

Public Document Pack

Meeting of the Cabinet

Tuesday, 15 March 2011 at 2.00 pm

County Hall, Oxford, OX1 1ND

ADDENDA

6. Culham Parochial Primary School (Pages 1 - 2)

Supplementary report attached on the outcome of the headteacher appointment process.

13. Financial Monitoring - March 2010

A correction to the third sentence of Paragraph 7 on page 150 is shown in bold below:

The total variation after taking account of the grant underspends and overspends on the Council elements of the Pooled Budgets is an **underspend of -£0.494m or -0.13%**.

The table on page 150 is amended accordingly and the Total Variation under the Variance Forecast for January 2011 is -£1.610m or -0.42% (amended from -£0.622m or -0.16%)

16. Urgent Business - Approval for Capital Grant for The Shotover View Extra Care Housing Development (Pages 3 - 8)

Cabinet Member: Finance & Property

Forward Plan Ref: 2011/059

Contact: Sue Ryde, Principal Strategy Officer Tel: (01865) 862529; Nigel Holmes, Programme Manager, ECH Tel: (01865) 323684

Report by Director for Social & Community Services (**CA16**).

In accordance with Regulation 16 of the The Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 (as amended), the Chairman of the Strategy & Partnerships Scrutiny Committee (since this is a finance related item) has agreed that the need to take the decision is urgent and cannot reasonably be deferred.

The County Council has been planning for the development Extra Care Housing (ECH) on its site at Shotover View, Oxford with its partners in the Oxfordshire Care Partnership (OCP). The ECH development is one of the Councils main strategies for the development of services for older people that meet the needs for support and care and also move away from the reliance on residential care.

The development of the Shotover ECH scheme requires grant subsidy from the Homes and Communities Agency (HCA). The proposed allocation will not be sufficient for the scheme to be viable without further support.

This report proposes that this is from the County's Capital Programme allocation for the development of ECH. The sum required is £1.16million.

Note: As set out under Rule 18(a) of the Scrutiny Procedure Rules, this decision is exempt from Call-In as the Council's call-in procedure should not apply where the decision being taken is urgent in the view of the decision maker. The decision maker considers that this decision is urgent in that any delay would be detrimental to the Council's financial interest and to the strategy for the development of services for older people. In accordance with Rule 18(a) the agreement of the Chairman of the Council is being sought that in all the circumstances the decision should be treated as a matter of urgency.

Division(s): Dorchester & Berinsfield

CABINET – 15 MARCH 2011

CULHAM PAROCHIAL PRIMARY SCHOOL – OUTCOME OF HEADTEACHER APPOINTMENT PROCESS

Supplementary report by Director for Children, Young people & Families

1. Interviews were held on 1st March 2011 at Culham Parochial Primary School and were attended by two council officers: the school's Improvement Adviser and a Primary School Improvement Leader. Three candidates had been shortlisted and all attended for interview
2. The headteacher position carries with it a significant (approximately 50%) teaching commitment and the candidates were required to teach an observed lesson. None of the 3 candidates' lessons were judged to be better than 'satisfactory' (grade 3 out of 4 on the Ofsted judgement scale) and at least one was not even securely so.
3. During the afternoon interview all 3 candidates demonstrated significant gaps in their practical leadership and management knowledge.
4. In relation to the Personal Specification that was drawn up by the governor appointment panel, the following Essential criteria were not met by the panel's preferred candidate:
 - Understanding of pupil progress data
 - What constitutes quality teaching and learning
 - Ability to promote achievement
 - High expectations and standards of professional practice
 - Recent developments in education
5. For the above reasons the two council officers were firmly of the opinion that no candidate should be appointed and this opinion was presented as the council's formal position. Although, understandably, the governors were keen to make an appointment, the officers' advice was accepted and it was decided **not to appoint** to the position of headteacher of Culham Parochial School.

Meera Spillett Director for Children, Young People & Families

Background papers: None

Contact Officer: Roy Leach, Strategic Lead School Organisation & Planning

March 2011

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Project approval – SS104

9th February 2011

Shotover, Oxford City, Extra Care Housing Scheme

Purpose / Recommendation

- 1. To approve the payment of grant to Bedfordshire Pilgrims Housing Association (BPHA) in order to help secure the viability of a new, purpose built Extra Care Housing Scheme.**

Background

Extra Care Housing (ECH) offers a unique combination of housing, care and various support services all in one development. Its aim is to enable more people to live in their own homes for as long as possible and, for many, it will provide an alternative to entering a residential care home.

The Council has set as a priority the provision of ECH as an alternative to residential care in order to deal with the increasing cost pressures of caring for Older People and the demographic growth of this population.

Included in the capital programme is funding for the development of new Extra Care Housing up to a total amount of £3.985m.

The Shotover site is currently vacant. The proposal to develop this site for Extra Care Housing is a major component in the strategy for reconfiguring the Oxfordshire Care Partnership contract.

Both OCC and Oxford City Council will have nomination and allocations agreements in place with regard to the letting of the apartments, although it is expected that some residents may transfer out of the care homes into the ECH accommodation.

Bpha have obtained planning permission for a development of 55 one and two bedroom flats plus a full suite of communal dining, activity and assisted bathing facilities plus accommodation for care staff who will be based at the building on a 24 hour basis.

The majority of capital funding for this scheme will be raised from private funds secured by bpha against rents and shared ownership sales, albeit such revenue will be limited by charging below market, 'social' rents for these properties. The balance of the capital cost is normally met by a grant from the Homes and Communities Agency (HCA) BPHA bid for £2.6m grant from the HCA but this bid was unsuccessful.

1. These developer contributions exclude the further amounts allocated to capital build projects such as Banbury and Bicester

1. Total budget provision £4.7m less £0.715m earmarked as internal transfer towards OCC sites.

However, the HCA have indicated that there could still be £1.4m available from slippage if bpha can secure the site by the end of March. Bpha have asked the County Council to fund the shortfall of £1.2m.

Key Issues

The development of this scheme is a key first step in delivering the revenue savings associated with the Oxfordshire Care Partnership (OCP) contract renegotiations project. A major plank of this project relies upon OCP securing the Shotover ECH development in order to start replacing their current care home places. In addition, developing this site will allow a 'domino effect' regarding the release of other sites in the OCP portfolio. It is therefore crucial that this ECH starts on site as soon as possible.

As stated above, an allocation of £1.2m capital investment could not only help secure a £2.6m grant from the HCA but will also allow the scheme to be developed under the current 'social rent' model of affordable housing meaning that rents are normally set at approximately 50% of market rent levels. This will make the scheme more affordable for most residents (particularly those on low incomes whom OCC has financial responsibility for). However, if this scheme does not get HCA grant now but in their new housing programme starting from April there is a risk that:-

- i) grants will be limited in the new programme and
- ii) any new grants will be linked to a more expensive 'affordable rent' policy set at 80% of market rents (plus there is a further risk that the City Council will resist this new rent model as the planning permission required 'social rents', thereby producing further delay in developing our site).
- iii) Tenancies may have to be offered on a fixed term basis rather than the lifetime model under the current grant programme. This could discourage applicants reluctant to move from a lifetime tenancy
- iv) Any grant would be paid to bpha upon completion of the scheme and not 50% at start as occurs in the current programme. This could present cash flow problems for bpha.

All the necessary planning permissions were obtained from the City Council in September last year, with only the Section 106 agreement outstanding, and a build tender has been agreed between BPHA and their contractor. The scheme is therefore ready to start on site before April/May this year.

A contract and partnership agreement is already in place between OCC and OCP and this deals with all the working arrangements between the parties, including those specifically related to the building works, and is supported by a nominations/allocations agreement and leases. The allocations agreement allows OCC care managers to place older people with care needs in the

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majority of the 55 properties.

Financial / Budgetary Implications

The revenue savings associated with a 55 place ECH scheme at Shotover are estimated as between £175k and £265k pa. This first figure assumes a third of the places will replace residential care and a third will replace more expensive home care costs and a third will have no care therefore have no impact on savings, whereas the second is based on 50% care home and 50% home support substitution.

Clearly the savings are greater when the ECH flats replace more people coming out of a care home, as would be the case with Shotover. Indeed, OCC would realise immediate cash savings of c£200 per week for each resident leaving the care home and entering the ECH. This is because the accommodation, utilities and food costs, etc are paid for by the individual tenant (or are funded by housing and other benefits and not OCC as is the case in care home fees).

These figures shown that even at a conservative estimate of revenue savings on Shotover we could still justify a Prudential Borrowing (PB) capital investment of £1.2m. The estimated cost of repaying a £1.2m PB loan is estimated to be £2.0m over 25 Years (average £0.08m p.a.).

Communications/ Consultation

This project and its capital and revenue costs have been discussed and approved by the S&CS Older Persons Programme Board (now replaced by the ECH Programme board) and the various County/District Council ECH Governance Boards.

OCC extra care and capital project managers have also been involved in all stages of the project group.

This particular proposal will however be subject to further detailed discussions with residents at OCP care homes and every type of assistance will be given to such residents to enable them move out of their current care home into the proposed new ECH scheme.

Cross - Cutting Themes

1. These developer contributions exclude the further amounts allocated to capital build projects such as Banbury and Bicester
1. Total budget provision £4.7m less £0.715m earmarked as internal transfer towards OCC sites.

The delivery of extra care housing is a vital part of S&CS strategy to support older people in their own homes and to reduce revenue expenditure on care home placements. This scheme also meets the requirement to use capital investment in order to produce revenue savings.

Large sites for ECH development such as this are very hard to find in the city. There is currently a demand for 459 ECH flats in Oxford rising to a requirement for 498 by 2031. So far there are only 20 ECH flats at Isis with a further 156 proposed at Greater Leys. If this latter scheme and Shotover were to be developed it would mean the City had 50% of its target ECH provision.

The Shotover area is an area of significant deprivation including indicators of low income, high health and care needs, low levels of car ownership and an above average of BEM elders. Its location in east Oxford also makes it an ideal location to replace nearby OCP care homes.

Key Dates/ Procurement Plan/ Timescales

Need to approve this project by March 22nd or sooner in order to allow bpha to submit a reduced bid to the HCA's bid clinic which meets on that date. If the bid is successful this will allow works to commence on site before April 2011. The actual payment of the £1.2m can be deferred to the next financial year or later although this could produce cash flow problems for BPHA.

Conclusion

The Cabinet are requested to approve the capital expenditure for this project in order to meet the above delivery goals and timetable and to help meet S&CS revenue savings targets.

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1. Total budget provision £4.7m less £0.715m earmarked as internal transfer towards OCC sites.

Resource Approval

Status: _____

Approval Ref: SS104

Capital Project: Shotover, Extra Care Housing

Price Base:

Capital Expenditure and Financing

Cost of Project	2010/11	20011/12	2012/13	2013/14	2014/15	2015/16	Total
	£000	£000	£000	£000	£000	£000	£000
Purchase - Land & Buildings							-
Construction		1,200					1,200
Furniture/Equipment							-
Other works							-
Consultant Fees							-
Other Fees & Charges							-
Risk / Contingency							-
Total Estimated Payments	-	1	-	-	-	-	1,200

The Net Construction Cost per square metre is

Refurbishment £

Funding of Project	2010/11	20011/12	2012/13	2013/14	2014/15	2015/16	Total
	£000	£000	£000	£000	£000	£000	£000
Credit Approval (Borrowing)							-
Capital Receipt(s)							-
Contribution From Third Parties							-
Grant(s)							-
Revenue Contribution(s)							-
Prudential Borrowing (Service)		1,200					1,200
Total Financing	-	1,200	-	-	-	-	1,200

Revenue Implications**Corporate Costs****Capital Financing (Cost of borrowing)****Service Implications**

	2010/11	20011/12	2012/13	2013/14	2014/15	2015/16	Total
	£000	£000	£000	£000	£000	£000	£000
Employees							-
Running Costs							-
Financing Costs							-
Income							-
Less net current cost							-
Net Cost/(Saving) to Service	-	30	108	106	103	101	448

Staffing	2010/11	20011/12	2012/13	2013/14	2014/15	2015/16	Total
	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Additions/(Savings) resulting from the project							

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