


CABINET MEMBER DECISION

Date of decision 22 May 2018

Specialised Housing capital funding for a Supported Living Scheme for people with Profound and Multiple Disabilities at Ledwych Road, Droitwich (the Old Kingfields Day Centre site)

Relevant Cabinet Member

Cabinet Member with Responsibility for Adult Social Care

Relevant Officer

Director of Adult Services

Local Member(s)

Mr R Morris

Recommendation

1. **The Cabinet Member with Responsibility for Adult Social Care is recommended to:**

(a)

Financial Implications

6. It is proposed to sell the land to a specialist supported housing developer to build two six-bed bungalows for people with profound and multiple disabilities. The business case was originally for two five-bed bungalows but when the site was marketed it was clear that the development was only viable to developers at rents that were acceptable to the Council if two bedrooms were added.
7. Due to the specialist nature of the proposed use of the site, the sale value achievable is below the expected open market value for the site. However the gap has been narrowed through market engagement and negotiation and by the Council funding the demolition costs through the LGA grant to reduce development costs to the purchaser. The Director of Adult Services proposes to provide gap funding from the Community Capacity Grant to make up this shortfall. The Purchaser will provide the capital for the development and undertake the building work. The financial details are detailed in the exempt section of this report.
8. It is proposed that the reduction in the capital receipt by providing such a housing scheme and not disposing on the open market still represents best value due to benefits as listed under 4 above, plus the financial benefit to DAS on the savings that will result from the scheme and the allocation rights to all the flats for thirty years which will be granted to the Council. The Council would therefore meet its duties under s123 of the Local Government Act 1972 as the undervalue disposal is justified by the social best value obtained as well as the indirect financial benefits accruing. The land will be sold freehold but a positive covenant will be added to the title register that will require the freehold owner (or a third party which may at a future date acquire the interest) to comply with certain pre-defined obligations i.e. that the land must be used for supported housing and all tenants will have to be nominated by the Council. The Council may at any time lift this covenant if it is in our interests to do so.
9. Once the scheme is full the savings to DAS is estimated at £155,000 per annum due to reduced costs as a result of people who are currently living in residential care moving to supported living (hotel costs covered by the benefit system) and from out of county back into Worcestershire. (We have more control over support provider costs.) After thirty years the total revenue savings to the Council is estimated to be £4.6M

Equality and Diversity, Public Health and Privacy Implications

10. An Equality Relevance Screening has been completed in respect of these recommendations. The screening did not identify any potential Equality considerations requiring further consideration during implementation.
11. A Health Impact Assessment in Planning has been considered but is not required as there will be no direct impact on health and health inequalities due to the small size and nature of the development.

12. These proposals have no direct impact on information risk or privacy.

Supporting Information

Appendix 1 Kingfields Business Case Final 18.05.17 redacted
Appendix 2 financial information to support Cabinet Member Decision
EXEMPT from publication as relating to financial or business affairs

Contact Points

County Council Contact Points

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Specific Contact Points for this report

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Background Papers

In the opinion of the proper officer (in this case the Director of Adult Services) the following are the background papers relating to the subject matter of this report:

WCC Supported Living Strategy 2017 – 2020.

