

CHESHIRE EAST COUNCIL

REPORT TO: JOINT EXTRA CARE HOUSING MANAGEMENT BOARD

Date of Meeting: 7 December 2010
Report of: Lynn Glendenning
Subject/Title: Funding for Round 5 Extra Care Housing PFI

1.0 Report Summary

- 1.1 This report is to update on the application for funding to Homes and Communities Agency (HCA) and to look at the future of Joint Extra Care Housing Management Board (JECHMB).

2.0 Recommendation

- 2.1 That the withdrawal of funding be noted.
- 2.2 That the future role of the JECHMB be agreed to enable the terms of reference to be updated (current powers Appendix A).
- 2.3 That an Inter Authority Agreement to cover the management of the Round 3 PFI schemes be agreed and entered into by the respective Councils.

3.0 Reasons for Recommendations

- 3.1 Withdrawal of funding.
- 3.2 To enable the terms of reference to be updated to reflect the withdrawal of funding.
- 3.3 To cover the ongoing management of the currently operating PFI schemes.

4.0 Wards Affected

- 4.1 Poynton and Sandbach East & Rode in Cheshire East.
- 4.2 Blacon and Sutton & Manor, (Ellesmere Port) in Cheshire West and Chester.

5.0 Local Ward Members

- 5.1 Poynton – Cllr Roger West, Cllr Chris Beard, Cllr Howard Murray
Sandbach East & Rode – Cllr Elsie Alcock, Cllr Rhoda Bailey,
Cllr Andrew Barrett
- 5.2 Blacon – Cllr Reggie Jones, Cllr Marie Nelson, Cllr Alex Tate
Sutton & Manor (Ellesmere Port) – Cllr Kimberley Anderson,
Cllr Bob Crompton, Cllr Paul Donovan

6.0 Policy Implications including - Climate change - Health

- 6.1 Potential loss of 330 units of Extra Care Housing plus communal facilities, 200 of which would have been for social rent. The demographic issues for Cheshire still remain as does the need to provide suitable accommodation to reduce future costs of residential care and promote independence.
- 6.2 Changes will need to be reflected in strategies of the individual Authorities.

7.0 Financial Implications

- 7.1 Both Authorities have incurred considerable costs in the development of the Outline Business Case and provision of information for the Homes and Communities Agency. These costs are currently estimated at just over £400k and will be shared on a 50/50 basis between both Councils. Discussions are ongoing with HCA with regard to these costs.
- 7.2 Any in principle funding agreement from the Supporting People Grant could still be utilised for Extra Care Housing provision. Cheshire East Supporting People Commissioning Body have agreed in principle that this funding remaining in place.

8.0 Legal Implications (Authorised by the Borough Solicitor)

Contracts governing the Round 3 Schemes are held jointly and severally by Cheshire East Council and Cheshire West and Chester Council. Severing the contracts is 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.

- 8.1 In order to facilitate the efficient management of Round 3 Schemes there is a requirement for an Inter Authority Agreement to be drawn up.
- 8.2 Amended terms of reference are required for the management of the contracts.

9.0 Risk Management

- 9.1 It now reverts to the individual authorities to agree how they will progress any development proposals.

10.0 Background and Options

- 10.1 A letter dated 22 November 2010 was sent to Cheshire East Council from DCLG and HCA jointly withdrawing the funding support for PFI pipeline projects and stating that they are not able to offer continued support for the Round 5 Extra Care Housing Project.
- 10.2 The letter also stated that the HCA will work with the Authorities to consider future options.

- 10.3 The Round 3 PFI schemes are operational and will need to be managed via an agreed Inter Agency Agreement.

11.0 Access to Information

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

Name: Lynn Glendenning

Designation: Commissioning Manager

Tel No: 01270 375349

Email: lynn.glendenning@cheshireeast.gov.uk