

From: Tandra Forster
To: June Graves
Subject: Priory
Sent: 31 March 2010 22:07

June

See attached revised report which I think covers all the points raised at Corporate Board - I have shown them in blue for quick reference. I think I have also managed to get rid of the asterix(s)!

It probably would be helpful to use it as the basis for our discussion at the SLDP meeting given the tight turnaround time for next week. I did try and do this in the office today but there were too many interruptions. Having said that I don't have any meetings booked in for tomorrow afternoon and understand that most people are either working from home or have started their holiday so will be able to make changes that come out of SLDP.

Tandra

Tandra Forster
Contracts & Commissioning Manager
(Supporting People/Adult Social Care)
Project Manager Supported Living Development Programme
West Berkshire Council
Tel: 01635 519248
Mob: 07786 277451

We have moved to a new address wef 1st December 2009:

West Berkshire Council
West Street House
West Street
Newbury
RG14 1BD

Telephone number and exts will remain the same

- [Introduction]
 - [The requirement for the development of extra care housing, to offer more appropriate care options for older people, has been identified in both the Council's Older Peoples Commissioning Strategy and the Putting People First Strategy for Adult Social Care.]
 - [The Priory Court project, a 46 unit extra care housing development for people aged 55+, forms part of a range of projects within the Supported Living Development Programme, the aim of which is to promote choice and independence for vulnerable people in West Berkshire. This project is to be delivered by Sovereign Housing Association (SHA), on previously developed land within their ownership, in Hungerford.]
 - [As part of the negotiation to bring this project forward Sovereign Housing Association have indicated that their Board have concerns that achievement of planning consent could lead to costs in excess of £500k.]
 - [Given the levels of investment, and recent experience of failed planning applications, SHA's Board are concerned that they will be financially disadvantaged if they fail to achieve planning consent for a Project that has been developed in response to Council priorities.]
 - [For the Council the development of the Priory project is a key part of expanding the provision of extra care housing in the district which is essential if it is to be considered a viable option for older people with care and support needs. There is currently only one purpose built service offering 36 units.]
- [Proposals]
 - [Given the level of importance of this development it is proposed that we jointly develop a Risk Sharing Agreement to enable the project to proceed.]
 - [The agreement would formalise the roles and responsibilities of each party and enable the Council to have a greater say in how the development is planned. To minimise the risk to the Council any agreement would specify precisely what the costs, conditions and the governance would have to be for it to be enacted.]
 - [The governance for this would be held by the Supported Living Development Programme Board, the membership of which includes the Portfolio Member for Adult Social Care and the Head of Housing & Performance. This group reports into the Putting People First Programme Board which is chaired by the Director Adult Social Care and includes Councillors as part of the membership.]
- [Conclusion]
 - [Development of extra care housing is a clear Council priority as set out in the Older Peoples Commissioning Strategy and the Putting People First Strategy. The Priory project will offer more choice and control in the way older people receive care, creating better outcomes and improved well-being.]
 - [It is recommended therefore that Members agree the principle of developing a risk sharing agreement that will enable the Council to

bring forward this extra care housing development in partnership with Sovereign Housing Association.*]

- [Introduction]
 - [The requirement for the development of extra care housing, to offer more appropriate care options for older people, has been identified in both the Council's Older Peoples Commissioning Strategy and the Putting People First Strategy for Adult Social Care.]
 - [The Priory Court project, an extra care housing development, forms part of a range of projects within the Supported Living Development Programme, the aim of which is to promote choice and independence for vulnerable people in West Berkshire]
 - [This programme is a key part of Putting People First which is the Council's overarching strategy for transforming adult social care in West Berkshire. The Priory project involves the development of extra care housing for people aged 55+ to offer an appropriate alternative to more traditional residential services.]
 - [The project will also make a significant contribution to the delivery of savings that have been set out in the Medium Term Financial Strategy.]
 - [This project is to be delivered by Sovereign Housing Association (SHA), on previously developed land within their ownership, in Hungerford. The development, subject to planning consent, aims to deliver 46 units of extra care housing for people aged 55+. The project will also include the development of a 29 unit sheltered scheme for older people with support needs.]
 - [Sovereign Housing Association has estimated that the site will cost £8.9m to develop of which they will contribute £6.6m. It is estimated that the Homes and Communities Agency (HCA) will make a grant allocation of £1.3m and it is proposed that the Council contributes around £1 m S106 funding.]
 - [The project plan developed by SHA estimates that the development would take at least 27 months from agreeing designs in May 2010, to practical completion. This would mean that the build could be completed by summer 2012, subject to achieving planning permission in August 2010 and no other delays.]
 - [As part of the negotiation to bring this project forward Sovereign Housing Association have indicated that their Board have concerns that achievement of planning consent could lead to costs in excess of £500k.]
 - [These costs reflect both the nature of the development, site topography and build constraints created by the need to prevent damage to a large number of trees.]
 - [Given the levels of investment, and recent experience of failed planning applications, SHA's Board are concerned that they will be financially disadvantaged if they fail to achieve planning consent for a Project that has been developed in response to Council priorities.]
 - [For the Council, in addition to the contribution to the savings target identified in the MTFS, the development of the Priory project is a key part of expanding the provision of extra care housing in the district. This is essential if it is to be considered a viable option for older people

with care and support needs. There is currently only one purpose built service offering 36 units.]

- [Proposal]
 - [Given the level of importance of this development it has been suggested that we and Sovereign Housing Association jointly develop a Risk Sharing Agreement to enable the project to proceed.]
 - [The agreement would formalise the roles and responsibilities of each party and enable the Council to have a greater say in how the development is planned and delivered from the start. This would include design, planning approach, development of any local resources as part of the process, consultation and so on.]
 - [The governance for this would be held by the Supported Living Development Programme Board, the membership of which includes the Portfolio Member for Adult Social Care and the Head of Housing & Performance. This group reports into the Putting People First Programme Board which is chaired by the Director Adult Social Care and includes Councillors as part of the membership.]
 - [To minimise the risk to the Council any agreement would specify precisely what the costs, conditions and the governance would have to be for it to be enacted. The negotiation would be dealt with through Legal Services in consultation with Housing and Planning to ensure compliance with Council policies. Funding to cover cost of enactment would have to be taken from Council reserves.]
 - [It is recognised that this is new ground for the Council however it does reflect pressures created by the current economic climate and anxiety expressed by a number of RSLs about bringing forward new projects.]
 - [The establishment of this principle also fits with the expectation the HCA set out in the ‘Single Conversation’, a new framework introduced in June 2009 to secure the delivery of a full range of housing, infrastructure and community activities.]
 - [The purpose of this framework is to create greater transparency in HCA dealings with Local Authorities as a way of ensuring that grant funding follows local priorities such as the Priory Project.]
 - [The Single Conversation challenges all Local Authorities to have more effective engagement as lead commissioners for projects that fulfil their strategic priorities. This deeper involvement exposes them to the pressures that normally sit solely with developers. It requires local authorities to have wider knowledge of business practices associated with large-scale capital projects.]
 - [For West Berkshire the ability to influence these types of developments relies heavily on strong partnership working to give developers confidence to bring projects forward. This is made more difficult as we hold few capital assets that can be used to attract partners and therefore have to look at other methods.]
 - [Although the development of this type of agreement is new to this Council, there is precedent with similar agreements in place with other local authority areas this includes Torbay and Bristol Councils]
- [Risks and benefits]

- [Advice has been sought from both legal and finance to see whether the Local Authority can enter into an agreement. Following consultation with our external auditors they have identified the following risks:]
- [The table below shows the risks identified and the controls that will be put in place to mitigate them:]
- []
- [Set alongside consideration of risk Members must take into account in their decision the benefits that this development project will bring, the role it will play in the modernisation of adult social care and the impact that failure to deliver the service will have on the Council's ability to achieve its MTFS.]
- []
- [Benefits that have been identified as part of the SLDP programme governance structure are set out in the table below:]
- []
- []
- [Conclusion]
 - [The requirement for the development of extra care housing, to offer more appropriate care options for older people has been identified in both the Council's Older Peoples Commissioning Strategy and the Putting People First Strategy for Adult Social Care.]
 - [The Priory Court project, an extra care housing development, forms part of a range of projects within the Supported Living Development Programme, the aim of which is to promote choice and independence for vulnerable people in West Berkshire.]
 - [The project aims to deliver 46 units, a mix of 1 & 2 beds, for people with care needs aged 55+.]
 - [The initiation of these developments requires considerable up-front investment and commitment from our partners; achieving planning consent can result in costs in excess of £500k. Whilst the Council is committed to support these developments planning constraints mean that there is increased risk of a protracted process, that it will require additional investment to ensure plans are acceptable and even then there is the real possibility that consent will not be achieved. The current economic climate means that concerns around these risks have heightened and RSLs require stronger assurances.]
 - [At a national level the initiation of the 'Single Conversation' by the Homes and Communities Agency means that now, more than ever, Local Authorities are expected to provide leadership in negotiations to ensure the delivery of a full range of housing to ensure better outcomes for local people. The development of this type of agreement would give confidence to both the RSL and the HCA about the importance of this project.]
 - [It is recommended, therefore, that consent is given to establishing the principle of a risk sharing agreement. This to be negotiated to minimise the risk of its having to be enacted. *]

PART II

The report on the following item is **not for publication** by virtue of exempt information of the description contained in Paragraph * of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the [Local Government \(Access to Information\)\(Variation\) Order 2006](#). [Rule 9.10.4 of the Constitution also refers.](#)

Title of Report:	Extra Care Housing Development, Hungerford <i>(Paragraph 6 – information relating to proposed action to be taken by the Local Authority)</i>	Item *
Report to be considered by:	Corporate Board	
Date of Meeting:	01 April 2010	
Forward Plan Ref:		

Purpose of Report:	To seek agreement to the principle of a risk sharing agreement, in the context of partnership working to deliver a key Supported Living Development project, as part of the Putting People First Programme of work.
Recommended Action:	Members to agree the principle of developing a risk sharing agreement that will enable the Council to bring forward an extra care housing development in partnership with Sovereign Housing Association.
Reason for decision to be taken:	The requirement for the development of extra care housing, to offer more appropriate care options for older people has been identified in both the Council's Older Peoples Commissioning Strategy and the Putting People First Strategy for Adult Social Care. At a national level the initiation of the 'Single Conversation' by the Homes and Communities Agency means that now, more than ever, Local Authorities are expected to provide leadership in negotiations to ensure the delivery of a full range of housing to ensure better outcomes for local people. The initiation of these developments requires considerable upfront investment and commitment from our partners; achieving planning consent can result in costs in excess of £500k. Whilst the Council is committed to support these developments planning constraints mean that there is increased risk of a protracted process, that it will require additional investment to ensure plans are acceptable and even then there is the real possibility that consent will not be achieved. The current economic climate means that concerns around these risks have heightened and RSLs require stronger assurances. It is proposed therefore that consent is given to the principle of a risk sharing agreement, which would be negotiated to minimise the risk of its being enacted.

Statutory: ☐ **Non-Statutory:** ☐

Other:

Other options considered:

Key background documentation:

Older Peoples Commissioning Strategy

Putting People First - Adult Social Care Strategy

'Single Conversation' - Homes and Communities Agency

The proposals contained in this report will help to achieve the following Council Plan Priority(ies):

- ☐ **CPP1 – Support our communities through the economic recession** – to alleviate the impact on different communities and individuals who find themselves out of work and/or disadvantaged
- ☐ **CPP2 – Raise levels of educational achievement** – improving school performance levels
- ☐ **CPP3 – Reduce West Berkshire’s carbon footprint** – to reduce CO₂ emissions in West Berkshire and contribute to waste management, green travel, transportation and energy efficiency

The proposals will also help achieve the following Council Plan Theme(s):

- ☐ **CPT1 - Better Roads and Transport**
- ☐ **CPT2 - Thriving Town Centres**
- ☒ **CPT3 - Affordable Housing**
- ☐ **CPT4 - High Quality Planning**
- ☐ **CPT5 - Cleaner and Greener**
- ☐ **CPT6 - Vibrant Villages**
- ☒ **CPT7 - Safer and Stronger Communities**
- ☐ **CPT8 - A Healthier Life**

☐ CPT9 - Successful Schools and Learning

☒ CPT10 - Promoting Independence

☒ CPT11 - Protecting Vulnerable People

☐ CPT12 - Including Everyone

☒ CPT13 - Value for Money

☐ CPT14 - Effective People

☐ CPT15 - Putting Customers First

☐ CPT16 - Excellent Performance Management

The proposals contained in this report will help to achieve the above Council Plan Priorities and Themes by:

Delivery of 46 units of affordable housing, creating more appropriate support and care opportunities for older people to enable them to remain living independently in the community in a secure and safe environment. Enable the Council to commission care services that offer greater value for money than alternative residential care services.

Portfolio Member Details

Name & Telephone No.:	Councillor Joe Mooney - Tel (0118) 9412649
E-mail Address:	jmooney@westberks.gov.uk
Date Portfolio Member agreed report:	15 March 2010

Contact Officer Details

Name:	Tandra Forster
Job Title:	Contracts & Commissioning Manager
Tel. No.:	01635 519248
E-mail Address:	tforster@westberks.gov.uk

Implications

Policy:

Financial:

If there are any financial implications contained within this report this section **must** be signed off by a West Berkshire Group Accountant. Please note that the report cannot be accepted by Policy and Communication unless this action has been undertaken.

Personnel:

- Legal/Procurement:**
1. It is recommended that an external Auditor advice is sought before entering into this agreement.
 2. Subject to 1, any contribution paid by the Council should be on an equal share basis. The draft agreement would need amendments to reflect an acceptable level of risk and a maximum limit for each head of expenditure needs to be defined. The negotiated final agreement will require approval by the Management Board and the Executive

Property:

Risk Management:

Equalities Impact Assessment: This project supports age equality and non-agreement could jeopardise this if it is not able to go ahead.
For advice please contact Principal Policy Officer (Equalities) on Ext. 2441.

Corporate Board's View: to be completed after Corporate Board meeting

NOTE: This section does not need to be completed if your report will not progress beyond Corporate or Management Board.

Is this item subject to call-in?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
If not subject to call-in please put a cross in the appropriate box:		
The item is due to be referred to Council for final approval	<input checked="" type="checkbox"/>	
Delays in implementation could have serious financial implications for the Council	<input checked="" type="checkbox"/>	
Delays in implementation could compromise the Council's position	<input type="checkbox"/>	
Considered or reviewed by Overview & Scrutiny Commission or associated Task Groups within preceding six months	<input type="checkbox"/>	
Item is Urgent Key Decision	<input type="checkbox"/>	

Executive Summary

1. Introduction

1. The requirement for the development of extra care housing, to offer more appropriate care options for older people, has been identified in both the Council's Older Peoples Commissioning Strategy and the Putting People First Strategy for Adult Social Care.

2. The Priory Court project, a 46 unit extra care housing development for people aged 55+, forms part of a range of projects within the Supported Living Development Programme, the aim of which is to promote choice and independence for vulnerable people in West Berkshire. This project is to be delivered by Sovereign Housing Association (SHA), on previously developed land within their ownership, in Hungerford.
3. As part of the negotiation to bring this project forward Sovereign Housing Association have indicated that their Board have concerns that achievement of planning consent could lead to costs in excess of £500k.
4. Given the levels of investment, and recent experience of failed planning applications, SHA's Board are concerned that they will be financially disadvantaged if they fail to achieve planning consent for a Project that has been developed in response to Council priorities.
5. For the Council the development of the Priory project is a key part of expanding the provision of extra care housing in the district which is essential if it is to be considered a viable option for older people with care and support needs. There is currently only one purpose built service offering 36 units.

2. Proposals

1. Given the level of importance of this development it is proposed that we jointly develop a Risk Sharing Agreement to enable the project to proceed.
2. The agreement would formalise the roles and responsibilities of each party and enable the Council to have a greater say in how the development is planned. To minimise the risk to the Council any agreement would specify precisely what the costs, conditions and the governance would have to be for it to be enacted.
3. The governance for this would be held by the Supported Living Development Programme Board, the membership of which includes the Portfolio Member for Adult Social Care and the Head of Housing & Performance. This group reports into the Putting People First Programme Board which is chaired by the Director Adult Social Care and includes Councillors as part of the membership.

3. Conclusion

1. Development of extra care housing is a clear Council priority as set out in the Older Peoples Commissioning Strategy and the Putting People First Strategy. The Priory project will offer more choice and control in the way older people receive care, creating better outcomes and improved well-being.
2. It is recommended therefore that Members agree the principle of developing a risk sharing agreement that will enable the Council to bring forward this extra care housing development in partnership with Sovereign Housing Association.*

Executive Report

1. Introduction

1. The requirement for the development of extra care housing, to offer more appropriate care options for older people, has been identified in both the Council's Older Peoples Commissioning Strategy and the Putting People First Strategy for Adult Social Care.
2. The Priory Court project, an extra care housing development, forms part of a range of projects within the Supported Living Development Programme, the aim of which is to promote choice and independence for vulnerable people in West Berkshire
3. This programme is a key part of Putting People First which is the Council's overarching strategy for transforming adult social care in West Berkshire. The Priory project involves the development of extra care housing for people aged 55+ to offer an appropriate alternative to more traditional residential services.
4. The project will also make a significant contribution to the delivery of savings that have been set out in the Medium Term Financial Strategy.
5. This project is to be delivered by Sovereign Housing Association (SHA), on previously developed land within their ownership, in Hungerford. The development, subject to planning consent, aims to deliver 46 units of extra care housing for people aged 55+. The project will also include the development of a 29 unit sheltered scheme for older people with support needs.
6. Sovereign Housing Association has estimated that the site will cost £8.9m to develop of which they will contribute £6.6m. It is estimated that the Homes and Communities Agency (HCA) will

make a grant allocation of £1.3m and it is proposed that the Council contributes around £1 m S106 funding.

7. The project plan developed by SHA estimates that the development would take at least 27 months from agreeing designs in May 2010, to practical completion. This would mean that the build could be completed by summer 2012, subject to achieving planning permission in August 2010 and no other delays.
8. As part of the negotiation to bring this project forward Sovereign Housing Association have indicated that their Board have concerns that achievement of planning consent could lead to costs in excess of £500k.
9. These costs reflect both the nature of the development, site topography and build constraints created by the need to prevent damage to a large number of trees.
10. Given the levels of investment, and recent experience of failed planning applications, SHA's Board are concerned that they will be financially disadvantaged if they fail to achieve planning consent for a Project that has been developed in response to Council priorities.
11. For the Council, in addition to the contribution to the savings target identified in the MTFS, the development of the Priory project is a key part of expanding the provision of extra care housing in the district. This is essential if it is to be considered a viable option for older people with care and support needs. There is currently only one purpose built service offering 36 units.

2. Proposal

1. Given the level of importance of this development it has been suggested that we and Sovereign Housing Association jointly develop a Risk Sharing Agreement to enable the project to proceed.
2. The agreement would formalise the roles and responsibilities of each party and enable the Council to have a greater say in how the development is planned and delivered from the start. This would include design, planning approach, development of any local resources as part of the process, consultation and so on.
3. The governance for this would be held by the Supported Living Development Programme Board, the membership of which includes the Portfolio Member for Adult Social Care and the Head of Housing & Performance. This group reports into the

Putting People First Programme Board which is chaired by the Director Adult Social Care and includes Councillors as part of the membership.

4. To minimise the risk to the Council any agreement would specify precisely what the costs, conditions and the governance would have to be for it to be enacted. The negotiation would be dealt with through Legal Services in consultation with Housing and Planning to ensure compliance with Council policies. [Funding to cover cost of enactment would have to be taken from Council reserves.](#)
 5. It is recognised that this is new ground for the Council however it does reflect pressures created by the current economic climate and anxiety expressed by a number of RSLs about bringing forward new projects.
 6. The establishment of this principle also fits with the expectation the HCA set out in the 'Single Conversation', a new framework introduced in June 2009 to secure the delivery of a full range of housing, infrastructure and community activities.
 7. The purpose of this framework is to create greater transparency in HCA dealings with Local Authorities as a way of ensuring that grant funding follows local priorities such as the Priory Project.
 8. [The Single Conversation challenges all Local Authorities to have more effective engagement as lead commissioners for projects that fulfil their strategic priorities. This deeper involvement exposes them to the pressures that normally sit solely with developers. It requires local authorities to have wider knowledge of business practices associated with large-scale capital projects.](#)
 9. [For West Berkshire the ability to influence these types of developments relies heavily on strong partnership working to give developers confidence to bring projects forward. This is made more difficult as we hold few capital assets that can be used to attract partners and therefore have to look at other methods.](#)
 10. Although the development of this type of agreement is new to this Council, there is precedent with similar agreements in place with other local authority areas this includes Torbay and Bristol Councils
3. **Risks and benefits**
1. [Advice has been sought from both legal and finance to see whether the Local Authority can enter into an](#)

agreement. Following consultation with our external auditors they have identified the following risks:

1. Potential for the agreement to compromise the independence of the planning committee
 2. Financial risk if the agreement has to be enacted, specifically the share of the pre-construction costs
 3. There is a risk that inappropriate triggering events are agreed and the agreement enacted due to developer incompetence.
2. The table below shows the risks identified and the controls that will be put in place to mitigate them:

Risk	Control
Potential for the agreement to compromise the independence of the planning committee	Ensure that detailed pre-planning application meetings are held and the advice fed into the final application
Financial risk if the agreement is enacted	Ensure there is a cap on the maximum the cost the Council are eligible for if the agreement has to be enacted. Although pre-construction costs are estimated at £500k it has already been agreed that the Council would only be liable for £175k.
Risk that inappropriate triggering events are agreed	Legal will lead the negotiation of the agreement, in consultation with Housing and Planning, to ensure that the triggers agreed are robust. Effective governance will be put in place to oversee the project and ensure all necessary measures to prevent use of the agreement.

3. Set alongside consideration of risk Members must take into account in their decision the benefits that this development project will bring, the role it will play in the modernisation of adult social care and the impact that failure to deliver the service will have on the Council's ability to achieve its MTFS.

4. Benefits that have been identified as part of the SLDP programme governance structure are set out in the table below:

Financial	<p>The development of this project will contribute to the delivery of a savings target in excess of £300k in the MTFS 2012/13.</p> <p>It will offer more choice in the care market and consequently increase value for money.</p>
Affordable Housing	The development will contribute to the Council's target for the delivery of affordable housing
Choice	<p>This project will widen the opportunity for people in the West of the district to access extra care services enabling people to remain living close to their families.</p> <p>Promote better longer term outcomes for older people as it will encourage independence and greater control in line with the personalisation</p>
Vibrant Communities	The project will encourage close links with local businesses to offer tenants a wide range of services e.g. hair dressing, small convenience store.
Employment	Create employment opportunities through the tender of a care contract.

4. Conclusion

1. The requirement for the development of extra care housing, to offer more appropriate care options for older people has been identified in both the Council's Older Peoples Commissioning Strategy and the Putting People First Strategy for Adult Social Care.
2. The Priory Court project, an extra care housing development, forms part of a range of projects within the Supported Living Development Programme, the aim of which is to promote choice and independence for vulnerable people in West Berkshire.
3. The project aims to deliver 46 units, a mix of 1 & 2 beds, for people with care needs aged 55+.
4. The initiation of these developments requires considerable up-front investment and commitment from our partners; achieving planning consent can result in costs in excess of £500k. Whilst the Council is committed to support these developments planning constraints mean that there is increased risk of a protracted process, that it will require additional investment to ensure plans are acceptable and even then there is the real possibility that consent will not be achieved. The current

economic climate means that concerns around these risks have heightened and RSLs require stronger assurances.

5. At a national level the initiation of the 'Single Conversation' by the Homes and Communities Agency means that now, more than ever, Local Authorities are expected to provide leadership in negotiations to ensure the delivery of a full range of housing to ensure better outcomes for local people. The development of this type of agreement would give confidence to both the RSL and the HCA about the importance of this project.
6. It is recommended, therefore, that consent is given to establishing the principle of a risk sharing agreement. This to be negotiated to minimise the risk of its having to be enacted. *

Appendices

Appendix A - *

Appendix B - *

Consultees

Local Stakeholders:

*

Officers Consulted:

June Graves

Mel Brain

David Holling

Shiraz Sheikh

Leigh Hogan

Andy Walker

*

Trade Union:

*