

Subject:	39–41 Whitehawk Way		
Date of Meeting:	13 July 2017		
Report of:	Executive Director Economy, Environment & Culture Executive Director Families, Children & Learning		
Contact Officer:	Name:	Jessica Hamilton Natalya Garzon	Tel: 01273 291461 01273293071
	Email:	Jessica.hamilton@brighton-hove.gov.uk Natalya.garzon@brighton-hove.gov.uk	
Ward(s) affected:	East Brighton		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 39–41 Whitehawk Way comprises two purpose built bungalows for people with learning disabilities and is leased to Southdown Housing Association (SHA) who deliver a residential care service for people with learning disability. SHA have requested a long lease of the site to facilitate the refurbishment and reconfiguration of the existing bungalows to deliver an improved service for people with learning disabilities that better meets the needs and aspirations of both service users and the council. See Plan at Appendix 2.
- 1.2 The development proposed would support a number of national and local policies and strategic drivers including: the NHS England Transforming Care National Plan; the Brighton & Hove Joint Strategic Plan: Transforming Care 2014-19; The Sussex Transforming Care Partnership Plan and the Adult Social Care Direction of Travel 2016 – 2020.

2 RECOMMENDATIONS

- 2.1 That the Committee authorises the disposal of the subject properties to SHA by way of long leasehold (option 4) and that delegated powers be given to the Executive Director of Economy, Environment & Culture, Assistant Director Property & Design and Head of Legal Services to approve terms.

3 CONTEXT AND BACKGROUND

3.1 Service Requirements

Following the Winterbourne View scandal, the Transforming Care Agenda, led by NHS England, has created an increased requirement on LA's and Clinical Commissioning Groups (CCGs) to ensure that adults with a learning disability and/or autism and/or mental health needs, with challenging behaviour are supported to be discharged from specialist hospital placements, and that people in the community with these presenting needs are supported to remain in the community and prevent future admissions.

- 3.2 The National Plan 'Building the Right Support' has clear requirements for LAs and CCGs to increase their provision of community services to meet the needs of this client group, both in facilitating discharge and in prevention of admission work.
- 3.3 There is a growing need for services of this type in the city, and lack of provision is resulting in costly single person services and out of area placements. There are currently 49 people in Brighton & Hove (B&H) who are assessed as being at risk of admission to a specialist hospital placement, of whom 12 are considered high risk. In addition there are currently 9 patients in a specialist hospital placement.
- 3.4 Furthermore the LA's transitions team is identifying an increasing number of young people with challenging behaviour who will require specialist supported accommodation in the coming years.
- 3.5 One of the main challenges locally to accommodating these service users is the lack of capable environments that allow individuals to be supported in the least restrictive manner while maintaining their dignity. In general, environments are required that are spacious, incorporate robust fixtures and fittings, have multiple exit points for staff, are self-contained and are located next to, or with, another service (this is to create efficiencies in staffing costs and to prevent staff burnout).
- 3.6 The preferred model to meet the needs of these service users, is small groups of self-contained flats or annexes with larger services. This offers greater economy of scale, reduced care and support costs and more resilient staff teams.
- 3.7 There are significant savings projected to the Families, Children and Learning Budget through the use of the proposed service (Appendix 1).
- 3.8 39-41 Whitehawk Way
The properties were originally built by Brighton Borough Council and leased to East Sussex County Council (ESCC) for 125 years from 1990 (the headlease). ESCC sublet the properties to SHA (the sublease) for residential use for clients with learning disability. Under Local Government reorganisation the headlease to ESCC transferred to Brighton & Hove City Council and merged with the council's freehold interest, resulting in a direct relationship between the council and SHA by way of the sublease only. The rent payable to the council is currently £12,000pa and the sublease is due to expire in September 2017.
- 3.9 SHA have requested a new 99 year lease to facilitate their investment of £1.04m to re-configure the properties and create a new service that will better meet the needs of the wider learning disability population. The design and amenities of the current properties are dated, and the needs and aspirations of clients and commissioners are no longer being met. This has led to lengthy void periods for the smaller 2 x bedrooms resulting in a loss of income to SHA of £45,000.00pa. The voids have not been filled by Community Learning Disability Team for over 12 months as the service does not meet the needs of people currently being assessed. SHA have incurred cumulative losses of £225,000 over the preceding 5 years due to the 80% occupancy rate.

- 3.10 The redevelopment proposal is to replace the existing residential care service, with 6 x self-contained Supported Living flats (3 within each former bungalow), designed to a high specification to meet the needs of people with learning disabilities with complex needs.
- 3.11 SHA are a specialist registered provider providing supported housing to people with learning disabilities. They have recently opened a similar scheme to the one proposed here in West Sussex, so bring a level of experience in design and build of these type of properties.
- 3.12 SHA are proposing an investment of approximately £1.04m which is made up of a NHS England capital grant for £400,000 and a recycled Housing & Communities capital grant of £200,000. SHA will provide the remaining capital needed.
- 3.15 The intention would be for the existing 6 residents to be re-housed within alternative residential services that can better meet their needs as they age and their mobility decreases.
- 3.16 The 6 x supported living units would be used to accommodate service users either awaiting discharge from specialist hospital placements or at risk of admission to hospital. The service would support people aged 16+ so would also be available to young people currently residing in children's residential services.
- 3.17 It is proposed that a 99 year lease be granted to SHA on completion of the development for nil rent and nil consideration. Any financial payment to the council by SHA for the lease would undermine the financial viability of the scheme and SHA would be unable to progress. However, granting a lease to facilitate the development of the buildings to provide improved accommodation will result in a projected saving to the Families, Children and Learning budget of approximately £278,000 (detailed at Appendix 1).

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Option 1: Do nothing
The current lease expires in September 2017. If a decision is taken not to dispose of the site a new lease would need to be re-negotiated. Current rental income is £12,000pa. SHA as the current leaseholder and support provider have indicated they are not able to continue with the service in its current form due to financial losses they are incurring.
- 4.2 Option 2 : Disposal of the property to the HRA for regeneration
The property could be sold to the HRA for re-development as 6 x 1 bed self-contained flats or 8 x studio flats for use as general needs or temporary accommodation. This option would meet social needs and support the Housing Strategy, but would require significant capital investment (approximately £1.2 – £1.5m) that may require subsidy from the HRA given the limitations of the site in terms of the number of units that are likely to be allowed to be developed taking into account planning regulations (due to proximity of the neighbours).
- 4.3 Option 3 : Disposal of the property on the open market

A valuation completed in October 2016 indicated an open market value of £560,000. Whilst providing the council with a capital receipt disposal of the site would reduce capacity for service users with a learning disability in the city.

4.4 Option 4: Disposal of the property to SHA on a 99 year lease for re-development as a social care service (recommended)

This option would meet social needs, support the Housing Strategy and provide housing for a very vulnerable client group with specific housing needs. A restrictive covenant would ensure that the site is always used to meet social needs.

A nomination rights agreement would ensure that the service is used to meet the needs of Brighton & Hove residents. The agreement would guarantee Brighton & Hove City Council 100% of nomination rights for an initial 5 year period, with first option of renewal and re-negotiation of terms after 5 years.

Given the long term population projection is for increased numbers of service users with complex and challenging behaviour, the service is viewed as being in demand for the life of the lease.

The nomination agreement will share some financial risk between provider and LA. The LA will be liable for void costs in the event of a void, unless the service is not available to be used due to repairs required or lack of staff. To mitigate this risk it is agreed that in the event of a void the service will be available for use as emergency respite for people in the city with challenging behaviour to prevent hospital admissions.

This option requires no capital investment from the council. Capital grants from the HCA and NHS England, along with investment from the registered provider will cover all the development costs.

5 COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 The learning disability strategy 'A Good, healthy and happy life' was developed following consultation with people with learning disabilities. 'Having my own home' is one of the key features of the strategy.

6. CONCLUSION

- 6.1 This proposal would support the Housing Strategy and the strategic aims of Adult Social Care.

7. FINANCIAL & OTHER IMPLICATIONS

7.1 Financial implications:

The disposal of the properties will enable Southdown Housing Association to invest £1.04m of capital funding to reconfigure the properties into more viable units to support people with learning difficulties. This will enable SHA to reduce voids currently experienced with the current arrangements and therefore reduce annual losses of circa £45,000 pa currently experienced. The funding from SHA is provided through £400,000 NHS capital grant, Housing & Communities capital

grant with the balance met from SHA capital funds. The council will benefit by reducing costs associated with high placement costs and it is estimated that this may be up approximately £278,000 pa and will assist in delivering the Integrated Service & Financial Plans savings for Families, Children & Learning. This will be offset by the loss of rent that the council currently receives of £12,000 pa which will not be recovered.

Finance officer consulted: Rob Allen

Date: 15/06/17

7.2 Legal implications:

Section 123 of the Local Government Act 1972 (“the Act”) provides that a Council may dispose of land in any manner it sees fit subject to the condition that, except in the case of leases for less than 7 years, disposal must be for the best consideration reasonably obtainable. With reference to recommendation 2.2, the General Disposal Consent (England) 2003 permits a disposal at an undervalue provided that the amount foregone is less than £2 million and there would be economic, social or environmental benefits to be gained as a result of the disposal.

Lawyer consulted: Joanne Dougnaglo Date: 12/06/17

7.3 Equalities Implications:

The preferred option would support the Housing Strategy and provide housing for a vulnerable client group, providing access to homes in the community in an inclusive way.

7.4 Sustainability Implications:

Any future development would meet the code for sustainable homes (albeit now subsumed by Building Regulations). Warm and well insulated homes will have beneficial impacts on issues such as health, fuel poverty, and reduced occupiers' costs of running the home and reduced CO2 emissions. Any conversion or new build project would comply with Building Regulations.

SUPPORTING DOCUMENTATION

Appendices

1. Projected savings to the Community Care budget
2. Location Plan

Documents in Members' Rooms

None

Background Documents

None

Appendix 1: Projected Savings to the Families, Children and Learning Budget

Due to a lack of self-contained capable environments, BHCC has continued to rely on single person service and out of area placements for service users who require bespoke accommodation.

The 6 supported living flats will provide:

- a) 3 x complex needs flats for service users who require 1:1 support at all times, plus 2:1 support in the community
- b) 3 x high needs flats for service users who require 1:1 support all the time

Projected fees are:

Supported Living Scheme	No. of hours per client per week	Hourly rate	Waking night	Sleep-in (per week @ NLW)	Cost p/wk per client
A – Complex needs flats	135 1:1 support at all times plus some 2:1 support to access the community	£16.75	£195.41	£81.50	£2,538.16
B – High needs flats	105 1:1 support at all times	£16.75	£195.41	£81.50	£2,035.66

- Waking night and sleep in costs split between 6 service users
- Costs may vary according to individual need

Projected Savings:

The table below shows examples of high cost placements where significant savings could be achieved through the use of the proposed 6 x Supported Living units:

- 1) Service user A lives in a high cost single person service, currently the fee is split with the CCG using a joint funding tool applied following a discharge from hospital. The table below shows LA share of fee only, 25% of total. Cost below is based on 2:1 staffing at all times. This service user would be assessed for a move to the new service.
- 2) Service B is a young woman who will shortly be discharged from a specialist LD hospital. Due to lack of local services that meet her needs she is being discharged to a service in East Sussex. Currently the fee is split with the CCG using a joint funding tool applied following a discharge from hospital. The table below shows the LA share only, 50% of total. This service user has been assessed as being suitable for this service.
- 3) Service users C & D currently live in a supported accommodation service within the city, where the environment does not meet their needs and where

high night support costs are not able to be shared across any other service users. Both service users are considered suitable for the new service.

- 4) Two flats are projected for use by young people moving from in house children's residential services prior to their 18th birthday. One has been costed as complex and one as high.

Service user	Forecast	Proposed cost	Projected saving	18/19 saving	Full year effect saving
**A	£2,621	£948	£1,673	£65,073	£87,003
**B	£1,630	£1,017	£612	£23,809	£31,832
C	£2,803	£2,538	£264	£10,300	£13,771
D	£2,403	£2,035	£368	£14,312	£19,136
Transitions 1	£3,500	£2,538	£ 961	£37,408	£50,015
Transitions 2	£3,500	£2,035	£1,465	£56,978	£76,180

£16,457	£11,111	£5,343	£207,800	£277,937
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*Based on service opening in July 2018

** Showing BHCC cost only, not CCG costs

