

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Housing Portfolio Holder 23 June 2006
Leader and Cabinet 13 July 2006
AUTHOR/S: Executive Director / Head of Housing Strategic Services

EXTRA CARE HOUSING AT FLAXFIELDS-LINTON

Purpose

1. To agree an alternative option for developing extra care housing at Flaxfields, Linton to enable a scheme to be progressed immediately and ensure its deliverability regardless of whether or not the bid to the Housing Corporation is successful.

Effect on Corporate Objectives

2. Quality, Accessible Services	The scheme would replace obsolete sheltered units with modern, purpose built extra care sheltered units.
Village Life	The scheme would provide an important local facility for vulnerable people
Sustainability	
Partnership	The scheme is being developed in partnership with Hereward Housing Association and the PCT

Background

3. Cabinet agreed on October 14th 2004 to dispose of 15 sheltered housing units and communal facility at Flaxfields, Linton to Hereward Housing Association on a free of charge basis to enable them to provide a new facility of affordable extra care sheltered units. This would provide a new resource in line with the requirements of future generations of older people, it would contribute to meeting the targets established in the County Wide Best Value Review of sheltered housing, and it would replace older sheltered bedsits which have been difficult to let.
4. The provision of free land was necessary to make the scheme financially viable and to maximise its chances of getting Housing Corporation grant funding. The scheme was not successful in the 2006/8 National Affordable Housing Programme when the Moorlands extra care scheme was given an allocation. However, the Housing Corporation did not allocate all of their funds in that bid round and will be holding a "mini bid round" specifically for supported housing during Summer 2006.

Considerations

5. Hereward Housing Association will be bidding again for Flaxfields as part of the "mini bid round." However, the Housing Corporation have made it clear that there is relatively little money available in the East region for supported housing schemes and since South Cambridgeshire was allocated the largest amount of any area in the sub region in the main bid round, it is extremely unlikely that Flaxfields will be funded. The indicative allocation on a simple pro rata basis based on the available resources for South Cambridgeshire alone would be about £60K whereas the Flaxfield bid is for £2m. The scheme would therefore only be likely to get funding if there are very few viable high priority bids elsewhere in the region.

6. Not only would this mean that the needed new facility would not be provided but the authority would also lose the opportunity to benefit from other revenue funding. Specifically, resources from the PCT and possible funding from Supporting People. Although the Supporting People funds are not yet committed, the Commissioning Body have made existing pipeline schemes their highest priority and this includes Flaxfields. In addition, South Cambridgeshire would then have a site in its ownership needing redevelopment but with no identified source of funding.
7. Therefore it is prudent to consider a “next best” alternative option in case the Housing Corporation do not allocate grant funding. Members have already received a presentation from Hereward Housing which outlined the options as detailed below-
 - (a) **Option One** - *As agreed by Members in October 2004. 100% Affordable Housing Extra care scheme* consisting of 24 rented units and 17 low cost home ownership units. This would cost £2m in Social Housing Grant (SHG) and is the preferred option which will form the bid to the Housing Corporation for the mini-bid round.
 - (b) **Option Two** - *Extra care scheme of Mixed Tenure* consisting of 11 rented units, 14 low cost home ownership units and 16 units for outright sale. This could be provided without SHG provided that the land is still made available at nil cost. The subsidy for the affordable units would come from the outright sales rather than grant.
8. The purpose of this report is to ask members to agree further that if **Option One** cannot be delivered then the land will be made available to Hereward Housing on the same no cost basis to enable **Option Two** to be developed.
9. **Option Two** will still secure a majority of the scheme for affordable extra care housing and will also secure revenue funding from the PCT and potentially from Supporting People. The actual building to be provided on the site will remain the same under both options because it is being designed to meet the long term needs of this client group, whatever the tenure mix.

Options

10. **Progressing Option One alone** - It would be possible to simply progress Option **One** which has previously been agreed by members and is already being pursued through the forthcoming Housing Corporation/Supporting People joint commissioning “mini bid round”. However, the results of the bid will not be known until late October/early November and if it does not get any Housing Corporation funding there are currently no alternative options available.
11. Although it might be possible to start pursuing **Option Two** after the “mini bid round” there are two fundamental problems with that approach. Firstly, **Option Two** would require DCLG approval and this could further delay progress with the scheme beyond November. In addition, Hereward Housing Association could not be expected to undertake detailed design work and a planning application now for **Option One** alone, given the real pessimism about the likelihood of getting Housing Corporation funding. If **Option Two** were begun after November, both these processes would take additional time. Further the Council would have to defend leaving vacant for even longer the bedsits and other bungalows that have been designated for demolition to facilitate the extra care scheme.

12. More significantly, if **Option One** can't be delivered through the "mini bid round" then the Supporting People funds might be allocated to another project which is currently lower down the priority rankings than Flaxfields - particularly any that did not require significant amounts of capital and were therefore not hindered by the Housing Corporations' lack of available funds. If that happened, then **Option Two** could not be pursued after November because there would be no available revenue funds to provide support.
13. **Progressing Options One and Two in Tandem** - An alternative approach is to pursue **Options One and Two** simultaneously with **Option One** being the preferred choice. Permission for **Option Two** could be requested from DCLG even if it wasn't acted on and Hereward Housing would be prepared to commit resources to the project at this stage knowing there was a fall back position if **Option One** couldn't be delivered. In addition, Supporting People could be asked to commit funds for the project knowing that there was a deliverable option available even without Housing Corporation funds. This is the option being recommended. Further, the legal work involved with the proposed land transfer on a 125-year leasehold basis could be progressed immediately in order that the scheme can achieve a start on site as soon as possible subject to the necessary planning consents. A planning application is to be submitted shortly.

Financial Implications

14. Members have already agreed to make the site available at no cost for **Option One** and therefore there would be no further financial implications to extending that decision to **Option Two**. In addition, approving **Option Two** as a fallback position maximises the chances of local residents benefiting from Supporting People and PCT funds.

Legal Implications

15. **Option Two** will require specific consent from DCLG because it involves a proportion of open market sales and would therefore not be covered by the available General Housing Consents. Either option will need to obtain planning permission but both the options are in line with planning requirements.

Staffing Implications

16. None specific to this revised proposal

Risk Management Implications

17. The inclusion of **Option Two** as a fallback position reduces the risk that the authority will not be able to meet the targets for sheltered and extra care sheltered housing already agreed as part of the Best Value Review. It also provides a solution for existing homes owned by this authority that are difficult to let and do not meet the governments Decent Homes standard.

Consultations

18. Details of previous consultations were included in the Cabinet report of 14th October 2004. There will be further consultation necessary as part of the planning application process which will be the same for either option.

19. Local members were consulted prior to **Option One** being approved and they were supportive of the proposal. Councillor Batchelor and Councillor Bear as local members for Linton have been consulted on this Cabinet report and both support the recommendations.

Conclusions/Summary

20. Officers will continue to prioritise **Option One** in line with Members' original decision. The addition of **Option Two** as a fallback position is a pragmatic response to the shortage of capital funds for new provision and is a solution that maximises revenue funds to support vulnerable local households and supports other priority objectives, including meeting sheltered/extra care targets and providing affordable housing as far as resources permit. It will also enable the scheme to be progressed without further delay.

Recommendations

21. Cabinet is asked to agree that if **Option One** cannot be achieved because of a lack of capital funds then the land is disposed of to Hereward Housing Association on a free of charge basis for **Option Two** (subject to the Councils costs being met in line with Cabinets existing decision of 14th October 2004)
22. Cabinet is asked to further agree that if **Option Two** is progressed and funds become available during the construction process because of the release by the Housing Corporation of resources from slippage elsewhere, for example, then Hereward Housing Association amend the tenure mix to move as close to **Option One** as possible.

Background Papers: the following background papers were used in the preparation of this report: Report to Cabinet 14th October 2004-Disposal of Land for Affordable Housing

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