



City of Westminster

Cabinet Member Report

Decision Makers:	Councillor Tim Mitchell Cabinet Member for Adult Social Care and Public Health Councillor Melvyn Caplan Cabinet Member for Finance, Property and Regeneration
Date	6 July 2020
Classification	For Publication with Partial Exemption - Appendix B1 & B2
Title	Carlton Dene – An Extra Care and Residential Development
Wards Affected:	Maida Vale
City for All summary:	This project builds upon the City for All commitment to prioritise those who need our help the most with particular focus on Vibrant Communities. This is reflected in the 2010 joint Commissioning Strategy for Older People, the key objective of which is ‘to enable people in later life, and their carers, to achieve their potential for health and wellbeing so that they are able to be as independent as possible; live their lives as they wish; and live safely with dignity in appropriate housing as active and valued members of their communities, with access to high quality and personalised healthcare, social care and support when need’.
Key Decision:	Yes
Financial Summary	Carlton Dene holds a gross budget of £45.4m (£9.8m net budget) in the HRA business plan.

Up until the end of 2018/19 expenditure of £0.55m has been incurred, within an approval to spend of £1.1m.

This report sets out the preferred way forward and its financial implications and seeks approval to spend a further £2.067m to progress the scheme.

Report of:

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1. Executive Summary

- 1.1 Carlton Dene Residential Care Home forms part of the Specialist Housing Strategy for Older People Programme (SHSOP). The programme enables the introduction of specialist housing solutions which meet current and future service demand, upgrades the standard at which services are being delivered, reduces the number of older people being placed out of borough and thereby reducing costs.
- 1.2 The report sets out how future use of the site will be progressed and seeks approval of the resources and budget required. It provides a summary of the work undertaken to date, business justification for the programme, and the work required to develop a business case and secure planning approval. An Outline Business Case (OBC) will be prepared at the point that there is clarity about design, management and viability of the development at Carlton Dene.
- 1.3 In May 2019, Capital Review Group (CRG) agreed that the preferred way forward for Carlton Dene would be a 100% affordable housing scheme consisting of extra care and general needs housing, including 8 flats let at secure tenancies to enable residents displaced from Peebles House to return.
- 1.4 Affordable Housing Fund (AHF) will be used to fund the development with there being an allocated budget of £35.6M. However, formal approval to drawdown will be requested within the Outline Business Case prior to planning submission.

- 1.5 To facilitate the above, this report seeks authority to allocate and drawdown a budget of £2.067M from the HRA to take forward the scheme to RIBA 4 and planning submission.
- 1.6 The report details how the budget will be spent and provides an update on current spend to date. The spend to date is inclusive of the leasehold purchase of 9 Peebles House.
- 1.7 The recommendations set out below are required to progress the project to planning submission in 2020.

2. Recommendations

- 2.1 That part B of the report be exempt from disclosure by virtue of the Local Government Act 1972, Schedule 12A Part 1, paragraph 3 (as amended), in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).
- 2.2 That the Cabinet Member for Finance, Property, and Regeneration and the Cabinet Member for Adult Social Care and Public Health:
 - 2.2.1 Approve and agree the preferred option as set out in paragraph 9.1, to deliver 65 extra-care and 22 general needs units, subject to final design, which will be fully examined during the next stage of the project.
 - 2.2.2 Note that Carlton Dene is no longer required as a care home and will no longer be reserved for that purpose.
 - 2.2.3 Approves the allocation of £2.067M to develop the design for the site up to and including RIBA Stage 4 and to enable the relocation of residents from Peebles House. The Outline Business Case will seek approval to submit a planning application based on the Preferred Way Forward.
 - 2.2.4 To note the formation of a cross-directorate project board to aid the delivery of the project. The board will consist of the senior or director nominated officers from Adult Social Care Operations and Commissioning, Housing and Regeneration, Finance, Procurement, Development and Legal.
- 2.3 Agree to authorise the Executive Director of Growth, Planning and Housing in consultation with the Executive Director Adult Social Care and Health and the Bi-Borough Director of Law, to deal with all necessary legal arrangements to give effect to the recommendations set out in this report.

3. Reasons for Decisions

- 3.1 The key drivers for decision making are:

- 3.1.1 Beachcroft Care Home is new purpose-built accommodation for those currently living in Carlton Dene; the closure of Carlton Dene was agreed by Cabinet Members in April 2019 following extensive consultation with residents and relatives;
- 3.1.2 Bringing forward additional capacity and new forms of care on sites where the Council is the freeholder (facilitated by moving existing residents to Beachcroft);
- 3.1.3 Provide new affordable homes in line with the Council's planning policy;
- 3.1.4 Bringing forward new affordable housing which will contribute towards meeting the 20/21 City for All objectives, in particular *Vibrant Communities*.
- 3.1.5 Improve the environmental performance of Council properties, saving energy and money;
- 3.1.6 Offer current Council tenants the chance to stay in their current neighbourhood should they wish; and
- 3.1.7 Deliver viable options which consider the duty of the Council to safeguard the public purse.

4. Project Background

- 4.1 Carlton Dene is a 42-bed residential care home located on the corner of Carlton Vale and Kilburn Park Road. The initial work on the SHSOP programme determined that it no longer meets modern standards and should be considered not fit for purpose and uneconomic to remodel. This is exacerbated by the fact that key components within the building have reached the end of their useful life. In addition, the current London Plan Specialist Housing SPG identifies that "a typical modern care home must now provide more than 60 places to be viable".
- 4.2 Peebles House is a block of nine flats held by the Housing Revenue Account (HRA) and managed by Carlton Vale Resident Management Office. The block sits within a large triangular site that includes Carlton Dene. Eight of the flats currently house tenants on social rent, whilst the ninth flat was owned by a leaseholder but has now been acquired, the flat is vacant and secure.
- 4.3 Members have determined in April 2019 that, following consultation with residents in 2018, Carlton Dene care home will be closed, and that Peebles House can be demolished. In each case residents will be assisted to move into alternative accommodation of their choice, those living in Carlton Dene have been guaranteed the right to move to Beachcroft (or a suitable

alternative if they prefer). For those in Peebles House, a housing needs assessment will be undertaken, and a local lettings plan has been enacted to offer suitable alternative accommodation. The secure tenants will have a right to return to the location with new affordable homes forming part of the development brief for the project.

- 4.4 The Carlton Dene project was linked with the redevelopment of the Westmead Care Home as part of the SHSOP programme. Westmead had been earmarked as a wholly private scheme which would cross fund the development of Carlton Dene.
- 4.5 In May 2019, an Outline Business Case was approved at CRG which confirmed the separation of Carlton Dene and Westmead to two individual projects. Whilst other options were explored, CRG approved Carlton Dene progressing as an 100% affordable scheme consisting of extra care and general needs housing, whilst Westmead will be a mixed tenure general needs housing scheme. Affordable Housing Fund will be used to finance the development of Carlton Dene, and options will be explored for Westmead which could include social rent, intermediate and private for sale housing. In doing so, mitigates the planning risks created when linking schemes across the Borough and allows the Council to maintain control of design and delivery.
- 4.6 Further details of the other options examined can be found in Economic Case below.
- 4.7 The project is a direct response to both statutory obligations set out the Care Act 2014 and Westminster City Council's "City for All" publication dated 2020/21.

5. National Policy

- 5.1 The Care Act 2014 placed a number of duties on Health and Local Authorities, including around commissioning and market shaping'. These responsibilities specify a number of 'must do's, including:
 - 5.1.1 'Ensure promotion of well-being of individuals and outcomes they require'. The nine-point definition of well-being in the Care Act (Clause1(2)) includes
 - 5.1.2 (h) suitability of living accommodation
 - Design strategies to meet local need'; and
 - Develop markets that ensure sufficiency of high-quality provision to meet expected needs.

5.2 Through the development of Carlton Dene, WCC have an opportunity to deliver high-quality homes that meet and exceed (if possible) national policy guidance and frameworks. The project's investment objectives have been carefully considered against these documents to ensure that best practice is at the forefront of decision making and design. The brief for the design team is being developed looking at a range of precedents of successful extra care schemes across the UK and beyond, the selected design team to bring significant, recognised expertise in this field.

6. Local Strategy

6.1 The City for All vision and strategy challenges the Council to prioritise its resources on those who need help the most, whilst also maintaining the standards expected by the City's residents. The publication states the council's aim:

“to ensure people can stay in Westminster as their care needs increase”

“renew focus on supporting vulnerable and those in supported living, including a leading dementia friendly city...”

6.2 This is a further reassertion of the 2010 Joint Commissioning Strategy for Older People, for which the key objective was:

“To enable people in later life, and their carers’, to achieve their potential for health and wellbeing so that they are able to be as independent as possible; live their lives as they wish; and live safely with dignity in appropriate housing as active and valued members of their communities, with access to high quality and personalised healthcare, social care and support when needed.”

6.3 Investment in new facilities at Carlton Dene responds to this objective, in particular:

6.3.1 The decision in April 2019 to close Carlton Dene as a care home and guarantee current residents the right to move to the newly developed Beachcroft Care Home creates the opportunity to develop an alternative model of care and housing that provide residents with greater choice in later life.

6.3.2 Increasing the quality of care available and providing it in Westminster whilst at the same time being able to cater the care provided to a variety of needs.

6.3.3 Enabling older people who need care to continue to live with their partners under the same roof if this is their choice; care homes do not generally

accept couples where one partner does not meet eligibility criteria for admission and Carlton Dene does not currently have accommodation that would enable a couple to share a room.

6.3.4 Providing a secure or assured tenancy (depending on the eventual landlord) which enables residents to benefit from security of tenure that is not afforded to care home residents who occupy under licence.

6.3.5 Increasing the community space that residents benefit from which can be used for a variety of activities, including opportunities for intergenerational initiatives.

7. Case for Change

7.1 Strategic Case

7.2 The changes in the demographic profile of Westminster and the evolving needs of older people mean that there is a need to increase both the supply and quality of accommodation for older people. Adult Social Care have looked at their future housing requirement and have estimated that there is an immediate need to increase the provision of extra-care accommodation within the City by 60 units, a further increase of 25-35 units is required over the next decade. This is supported by the assessment in the current London Plan, which identifies an indicative requirement in Westminster of 20 affordable specialist housing units each year from 2015-2025 over and above any additional rental units to replace stock that is currently unfit for use by older persons.

7.3 In 2013, Carlton Dene was assessed to be 'not fit for purpose' and that extensive remodelling is unlikely to be viable. A decision has now been taken to allow for the transfer of residents, should they wish, to Beachcroft and the closure of both homes enabling redevelopment of the site. Given the demand set out by ASC, extra care housing as is proposed at Carlton Dene offers older people secure, independent accommodation in a purpose designed environment. It is proven to increase their quality of life and reduces demand for residential or nursing care. There is a growing body of evidence to demonstrate that extra care residents experience enhanced quality of life derived from being in an environment that offers safety and security but is designed to facilitate independence including for those with dementia. Extra care can offer opportunities for social interaction which reduces loneliness and depression. By helping to maintain or improve physical and mental health, extra care can reduce or delay care and health needs which has potential social and financial benefits and is in line with the prevention agenda required of councils under The Care Act 2014.

7.4 The decision to include Peebles House into the redevelopment of Carlton Dene provides the Council with an opportunity to continue to build new affordable homes for residents. These homes will be built to modern standards and in line with local letting requirements.

8. Economic Case - Identified Options

8.1 The economic case of this report is set out in appendix B1.

9. Preferred Way Forward

9.1 It is proposed that the 100% Affordable Housing option at Carlton Dene is chosen as the preferred way forward and should be explored in full in the Outline Business Case for Carlton Dene:

9.1.1 *100% Affordable at Carlton Dene* – This option would be for the Council to allocate AHF monies to Carlton Dene to (£35.6M) so that it is financially viable without the need for it to be linked to any other site in Westminster. In doing so, the site would go through the design process separately along with a separate planning application and deliver 65 extra care and 22 general needs homes, subject to design.

9.1.2 *Scheme Delivery* - Extra care services can either be provided by a single operator or by two or more undertaking different components. The most common split is between housing management (including supporting people to maintain tenancies) and the provision of registered domiciliary care. Most extra care for affordable rent has been developed by Registered Providers, either in partnership with local authorities or independently. The overwhelming majority of affordable rented extra care that currently exists is owned and operated by registered providers. The recent experience of other London Boroughs (for example, Hounslow and Camden) who have self-developed extra care housing is that there is little if any interest by experienced providers in taking on operating only contracts where the Council develops and retains the asset. It is therefore strongly advised that a comprehensive market testing exercise be undertaken at the earliest opportunity to ascertain the market appetite so that an informed decision can be reached. This will be fully tested within the Outline Business Case for Carlton Dene.

10. Financial Implications

10.1 The financial implications of this report are set out in part B.

11. Legal Implications

11.1 Property Issues

11.2 There are a number of powers which the Council may rely on to carry out the preferred option. Under section 2 of the Local Authorities (Land) Act 1963 the Council has power to develop land for the benefit or improvement of its area, erect any building and construct or carry out works on land.

- 11.3 Under sections 17 and 19 of the Housing Act 1985 the Council may acquire or appropriate land for housing purposes and under section 9 of the Housing Act 1985 the Council may provide housing accommodation by erecting houses, or converting buildings into houses, on land acquired by them for housing purposes.
- 11.4 Under section 111 of the Local Government Act 1972 the Council has power to do anything (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.
- 11.5 The proposed legal structure and management arrangements post completion should be included in the final version of the outline business case.
- 11.6 Legal property implications provided by James Holliman, Senior Solicitor (27.4.20).

Contract Issues

- 11.7 If the proposed recommendation is approved, there will be a number of contracts for the Council to enter into to give effect to the decision, including the build contract and associated services. Any contract with an estimated contract value at or above the relevant thresholds under the Public Contracts Regulations 2015 will require an EU compliant procurement in accordance with Part 2 of the Regulations either by advertising each procurement in OJEU or by calling off under a Framework which itself has been the subject of an EU procurement. Any works or service contracts below the threshold will still be subject to the Council's own internal Contract Procedure Rules which prescribe how they are to be procured and must be followed in each case.

SHSOP Contract Issues

- 11.8 Previously, services were provided to residents of Carlton Dene under the terms of the SHSOP agreement with Sanctuary Housing Association. This contract terminated on 16th March 2020 and a new contract for the same services was entered into with Gold Care. The Gold Care contract has an Expiry Date of 16th December 2020 which may be extended by the Council for up to 6 months. If the Council is not ready to achieve vacant possession of Carlton Dene by the end of that period, consideration will have to be given to how that is achieved without breaching the Public Contracts Regulations 2015, that is either by granting Gold Care a further contract under urgency provisions or by re-procuring the services for an appropriate period.

11.9 Legal procurement implications provided by Angela Hogan, Senior Solicitor (Interim) 12.3.20

12. Staffing Implications

12.1 There are staff in place within the Development team to take forward the site to planning. Their staff costs are included within financial implications.

12.2 Due to the proposed scheme having an element of both extra care and general needs housing, it is proposed that there are two clients. ASC will act as client for the extra care element, and Housing as the general needs.

12.3 A relocation officer now forms part of the wider team and will address the relocation of residents from Peebles House.

12.4 Any changes to staffing will be set out in the project's outline business case later this year.

12.5 A Carlton Dene project board will be formed to aid the delivery and formalise the governance. The board will consist of the senior or director nominated officers from Adult Social Care Operations and Commissioning, Housing and Regeneration, Finance, Procurement, Development and Legal. The Board will be required to formally approve the design at the end of each RIBA Stage.

13. Key Milestone Dates

13.1 The programme below is based on available information today but may be impacted by external factors related such as Covid-19 that cannot currently be foreseen.

Milestone	Date	Comment
RIBA 2 Start – Detailed design work commences.	February 2020	Detailed design work commences.
Inaugural Project Board	April 2020	
CMR to Members	May 2020	
RIBA 2 Presentation	May 2020	
OBC	Summer/Autumn 2020	Including detailed asset/service management strategy.
RIBA 3 sign off (Dependent on Management Strategy)	July 2020	

Planning submission	September 2020	
Planning Approval	January 2021	
Start on site	2021	
Practical completion	2023/2024	

14. Consultation

14.1 The Ward Councillors for Maida Vale were briefed on this report on 16th June 2020. As of 23rd June 2020, only one response has been received. Cllr Begum thanked officers for the update on the scheme and was pleased to know that consultation was due to commence. Cllr Begum raised a question on whether the consultation will be virtual. Officers advised that Covid 19 restrictions means that the Council is unable to conduct public consultation events. However, the Council will create several different routes for residents to engage and provide feedback. This will include letters to neighbours of the scheme, a dedicated webpage, material providing detail on the scheme, webinars, direct contact telephone for residents who can't access web-based means and individual meetings with stakeholders as required.

Appendices

Appendix B1: Financial Summary **(NOT FOR PUBLICATION)**

Appendix B2: Outline Business Case: Carlton Dene and Westmead **(NOT FOR PUBLICATION)**

For completion by the **Cabinet Member for Adult Social Care and Public Health**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____
Councillor Tim Mitchell, Cabinet Member for Adult Social Care and Public Health

NAME: _____

State nature of interest if any

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(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendations in the report entitled **Carlton Dene – An Extra Care and Residential Development** and reject any alternative options which are referred to but not recommended.

Signed

Councillor Tim Mitchell, Cabinet Member for Adult Social Care and Public Health

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

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If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, the Executive Director of Finance and Resources, and, if there are human resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy and Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

For completion by the **Cabinet Member for Finance, Property & Regeneration**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____
Councillor Melvyn Caplan, Cabinet Member for Finance, Property & Regeneration

NAME: _____

State nature of interest if any

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(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendations in the report entitled **Carlton Dene – An Extra Care and Residential Development** and reject any alternative options which are referred to but not recommended.

Signed

Councillor Melvyn Caplan, Cabinet Member for Finance, Property & Regeneration

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

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