

# 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

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### **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 Now that the funding has been withdrawn, new governance arrangements are proposed reflecting the operational nature of the Round 3 schemes.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 Now the funding for these schemes has been withdrawn and only operational Round 3 schemes remain.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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