
DELIVERING EXTRA CARE HOUSING IN THE SCOTTISH BORDERS: A DELIVERY FRAMEWORK 2017-2022

Report by Service Director Regulatory Services

EXECUTIVE COMMITTEE

20 SEPTEMBER 2016

1 PURPOSE AND SUMMARY

- 1.1 **This report sets out the proposed delivery framework for up to 6 extra care housing developments across the main towns in Scottish Borders in order to meet identified need and deliver on the Council's corporate priorities of shifting the balance of care. The initial priorities for investment have been identified as Duns, using Trust Housing and Langhaugh, Galashiels using Eildon Housing Association.**
- 1.2 The needs assessment for extra care housing previously undertaken, and reported to Members in March 2016, concluded that there is a large projected need for this type of housing model across all the main towns in the Scottish Borders. Through an option appraisal approach, the study also concluded that it would be best value if the projects were developed, owned and managed by Registered Social Landlords. The proposed delivery framework utilises Council owned sites where feasible and maximises Scottish Government grant provision, including RSL private sector borrowing over the next five years of the Strategic Housing Investment Plan. It is anticipated that these will be high cost projects that are likely to require some gap funding from the Council's Affordable Housing Budget.
- 1.3 It is envisaged that these developments will provide extra care housing for social, mid-market rent and shared equity options, all of which are considered as being compliant with the Councils Affordable Housing Policy definitions. Further individual site specific feasibility studies are required to test the financial modelling.

2 RECOMMENDATIONS

- 2.1 **I recommend that Members consider this proposed delivery framework and:-**
- (a) **Notes the Extra Care Housing Strategy set out in this report provides a major investment in the care sector that will make a significant contribution to the care and support of elderly and vulnerable adults across the Scottish Borders.**

- (b) Endorses the approach to deliver new extra care housing developments in the Scottish Borders and for inclusion in the Strategic Housing Investment Plan 2017-2022, commencing with developments in Duns and at Langhaugh, Galashiels.**

- (c) Agrees to assist the development of these extra care housing projects by using the 2nd Homes Council Tax budget to compensate the 10-year Capital Investment Programme (where applicable) on the basis of affordable housing valuation for the sites.**

- (d) Agrees in principle to use 2nd Homes Council Tax and Developer Contributions to address the funding gap associated with this type of development potentially above affordable housing benchmark eligible grants.**

- (e) Notes that a further progress report will be submitted when costed design specifications have been completed for Duns and Langhaugh.**

3 STRATEGIC CONTEXT

- 3.1 The Council's Local Housing Strategy (LHS) 2012-2017 is a statutory requirement that provides the strategic direction to tackle housing need and demand and informs the future investment in housing and related services across the Scottish Borders area. Underpinned by revised guidance from the Scottish Government, Officers are currently preparing the new five year Local Housing Strategy which will cover the period 2017-2022. The new LHS is being developed in a collaborative manner involving all of the Council's Community Planning Partners and Stakeholders.
- 3.2 The forthcoming LHS identifies an affordable housing shortfall of 128 units per annum and it also recognises that a key element of the strategy is to enable independent living across of all vulnerable groups and including older people who make up an increasing proportion of the Scottish Borders population. The LHS reflects the Council's policy commitment of shifting the balance of care by reducing the proportion of institutional care packages and increasing the proportion of care provided through packages, Extra Care Housing and Housing with Care.
- 3.3 Part of the strategy for increasing the numbers of older people that are assisted to live at home, including those receiving more intensive home care or 'extra care' services, will be achieved by increasing the supply and availability of extra care housing as alternatives to current residential care home provision. This will be achieved by building upon the strong cooperation of our housing partners and support from Scottish Government to help fund, develop and deliver extra care housing schemes.
- 3.4 Extra Care Housing offers the possibility of supporting higher levels of dependency but also providing an environment for lively and active old age. It is estimated that over 60% of current entries into residential care could be averted or delayed if Extra Care Housing [ECH] had been available in their locality. ECH is seen as a means of an alternative to both sheltered housing and residential care that can meet the needs of the majority of people needing residential support in the future. ECH is based on self-contained flats, rather than small rooms as in residential care, and offers care and support at the same level as residential care, for those that need it, available 24 hours a day.
- 3.5 The Council anticipates making the maximum use of technology-enabled care to support and assist people in their home – offering maximum security and safety, and enabling older people increased choice of their care and accommodation arrangements. For people with dementia, Extra Care Housing provides an alternative to being cared for at home or going straight into a care home.
- 3.6 ECH requires different and more flexible support and funding frameworks than more conventional models. Joint collaboration between housing providers, Social Work services, primary care and community health service is needed to provide the best and most effective care and support. This is one of the key priorities highlighted in Planning for Change set out in the Scottish Borders Health and Social Care Partnership Strategic Plan 2016-2019 which identifies a need to further develop our understanding of housing needs for people across the Scottish Borders.

4 CONSULTANT'S FINDINGS

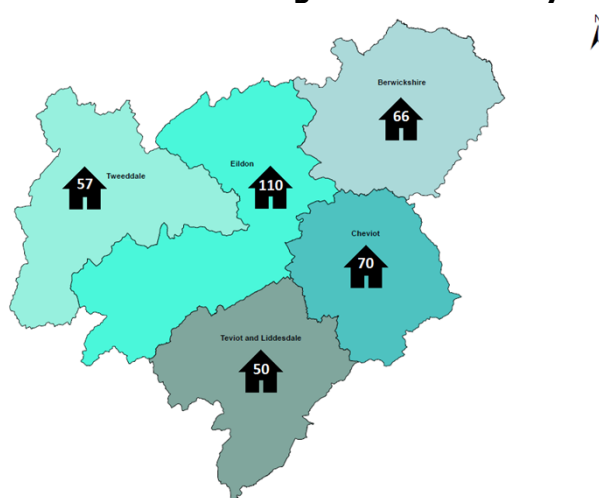
- 4.1 As reported to Council on the 8th March 2016 the needs assessment for extra care housing carried out by Anna Evans Housing Consultancy in partnership with is4 housing and Regeneration Ltd concluded that there is a large projected need for extra housing provision in Berwickshire.
- 4.2 Subsequent analysis has also concluded that taking into account the existing 129 extra care and housing with care provision in the Scottish Borders a further 353 properties spread across five main Towns will be required by 2035 in order to help shift the balance of care provision.
- 4.3 Table 1 below sets out the estimated cumulative number of extra care housing/Hwc properties required from 2018 to 2035 across the five main towns to meet this gap in provision. The figures clearly illustrate that 230 units will be required by as early as 2020 to meet need and thereafter, the projected need reduces to an additional 96 units by 2025, 24 units by 2030 and a further 37 units by 2035 if the total projected estimated needs are to be met. Figure 1 below shows an estimated shortfall at a locality level.

Table 1. Projections for Extra Care Housing Requirement in Scottish Borders

Projections	Number in ECH/HwC (1.7% of aged 75+)				
	2015-2018	2020	2025	2030	2035
Central	11-12	72	88	98	110
Berwickshire	10-12	43	52	59	66
Hawick	8-9	33	40	45	50
Peebles	4-5	37	46	51	57
Jedburgh	3-4	28	34	39	43
Kelso	3-5	18	22	24	27
Scottish Borders	39-44	230	282	316	353

Source: Extra Care Business Case: Anna Evans/is4 Housing & Regeneration Nov 2015¹

Figure 1 Extra Care Housing Need at Locality Level



- 4.4 Analysis also suggests that the need for extra care housing is greatest in Central Borders area with a total requirement for 110 properties by 2035 with 72 of these being required by 2018 and a further 16 by 2020. Need is also high in Kelso with a combined need for 98 properties by 2035 with a

¹ Figures are subject to rounding
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requirement for 64 of these properties by 2020. Notwithstanding the development of Dovecot Court in Peebles there is still a requirement for a further provision of 57 extra care housing by 2035 with the majority (46) being required by as early as 2020.

- 4.5 Officers have been seeking to identify the most efficient and cost effective way to deliver Extra Care Housing or Housing with Care projects across the Scottish Borders. Critical to the delivery of extra care housing schemes will be willing and experienced Registered Social Landlords (RSL) who have the financial capacity and experience to develop a scheme of this nature. The Strategic Housing Investment Plan (SHIP) is the sole document for targeting affordable housing investment in Scottish Borders and all affordable housing projects (including extra care housing) must be delivered through the SHIP processes and identified as a strategic priority in the Council's Local Housing Strategy.
- 4.6 As reported in paragraph 4.1 (e) p. 5, of the SHIP progress committee report, approved by Members on the 10th May 2016, the Scottish Government increased the unit benchmark RSL grant rates by 20% and increased the 2016-2017 subsidy allocation to Scottish Borders area to £8.633m and a similar level of funding is anticipated over the life of the SHIP in order to deliver on the Scottish Government's affordable housing pledge of 50,000 affordable homes over the life of the Parliament. This provides the injection of significant capital investment and it is important that the Council plans the development of extra care housing in order to maximise and fully utilise allocated and anticipated grant funding when it is available in the next five year SHIP period. Particularly as there are concerns across the housing sector that grant levels and allocations could reduce after 2022.
- 4.7 The Consultant's findings concluded that to deliver all of the Extra Care Housing Options will be reliant on additional funding contribution from the Council over and above Scottish Government benchmark grant levels and anticipated RSL private finance. The potential development of Council owned sites provides much more certainty in project delivery and it also provides the opportunity to consider the basis for sale and capital receipt arising for sale of sites to any RSL development partner.

5 PROPOSED DEVELOPMENTS & TIMEFRAMES

Table 2 Proposed SHIP Timeframes of Extra Care Housing Developments

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	2017/18	2018/19	2019/20	2020/21	2021/22	
Berwickshire (Duns)	-	-	30	-	-	30
Central (Gala)	-	-	30	-	-	30
Hawick	-	-	-	30	-	30
Kelso	-	-	-	-	24	24
B'Shire Eyemouth**	-	-	-	-	36	36
Peebles***	-	-	-	-	30	30
Total						180

NB: Kelso, Eyemouth and Peebles may deliver beyond the life of the SHIP

- 5.1 Table 2 on page 5 above sets out Officer's proposed estimated unit numbers and target delivery timescales for inclusion in the Strategic Housing Investment Plan. These will be subject to further discussions with partner RSLs and Scottish Government to clarify programme arrangements.
- 5.2 Albeit the estimated unit numbers set out in table 2 on page 5 are very ambitious they fall short of the estimated need of 230 in 2020 by 80 units. That said, this could change as the final numbers, and balance between tenures will be determined by individual site/project detailed feasibility studies. It should be noted that there is scope to make a case for increasing flexibility on the level of equity in shared equity, as other Scottish Government financially assisted projects have demonstrated. Officers understand that there may also be possibilities in future of specific grant funding for specialist needs projects, and for wider flexibility, but this has yet to be confirmed with Scottish Government.
- 5.3 Council Officers from Housing, Finance and Social Work with Scottish Government collaboration have carried out a selection exercise in order to identify preferred RSL development partners who are considered to be the most appropriate delivery agents. Prospective Partners were assessed based on financial viability, experience and capability. The Duns project and the Langhaugh project in Galashiels the initial priorities, with further potential additional projects thereafter. As a result of the selection process it has been agreed that Trust Housing Association will deliver the Duns project and Eildon Housing Association will deliver on their Langhaugh site in Galashiels. Table 3 below sets out the proposed sites where the extra care housing will be developed and highlights deliverability and site issues.

Table 3 Proposed Sites Location for Extra Care Housing Developments

	Proposed Site	Site Ownership	Deliverability/Infrastructure & Site Issues
Berwickshire (Duns)	Todlaw	SBC	Soil investigation survey to be initiated
Central (Gala)	Langhaugh	EHA	EHA seeking to maximise development potential of site by assembling a larger site from land left undeveloped following railway construction
Hawick	Stirches	SBC	Former Housing Revenue Account site retained after Stock Transfer. Convenient to A7 and on a bus route but not located close to town centre.
Kelso	Kelso High School	SBC	Currently in use as school. Some existing buildings may require demolition in order to provide sufficiently large site.
B'Shire (Eyemouth)	Eyemouth Former High School	SBC	Master planning exercise to be under taken
Peebles	Rosetta Road	SBC	Discussions underway about potential of this site

6 NEXT STEPS

- 6.1 If the Executive Committee is supportive of the outline, Council Officers will initiate discussions with Scottish Government and Trust and both Eildon Housing Associations who have been selected as the Council's preferred delivery partners.
- 6.2 As stated in para 5.3 it is envisaged that Trust Housing Association will deliver the Duns project and Eildon Housing Association will deliver the Langhaugh Galashiels project.
- 6.3 Officers will also continue to liaise with Scottish Government to develop these projects via the Strategic Housing Investment Plan's established processes. Officers will also pursue any new funding mechanisms which might be advantageous to support the delivery of the extra care model and will also pursue the possibility of agreeing with Scottish Government a higher than the current 'affordable housing benchmark grant' allocation to fund this Council strategic priority.
- 6.4 A review of existing commitments for the Council's 2nd Homes Council Tax budget will be undertaken in order to assist with gap funding for these projects and to help compensate the 10-year Capital Investment Programme on the basis of affordable housing valuation for the sites.

7 IMPLICATIONS

7.1 Financial

- (a) It is anticipated that the proposed extra care housing developments will be funded using the same range of funding sources employed to fund Dovecote Court, i.e. Affordable Housing Investment Programme grant from Scottish Government, private sector borrowing by the RSL[s] and anticipated contributions from the Council from 2nd Homes/Council Tax budget, Affordable Housing Policy Developer Contributions and if applicable the transfer of ex-Housing Revenue Account land in accordance with Scottish Government Guidance. The funding package will be informed by site specific feasibility studies.
- (b) Officers have submitted a bid to the Scottish Government's More Homes Infrastructure fund for £40k to undertake a feasibility study for the Todlaw, Duns to accelerate the delivery of the extra care housing development. A further bid for £40k to purchase the land adjacent to Eildon's Langhaugh site in order to improve the infrastructure to the new RSL extra care housing development and open up alternative access routes which would enable the RSL to maximise units on site including potential to also deliver some mainstream housing. The fund is designed to help tackle infrastructure blockages and Scottish Government is establishing a flexible five-year grant and loan fund, initiated with up to £50 million available in 2016-17.
- (c) On the basis of the experience of the delivery of Dovecote Court, it is anticipated that these new extra care housing developments will have

high unit costs. These costs will only be known once design specifications are completed and costed at which point a further report will be submitted to Elected Members.

7.2 Risk and Mitigations

Delivery of additional extra care housing developments in common with other affordable housing delivery programming is largely dependent upon a number of variables, not least of which relate to resource and other political and organisation decision making processes beyond the control of the Council. The main risks to the programme are:-

- Adverse impact on delivery of existing affordable housing projects initiated from SHIP 2015/20 due to potential re-prioritisation and re-programming of grant allocation to assist or accelerate the delivery of new extra care housing projects.
- The availability of 2nd Homes Council Tax and Affordable Housing Policy Developer Contributions to assist with any funding gaps.
- Impact of future Westminster Government Spending Review on Scottish Government Affordable Housing Investment Programme annual allocations to Scottish Borders area.
- RSL private sector borrowing capacity.
- Willingness of Scottish Government and RSLs to fund delivery of shared equity extra care housing.
- Potential reduction in the total numbers of affordable housing units delivered should above-benchmark grant be required to support delivery of extra care housing projects.

7.3 Equalities

- (a) Registered Social Landlords [RSLs] are required to operate within a framework of Statutory Regulation and Inspection which is overseen by the Scottish Housing Regulator. This includes the key allocation and wider housing management activities. This ensures that equalities requirements are met. As part of that framework, RSLs are required to provide the Regulator with Annual Performance Statistical Returns which are analysed and published by the Regulator.
- (b) All proposed prioritised affordable housing developments will be included in the Council's next Strategic Housing Investment Plan 2017/22 [SHIP] which is anticipated to be submitted to Scottish Ministers by 30 November 2016. Inclusion of proposed projects is predicated on the endorsement of the principle of equalities as articulated in the SHIP guidance. The SHIP will be subjected to an Equalities Impact Assessment, Strategic Environmental Assessment screening and rural proofing as part of the normal pre-submission processes.

7.4 Acting Sustainably

- (a) In accordance with Section 7 of the Environmental Assessment (Scotland) Act 2005 a pre-screening assessment of any potential Council led house building developments will be included in the SHIP 2017-22 which will be undertaken using the criteria specified in

Schedule 2 of the Act. The pre-screening assessment identified no or minimal effects in relation to the environment hence the SHIP is exempt from SEA requirements under Section 7 (1) of the Act.

- (b) By seeking to provide more new affordable extra care housing, it is considered that this will assist the sustainability of rural communities by providing specialised extra care housing as a new additional affordable housing supply delivery option and help to enable local people to continue to remain living in the community rather than consider moving to a registered residential care setting.
- (c) It is considered that there will be positive economic and social effects resulting from the proposed delivery of new extra care housing to meet identified and projected needs. These proposed new housing developments and anticipated environmental effects will require to be considered through normal Council Planning processes and procedures applying to house building programmes to ensure that Council and National policies and standards are met.

7.5 Carbon Management

- (a) It is considered that there are no direct effects on the Council's carbon emissions arising from the report recommendations.
- (b) New Build housing will have a general effect on the region's carbon footprint however these are addressed within the planning process and in meeting the housing requirements and standards as set out by the Scottish Government.

7.6 Rural Proofing

- (a) Rural proofing applies to all areas of Scottish Borders classified by Scottish Government as 'remote rural' or 'accessible rural'. This applies to all areas of Scottish Borders out with the towns of Hawick, Galashiels, Peebles, Selkirk, Eyemouth, Jedburgh and Kelso.
- (b) Most of the Scottish Borders is defined as being "remote rural" or "accessible rural". Duns is considered to be in an "accessible rural" area, whereas Eyemouth is classified as being a small town. The proposed extra care housing sites identified in this report will be considered as part of a rural proofing exercise which will be included within the Council's Strategic Housing Investment Plan. It is likely that the delivery of these projects will have no adverse impact on the rural area, and in particular will have a positive impact by increasing the supply of affordable housing in the Berwickshire area which currently has no extra care housing, or housing with care provision.

7.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to be made to the Council's Scheme of Administration or Scheme of Delegation arising from this report.

8 CONSULTATION

- 8.1 The Chief Financial Officer, the Monitoring Officer, the Chief Legal Officer, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and any comments received have been incorporated into the final report.
- 8.2 Corporate Communications have been consulted, and any comments received have been incorporated into the final report. It is considered that these extra care housing proposals are likely to attract media interest and a press release will be issued following Executive approval.

Approved by

Name: Brian Frater **Signature**

Title: Service Director Regulatory Services

Author(s)

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Background Papers: Scottish Borders Health and Social Care Partnership Strategic Plan 2016-2019

<http://scottishborders.moderngov.co.uk/documents/s11690/Item%20No.%2012%20-%20Health%20and%20Social%20Care%20Strategic%20Plan%202016-19.pdf>

Appendix 1 Final Business Case Report
2nd Homes Council Tax Commitment 2016-2017

Previous Minute Reference:

8th March 2016 Business Case for Extra Care Housing by Service Director, Regulatory Services

10th May 2016 Strategic Housing Investment Plan Progress Delivery for 2015-2016 by Service Director, Regulatory Services

Note – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Jacqueline Whitelaw can also give information on other language translations as well as providing additional copies. Contact us at Scottish Borders Council, Council Headquarters, Newtown St Boswells, Melrose, TD6 0SA, Tel 01835 824000 ext 5431, email jwhitelaw@scotborders.gov.uk.