

CABINET – 15 SEPTEMBER 2009

ITEM OF URGENT BUSINESS

**EXTRA CARE HOUSING DEVELOPMENT,
ORCHARD FIELDS, BANBURY**

Report by Director for Social & Community Services

Introduction

1. This report seeks Cabinet approval for a license to be issued to Bedfordshire Pilgrims Housing Association (bpha) which will include compensation for costs incurred should the lease for the extra care housing development that they are undertaking not be completed by practical completion of the work.
2. The extra care housing (ECH) development is part of a broader development on the same site of a care home. The Social & Community Services Directorate was successful in obtaining a £1.35million grant for the ECH development. The grant conditions include the deadline of 30 September 2009 for start on site and failure to meet this deadline will lead to the loss of the grant, or a significant reduction in its value. Both these eventualities would mean that the ECH scheme would no longer be viable.
3. This report is seen as being an urgent item for the Cabinet because of the Department of Health deadline and need for a license to be issued for the work to start on site.

The License

4. In essence, the license will allow bpha and its contractors to enter the site and begin work. It will include measures that will require the County Council to compensate bpha for costs incurred should the necessary lease arrangements not be in place by the practical completion of the ECH development. These measures are the same as those for the care home. However, while developing a care home is within the County Council's powers as a social services authority, it is not clear that the Council has the same power to enter into a potential financial obligation, however remote this might be, for an ECH development. To do so requires agreement to use other powers that the Council has.
5. Elsewhere on this agenda the Cabinet is considering a very similar issue. It being proposed that the Council underwrites Oxfordshire PCT's commitments for the development of the Primary Care Centre in Chipping Norton. It is

proposed that this arrangement is allowed under the Well Being that the Council has. It is proposed that the same powers apply here.

6. The ECH development will provide employment opportunities. The analysis of need strongly indicates that ECH is needed in Banbury, and the ECH development will contribute to the supply of affordable housing. It will provide facilities that will enhance the care of older people, including people with high dependency needs.

Financial and Staff Implications

7. There are no staff implications. The financial implications arise if the lease arrangements are not in place by the time of practical completion of the work. In these circumstances the Council would be required to compensate bpha for the work completed. This would total £5.7million less the Department of Health grant of £1.35million and the Homes and Communities Agency grant of £1.2million.
8. Both parties are fully committed to the scheme and there are no matters beyond technical complexity at this time that are thought will stop the leases being completed. In the event of the compensation being due then the Council would also be in a position to enter into arrangements with other organisations which should cover any costs the Council could be facing.

RECOMMENDATION

9. **The Cabinet is RECOMMENDED to agree to a license being issued to bpha (Bedfordshire Pilgrims Housing Association), including the requirement for compensation should the leases not be in place by the time of practical completion.**

JOHN JACKSON
Director for Social & Community Services

Background papers: Nil

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