

# Joint Extra Care Housing Management Board Agenda

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<b>Date:</b>	<b>Wednesday 28th September 2011</b>
<b>Time:</b>	<b>4.00 pm</b>
<b>Venue:</b>	<b>Room 5 - Wyvern House, The Drumber, Winsford, CW7 1AH</b>

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The agenda is divided into 2 parts. Part 1 is taken in the presence of the public and press. Part 2 items will be considered in the absence of the public and press for the reasons indicated on the agenda and at the foot of each report.

## **PART 1 – MATTERS TO BE CONSIDERED WITH THE PUBLIC AND PRESS PRESENT**

### **1. Apologies for Absence**

### **2. Declarations of Interest**

To provide an opportunity for Members and Officers to declare any personal and/or prejudicial interests in any item on the agenda

### **3. Public Speaking Time/Open Session**

Members of the public wishing to address the Joint Extra Care Housing Management Board on reports contained within the agenda for the meeting shall be given the opportunity to do so subject to:-

- 1 the opportunity being extended to one person to speak in support of each agenda item and one person to speak against each agenda item when called to do so by the Chairman;
- 2 an indication of the desire to speak on the agenda item being made by the person just prior to the meeting and the name supplied to the Democratic Services Officer in attendance. The first person registering to have precedence in the event of more than one person wishing to speak either for or against the agenda item;

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For any apologies or requests for further information

**Contact:** Rachel Graves  
**Tel:** 01270 686473  
**E-Mail:** [rachel.graves@cheshireeast.gov.uk](mailto:rachel.graves@cheshireeast.gov.uk)

- 3 each person addressing the Joint Extra Care Housing Management Board being limited to three minutes speech;
- 4 an opportunity being provided for an expression of a contrary view, event though no prior notice has been given, when a member of the public has spoken for or against the item;
- 5 in the event of the person having registered to speak on an agenda item not wishing to take up their right to speak on the agenda item because it was deferred, the person will automatically be given the right to speak on the agenda item at the next meeting of the Joint Extra Care Housing Management Board;
- 6 the Chairman of the meeting having discretion to rule that a person wishing to address the meeting shall not be heard if, in his/her opinion, that issues or the organisation or the person wishing to make the representations on that issue had received an adequate hearing,

4. **Minutes of Previous meeting** (Pages 1 - 2)

To approve the Minutes of the meeting held on 7 December 2010 as a correct record

5. **Q1, 2011/12 Operations Report** (Pages 3 - 16)

To consider a report on the Quarter 1 Operations which includes information on

- tenure, care bands and community balance
- occupancy, voids and waiting lists
- unitary charge and deductions made
- KPIs

6. **Avantage Annual Customer Survey 2011** (Pages 17 - 22)

To consider a report on the results of Avantage's second Annual Customer Survey, which was carried out in the first two months of 2011

7. **Bank Holiday Operations in Extra Care Housing** (Pages 23 - 26)

To consider a report on Avantage and the Authorities' different interpretations of the PFI contract on Bank Holiday working and recommends a compromise to resolve the situation

8. **Transfer of 10% Subordinate Debt by Gleeson and Nationwide to MBIA** (Pages 27 - 30)

To consider a report on the proposed transfer of the PFI subordinate debt currently held by Gleeson and Nationwide to MBIA and explains the limited due diligence carried out by Council officers

9. **Annual Financial Report for 2010/11** (Pages 31 - 36)

To consider a report on the financial position in relation to the PFI contract

10. **Governance of PFI Extra Care Housing** (Pages 37 - 40)

To consider a report on the proposed new governance arrangements for Round 3 schemes

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**CHESHIRE EAST COUNCIL**

Minutes of a meeting of the **Joint Extra Care Housing Management Board**  
held on Tuesday, 7th December, 2010 at Room 5 - Wyvern House, The  
Drumber, Winsford, CW7 1AH

**PRESENT**

Councillor P Mason (in the Chair)

Councillors L Ford, H Manley and A Knowles (Substitute Member)

**Officers**

Caroline Elwood, Interim Borough Solicitor, Cheshire East Council

Phil Lloyd, Director of Adults, Community, Health and Wellbeing, Cheshire  
East Council

Nula Keegan, Strategic Commissioning Manager

Lynn Glendening, Extra Care Housing Management Project Manager,  
Cheshire East Council

Dominic Oakeshott, People Finance Lead, Cheshire East Council

Mick Howarth, Head of Older People & Physical Disabilities, Cheshire West  
and Chester Council

**17 APPOINTMENT OF CHAIRMAN FOR THE MEETING****RESOLVED:**

That in the absence of the Chairman and Vice Chairman, Councillor  
P Mason be appointed as Chairman for the meeting,

**18 APOLOGIES FOR ABSENCE**

Apologies were received from Councillor R Domleo and Councillor  
B Dowding.

**19 DECLARATIONS OF INTEREST**

No declarations of interest were made.

**20 PUBLIC SPEAKING TIME/OPEN SESSION**

There were no members of the public present.

**21 MINUTES OF THE PREVIOUS MEETING****RESOLVED:**

That the minutes of the meeting held on 7 September 2010 be approved  
as a correct record.

## 22 FUNDING FOR ROUND 5 EXTRA CARE HOUSING PFI

Consideration was given to a report which detailed the position with the application for funding for Round 5 Extra Care Housing PFI.

On 22 November 2010 the Department for Communities and Local Government (DCLG) and the Homes and Communities Agency (HCA) had announced the withdrawal of funding support for PFI pipeline projects and stated that they were not able to offer continued support for the Round 5 Extra Care Housing Project. It was also stated that the HCA would work with Authorities to consider future options.

Cheshire East Council and Cheshire West and Chester Council had incurred considerable costs in the development of the Outline Business Case and provision of information for the HCA. The costs were currently estimated at £400k and would be shared 50/50 between both Councils. Discussions were ongoing with the HCA with regard to these costs. It was agreed that the Board would write to the HCA, outlining their concerns about the withdrawal of the financial support.

The future role of the Joint Extra Care Housing Management Board was discussed and it was agreed that the Board should meet in 6 months time to receive a report on the progress with the Round 3 Extra Care Housing Scheme.

The contracts for the Round 3 Scheme were held jointly and severally by Cheshire East Council and Cheshire West and Chester Council. Serving the contracts was not an option as it would constitute a substantial change to the terms and conditions and could be open to challenge under the Public Contracts Regulations 2006. In order to facilitate the efficient management of Round 3 Schemes it was agreed that an Inter Authority Agreement be drawn up.

### **RESOLVED:**

- 1 The withdrawal of funding for the Round 5 Extra Care Housing Project be noted and a letter be sent to the HCA.
- 2 The Joint Extra Care Housing Management Board to meet in 6 months time and the current terms of reference be updated.
- 3 An Inter Authority Agreement to cover the management of the Round 3 PFI Scheme be agreed and entered into by the respective Councils.

The meeting commenced at 4.15 pm and concluded at 4.30 pm

Councillor P Mason

## CHESHIRE EAST COUNCIL

### Joint Extra Care Housing Management Board

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**Date of Meeting:** 28 September 2011  
**Report of:** Sophie Middleton, Contract Manager – Extra Care Housing  
**Subject/Title:** Q1, 2011/12 Operations Report

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#### 1.0 Report Summary

- 1.1 This report describes the situation at the end of Quarter 1 – it includes information on
- tenure, care bands and community balance,
  - occupancy, voids and waiting lists,
  - unitary charge and deductions made, and
  - KPIs.

#### 2.0 Recommendation

- 2.1 That Members note the contents of the Operations Report.

#### 3.0 Reasons for Recommendations

- 3.1 No formal decisions are required at this point so it is recommended that Members note the contents of the Report.

#### 4.0 Wards Affected

- 4.1 Cheshire East  
Crewe St Barnabas, Handforth, Middlewich

- 4.2 Cheshire West & Chester Council  
Rossmore, Winsford Over & Verdin

#### 5.0 Local Ward Members

- 5.1 Cheshire East  
Crewe St Barnabas – Councillor Roy Cartlidge  
Handforth – Councillors Barry Burkhill and Dennis Mahon  
Middlewich – Councillors Paul Edwards, Simon McGrory and Michael Parsons
- 5.2 Cheshire West & Chester Council  
Rossmore – Councillor Pat Merrick  
Winsford Over & Verdin – Councillors Don Beckett, Tom Blackmore and Lynda Jones

**6.0 Policy Implications including – Carbon Reduction  
- Health**

6.1 None.

**7.0 Financial Implications**

7.1 None.

**8.0 Legal Implications (Authorised by the Borough Solicitor)**

8.1 None.

**9.0 Risk Management**

9.1 None.

**10.0 Background and Options**

10.1 The Round 3 PFI Extra Care Housing Schemes opened in 2009.

10.2 Cheshire East Council manages the PFI Contract on behalf of Cheshire East and Cheshire West & Chester Borough Councils.

10.3 Part of the management of the contract involves keeping both Authorities informed on developments within the PFI Schemes. This quarterly report is the latest report issued.

**11.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

Name: Sophie Middleton

Designation: Contract Manager – Extra Care Housing

Tel No: 01625 383755

Email: [sophie.middleton@cheshireeast.gov.uk](mailto:sophie.middleton@cheshireeast.gov.uk)



# Report

**Date:** 22 July 2011

**Report of:** Sophie Middleton/Contract Manager

**Subject:** PFI Extra Care Housing Quarter 1 Operations Report

NB – Care and catering contracts are now managed in-house by each Authority and do not form part of this report.

## 1. Tenure, Care Bands & Community Balance

### 1.1 Tenure

In April 2010, 57 apartments were transferred from Shared Ownership and Outright Sale to Rental Apartments. These apartments are subject to a similar repairs and maintenance agreement as the PFI apartments but are not monitored by the Authority. The current status of the arrangement is detailed below.

30/06/11	Scheme	Transferred to Rental	Returned to Sales	Outstanding
<b>Cheshire East</b>	Beechmere	20	2	18
	Oakmere	5	1	4
	Willowmere	7	0	7
	<b>TOTAL</b>	<b>32</b>	<b>3</b>	<b>29</b>
<b>Cheshire West</b>	Hazelmere	17	1	16
	Hollymere	8	2	6
	<b>TOTAL</b>	<b>25</b>	<b>3</b>	<b>22</b>
<b>TOTAL</b>		<b>57</b>	<b>6</b>	<b>51</b>

### 1.2 Community Balance

It is intended that all schemes will achieve a balance of one-third low, one third medium and one-third high care band residents. The balance at the end of June 2011 was as follows:



Council	Scheme	Wellbeing (East only) & Low	Medium	High
Cheshire East	Beechmere	66%	19%	15%
	Oakmere	60%	26%	14%
	Willowmere	65%	18%	17%
<b>Cheshire East Overall</b>		<b>64%</b>	<b>21%</b>	<b>15%</b>
Cheshire West	Hazelmere	60%	21%	19%
	Hollymere	50%	26%	24%
<b>Cheshire West Overall</b>		<b>56%</b>	<b>23%</b>	<b>21%</b>
<b>TOTAL CHESHIRE</b>		<b>60%</b>	<b>23%</b>	<b>17%</b>

## 2. Occupancy/Voids

### 2.1 Occupancy

The table below shows the number of occupied/allocated apartments by Council as at 01 July 2011.

<i>RENTAL (incl transferred apartments)</i>	Total Apartments	Occupied /Allocated Apartments	Occupied /Allocated %	Available Apartments
<b>Cheshire East</b>	171	171	100%	None
<b>Cheshire West</b>	120	120	100%	None
<b>TOTAL</b>	<b>291</b>	<b>291</b>	<b>100%</b>	
<b>SHARED &amp; OUTRIGHT SALES</b>				
<i>SHARED &amp; OUTRIGHT SALES</i>	Total Apartments	Occupied /Allocated Apartments	Occupied %	Available Apartments
<b>Cheshire East</b>	85	74	87%	Willowmere – 6 Beechmere – 5
<b>Cheshire West</b>	57	49	86%	Hazelmere – 5 Hollymere – 3
<b>TOTAL</b>	<b>142</b>	<b>123</b>	<b>87%</b>	

### 2.2 Voids in 2011

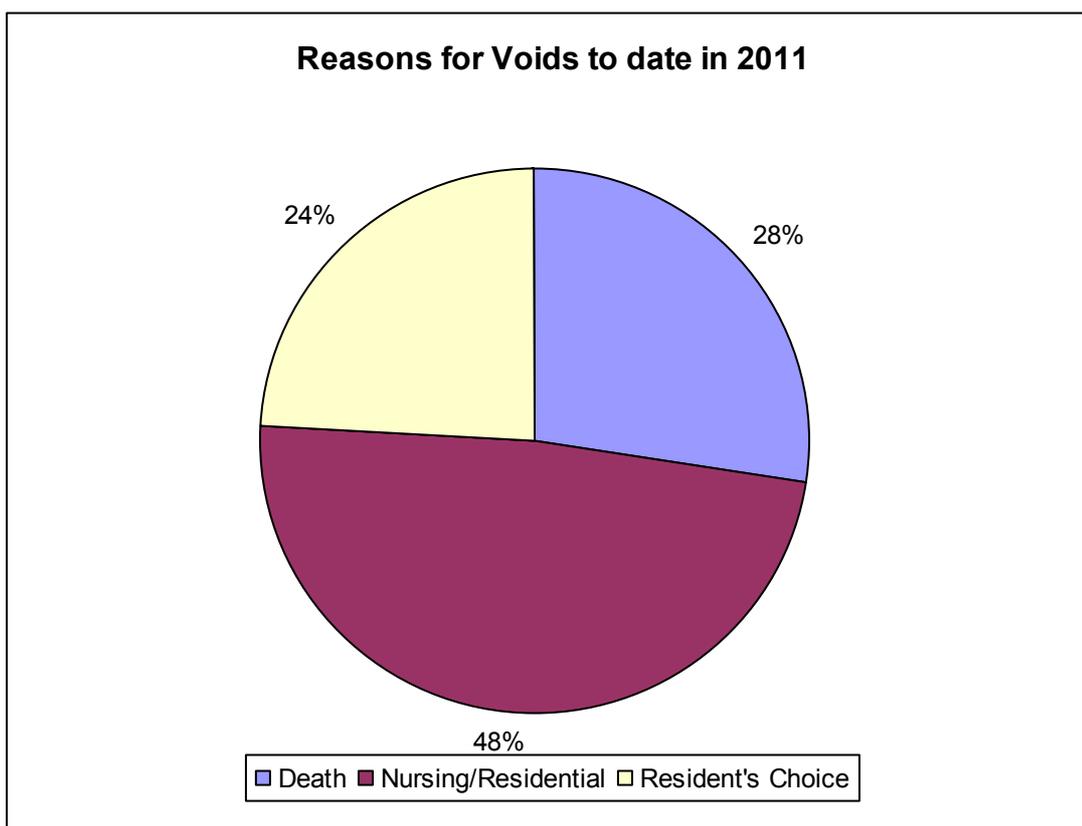
There have been a total of 29 voids during 2011 (i.e. apartments that have been occupied and then become vacant). The reasons for the voids and where they have occurred is shown in the graph and tables below.



<b>Voids as a percentage of total apartments</b>	<b>6.70%</b>
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04/07/2011	Care Band	Low	Medium	High	Total
<b>Cheshire East</b>	Beechmere	4	3	6	<b>13</b>
	Oakmere	1	0	0	<b>1</b>
	Willowmere	2	1	4	<b>7</b>
	<b>TOTAL</b>	<b>7</b>	<b>4</b>	<b>10</b>	<b>21</b>
<b>Cheshire West</b>	Hazelmere	2	1	2	<b>5</b>
	Hollymere	0	0	3	<b>3</b>
	<b>TOTAL</b>	<b>2</b>	<b>1</b>	<b>5</b>	<b>8</b>
<b>TOTAL</b>		<b>9</b>	<b>5</b>	<b>15</b>	<b>29</b>

The chart below shows the reasons for all voids to date in 2011. Appendix 2 shows this information by scheme.



Resident's Choice may mean:

- Moving closer to family members/friends
- Moving out of Extra Care because it does not suit the individual/they don't like the area in which the scheme is located.
- Moving because of changes to Cheshire East Care Charges (1 apt)



### 2.3 Waiting Lists

The number of people on the waiting lists for apartments at the end of June 2011 was as follows:

		Low	Medium	High	Total
Cheshire East	<b>Beechmere</b>				
	Rented	3	2	1	6
	Shared Ownership	0	0	0	0
	Outright Sale	0	0	0	0
	<b>Oakmere</b>				
	Rented	1	1	0	2
	Shared Ownership	4	0	0	4
	Outright Sale	7	0	0	7
	<b>Willowmere</b>				
	Rented	1	0	0	1
	Shared Ownership	0	0	0	0
	Outright Sale	0	0	0	0
<b>TOTAL</b>	<b>16</b>	<b>3</b>	<b>1</b>	<b>20</b>	
Cheshire West	<b>Hazelmere</b>				
	Rented	2	0	0	2
	Shared Ownership	0	0	0	0
	Outright Sale	0	0	0	0
	<b>Hollymere</b>				
	Rented	1	1	0	2
	Shared Ownership	0	0	0	0
	Outright Sale	0	0	0	0
<b>TOTAL</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>4</b>	
<b>TOTAL</b>	<b>19</b>	<b>4</b>	<b>1</b>	<b>24</b>	

### 3. Unitary Charge, Performance Penalties & Unavailability Deductions

The monthly Unitary Charge and deductions for Quarter 1 are shown below.

Month	Unitary Charge	Deductions		
		Cheshire East	Cheshire West	TOTAL
Apr	£367,222.15	£761.91	£341.01	£1,102.92
May	£379,462.88	£508.57	£245.23	£753.80
Jun	£367,222.15	£8.89	£128.50	£137.39
<b>TOTAL</b>	<b>£1,113,907.18</b>	<b>£1,279.37</b>	<b>£714.74</b>	<b>£1,994.11</b>

More details on the causes of the deductions can be found in Appendix 3.

## 4. Key Performance Indicators

The Key Performance Indicators (KPIs) for the first two months of the first Quarter are shown below. The report for June is not available at the time of writing this report.

### 4.1 Cheshire East

KPI Ref	Description	Beechmere			Oakmere			Willowmere		
		Apr	May	Jun	Apr	May	Jun	Apr	May	Jun
A01 Events Attendance	(a) Average number of residents at events	14.66	12.80	13.18	5.11	4.08	4.00	6.81	3.87	4.11
	(b) Average number of non-residents at events	1.40	0.64	0.95	3.02	3.14	2.95	3.53	1.47	3.41
A02 Events Costs	(a) Percentage of events free to residents	69%	66%	67%	65%	61%	63%	49%	46%	42%
	(b) Percentage of events costing residents £4 or more	0%	1%	0%	0%	0%	0%	8%	6%	6%
A03 Events Facilitator	Percentage of events led by an organisation or individual other than Avantage	71%	67%	75%	54%	56%	55%	88%	90%	91%
A04 Events Survey	Not yet measured									
A05 Use of Gym	(a) Sessions per month by residents	31	38	48	0	0	0	22	30	41
	(b) Sessions per month by non-residents	39	28	40	22	8	7	5	11	16
A06 Use of Treatment Rooms	Percentage Use	53%	55%	63%	0%	2%	3%	63%	45%	47%
A07 Repairs Service	Not yet measured									
A08 Partnership Working	No of meetings per month (weeks)	0 (4)	1 (4)	3 (5)	2 (4)	3 (4)	3 (5)	3 (4)	3 (4)	4 (5)



## 4.2 Cheshire West

KPI Ref	Description	Hazelmere			Hollymere		
		Apr	May	Jun	Apr	May	Jun
A01 Events Attendance	(a) Average number of residents at events	5.78	4.97	4.21	8.33	7.89	5.67
	(b) Average number of non-residents at events	4.69	6.09	5.43	2.91	1.69	2.06
A02 Events Costs	(a) Percentage of events free to residents	74%	65%	62%	76%	80%	78%
	(b) Percentage of events costing residents £4 or more	9%	9%	6%	4%	4%	4%
A03 Events Facilitator	Percentage of events led by an organisation or individual other than Avantage	86%	90%	88%	41%	40%	48%
A04 Events Survey	Not yet measured						
A05 Use of Gym	(a) Sessions per month by residents	11	7	19	0	0	0
	(b) Sessions per month by non-residents	17	19	10	49	5	3
A06 Use of Treatment Rooms	Percentage Use	20%	19%	28%	43%	42%	43%
A07 Repairs Service	Not yet measured						
A08 Partnership Working	No of meetings per month (weeks)	0 (4)	0 (4)	1 (5)	0 (4)	0 (4)	0 (5)

## 4.3 Weekly Liaison Meetings (A08)

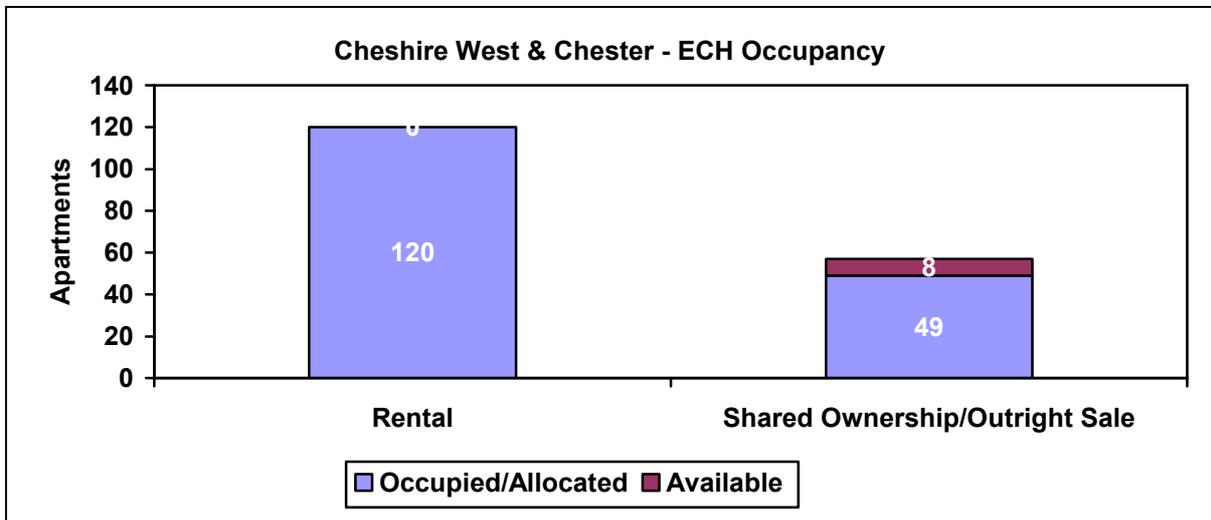
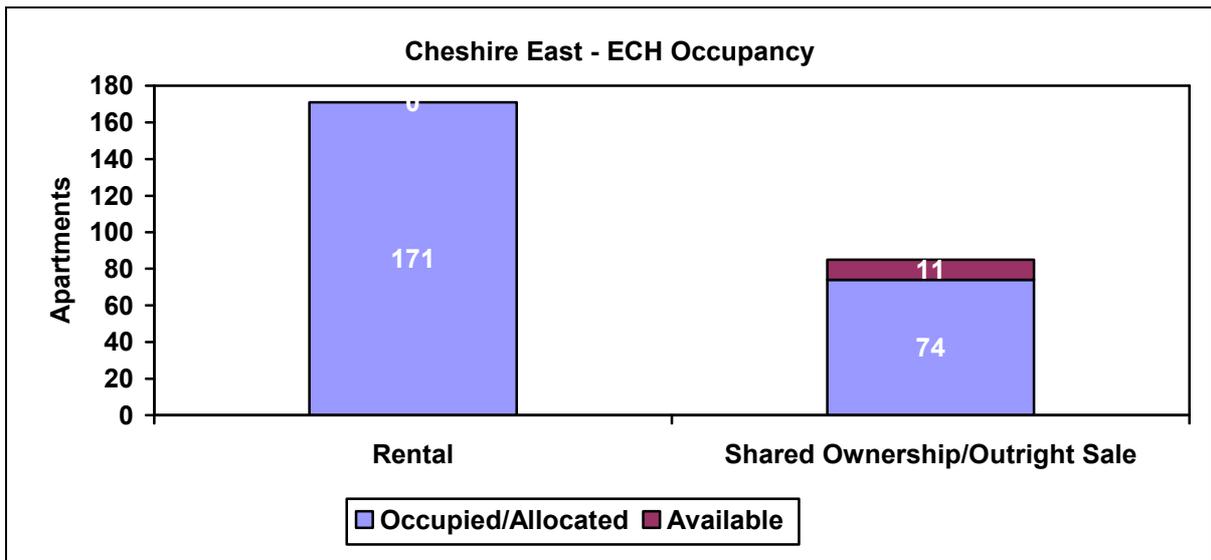
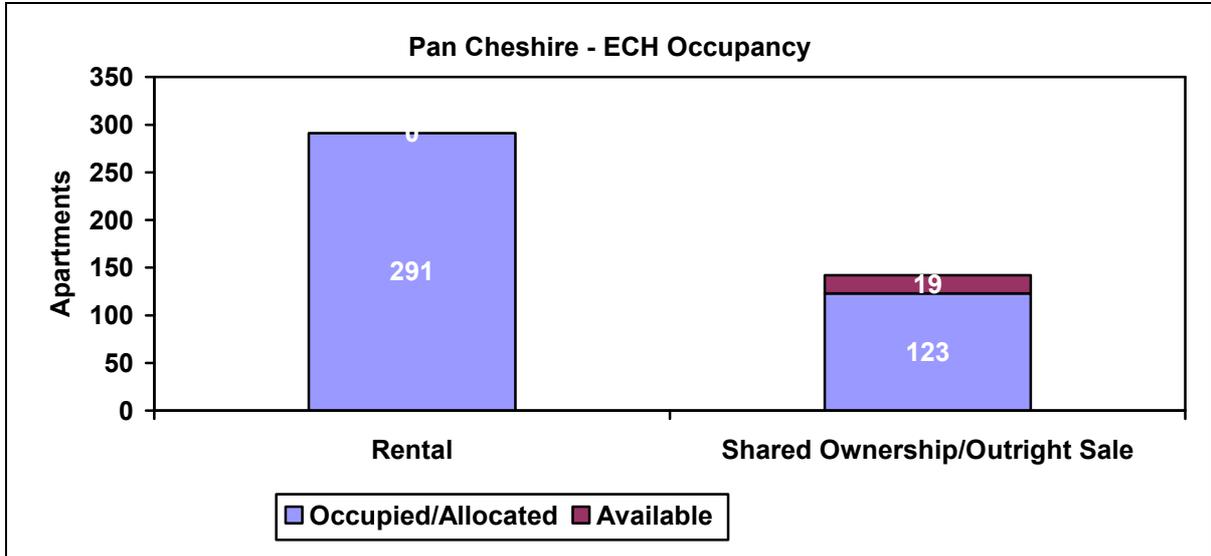
On calculating these KPIs, it became clear that the partner liaison meetings, which should be held weekly at each scheme, were not necessarily taking place. Contract Managers have been reminded that the Authorities consider these meetings to be very important and that if a manager is away, they should arrange for a deputy to attend, rather than cancel the meeting. They have also been reminded that if the managers are busy on the usual day for the meeting, it is not acceptable to cancel the meeting and that it should be rearranged for another day that week.

Sophie Middleton  
Extra Care Housing Contract Manager

13/07/2011  
Amended 06/09/2011 – KPI data for June added



**Appendix 1: Occupancy**





## Appendix 2: Voids in 2011

### Cheshire East

Care Band	Low	Medium	High	Total
Rented	6	3	7	16
Shared Ownership	1	0	3	4
Outright Sale	0	1	0	1
<b>Total</b>	<b>7</b>	<b>4</b>	<b>10</b>	<b>21</b>

Rented	Reasons	Beechmere	Oakmere	Willowmere
Low	Death		1	
	Nursing/Residential	1		1
	Resident's Choice	2		1
Medium	Death	1		
	Nursing/Residential	2		
	Resident's Choice			
High	Death	2		
	Nursing/Residential	2		2
	Resident's Choice	1		
Shared O'ship	Reasons	Beechmere	Oakmere	Willowmere
Low	Death			
	Nursing/Residential	1		
	Resident's Choice			
Medium	Death			
	Nursing/Residential			
	Resident's Choice			
High	Death			
	Nursing/Residential	1		2
	Resident's Choice			
Outright Sales	Reasons	Beechmere	Oakmere	Willowmere
Low	Death			
	Nursing/Residential			
	Resident's Choice			
Medium	Death			1
	Nursing/Residential			
	Resident's Choice			
High	Death			
	Nursing/Residential			
	Resident's Choice			



### Cheshire West & Chester

Care Band	Low	Medium	High	Total
Rented	1	1	3	5
Shared O'ship	1	0	2	3
Outright Sale	0	0	0	0
<b>Total</b>	<b>2</b>	<b>1</b>	<b>5</b>	<b>8</b>

Rented	Reasons	Hazelmere	Hollymere
Low	Death		
	Nursing/Residential		
	Resident's Choice	2	
Medium	Death		
	Nursing/Residential		
	Resident's Choice		
High	Death	1	1
	Nursing/Residential		1
	Resident's Choice		
Shared O'ship	Reasons	Hazelmere	Hollymere
Low	Death		
	Nursing/Residential		
	Resident's Choice	1	
Medium	Death		
	Nursing/Residential		
	Resident's Choice		
High	Death		1
	Nursing/Residential	1	
	Resident's Choice		



### Appendix 3: Deductions

April 2011 Invoice	Amount	Date
Performance Deductions	None	
Unavailability Deductions	£1,102.92	February 2011
Adjustments	None	

Council	Scheme	Reason	Penalties
Cheshire East	Beechmere	Atrium roof windows won't close	£45.73
		Staff Room Toaster faulty	£54.14
	Oakmere	Bathroom Radiator would not turn off	£57.21
		Towel rail snapped off	£277.90
		TV Reception	£106.25
		Main light in bathroom – 3 apartments	£220.68
	Willowmere		
<b>Cheshire East Total</b>			<b>£761.91</b>
Cheshire West & Chester	Hazelmere	Faulty light fitting in Atrium coving	£52.26
		Faulty light fitting in Communal Lounge	£245.20
	Hollymere	Communal toilet missing two supports for seat	£43.55
<b>Cheshire West &amp; Cheshire Total</b>			<b>£341.01</b>
<b>TOTAL PERFORMANCE/UNAVAILABILITY DEDUCTIONS</b>			<b>£1,102.92</b>

May 2011 Invoice	Amount	Date
Performance Deductions	None	
Unavailability Deductions	£753.80	March 2011
Adjustments	None	

Council	Scheme	Reason	Penalties
Cheshire East	Beechmere	Assisted Bath	£14.53
	Oakmere	Apartment fire not fitted properly	£144.79
		Restaurant staff toilet leaking	£115.72
		Toilet lock in changing area	£21.70
		Lock in changing area	£21.80
	Willowmere	Heating not working in apartment	£190.03
<b>Cheshire East Total</b>			<b>£508.57</b>
Cheshire West & Chester	Hazelmere	Assisted Bath	£245.23
	Hollymere		
<b>Cheshire West &amp; Cheshire Total</b>			<b>£245.23</b>
<b>TOTAL PERFORMANCE/UNAVAILABILITY DEDUCTIONS</b>			<b>£753.80</b>



<b>June 2011 Invoice</b>	<b>Amount</b>	<b>Date</b>
Performance Deductions	None	
Unavailability Deductions	£137.39	April 2011
Adjustments	None	

<b>Council</b>	<b>Scheme</b>	<b>Reason</b>	<b>Penalties</b>
Cheshire East	Beechmere		
	Oakmere	Radiators in Apt not working	£8.89
	Willowmere		
<b>Cheshire East Total</b>			<b>£8.89</b>
Cheshire West & Chester	Hazelmere	Photocopier in resource room	£128.50
	Hollymere		
<b>Cheshire West &amp; Cheshire Total</b>			<b>£128.50</b>
<b>TOTAL PERFORMANCE/UNAVAILABILITY DEDUCTIONS</b>			<b>£137.39</b>

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## CHESHIRE EAST COUNCIL

### Joint Extra Care Housing Management Board

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**Date of Meeting:** 28 September 2011  
**Report of:** Sophie Middleton, Contract Manager – Extra Care Housing  
**Subject/Title:** Avantage Annual Customer Survey 2011

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#### 1.0 Report Summary

- 1.1 This report summarises the results of Avantage's second Annual Customer Survey, which was carried out in the first two months of 2011.

#### 2.0 Recommendation

- 2.1 That Members note the results of the survey.

#### 3.0 Reasons for Recommendations

- 3.1 Avantage's Annual Survey is a comprehensive gathering of the residents' views on PFI Extra Care Housing. A high satisfaction rate was achieved in most areas and the percentage of residents very or fairly satisfied with the overall service has increased from 92.7% in 2010 to 93.7% in 2011.

#### 4.0 Wards Affected

- 4.1 Cheshire East  
Crewe St Barnabas, Handforth, Middlewich
- 4.2 Cheshire West & Chester Council  
Rossmore, Winsford Over & Verdin

#### 5.0 Local Ward Members

- 5.1 Cheshire East  
Crewe St Barnabas – Councillor Roy Cartlidge  
Handforth – Councillors Barry Burkhill and Dennis Mahon  
Middlewich – Councillors Paul Edwards, Simon McGrory and Michael Parsons
- 5.2 Cheshire West & Chester Council  
Rossmore – Councillor Pat Merrick  
Winsford Over & Verdin – Councillors Don Beckett, Tom Blackmore and Lynda Jones

**6.0 Policy Implications including – Carbon Reduction  
- Health**

6.1 Results of the survey will feed into the production of an Extra Care Housing Strategy.

**7.0 Financial Implications**

7.1 None.

**8.0 Legal Implications (Authorised by the Borough Solicitor)**

8.1 None.

**9.0 Risk Management**

9.1 None.

**10.0 Background and Options**

10.1 Avantage are contracted to carry out an Annual Customer Satisfaction Survey covering all aspects of living in Extra Care, i.e. housing, care and restaurants. The second survey was carried out in January/February 2011 and the results were reported back to the Council in March.

**11.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

Name: Sophie Middleton

Designation: Contract Manager – Extra Care Housing

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Email: [sophie.middleton@cheshireeast.gov.uk](mailto:sophie.middleton@cheshireeast.gov.uk)

## Summary of Avantage Customer Satisfaction Survey 2010/2011

The survey was conducted during January and February 2011.

	<b>2010/2011</b>	<i>2009/2010</i>
No of questionnaires sent out	<b>373</b>	<i>239</i>
No returned	<b>161</b>	<i>158</i>
Return Rate	<b>43%</b>	<i>66%</i>

### Satisfaction Rates across All Five Schemes

	<b>2010/2011</b>			<i>2009/2010</i>		
Residents Very or Fairly Satisfied with the Overall Service	<b>93.7%</b>			<i>92.7%</i>		
	<b>Very Satisfied</b>	<b>Fairly Satisfied</b>	<b>Total</b>	<i>Very Satisfied</i>	<i>Fairly Satisfied</i>	<i>Total</i>
Quality of apartment	<b>77.6%</b>	<b>21.8%</b>	<b>99.4%</b>	<i>75.2%</i>	<i>22.8%</i>	<i>98.0%</i>
Quality of communal areas	<b>78.4%</b>	<b>18.3%</b>	<b>96.7%</b>	<i>81.8%</i>	<i>16.8%</i>	<i>98.6%</i>
Security and safety	<b>79.1%</b>	<b>17.1%</b>	<b>96.2%</b>	<i>80.8%</i>	<i>15.8%</i>	<i>96.6%</i>
Value for money	<b>56.6%</b>	<b>35.5%</b>	<b>92.1%</b>	<i>65.2%</i>	<i>27.5%</i>	<i>92.7%</i>
Satisfaction with support	<b>56.5%</b>	<b>34.7%</b>	<b>91.2%</b>	<i>66.9%</i>	<i>27.2%</i>	<i>94.1%</i>
Satisfaction with alarm call system	<b>64.5%</b>	<b>25.7%</b>	<b>90.2%</b>	<i>69.6%</i>	<i>23.2%</i>	<i>92.8%</i>
Satisfaction with site officer/handyman	<b>73.7%</b>	<b>21.8%</b>	<b>95.5%</b>	<i>67.6%</i>	<i>27.3%</i>	<i>94.9%</i>
Satisfaction with out of hours repair service*	<b>38.7%</b>	<b>29.0%</b>	<b>67.7%</b>	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>
Satisfaction with helpdesk	<b>70.7%</b>	<b>22.9%</b>	<b>93.6%</b>	<i>80.9%</i>	<i>17.0%</i>	<i>97.9%</i>
Satisfaction with consultation/involvement	<b>45.3%</b>	<b>39.4%</b>	<b>84.7%</b>	<i>45.7%</i>	<i>36.4%</i>	<i>82.1%</i>

\* More detailed questions were asked about this area in 2011 than in 2010 so comparative data is not available.

In 2011, detailed questions were asked about organised events/activities and the local area.

<b>Participation in Events/Activities</b>	<b>No.</b>	<b>%</b>
Yes	115	71.4
No	42	26.1
Don't Know	4	2.5
	161	100

Aspects of Events	2010/2011		
	Very Satisfied	Fairly Satisfied	Total
Variety	48.2%	41.8%	90.0%
Times/Events of Activities	52.4%	40.0%	92.4%
Cost of Activities	59.8%	35.3%	95.1%
Suitability	49.0%	40.8%	89.8%
Support to Attend	44.0%	29.7%	73.6%
Frequency	50.5%	36.1%	86.6%

Issue	2010/2011				2009/2010			
	Very Big Problem	Fairly Big Problem	Not a Very Big Problem	Not a Problem at all	Very Big Problem	Fairly Big Problem	Not a Very Big Problem	Not a Problem at all
Rubbish & litter	2.1%	8.4%	20.3%	69.2%	3.0%	3.0%	21.5%	72.5%
Noisy neighbours	2.8%	2.1%	13.2%	81.9%	1.5%	1.5%	9.8%	86.9%
Pets & animals	0.7%	0.7%	16.9%	81.7%	0.7%	0.7%	8.5%	90.2%
Disruptive children/teenagers	1.4%	3.5%	20.3%	74.8%	2.0%	1.7%	12.4%	83.9%
Racial/harassment			7.9%	92.1%		0.9%	5.9%	93.2%
Drunk/rowdy behaviour	0.7%	0.7%	11.3%	87.2%		0.9%	7.1%	92.0%
Vandalism & graffiti		2.1%	8.6%	89.4%		1.3%	9.5%	89.2%
People damaging property		0.7%	8.4%	90.0%		1.5%	7.0%	91.5%
Drug use/dealing			7.2%	92.8%			4.7%	95.3%
Abandoned/burnt out vehicles		0.7%	5.7%	93.6%			3.0%	97.0%
Other crime			8.6%	91.4%			4.6%	95.4%
Noise from traffic			11.9%	88.1%		0.8%	7.2%	91.9%
Car parking	2.1%	4.3%	19.1%	74.5%	0.9%	2.5%	10.6%	86.0%

With PFI Extra Care Housing Schemes, the care and catering facilities are provided under separate contracting arrangements. These were also part of the survey.

Aspects of Restaurants/Catering Services	2010/2011			2009/2010		
	Very Satisfied	Fairly Satisfied	Total	Very Satisfied	Fairly Satisfied	Total
Opening times	<b>50.4%</b>	<b>39.5%</b>	<b>89.9%</b>	49.6%	45.4%	95.0%
Quality of food	<b>55.6%</b>	<b>33.3%</b>	<b>88.9%</b>	59.6%	34.8%	94.4%
Value for money	<b>59.2%</b>	<b>30.3%</b>	<b>89.5%</b>	75.2%	19.9%	95.1%
Helpfulness of staff	<b>82.6%</b>	<b>15.3%</b>	<b>97.9%</b>	88.2%	9.0%	97.2%
Menu Options	<b>48.3%</b>	<b>39.2%</b>	<b>87.5%</b>	n/a	n/a	n/a

Once again, residents rated care services as the most important service to them within the schemes and, in 2011, rated the care as follows:

	2010/2011			2009/2010		
	Very Satisfied	Fairly Satisfied	Total	Very Satisfied	Fairly Satisfied	Total
Overall satisfaction with Care Provider	45.7%	50.5%	96.2%	n/a	n/a	n/a

Residents were also able to make comments on the questionnaire on individual services and these will be used to improve services in the schemes.

Sophie Middleton  
Contract Manager – Extra Care Housing

07 April 2011

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## CHESHIRE EAST COUNCIL

### Joint Extra Care Housing Management Board

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**Date of Meeting:** 28 September 2011  
**Report of:** Lynn Glendenning – Commissioning Manager  
**Subject/Title:** Bank Holiday Operations in Extra Care Housing

---

#### 1.0 Report Summary

- 1.1 This report describes Avantage and the Authorities' different interpretations of the PFI contract on Bank Holiday working and recommends a compromise to resolve the situation.

#### 2.0 Recommendation

- 2.1 That Members approve the interim arrangements for Bank Holidays detailed in the report and authorise officers to make a contract amendment to ensure that these arrangements continue.

#### 3.0 Reasons for Recommendations

- 3.1 Discussions on Bank Holidays between Avantage and the Authorities have been very protracted and have now reached an impasse. There are two options on the table, to accept and move forward with the interim arrangements or invoke formal dispute procedures. The latter could be expensive and there is no guarantee of success.

#### 4.0 Wards Affected

- 4.1 Cheshire East  
Crewe St Barnabas, Handforth, Middlewich

- 4.2 Cheshire West & Chester Council  
Rossmore, Winsford Over & Verdin

#### 5.0 Local Ward Members

- 5.1 Cheshire East  
Crewe St Barnabas – Councillor Roy Cartlidge  
Handforth – Councillors Barry Burkhill and Dennis Mahon  
Middlewich – Councillors Paul Edwards, Simon McGrory and Michael Parsons
- 5.2 Cheshire West & Chester Council  
Rossmore – Councillor Pat Merrick  
Winsford Over & Verdin – Councillors Don Beckett, Tom Blackmore and Lynda Jones

**6.0 Policy Implications including – Carbon Reduction  
- Health**

6.1 None

**7.0 Financial Implications**

7.1 If Avantage and the Authorities invoked dispute procedures over this matter the costs would be likely to be awarded to the losing party. Together with the costs of preparing for the dispute hearing, these costs could be around £100,000.

**8.0 Legal Implications (Authorised by the Borough Solicitor)**

8.1 The PFI contract has another 27 years to run. Any changes made to the contract at this stage could be in place for the life of the contract and must be considered carefully.

8.2 Following protracted correspondence between the Council and Avantage, the parties legal and contract management representatives met on 22nd August to discuss whether a solution could be reached or if the parties would move into the contract's official dispute resolution procedure. The Council argued that Bank Holidays should be treated as a normal working day for the purpose of Front of House Services but no consensus was reached save that at the time that the contract was drafted the matter was not considered. There is no unambiguous interpretation of the contract on this issue. The formal dispute resolution process is both lengthy and expensive and the parties agreed to try and agree a compromise rather than commit to the uncertainty of the result of arbitration.

8.3 It is not possible to predict the outcome of the dispute procedures.

**9.0 Risk Management**

9.1 None.

**10.0 Background and Options**

10.1 During the last few months of 2009, it came to light that the Helpdesk and associated staff in the PFI Extra Care Housing Schemes had not been working on Bank Holidays and that Avantage felt there was no contractual obligations for them to do so.

10.2 A temporary arrangement was put in place whilst discussions about the contract were held so that no scheme was without a helpdesk for more than 2 consecutive days. This arrangement has been in place since Christmas 2009.

10.3 Avantage believe that there is no requirement in the contract for the Helpdesks to be staffed; the Authorities believe that the contract is clear that the staffing should be in place.

- 10.4 These discussions have now resulted in stalemate between Avantage and the Authorities and there are two options remaining open to us.
- 10.5 The preferred option is to accept the temporary arrangements detailed in the attached report and to change the contract to ensure that this level of service is maintained. Avantage made these arrangements voluntarily and believe that they exceed what is required of them by the Contract.
- 10.6 The other option is to invoke dispute procedures with the associated demands on staffing and budgets.

**11.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

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Designation: Commissioning Manager – SP & Contracts

Tel No: 01625 383749

Email: [lynn.glendenning@cheshireeast.gov.uk](mailto:lynn.glendenning@cheshireeast.gov.uk)

## Extra Care Housing Bank Holiday Cover

### 1 Normal Helpdesk Hours

The normal opening hours for the helpdesk at each scheme are detailed in the table below.

	Weekdays	Saturday	Sunday
Beechmere	8am – 5pm	10am – 5pm	10am – 5pm
Oakmere	8am – 5pm	10am – 2pm	Closed
Willowmere	8am – 5pm	10am – 2pm	Closed
Hazelmere	8am – 5pm	10am – 5pm	10am – 5pm
Hollymere	8am – 5pm	10am – 2pm	Closed

### 2 Interim Arrangement

Bank Holidays: Christmas Day, Boxing Day, New Year's Day, Good Friday, Easter Monday, May Day, Spring Bank Holiday and August Bank Holiday.

Helpdesk and associated staff will not work on Good Friday, Easter Monday, May Day, Spring Bank Holiday or August Bank Holiday. These Bank Holidays always fall on weekdays.

Christmas Day, Boxing Day and New Year's Day may fall on a weekend and if they do, an official Bank Holiday is declared on the next weekday. If this occurs, helpdesk and associated staff will not work on the actual day but will work on the official Bank Holiday.

E.g. in 2010  
 Saturday 25<sup>th</sup> – not working  
 Sunday 26<sup>th</sup> – not working  
 Monday 27<sup>th</sup> – Christmas Day Holiday - working  
 Tuesday 28<sup>th</sup> – Boxing Day Holiday – working

These arrangements mean that none of the Helpdesks will be closed for more than 2 consecutive days.

### 3 Other Considerations

Outside of helpdesk hours, the Care Provider is responsible for the security of the building including ensuring that doors are unlocked appropriately and visitors can enter and exit the building. There is a publicised telephone number for maintenance emergencies which can be used by a resident, family member or visitor, or the Care Provider.

The care provider is on site 24 hours a day, 365/366 days per year.

## **CHESHIRE EAST COUNCIL**

### **Joint Extra Care Housing Management Board**

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**Date of Meeting:** 28 September 2011  
**Report of:** Jayne McLaughlin (Legal) & Dominic Oakeshott (Finance)  
**Subject/Title:** Transfer of 10% Subordinate Debt by Gleeson and Nationwide to MBIA

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#### **1.0 Report Summary**

- 1.1 This report details the proposed transfer of the PFI subordinate debt currently held by Gleeson and Nationwide to MBIA and explains the limited due diligence carried out by Council officers.

#### **2.0 Recommendation**

- 2.1 That Members confirm the due diligence exercise.

#### **3.0 Reasons for Recommendations**

- 3.1 Gleeson and Nationwide wish to transfer their share of the subordinate debt to MBIA as soon as possible.
- 3.2 The Authorities can only prevent the transfer on the grounds stated in the report identifying an Unsuitable Third Party. Officers have carried out due diligence and believe that MBIA is not an Unsuitable Third Party.
- 3.3 Avantage is actively supporting this transfer.

#### **4.0 Wards Affected**

- 4.1 Cheshire East  
Crewe St Barnabas, Handforth, Middlewich
- 4.2 Cheshire West & Chester Council  
Rossmore, Winsford Over & Verdin

#### **5.0 Local Ward Members**

- 5.1 Cheshire East  
Crewe St Barnabas – Councillor Roy Cartlidge  
Handforth – Councillors Barry Burkhill and Dennis Mahon  
Middlewich – Councillors Paul Edwards, Simon McGrory and Michael Parsons

- 5.2 Cheshire West & Chester Council  
Rossmore – Councillor Pat Merrick  
Winsford Over & Verdin – Councillors Don Beckett, Tom Blackmore  
and Lynda Jones

**6.0 Policy Implications including – Carbon Reduction  
- Health**

- 6.1 None.

**7.0 Financial Implications**

- 7.1 None.

**8.0 Legal Implications (Authorised by the Borough Solicitor)**

- 8.1 The Council does not have right to veto the transfer. There will be no contractual amendments required following the transfer nor should there be any effect on delivery of services under the contract.

- 8.2 Nationwide remains the senior debt provider with in the region of £80 million investment at stake. Nationwide has confirmed to the Council that it has completed due diligence on MBIA and concluded that it is a suitable third party.

**9.0 Risk Management**

- 9.1 None.

**10.0 Background and Options**

- 10.1 The Authorities have been notified that Gleeson and Nationwide intend to sell their shares in the Special Projects Vehicle (SPV) to MBIA UK (Insurance) Limited. This amounts to two-thirds of the subordinate debt with a value of approximately £3M. The senior debt of approximately £80M remains with Nationwide.

- 10.2 The Project Agreement provides at Clause 69.2 that the Contractor may transfer shares to a Suitable Third Party and is obliged to provide the Authority with prior written notice of its intention to do so.

A “Suitable” Third party is defined as a party which is not Unsuitable. An Unsuitable Third Party is defined as;

- “(a) *any person who has a material interest in the production, distribution or sale of tobacco products and / or alcoholic drinks*
- (b) *any person whose activities are, in the reasonable opinion of the Authority, incompatible with the provision of having Services by the Authority or*

(c) *any person whose activities, in the reasonable opinion of the Authority, pose or could pose a threat to national security”*

- 10.3 Based on a limited due diligence exercise, which included obtaining background information on the structure of the MBIA Group, officers were able to discount (c) and decided that neither (a) nor (b) applied to the MBIA Group.
- 10.4 This opinion was supported by a letter from Nationwide – who hold the senior debt of approximately £80M – giving consent to the transfer.
- 10.5 Standard financial checks have been carried out on MBIA and its holding company. These show that even though the company to which the shares will be transferred has limited capital, its holding company is very sound and has substantial capital and reserves.
- 10.6 Avantage has concluded its own due diligence is comfortable with their suitability as a shareholder in the SPV. The partners in the SPV have had an ongoing relationship with MBIA for a number of years and confirm their position as a major player in the global insurance market and their experience in the UK PFI market.

#### **11.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

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Name: Dominic Oakeshott  
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## CHESHIRE EAST COUNCIL

### Joint Extra Care Housing Management Board

---

**Date of Meeting:** 28 September 2011  
**Report of:** Dominic Oakeshott, Finance Lead People, Cheshire East Council  
**Subject/Title:** Annual Financial Report for 2010/11

---

#### 1.0 Report Summary

This report gives an overview of the financial position in relation to the PFI contract; it excludes the impact on the individual authorities of the costs they bear in isolation from each other. These costs which are treated on an individual basis are incurred in relation to care costs and catering facilities where each party has made their own arrangements and which are therefore reported separately.

#### 2.0 Recommendation

- 2.1 That Members note the contents of the Finance Report and in doing so, the potential actions that may be needed in future years.

#### 3.0 Reasons for Recommendations

- 3.1 No formal decisions are required at this point so it is recommended that Members note the contents of the Report.

#### 4.0 Wards Affected

- 4.1 Cheshire East  
Crewe St Barnabas, Handforth, Middlewich
- 4.2 Cheshire West & Chester Council  
Rossmore, Winsford Over & Verdin

#### 5.0 Local Ward Members

- 5.1 Cheshire East  
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Middlewich – Councillors Paul Edwards, Simon McGrory and Michael Parsons
- 5.2 Cheshire West & Chester Council  
Rossmore – Councillor Pat Merrick  
Winsford Over & Verdin – Councillors Don Beckett, Tom Blackmore and Lynda Jones

**6.0 Policy Implications including – Carbon Reduction  
- Health**

6.1 None.

**7.0 Financial Implications**

7.1 As outlined in the attached appendix

**8.0 Legal Implications (Authorised by the Borough Solicitor)**

8.1 None.

**9.0 Risk Management**

9.1 None.

**10.0 Background and Options**

10.1 The Round 3 PFI Extra Care Housing Schemes opened in 2009.

10.2 Cheshire East Council manages the PFI Contract on behalf of Cheshire East and Cheshire West & Chester Borough Councils.

10.3 Part of the management of the contract involves keeping both Authorities informed on developments within the PFI Schemes. This annual financial report is the latest report issued.

**11.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

Name: Patrick Rhoden

Designation: Principal Accountant, Finance Office, Cheshire East Council

Tel No: 01270 686233

Email: Patrick.rhoden@cheshireeast.gov.uk



# Report

**Date:** 16<sup>th</sup> September 2011

**Report of:** Patrick Rhoden, Principal Accountant

**Subject:** PFI Extra Care Housing Annual Financial Report

NB – Care and catering contracts are now managed in-house by each Authority and do not form part of this report.

## Introduction

**The purpose of this report is to highlight the overall financial position in relation to the contract, namely by looking at the position of the PFI Reserve and highlighting any other major financial considerations at this point in the contract.**

**A separate report in this agenda concentrates on the changes within the financing and operating of the Special Purpose Vehicle (SPV) created to deliver the services specified in the contract which are obviously important in terms of the overall financial stability of the contract over an extended period.**

**This report therefore focuses on the reserve.**

## The PFI Reserve

The purpose of the Reserve is to smooth out timing differences over the 30 year period of each PFI agreement. These relate to timing differences between the receipt of funds by the Council (in the form of PFI Special Grant, which is a fixed annual amount received from Central Government for the capital element of the scheme) and the amounts released by the Council towards the monthly Unitary Payments.

The Reserve has been left largely untouched during 2010/11 as the timing of transactions (grants received and unitary payment made) coupled with very low interest rates means there isn't any in year surplus to be invested. Any surplus balances in the reserve are invested and carried forward to cover the projected deficits in future years, with the Reserve ultimately balancing to zero when the agreement ends.



	<b>Cheshire East £000</b>	<b>Cheshire West and Chester £000</b>	<b>Total £000</b>
Balance Brought Forward from 2009/10	892	673	
Movement	0	(15)	
Interest Earned	0	0	
<b>Balance Carried Forward to 2011/12</b>	<b>892</b>	<b>658</b>	<b>1,550</b>

### Future Financial Issues

The above table summarises the current position with regard to the overall reserve established for this PFI contract. It is pleasing to report that the original financial modelling envisaged the reserve should be in credit to the total of £1,145k by the end of 2010/11. This was then modelled to increase to a balance of £1,495k by the end of 2011/12. The reserve is currently in a healthy position when compared with the original model, primarily as a result of the timing of the credits in relation to the phased opening of the sites during 2009.

However, the current position masks underlying potential problems that will occur going forward. Main areas of concern are the affordability issues being experienced by both councils and therefore the ability to make anticipated contributions to the reserve in the short term.

These contributions are anticipated to be made from two revenue sources.

The first contribution is from Adult Social Care budgets reflecting the economies in care costs being delivered by the operation of these Extra Care facilities. The current mix of needs and it's divergence from the planned thirds mix (please see current occupancy levels in the operations report) within the facilities means these economies are not as great as anticipated, which when added to the wider demographic pressure on Adult Social Care budgets, mean making the planned contribution is very difficult.

The second contribution was expected from Supporting People monies and it will be important for each council to confirm whether the planned contribution can be made going forward, following changes to this funding stream.

The current economic climate with the consequential effect on interest rates will also affect the reserve going forward. Interest was planned at 4.5% per annum on invested funds, whereas current rates generate little in excess of 0%. If the current



position continues in the longer term this will have a material adverse effect on the reserve. Also of relevance, but less so than the investment return, is the impact of inflation on the elements of the contract. It is anticipated that over the first five years of the contract that investment returns will be lower than planned, but that inflationary levels will also be lower, in part compensating for the loss of investment income.

In line with the review of the care contract, it was agreed that a formal review of the reserve would be undertaken every five years. Informally, as detailed above, the reserve will be reviewed annually and reported to Members at the Joint Extra Care Housing Management Board. Maintaining the reserve with sufficient capability will be important in these early years, ahead of the first formal review.

### **Conclusion**

**Maintaining a healthy financial position in the PFI reserve is essential, in order to do this an annual report on the reserve including recommendations for any necessary remedial action and a strategy for future investment in the reserve should be brought forward to the Joint Officer and Elected Members as appropriate.**

**At this point (and in the short term going forward) the reserve is healthy when compared to previous estimates and therefore no immediate action is recommended.**

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## CHESHIRE EAST COUNCIL

### Joint Extra Care Housing Management Board

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**Date of Meeting:** 28 September 2011  
**Report of:** Lynn Glendenning – Commissioning Manager  
**Subject/Title:** Governance of PFI Extra Care Housing

---

#### 1.0 Report Summary

1.1 This report describes the current Extra Care Housing (ECH) governance regime which was mainly designed for the procurement of schemes using Round 5 PFI funding. Now that the funding has been withdrawn, new governance arrangements are proposed reflecting the operational nature of the Round 3 schemes.

#### 2.0 Recommendation

2.1 That Members approve the new governance arrangements proposed for PFI Extra Care Housing.

#### 3.0 Reasons for Recommendations

3.1 The current governance arrangements were designed mainly to deal with the procurement of Round 5 PFI Schemes. Now the funding for these schemes has been withdrawn and only operational Round 3 schemes remain. There is no longer a requirement for a project team to run the Round 5 project and refer decisions in relation to the project back to the Joint Extra Care Housing Management Board (JECHMB). Governance is now only required in relation to the operation of the existing Team and the contract management of the Extra Care Housing Contracts.

#### 4.0 Wards Affected

4.1 Cheshire East  
Crewe St Barnabas, Handforth, Middlewich

4.2 Cheshire West & Chester Council  
Rossmore, Winsford Over & Verdin

#### 5.0 Local Ward Members

5.1 Cheshire East  
Crewe St Barnabas – Councillor Roy Cartlidge  
Handforth – Councillors Barry Burkhill and Dennis Mahon  
Middlewich – Councillors Paul Edwards, Simon McGrory and Michael Parsons

- 5.2 Cheshire West & Chester Council  
Rossmore – Councillor Pat Merrick  
Winsford Over & Verdin – Councillors Don Beckett, Tom Blackmore and Lynda Jones

**6.0 Policy Implications including – Carbon Reduction  
- Health**

- 6.1 None.

**7.0 Financial Implications**

- 7.1 None.

**8.0 Legal Implications (Authorised by the Borough Solicitor)**

- 8.1 Legal has redrafted the Inter Authority Agreement (IAA) intended to cover the current schemes and the PFI Project. The IAA requires the Board's approval of the proposed governance regime going forward. Once that governance is agreed the IAA can be circulated to the Joint Officer Group to ensure that all financial arrangements are properly documented and considerations correct.

The main change to the governance is that the project team disappears leaving the JECHMB and the Joint Officer Group. Meetings of the JECHMB will be held annually unless there is an urgent decision required. The Joint Officer Group will meet at least once a year and there will be provision for certain contracts and matters to sit outside of the joint arrangements where the Council's have agreed to act independently.

**9.0 Risk Management**

- 9.1 None.

**10.0 Background and Options**

- 10.1 The current governance arrangements for Extra Care Housing were set up in 2009. At that time, it was anticipated that there would be further PFI funding available and that the main activity for the next five years would be the procurement and building of 4 more PFI Extra Care Housing schemes together with an overview of the operation of the current 5 PFI Schemes.
- 10.2 In the light of this, a governance regime was approved that was overseen by the JECHMB who were to meet on a monthly basis in order to facilitate the fast decision making required by the proposed Competitive Dialogue procurement. Beneath this was a Joint Officer Group (JOG) consisting of the Heads of Service from both Authorities and reporting to JOG was the Project Development Group which was split into workgroups to deal with each part of the Competitive Dialogue (e.g. Legal, Finance, Planning, etc.).

- 10.3 The governance regime and the Inter-Authority Agreement that was set up to support it was mainly geared to the procurement of the Round 5 schemes – overview of the operational schemes was to be “light-touch” and set up once the Round 5 governance arrangements were in place.
- 10.4 Unfortunately, the funding for the Round 5 schemes was cancelled. In addition, the two Authorities have decided to manage the care provision and restaurant facilities in different ways partly reflecting the increasing divergence in their policies.
- 10.5 It is therefore proposed to alter the Extra Care Housing governance regime to reflect the current situation.
- 10.6 It is proposed that the JECHMB will meet once a year to approve the Extra Care Housing PFI Accounts. The JECHMB as a joint board will discuss only matters to do with the PFI Contract including financial, legal and operational matters. However, the meeting will be held in two parts so that the members can split East and West to discuss any relevant intra-Authority care or restaurant matters.
- 10.7 It is also proposed that the Joint Officer Group should consist of Senior Managers from each Council rather than Heads of Service and also hold two part meetings – the joint part to discuss any PFI Contract matters and then each Authority to discuss matters to do with its own care and catering provision.
- 10.8 Any further Extra Care Housing governance arrangements would be the decision of the individual authority.
- 10.9 Cheshire East Council will continue to manage the PFI Contract on behalf of both Authorities and will manage the Care Provision and Catering in Beechmere (Crewe), Oakmere (Handforth) and Willowmere (Middlewich).
- 10.10 Cheshire West & Chester Council will manage the Care Provision and Catering in Hazelmere (Winsford) and Hollymere (Ellesmere Port).

#### **11.0 Access to Information**

The background papers relating to this report can be inspected by contacting the report writer:

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