

Meeting of:	Cabinet
Date of Meeting:	Monday, 22 March 2021
Relevant Scrutiny Committee:	Homes and Safe Communities
Report Title:	Penarth Older Persons Housing with Care Complex
Purpose of Report:	To seek Cabinet approval to facilitate delivery of Penarth Older Persons Housing with Care Complex in collaboration with Wales and West Housing Association.
Report Owner:	Cabinet Member for Housing and Building Services
Responsible Officer:	Head of Housing and Building Services
Elected Member and Officer Consultation:	<p>Local Ward Members</p> <p>Director of Environment and Housing (Miles Punter)</p> <p>Head of Adults Services (Suzanne Clifton)</p> <p>Head of Regeneration and Planning (Marcus Goldsworthy)</p> <p>Strategic Estates Manager (Ben Winstanley)</p> <p>Senior Lawyer (Jocelyn Ham)</p>
Policy Framework:	This is a matter for Executive Decision
<p>Executive Summary:</p> <ul style="list-style-type: none"> • The report seeks authority to facilitate a project called Penarth Older Persons Housing with Care Complex. The project aims to provide much needed older persons homes and integrated health facilities, subject to statutory consents and funding; • The project is proposed on 3.6 acres of vacant Council owned land (edged red in Appendix A). The land is within the portfolio of Housing Services and is part of an adopted Local Development Plan Housing Allocation Site (shaded blue in Appendix A) and is situated alongside Oak Court (an existing older persons residential facility operated by Wales and West Housing Association) near to Ty Dewi Sant (a dementia friendly care home operated by the Council). 	

- It is intended to deliver a high-quality master planned development on the Council's land edged in red in collaboration with Wales and West Housing Association, comprising:
 - (a) a new Extra Care residential block (numbers to be confirmed following the completion of a detailed feasibility and pre-planning exercise) to be delivered by Wales and West Housing Association, subject to contract; and
 - (b) additional older person's independent living accommodation (numbers to be confirmed) to be delivered by the Council.
- The vision for the project is a comprehensively master planned scheme aimed at creating a critical mass of new and existing older persons housing, social care and health facilities, promoting a village and shared community facility ethos.

Recommendations

- 1.** That the Penarth Older Persons Housing with Care Complex Project is endorsed and authority is granted for the Head of Housing and Building Services to facilitate delivery of the project (in consultation with the Project Board identified in the report) subject to the appropriate legislative provisions, statutory consents and funding;
- 2.** That authority is granted for the Head of Housing and Building Services (in consultation with the Project Board identified in the report) to determine the site boundary for an Extra Care development within part of the land indicatively edged red on the plan in Appendix A; and to negotiate terms and conditions for disposal of the Extra Care site to Wales and West Housing Association, subject to the appropriate legislative provisions, any statutory consents required and the Extra Care site being declared surplus at a future Cabinet meeting;
- 3.** That authority is granted for the Head of Housing and Building Services (in consultation with the Project Board identified in the report) to review Wales and West Housing Association's existing lease for Oak Court and as appropriate to facilitating the overall project, negotiate terms and conditions for the disposal of a new interest in the Oak Court site to Wales and West Housing Association, subject to the appropriate legislative provisions and any statutory consents required;
- 4.** That authority is granted to the Head of Housing and Building Services (in consultation with the Project Board identified in this report) to submit grant applications and accept grant funding to facilitate delivery of the Penarth Older Persons Housing with Care Complex;
- 5.** That authority is granted to waive Contract Procedure Rules and for the Head of Housing and Building Services (in consultation with the Project Board identified in this report) to allow the Council to utilise the Integrated Care Fund (ICF) grant aid awarded to it by Welsh Government (via the Regional Partnership Board and administered by the Local Health Board) to work with and remunerate Wales and West Housing Association for its feasibility, project planning, design and commissioning works in connection with delivering Penarth Older Persons Housing with Care Complex project;
- 6.** The Monitoring Officer/Head of Legal and Democratic Services be authorised to advertise the proposed disposal of the land indicatively edged red on the plan in Appendix A in accordance with the provisions of Section 123 (2A) of the Local Government Act 1972 and in consultation with the Leader, Cabinet Member for Housing and Building Services, Director of Environment and Housing and the Head of Housing and Building Services will consider any objections received and that Head of Housing and Building Services report back to Cabinet for a decision on this matter.
- 7.** That authority be granted to the Monitoring Officer/Head of Legal and Democratic Services to prepare, execute and complete all the necessary legal documentation required to procure and facilitate the delivery of Penarth Older Persons Housing with Care Complex and where appropriate to dispose of land to Wales and West Housing Association.

Reasons for Recommendations

1. To obtain a general endorsement from Cabinet for the delivery of the Penarth Older Persons Housing with Care Complex Project.
2. To obtain authority to negotiate the disposal of the land in connection with project.
3. To obtain authority to negotiate and agree the disposal of a new interest in the Oak Court site to Wales and West Housing Association.
4. To obtain authority to submit and accept grant applications to facilitate delivery of part or all the Penarth Older Persons Housing with Care Complex.
5. To obtain authority for the waiver of the Contract Procedure Rules in connection with the disbursement of the Council's ICF grant funding in connection with the project.
6. To ensure the appropriate statutory procedure is followed.
7. To allow the necessary legal documentation to be prepared, executed and completed.

1. Background

- 1.1 The Vale of Glamorgan Council (“the Council”) faces the challenge of increasing demands on its housing and social care services due to an ageing population. The demographic change is significant in the Vale of Glamorgan with the 75+ population set to increase by 71% by 2035. Findings from recent research commissioned by the Cardiff and Vale Regional Partnership Board “Assessment of Older Person’s Housing and Accommodation including Care and Care Ready” indicates that over that period, the Vale of Glamorgan needs to provide an additional 586 (313 in the Eastern Vale) units of older persons housing and 358 (141 in the Eastern Vale) housing with care units to meet this growing demand.
- 1.2 Responding to the growing demand for more older persons housing in the Vale of Glamorgan, it is proposed to facilitate the delivery of a creatively designed older persons residential development concept called Penarth Older Persons Housing with Care Complex (“the project”). The project proposes a comprehensively master planned scheme comprising:

(A) THE REDEVELOPMENT OF A VACANT 3.6 ACRES COUNCIL OWNED SITE (edged red in Appendix A). The site edged red is within the portfolio of Housing Services and is in the freehold ownership of the Council. It is part of a larger housing allocation site identified in the Council’s adopted Local Development Plan 2011-2026 Written Statement as “MG(2) 27 Land Adjacent Oak Court, Penarth 145” (shaded blue in Appendix A). On the vacant site it is proposed subject to viability and site constraints to deliver two affordable older person’s housing developments as follows:

 - i) EXTRA CARE SCHEME (numbers to be confirmed) – A proposed 1 and 2-bedroom social rented extra care scheme with communal facilities including office space for the District Nursing Team and the Vale Community Resource

Team. This element of the project is proposed to be delivered by Wales and West Housing Association in collaboration with the Council; and

ii) OLDER PERSONS INDEPENDENT LIVING RESIDENTIAL ACCOMMODATION (numbers to be confirmed) - This may be a proposed block of 1 and 2-bedroom apartments or other appropriate homes for older people proposed to be delivered by the Council (Housing Services).

(B) TY DEWI SANT RESIDENTIAL HOME: is in the freehold ownership of the Council and comprises 33 bedrooms providing accommodation for a group of people with mixed frail elderly and dementia needs; and

(C) OAK COURT SHELTERED HOUSING FACILITY: operated by Wales & West Housing Association comprising 42 flats (1-bedroom, 2-bedroom and 3-bedroom). The land is in the freehold ownership of the Council and leased to the Registered Social Landlord (RSL).

- 1.3** The vision for the project is a comprehensively master planned scheme aimed at creating a critical mass of new and existing older persons housing, social care and health facilities, promoting a village or shared facility ethos.

FEASIBILITY AND DESIGN

- 1.4** During 2019/20 the Council secured an ICF grant (£120k) from the Regional Partnership Board, to facilitate a feasibility and design exercise. Due to their expertise with Extra Care developments and unique location at Oak Court within the heart of the master plan for the project, Wales and West Housing Association have utilised the ICF grant to appoint the consultant design team to undertake this stage of detailed feasibility and design. This collaborative approach between the Council and Wales and West Housing Association is in accordance with Emergency Powers approved on 16th December 2019.

2. Key Issues for Consideration

ONGOING DETAILED FEASIBILITY, DESIGN AND COST ESTIMATE

- 2.1** The Council continues to work collaboratively with Wales and West Housing Association and closely with the consultant design team progressing the detailed design of the Extra Care residential block and master planning for the wider project. The priority will be the delivery of the Extra Care residential scheme with the proposed additional older persons independent living accommodation possibly being revised and scaled down or excluded if required.
- 2.2** It is estimated the cost of the development will be in the region of £20 Million (although this is a preliminary cost estimate and subject to change) comprising:
- i) Extra Care Scheme: circa £13 Million;
 - ii) Additional Older Persons Independent Living Accommodation: circa £6 Million; and
 - iii) Infrastructure, Professional Fees and Other Costs: circa £1 Million.

ADDITIONAL ICF GRANT AWARD

- 2.3** For 2020/21 the Council has been offered a further ICF grant for the sum of £573,000 towards the project. It is intended for some of this ICF funding to be used by Wales and West Housing Association (subject to a waiver of the Council's contract standing orders and financial regulations) to fund the ongoing feasibility and design exercise, to submit a planning application, and to go towards the cost of various enabling works and other project costs.

DELIVERY OF EXTRA CARE SCHEME (AND DISPOSAL OF LAND TO WALES AND WEST HOUSING ASSOCIATION)

- 2.4** It is proposed to negotiate and dispose of part of the Council owned land to Wales & West Housing Association without marketing (i.e. part of the land indicatively edged red in Appendix A) to Wales and West Housing Association to enable the RSL to deliver the proposed new Extra Care residential block.
- 2.5** The location and boundary of the proposed Extra Care site and the number of homes will be firmed up following the conclusion of ongoing detailed feasibility and pre-planning work. A further report will be submitted to Cabinet to seek authority to declare surplus the finalised Extra Care site.
- 2.6** Considering the viability of project delivery, the options for disposing the land for the Extra Care residential development to Wales and West Housing Association will either be (a) by virtue of a long leasehold interest or (b) by virtue of a freehold interest. The disposal option ultimately selected will be negotiated with the RSL subject to the Council's legal and fiduciary duties as outlined in the Resources and Legal Considerations of this report.
- 2.7** In addition, to assist with project delivery it is proposed to also review the existing lease for Oak Court and negotiate and agree the disposal of a new interest in the Oak Court site to Wales and West Housing Association.
- 2.8** The disposal of the land for the Extra Care residential development to Wales and West Housing Association will be subject to planning permission and funding being secured for the delivery of the Extra Care scheme as part of the wider master plan for the Penarth Housing with Care Complex.

DELIVERY OF ADDITIONAL OLDER PERSONS INDEPENDENT LIVING ACCOMMODATION

- 2.9** The delivery of the proposed additional older persons independent living accommodation (which may be a proposed block of 1 and 2-bedroom apartments or other appropriate homes for older people) is anticipated to be facilitated by the Council's Housing Services section subject to statutory consents.

PROJECT GOVERNANCE

- 2.10** The Penarth Older Persons Housing with Care Complex will be coordinated by a Project Board and officer Project Team.
- 2.11** The Project Board will include the Head of Housing and Building Services (the Project Sponsor), the Leader, Cabinet Member for Housing and Building Services, Director of Environment and Housing, Head of Adults Services and Head of Finance.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1** The proposed Penarth Older Persons Housing with Care Complex accords with the Five Ways of Working and our Well-being objectives as follows:
- a) INVOLVEMENT - The Council and Wales and West Housing Association will facilitate consulting the community as part of the statutory planning process;
 - b) COLLABORATION - The Council and Wales and West Housing Association are working closely to facilitate the delivery of the project to provide much needed older persons homes, and with the Local Health Board with a view to create the opportunity to co-locate complimentary health facilities;
 - c) INTEGRATION - An aim of the project is to sensitively integrate the proposed new Extra Care scheme and additional older persons independent living accommodation with the existing Oak Court sheltered housing scheme and Ty Dewi Sant;
 - d) PREVENTION - An aim of the project is to prevent a lack of much needed older persons homes in the area as outlined in paragraph 1.1. of this report.
 - e) LONG TERM - An aim of the project is to provide a sustainable older persons housing development that will go towards providing a long-term solution to the current lack of suitable older persons housing in the Vale of Glamorgan.

4. Resources and Legal Considerations

Financial

- 4.1** The ongoing feasibility and design of Penarth Housing with Care Complex is being funded largely by the Integrated Care Fund from the Welsh Government (and distributed via the local Health Board). Wales and West Housing Association has to date also contributed at nil cost its expertise and management of the design team presently facilitating the detailed feasibility and design of the Extra Care scheme and updating of the wider master plan.
- 4.2** The physical delivery of the Extra Care scheme is estimated to cost £12 - 13 Million although these costs are preliminary. It is anticipated this element of the project would be funded by a mix of funding from Wales and West Housing

Association, Social Housing Grant, the Integrated Care Fund, possibly Section 106 funds for affordable housing (if available).

- 4.3** Housing Services have included a development budget in the Housing Business Plan for the sum of £6 Million from 2023 for the delivery of the Older Persons independent living accommodation.
- 4.4** Any disposals of interests in land will be valued in accordance with Section 123 of the Local Government Act 1972 or the consents under the Housing Act 1985.

Employment

- 4.5** It is anticipated the Penarth Older Persons Housing with Care Complex will create temporary construction jobs and safeguard and create operational jobs associated with the proposed Extra Care scheme and Older Persons independent living accommodation. At this stage it is not possible to identify actual estimated numbers of jobs.

Legal (Including Equalities)

- 4.6** The Vale of Glamorgan Council owns the freehold interest in the vacant land edged red in Appendix A. The land comes under the Housing and Building Services portfolio.
- 4.7** The Oak Court site is also in the freehold ownership of the Vale of Glamorgan Council but is subject to a long lease with Wales and West Housing Association.
- 4.8** The proposed disposal of part of the land indicatively edged red on the plan in Appendix A to Wales and West Housing Association will be subject to the provisions of section 32 of the Housing Act 1985 and any other appropriate legislative provisions and statutory consents required under that legislation. The disposal will be at market value.
- 4.9** Whilst the land to be disposed of is land currently held under Part II of the Housing Act 1985 as amenity land, in view of the fact the land is being declared surplus and is designated as land for housing in the LDP, it has been agreed to advertise the disposal in line with section 123 (2A) of the Local Government Act 1972. In undertaking this procedure, the Council must publish notice of its intention to dispose of the land for two consecutive weeks in a newspaper circulating in the area in which the land is situated, and consider any objections to the proposed disposal which may be made to it.
- 4.10** Part of the proposal is to review the existing lease for Oak Court and following this negotiate and agree terms and conditions for the disposal of a new interest in the Oak Court site with Wales and West Housing Association. This again would be subject to the requirements of the appropriate legislative provisions and any statutory consents required under that legislation.
- 4.11** The Council has a range of other statutory provisions it could turn to in order to dispose of land to facilitate parts of the project including but not limited to provisions of the Section 123 of the Local Government Act 1972 and Local Government Act 1988.

- 4.12** It will be necessary for the Council to enter into the appropriate forms of contract with the successful tenderers for the works and services referred to in this report.
- 4.13** Depending on how the project progresses and is structured, there could be other legal and procurement issues to consider. Therefore, the Project Team will continue to liaise with Legal Services on all such matters concerning the scheme.

5. Background Papers

None.

APPENDIX A:

BOUNDARY OF 3.6 ACRES DEVELOPMENT SITE (VALE OF GLAMORGAN COUNCIL) - EDGED RED.

SITE IS LOCATED WITHIN LOCAL DEVELOPMENT PLAN HOUSING ALLOCATION SITE (SHADED BLUE).

