standard Scheme is unviable and will require further review Total rental income(16 flats) = £540k Social Care saving = £0
'Kinloss style' remodel	24	£1.5 m	Reduced number of units for traditional 'sheltered' accommodation with limited impact on meeting increasing need. No extra-care units. Total rental income = £936k Social Care saving = £0
Redevelop	54	£9.8 m	Increased number of units (+22) Increase in extra-care in the city supporting revenue savings in Social Care and Health More family homes available for relet due to downsizers moving in Vibrant community supporting an active older age and reducing hospital admissions and need for residential care Total rental income = £2.8m Social Care saving = £estimated at £198,000 p.a. –detail in paragraphs 54 and 55.

#### **DETAIL (Including consultation carried out)**

16. Erskine Court, Lordshill is an existing supported housing scheme that has been identified as being suitable for rebuilding as the current scheme is no longer fit for purpose and has become hard to let. Over recent years considerable consultation work has been undertaken with residents to discuss the future of the scheme. They are in agreement that the scheme has come to the end of its life. An options appraisal has been carried out to look at the cost benefits of refurbishment versus renewal and it is clear that re-provision is the best option (see para 16 above). Health & Adult Social Care have also been involved in this work and are supportive of the concept. Working together in this way supports the shared aims of the future People Directorate to achieve the objectives of different portfolios in joint projects.
17. There are currently 7 tenanted flats at Erskine Court ( but there are 8 residents as one flat is occupied by a couple). There are 25 void properties

at this time plus one former warden's flat.

18. Initial plans for a scheme have been developed using First Wessex Housing Group as a Development Agent. First Wessex are a member of the Southampton Affordable Housing Partnership and are redeveloping their own supported housing scheme elsewhere in Hampshire. The intention is for the new Erskine Court to be owned and managed by the Council as the best way of supporting the wider strategic priorities of the Council and our Health partners and to meet aspirations to provide new Council homes in the city. Homes will be let on the basis of Housing Need and an assessment of care and support requirements with the aim to generate a mixed and vibrant community with varying degrees of support and care needs. The assessment of needs for extra care support at Erskine Court will therefore be managed by housing, health and social care disciplines to maximise the opportunities offered by this proposed accommodation whilst keeping a balance of resident needs to maintain the vibrancy of the environment. The homes are also designed to be attractive to existing Council tenants looking to downsize to smaller homes, in turn releasing much needed family homes for relet.

### **The Proposed Scheme**

19. The current proposed scheme is for 54 new homes, of which 17 are 1 bedroom apartments and 37 are 2 bedroom apartments. 18 of the two bed flats are planned to 'care ready' standards (see below) The scheme would be 3 storeys at its highest point.
20. The proposed plans are contained in Appendices 1 and 2, along with indicative ground floor room layout and indicative elevational drawing and have been designed along [Housing Our Ageing Population: Panel for Innovation \(HAPPI\)](#) principles i.e. housing that meets the needs and aspirations of the older people of the future. Achieving this standard of design is a requirement of HCA grant funding.
21. All of the units within the proposed scheme are designed to generous space standards. Given the requirements of future residents, the scheme has been designed with 3 unit types:
  - The 1 bed units meet the needs and aspirations of single residents or those who wish to live in "smaller" units of a traditional layout.
  - The 2 bed units include a smaller second bedroom for those that need to have additional accommodation as a separate partner's bedroom, care room, hobby room or dining room and is again based on a more traditional layout.

In addition this scheme is also looking to promote the new, more open, 2 bed model, which has been championed by the HCA (referred to as 'care ready') and offer it to residents that are looking to have greater flexibility in their living arrangements as their needs change over time. This model is particularly important for older couples where one may have a care need or dementia but there is a desire for the couple to remain together needing only informal support and care. The 'care ready' flats will accommodate those who need special equipment and extra space but the extra care residents would not be limited only to the care ready flats as people with dementia are often physically quite able. All homes in the proposed scheme are spacious, well

designed and comply with all current criteria. In addition all properties have the ability to provide space for the storing and charging of suitable mobility scooters further enhancing the independence and safety of residents.

22. The building has been designed to utilise the modest and complicated site on which it sits. All residents would have access to good sized patio or balcony spaces, offering an area for sitting, dining and display of plants if desired. A number of the ground floor units will have small private garden spaces, allowing for suitable pets to be kept in these homes rather than potential residents having to make a decision to rehome their pet on moving in.
23. 18 of the proposed flats are designed to full “care ready” space standards, but all of them will have the infrastructure in place to utilise current and future technologies that will aid residents. The building will be fully Telehealthcare enabled, allowing smart technology / peripherals to aid the personal tailoring of care and support to residents as their needs change.
24. This building is seen very much as offering new healthy living services, not only to residents but also the wider population, as a care and support ‘hub’. Multi use rooms and facilities have been included, providing lounges, coffee facilities and a catering kitchen to provide services to not only residents, but also those needing support from further afield. The building will serve as a base for carers working within the community and also provide space for external bodies to visit and offer other services such as chiropody, hair dressing and minor clinical work in a multi-use “health and wellbeing suite” on the ground floor, close to the entrance. These services and other facilities will be developed in partnership with Health and Social Care as a way of providing outreach to older people in the wider community.
25. The learning from current extra care schemes and also from the Graylings development will be used to inform the final service options for the new Erskine Court . In planning with colleagues in Health and Social Care the initial ideas are for a mix of resident needs, but with a focus on a number of quite dependent residents with both physical and dementia care needs. The scheme design will enable specific areas to be used for particular need groups, while still enabling positive social spaces and more public areas to support local communities. This lends itself to a safe environment for some people with dementia (the enclosed nature of the site will help keep people safe). The design of rooms will also help with moving about and with handling equipment for people with physical frailties. Adaptations will be easier to install and manage, due to the baseline 3G system that will be in place (similar to Graylings). This will help with the monitoring of telecare and telehealth.
26. The position of the building – close to Manston Court, means that the Council could undertake a single tender for the extra care service, and build in flexibility – with potential for one staff team working across both settings or an arrangement whereby, if needs increase in Erskine ,a specific 24-hour on-site response could be built in to the contract. Either way, there are economies of scale in this. This gives the Council the opportunity to develop the extra care model of providing care within the surrounding area of each Court, again enabling more individuals to be supported to live at home, where possible and increasing choice.



27. Specifically in relation to social care there are a number of benefits to residents and the community
- Greater independence and control over their own life and ‘front door’ for potential residents using this environment as an alternative to a residential care setting;
  - Supports the Council’s role in social care market management and quality;
  - Enables community involvement and activity;
  - Releases family homes; and
  - The ability to provide a hub/centre for healthy living; advice, social support, as well as reactive care to nearby local residents.

### **Decanting**

28. Until recently, discussions with residents had envisaged that the new scheme would be built in two phases to allow all residents to remain on site throughout the construction as this had been a wish expressed by several of the remaining residents.. This would have involved some residents having to do up to 3 moves over three years within the scheme.

Officers have further considered this request and regretfully it has become evident that proceeding with such an arrangement would put this small group of vulnerable older residents at unnecessary risk to their health and wellbeing and would jeopardise the Council’s duty of care to these residents.

The factors leading to such a conclusion are:

- Multiple home moves with associated stress to residents and families over a prolonged 3 year phased build period
  - Residents would be living virtually inside a building site with constant noise, vibration and dust from demolition, continuous building works and site deliveries.
  - Safe access to and from residents’ flats could be compromised by the surrounding site conditions, construction traffic and a crane.
  - The recent experience of refurbishment work to Council sheltered housing schemes has been problematic for many tenants and an in situ phased rebuild would be even more disruptive, especially as this project involves demolishing entire sections of the complex, which was not applicable to other schemes such as Kinloss Court.
29. Officers are currently informing residents and ward councillors of this position and will work sensitively with all existing residents to ensure that their individual rehousing, support and care needs are met and that they have a guaranteed choice to return to the new Erskine Court if they so wish .For those residents that choose to return after the two year build period 1 bedroom apartments will be charged at a Social Rent in view of the exceptional circumstances of the project. All other new tenants of the new 1 bedroom and all 2 bedroom properties will be charged a new Affordable Rent (80% of the market rent.)
30. All the remaining residents of the 7 flats will be offered personal assistance to find a similar decant sheltered housing property and they will receive a high priority decant points status for choosing their transfer flat. It is also

noteworthy that 3 tenants of the remaining 7 occupied flats have recently applied to move out of Erskine Court.

All aspects of the home move process will be fully supported by experienced in house staff, including the supervision of packing up belongings and rehanging curtains etc. Any personal aids or property adaptations required will also be arranged with the input of an Occupational Therapist.

31. All current tenants living in the existing scheme will be entitled to Home Loss payments of £4,700. Tenants will usually receive the services of the Tenant Liaison Officers as described above to assist them to move in lieu of a Disturbance Payment of £1,200 but they can opt for the payment instead if they prefer.
32. The decant proposals set out above are subject to a period of further statutory consultation under the Housing Act 1985. It is proposed that authority to carry out and determine that consultation and final decant arrangements be delegated to the Interim Director of Environment & Economy and that, once decant arrangements have been finally determined, that officers work closely with the remaining residents to identify and meet their individual housing needs in a sensitive and collaborative manner.

### **Planning**

33. This is Council owned land. Pre application meetings with the Planning department have led to confirmation in writing from the Senior Planner that 'the principle of development meets local and national planning policy'
34. Subject to Council approval for the scheme on 15 May 2013, a Planning Application will then be submitted seeking permission to build out the new scheme.

### **Care and Specialist Supported Housing (CASSH) Grant**

35. The Homes and Communities Agency (HCA) is acting on behalf of the Department of Health (DoH) in the release of specific grant funding for new and innovative supported housing schemes, including those for older people. Bidding closed on 18 January 2013. The funding is specifically targeted at schemes that could improve the quality of accommodation and would incorporate many new options for providing care and support Housing as proposed within the HAPPI report that were otherwise not being delivered by traditional grant funding. The focus in the prospectus for bids was on quality and innovation.
36. The Council has submitted a bid for Erskine Court for £2.7m. The outcome of the bidding round is expected in late May 2013. In order to be considered for funding, schemes had to meet a high standard of design based on the 'HAPPI' principles (Housing our Ageing Population: Panel for Innovation) Although these principles do increase the overall cost of a scheme over more traditional extra care, they also significantly increase the quality, livability and sustainability of housing for older people- genuinely providing a home fit for the 21<sup>st</sup> Century.
37. In order to qualify for grant funding, the HCA expects landlords to charge an Affordable Rent.
38. The HCA have also indicated that they will favour schemes that can start by

31 March 2014 , and the proposal for Erskine Court meets this timeframe. It is understood that the level of bids significantly exceeds the available grant, however, the Council is in a good position to be able to meet the requirements of the funding and officers are therefore optimistic in receiving grant funding.

- 39 Due to the specific timeframe for start on site within the grant conditions it is necessary to seek approval before a formal grant award decision is known. If the Council does not receive any grant towards the cost of the scheme it would be necessary to re-appraise the scheme design and total costs before deciding on the exact rebuild design for Erskine Court.

**Indicative Timetable**

40.	Development Agent Agreement signed	June 13
	Planning application submitted	June 13
	Planning Panel	Aug-13
	Constructor procured	Nov-13
	Tenant decant completed	Nov-13
	Site work commences	Jan-14
	Demolition complete	March-14
	Formal Start on Site- foundations	Mar-14
	New building complete	Spring 16

**Results of Resident Consultation**

41. Consultation commenced with residents of Erskine Court in late 2010 about the potential to provide a new Erskine Court. Initial reaction from residents was not supportive and therefore the proposals were put on hold for a year whilst the Council undertook a further review of the options for Erskine Court. Consultation then commenced with residents again in late 2011 and First Wessex housing group were asked to carry out an independent review of the options for Erskine Court.
42. The independent review highlighted the potential rebuilding of Erskine Court as the most viable option for the Council and residents to provide the new quality homes that are needed. In Spring 2012 the result of the review was discussed with residents. Residents supported the Council moving into more detailed work on designing a potential scheme and the design was shared with residents in October 2012 and was very positively received.
43. Over the last few months more detailed design work has been undertaken and discussions have been held with Planning colleagues to bring forward a new design..
44. On 7 February 2013 a meeting was held with residents of the existing scheme and Ward Councillors to show them the latest design proposals and to talk about the development being built in two phases -with the remaining residents in situ and moved around. Subsequently, and for the reasons described in paragraph 29 - 33 above, it has been considered wholly inadvisable for residents to remain in situ during the rebuild process and this is being actively explained and discussed with them at the time of writing this

report.

At the meeting residents also made it clear they wanted to see the name 'Erskine Court' remain and in light of this feedback the proposed scheme will retain the name.

45. Residents also made it clear how important the garden is to them. This has been fed back to the architects who will work with a dedicated landscape architect to ensure the new garden meets the needs of future older people including those with early dementia.
46. Ward Councillors have been involved in all consultation meetings with the residents and officer briefings on the decant position were being arranged for them at the time of writing this report..

### **Procurement**

47. The Council is part of the Wayfarer consortium. This is a consortium of Registered Providers of Housing who have a range of expertise and experience regarding the bidding and management of Housing Association Grant and provide access to certain works and services from a number of OJEU-procured contract frameworks.
48. It is proposed that subject to approval, the Council will engage a Wayfarer consortium member, First Wessex, as its Development Agent to take forward the Erskine Court scheme. In turn First Wessex will procure architects, contractor and other consultants through their own OJEU (European Journal) compliant contracting framework. The Council would enter into a Development Agent agreement with First Wessex and a Works Contract with the contractor who will build the scheme.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

#### **49 Capital**

The total rebuild costs estimated at £9.8M will be met from a variety of funding streams.

- Funding of £2.7M has been sought from the Homes and Communities Agency Care and Specialist Supported Housing (CASSH) grant as already detailed in the report;
- The Council is accumulating receipts from the revised right to buy (RTB) which are available to spend in Southampton for new build properties;
- The balance required will be made up from additional borrowing within the HRA Business Plan.

#### **50. Impact on HRA 30 Year Business Plan**

There is an impact on the HRA 30 year business plan of adding the redevelopment of Erskine Court to the Capital Programme. The surplus on the HRA Business Plan Operating Statement at the end of the 30 year business planning period (including the revenue impact of additional repair, maintenance and management costs resulting from the additional units provided) will be reduced by £3.8M, if the bid for grant funding is successful. If the bid is unsuccessful, the scheme will need to be redesigned and delivered

for the residual £7.1M, in order that this surplus is not reduced further.

51. Additional borrowing will be required from the HRA Business Plan, if the bid for grant funding is successful and the Erskine Court development proceeds as planned. This investment can be achieved within the Government's borrowing restrictions, as the level of borrowing remains within the 'debt cap' of £199.6M. If the bid is unsuccessful, then the amount of borrowing will depend on the estimated cost of the revised building design. A further report will be presented for a revised scheme at that stage.

52. **Revenue**

Revenue funding is available within the HRA to provide the management and support to the new properties. Health and Social Care have committed to support the care provision within Erskine Court as a more cost effective model of providing care to older residents than existing residential care provision.

53. The rate that the Council would usually expect to pay for a residential placement net of individual contributions is £15,000. Care costs in the Erskine Court setting could be reduced to an annual cost of around £11,000. This would purchase domiciliary care to a level that would be expected to support someone who would otherwise have residential care level of need, again net of individual contributions. Therefore an annual saving could be made to the Health and Social Care portfolio revenue budget of at least £120,000 if 30 units are utilised as extra care provision in place of 30 residential placements made at the Council's usual rate.

54. However, the local supply of residential care is at a premium resulting in Health and Adult Social care having to make a number of placements at a rate averaging at £150 per week above the amount it would usually expect to pay. It is therefore the case that, in addition to the saving made purely because the cost of care in a domiciliary setting could be lower as described above, a further saving of £78,000 could be made if, say, 10 of the 30 extra care residents above would otherwise go to more expensive care settings. . It must be emphasised that these calculations are based on current domiciliary care costs and service patterns.

55. There is likely to be a further financial benefit to the Health and Social care economy due to the reduced risk of hospital admissions from Erskine Court that will be achieved because of the safe environment and the on site care reducing risk averse admissions due to family concern .

By increasing the number of flats on the site, the rental return for the Council will also increase significantly (see table at paragraph 15) beyond that currently achieved from the current hard to let smaller properties.

**Property/Other**

56. The new Erskine Court will include 37 high quality two bedroom apartments and a number will be specifically marketed to older residents currently under-occupying 3 bedroom Council homes. It is hoped that in this way we can help release much needed family housing within the city which supports our ability to meet housing needs and reduces the need for extra resources to support the building of new family homes.

## LEGAL IMPLICATIONS

### Statutory power to undertake proposals in the report:

57. All necessary powers for the decanting, demolition and rebuilding are contained in Housing Act 1985.
58. Section 105 of the Housing Act 1985 specifically requires the Council to fully consult with residents where there is likely to be a change in management arrangements for their homes which includes demolition. Paragraphs 42 to 47 above detail the lengthy period of consultation with residents that the Council has undertaken. The Council has consulted with residents on the options for Erskine Court including the demolition and rebuild of the Court. Residents have also now been advised of the need to move out of their homes during construction for the reasons explained in the report and a further period of statutory consultation on the proposed changes to decant arrangements is being undertaken accordingly. In accordance with Council decanting policy, existing residents will also be able to return to flats in the new scheme if they so wish.

### Other Legal Implications:

59. none

## POLICY FRAMEWORK IMPLICATIONS

60. The updated Housing Strategy 2011-15 and Housing Revenue Account Business Plan 2011-2041 approved by Cabinet on 4<sup>th</sup> July 2011 (and Council on 13<sup>th</sup> July 2011) confirm estate regeneration as a key priority for the Council. The proposals in this report will contribute towards the achievement of these objectives.

**KEY DECISION?** Yes

<b>WARDS/COMMUNITIES AFFECTED:</b>	Coxford
------------------------------------	---------

**SUPPORTING DOCUMENTATION**

**Appendices**

1.	Appendix 1- Indicative plans/ drawings- Erskine Court
----	---

**Documents In Members' Rooms**

1.	None
----	------

**Equality Impact Assessment**

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No
--	----

**Other Background Documents**

**Equality Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	None	
----	------	--