

23 May 2016**Agenda Item: 8f****JOINT REPORT OF SERVICE DIRECTOR FOR MID NOTTINGHAMSHIRE AND
SERVICE DIRECTOR ENVIRONMENT, TRANSPORT & PROPERTY****UPDATE REGARDING EASTWOOD EXTRA CARE SCHEME AND
LYNNCROFT PRIMARY REDEVELOPMENT****Purpose of the Report**

1. The purpose of this report to Adult Social Care and Health and Finance and Property Committees is to note decisions taken by the Chief Executive under the urgency procedures to:
 - i) end the Council's involvement with the current proposed Eastwood Extra Care scheme
 - ii) approve Adult Social Care & Health (ASCH) officers to undertake scoping work to identify options for the creation of an alternative Eastwood Extra Care scheme on a smaller plot within the Walker Street site and report back to Committee in 2016;
 - iii) allocate part of the land currently within the Extra Care scheme to enable the Education Funding Agency (EFA) to construct a new school to replace the Lynncroft Primary School; and
 - iv) when the school project is complete, include the existing school land and buildings in the site area to be sold for development

Information and Advice

2. The proposed Eastwood Extra Care scheme and the proposed redevelopment of the Lynncroft Primary School were both planned to be located on the same site (former Walker Street School site) on County Council owned land in Eastwood.
3. The Council's Strategic Property Department recently approached ASCH officers about how to progress with the Lynncroft Primary project due to limitations with the land currently available for redevelopment of the school on the Walker Street site.

Lynncroft Primary Replacement

4. The existing Lynncroft Primary is located directly to the north of the proposed Extra Care scheme on the Walker Street site. In May 2012 the County Council was successful in their bid to the government's Priority Schools Building Programme (PSBP) to replace Lynncroft Primary. The PSBP is funded and delivered via the Department for Education's capital arm, the Education Funding Agency (EFA). Initially the programme was to be predominantly delivered through Private Finance Initiative (PFI) funding routes. Unfortunately the finance market did not support this route and so, in 2014/15, after a delay of approximately two years the majority of projects within the PSBP reverted to capital funding, thereby enabling the delivery of the PSBP projects to commence, but with a tight delivery timescale and funding envelope to complete the programme.
5. For Nottinghamshire, there were two batches of PSBP funding, each containing six schools. The redevelopment of new school buildings in the first batch have all now been completed. Lynncroft Primary school, part of the second batch of PSBP, has not progressed. The viability of the project has been affected by two inter related factors. Firstly, the size of the school is relatively small compared to others in the programme, it therefore has a correspondingly smaller budget allowance and the construction costs do not benefit from economies of scale. Secondly, PSBP schools are usually rebuilt on the existing school site to benefit from their existing external facilities. The existing Lynncroft site is constrained and the topography difficult to rebuild and keep the school operational without undertaking partial demolition and providing temporary accommodation. This in turn adds further cost to an already challenging budget.
6. The original contractor recently advised the EFA that they would not be able to deliver the Lynncroft project and the EFA decided to appoint a new contractor, one which has already successfully delivered the first batch of PSBP.
7. Projects in this round of the PSBP must be completed by autumn 2017. This means that the EFA needed to raise a viable project with the new contractor in May 2016. If this was not achieved the school would drop into the second round of the programme, meaning redevelopment would be unlikely for another 4 years. A new approach was required if the replacement school were to be secured. The Council does not have any available alternative sites in the vicinity and Strategic Property colleagues therefore recently approached ASCH colleagues to request that the school be rebuilt on some of the land at Walker Street which is currently allocated to the proposed Extra Care scheme.

Eastwood Extra Care

8. In 2012 the County Council procured a preferred development partner to deliver Extra Care housing on the former Walker Street school site in Eastwood. Broxtowe Borough Council colleagues were involved with the tender approval process. The chosen Developer's scheme proposed 140 new homes for older adults on the Walker Street site, along with communal space for community activities. In terms of the mix of accommodation, there would be 113 apartments for rent and 27 bungalows for sale. The accommodation in the proposed scheme would all be built to the County Council's Extra Care design standard

and the County Council would have rights to 30 of the apartments as nomination units i.e. these 30 would be for use by older adults who are assessed as having eligible care needs and as being eligible for financial support from the Council.

9. To date, there have been a number of issues affecting the proposed Extra Care scheme in Eastwood which has resulted in significant delays to progress. Once resolved, planning permission was finally obtained upon appeal in late 2015, on the condition that work commences on site within 12 months or else require a new planning application to Broxtowe Council. Construction of the scheme has not yet started. There are two key factors affecting the proposed Extra Care scheme:
10. Firstly, the length of time to submit and then secure planning approval has led to increased construction costs over time. Secondly, land value has also increased since the original development agreement was signed in 2012. Under s123 of the Local Government Act 1972 the Council has a duty to achieve 'best consideration' when it disposes of land, which is generally deemed to be equivalent to market value. This would also place further financial pressure on the Developers.
11. In light of the issues to be resolved around financial viability, ASCH officers no longer had confidence that the proposed scheme will be able to start on site with the timescales dictated by the planning condition. The Strategic Partnering Development Agreement (SPDA) between the Council and the Developers for Eastwood Extra Care had expired and so the Council could decide whether to proceed with the current proposed development without any risk of contractual penalty.

Urgency decision to progress both Eastwood Extra Care and the Lynncroft Primary redevelopment

12. Strategic Property colleagues therefore proposed the development of a new master plan for the Walker Street site in order to progress the development of both schemes. The plan would set out an alternative area to build the school on, together with a plot for a 60 bed Extra Care scheme. Changing the current Extra Care proposal would therefore allow a holistic approach to be taken towards the development of the whole site and a 60 unit Extra Care scheme would still enable the Council to have 30 nomination units for use by ASCH Service Users.
13. Due to the tight timescales for securing funding for the redevelopment of Lynncroft Primary, an urgency procedure was used at the end of April to end the Council's involvement with the current proposed Eastwood Extra Care scheme (in order to allocate part of the land currently within the Extra Care scheme for the redevelopment of the school)

Other Options Considered

14. Adult Social Care and Health Committee gave approval in 2012 for the award of a contract to the preferred bidder for the development of an Eastwood Extra Care scheme. To be able to progress with the delivery of an alternative Extra Care scheme, it will be necessary to withdraw from its involvement with the current Extra Care proposal.

Reason/s for Recommendation/s

15. The County Council wants to progress with the development of Extra Care in Eastwood. The Broxtowe borough is the only council area of Nottinghamshire which does not currently have a County Council Extra Care scheme in operation.

Statutory and Policy Implications

16. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

17. The exact capital funding that would be required to cover the cost of contributing to a revised new scheme needs to be established. However, it is anticipated that the cost could be covered from within the funding available in the Council's Extra Care Capital budget.

Implications for Service Users

17. The creation of Extra Care provision will provide additional choice and opportunities for older adult service users.

RECOMMENDATION/S

That Adult Social Care and Health and Finance and Property Committees note decisions taken by the Chief Executive under the urgency procedures to:

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- ii) approve Adult Social Care & Health (ASCH) officers to undertake scoping work to identify options for the creation of an alternative Eastwood Extra Care scheme on a smaller plot within the Walker Street site and report back to Committee in 2016;
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- iv) when the school project is complete, include the existing school land and buildings in the site area to be sold for development

Sue Batty
Service Director for Mid Nottinghamshire

Jas Hundal
Service Director Environment, Transport & Property

For any enquiries about this report please contact:

Gerry McKeown
Property Strategy and Development Team
T: 0115 9773617
E: gerry.mckeown@nottsc.gov.uk

Rebecca Croxson
Programme Manager 'Living at Home'
T: 0115 9772189
E: rebecca.croxson@nottsc.gov.uk

Constitutional Comments (SLB 05/05/16)

This report is for noting only.

Financial Comments (GB 06/05/16)

The financial implications are set out in the report.

Background Papers and Published Documents

18. None.

Electoral Division(s) and Member(s) Affected

19. Eastwood - Cllr Keith Longdon