Final Business Case

for

South Staffs Extra Care development
(Wombourne Day Centre site)

Staffordshire County Council
People Services

Date: September 2012

Lead Officer: Paul Smith/Tina Nixon

Version: 1.1
1. Executive Summary

1.1 Introduction

The Outline Business Case for this project detailing a clear strategic need for Extra Care housing was approved by the SCC Strategic Property Board in March 2011 and by the Social Care and Health, now known as People Service, Property Panel in December 2010. This granted approval to proceed with the tendering process.

Following no return from the mini-tender exercise carried out in January 2012 using the preferred in-house development framework the project was advertised on the open market and has been put through an EU tender process.

This Final Business Case is based on the information taken from a winning bid which has been submitted by the Wrekin Housing Group Limited.

1.2 Summary of the Project

This project will deliver a new-build Extra Care facility for older people (55 years or over) and for people with a learning disability who are under the age of 55 years enabling them to have more control over their lives, to live safe, healthy and fulfilled lives, to have an active role in a community and to access the support they need in order to be as independent as they choose.

The new build Extra Care facility will provide 52 self-contained apartments, spacious communal areas, community space, accommodation for staff and an integrated care service that is essential to the ethos of an Extra Care scheme ("the Integrated Service"). The term ‘Integrated Service’ refers to the Housing Management Services and the Core Service and a catering service collectively. The advantage of an Integrated Service is that residents receive a ‘seamless service’ that is flexible and offers good value for money.

The County Council will sell the site, known as Wombourne Day Center site, at an under value rate to Wrekin Housing Group, who will provide the new build facility and partner with the Choices Housing Association (CQC registered care provider) to provide an Integrated Service.

The County Council will have exclusive rights (‘Nomination Rights’) to 35 units of rented accommodation for Service Users as prospective tenants. The remainder of the units will also be for rent. All units will be at ‘affordable rent’ levels, i.e. no more than 80% (eighty percent) of the local market rent. The Wrekin Housing Group will have a rent setting policy which reflects the issues of affordability and housing benefit levels.

The contract between SCC and Wrekin Housing Group will commence on the date of its award and will expire 20 years after the date of practical completion of the project with an option to extend the Housing Contract by periods of five years with the agreement of both parties.
The Wrekin Housing Group will commence the development of the project on site within 12 months of the award of the Housing Contract and will aim to open the scheme no later than January 2015.

1.3 Strategic Implications

The project supports Staffordshire Cares Programme delivery by addressing the following strategic priorities for Healthy Communities and Older People:

- Helping People to live a longer, healthier, active life.
- Promoting independence, inclusion and wellbeing
- Giving People the support they need to be as independent as they choose

(Scottish Strategic Plan 2008/11)

The scheme supports the Independent Living Strategy that identifies Extra Care housing as a priority for development as a way of offering an appropriate alternative to residential care and also the delivery of Joint Commissioning Priorities for older people, in particular by contributing to the following priorities:

- Ensure older people have access to a range of flexible and re-able packages of support to prevent inappropriate admission to hospital;
- Enhance the provision of Supporting People “floating support” and the range of housing tenure options for older people, including increased Extra Care housing;
- Continue the strategic reduction of care homes provided by the county council;
- Continue the work in progress to develop Extra Care services in each district.

(Draft joint commissioning strategy Older People 2008/11)

There will be no HR or ICT implications

1.4 Financial Implications

The County Council’s financial contribution towards the Project will be in the form of a discount against the market value of the site. The sale of the site by the Council to the Wrekin Housing Group will be made in accordance with the General Consent under Section 25 of the Local Government Act 1988 (Local Authority assistance for privately let housing) 2010.

The land has been valued at £800,000 the sale price for the site is £275,000. The amount of the discount made against the full market value of the site is £525,000. This sum will be subject to repayment if the project ceases to be used for its intended purpose. The provisions for the repayment of the discount are set out in the Housing Contract. The developer will contribute £10,000 towards the County Council’s legal costs in transferring the ownership of the land and establishing the Housing Contract.

The provision of the Integrated Service will form part of the contract, however, the County Council will not be responsible for funding the Integrated Service and it is expected that all people living in the project will contribute towards the cost of its provision.
The payback period on the SCC investment is 4.72 years. The revenue “savings” will be realised once the scheme is fully operational; the estimated net saving will be in the region of £111,301 per annum.

1.5 Conclusions and recommendations

It is recommended that the Property Panel:

1. approves this document as a Final Business Case for Wombourne Day Centre site redevelopment;

2. approves undervalue land sale to Wrekin Housing Group

3. approves progressing this project through to implementation and completion stages in partnership with the winning developer Wrekin Housing Group;

4. supports the project financially as detailed in the financial implications section of this document;

5. allocates the necessary resources to take this project through to implementation and completion stages

6. supports the work that has already started with the key stakeholders particularly the engagement with the community, parish councilors, members and local groups to minimize the risks of opposition towards the development;

7. agrees level of tolerances for scope, time and resources for monitoring and reporting purpose.
2. Strategic Fit – The Strategic Case

2.2 Existing Arrangements

The site is located in South Staffordshire near the centre of the Wombourne Village. There are two single storey detached building on this site known as Wombourne Day centre and St David’s House. A small part of the site (13 sq m) is leased to Vodafone to house a telecommunications mast.

![Site Plan](image)

The access to the site is situated at the end of a narrow road leading off Planks Lane.

2.3 Contribution to Corporate Objectives

The proposal will meet SCC People’s Services principles of enabling people to have more control over their lives, to live safe, healthy and fulfilled lives, to have an active role in a stronger and prosperous community and to access the support they need in order to be as independent as they choose. The proposal is in harmony with the SCC People’s Services Commissioning Strategy for Older People 2007 – 2012 and Staffordshire Extra Care Housing Strategy 2010 – 2015

2.4 Strategic Context

Accommodation of this nature is crucial in providing the maintenance or restoration of independence and ensuring quality of life. Extra Care housing provides additional benefits to the health of the population. It enables older people with complex health conditions to remain living at home and reduces the incidence of older people being inappropriately admitted to hospital. Extra Care housing also provides a good platform for maintaining older people with long term conditions in independent living by providing a more comprehensive approach to care planning and support. Also, by building in community space and ensuring flexible use of this space, the local community can have...
a stake in the development. By doing this, the scheme residents can integrate with the community and the development will have less of a “gated community” feel.

The project reflects national policy and priorities as outlined in national government strategy on housing and ageing as a cross-government priority. These national priorities are supported by the national indicator set which places housing for older people at the heart of local government services.

2.5 Needs Analysis

Analysis contained in the forthcoming Extra Care Strategy 2010-2015 indicates a significant need for additional units of Extra Care housing over the next 20 years. The study shows a requirement for 809 units by 2015, of which 299 would be for social rent. It should be noted that these figures represent potential demand, and significant marketing activity would be required to achieve this take up.

Currently there are three operational Extra Care facilities in South Staffs District. One further development is planned to open in the near future:

<table>
<thead>
<tr>
<th>Extra Care facility</th>
<th>Location</th>
<th>Total units</th>
<th>Rental Units</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corsers Court</td>
<td>Perton</td>
<td>62</td>
<td>62</td>
<td>Operational since Aug 2007</td>
</tr>
<tr>
<td>Brunel Court</td>
<td>Wombourne</td>
<td>35</td>
<td>35</td>
<td>Operational since Apr 2007</td>
</tr>
<tr>
<td>Cherry Tree Court</td>
<td>Essington</td>
<td>66</td>
<td>66</td>
<td>Operational since Sept 2011</td>
</tr>
<tr>
<td>Silverdene</td>
<td>Penkridge</td>
<td>80</td>
<td>Estimated 50</td>
<td>Planned to open in Nov 2013</td>
</tr>
</tbody>
</table>

Totals 243 213 By Jan 2014

There is a high demand for places at the existing Brunel Court, with people typically waiting two years for a flat. A private retirement housing scheme was also built in the village in 2008; although that scheme does not include an on site care service, there are not currently any units for sale.

A public consultation on the proposals for the Day Centre site redevelopment was undertaken in June 2011, resulting in significant support for the development. Comments included:

- “I think it's a good thing, there is a shortage of this in Wombourne”
- “Specialist Housing is needed, many elderly struggle to be independent when illness of either partner occurs. Its a great idea”
- “Excellent proposal - good site too as it is close to shops and also open outlook to school fields etc.”
- “Very good idea. Like many others we came to Wombourne in 1970s for its open spaces and greenery. Now getting older and would like to stay. The private/community use allows people to mix which is essential for friendships and wellbeing.”
- “I think we require another development like Brunel Court. We have a lot of sheltered housing in Wombourne but they do not meet the needs that the elderly require.”

The detail need analysis was presented in the Outline Business Case.
2.6 Partners and Stakeholders

The key stakeholders in this project are:

- Staffordshire County Council
- South Staffs District Council (Housing & Planning)
- The Wrekin Housing Group (Development Partner)
- Willmott Dixon Construction Ltd
- The Choices Housing Association (CQC registered care provider)
- Vodafone
- Plank’s Lane residents, on-line community and potential users for restaurant and communal facilities, potential residents
- Politicians/Members/Councillors/Parish Councillors
- Local Media/Press, Police and other local agencies
- Ounsdale High and Westfield Primary School, Mental Health Trust staff based at St David’s House, other establishments within the vicinity such as i.e. Age UK South Staffordshire, GPs, Library, Church, local community groups, local shops and other business
- Various SCC teams – Legal, Estates, Joint Commissioning Unit (JCU) , Joint Finance Unit (JFU), Highways, Property Services, District teams & Service managers, Property Panel and so on

Each will have their own views and interest in the project and the communications and marketing plan will ensure that these are identified and appropriate messages are agreed and sent out to the interested parties.

Communications and Marketing Action Plan

The Action Plan is important so that prospective residents know what the scheme can offer, as well as informing/influencing other stakeholders. It is important that they are fully aware of the difference between Residential care and Extra Care, and the lifestyle that is available in Extra Care, as there still remains misconceptions and lack of knowledge of such schemes.

Fundamental to the marketing is the influence that social care and health care professionals (and others) can have in ‘spreading the word’ about Extra Care during their communication with their clients/service users/patients. It is important, therefore, that engagement with these professionals is reflected in the action plan. They need to know well in advance the scope and benefits of the facilities.

Wrekin Housing Group Ltd suggests a combination of marketing and communications techniques starting as soon as possible and increasing in frequency 12 months prior to build completion. Activities would include the targeting of those working with potential Extra Care service users; with one to one meetings, letters, a leaflet, previews of the scheme and regular updates via social media and newsletters.

2.7 Scope

The scope for this project includes the following key elements:

- Housing Contract and land sale
- Land, building, ecology and other relevant surveys
- Detail design development
- Community consultation
- Planning Permission
- Demolition of the existing structures
- Construction of the new building
- Marketing and allocation of the units
- Transition to operational stage

**Proposed Scheme design**

The new build Extra Care scheme will be a significant building on a prominent site and as such the design response is well considered of high quality and is sustainable. The design of the scheme gives careful consideration to relevant Design Guides, imaginative use of materials, the site context, natural daylight, topography and retention of the existing landscape features.

The entrance to the scheme is clearly defined and located centrally on the main access route into the site. A two storey part glazed, part rendered, double height space signals the entry point, with a large overhanging mono-pitched roof to protect all users, both abled-bodied and disabled from the elements. The mono-pitched roof over the entrance will have a living, sedum roof covering which will visually connect it with the external, planted first floor roof gardens which sit either side. The entrance plaza will be clearly laid out with defined circulation routes offering an attractive, welcoming presence onto Plank Lane.

The building design and overall massing has been strongly influenced by the adjacent residential properties. The proposed building heights have been developed in order to prevent overlooking and over-bearance of the wider site context. The South Elevation (closest to Planks Lane) is predominantly 1.5 storeys in height. This low level building mass not only avoids any visual impact on the adjacent dwellings but also reduces the potential for overshadowing of the central courtyard space. The building makes full use of the sites orientation. The first floor roof garden is located on the South facing elevation. This is the lowest section of the building footprint and as such will have minimal impact on the potential for overshadowing of the central courtyard.
The proposed building footprint is located predominantly on the same building lines as the existing buildings. A courtyard arrangement offers a central secure, private amenity space for residents to enjoy.

In continuing to respect and consider established residential amenity spaces, only two storey development is proposed to all 'residential' boundaries (South and East aspects). The development increases to three storeys on boundaries that front onto the school playing fields to the North and West of the site.

The layout of the accommodation promotes social interaction, both between residents and with the wider community. The main lounge, dining area / café and other facilities open to the community are located adjacent to the main entrance on the ground floor. A Communal Lounge/ ‘IT’ area is also accommodated in the main entrance area, which is open for non –residents. The accommodation provided is positioned in such a way as to offer progressive privacy, separating the areas that will be accessible to the wider community from those that will be restricted to residents, staff and their visitors.

The Accommodation Schedule

Residential Accommodation:
33 number – Two Bed Apartments (62m²)
19 number – One Bed Apartments (54m²)
1 – Guest Room with En-Suite & Kitchenette
1 – Staff Over Night Room with En-Suite

The individual rooms themselves fully comply with the latest Life Time Home criteria in terms of door widths, circulation space, storage space, fixtures and fittings, socket heights and future adaptability etc. Additionally the flexibility built into the design when adopting the Lifetime Homes standards allows for adaptability supporting the changing needs of individual tenants should the need arise and also from one tenancy to the next.

The entrance hall of each flat has also been designed to accommodate a buggy storage area. A knock out panel is incorporated between the bedroom and bathroom and the building structure designed to accommodate lifting hoists to allow ease of movement between the two spaces.

Kitchen windows are proposed along the individual corridors to foster a feeling of community and connectivity between neighbours. Many of the flats also benefit from external balconies, providing private external amenity space.

As well as four staircases, two lifts operate between all floors for ease of movement for less abled-bodied residents.
Residents Only Accommodation:
Main Residents Lounge with Kitchenette
Hobby/ Activity Room (Ability to link with Lounge)
Toilet Facilities
Roof Garden (South Facing) including Kitchenette
Assisted Bathroom
Standard Bathroom

It is proposed that a range of interior design schemes will be implemented in different areas and floors to assist with building orientation and greater personalisation on a floor by floor basis. A secure, manned reception desk will greet residents and visitors alike and is located adjacent to the central entrance feature and draught lobby.

Assistive technology will be provided in order to promote the independence of those who reside at the scheme. A fully integrated Warden/ Care system will be installed to provide a comprehensive system to all bed locations, staff station, toilets and bathrooms, lounge and all other areas frequented by residents.

Communal Accommodation:
Dining/ Cafe
Communal Lounge & ‘IT’ Area
Multi-Purpose Room with integral Kitchenette and Storage
Indoor/ Outdoor Gym adjacent to Multi Purpose Meeting/ Community Room with permanent, specialist outdoor gym equipment
Large Scooter Store
Hairdressing / Beauty Therapy
Communal WCs – Including Assisted & Disabled
The outdoor gym is designed for ease of use and therefore perfect for those that have never used gym equipment before. The unique way in which the equipment works prevents injury by operators using their own body weight for resistance preventing injury from over loading.

![Outdoor gym](image)

The sail canopy will provide flexibility for the outdoor gym providing shade and cover from the rain. It will also provide an additional focal point for the courtyard and being available in a wide variety of colours will be of aesthetic benefit as well as practical.

The adjacent inside gym/ multipurpose room will be used for timed classes such as pilates, yoga etc. The store room will house exercise mats, hand/ free weights, stretch bands etc for light gym work. Age suitable ‘circuit' classes could be promoted which incorporate both inside and outdoor supervised activities.

**Staff and Ancillary Accommodation:**
- Draught Entrance Lobby
- Reception
- Administration Office
- Manager's Office
- Photocopy Area
- Staff Rest Room with Kitchenette
- Staff Changing and Lockers Room
- Main Catering Kitchen and Store
- Kitchen Staff Change & WC Provision
- Laundry
- Cleaners' Storage
- General Storage, including Store to roof Garden to encourage outdoor gardening activities
- Refuse/ Bins Store
- Lift Shafts and Staircases
- Lift / Motor Room
- Plant Room
- Electrical Intake / Meter Room

**External Landscaping:**
- Car parking area including designated disabled persons parking bays
- Ambulance Lay-By
Decorative hard landscaping with raised planting beds to entrance areas
Landscaped gardens
Internal courtyard space with mixed surfacing and landscaping
Outdoor Gym with permanent, specialist exercise equipment
South Facing Roof Terraces with raised beds, seating areas and Kitchenette to make drinks etc whilst enjoying outdoor space
Balconies to individual apartments
Retention of existing features including key trees
Discreet side entrance with adjacent vehicular parking facility

A comprehensive CCTV network within the facility and external areas would be provided with resident’s safety and well-being, being of the utmost priority.

The project will fully comply with current Building Regulation requirements at the time of construction. The design will satisfy all the requirements of the Local Fire Officer. Quality materials will be proposed with robust fixtures and fittings suitable for the buildings use. Special attention will be given to the use of daylight and natural ventilation wherever possible in all areas of buildings.

**Integrated Service provision**

The activities covered by the Integrated Service would be as follows;

**Personal Care Medium and High Care Needs:**
This will include;
- □ The provision of personal care in accordance with the residents care plan. The level of care will be flexible to meet the changing needs of the residents. The care will be delivered in such a way that it does not take away the independence of residents and maximizes on their abilities.
- □ Providing additional care and support when required over and above the needs assessed in the residents care plan in response to emergencies or health crisis.
- □ Responding to emergency calls (via assistive technology) during the day or night, monitoring of CCTV and door entry.
- □ Effective liaison with other care and primary care agencies.
- □ Emotional and psychological support
- □ Reporting any deficiencies in care and support being provided to a resident by another care and/or support provider.
- □ Exploring and providing/arranging alternative and therapeutic care.

**Catering Service:**
This will include;
- □ The Café will provide a breakfast and lunch service for those people who need this provision as part of their care package including the delivery of meals to people’s apartments if they are unable to access the café. Special dietary, religious and cultural needs will be catered for.
- □ The above will also be available for those residents, their guests, and the wider community how may wish to access the Café as a social event.
• □ A Coffee bar provision will also operate outside the Café opening hours where residents and guests can purchase hot and cold drinks, cakes and light snacks.

• □ The Catering service will be operated in such a manner that it becomes a focal point for residents and an integral part of the activities that will be organised at the scheme. Special themed events and meals will scheduled throughout the year to ensure there is variety being offered through the catering service. Resident will be involved in menu planning and the organisation of these themed events.

• □ Wrekin Housing Group envisage that the Café will also offer the opportunity for some residents and perhaps other service users from other client groups from outside the scheme to volunteer their services as part of the provision especially in relation to the operation of the Coffee Bar and would also seek to use trainees/apprentices in the operation of the catering facilities.

**Housing Management:**
This will include;

• □ General tenancy services including rent and service charge collection
• □ Housing advice
• □ Tenant involvement and consultation
• □ Void management
• □ Allocations and lettings
• □ Property maintenance (planned and responsive)
• □ Grounds maintenance
• □ Scheme security (alarm systems and CCTV)
• □ Waste collection and management
• □ Facilities and asset management

In addition there will be a dedicated member of the staff team who will be available to the residents to perform small DIY type tasks, assist residents moving into and out of the scheme, assist in the general security of the building and ensuring the integrity of fire safety equipment and devices, assisting in fire drills and emergency evacuation functions, keep the scheme and grounds tidy and to supplement the activities of the cleaning contractors and gardeners in keeping up the appearance of the scheme.

**Housing Related and General Support:**
This will include;

• □ The provision of low level preventative support that will enable the resident to maintain their tenancy. The support being delivered will be in accordance with the residents support plan and will be flexible in nature.

• □ The organisation and delivery of social and leisure activities in order to provide a stimulating and enjoyable living environment. We will liaise with other organizations’ to come into the scheme to provide a wider variety of social and educational activities e.g. Age UK, FE Colleges (Colleges of the Third Age), Arts and Crafts Clubs, Gardening and indoor gardening etc.

• □ Assisting service users to access the local community and be part of the community.

• □ Assistance to maintain links with family, friends and other social networks.

• □ Help with moving in and setting up tenancy.
• □ Developing domestic life skills
• □ Peer support and befriending
• □ Maintaining safety and security of the dwelling.
• □ Information, advice and advocacy including signposting to other organisations and inviting relevant organisations into the scheme to deliver I&A sessions e.g. health promotion, crime prevention etc
• □ Emotional support counseling and advice

2.8 Constraints

The key constraints identified for the project are:
• Access to the site
• Project delivery timescale to ensure the HCA grant availability

2.9 Dependencies

• Land sale & transfer to the developer
• Obtaining Planning Permission for the development
• HCA grant availability linked to project completion (before March 2015)

2.10 Strategic Benefits

The scheme will support performance of People’s Services by reducing residential home admissions, increasing performance on helping people to live at home and intensive home care and demonstrating better use of resources.

As identified within the financial section, significant benefits will accrue from year-on-year revenue savings and the partnership will provide a firm base for future joint service delivery which could increase potential savings through shared costs.

Opportunities exist for greater social integration with the wider community of Wombourne. The scheme can offer a whole range of added value services which will lead to a better customer experience. Communal facilities such as a gym will assist the local community to participate in health activities.

2.11 Strategic Risks

As shown in the summary below all risks are owned and will be managed by the Wrekin Housing Group.
2.12 Critical Success Factors

The critical success factors for this project are:

1. maximise the number of Extra Care units delivered in South Staffs District
2. maximise the number of units designated for high & medium care needs
3. maximise nomination rights
4. achieve full occupancy of the development
5. achieve ‘buy in’ from the community
6. incorporate added value elements into the project which enhance the scheme and provide additional benefits to the community
7. deliver a project that incorporates elements which alleviate social isolation
3. Affordability – The Financial Case

3.1 Output Based Specification

The proposed project will provide a new build Extra Care housing scheme that will deliver significant benefits to South Staffordshire residents. The Extra Care model will offer individuals a home of their own along with an Integrated Service. The care and support offered will assist people to maintain and develop maximum levels of independence within their accommodation and in the community.

All units presented in the table below will be for affordable rent:

<table>
<thead>
<tr>
<th>SCC nomination rights for High needs</th>
<th>SCC nomination rights for Medium needs</th>
<th>Total SCC nomination rights</th>
<th>Developer places</th>
<th>Total No of units</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>17</td>
<td>35</td>
<td>17</td>
<td>52</td>
</tr>
</tbody>
</table>

Wrekin Housing Group charge affordable rents rather than social rents due to the new Affordable Homes Programme with low grant levels. The SCC will work closely with the Wrekin Housing Group to assess the possibility of producing a more cost effective solution allowing rents to decrease.

The Wrekin Housing Group will provide an Integrated Service which will comply with the Safeguarding Agreement for Care and Support Services in Extra Care Housing Projects.

The delivery of the Integrated Service will be achieved through the provision of appropriately qualified 24 hour on-site team of workers who will deliver a range of services to meet the needs of residents and respond flexibly to temporary and unpredictable fluctuations in need, and to emergencies as these arise. While the specification of the Integrated Service is split into four sections (Housing Management Services, Housing Related Support, Unplanned / Emergency 24/7 Care, Catering Service) for ease of description, the Integrated Service should be ‘seamless’ for residents. The Wrekin Housing Group will ensure that at least one member of staff is on site at all times. This will include a waking-night staff member who will be required to respond to emergencies throughout the night - with an obligation to remain awake and alert at all times.

The Catering service will be arranged by Wrekin Housing Group and will operate in such a manner that it becomes a focal point for residents and an integral part of the activities that will be organised at the scheme. Special themed events and meals will be scheduled throughout the year to ensure variety is being offered through the catering service. Residents will be involved in menu planning and the organisation of these themed events and will contribute fully to the delivery of an effective catering service that will play an important and enjoyable part of the social activities of the scheme.

The Catering facility will provide a breakfast and lunch service for those people who need this provision as part of their care package including the delivery of meals to resident’s apartments if they are unable to access the café. Special dietary, cultural and religious needs will be catered for. Outside the Café opening times a Coffee Bar will
operate where residents and guests can purchase hot and cold drinks, cakes and light snacks.

The facility will be operated as a resource for both residents and those people in the local community who wish to avail themselves of the service offer. Links with other older people’s sheltered schemes, clubs and societies in the area will be established with the catering services being the impetus for encouraging people into the scheme.

The Wrekin Housing Group will establish an allocations panel when construction of the Project starts on site. The Panel will consist of representatives from the County Council, South Staffordshire District Council and the Wrekin Housing Group the Panel will establish and maintain the Waiting List, such that there are always eligible applicants for any vacancies that arise. It is proposed that all initial lettings are made to those with a local connection to Wombourne, in accordance with the criteria which are set out in the Allocations Policy and Procedure and the Conditions of Housing Contract. It will be a requirement for the Panel to provide regular reports to the Project Board.

The Project will promote social interaction, both between residents and with the wider community. The Wrekin Housing Group will be required to manage access to the main lounge, dining area / café and other facilities open to the community. Any costs associated with community use will not be subsidised through charges to residents of the scheme.

3.2 Capital Expenditure Summary

The estimated capital costs for this project are as follows:

<table>
<thead>
<tr>
<th>Cost Item</th>
<th>Estimate</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>£ 275,000</td>
<td></td>
</tr>
<tr>
<td>Economic operator's Legal Fees</td>
<td>£ 3,000</td>
<td>In-house solicitors thus competitive price</td>
</tr>
<tr>
<td>County Council's Legal Fees</td>
<td>£ 10,000</td>
<td></td>
</tr>
<tr>
<td>Demolition / Site Preparation</td>
<td>£ 141,773</td>
<td></td>
</tr>
<tr>
<td>Build Costs</td>
<td>£ 6,056,503</td>
<td></td>
</tr>
<tr>
<td>Fit Out</td>
<td>£ 100,000</td>
<td></td>
</tr>
<tr>
<td>Professional Fees</td>
<td>£ 769,203</td>
<td>Includes all consultants, planning, etc</td>
</tr>
<tr>
<td>Sales &amp; Marketing</td>
<td>£ -</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL COST</strong></td>
<td>£ 7,355,479</td>
<td></td>
</tr>
</tbody>
</table>

All Capital Expenditure will be financed by Wrekin Housing Group. The viability of funding sources, listed in the table below, was checked during tender evaluations.
The total capital input from SCC will be in the sale of land as presented in the table below:

<table>
<thead>
<tr>
<th>Land value</th>
<th>£ 800,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less capital receipt from Wrekin Housing Group</td>
<td>£ 275,000</td>
</tr>
<tr>
<td>SCC investment</td>
<td>£ 525,000</td>
</tr>
</tbody>
</table>

There will be no other capital contributions from SCC towards this scheme.

3.2 Revenue Expenditure Summary

Based on 35 nomination rights the payback period on the SCC investment is 4.72 years.
Presuming that the financial model and tenure agreement remains the same in the future, this scheme over ten years will reduce accumulative future care costs by an estimated £639,980.

<table>
<thead>
<tr>
<th>Year 5 split</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Year 8</th>
<th>Year 9</th>
<th>Year 10</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 months</td>
<td>£27,926.25</td>
<td>£83,475.75</td>
<td>£83,475.75</td>
<td>£194,776.75</td>
<td>£300,077.75</td>
<td>£417,378.75</td>
</tr>
<tr>
<td>9 months</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>£526,879.75</td>
</tr>
</tbody>
</table>

It is a requirement that the rents and service charges levied to residents at the Project will be affordable in line with the Homes and Communities Agency guidelines and also within the reasonable rent levels set by the District Council for the purpose of obtaining Housing Benefit. As mentioned in the previous sections and presented in the table below all units at Wombourne Extra Care scheme will be for affordable rent:

The Wrekin Housing Group will charge a weekly service charge to the residents for the provision of the Integrated Service based on a fixed cost per unit of accommodation as follows:

<table>
<thead>
<tr>
<th>Other Charges</th>
<th>Beds</th>
<th>HB Eligible</th>
<th>Non HB Eligible</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Charge</td>
<td>1</td>
<td>£46.89</td>
<td>£15.02</td>
<td>£62.81</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>£46.89</td>
<td>£15.02</td>
<td>£62.81</td>
</tr>
<tr>
<td>Additional Charge</td>
<td>1</td>
<td>£ -</td>
<td>£ -</td>
<td>£ -</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>£ -</td>
<td>£ -</td>
<td>£ -</td>
</tr>
</tbody>
</table>

Total non HB eligible charges for a 2 bed unit: £15.02 (Assessed Figure)
The catering facility will be funded by the levying of a small charge (£4.20 p/w included in the service charges) to each resident and by the charges from the sale of food and drinks. Social events, meetings etc. will also provide another source of income for the catering service.

### 3.3 Life Cycle Costs

Life cycle costs have not been calculated for the scheme as the life cycle risk is effectively transferred to the developer.

### 3.4 Overall affordability

Taking into consideration the short payback period for the SCC investment and substantial long term financial revenue savings presented in the Revenue Expenditure Section the project is considered affordable. The calculations for this scheme represent a good value for money.

### 3.6 Cash Flow

SCC cash flow will not be affected.
4. Achievability – The Project Management Case

4.1 Project Management Strategy

The County Council manages development projects using a PRINCE II methodology. The Wrekin Housing Group will be expected to employ a complementary methodology and have a dedicated manager who will liaise with the County Council and facilitate a project steering group.

The County Council has established a Project Board for this project in the form set out in the diagram below. The Wrekin Housing Group will be required to nominate a senior manager to take up the role of ‘senior supplier’ on the Project Board, as outlined in the diagram below. A Project Board will be required to oversee the Project throughout the duration of the Housing Contract.

4.2 Governance and Key Roles

The overall governance for the project will remain with the SCC People’s Property Panel. After the land sale the Project Board will be led by Wrekin Housing Group with a SCC District Commissioning Lead representing the Senior Executive role on the Board.

A regular update of the scheme will be provided to the Property Panel. If required significant issues will be escalated to the Strategic Property Board.
4.3 Best Practice

Best practice delivering this project will be implemented and lessons learned from the previously delivered Extra Care schemes will be reviewed and followed.

4.4 Procurement Strategy

This project’s procurement process was lead by an allocated member of SCC Procurement team following relevant EU procurement legislations.

4.5 Project Delivery Plan

As mentioned in the previous sections the project delivery will be led by The Wrekin Housing Group.

The key milestones for the construction phase are as follows:

- **Detail design development**: November 2012
- **Planning Application**: December 2012
- **Planning Approval**: March 2013
- **Work Starts on Site**: June 2013
- **Practical Completion**: November 2014
- **Project Opening**: January 2015
- **HCA grant deadline**: March 2015

A Gantt Chart below details the critical path and timelines involved in making the service fully operational. The chart details a 10 week programme of key activities that will take place before and after the building is handed over from the developers.

4.6 Contract Management

The terms and conditions regarding nomination rights and voids management will be agreed between the SCC and Wrekin Housing Group in the housing contract.
Care service quality will be monitored on a regular basis by the District care teams and through various quality monitoring meetings.

The exit strategy for this project is the same as for the majority of Extra Care facilities. Should there be a down turn in the future care needs past the care contract end date, the appointed contractor will continue to manage the facility for general social housing. In this case the County Council would have no further liability.

4.7 Risk Management Strategy

The construction contract and all associated risks for the re-development of the site will be managed by the Wrekin Housing Group. The developer will maintain a risk log for the Project, identifying potential risks to this Project, including financial risks, and the actions to be taken to mitigate against these, including a contingency plan.

A comprehensive Business Continuity Plan for both Civil Contingencies and care provision at the scheme have been evaluated during tender evaluation.

4.8 Benefits Realisation Plan

The Benefits Realisation Plan will be developed in by the Project Team under the guidance of the project executive and project sponsor.