

EXECUTIVE BOARD – 20 SEPTEMBER 2016

Subject:	Woodthorpe and Winchester Extra Care		
Corporate Director(s)/ Director(s):	David Bishop, Deputy Chief Executive/Corporate Director for Development and Growth		
Portfolio Holder(s):	Councillor Jane Urquhart, Portfolio Holder for Planning and Housing Councillor Alan Clark, Portfolio Holder for Energy and Sustainability Councillor Alex Norris, Portfolio for Adults and Health		
Report author and contact details:	Mark Lowe, Head of Regeneration and Housing Delivery 0115 8763532 Mark.lowe@nottinghamcity.gov.uk		
Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Subject to call-in	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons: <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision			<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total value of the decision: Detailed in exempt Appendix 2			
Wards affected: Sherwood	Date of consultation with Portfolio Holder(s): Councillor Alan Clark, Councillor Alex Ball and Councillor Jane Urquhart 28 April 2016, and Councillor Alex Norris 22 July 2016		
Relevant Council Plan Key Theme:			
Strategic Regeneration and Development			<input checked="" type="checkbox"/>
Schools			<input type="checkbox"/>
Planning and Housing			<input checked="" type="checkbox"/>
Community Services			<input type="checkbox"/>
Energy, Sustainability and Customer			<input type="checkbox"/>
Jobs, Growth and Transport			<input type="checkbox"/>
Adults, Health and Community Sector			<input checked="" type="checkbox"/>
Children, Early Intervention and Early Years			<input type="checkbox"/>
Leisure and Culture			<input type="checkbox"/>
Resources and Neighbourhood Regeneration			<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
<p>This report proposes the conversion of Woodthorpe and Winchester Courts, an Independent Living Scheme for people over 55 into an Energy Efficient Extra Care Housing scheme. The project will include energy efficiency works to the two courts and the development of a new three-storey building of up to 40 one bedroom fully-accessible flats and a much improved community facility that will serve all the 220 households.</p> <p>Adult Services fully support the development of flexible Extra Care accommodation, which will serve the north of the city, allowing people to stay independently in their homes for longer and provide cost effective alternatives to residential care provision. It will support the increasing demand for social care services.</p> <p>The delivery of energy efficiency works to Woodthorpe and Winchester Courts was approved in principle under the Domestic Energy Efficiency Programme Executive Board report in July 2013.</p> <p>Delivery of the scheme will be procured through the SCAPE National Major Works framework, for projects over £2m. SCAPE is a public sector organisation owned by 6 local authorities, including Nottingham City Council. Using the SCAPE framework allows the project to be delivered by the principal contractor providing efficiencies across both the energy efficiency and new build elements.</p> <p>The project is planned to commence on site early in 2017 and be completed within 24 months.</p>			

Exempt information:

Appendix 2 is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose the information because it could prejudice contract negotiations.

Recommendation(s):

- 1** To approve the budget for the project, as detailed in exempt Appendix 2.
- 2** To delegate authority to the Deputy Chief Executive/Corporate Director for Development and Growth, in consultation with the Portfolio Holder for Energy and Sustainability and the Portfolio Holder for Planning and Housing, to approve final designs for the project and the most appropriate system heating for existing blocks.
- 3** To delegate authority to the Deputy Chief Executive/Corporate Director for Development and Growth, in consultation with the Portfolio Holder for Planning and Housing and the Portfolio Holder for Energy and Sustainability, to enter into contractual relationships through the SCAPE framework to secure the delivery of the project.

1 REASONS FOR RECOMMENDATIONS

- 1.1 Extra Care provision already exists in the south, east and west of the City, but not in the north. The Extra Care scheme previously proposed by ASRA in the north of the City was deemed unviable and the Hazel Hill site is now considered more suitable for the development of bungalows. The most suitable and available location for an Extra Care development is the Woodthorpe and Winchester site.
- 1.2 Adult Services and NCH are committed to delivering an extra care scheme in the north of the city; creating a large scheme of nearly 220 households brings economies of scale and improved financial viability for care providers. The availability of extra care accommodation with care and support provided on-site can help to manage costs incurred by the Council and the NHS by keeping citizens independent in their own homes for longer, reducing dependency on residential care and hospitals.
- 1.3 The creation of an extra care scheme, with fully accessible accommodation, communal facilities and energy efficiency works to the existing two towers will improve the future sustainability of Woodthorpe and Winchester for existing and future residents.
- 1.4 The availability of Right-to-Buy retained '1-4-1' receipts, Adult Social Care capital funding and identified Grand Design HRA capital makes the project viable and makes effective use of additional capital resources available.
- 1.5 The proposed procurement route is OJEU compliant and reduces the timescales to market. The Right to Buy retained '1-4-1' receipts have to be spent within 3 years of receipt or be paid back to the Treasury plus interest in default. This new build scheme and the proposed SCAPE procurement route will utilise £1.500m of '1-4-1' receipts to build good quality homes for vulnerable Nottingham citizens.
- 1.6 This programme delivers on the commitments to insulation and energy efficiency in the Asset Management Strategy and supports the Council's policy commitments on domestic energy and carbon reduction.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

The New Build Development

- 2.1 The plans provide for up to 40 new high specification, accessible flats together with extensive communal facilities including assisted bathing suites, scooter stores and care provider offices.
- 2.2 Planning colleagues have been consulted on the outline designs. The principle of a new three storey block between the existing towers has been agreed, subject to the links between blocks being carefully considered to ensure that a visual barrier to the park is not created.
- 2.3 Woodthorpe and Winchester residents currently use the 'Winwood Centre' as their communal space. However, this is a small temporary building which is no longer fit for purpose. Within the 'Grander Design' project to improve Independent Living schemes a capital budget of £0.500m has been earmarked to develop a new Winwood Centre in the new build development.
- 2.4 Right-to-Buy retained '1-4-1' receipts of approximately £1.500m (based on 30% of estimated build costs of the flats) are currently available to support new social housing and the new build development of this proposal will qualify for this funding.
- 2.5 Adult Social Care Capital Grant funding of £0.600m is available to support the development of an Extra Care scheme in this location.
- 2.6 The development of this new facility will be combined with the planned energy efficiency works to existing blocks, creating a sustainable and energy efficient scheme, aiming to provide a home for life, for 220 older households in the north of Nottingham.
- 2.7 It is proposed that a contractor is appointed through the SCAPE framework on a design and build contract that includes robust performance criteria and a fixed maximum price.
- 2.8 A design panel will be established for the contractor design period, enabling relevant Nottingham City Council and Nottingham City Homes' officers and elected members to input to the final design. A representative from the planning team will be invited to sit on this group.
- 2.9 An initial consultation event has been held with residents. Regular consultation events will continue throughout the design and build period in line with Nottingham City Homes' communication strategy.

Extra Care

- 2.10 Between 2008 and 2033 there is expected to be a 60% increase in households headed by someone over 65 and a 100% increase in households headed by someone over 85. By 2050 it is projected that there will be more than a 150% rise in the population aged over 60.
- 2.11 Nottingham needs a range of housing offers to provide for this demand. The range of accommodation includes accommodation for people with lower support needs such as independent living schemes through to Extra Care schemes that can be flexible and offer tailored care and support as residents need change, through to residential homes where high care and support is

provided. Utilising extra care accommodation can help the Council and the NHS keep residents independent in their own homes for longer, reducing dependency on residential care and hospitals.

- 2.12 A Strategic need for Extra Care provision in the north of the city had been previously identified and originally planned for the now abandoned Hazel Hill development. Extra Care accommodation already exists in the south of the city with Larkhill Retirement Village, the east with Albany House and the west of the city with Seagrave Court and Woodvale. The proposed new build and development of Winchester and Woodthorpe as Extra Care would provide up to 220 units in the north east of the city.
- 2.13 Demand for flats in Woodthorpe and Winchester Courts is generally good and is expected to rise following the refurbishment and energy efficiency works. The addition of new extra care flats, excellent communal facilities and the availability of on-site care and support will create a more sustainable Woodthorpe and Winchester with existing and new residents supported to stay independent for longer in their own homes.
- 2.14 Adult Services and Nottingham City Homes have established a clear commitment to work together in partnership to deliver an extra care scheme at Woodthorpe and Winchester. The £0.600m Adult Social Care capital contribution toward the new-build properties will secure a nominations agreement giving Adult Social Care nomination rights to the new extra care flats and potentially a proportion of the flats in the two tower blocks. A local allocations policy will also be considered to give existing Woodthorpe and Winchester Court residents, who have been assessed as requiring increased support, care or mobility needs, the first choice to move into an extra care unit should one be available.
- 2.15 Adult Services will commission a care provider prior to completion of the project to deliver the Extra Care provision required. Funding arrangements will be in line with the other Extra Care funded services in the city.
- 2.16 There are two elements to the proposed contracting arrangements for the Woodthorpe and Winchester extra care scheme:
- a) Extra care provision – this is the homecare element of the service, which will be delivered on an hourly basis with the Council only incurring the costs as providing homecare support if the citizen was at home.
 - b) Night care provision. This element of the service is likely to require a block contract (similar extra care models cost the Authority £0.037m p.a). This may result in an initial cost as the citizens move into the extra care facility. Based on current models of extra care in the city once a scheme has approximately 6 citizens requiring night care then the provision of this care becomes cost effective as the only other alternative for these citizens is residential care.
- 2.17 At the current hourly rate a Citizen would need a care package with approximately 30 hours of care in the day and 3.5 hours at night before the weekly cost of the care package became comparable to the rate for residential care. At Lark Hill, the City's largest extra care scheme, the majority of care packages are between 5 and 15 hours making extra care provision a cost effective alternative to residential care.

2.18 There are also future opportunities to include respite provision within the development which would further add to the cost effectiveness of this development and has the potential to increase savings to the Council by reducing the need for respite residential care.

Energy Efficiency of the Existing Blocks

2.19 In the 2013 - 2018 Asset Management Strategy, the Council and NCH have a commitment to insulate solid wall properties by 2018. In addition, tenants have identified “warmth” as one of their priorities and the strategy seeks to address poor performing electric heating in tower blocks. The NCH Corporate Plan includes a KPI to achieve an average EPC rating of ‘C’ across all Council stock by 2018. The Council has a manifesto commitment to reduce domestic energy consumption by 10% and the Council’s Carbon Management Plan has a commitment to reduce the authority’s CO₂ emissions by 31% by 2020.

2.20 The Domestic Energy Efficiency programme was approved in July 2013 by the Executive Board. This included the delivery of energy works to high rise blocks at Woodthorpe, Winchester, Bentinck, Manvers, Kingston and Colwick Woods Courts.

2.21 The recent refurbishment of Bentinck, Manvers and Kingston Courts has seen a significant improvement in comfort conditions for residents, delivering up to 70% reduction in energy bills and a CO₂ emission saving of 30,000 tonnes. The Council has three remaining tower blocks with solid walls and electric heating. Woodthorpe and Winchester Courts have been prioritised over Colwick Woods Court because, as Independent Living schemes, the residents in these blocks are potentially at higher risk of the health impacts resulting from fuel poverty.

2.22 The two blocks, containing 180 flats, have concrete walls which are considered ‘hard to treat’ and are heated by inefficient electric storage heaters. This project will include insulation (cladding), replacement of doors, windows as well as re-roofing including the installation of PV cells. These works maybe eligible for Energy Company Obligation (ECO) funding, Renewal Heating Incentive (RHI) and Feed in Tariff (FIT). However funding in these areas has been reducing and cannot be guaranteed so have not been included within overall costs. Level access thresholds will be provided to the flats to improve access for mobility-restricted residents. Decent Homes work has already been completed in these properties, which leaves new internal heating systems to be installed. A feasibility study has been carried out into several heating options and from these two options are proposed for further consideration:

- Replace the existing storage heaters with much more efficient storage heaters, combined with tariff switching and battery storage with PV solar electricity generation.
- Install a communal ground source heat pump.

2.23 These options will reduce carbon emissions by between 40% and 80% and over 20 years will save residents more than £1m in fuel bills. Residents will be extensively consulted on the heating options. The preferred heating option will also be installed in the new build.

2.24 In light of lessons learnt from the recent energy efficiency works undertaken at Bentinck, Manvers and Kingston courts a resident respite and information centre will be provided on the site. This will have examples of materials and

systems being used in the retrofit to ensure residents understand what will be installed in their flats. As least two dedicated project liaison officers will work with a project specific tenant and resident group represented by 5 residents from each tower to create a better working relationship with residents through feedback, information sharing and tackling any developing issues.

- 2.25 There are a small number of leaseholders in Woodthorpe and Winchester who have purchased the lease for their property through Right to Buy. These residents will be formally consulted on the proposed works and improvements to their properties in accordance with Section 151 of the Commonhold and Leasehold Reform Act 2002.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Do nothing. Commitments have been made to residents in the existing blocks that their homes will be improved in line with the Asset Management Strategy. The homes are some of the poorest performing in relation to energy efficiency and are therefore a priority for improvement. The site would not be capable of being Extra Care without the new accessible homes and expanded communal facilities. No Extra Care provision in the north of the City could potentially mean increased reliance on care home provision for residents in the area with the associated costs that this incurs. No new homes would be built and Right to Buy retained '1-4-1' receipts would not be utilised resulting in pay-back to the Treasury.
- 3.2 Only deliver the energy efficiency works to the tower blocks and an improved Winwood Centre. This would provide much needed improvements to the tower blocks and associated fuel savings for the residents but would not provide an extra care scheme in the north of the city and could result in the potential loss of Right to Buy retained '1-4-1' receipts (as indicated in 3.1 above)
- 3.3 Tendering the scheme under OJEU increases the timescales and the risk in relation to accessing the Right to Buy retained '1-4-1' receipts.
- 3.4 The two proposed options for replacement heating are deemed the best options from a range considered. This is on the basis that innovative and significantly more efficient solutions now exist and electricity generation is being decarbonised. Other options considered include communal biomass and gas, but these have been ruled out in part due to the requirements for high temperature water to be circulated. This has proved unpopular with residents at Bentinck, Manvers and Kingston Courts and there have been heat losses in the communal pipework.

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 See exempt Appendix 2.

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 The proposals in the report need to take into account of the fact that, it is understood, a number of flats in the existing facilities have already been sold

off under Right to Buy provisions. In these circumstances consideration needs to be given as to whether any of the proposed works will give rise to additional service charge costs which will need to be discussed with the leaseholders. If there is no intention to pass any of these charges on then the position may be easier to progress.

- 5.2 Legal Services will advise the Energy Services Team on appropriate terms and conditions of contract with Wilmot Dixon, ensuring that treatment of grant/income from heating and energy efficiency measures is included in the contract. This advice will protect the Council's interests and minimise risk.
- 5.3 The procurement of a contractor under the SCAPE framework is a compliant route to procurement and must comply with all applicable EU regulations, the project will engage with and be supported by the NCH Procurement Team.
- 5.4 In terms of the new build element, steps should be taken to check whether there are any easements, restrictions or other legal matters affecting the site which could inhibit the development.

6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

- 6.1 It is understood that the works are entirely on Housing Revenue Account land and a number of the affected properties have been sold under the right to buy legislation. All necessary due diligence should be undertaken at an early stage to ensure that there are no legal or physical restrictions that would impact on the proposed developed

7 SOCIAL VALUE CONSIDERATIONS

- 7.1 Converting the site to Extra Care will allow residents to stay in their homes for longer, or move to the new accessible flats as their support and care needs increase. This will reduce the dependency on care home beds and the associated cost for citizens and the Council.
- 7.2 The new communal facilities will enable better community interaction and reduce social isolation for residents living on site. These facilities will encourage communal activities and attract external organisations to the scheme.
- 7.3 Residents living in Woodthorpe and Winchester are older people and are more vulnerable to the risk of health impacts arising from fuel poverty. The proposed energy efficiency measures will dramatically improve the comfort of the existing homes and reduce heating bills.
- 7.4 The improvement to the appearance of the existing blocks, tied into an excellent standard of design for the new build, will enhance the amenity for local citizens and users of Woodthorpe Park. Environmental features will be incorporated within the design.
- 7.5 Jobs and training opportunities will be created for Nottingham residents through the delivery of this project as Wilmott Dixon will be required to provide traineeships and local employment opportunities.

8 REGARD TO THE NHS CONSTITUTION

8.1 Not applicable

9 EQUALITY IMPACT ASSESSMENT (EIA)

9.1 Has the equality impact of the proposals in this report been assessed?

No

Yes

Attached as Appendix 1, and due regard will be given to any implications identified in it.

10 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

10.1 None

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

11.1 None

12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

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