

DECISION-MAKER:	CABINET		
SUBJECT:	VOID AND NOMINATION AGREEMENTS FOR SUPPORTED LIVING SETTINGS WITHIN SOUTHAMPTON		
DATE OF DECISION:	16 JULY 2019		
REPORT OF:	DIRECTOR OF QUALITY AND INTEGRATION		
<u>CONTACT DETAILS</u>			
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STATEMENT OF CONFIDENTIALITY	
None	
BRIEF SUMMARY	
<p>National and local policy aims to reduce the use of residential care for adults with learning disabilities and enable more people to live within their local communities with appropriate housing and support. In the 'Supported Living' model an individual has a tenancy and the associated rights to live within a property as well as day to day care and support based on their assessed needs provided by a CQC registered home care agency. Importantly the 'housing' and 'care' functions are delivered by separate organisations.</p> <p>There are currently 59 supported living properties in the city in which around 160 people with learning disabilities live. However there is a clear need for more properties for the following reasons:</p> <ul style="list-style-type: none"> • To support those who currently live in out of area residential placements and could be better supported locally • Young people moving through to adulthood • Adults living with older parents or carers who will need planned alternatives at some point in the future <p>In order to support the development of more supported living settings, the Council is often asked to enter into void and nominations agreements with Registered Providers (in most cases housing associations). These agreements give the Council guaranteed rights to 'nominate' tenants to live in the properties. In return for these rights the Council accepts liability for void costs, guaranteeing payment of rent to Registered Providers during periods where one or more tenancies are vacant.</p> <p>This paper seeks approval from Cabinet to delegate authority to the Director for Quality & Integration, following consultation with the Service Director: Finance and Commercialisation to enter into void and nomination agreements for supported living settings.</p>	
RECOMMENDATIONS:	
(i)	To delegate authority to the Service Director for Quality & Integration, following consultation with the Service Director: Finance and Commercialisation to enter into void and nomination agreements

		in the value of up to £2million in relation to supported living settings subject to an identified budget being available and maximum void liability and all associated contractual costs and liabilities of any Agreement not exceeding £2million (total Agreement value over life of the Agreement).
	(ii)	To note potential void risks and associated financial liabilities as well as potential savings which are enabled by entering into void and nominations agreements.

REASONS FOR REPORT RECOMMENDATIONS

1.	Entering into void and nomination agreements will enable the development of more supported living settings in the city and support the Council and Clinical Commissioning Group (CCG) strategies to provide consistent access to high quality long term housing that is appropriate to meet the needs of individuals with learning disabilities and associated needs.
2.	Supported living environments enable vulnerable individuals to live their lives within communities, supporting outcomes associated with increasing independence and improved health and wellbeing, thereby supporting a Strengths Based Approach.
3.	These improved outcomes, alongside an ability to manage support needs more flexibly, result in the delivery of more cost effective care and support for adult social care budgets.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

4.	<p>To not enter into the void and nomination agreements – this option is not recommended because:</p> <ul style="list-style-type: none"> • Registered Providers are increasingly viewing this type of specialist housing as not financially viable without void and nomination agreements therefore it may not enable the development of new supported living settings. • It therefore does not present the opportunity to continue to support individuals to live more independently outside of other models of care, in particular residential care. • It also does not present the Council with opportunities to generate more cost effective solutions to deliver support • Without an agreement in place, properties can be sold with little or no notice to the Council who may then be required to source alternative placements which at short notice are likely to be high cost residential care. A void & nomination agreement means that the property cannot be sold without the Council agreeing.
5.	<p>For the Council to pursue its own purchase, refurbishment and development programme in relation to the development of supported living (as part of the 1000 homes commitment).</p> <p>This is being considered as an option however it requires more detailed work across the Council to establish the viability of potential capital investment in appropriate properties.</p> <p>At present this option does not enable development of sufficient accommodation in reasonable time or to meet the needs of individuals</p>

	<p>requiring this type of support in the near future. However in the medium to longer term, if the model can be proved to be viable this could become a robust alternative option for developing additional supported living capacity in the city.</p>
6.	<p>To place individuals with a learning disability on the housing register to access general needs properties.</p> <p>This will be the preferred option for those individuals who do not require specialist/adapted housing and/or do not require on site care and support. It is not recommended for those who do require more intensive support or specialist housing because:</p> <ul style="list-style-type: none"> • The Council has a duty under the Care Act (2014) to provide suitable housing for vulnerable individuals which must take account fully of their needs. • It would lead to inefficiencies in relation to the delivery of care and support to these individuals. • Supported living settings offer tenants peer support and social interaction, improving wellbeing and management of housing/care and support needs. • It does not enable intensive housing management support to be delivered to the tenants, which provides increased support to maintain their tenancy <p>Housing needs cannot be met within the current waiting time period</p>
DETAIL (Including consultation carried out)	
7.	<p>Background & Service Needs</p> <p>The Council and CCG strategies share the common aim of supporting individuals to live safe, healthy lives as independently as possible within the community. This approach is national good practice and is commonly utilised as a way of reducing the use of more institutional care settings. This philosophy runs through all strategic documents relating to working with vulnerable people and underpins a number of major work areas within SCC and the CCG. Supporting strategies include:</p> <ul style="list-style-type: none"> • SHIP (Southampton Hampshire, Isle of Wight & Portsmouth) Transforming Care Partnership (TCP) Strategic Housing Plan 2017 - 2019 • Learning Disability Services Market Position Statement 2018 – 2023 • Southampton City CCG Strategic Plan 2014-19: A healthy Southampton for all • The Joint Health and Wellbeing Strategy (2017-2025) for Southampton • Southampton City Strategy 2015 – 2025
8.	<p>A number of engagement exercises have demonstrated broad support for this approach from individuals with learning disabilities and/or autism and their families.</p>
9.	<p>In support of this aim, the Integrated Commissioning Unit (ICU) work plan includes clear actions to enable more individuals with health and social care needs to live within their own homes and communities with appropriate care and support.</p>
10.	<p>Delivery against this plan has prevented a significant number of individuals entering residential care settings and enabled others to return to living within their local community. This achievement has a number of positive impacts on individual outcomes and supports the Strengths Based Approach, reducing</p>

	the need for support from both health and social care services over time. The use of care technology is central to support and has been a contributing factor to enabling independence. This, alongside the ability for care to be organised and scheduled more efficiently within supported living settings has also led to a reduction in care costs compared with alternative residential options.
11.	Delivery against this work plan has contributed net £1.64M to adult social care savings between 2015/16 and 2017/18 (figure for Learning Disability clients only) whilst at the same time implementing an improved offer for people with learning disabilities.
12.	The type of housing required to support delivery of this strategy varies according to the requirements of those with care and support needs. For example, it could consist of a small number of flats in a development, adapted to meet the needs of tenants or shared houses that are clustered, making delivery of care and support efficient and enabling the development of friendship and supportive groups bringing further health and wellbeing improvements.
13.	A learning disability housing needs assessment is in development and will provide a detailed description of the additional supported living requirements over the next ten years in terms of capacity and complexity. However as an indicator of the need, there are 60 individuals currently identified requiring alternative accommodation in the next 2 - 3 years.
14.	The Supported Housing Market Securing access to appropriate accommodation has become increasingly challenging in the wake of changes to the government's supported housing grant regimes, making them less viable for Registered Providers.
15.	In response to these changes, a number of commercial organisations have entered the supported housing market, funding development costs whilst utilising Registered Providers to deliver the ongoing housing management role. This offers investors a relatively secure and guaranteed return on investment over the long term, whilst offering Registered Providers the opportunity to utilise their skills to support tenants.
16.	This changed market place has required Local Authorities nationwide to review their approach towards securing access to accommodation and respond to opportunities as they arise, through the development of more commercially focused relationships with Registered Providers and investors. This has led to an increased requirement to utilise void and nomination agreements, again a trend that is nationwide.
17.	Void and Nomination agreements give the council guaranteed access and rights to 'nominate' residents with care & support needs to occupy designated properties. Such nomination rights enable the council to manage the mix of individuals and needs within each scheme, reducing the risks of placement breakdown and requirement for crisis support whilst making best use of the level of care and support available on site. In this way the services are able to be managed more efficiently.
18.	In return for nomination rights the council accepts liability for void costs, guaranteeing payment of rent to Registered Providers for periods when one or more tenancy is vacant. Commonly, each void period comes with a 'grace period', typically the first 90 days, during which no void costs are charged. This 'grace period' reflects the sensitive nature of making placements into this

	accommodation which must consider; suitability of housing, individual care and support needs, mix and compatibility of tenants and client choice.
19.	<p>Entering into void and nomination agreements commits the council to a high level of potential financial liability as the duration of the agreements are typically 25 years. However, these liabilities are only realised when voids occur. There are a number of factors which mitigate the impact of these liabilities:</p> <ul style="list-style-type: none"> • The council has the ability to fill and manage voids in line with its outlined nomination rights. Significant progress has been made in improving the council's management of void properties by the ICUs Placement Service with average void rates now sitting at 5%, a reduction from 15% in September 2017. • The increased use of supported living housing is a key part of the ICU work plan and a priority for adult social care. It is central to savings programmes and meets a number of strategic drivers, meaning demand will grow over time, further reducing the risk of voids in the longer term. • The increased use of housing with care in preference to residential settings continues to make significant contributions towards the Council's savings programmes, outweighing any potential or actual liability over the life time of agreements. • The ICU has developed a standard Void and Nomination agreement. It is intended that this template will be used for all future agreements and will help to secure favourable terms for the council, for example void grace periods which further reduce the void cost risk. • Time limited voids costs – void and nomination agreements typically include a void free grace period of 90 days. This enables time to identify a suitable individual for a property and then support them to move in before any void costs are incurred. • There is on-going need and demand for Supported Living schemes.
20.	<p>Current Void Costs & Savings</p> <p>In support of the strategy to increase the utilisation of housing with care and support, the Council currently has 10 void and nomination agreements. These agreements cover 40 units of accommodation across the city with an associated potential liability of £245k per annum (based on the assumption that all units are void at all times).</p>
21.	<p>However, in practice, due to the factors outlined in paragraph 19, these potential void liabilities are never realised. Total void expenditure over the last 3 financial years against existing void and nomination agreements is £160k.</p>
22.	<p>Taking the 3 year period between 15/16 – 17/18, when the use of void and nomination agreements to facilitate access to housing with support became increasingly common, demonstrates a net saving of £1.64m to Adults, Housing and Communities targets, highlighting the value of these agreements.</p>
23.	<p>In order to further increase the value to the council of these agreements the ICU is committed to building upon the work already carried out by its Placement Service to further improve the efficiency and utilisation of void</p>

	units. The aim of this work is to reduce void periods, maximising the benefit of these settings both for individuals and in delivery of savings.
24.	<p>Delegation of Authority to Enter Into Void & Nomination Agreements</p> <p>The primary reason that delegated authority to enter into these agreements is being recommended is that they often need to be put in place relatively quickly. Most of the properties in question are for sale on the open housing market and therefore risks associated with ‘losing’ a property or being too late are high. Housing investors and/or Registered Providers will not commit to a purchase until a provisional agreement is in place.</p>
25.	<p>In order to be assured that entering into each agreement is financially sensible the following information will be presented to the Director for Quality & Integration and Service Director: Finance & Commercialisation prior to their decision:</p> <ul style="list-style-type: none"> • A description of the property in question, how it is suitable for the intended care group and/or any adaptations which are planned to make it suitable • The maximum void liability over the lifetime of the agreement and a realistic estimate of the actual void cost based on the average void rate over the previous six months. • An anonymised list of individuals for whom the property is considered suitable • Forecast expenditure including any efficiencies which can realistically be made from some of the individuals moving into the property. • Any relevant considerations in relation to the housing investor and Registered Provider. For example if they are an organisation that SCC has not previously worked with, assurances that due diligence has been carried out in relation to their finances and governance with suitable references obtained from other local authorities. • A review of the proposal by finance including their recommendation to proceed • An implementation plan which includes arrangements for commissioning the care & support function in the property.
RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
26.	Any property for which the maximum potential void liability exceeds £2 Million over the lifetime of the agreement cannot be agreed by delegated authority and a paper will be put to Council for approval.
27.	Any void costs which are incurred will be paid for from the adult social care budget.
<u>Property/Other</u>	
28.	The Council does not make any upfront investment in the property, the investor pays 100% of the purchase & legal costs and therefore retains the asset. Therefore there are no implications for the Council.
29.	Registered Providers are governed by the Homes and Communities Agency, who undertake commercial governance. The Council will undertake financial,

	governance and reference checks on any organisations not previously worked with.
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LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

30.	S.1 Localism Act 2011 allow a Council to do anything required for the delivery of its primary functions (the general power of competence).
31.	The Care Act (2014) outlines clear requirements for local authorities in relation to meeting the needs of vulnerable individuals, with housing being central to all sections of the Act, Of particular note are: <ul style="list-style-type: none"> • Section 1 – To promote wellbeing • Section 2- To delay, prevent or reduce the needs for services • Section 6, 7 – Co-operating (with partners, including housing providers) • Section 23 – Exception for the provision of housing

Other Legal Implications:

32.	In exercising its functions to support adult social care and independent living the properties selected will be provided having regard to the requirements of the Equalities Act 2010, the Human Rights Act 1998 and following the Council's property standards and Contract procedure Rules.
33.	Any individual Agreement for which the financial implications exceed £500k will be an Officer Key Decision and the relevant formal reporting processes, including inclusion on the Council's Forward Plan, must be complied with prior to any decision to enter into an Agreement is taken.

RISK MANAGEMENT IMPLICATIONS

34.	Void and nomination agreements commit the council to potential void costs for up to 25 years. As outlined within this paper there are a number of contractual and operational safeguards in place that limit and significantly reduce this risk.
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POLICY FRAMEWORK IMPLICATIONS

35.	The recommendation outlined within this paper supports Priority 3 of the councils Strategy and Policy Framework and is underpinned by: <ul style="list-style-type: none"> • Better Care Strategy • Health and Wellbeing Strategy • City Strategy
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KEY DECISION?	Yes
WARDS/COMMUNITIES AFFECTED:	All
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	None
2.	

Documents In Members' Rooms

1.	Equality and Safety Impact Assessment	
2.		
Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		Yes
Data Protection Impact Assessment		
Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.		No
Other Background Documents		
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	
2.		