



Direct Dial/Ext: 01622 694002
Fax:
e-mail: peter.sass@kent.gov.uk
Ask for: Peter Sass
Your Ref:
Our Ref:
Date: 14 January 2011

Dear Member

CABINET SCRUTINY COMMITTEE - WEDNESDAY, 19 JANUARY 2011

I am now able to enclose, for consideration at next Wednesday's meeting of the Cabinet Scrutiny Committee, the following report(s) that were unavailable when the agenda was printed.

Agenda No	Item
A5	<u>Follow-up Items from Cabinet Scrutiny Committee (Pages 1 - 6)</u>

Attached are reports provided by the Cabinet Member, Children, Families and Education, in response to:

- a) Recommendations from Review of SEN Units – Outcome of the Evaluation of the Lead School Pilot (considered by the Committee on 15 September 2010)
- b) Recommendations from Kent Connexions and Work Related Learning Services Contract 2010-2013: Budget Saving Options (considered by the Committee on 20 October 2010). The report provided is strictly confidential.

Also attached is a memorandum provided by the Chief Executive's Department in response to:

- a) A recommendation from Bold Steps for Kent – The Medium Term Plan to 2014

C1	<u>Older Person's Modernisation (Pages 7 - 140)</u>
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Attached are:

- a) Records of Decision for each of the 11 decisions relating to the Older Person's Modernisation programme. These were published on 13 January 2011.
- b) A statement from Mr Brian Hague (Ladesfield), who has been invited as a witness for this item.
- c) Private Finance Initiative (PFI) Bidding Guidance from the Department of Communities and Local Government (DCLG) and the Outline Business Case of KCC and its District partners in respect of PFI.

D1

Inspection of Safeguarding and Looked After Children Services - Recovery and Improvement Plan (Pages 141 - 146)

Attached are a report and appendices provided by the Cabinet Member, Children, Families and Education, in response to recommendations from Inspection of Safeguarding and Looked After Children Services (considered by the Committee on 8 December 2010). They have been attached for Members' consideration in relation to this item.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Sass', written in a cursive style.

Peter Sass
Head of Democratic Services & Local Leadership



The Rt Hon Michael Gove MP
 Secretary of State
 Sanctuary Buildings
 Great Smith Street
 London
 SW1 3BT

Sessions House
 County Hall
 Maidstone
 Kent ME14 1XQ
 Fax: (01622) 694091

Direct Dial/Ext: (01622) 694118
 Our ref:
 Date: 6 January 2011

Dear *Michael* -

SEN Units and Mainstream Schools/Academies Floor Targets

Kent Local Authority continues to have concerns relating to the issue of Floor Targets for mainstream schools and Academies that have a specially resourced provision for pupils with statements of special educational needs and/or disability (sometimes referred to as a 'SEN unit' or 'specialist facility' or 'designated special provision').

These schools make provision for pupils who come from a wider geographical area than their normal catchment area as they are a regional resource for the LA. The attainment on entry of the pupils in the SEN Unit is often low or very low, and although they make good progress both in relation to national expectations of progress and in comparison with other pupils in the school, they mostly do not reach the floor target benchmark in attainment - Level 4+ at KS2 or 5+A*-C including English and Maths at KS4.

Where the numbers of pupils in the SEN Unit is relatively large this can negatively affect the overall results of the school, often placing the school close to or below the floor targets leading to inclusion in the National Challenge programme. The school also shows low ranking in public league tables impacting adversely on the perception of the school in the locality. These 'penalties' are creating a real disincentive to inclusive schools to establish or continue with SEN Unit provision, to the detriment of the continuum of provision for SEN in the LA.

Our view is that the current system militates against the effective and appropriate provision for pupils with Statements of SEN in mainstream schools and Academies in localities and provides disincentives for the development of further required mainstream SEN provision. The disaggregation of results would overcome these issues.

Rosalind Turner
 Managing Director

CHILDREN, FAMILIES & EDUCATION



**INVESTORS
 IN PEOPLE**

Kent Local Authority suggests that necessary changes are made as quickly as possible as these can only be beneficial to mainstream schools and academies together with parents and carers of children and young people with Statements of SEN. The Local Authority is also of the view that such changes would be beneficial prior to, or as part of, the publication of the forthcoming SEN Green Paper.

Yours sincerely

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Sarah Hohler
Cabinet Member for Children, Families and Education

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Memorandum



To: Cabinet Scrutiny Committee

From: David Whittle, Policy Manager

Date: 6 Jan 2011

Subject: **Businesses in Kent**

The definition of small and medium sized enterprises is set by the European Commission through Directive 2003/361/EC (and has done so since 1996) to ensure standardisation across the EU for common market purposes.

As I said at Cabinet Scrutiny, businesses with 250+ employees are categorised as large companies. Subdividing this is done on the basis of further definitions set out in the above EU directive. So that a business with less than 10 staff is considered a 'micro' business, businesses with between 10 and 50 staff are considered 'small' and businesses with between 50 and 249 are considered to be medium sized.

The Experian (a private sector data and financial management company) 'business database' shows the number of companies in the administrative county of Kent with between 1 and 249 employees as 41,820. Further sub-division from the Experian database isn't currently available.

According to the Office for National Statistics (ONS), the number of companies in the administrative county of Kent with between 1 and 249 employees is 60,155. The breakdown is as follows:

No. of Employees	0-4	5-9	10-19	20-49	50-99	100-249
No. of Businesses	40,015	9415	4930	3140	1100	55

The ONS data is calculated by the number of businesses registered to pay either 'value added tax' (VAT) or 'pay as you earn' (PAYE). For information the number of large companies is as follows:

No. of Employees	250-499	500-999	1000+
No. of Businesses	160	40	15

According to the ONS data, the total number of companies (all groups) in Kent is 60,370.

The difference in the two datasets is likely to be that the Experian database only accounts for active companies whereas the ONS data may also count dormant companies still registered for VAT or PAYE purposes. However, the overall trend of a very large number of small companies with a progressively smaller number of larger companies would likely be repeated across both datasets.

In regard to the activity already undertaken by KCC to support businesses, obviously the primary central government body is Business Link South East, KCC Regeneration and Economy have an important role as does 'Locate in Kent' (<http://www.locateinkent.com>) whose mandate not only includes direct investment into Kent but also expansion of pre-existing Kent businesses.

Please note: *The contents of this memo were provided to Mr Manning by e-mail on the 15 December ahead of 16 December County Council Meeting at his request.*

KENT COUNTY COUNCIL - RECORD OF DECISION

DECISION TAKEN BY
Graham Gibbens

DECISION NO.
10/01504

If decision is likely to disclose exempt information please specify the relevant paragraph(s) of Part 1 of Schedule 12A of the Local Government Act 1972

Subject:
OUTCOME ON THE FORMAL CONSULTATION ON THE VARIATION OF SERVICE AT WAYFARERS REGISTERED CARE CENTRE, SANDWICH

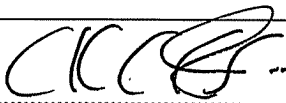
Decision:
 As Cabinet Member for Adult Social Services I APPROVE that Wayfarers should be sold as a going concern.

This decision recognises that Wayfarers is the only residential care home in Sandwich and the proposal reflects the uniqueness of the service. The ultimate aim is for the new provider to modernise services in the future.

Any Interest Declared when the Decision was Taken
 None

Reason(s) for decision, including alternatives considered and any additional information
 I have been assured from the soft market testing that there is adequate interest from the independent sector and the next steps of the formal tender process will take place over the coming months.

Background Documents:
 Report by the Managing Director, KASS "Outcome on the formal consultation on the variation of service at Wayfarers Registered Care Centre, Sandwich' (Decision No. 10/01504)



 signed

13 JANUARY 2011

 date

FOR LEGAL AND DEMOCRATIC SERVICES USE ONLY

Decision Referred to Cabinet Scrutiny	Cabinet Scrutiny Decision to Refer Back for Reconsideration	Reconsideration Record Sheet Issued	Reconsideration of Decision Published																
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KENT COUNTY COUNCIL - RECORD OF DECISION

DECISION TAKEN BY

Graham Gibbens

DECISION NO.

10/01508

If decision is likely to disclose exempt information please specify the relevant paragraph(s) of Part 1 of Schedule 12A of the Local Government Act 1972

Subject:

OUTCOME ON THE FORMAL CONSULTATION ON THE VARIATION OF SERVICES AT BLACKBURN LODGE REGISTERED CARE CENTRE, SHEERNESS

Decision:

As Cabinet Member for Adult Social Services I APPROVE that:

- a) Services at Blackburn Lodge should be transferred under a partnership arrangement
- b) Kent Adult Social Services will undertake a full tender process to select a suitable provider or providers to deliver the modernised services required as part of the commissioning strategy for Sheppey.

This decision is taken on the basis that there will be no closures before alternative services are in place.

Any Interest Declared when the Decision was Taken

None

Reason(s) for decision, including alternatives considered and any additional information

The main drivers are that:

- a) More people are living longer and living with long term conditions including dementia. People rightly expect more choice in care
- b) High quality care is a continuing priority. Dignity in care is crucial and more people want care at home
- c) Residential care should be in high quality buildings. Some KCC buildings have reached the end of their useful life and don't meet expectations or standards for new builds
- d) Good quality care can be commissioned for less money. The private and voluntary sector is set up to care for more people.

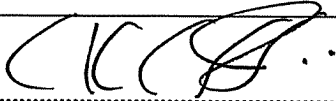
The considerations and options considered included:

- a) The range of alternative local services for older people
- b) The opportunity for developments with partners in the local area
- c) The condition of the building and likely capital expenditure required to maintain services
- d) The appropriateness of the design of the buildings for the services delivered and required
- e) The need to release money that is tied in to services that could be used to deliver equivalent services to more people.

This decision will contribute to ensuring the appropriate care for older people is delivered in Sheppey in the future. This will consist of a range of services including services for people with dementia and nursing care.

Background Documents:

Report by the Managing Director, KASS "Outcome on the formal consultation on the variation of services at Blackburn Lodge Registered Care Centre, Sheerness' (Decision No. 10/01508)



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signed

13 JANUARY 2011
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date

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Decision Referred to Cabinet Scrutiny			
YES		NO	

Cabinet Scrutiny Decision to Refer Back for Reconsideration			
YES		NO	

Reconsideration Record Sheet Issued			
YES		NO	

Reconsideration of Decision Published			

KENT COUNTY COUNCIL - RECORD OF DECISION

DECISION TAKEN BY

Graham Gibbens

DECISION NO.

10/01509

If decision is likely to disclose exempt information please specify the relevant paragraph(s) of Part 1 of Schedule 12A of the Local Government Act 1972

Subject:

OUTCOME ON THE FORMAL CONSULTATION ON THE VARIATION OF SERVICES AT DOUBLEDAY LODGE REGISTERED CARE CENTRE, SITTINGBOURNE

Decision:

As Cabinet Member for Adult Social Services I approve that services at Doubleday Lodge should be transferred under a partnership arrangement.

This decision is taken on the basis that there will be no closures before alternative services are in place.

Any Interest Declared when the Decision was Taken

None

Reason(s) for decision, including alternatives considered and any additional information

The main drivers are that:

- a) More people are living longer and living with long term conditions including dementia. People rightly expect more choice in care.
- b) High quality care is a continuing priority. Dignity in care is crucial and more people want care at home.
- c) Residential care should be in high quality buildings. Some KCC buildings reached the end of their useful life and do not meet expectations or standards for new builds.
- d) Good quality care can be commissioned for less money. The private and voluntary sector is set up to care for more people.

The considerations and options considered included:

- a) The range of alternative local services for older people.
- b) The opportunity for developments with partners in the local area.
- c) The condition of the buildings and likely capital expenditure required to maintain services.
- d) The appropriateness of the design of the buildings for the services delivered and required.
- e) The need to release money that is tied in to services that could be used to deliver equivalent services to more people.

This decision will contribute to ensuring the appropriate care for older people in Swale in the future. This will consist of a range of services appropriate to the needs of older people in Swale.

Background Documents:

Report by Managing Director, KASS 'Outcome of the formal consultation on the variation of services at Doubleday Lodge Registered Care Centre, Sittingbourne' (Decision No. 10/01509)

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signed

13 JANUARY 2011
date

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Decision Referred to Cabinet Scrutiny			
YES		NO	

Cabinet Scrutiny Decision to Refer Back for Reconsideration			
YES		NO	

Reconsideration Record Sheet Issued			
YES		NO	

Reconsideration of Decision Published			

KENT COUNTY COUNCIL - RECORD OF DECISION

DECISION TAKEN BY

Graham Gibbens

DECISION NO.

10/01510

If decision is likely to disclose exempt information please specify the relevant paragraph(s) of Part 1 of Schedule 12A of the Local Government Act 1972

Subject:

OUTCOME ON THE FORMAL CONSULTATION ON THE VARIATION OF SERVICES AT KILN COURT REGISTERED CARE CENTRE, FAVERSHAM

Decision:

As Cabinet Member for Adult Social Services I APPROVE that services at Kiln Court should be transferred under a partnership arrangement.

This decision is taken on the basis that there will be no closures before alternative services are in place.

Any Interest Declared when the Decision was Taken

None

Reason(s) for decision, including alternatives considered and any additional information

The main drivers are that:

- a) More people are living longer and living with long term conditions including dementia. People rightly expect more choice in care
- b) High quality care is a continuing priority. Dignity in care is crucial and more people want care at home
- c) Residential care should be in high quality buildings. Some KCC buildings have reached the end of their useful life and don't meet expectations or standards for new builds
- d) Good quality care can be commissioned for less money. The private and voluntary sector is set up to care for more people.

The considerations and options considered included:

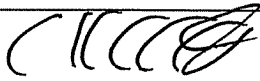
- a) The range of alternative local services for older people
- b) The opportunity for developments with partners in the local area
- c) The condition of the building and likely capital expenditure required to maintain services
- d) The appropriateness of the design of the buildings for the services delivered and required
- e) The need to release money that is tied in to services that could be used to deliver equivalent services to more people.

This decision will contribute to ensuring the appropriate care for older people is delivered in Faversham in the future. This will consist of a range of services including residential care, respite, enablement, intermediate care and day care and will cover the needs of those in the local community including Whitstable and Tankerton.

I have asked officers to work closely with health colleagues to ensure the development of a range of integrated services for older people across the locality.

Background Documents:

Report by the Managing Director, KASS 'Outcome on the formal consultation on the variation of services at Kiln Court Registered Care Centre, Faversham' (Decision No. 10/01510)



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13 JANUARY 2011
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date

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Decision Referred to Cabinet Scrutiny			
YES		NO	

Cabinet Scrutiny Decision to Refer Back for Reconsideration			
YES		NO	

Reconsideration Record Sheet Issued			
YES		NO	

Reconsideration of Decision Published			

KENT COUNTY COUNCIL - RECORD OF DECISION

DECISION TAKEN BY

Graham Gibbens

DECISION NO.

10/01511

If decision is likely to disclose exempt information please specify the relevant paragraph(s) of Part 1 of Schedule 12A of the Local Government Act 1972

Subject:

OUTCOME ON THE FORMAL CONSULTATION ON THE CLOSURE OF BOWLES LODGE REGISTERED CARE CENTRE, HAWKHURST

Decision:

As Cabinet Member for Adult Social Services I APPROVE that Bowles Lodge should close and for the site to be used for extra care housing with an ultimate closure date of January 2012.

This decision is taken on the basis that there will be no closure before alternative services are in place.

Any Interest Declared when the Decision was Taken

None

Reason(s) for decision, including alternatives considered and any additional information

The main drivers are that:

- a) More people are living longer and living with long term conditions including dementia. People rightly expect more choice in care.
- b) High quality care is a continuing priority. Dignity in care is crucial and more people want care at home.
- c) Residential care should be in high quality buildings. Some KCC buildings reached the end of their useful life and do not meet expectations or standards for new builds.
- d) Good quality care can be commissioned for less money. The private and voluntary sector is set up to care for more people.

The considerations and options considered included:

- a) The range of alternative local services for older people.
- b) The opportunity for developments with partners in the local area.
- c) The condition of the buildings and likely capital expenditure required to maintain services.
- d) The appropriateness of the design of the buildings for the services delivered and required.
- e) The need to release money that is tied in to services that could be used to deliver equivalent services to more people.

I am satisfied that consideration of alternative sites has taken place. Ideally extra care homes should be situated in the centre of communities within walking distance of shops and other local amenities. The Bowles Lodge site does meet this criteria more effectively than any of the other sites considered.

The terms of this PFI are very favourable to KCC and Tunbridge Wells Borough Council and will ensure extra care housing provision for approximately 60 local residents.

Extra care housing enables people to live independently for as long as possible. I believe these proposals provide significant steps in meeting the aspirations of people now and in the future. Current residents of Bowles Lodge will be offered the opportunity to return to the new services if desired and appropriate.

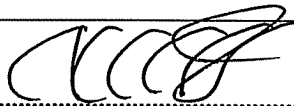
Extra care housing is a national model. It is recognised as making a valuable contribution in offering choice for older people who are considering care in later life. It is offered as a choice to those who previously would have only had the option of residential care. Individuals will have tenant status in their own home with their own front door and at the same time will have access to care staff 24 hours a day in an environment that has been built to meet the needs of people with a range of disabilities.

I am assured that both assessments and intensive support will be offered to all services users and their families to plan and provide alternative services and that the range of services needed will be available.

I have asked officers to ensure the development of alternative day care within the voluntary sector to meet existing and future need.

Background Documents:

Report by Managing Director, Kent Adult Social Services 'Outcome of the formal consultation on the closure of Bowles Lodge registered Care Centre, Hawkhurst' (Decision No.10/01511)



signed

13 JANUARY 2011

date

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Decision Referred to Cabinet Scrutiny				Cabinet Scrutiny Decision to Refer Back for Reconsideration				Reconsideration Record Sheet Issued				Reconsideration of Decision Published			
YES		NO		YES		NO		YES		NO					

KENT COUNTY COUNCIL - RECORD OF DECISION

DECISION TAKEN BY

Graham Gibbens

DECISION NO.

10/01512

If decision is likely to disclose exempt information please specify the relevant paragraph(s) of Part 1 of Schedule 12A of the Local Government Act 1972

Subject:

OUTCOME ON THE FORMAL CONSULTATION ON THE CLOSURE OF CORNFIELDS REGISTERED CARE CENTRE, DOVER

Decision:

As Cabinet Member for Adult Social Services I APPROVE the recommendation that Cornfields should close in September 2011 and for the site to be used for extra care housing.

This decision is taken on the basis that there will be no closure before alternative services are in place.

Any Interest Declared when the Decision was Taken

None

Reason(s) for decision, including alternatives considered and any additional information

The main drivers are that:

- a) More people are living longer and living with long term conditions including dementia. People rightly expect more choice in care.
- b) High quality care is a continuing priority. Dignity in care is crucial and more people want care at home.
- c) Residential care should be in high quality buildings. Some KCC buildings reached the end of their useful life and do not meet expectations or standards for new builds.
- d) Good quality care can be commissioned for less money. The private and voluntary sector is set up to care for more people.

The considerations and options considered included:

- a) The range of alternative local services for older people.
- b) The opportunity for developments with partners in the local area.
- c) The condition of the buildings and likely capital expenditure required to maintain services.
- d) The appropriateness of the design of the buildings for the services delivered and required.
- e) The need to release money that is tied in to services that could be used to deliver equivalent services to more people.

Extra care housing enables people to live independently for as long as possible. I believe these proposals provide significant steps in meeting the aspirations of people now and in the future. Current residents of Cornfields will be offered the opportunity to return to the new services if desired and appropriate.

Extra care housing is a national model. It is recognised as making a valuable contribution in offering

choice for older people who are considering care in later life. It is offered as a choice to those who previously would have only had the option of residential care. Individuals will have tenant status in their own home with their own front door and at the same time will have access to care staff 24 hours a day in an environment that has been built to meet the needs of people with a range of disabilities.

I am assured that both assessments and intensive support will be offered to all services users and their families to plan and provide alternative services and that the range of services needed will be available.

Background Documents:

Report by Managing Director, KASS 'Outcome of the formal consultation on the closure of Cornfields Registered Care Centre, Dover' (10/01512)



signed

13 JANUARY 2011

date

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Decision Referred to Cabinet Scrutiny			
YES		NO	

Cabinet Scrutiny Decision to Refer Back for Reconsideration			
YES		NO	

Reconsideration Record Sheet Issued			
YES		NO	

Reconsideration of Decision Published			

KENT COUNTY COUNCIL - RECORD OF DECISION

DECISION TAKEN BY

Graham Gibbens

DECISION NO.

10/01513

If decision is likely to disclose exempt information please specify the relevant paragraph(s) of Part 1 of Schedule 12A of the Local Government Act 1972

Subject:

OUTCOME ON THE FORMAL CONSULTATION ON THE CLOSURE OF MANORBROOKE REGISTERED CARE CENTRE, DARTFORD

Decision:

As Cabinet Member of Adult Social Services I APPROVE that Manorbroke should close in September 2011 and for the site to be used for extra care housing.

Any Interest Declared when the Decision was Taken

None

Reason(s) for decision, including alternatives considered and any additional information

The main drivers are that:

- a) More people are living longer and living with long term conditions including dementia. People rightly expect more choice in care.
- b) High quality care is a continuing priority. Dignity in care is crucial and more people want care at home.
- c) Residential care should be in high quality buildings. Some KCC buildings reached the end of their useful life and do not meet expectations or standards for new builds.
- d) Good quality care can be commissioned for less money. The private and voluntary sector is set up to care for more people.

The considerations and options considered included:

- a) The range of alternative local services for older people.
- b) The opportunity for developments with partners in the local area.
- c) The condition of the buildings and likely capital expenditure required to maintain services.
- d) The appropriateness of the design of the buildings for the services delivered and required.
- e) The need to release money that is tied in to services that could be used to deliver equivalent services to more people.

Extra care housing enables people to live independently for as long as possible. I believe these proposals provide significant steps in meeting the aspirations of people now and in the future. Current residents of Manorbroke will be offered the opportunity to return to the new services if desired and appropriate.

Extra care housing is a national model. It is recognised as making a valuable contribution in offering choice for older people who are considering care in later life. It is offered as a choice to those who previously would have only had the option of residential care. Individuals will have tenant status in their own home with their own front door and at the same time will have access to care staff 24 hours a day in an environment that has been built to meet the needs of people with a range of

disabilities.

I am assured that both assessments and intensive support will be offered to all services users and their families to plan and provide alternative services and that the range of services needed will be available.

Background Documents:

Report by Managing Director, KASS 'Outcome of the formal consultation on the closure of Manorbrooke Registered Care Centre, Dartford' (10/01513)



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signed

..... 13 JANUARY 2011
date

FOR LEGAL AND DEMOCRATIC SERVICES USE ONLY

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YES		NO	

Cabinet Scrutiny Decision to Refer Back for Reconsideration			
YES		NO	

Reconsideration Record Sheet Issued			
YES		NO	

Reconsideration of Decision Published			

KENT COUNTY COUNCIL - RECORD OF DECISION

DECISION TAKEN BY

Graham Gibbens

DECISION NO.

10/01514

If decision is likely to disclose exempt information please specify the relevant paragraph(s) of Part 1 of Schedule 12A of the Local Government Act 1972

Subject:

OUTCOME ON THE FORMAL CONSULTATION ON THE CLOSURE OF LADESFIELD REGISTERED CARE CENTRE, WHITSTABLE

Decision:

As Cabinet Member for Adult Social Services I APPROVE that Ladesfield should close no later than September 2011.

This decision is taken on the basis that there will be no closure before alternative services are in place.

Any Interest Declared when the Decision was Taken

None

Reason(s) for decision, including alternatives considered and any additional information

The main drivers are that:

- a) More people are living longer and living with long term conditions including dementia. People rightly expect more choice in care
- b) High quality care is a continuing priority. Dignity in care is crucial and more people want care at home
- c) Residential care should be in high quality buildings. Some KCC buildings have reached the end of their useful life and don't meet expectations or standards for new builds
- d) Good quality care can be commissioned for less money. The private and voluntary sector is set up to care for more people.

The considerations and options considered included:

- a) The range of alternative local services for older people
- b) The opportunity for developments with partners in the local area
- c) The condition of the building and likely capital expenditure required to maintain services
- d) The appropriateness of the design of the buildings for the services delivered and required
- e) The need to release money that is tied in to services that could be used to deliver equivalent services to more people.

I am assured that both assessments and intensive support will be offered to all service users and their families to plan and provide alternative services and that the range of services needed will be available.

I have asked officers to work closely with health colleagues to ensure the development of a range of integrated services for older people across the locality.

Background Documents:

Report by the Managing Director, KASS 'Outcome on the formal consultation on the variation of services at Ladesfield Registered Care Centre, Whitstable' (Decision No. 10/01514)

CCCA

signed

13 JANUARY 2011
date

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Decision Referred to Cabinet Scrutiny			
YES		NO	

Cabinet Scrutiny Decision to Refer Back for Reconsideration			
YES		NO	

Reconsideration Record Sheet Issued			
YES		NO	

Reconsideration of Decision Published			

KENT COUNTY COUNCIL - RECORD OF DECISION

DECISION TAKEN BY

Graham Gibbens

DECISION NO.

10/01515

If decision is likely to disclose exempt information please specify the relevant paragraph(s) of Part 1 of Schedule 12A of the Local Government Act 1972

Subject:

OUTCOME ON THE FORMAL CONSULTATION ON THE CLOSURE OF SAMPSON COURT REGISTERED CARE CENTRE, DEAL

Decision:

As Cabinet Member for Adult Social Services I APPROVE that Sampson Court should close by December 2011.

This decision is taken on the basis that there will be no closure before alternative services are in place.

Any Interest Declared when the Decision was Taken

None

Reason(s) for decision, including alternatives considered and any additional information

The main drivers are that:

- a) More people are living longer and living with long term conditions including dementia. People rightly expect more choice in care
- b) High quality care is a continuing priority. Dignity in care is crucial and more people want care at home
- c) Residential care should be in high quality buildings. Some KCC buildings have reached the end of their useful life and don't meet expectations or standards for new builds
- d) Good quality care can be commissioned for less money. The private and voluntary sector is set up to care for more people.

The considerations and options considered included:

- a) The range of alternative local services for older people
- b) The opportunity for developments with partners in the local area
- c) The condition of the building and likely capital expenditure required to maintain services
- d) The appropriateness of the design of the buildings for the services delivered and required
- e) The need to release money that is tied in to services that could be used to deliver equivalent services to more people.

I am assured that both assessments and intensive support will be offered to all services users and their families to plan and provide alternative services and that the range of services needed will be available.

I would like officers to pursue the development of extra care housing in Deal either on the Sampson Court site or elsewhere in the town and would like officers to liaise with Dover District Council to pursue this.

Any alternative proposal for the use of the site following the closure of Sampson Court, including Social Enterprise, could be considered.

Background Documents:

Report by the Managing Director, KASS 'Outcome on the formal consultation on the closure of Sampson Court Registered Care Centre, Deal (Decision No. 10/01515)



.....
signed

..... 13 JANUARY 2011

date

FOR LEGAL AND DEMOCRATIC SERVICES USE ONLY

Decision Referred to Cabinet Scrutiny			
YES		NO	

Cabinet Scrutiny Decision to Refer Back for Reconsideration			
YES		NO	

Reconsideration Record Sheet Issued			
YES		NO	

Reconsideration of Decision Published			

KENT COUNTY COUNCIL - RECORD OF DECISION

DECISION TAKEN BY

Graham Gibbens

DECISION NO.

10/01516

If decision is likely to disclose exempt information please specify the relevant paragraph(s) of Part 1 of Schedule 12A of the Local Government Act 1972

Subject:

OUTCOME ON THE FORMAL CONSULTATION ON THE CLOSURE OF THE LIMES REGISTERED CARE CENTRE, DARTFORD

Decision:

As Cabinet Member of Adult Social Services I APPROVE that The Limes should close in 2011.
This decision is taken on the basis that there will be no closure before alternative services are in place.

Any Interest Declared when the Decision was Taken

None

Reason(s) for decision, including alternatives considered and any additional information

The main drivers are that:

- a) More people are living longer and living with long term conditions including dementia. People rightly expect more choice in care.
- b) High quality care is a continuing priority. Dignity in care is crucial and more people want care at home.
- c) Residential care should be in high quality buildings. Some KCC buildings reached the end of their useful life and do not meet expectations or standards for new builds.
- d) Good quality care can be commissioned for less money. The private and voluntary sector is set up to care for more people.

The considerations and options considered included:

- a) The range of alternative local services for older people.
- b) The opportunity for developments with partners in the local area.
- c) The condition of the buildings and likely capital expenditure required to maintain services.
- d) The appropriateness of the design of the buildings for the services delivered and required.
- e) The need to release money that is tied in to services that could be used to deliver equivalent services to more people.

I am assured that both assessments and intensive support will be offered to all service users and their families to plan and provide alternative services and that the range of services needed will be available.

I have asked officers to ensure the use of existing and development of alternative day care within the voluntary sector to meet existing and future need.

I am satisfied that the delivery of enablement services out of Gravesham Place is the most appropriate option for delivering the service.

I have asked officers to work closely with health colleagues to ensure the development of a range of integrated services for older people across the locality, and to ensure that the future use of the building and land is speedily determined so that the building does not become derelict.

Background Documents:

Report by Managing Director, KASS 'Outcome of the formal consultation on the proposed closure of The Limes Registered Care Centre, Dartford' (Decision No. 10/01516)



signed

13 JANUARY 2011

date

FOR LEGAL AND DEMOCRATIC SERVICES USE ONLY

Decision Referred to Cabinet Scrutiny			
YES		NO	

Cabinet Scrutiny Decision to Refer Back for Reconsideration			
YES		NO	

Reconsideration Record Sheet Issued			
YES		NO	

Reconsideration of Decision Published			

KENT COUNTY COUNCIL - RECORD OF DECISION

DECISION TAKEN BY

Graham Gibbens

DECISION NO.

11/01611

If decision is likely to disclose exempt information please specify the relevant paragraph(s) of Part 1 of Schedule 12A of the Local Government Act 1972

Subject:

OUTCOME OF THE FORMAL CONSULTATION ON THE CLOSURE/VARIATION OF KCC'S OLDER PERSONS PROVISION WHICH INCLUDES THE DOROTHY LUCY CENTRE, MAIDSTONE

Decision:

As Cabinet Member for Adult Social Services I note the contents of the report and ask officers to develop proposals to consult during 2011.

Any Interest Declared when the Decision was Taken

None

Reason(s) for decision, including alternatives considered and any additional information

The main drivers are that:

- a) More people are living longer and living with long term conditions including dementia. People rightly expect more choice in care
- b) High quality care is a continuing priority. Dignity in care is crucial and more people want care at home
- c) Residential care should be in high quality buildings. Some KCC buildings have reached the end of their useful life and don't meet expectations or standards for new builds
- d) Good quality care can be commissioned for less money. The private and voluntary sector is set up to care for more people.

The considerations and options considered included:

- a) The range of alternative local services for older people
- b) The opportunity for developments with partners in the local area
- c) The condition of the building and likely capital expenditure required to maintain services
- d) The appropriateness of the design of the buildings for the services delivered and required
- e) The need to release money that is tied in to services that could be used to deliver equivalent services to more people.

Background Documents:

Report by Managing Director, KASS 'Outcome of the formal consultation on the closure/variation of KCC's older persons provision which includes the Dorothy Lucy Centre, Maidstone' (Decision No. 11/01611)

.....
signed

13 January 2011
.....
date

FOR LEGAL AND DEMOCRATIC SERVICES USE ONLY

Decision Referred to Cabinet Scrutiny			
YES		NO	

Cabinet Scrutiny Decision to Refer Back for Reconsideration			
YES		NO	

Reconsideration Record Sheet Issued			
YES		NO	

Reconsideration of Decision Published			

Older Person's Provision

My Mother is a resident of Ladesfield Care Home in Whitstable, which is one of three homes that KCC is proposing to close. **I and other relatives are opposed to these proposals.**

The consultation set out four reasons for the proposals:

"People: More people living longer and living with dementia. People rightly expect more choice in care".

By more choice, presumably KCC meant the choice of home care, sheltered accommodation or residential care. However, KCC must know that people only come to residential homes when they are unable to continue to live at home, because of a lack of mobility or dementia. As people live longer there will be increased demand for home care and sheltered housing, but the demand for residential care will not diminish. It is likely to increase.

"Care: High quality care is a continuing priority. Dignity in care is crucial and more people want care at home".

There is little dignity in moving very elderly people to somewhere they do not want to go.

"Buildings: Residential care should be in high quality buildings. Some KCC buildings have reached the end of their useful life and don't meet expectations. All the residents should have en-suite bathrooms"

The statement that 'some buildings have reached the end of their useful life' is not a statement of fact, but KCC's opinion, an opinion with which many would disagree. En-suite bathrooms are a laudable aspiration, but many residents require assistance with bathing and using the toilet, so en-suite is superfluous. Ladesfield looks run down, because KCC has neglected to maintain the home properly. But the standard of care is excellent.

"Cost/the market: Good quality care can be commissioned for less money. The private and voluntary sector is set up to care for more people"

At the moment KCC is able to buy rooms in private care homes at a discounted rate. However, the more rooms that KCC wishes to buy at these rates, the less revenue the private homes will generate. These homes exist purely as commercial enterprises, so there is little reason to expect them to accept less revenue. The likelihood is that the cost to KCC will increase significantly over the years.

The Private Sector - We know that staff in private homes are paid less than carers in KCC homes and we also know that the amount of care hours per resident is less in private homes. We suspect that many private homes will not be willing, or even able in some cases, to undertake the type of care that many residents need and currently receive.

Reasons for Change - We suspect that this is basically a capital raising exercise. The sale of the homes will raise a significant sum of money, which in times of economic tightness, will be a welcome addition to KCC's coffers. However, that is not a good reason for closing these homes and inflicting considerable distress on many elderly people. Clearly the consultation was a sham.

Brian Hague

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Housing Private Finance Initiative: bidding guidance for Round 6



Housing Private Finance Initiative: bidding guidance for Round 6

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Foreword

Social housing is not just a safety net for the most vulnerable in our society but a springboard to opportunity. However there are still neighbourhoods that are marginalised, overlooked, workless, and often unpopular. Unless we recognise the unpopularity of some of these most difficult estates, we will never make a difference. And we will fail to give a chance and make a better offer to those residents.

Some neighbourhoods require a fresh approach and fresh thinking: significant demolition alongside some refurbishment is often needed with subsequent re-planning as a mixed tenure community. New homes can meet the standards of the day and be exemplars of design and quality, open space can be re-configured as a hugely important neighbourhood resource, retail space can be re-invigorated and community facilities brought into the 21st century. Physical improvements though need to go hand in hand with service led ones in order to make a lasting change and this should provide an opportunity to think creatively about tackling what are often associated problems of worklessness, community engagement and social exclusion.

Private Finance Initiative (PFI) is well placed to effect the transformational change which is needed. Public sector funding alongside private capital and the additional contribution that can come from releasing land values can deliver investment on the scale necessary.

There are 39 schemes in our current Housing PFI programme. We expect that they will improve the quality of 28,000 council homes and directly provide an additional 3700 affordable rented homes. In addition some schemes will act as a catalyst in providing more new homes for sale, either outright sale or on a shared ownership basis, generating a contribution to costs through cross subsidy in the process.

I would like to see more schemes with these characteristics. I also believe there is a place on the programme for schemes which deliver new and additional affordable rented housing and thus help in reaching the supply targets which Government has set as well as our Public Service Agreement target to increase the proportion of socially excluded adults in settled accommodation. The PFI projects centred on the provision of extra care services to elderly households through modern, high quality facilities have been particularly successful and I anticipate continued demand from authorities for this type of scheme.

This guidance sets out how local authorities can apply for a place on the Housing PFI programme and, in detail, what we will look for – and what we will seek to avoid. In due course the Housing PFI programme will be relocated into the Homes and Communities Agency and I look forward to continuing to work with local authority partners in the context of Sir Bob Kerslake's 'single conversation'.



Caroline Flint MP
Minister for Housing

Summary

A 6th bidding round for Housing PFI was announced on 2 July 2008. This bidding round, which is open to all local authorities, invites Expressions of Interest in both HRA and non-HRA schemes to use **up to** £1.875bn of PFI credits, ie the total made available to housing in the 2007 Comprehensive Spending Review (CSR07).

These resources will be directed at delivering and supporting transformational change in local authority neighbourhoods and their housing stock, adding to the new housing supply through both re-provision and additional PFI funded general needs and extra care housing and also facilitating additional market sale, low cost home ownership and social rented housing where these fit into regional priorities. The previous round of the programme was the last to focus explicitly on delivering decent homes standards and, therefore, whilst it is likely that some schemes will include some element of refurbishment of existing homes, we expect a primary focus on regeneration and new build and do not expect any scheme to focus principally on refurbishment.

The 6th Housing PFI bidding round has been launched under the auspices of Communities and Local Government, though in the near future responsibility for the delivery of the current and future Housing PFI programmes will transfer to the new Homes and Communities Agency (HCA). This detailed bidding guidance and the future scope of the programme have been discussed and agreed with the HCA and we are confident that the transition of the Housing PFI Team and Housing PFI programme delivery from Communities and Local Government to the HCA will be smooth and underpin efficient and effective future programme management and delivery.

We intend to give priority to projects that deliver a range of outputs contributing to regeneration and the creation of sustainable communities. In particular, we would encourage proposals that demonstrate more than one of the following:

- a re-positioning of estates and their neighbourhoods in terms of quality and diversity of housing, reputation and demand
- a comprehensive approach to a broad policy agenda which includes tackling worklessness, community empowerment and enhanced design and quality
- a recognition that service led solutions must complement bricks and mortar ones
- a 'thematic' approach to stock needs (eg addressing problems with sheltered housing)
- an increase in affordable rented housing, particularly where this addresses the needs of specific client groups, especially those socially excluded.

New homes funded through PFI should meet current standards. Principally this means adherence to the Housing Corporation's Design and Quality Standards which include a requirement to meet the requirements of the Code for Sustainable Homes (CSH).

The standardised guidance in our Housing PFI Procurement Pack, published in 2004, has been well received and widely adopted and contains a mandatory sector-specific Project Agreement which is compliant with HMT's *Standardisation of PFI Contracts* (SoPC) Version 4 (2007). The rest of the Procurement Pack is currently being updated to reflect developments and learning over the last three years and will be available in time to help Round 6 authorities who successfully gain a place on the PFI programme to prepare their Outline Business Cases (OBCs). The updated Pack will contain mandatory and compliant new build housing requirements.

Generally speaking Communities and Local Government are looking to support 6th Round projects of significant scale. We have in mind projects with a capital value of £100m or more which we believe will attract a strong market response leading to value for money deals for the public sector and proportionate set-up costs on both sides. While not a hard and fast rule we would expect smaller projects to be bundled in some way in order to secure the same outcomes. This might be, for instance, because housing markets don't stop at local authority boundaries and neighbouring authorities might thus collectively want to procure investment across their sub-region. Where a Housing PFI project is proposed as a scheme anchor or catalyst for a wider regeneration scheme, the PFI project should be capable of 'stand alone' procurement.

There may be a case for making use of alternative procurement regimes from other sectors in order to achieve similar ends eg Building Schools for the Future (BSF) and Local Improvement Finance Trust (LIFT). However there are no successful such precedents to date and Communities and Local Government and the HCA would want early notification and compelling evidence that any such proposals were appropriate, particularly in the context of an initial Official Journal of the European Union (OJEU) notice, and deliverable. LIFT would only be considered for extra care or sheltered housing schemes and the Expression of Interest would need to contain evidence that the OJEU notice for the LIFT scheme allows for the housing proposal.

Communities and Local Government have developed a Housing PFI Financial Model for all types of Housing PFI which should be completed as part of the initial Expression of Interest bidding stage. This model calculates a maximum value of PFI credit as support for the scheme as well as providing an assessment of the affordability of the project from the local authority perspective. The model also incorporates HMT's own value for money (VfM) test which means that, at least in the developmental stages of a project, authorities can drive all the relevant analyses from a single set of inputs and without the need to commission separate bespoke modelling.

The Government's Efficiency Review set targets for efficiency gains across the public sector. The resources released through greater efficiency can be refocused on improving front line services. Ministers will wish to ensure that all housing programmes support the objectives of the Efficiency Review and make the best possible use of the investment being made. PFI is therefore no exception and we are currently developing our approach to capturing and measuring efficiency gains across the programme. As part of this we will need to make clear the gains we will expect Round 6 projects to make over those in the current PFI programme.

Introduction

1. This 6th bidding round is for HRA and non-HRA PFI projects and we are inviting Expressions of Interest from local authorities who wish to pursue PFI projects and who need central government support in the form of PFI credits.
2. In assessing and selecting schemes, Communities and Local Government will take account of the housing-specific criteria at Annex A, and will also be mindful of the criteria to be applied by all government departments in considering whether to submit schemes for Project Review Group endorsement (see Annex B).
3. We will also be asking the relevant Government Office in your region to comment on proposals and, in particular, to give their views on the appropriateness and deliverability of individual schemes, given local circumstances and regional priorities. Given the transfer of the programme into the HCA we will of course also be liaising with regional staff currently in the Housing Corporation and English Partnerships to the same ends.
4. Demand for PFI credits is likely to outstrip supply. Our purpose in inviting Expressions of Interest as a first stage is to minimise the time and effort authorities spend on developing projects which do not ultimately receive support, because of funding constraints. We do want to ensure, however, that estimates of the likely level of PFI credits required to support projects are as accurate as possible and we will therefore be asking all applicants to complete the Communities and Local Government Housing PFI Financial Model.
5. Authorities should be realistic about the amount of PFI funding they intend to seek. They should set out how they will use complementary sources of funding to lessen the PFI credit requirement, eg cross subsidy from the release of developable land and the benefit of the residual value of assets to the private sector where these do not revert to the authority at the end of the contract. All applications will need a robust justification in terms of strategy and value for money. In view of the credit availability, priority will be given to schemes that seek to maximise outputs from credits through the use of other resources.

Bidding timetable

6. The timetable for this bidding round is set out below. We are aiming to secure OBC approvals well within the timeframe of the current CSR period and adherence to agreed timetables will be an ongoing condition for authorities.

Launch of bidding round	2 July 2008
Expressions of Interest submitted by	31 October 2008
Assessment and formulation of programme by	End of Feb 2009
OBCs endorsed by target date of	End of July 2010

Format of proposals

7. Applications should consist of a completed cover sheet, as set out in this guidance, together with a written proposal covering all the topics below in the order in which they appear. Proposals should not exceed 20 pages in length, excluding the annexes indicated in this guidance. All documents should be relevant to the case. Please do not include supplementary material that is not directly relevant.
8. A completed copy of the Communities and Local Government Housing PFI Financial Model must be attached and there should be a clear indication of the amount of PFI credits required. Authorities should note that the Communities and Local Government model calculates the upper limit of credits that can be generated by the scheme but that we would also expect the authority to indicate the level of PFI credits at which the scheme is affordable.

Topics to be covered

Scope of the contract

Authorities should describe the scope of the project and length of the contract.

9. This section of your Expression of Interest should be a straightforward summary of the nature of the proposed project and the proposed capital works together with an indication of the services which will be included within the contract.
10. Technically there are two types of Housing PFI: 'HRA' schemes are those focused on council housing and 'non-HRA' schemes are those providing additional, non-council, affordable rented housing. Non-HRA schemes will be accounted for in the General Fund since, at least for the term of the contract, the assets provided are not owned by the local authority.
11. However there may be scope for including both HRA and non-HRA housing in the same scheme. Such an approach could reflect diversity of tenure aims, affordability constraints or funding and scale opportunities. Please get in touch at the earliest opportunity to discuss any such possible proposal.
12. The make-up of a 6th round programme of activity is likely to have a bias toward those projects which are seeking to transform existing areas of predominantly local authority housing into long term sustainable communities. These locations might be characterised by the poor design and quality of homes and by a general built environment with little or no quality open space. Existing management arrangements might well have contributed to the poor reputation of the area and its general undesirability. Measures of dissatisfaction might include high turnover of tenancies and a high level of voids. The solutions are for the local authority to determine with its other public and private sector partners but these are likely to include the re-planning of an estate or neighbourhood, a significant amount of demolition and provision of new build, high quality accommodation on a mixed tenure basis. New homes for the authority and other social rented housing would be funded through the PFI arrangements but additional affordable rented housing, low cost home ownership and market sale homes, and possibly additional social infrastructure, might be provided alongside by the private sector partner(s) through different private and public funding arrangements. These may well create a significant opportunity for the costs of the project to be met in part by cross subsidy from market sale housing or other commercial development opportunities. We would expect authorities to properly assess the extent to which this is possible given the longer term local property market and wider economic forecasts.

13. The authority is also likely to be looking for a step change in the quality and effectiveness of management solutions in the broadest sense and these should address associated problems of, for instance, worklessness, community engagement and empowerment and educational attainment, where these exist. We understand of course that authorities may well have alternative strategies on the service delivery side, if they have for instance established Arms Length Management Organisations (ALMOs) covering the stock in question. We will not therefore prescribe the scope of projects providing there are good strategic reasons for the authority's preferred options.
14. There will continue to be room in the programme for projects providing new or additional affordable, non-council rented housing. The current programme includes general needs and extra care housing schemes and we would continue to support such projects where they are structured to optimise the market's response and thus the benefit to the local authority.

Scheme location and size

Authorities should describe the location of the proposed scheme and the number and type of dwellings to be included.

15. Authorities should note that Communities and Local Government does not anticipate considering PFI schemes covering the whole housing stock. Rather, authorities should consider applying the PFI solution to an area or stock type in the context of their wider housing strategy. Resources may best be focused on a defined geographical area with a common sense of identity and local authorities should seek to maximise the opportunity to deliver a comprehensive and coherent investment and management solution. The HCA will have an emphasis on talking to local authorities about regional and sub-regional issues, reflecting the fact that housing markets don't stop at local authority boundaries. It may be sensible in some circumstances to consider working with neighbouring authorities or joining up with other PFI proposals in the area, particularly if this generates scale and economies. We subscribe to the view that PFI offers the greatest scope for VfM and the best prospect of efficient procurements where projects are of a sufficient scale. As a rule of thumb we will presume that projects should have a capital value of £100m or more though we will be happy to discuss smaller proposals which are likely to deliver similar outcomes.
16. Please note that the capital cost of the scheme will represent the upper limit of the possible PFI credit allocation. However, in many cases the actual credit awarded will be lower. Local authorities will be expected to cover as much as possible of the costs of the project through resulting operating cost savings, third party use of assets and services and other sources of revenue, and to minimise their applications for PFI credits accordingly.
17. **HRA housing only** – Authorities should describe the specific geographical area to be covered and, if applicable, the quantity and type of council stock

(general needs, extra care or supported housing) to be included in the scheme. A description of the various building archetypes included in the scheme is required as well as details of the number and location of Right to Buy (RTB) properties in the area, ie whether these are concentrated in specific locations or pepper-potted throughout the area. An indication of the number and location of leasehold properties is also required. Please note that Communities and Local Government funding will not cover the re-purchase of ex-council properties or the refurbishment of leasehold properties. A map of the area should be attached as an annex and photographs may also be included for illustrative purposes.

Strategic context/need

Authorities should describe how the proposed scheme fits within their wider housing and regeneration strategies.

18. Authorities should set out the impact for both HRA and non-HRA schemes that new dwelling size, mix and additional homes across tenures will have on meeting need in their areas.
19. Authorities should explain how the scheme relates to their overall housing strategy and HRA Business Plans, and why it is a priority for investment. Where appropriate, explain how the scheme supports any wider regeneration initiatives or strategies for the area – for example, Market Renewal, Mixed Communities, Single Regeneration Budget (SRB) investment, New Deal for Communities (NDC) Partnerships, Community Plans, local homelessness and Supporting People strategies.

Evidence of housing demand

Authorities should provide evidence of long-term need and demand for the housing provided through the proposed scheme.

20. Being able to demonstrate long-term need and demand for the stock is key to delivering sustainable investment and optimising the balance of risks between the partners to the PFI contract. Authorities are asked to provide evidence of current demand and anticipated demand, drawing on housing-specific information, eg waiting lists, levels of homelessness and use of temporary accommodation (especially for families), voids etc. and more general information relating to population projections, economic development and the housing and accommodation needs of vulnerable groups etc. If there are current or anticipated problems of oversupply or variable demand for the stock, authorities will need to demonstrate they have a strategy for managing this. This will be particularly important in areas of low housing demand.
21. A consideration of demand is also relevant where projects will deliver market housing (outright sale or shared ownership) alongside that provided for

the authority through the PFI. It is important that a professional assessment is made of future values and the demand for the type of accommodation that the private sector might be required to provide. This is because where this activity delivers cross subsidy into the project which, in turn, underpins affordability, Communities and Local Government will want to be confident that it is deliverable with the authority then held to its assessment.

22. In all areas it will be important to set this demand in the context of the wider housing market. The Communities and Local Government's *Strategic Housing Market Assessments: Practice Guidance* will assist authorities in understanding how their housing market works. This manual can be found at <http://www.communities.gov.uk/publications/planningandbuilding/strategichousingmarket>.

Land and planning

23. Those authorities submitting proposals for building new social housing should detail their strategy for securing land.
24. Our presumption is that land will normally be provided by the local authority, which builds in certainty of scheme delivery. If local authority land is provided at nil cost this will reduce the unitary charge and therefore the PFI credits. If, however, local authority land is sold to the contractor as part of the PFI contract, any receipts will be netted off the PFI credit support. The approach taken should be based on value for money.
25. However, where land, in part or entirety, is expected to be brought forward through other public sector bodies or by the private sector, we would expect that proposals would demonstrate and ensure that there would be no dominant bidder in order to guard against an unduly limited number of bidders and the possibility of a disadvantageous effect on competition and value for money. We would expect the authority to have a clear and robust strategy for securing and sustaining effective competition throughout procurement.
26. Where project outputs are proposed to be delivered on a significant number of individual sites we would expect a clear strategy for their delivery in a timely fashion, considering especially the requirement for multiple planning approvals.
27. Where land is secured through the use of S106 agreements as the basis for some or all of the project outputs, we would want to see strong evidence of the certainty of the sites in question being brought forward in accordance with the PFI project timetable in addition to the authority ensuring effective procurement competition.
28. Land necessary to deliver all or a significant proportion of project outputs should be secured by the time the Outline Business Case is submitted. Arrangements to secure any outstanding land required should be set out in

detail and be robust and timely in respect of the procurement process and timetable. We would be willing to consider proposals involving the phased securing and development of land post contract close, subject to there being an acceptable secured and significant core first stage of deliverable housing outputs at OBC stage. PFI credits would only be made available on a phased basis in such circumstances to reflect an acceptable investment profile of housing and related infrastructure.

29. Housing PFI schemes should have a Planning Statement (or Development Brief) formally approved by the planning authority for each project site at OBC stage. Regeneration schemes should also have a detailed Masterplan that complies with the Planning Statement. Planning Statements and Masterplans should provide a sound basis for robust scheme cost assessment.
30. We would **not** expect regeneration scheme Masterplans to have outline planning permission at OBC stage as this would limit future bidder input and could constrain design proposals and development opportunities.
31. Further guidance on land and planning requirements post OBC approval including with regard to the competitive dialogue will be included in the updated Housing PFI Procurement Pack.
32. Please get in touch at the earliest opportunity to discuss any issues or queries regarding securing land or planning matters. We would welcome engagement with local authorities and to hear their views and the views of the market on land and planning matters in response to this guidance.
33. In all schemes, HRA or non-HRA, general needs or extra care, project new build costs will need to compare favourably with the range established by Communities and Local Government's recent (March 08) review of the comparative costs of new build through PFI and Strategic Housing Grant (SHG).
34. Communities and Local Government will also be introducing fuller PFI value for money cost benchmarking guidance, extending beyond capital build costs to include lifecycle capital costs, operational costs, funding costs, residual value and sensitivity testing for Round 6 OBCs.
35. Annex C provides a few examples of current schemes, some of which are underway and others that are in various stages of procurement.

Stock condition and specialist surveys

Authorities bidding for HRA schemes should provide an outline description of the condition of the stock to be included within the proposed scheme. In the case of schemes involving new build, the number of units to be demolished should be identified along with the number of dwellings that are to be built – by tenure.

36. Since local authorities will have put into place plans for bringing stock up to the decent homes standard, it is expected that HRA schemes will not

be focused on stock refurbishment. Some refurbishment may however be a component of a larger regeneration focused scheme and where this is the case, existing stock condition data will not be sufficient to inform a PFI procurement though reasonably current data may be good enough to inform initial Expression of Interest costings. Authorities are asked at this stage to outline the main works that they expect would need to be carried out based on their best available information. It is essential that authorities present as robust a picture as possible about the condition of their stock and it is recommended that they use risk analysis and costing at this stage and identify any risk mitigation strategies that may be necessary. This should also inform the analysis of options and VfM.

37. Communities and Local Government will however expect bespoke surveys to be commissioned following Expression of Interest approval to report and inform costings at OBC stage. This helps to minimise risks the authority might otherwise retain and give confidence in the financial analysis preceding endorsement and procurement. Depending on the particular proposals, specialist structural, land and environmental surveys may be required in order to inform specifications and costings.

Options appraisal

Authorities should explain why PFI has been selected as the value for money solution for the proposed project.

38. In providing an explanation of why PFI is the preferred option, authorities should provide the relevant analysis from their option appraisal for the area/estate and an outline analysis of options considered for additional social housing, including the 'do nothing' option. The documentation of the appraisal of options should be reasonable, pragmatic and proportionate.

Calculation of the PFI credit, project affordability and VfM

Authorities are required to complete the Communities and Local Government Housing PFI Financial Model and adhere to the HM Treasury Value For Money Guidance, which includes a two part approach to assessing the VfM of a PFI Project, consisting of a quantitative and a qualitative evaluation.

39. The Communities and Local Government Housing PFI Financial Model is available from the Communities and Local Government website or on application from the Housing PFI Team. The model is for use by both HRA and non-HRA PFI proposals, and is designed to provide:

1. An indication of the maximum level of PFI funding that can be applied for. Authorities should note that the level of PFI credits suggested by

the model is an absolute maximum, which Communities and Local Government will not necessarily provide in full (Communities and Local Government reserves the right to apply a scaling factor to the funding of capital costs and therefore the allocation of PFI credits). In all cases Communities and Local Government will expect local authorities to provide contributions to the scheme, be it through revenue funding from existing budgets or through cross subsidy generated from the release of land. The model also enables the authority to set the level of PFI credit which will make the scheme affordable (which is presumed to be less than the calculated maximum).

2. The completed model should be accompanied by a completed data sheet which confirms and contains evidence to support all inputs, by a completed benchmarking sheet which contains details of the estimated capital costs and by a standard affordability presentation sheet. Templates for the data, benchmarking and affordability presentation sheets are available from the Communities and Local Government website or Housing PFI team (these will be supplemented by additional operational cost and sensitivity sheets at a later stage).
 3. An indicative view of the affordability of the project. Whilst we recognise that at Expression of Interest stage the costing of a PFI scheme is not going to be particularly sophisticated, we will expect to see authorities considering the accuracy and robustness of output of the model, and where necessary identifying methods by which they will ensure that the scheme remains affordable during procurement. The impact of the scheme on the wider HRA/General Fund will also need to be considered. For example, for an HRA scheme local authorities will need the resources to meet costs such as insurance that cannot be covered by the PFI credit.
 4. An indication of the VfM of the scheme in line with HMT VfM Guidance. The Communities and Local Government model includes the Quantitative HMT VfM Model, which is automatically completed using the inputs provided. The inclusion of the HMT VfM Model has been endorsed by HMT, and therefore authorities do not need to complete a separate HMT VfM Model (Quantitative Assessment).
40. The Communities and Local Government model includes a sheet for optimism bias, which should be completed in all cases. Optimism bias forms part of the value for money comparison, but does not feed through to the calculation of the level of PFI credit. Commentary must be included in the Expression of Interest to support the mitigation of optimism bias. The completed Communities and Local Government model should be provided as an annex.
 41. Authorities should provide justification for all of the inputs used in the Communities and Local Government Housing PFI Model.
 42. Authorities should note HM Treasury's guidance for VfM which can be accessed at www.hm-treasury.gov.uk/documents/public_private_partnerships/additional_guidance/ppp_vfm_index.cfm. The HMT VfM

assessment process includes a quantitative element which is included within the Communities and Local Government model, and is not required separately; and a qualitative element. Completion of this will not be required for the Expression of Interest but the authority will be expected to demonstrate knowledge of the process in their commentary. Please discuss with the Housing PFI team at Communities and Local Government if you need advice on this.

Market appetite

Authorities should identify the commercial interest of potential bidders, providing evidence of market testing.

43. The success of Housing PFI is as much to do with the preparation of the authority, as with the interest and contribution of the private sector in the proposal being made. Communities and Local Government expects authorities to be certain that there is enough commercial interest to generate and sustain competition for the project. This should be monitored from an early stage of project development. Authorities should detail their tests of the market and how these have been taken into consideration in working up their bid.

Risk transfer

Authorities should give their preliminary views on the allocation of risks between the authority and the PFI contractor.

44. A basic premise of PFI is that the risks attached to a project are allocated to the party best able to manage them. Communities and Local Government expects authorities to allocate risks appropriately with significant risk transfer to the private sector while, at the same time, achieving good VfM for the public sector. The Expression of Interest should explain any particular issues that are likely to arise with the proposed scheme and a general understanding of the principles of risk transfer.

Consultation

For HRA projects, authorities should set out what consultation has already been carried out, and for non-HRA schemes, a strategy for consulting stakeholders on the proposal and any consultation so far undertaken.

45. Where projects include an element of tenanted stock which is either refurbished or re-provided, Communities and Local Government expects tenants to be given the opportunity for involvement in decision making in line with best practice on tenant participation and consultation, recognising the diversity of the residents. Local authorities should explain how they

will comply with the tenant empowerment strategy that was agreed with the Community Housing Taskforce (CHTF) during the options appraisal. Consultation should also include a strategy to deal with leaseholders as part of the statutory requirement to consult them. The demonstration of adequate consultation is a factor in the Secretary of State's consideration of an application for a S27 consent to delegate an authority's housing management functions, a requirement for PFI contracts.

46. Please note Communities and Local Government does not expect authorities to commission tenant surveys or other initiatives specifically to support this application, but must attach evidence of any relevant information already gathered, for example minutes or letters from steering groups, which can be attached as an annex, and details of future plans for consultation.

Councillor commitment

Authorities should indicate the extent to which Councillors are aware of and committed to the project.

47. Authorities should describe what steps have been taken to inform councillors of the proposal, including any corporate impact it may have, and the level of commitment to this application and the project so far gained. Communities and Local Government expects that the Council (through delegated arrangements if appropriate) is supportive in principle. Minutes of any relevant meetings must be presented in an annex.
48. Best practice suggests that a credible demonstration of cross party support in authorities which have no overall political control will be instrumental in securing the best response from the bidding market and convincing bidders to invest in the scheme by removing, as far as possible, a procurement risk.

Project management

Authorities should indicate how they will resource the development and procurement of the project.

49. Authorities should describe what skills and experience they would expect to bring to the project and how the project team might be composed, including any external advice they anticipate might be required. Communities and Local Government will be looking for evidence that the local authority has given careful consideration to planning, designing and resourcing the project. Local authorities who have no previous experience of Housing PFI will need to think particularly carefully about how they will effectively resource project development and delivery: they are invited to consider drawing in experience from other parts of the council where this exists and/or seconding in experienced staff from other authorities. Our view is that the local authority's procurement costs for a PFI will be a minimum

of £0.75m for straightforward new build schemes and may well be more, particularly for complex regeneration schemes. We will look for evidence that this is understood and has been agreed. This significant up front cost argues for projects of sufficient scale in order for it to be proportionate which could mean collaborative procurement of smaller projects by neighbouring authorities – but with a clear lead – with the then added benefit of sharing set-up costs.

50. Authorities should note we require an acceptance that project management is a dedicated job for a full time member of staff and expect the project manager to develop the OBC for the project. The level of other staff resources that are required will vary according to the complexity of the scheme but the Expression of Interest should contain evidence that sufficient resources will be made available.
51. Authorities should also identify any risks in the procurement process and identify mitigation strategies for these risks. Local authorities will need to demonstrate that there is senior level support and commitment to the proposal.

Timetable

Authorities should provide an indicative project timetable.

52. Authorities should describe, in outline, a realistic timescale and process through which they expect their project to be developed and provide their best estimate of when contract signature might be achieved. This should include the time estimated for preparation of the full OBC for Project Review Group consideration, as well as the time estimated for the main stages of the procurement process itself. Authorities should note their place on the programme will be subject to adhering to timetables which are agreed after schemes have been added to the programme.
53. The scheme timetable should allow at least nine months for development of the Outline Business Case and an understanding of the Competitive Dialogue process up to OBC submission to Communities and Local Government.
54. The procurement timetable should be based on the agreed sector timetable target of between 24 and 30 months for straightforward new build schemes and between 31 and 36 months for the more complex regeneration schemes from PRG endorsement to financial close.

Other considerations

Authorities should justify and explain any issues arising from their proposals. Examples of issues which may arise are as follows, though this list is not exhaustive.

HRA only

55. Authorities need to be aware of the implications for the scheme where stock is managed by another party ie an Arms Length Management Organisation or Tenant Management Organisation etc. and explain how they will tackle the issues that arise from such an arrangement. More specifically, what effect would the PFI bid have on the management organisation (as a viable business) and its responsibilities under the existing arrangements with the council? Communities and Local Government expects that other parties involved in the management of council stock (through delegated arrangements) are supportive in principle of the PFI project and have been informed of the implications, as evidence of the deliverability of the proposal. Minutes of any relevant meetings must be presented in an annex.

Joint programme funding

56. Communities and Local Government welcomes proposals, which are jointly funded by different government departments and/or across local authority departments. These schemes need to be fully integrated and able to demonstrate this in a practical way ie where a county council is procuring on behalf of a number of district authorities there needs to be a clear strategy to manage the relationship and decision making process.
57. If a local authority is preparing a joint scheme which will require funding from other government departments, it is important that the financial analysis included within the bid demonstrates the affordability and VfM of the scheme in its entirety.
58. In these cases we require the Communities and Local Government Housing PFI Financial Model to be used solely to identify and support the requested level of Communities and Local Government PFI credits, based on the works included within the Communities and Local Government element of the project. In demonstrating the affordability and VfM of the overall project, the local authority will have to provide its own analysis, outside of the Communities and Local Government Housing PFI Financial Model. This should be based on a single unitary charge.
59. Please also provide a brief description of any elements to be funded outside of the requested Housing PFI credits.
60. If you are planning on submitting proposals for a joint scheme then please contact Communities and Local Government should you wish to discuss your specific financial modelling requirements.

Sources of further information

61. Information on Housing PFI can be found on the Communities and Local Government website <http://www.communities.gov.uk/housing/decenthomes/deliveringdecenthomes/housingpfiprivate>.
62. The aims and objectives of Housing PFI are outlined, and there are details of current initiatives as well as relevant guidance notes and guidance for local authorities on tenant consultation.
63. A guide for tenants is available on our website at www.communities.gov.uk/archived/publications/housing/housingprivatefinance.
64. The review of the comparative costs of new build social rented housing can be found at <http://www.communities.gov.uk/publications/housing/nonhrapfi>.
65. There is also a significant amount of more general guidance available on PFI. Much of it is conveniently brought together on the 4ps website at www.4ps.gov.uk including access to the Housing PFI Procurement Pack. This also has links to other main sources of information such as the HMT and Communities and Local Government websites.
66. To access the Communities and Local Government website on local government PFI go to www.local.communities.gov.uk/pfi/index.htm. From this page information can be found on endorsed PFI projects, PFI regulations (including the Capital Finance Regulations) and PFI published guidance. Relevant HMT advice can be accessed at www.hm-treasury.gov.uk/spending_review/spend_sr04/associated_documents/spending_sr04_efficiency.cfm
67. The Gershon Review, *Releasing resources to the frontline: Independent Review of Public Sector Efficiency (2004)* can be found on HMT's website www.hm-treasury.gov.uk/spending_review/spend_sr04/associated_documents/spending_sr04_efficiency.cfm.

Application for provisional Communities and Local Government support for HRA Housing PFI projects

HRA Cover Sheet

NAME OF LOCAL AUTHORITY:	NAME OF GOVERNMENT OFFICE:
SCHEME TITLE:	
CONTACT NAME AND ADDRESS: Telephone: Fax: E-mail:	
SHORT DESCRIPTION OF THE SCHEME	
TOTAL NUMBER OF PFI SUPPORTED UNITS OWNED BY THE COUNCIL Before Development Non-Decent (ND): NDs To Be Demolished: After Development Made Decent through refurbishment: Made Decent through re-provision: Net New Build:	TOTAL NUMBER OF FACILITATED UNITS AFTER DEVELOPMENT For leaseholders: For shared ownership: For social rent: For private sale: Please ensure these units are not included in the model calculations.

<p>TOTAL NUMBER OF UNITS</p> <p>Before development:</p> <p>After development:</p>	<p>HAVE SITES BEEN IDENTIFIED? Y/N</p> <p>If so, how many units can be built on those sites?</p> <p>for re-provision:</p> <p>and for additional new social rent</p> <p>Who owns the land?</p>
<p>ESTIMATED PFI CREDIT REQUIRED:</p>	<p>WHAT IS THE PROPOSED COUNCIL CONTRIBUTION TO THE PROJECT:</p>
<p>PLEASE LIST PFI CREDITS BEING SOUGHT OR CONFIRMED FROM ANY OTHER DEPARTMENT AS PART OF THIS PROJECT:</p>	

Application for provisional Communities and Local Government support for non-HRA Housing PFI projects

Non-HRA Cover Sheet

NAME OF LOCAL AUTHORITY:	NAME OF GOVERNMENT OFFICE:
SCHEME TITLE:	
CONTACT NAME AND ADDRESS: Telephone: Fax: E-mail:	
SHORT DESCRIPTION OF THE SCHEME	
TOTAL NUMBER OF PFI SUPPORTED UNITS Before development: After development:	HAVE SITES BEEN IDENTIFIED? Y/N If so, how many units for social rent can be built on those sites?: Who owns the land?
TOTAL NUMBER OF FACILITATED UNITS AFTER DEVELOPMENT: For shared ownership: For social rent: For private sale: Please ensure these units are not included in the model calculations.	

ESTIMATED PFI CREDIT REQUIRED:	WHAT IS THE PROPOSED COUNCIL CONTRIBUTION TO THE PROJECT:
PLEASE LIST PFI CREDITS BEING SOUGHT OR CONFIRMED FROM ANY OTHER DEPARTMENT AS PART OF THIS PROJECT:	

Annex A – Prioritisation criteria for HRA and non-HRA Housing PFI schemes

In considering Housing PFI projects for submission to the Inter-departmental Project Review Group, Communities and Local Government will apply the following criteria in addition to the published assessment criteria of the Project Review Group:

Value for money: Schemes will need to demonstrate VfM using HMT's quantitative assessment tool which is part of the Communities and Local Government Housing PFI Financial Model. If the scheme includes joined up elements as well as housing, overall value for money will need to be demonstrated and details of other sources of income required to fund the scheme, including PFI credits from the relevant government department should also be provided. Non-HRA schemes will need to compare favourably with the benchmarks established through Communities and Local Government's cost of new build social housing review.

Demand: Authorities will need to demonstrate continuing high demand for the properties in the PFI contract over the contract term.

Policy objectives – HRA: Authorities will need to demonstrate how the project will contribute towards achieving transformational change in local authority stock.

Policy objectives – additional social rented housing: Authorities will need to demonstrate how the project fits with regional housing priorities.

Strategic context: Schemes should be integrated within the authority's overall housing strategies and should represent an investment priority for the authority. Where appropriate, Communities and Local Government will also take account of the extent to which schemes are embedded within a wider regeneration strategy for the area and are linked to complementary initiatives. Authorities will also need to demonstrate how the project will contribute towards wider government priorities and initiatives, such as: tackling homelessness; combating social exclusion; addressing worklessness; empowering communities; creating sustainable communities; providing larger units of family accommodation; helping first time buyers; increasing the number of new homes; revitalising areas suffering from low demand complementing housing market renewal investment; fostering innovation and cost-effectiveness in design and construction methods and promoting energy efficiency.

Tenant participation (HRA only): Authorities will need to demonstrate that they have considered the implications of the scheme for tenants and

that they have a sound strategy for consulting tenants on the proposals. Communities and Local Government will take account of the extent to which tenants have already been actively involved in decision making for the area as part of the options appraisal process.

Efficiency: Communities and Local Government will look favourably upon schemes that promote the use of innovative and cost-effective solutions both in meeting their objectives and during the procurement process. Communities and Local Government is working on a number of ways in which efficiency in social housing procurement can be increased to deliver more resources to the front line. Efficiencies may not only result in cost savings but also in increased quality. Value for money is more likely to be secured if the PFI work is procured in such a way as to maximise efficiency.

Marketability: Authorities will need to demonstrate that there is commercial interest in the project from the private sector and that there is every prospect of sustaining a competitive procurement.

Project management: Authorities will need to demonstrate that they have a good record of programme delivery, a good grasp of project management skills and arrangements in place to provide the resources required to deliver a PFI scheme.

Design quality: Authorities will need to take account of published guidance on design and quality. They should also promote the use of innovative and sustainable construction solutions in line with the principles set out in *Rethinking Construction*.

Communities and Local Government expects that homes provided through PFI will meet the standards of the day. Principally this means adherence to what are currently the Housing Corporation's Design and Quality Standards which include a requirement to meet minimum scores for key aspects of the Housing Quality Indicator (HQI) framework and also, progressively, the requirements of the Code for Sustainable Homes (CSH).

Annex B – Criteria to be applied by all Government Departments

To qualify for support a project must demonstrate in its OBC that it meets the following qualifying PFI criteria. An OBC will also wish to demonstrate how the project contributes to general government objectives such as diversity, cohesion and empowerment.

(1) Outputs

- (1.1) **Output specification.** The OBC should include a first draft of an output specification which should be set out as a clear definition of the objectives and outputs needed, with the standards required (rather than particular assets or solutions). This is a key characteristic of PFI contracts and allows for innovation and efficiency on the part of the private sector. The specification should be based on best practice and precedent from similar projects, and be consistent with affordability assumptions. An illustrative solution will generally be needed in order to undertake the necessary financial analysis, but it should be clear that this does not constrain the final solution.
- (1.2) **Planning and performance framework.** Projects must be consistent with and flow from the authority's plans and priorities, including Best Value Performance Plan and Community Strategy, the Capital Strategy and Asset Management Plan and/or the relevant strategic service plan.
- (1.3) **Sustainable development.** Projects must demonstrate an integrated approach to the social, environmental and economic well-being of the area, now and for future generations, in line with the Office of Government Commerce (OGC) guidance note *Green Public Private Partnerships*. This covers the promotion of sustainable development in location, design, construction, operation and maintenance.
- (1.4) **Design quality.** Where relevant, projects must show that they contribute to the Government's commitment to achieving "Better Public Buildings". Evidence could include the possible appointment of a 'design champion'; involvement of stakeholders; use of Design Quality Indicators (available from the Construction Industry Council); use of expert advice on design (including any involvement with the Commission for Architecture and the Built Environment (CABE)); and the extent to which design quality will be a key evaluation criterion for bidders. If the project involves construction work and lifecycle maintenance of buildings authorities should demonstrate how they intend to meet, as appropriate, the key objectives of the Egan Report. Authorities are expected to take account of the latest guidance on design quality in PFI projects available from OGC, CABE and 4ps. In some areas there may also be sector-specific guidance.

(2) Options appraisal

- (2.1) **Project options.** Projects must show that they are value for money, firstly in terms of a project scoped to best meet the needs and outputs identified. An OBC will therefore often include a cost/benefit analysis of the various options to demonstrate why the approach proposed was chosen. The methodology used should be in line with the Treasury guidance *Appraisal and Evaluation in Central Government* (the 'Green Book').
- (2.2) **Procurement options.** Value for money must also be shown in relation to the best procurement option. This should be done using the Treasury standardised VfM assessment procedure¹. This includes both qualitative and quantitative elements, which should both contribute to informing a wider judgement. Local authorities need to include a Stage 2 project assessment in the OBC, which will build on the Stage 1 programme assessment produced by the relevant sponsoring department. They should comment on any areas where their assessment differs from the general programme assumptions. Authorities should detail the sources of their information, and provide supporting material such as benchmarking against similar projects. The data used should be consistent with that used in other financial models.

(3) Affordability

- (3.1) **PFI payments.** The authority should submit financial models which set out the projected PFI service payments (the "unitary charge") for the reference project. These should show basic capital and revenue inputs, funding and timing assumptions. All financial models included in an OBC should be signed off by advisors.
- (3.2) **Sources of funding.** The models should use the projected costs to derive the PFI credit amount requested as detailed in Section D of this Guide. Again, all inputs, assumptions and calculation methods used should be set out. Other sources of funding must also be detailed. That includes assumptions on third party income and funding by partners (see also para 6.1). Any capital contributions planned should be exceptional, and an explanation of why they are necessary and how the risks involved would be mitigated must be provided.
- (3.3) **Affordability.** Payments should be shown alongside funding sources over the whole life of the contract (including also any interest earned on grant received in excess of that year's payments). The level of payments which the authority will have to meet itself (sometimes referred to as the "affordability gap") which this reveals must be accepted by members, senior management and budget holders. This should be done by reference to formal minutes. That commitment must take account of sensitivity analysis on factors likely to change.

¹ www.hm-treasury.gov.uk/documents/public_private_partnerships/additional_guidance/ppp_vfm_index.cfm

(4) Contract

- (4.1) **PFI contract.** A project contract must be based on accepted standardised contract documentation. With the exception only of LIFT projects, this will be *Standardisation of PFI Contracts (SoPC)*, as well as recognised sector-specific guidance, including Building Schools for the Future contracts and 4ps procurement packs. The version used, any addenda, and possible agreement to any derogations, should comply with the most recent instructions issued by HM Treasury.²
- (4.2) **Payment mechanism.** As a result of following the standard contracts noted above, eligible projects will be structured so that the transaction includes payment of fees at annual or more frequent intervals. In most cases payments should not be made until works have been completed and accepted, and the level of payment will at least partly be determined by performance standards or usage. Although up-front capital payments may in some exceptional cases be value for money, these must be agreed with HM Treasury at an early stage.
- (4.3) **Risk register.** Projects must supply an acceptable risk register (risk allocation) making a preliminary allocation of all the foreseeable risks associated with the scheme between the parties. This should follow standard form guidance including sector-specific guidance where relevant, such as 4ps procurement packs.
- (4.4) **Indemnity or guarantees.** No indemnity or guarantees must be given by the authority to any person in respect of any liabilities of the contractor with whom they enter into the contract (whether those liabilities were incurred in respect of the contract or otherwise).

(5) Accounting treatment

- (5.1) **Use of Financial Reporting Standard (FRS) 5.** A project must be considered a PFI contract under standard accounting requirements. FRS5 provides the basis for determining whether projects should be accounted for as a PFI contract or as akin to a lease – when Statement of Standard Accounting Practice (SSAP) 21 should be applied. The determination is based on whether or not there is an associated service element which is not independent of payments for the property.
- (5.2) **Balance sheet treatment.** Central Government has announced that it will be moving to International Financial Reporting Standards (IFRS), which will affect the way in which PFI assets are accounted for on the balance sheet. However, these new arrangements are not yet in place, and until a further announcement is made, authorities will need to provide an “initial view” of the accounting treatment as set out in Section 2 of *Technical Note No. 1 (Revised) How to Account for PFI Transactions (June 1999)*, available from the

² www.hm-treasury.gov.uk/documents/public_private_partnerships/ppp_standardised_contracts.cfm

Treasury website. The initial view must be supported by comments from the authority's external auditor as to whether it is reasonable. Should it appear likely during or after procurement that the initial view is likely to change, the sponsoring department should be notified immediately.

(6) Deliverability

- (6.1) **Project director.** The project director plays a key role in delivering the PFI/PPP project, and is therefore considered the most critical appointment to the project. The project director should be 'empowered' to do the deal, and the seniority of the person appointed will need to reflect the complexity of the project and the local authority's decision making structure. For most PFI projects, the project director will be supported by a project manager and a multi-disciplinary project team. Depending on the project and team, either the project director or manager plans and allocates responsibilities for the project's tasks and development as part of the project methodology and takes day-to-day responsibility for leading and managing the development, procurement, execution and delivery of the project. They will be responsible for leading the discussions and 'competitive dialogue' with bidding consortia.
- (6.2) **Project team.** The project director should be supported by a properly resourced project team with project management experience and the necessary range of skills and experience relevant to the project. This experience needs to be demonstrated in the OBC. The team need to be working within a suitable project management structure, which should be outlined with specific reference both to reporting lines to the project board and members; and to the delegation of suitable powers to allow effective management of the project. The project will be expected to be accessible to the involvement of the 4ps and departments.
- (6.3) **Sponsorship and support.** Projects must have support from all key sponsors (such as councillors and senior officers) and other stakeholders such as school governors. A project owner or 'local champion' who will be sufficiently well placed to promote and pilot the project and drive it to successful implementation should be identified. Typically this would be the director for the relevant service area, the chief executive, or the executive member who has the authority to negotiate and ensure that the project is completed. There must be an effective communications strategy to liaise with all interested groups and keep them informed of progress/key decisions. Where affordability depends on funding from other parties, commitment by those bodies to the levels set out in the affordability assumptions must be demonstrated.
- (6.4) **Commercial interest.** A project must be able to show evidence of commercial interest. The authority should set out its approach to market sounding exercises, and provide evidence of the number of organisations contacted and their response. If there are likely to be factors which might hinder a good competition (eg geographic or sector related) these should be addressed.

- (6.5) **Internal risk register.** A register should be included identifying all the risks to be managed by the public sector during procurement, ranking them in order of importance, and assigning risk owners and mitigation strategies. There should be regular reporting of risk management to the project board and a process to regularly update the risk register. If there have been any recent gateway reviews to inform the register, information on this should be included.
- (6.6) **Advisors.** A project will need to demonstrate that suitable advisors are in place (or, if not, when they will be), with the necessary funding. These are likely to need to cover technical, financial, legal, and insurance matters. If the authority is using in-house resources they should demonstrate that they are suitably skilled and experienced. For external advisors, the terms of appointment should be detailed (including requirements to share information, and arrangements for periodic review), and – if already appointed – their relevant sector-specific experience.
- (6.7) **Timetable.** A timetable should be prepared covering all stages from submission of the initial proposal to start of service provision, bearing in mind that the process has changed recently under the competitive dialogue procedure. In particular a realistic deadline should be proposed to reach contract financial close, with stages of the procurement process kept to a minimum consistent with achieving value for money. This should be consistent with the model procurement timetables in 4ps procurement packs. Authorities are advised to ensure that the timetable and affordability assumptions are consistent.
- (6.8) **Statutory processes.** The impact of statutory processes such as planning permission, public enquiry etc. on the project must have been considered. Processes should either be complete or an authority will need to indicate how any potential problems will be resolved in the procurement process. That should include any risk mitigation strategy, a consideration of the potential impact on the timetable, and a description of consultations possible at the stage reached. An authority should consult with the relevant sponsoring department and follow any additional guidance which may be available on what is expected on planning and site issues before a project goes to the market.
- (6.9) **Sharing of information.** The local authority must confirm that they will be ready to share experience and contract documentation throughout and at the end of procurement, at no cost, with other local authorities procuring similar projects, with government departments, their agents and with the 4ps. This information will be held as confidential, but any information of genuine commercial sensitivity (which is expected to be minimal) may be withheld. Authorities should make clear to potential contractors that this information-sharing requirement is a formal condition imposed by the Government as a condition of support.

- (6.10) **Operational phase.** The authority should show that it has a strategy to ensure a smooth transition from procurement to the operational phase of the project; and that sufficient resources will be available to allow for adequate monitoring of the operational contract. Authorities are advised to refer to the Operational Taskforce Note *Project Transitional Guidance*³.

³ www.hm-treasury.gov.uk/media/2/3/pfi_projecttransition_210307.pdf

Annex C – Examples of schemes

HRA PFI schemes

Ashford Borough Council – Stanhope Estate

The scheme involves the demolition of 410 properties and the refurbishment of a further 358. In addition to the refurbishment the PFI credits are funding considerable remodelling, demolition and rebuild. The contract also encompasses all management and maintenance functions. The regeneration also includes the provision of around 450 new houses that consist of a mixture of private ownership, shared ownership and social housing provided with Housing Corporation funding.

Date of contract signature: April 2007

Length of contract: 30 years

Level of PFI credits awarded: £40m

Contractor: Chrysalis (Gleeson Capital Solutions Ltd, Moat Housing and Nationwide Building Society)

London Borough of Lambeth – Myatts Field

The scheme covers properties on the Myatts Field North estate, built in the late 1970s. A number of properties will be refurbished while others will be demolished and re-provided. The construction work will be phased over the first five years of the contract. Re-modelling of the estate will be undertaken to address exposed rear gardens, poor circulation routes and the consequent lack of personal safety. In addition, to combat serious crime issues, the existing open space (Mostyn Gardens) will become a more conventional park, with new housing overlooking it from at least three sides. The scheme will also facilitate the new build of additional units for sale, to improve the economic diversity of the community. The scheme is currently at final tender stage.

Kirklees Metropolitan Borough Council – Excellent Homes for Life

The scheme will deliver around 550 new council-owned homes to replace 650 non-sustainable, non-decent homes which no longer meet the needs of tenants. The new homes will be developed on a number of sites across the borough and will be a mixture of general needs and extra care properties. They will be high quality, purpose built units catering for three key client groups – small households, individuals with physical disabilities and older people requiring extra care and support. The contract will also include the ongoing management, maintenance and lifecycle works for these properties over the length of the contract. The scheme is currently at the BAFO stage.

North Tyneside Council – Older People – Homes for the Future

Modernisation of existing 33 sheltered housing schemes through refurbishment and new build, plus a new extra care scheme to meet the decent homes standard and aspirations of a growing older population. The Council intends to refurbish 432 units and demolish 600 with the re-provision of 513. The scheme is about to enter the procurement phase.

Non-HRA PFI schemes

Cheshire County Council – Extra Care Housing Project

New build provision of 240 extra care, additional social rented homes to be built on five sites across Cheshire (at Crewe, Ellesmere Port, Handforth, Middlewich and Winsford).

The contractor will undertake the initial development and will also provide a range of hard and soft FM services together with a comprehensive housing management function over the contract term. The homes will be built within two years.

The scheme will also facilitate the new build development of 113 extra care units for outright sale and 80 extra care units for shared ownership.

Date of contract signature: October 2007

Length of contract: 30 years

Level of PFI credits awarded: £55m

Contractor: Avantage (Gleeson Capital Solutions Ltd, Manchester and District Housing Association and Nationwide Building Society)

Kent County Council – Better Homes Active Lives

Communities and Local Government is supporting Kent County Council with £72.5m in PFI credits for this scheme which will deliver 340 high quality supported housing units for older people (275 units), adults with a learning disability (58 units) and adults with mental health problems (seven units) on 12 sites across 10 districts in Kent. The County Council has entered into the contract on behalf of 10 District Councils and their Primary Care Trust partners.

Date of contract signature: Oct 2007

Length of contract: 30 years

Level of PFI credits awarded: £72.5m

Contractor: Kent Community Partnerships Limited. KCPL is a mutual and provident society set up by Housing 21 with funding from Barclays Bank.

West Wiltshire District Council – West Wiltshire Non-HRA PFI Scheme

Provision of at least 400 additional social rented units across the district. Sites for 200 units have been identified by the Council with the remaining units

to be built on land brought forward by the successful bidder. The homes will help to house the increasing numbers of homeless households, reducing the cost of temporary accommodation and replacing inadequate hostel accommodation. The scheme is currently in the procurement phase.

Woking Borough Council – Priority Homes – Putting Affordable Housing First

The scheme will deliver 190 affordable social rented homes (20 × 1-bed flats, 16 × 2-bed flats, 50 × 2-bed houses, 93 × 3-bed houses and 11 × 4-bed houses) on the Moor Lane site. The PFI contractor will be responsible for the building and ongoing management and maintenance of the properties over the 27 years of the PFI contract. The scheme will also facilitate the delivery of homes for shared ownership and outright sale on the site. Current estimates indicate that around 95 shared ownership units and 190 homes for private sale can also be provided, clustered throughout the site amongst the affordable social rented homes, to provide integrated mixed communities. The scheme is currently entering the procurement phase.

Derby City Council

Provision of 175 units of social rented housing using a combination of new build properties and the refurbishment of properties acquired by the contractor. The exact numbers of each are still to be determined but at OBC approval there were 95 new build and 80 refurbished properties. The new build properties will be on a mixture of land provided by the council and land acquired from developers through the section 106 process – both provided for the scheme at nil cost. The scheme is at the ITN stage.



EXCELLENT HOMES FOR ALL

Kent Non-HRA Housing PFI Outline Business Case



ASHFORD
BOROUGH COUNCIL



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EXECUTIVE SUMMARY

This document presents Kent County Council's (KCC) and District Council Partners' Outline Business Case to the Department for Communities and Local Government, for Non – HRA Private Finance Initiative Funding.

The OBC demonstrates the need to increase provision of appropriate supported accommodation for three key client groups – older people, people with mental health problems and homeless people who require move-on accommodation. It forms part of the Council's wider strategies to maximise the independence of vulnerable people, to promote social inclusion and to ensure adequate choice in housing provision. It supports the delivery of the Government's Sustainable Communities Plan in the South East and the development in the growth areas of Kent.

This OBC covers the following:

- The background to the project in terms of the population structure within the County of Kent.
- The need for this type of social housing and the lack of available suitable housing.
- The options considered by KCC and the district partners i.e. to continue with existing provision, refurbish existing facilities or build new ones.
- Whether the project can achieve value for money for KCC and the district partners.
- The PFI credits being applied for, the basis of this and the affordability of the project.
- How marketable the project is.
- How risk will be shared with the private sector partner and the proposed accounting treatment of this transaction.
- How the whole procurement process will be managed and the timetable to which the project will be delivered.
- The contract length, broad terms including design and sustainability standards, how the sites will be transferred and the basic principles of the payment mechanism.
- How the contract will be managed once financial close has been reached.
- Support for the project from the partners, and other stakeholders.
- An outline of the statutory processes that need to be considered during the procurement of the project.

Appendices A to Y are submitted in support of this OBC.

The OBC is an application for PFI Credits of **£75.090 million**.

The value covers the delivery of the Project across five District Councils and a large geographical area with high housing needs. The approval of PFI Credits would enable the Partners to provide a sustainable form of accommodation for vulnerable people whilst relieving pressure on other types of provision such as under-occupied family housing.

Delivering the project in partnership and integrating housing for all three groups of vulnerable people in one PFI generates economies of scale, good value and a solution which will transform the lives of vulnerable people in Kent.

The Preferred Strategic Service Option

The options appraisal process outlined in Section Four demonstrates that the preferred strategic service option for broadening provision for vulnerable people is the following:

- 208 apartments of new build extra care housing for older people – distributed across 5 districts
- 9 new apartments for people with mental health needs for people in Thanet
- 11 new 'move-on' apartments for vulnerable homeless people in Ashford.

This option is referred to throughout the OBC as the *Excellent Homes for All* project.

The Preferred Procurement Option

A range of procurement options were evaluated, against their ability to deliver the preferred service

option at best value. The conclusion of this process was that the PFI procurement route offers best value for money against the Public Sector Comparator and is an affordable method of delivering the proposed developments.

This OBC, therefore, demonstrates how PFI Credits could be used to deliver the vision of central and local Government to improve infrastructure and services and illustrates how the partners will work effectively together to manage that process.

1. INTRODUCTION

- 1.1 The Vision for Kent, produced by the Kent Partnership, sets out a 20 year Community Strategy for the County. Amongst its key themes is the aim to create a County where housing needs are met and decent, high quality homes help create attractive, safe and friendly communities. The vision also aims to ensure that residents of Kent are supported to lead fulfilled and independent lives and contribute to their communities. This is reinforced in the County's Active Lives for All care strategy to move towards preventative social care and increased choice, to enable vulnerable people to take greater control of their lives and to live safely and independently. This OBC addresses these aims and forms part of Kent County Council and five District Council Partners' wider strategies to:
- Maximise the independence of vulnerable people - enabling people to gain and maintain a high level of independence, whilst providing them with appropriate levels of support, resulting in a permanent improvement to their quality of life.
 - Promote social inclusion - to maximise vulnerable people's participation in the life of the community.
 - Ensure safety and choice - in order that vulnerable people have a choice of the type and location of the accommodation and support they need; and the provision of housing and other services which are of a high quality.
- 1.2 The commitment of the partners to work together to deliver this project jointly is underpinned by the 'Development Agreement' which is attached in Appendix H and will be sealed by all partners prior to OJEU.

Scope of Project

- 1.3 The proposals put forward as the preferred strategic service option within this OBC comprise of three main elements given below.

i). Extra care housing for older people in five districts across the County.

- 1.4 Extra care is a form of sheltered housing which includes 24 hour support (including a dedicated care team), flexible accommodation that is wheelchair accessible, contains assistive technology and has facility for the provision of cooked meals. It offers reassurance to enable people to live safely within their local community and provides a 'home for life'. It also promotes independence, as tenants have their own homes but know that help is at hand whenever anything goes wrong.

ii). Supported living units for people with mental health problems in Thanet.

1.5 The scheme will be accommodation for people with mental health problems with the inclusion of one flat for support staff. The accommodation is to enable individuals to move on from institutional accommodation. They will provide people with the bridge from dependence to independent living in the community. The district has been identified as having significant shortfalls in this service area.

iii). Accommodation for vulnerable homeless people in Ashford.

1.6 The clusters of 'move on' accommodation will target the most vulnerable members of the community such as young people coming out of care who need a place to live before accessing other accommodation. This scheme will aim to prevent homelessness by providing suitable accommodation and support as necessary.

Distribution of new provision

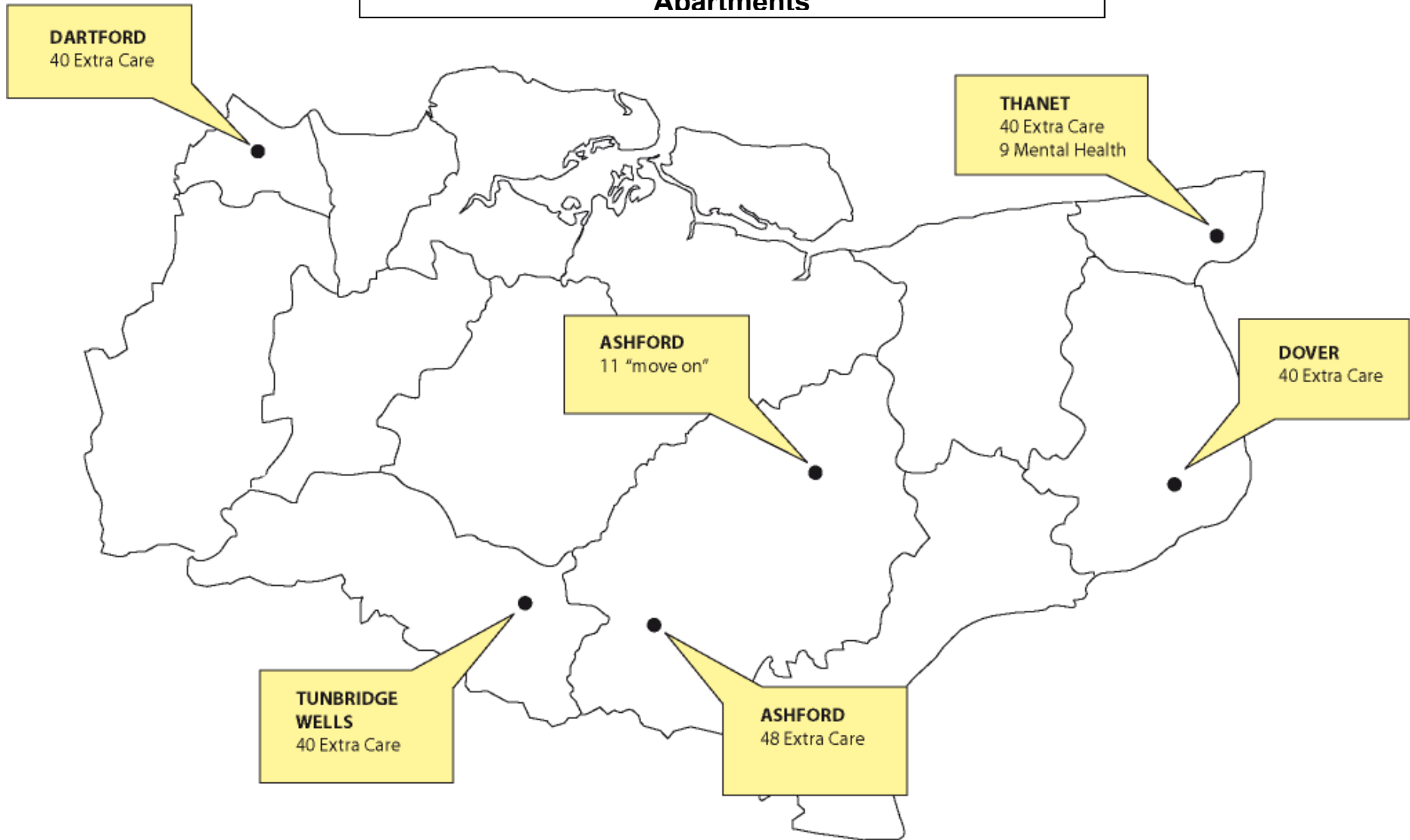
1.7 The chart and map overleaf demonstrate how the accommodation would be distributed across the County.

NUMBER OF APARTMENTS	DESCRIPTION	DISTRICT
11	People who are vulnerable/homeless (move-on)	Ashford
48	Extra care sheltered housing	Ashford
40	Extra care sheltered housing	Dover
9	Mental health needs	Thanet
40	Extra care sheltered housing	Thanet
40	Extra care sheltered housing	Tunbridge Wells
40	Extra care sheltered housing	Dartford
228		

1.8 The contract will be for 30 years and will cover new build, continuing management and maintenance of all the units. The accommodation will be distributed across seven sites, all of which are in the ownership of the procuring authorities. Care services will not be included in the contract, and arrangements for care will be made separately by the County Council.

1.9 KCC will enter into the contract with the PFI company / consortium and KCC will enter into a back to back agreement with the other Local Authority partners. There will be one Unitary Charge which will be paid by KCC. Benefits, costs and risks will be shared as appropriate with the District Councils through the Back to Back Agreement.

Excellent Homes For All - Distribution of Apartments



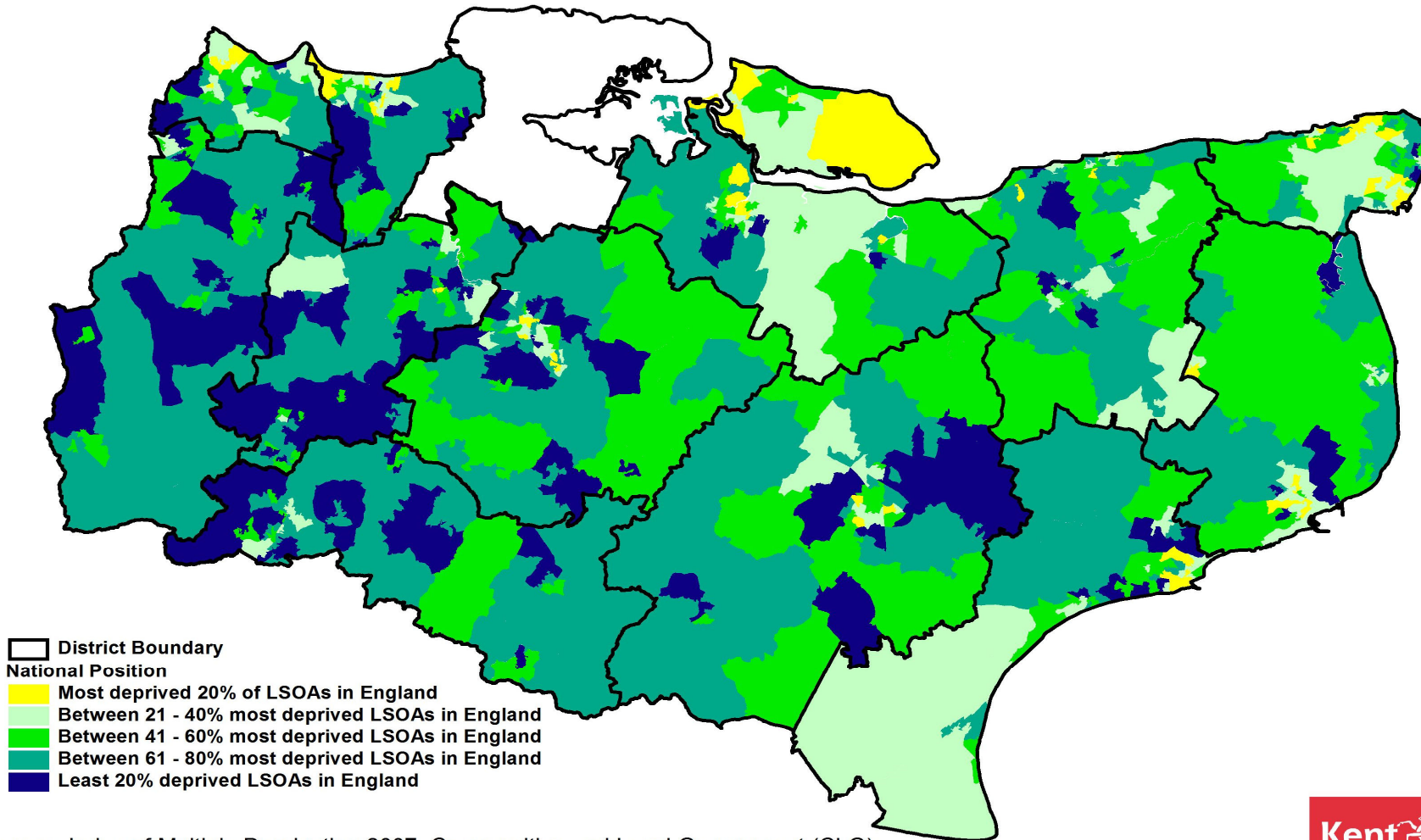
2. BACKGROUND TO THE PROJECT

Diversity in Kent

- 2.1 Kent has the largest population of all the non-metropolitan areas in England with a population of just below 1.4 million. Kent does not have one large urban centre. It has 18 towns, one city and over 300 Parish and Town Councils. Although the majority of Kent's population lives in the towns, 30% live in the surrounding rural areas which are often remote and difficult to access by public transport.
- 2.2 Kent's population is predominantly of white ethnic origin, with 5% of Black Minority Ethnic (BME) origin. However, some areas have significant black and minority ethnic communities. For instance, in Gravesham over 12% of the population are from minority ethnic backgrounds.
- 2.3 Compared to the rest of the South East, deprivation levels in Kent are high and are unevenly distributed across the County. The east of the County is more deprived than the west with a higher percentage of deprived Super Output Areas (SOAs). Thanet, the most deprived district in Kent, is ranked 65th (out of 354 districts in England) in the Index of Multiple Deprivation (IMD) 2007. Thanet has the two most deprived SOAs in the South East which are ranked as 167th and 192nd (out of 32,482 SOAs in England) in the IMD 2007. These ranks place the two Thanet SOAs within England's top 1% deprived.
- 2.4 The map below illustrates the spread of deprivation across Kent according to the IMD 2007. The map demonstrates that, although concentrated in the north and east of Kent there are still significant pockets of deprivation. Two of the schemes being delivered through the project will be based in Thanet, the District in Kent with the most deprived wards. The other schemes are spread across the County in areas where there are high levels of need for this type of accommodation, as illustrated in Section Three.

**National Rank of LSOAs in the Kent County Council Area based on
the Index of Multiple Deprivation (IMD) 2007 Scores**

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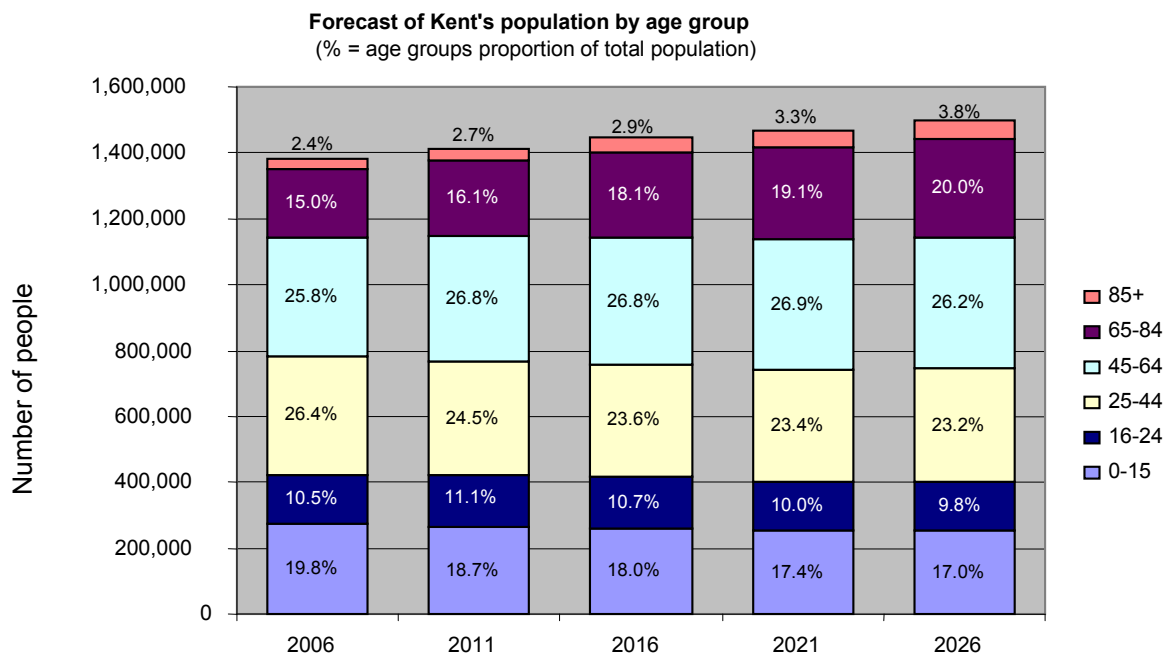
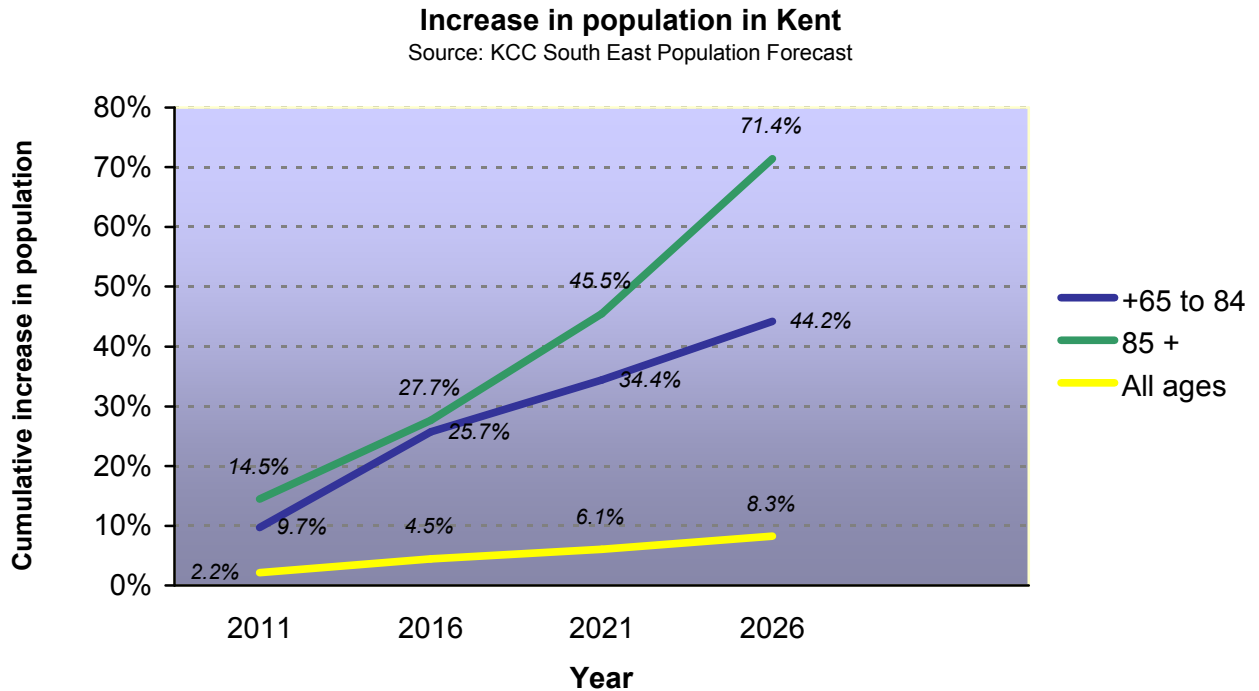


Source: Index of Multiple Deprivation 2007, Communities and Local Government (CLG)
 Map produced by The Analysis and Information Team, Kent County Council
 (C) Crown Copyright. All rights reserved, 100019238, 2007



Demographic Change in Kent

2.5 Kent has an ageing population. Policy based forecasts show that the retirement age population (65+) in the KCC area is forecast to increase by 44% over the period to 2006-2026, whilst Kent's population aged 85+ is forecast to increase by 71%. As demonstrated on the graph below these rates of growth are significantly higher than for the population as a whole (8%).



Source: South East Plan Strategy-based Population Forecasts (Sept 07)
Produced by The Analysis and Information Team, Kent County Council

2.6 The population of working age in Kent (16 – 64) is forecast to increase by only 2% during the period 2006-2026 meaning that there will be fewer people to provide the natural family support to the growing older population.

2.7 These demographic changes will put increased pressure on existing health, social care and housing provision. The County therefore has developed preventative strategies for care that promote independence amongst people in these groups. Central to this is the need for the provision of appropriate social housing and specialist supported housing. The new housing to be delivered through the PFI forms a key element of the Partners' strategy to address this and to ensure that appropriate services are available to meet future need.

Growth in Kent: Ensuring Sustainable Communities

2.8 Ashford and the Kent part of the Thames Gateway are identified in the Government's Sustainable Communities Plan as growth areas. Development is not solely restricted to these two areas. Over the next two decades Kent will see a 20% growth in the number of dwellings across the County.

2.9 The table below sets out the planned levels of housing growth to be built in each Kent district over the next 20 years. These figures are currently draft and are subject to change as the Draft South East Plan is developed.

Housing Provision Used in South East Plan Strategy-based Forecasts (Sept 07)

District	2006 - 2011	2011 - 2016	2016 - 2021	2021 - 2026	Total 2006 - 2026
Ashford	4,600	5,900	6,100	6,100	22,700
Canterbury	2,700	3,000	1,700	1,700	9,100
Dartford	4,500	4,000	3,600	3,600	15,700
Dover	2,100	2,900	1,500	1,500	8,000
Gravesham	1,600	1,400	3,200	3,200	9,400
Maidstone	2,200	3,000	2,500	2,500	10,200
Sevenoaks	800	900	800	800	3,300
Shepway	1,500	1,500	1,100	1,100	5,200
Swale	3,100	3,100	1,500	1,500	9,200
Thanet	1,800	2,000	1,800	1,800	7,400
Tonbridge & Malling	1,900	3,000	2,100	2,100	9,100
Tunbridge Wells	1,600	1,400	1,500	1,500	6,000
	28,400	32,100	27,400	27,400	115,300

2.10 Social changes have placed greater demand on the housing market, particularly from an increased number of people living alone. The high level of home ownership now prevalent will also encourage change in market provision for older people and a demand for wider housing options. The need for wider housing options is likely to be exacerbated by the downturn in the economy. Increasingly people will be unable to pay their mortgages or afford private housing. Some will become unemployed and others depressed or ill due to the stress of a difficult economic and social environment, putting pressure on social and supported housing services. The Excellent Homes for All PFI will contribute to the provision of additional social housing required by the Plan and will provide a benchmark for high quality housing which is appropriate for future needs and which provides sustainable Lifetime Homes.

3. HOUSING & BUSINESS NEED

Overview

- 3.1 Government has set a target to provide three million more homes in England by 2020 which will include an increase in social rented and affordable housing. The development of both Ashford and the Thames Gateway area in Kent is a key element in achieving the government's plans for Sustainable Communities. With the production of the new strategy "*Lifetime Homes, Lifetime Neighbourhoods*" by the CLG and DOH, government has also recognised that more homes are needed to meet the rising demands of a population that is both increasing and ageing.
- 3.2 The draft *South East Regional Housing Strategy (2006-2009)* calls for significant investment to tackle the shortage of high-quality, affordable homes in the region. It argues that more social housing should be built and existing housing stock upgraded so that more people have greater opportunities to buy and rent property. The strategy also recognises that lack of affordable housing in the region along with high levels of homelessness have led to a high level of need, especially among vulnerable groups including older people and those with mental health problems.
- 3.3 This project will meet some of the needs outlined in both central and regional government housing strategies by creating 228 new homes for social rented housing for vulnerable people.

There are 3 main groups of vulnerable people who this project aims to support:
 1. Older people
 2. People with mental health problems
 3. Vulnerable homeless people
- 3.4 The following pages outline the need and demand for new housing in Kent to support these groups. The analysis provides the national, regional, and local strategic context for each type of accommodation. The information is broken down by client group and demonstrates the need for each type of housing in those Districts where the Excellent Homes for All project will be delivered.

EXTRA CARE FOR OLDER PEOPLE: STRATEGIC CONTEXT

National Policy Agenda

Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society

3.5 The joint DoH/CLG strategy - *Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society* sets out the housing challenges for an ageing society and establishes a vision for ensuring that in future there is enough appropriate housing available. The schemes which are proposed through the Excellent Homes for All project meet the ideas and requirements that underpin this strategy in the following ways:

- **Homes and neighbourhoods should be inclusive and future proof** - the new extra care schemes delivered through the project will increase the choice of appropriate housing for older people locally. They will be inclusive in their design (both for the physically disabled and for those with dementia) and apartments will be convertible for tenants who are wheelchair users. Tenants should be able to remain in their own homes for life.
- **Improved housing advice and information for older people** – the scheme will act as a one-stop-shop for advice and will provide space which could be used by agencies such as the CAB, local age concern groups or representatives, senior citizens forums and visiting benefits officers and care professionals. This will add to the inclusive atmosphere of the scheme and ensure that tenants are able to remain as independent as possible, and engaged with their local community.
- **Lifetime homes** – the housing will be designed to meet the Housing Corporation's Design and Quality Standards and lifetime homes standards.
- **Joining up health and care services** – the facility will provide space for use by visiting health and social care professionals. It will also be designed to include telecare technologies and to enable the provision of telehealth services which can be used by tenants or visiting members of the local community.

Our Health Our Care, Our Say – Putting People First

3.6 The White Paper confirms the Department of Health's vision for high quality support which will meet people's aspirations for independence and enable them to have greater control over their lives. It requires services to be more flexible and responsive to individual needs, supporting people to remain active and independent and assisting them to stay in their own homes.

3.7 The Excellent Homes for All schemes will be based around an ethos of ensuring dignity and independence, both for tenants and also for older people who visit the schemes to access care, support and advice services. The focus will be on promoting individuals' rights and ensuring access to choice both from a cultural perspective and in terms of respecting privacy and independence. The presence of 24 hour care on site, with appropriate use of design for dementia and telecare will ensure that care and support is not intrusive and that individuals can be as independent as possible.

The National Service Framework for Older People

3.8 This Department of Health strategy sets out standards of care for older people which centre on ensuring that care is person centred, that it respects dignity and promotes choice and independence. Extra care housing is a model which has been promoted nationally for its ability to promote and maintain older people's independence through the provision of a home which is appropriate and adaptable enough to cater for individuals' changing needs.

Regional Housing Strategy

Government Office of the South East - Regional Housing Strategy (2006 - 2009)

- 3.9 This strategy recognises that housing has a significant role to play in improving health and that housing, health, social care and planning partners should work together to tackle common issues. It also recognises that the lack of high quality accessible housing places strains on the health infrastructure resulting in bed blocking or the use of expensive residential care and it promotes Care and Support packages to help vulnerable older people maintain tenancies and remain in their own homes. The Excellent Homes for All Project will contribute to the delivery of the GOSE strategy and will address key issues raised regarding inadequate choice and availability of appropriate housing for vulnerable groups.

Local Aims and Commitment

Kent Local Area Agreement

- 3.10 There are a range of Joint Performance Agreement Indicators which the Excellent Homes For All Project will contribute to. In particular the Kent Local Area Agreement which has been signed by the County Council and 12 District Councils in Kent focuses on promoting independent living for all and has targets to increase the number of affordable homes (N155) and to increase the number of vulnerable people achieving independent living (N141). The schemes proposed through Excellent Homes for All will help to achieve the targets laid out in this Agreement.

Active Lives 2006 - 2016 (Kent County Council)

- 3.11 This is a Kent County Council strategy for social care which reflects direction set out in the Government White Paper 'Our Health, Our Care, Our Say'. The strategy commits to providing innovative schemes that support people to live in their own homes. This objective also includes designing adaptability and flexibility into new housing schemes such those being delivered through Excellent Homes for All.

Kent Towards 2010

- 3.12 Towards 2010 is Kent County Council's vision for the delivery of local public services. The targets include a commitment to enable people to lead independent lives and:
- Encourage the development of more housing for older people, disabled people and those with special needs.
 - Take advantage of new technologies, such as expanding our Telehealth and Telecare programmes.
 - Work with colleagues in the Health service to reduce the number of avoidable admissions to hospital.
- The Excellent Homes for All Project will meet these outcomes.

District Council Housing Strategies

- 3.13 Each of the five district councils who are partners in Excellent Homes For All are procuring extra care housing through this project because it is a recognised need in their area. This is highlighted in the District and Borough Council Housing Strategies, which are summarised in the rest of the 'need and demand' section.

EXTRA CARE FOR OLDER PEOPLE: NEED & DEMAND

- 3.14 The local authorities and health care providers in Kent are committed to providing quality and choice in housing for older people.
- 3.15 KCC and its District and Borough Council partners have recognised the need for additional adequate housing provision for vulnerable groups in their strategic aims and priorities. The District Council Housing Strategies and Needs Surveys demonstrate the need for additional choice in adequate housing for older people and the commitment of local authorities to work in partnership with other agencies to meet it. The Excellent Homes for All Project builds on the work begun through the Better Homes Active Lives PFI as part of the strategy to address this issue.

Demographic Changes – An Ageing Population with Changing Aspirations

- 3.16 As demonstrated Kent has a rapidly growing ageing population. This will put significant strain on services in future as the demand for additional appropriate housing for older people which is already high is certain to increase. National and local research has also consistently shown that older people have rising aspirations and are able to exercise greater choice in housing after retirement.⁸ There is therefore a need for accommodation offering a range of options that enable people to retain their independence rather than entering institutional care.

Providing Appropriate Care in a Flexible Manner

- 3.17 Current provision for older people consists of either:
- Domiciliary provision.
 - Home adaptations and housing related support.
 - Residential or nursing care.
 - Sheltered accommodation.
- 3.18 The Joint Strategic Needs Assessment for Adults in Kent (2008), which is produced jointly by health and social services states that a key aim of any preventative approach to join up health and social services is to enable people to live as independently as possible in their own homes. This will require a shift of services from hospital, residential and nursing homes to domiciliary and community based settings (currently 17% of all older people known to social services are in nursing and residential care across Kent)⁹. To a large extent this change can be achieved through the provision of good domiciliary care and the appropriate use of home adaptations and housing related support. Kent is currently employing new strategies to improve these services such as the increased use of direct payments and the roll-out of a new telecare programme. However, for many older people there comes a point where these services are no longer adequate for a number of reasons, for instance:
- many homes are not suitable to take the level of adaptations that a person may require, or the amount of adaptation required may be extremely expensive.
 - It is difficult to provide the levels of domiciliary care that an individual needs, for instance it can be difficult to provide domiciliary services at night due to problems with staffing and the cost-effectiveness of the service.
- 3.19 Once this provision is no longer able to meet an individual's needs, they are often referred into a residential home. Although the individual may not require institutional care there is a gap in suitable provision available to them and often individuals or

⁸ www.communities.gov.uk/documents/housing/doc/aspirationsresearch.doc

⁹ Joint Strategic Needs Assessment for Adults in Kent 2008, p26.

their relatives do not feel that they will be safe staying in their current accommodation.

- 3.20 Additional choice in appropriate accommodation, which is designed to cater for the needs of this group, will mean that some of those people will not have to access institutional care and can continue to contribute to the life of their local community.

Preventing Inappropriate Stays in Hospital

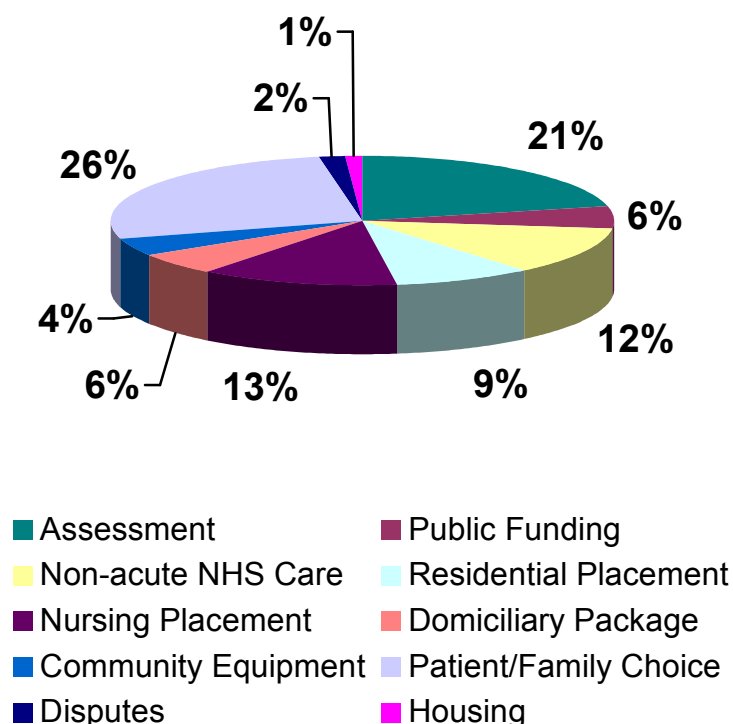
- 3.21 The lack of appropriate accommodation for older people in Kent is also demonstrated by the reasons for delayed discharges from Kent hospitals.

- 3.22 Delayed discharges from hospital are acknowledged as an issue in Kent and the Kent partners are addressing the National Indicator 131 - Delayed Transfers of Care. The Kent Partnership have a Towards 2010 target to *"Work with colleagues in the Health Service to reduce the number of avoidable admissions to hospital and combine resources, where appropriate, to improve the health and well-being of people in Kent."*

- 3.23 The graph below demonstrates the percentages for the average weekly reasons for delayed discharges from Kent hospitals for the time between April 2007 and December 2008.

- 3.24 A total of 21% of the delays were because individuals were waiting for appropriate accommodation to become available (residential, housing, or nursing), or for adaptations to be made to their homes. Another 26% were due to delays whilst individuals and families were trying to make a choice about where to move that individual to. The introduction of extra care schemes in Kent will assist with relieving some of the problems of delayed discharge by providing an attractive alternative to residential care and a form of accommodation which can be easily adapted to meet individuals' needs coming out of hospital.

Weekly Average Reasons for Delayed Discharge



Current Provision of Sheltered Housing for Older People

- 3.25 Five districts in Kent have identified a particular need for an increase in the provision of appropriate housing for older people. Ashford, Dartford, Dover, Thanet and Tunbridge Wells all have a need for extra capacity of this type of accommodation.
- 3.26 As the evidence below illustrates – some districts in Kent have no extra care provision at all. Of the ordinary sheltered units that do exist, some, built in the 1960's, are no longer appropriate either because they include a high number of bedsits or lack disability access. This type of ordinary sheltered housing is therefore not appropriate for many older people. Currently there is such high demand for housing for older people in some districts that even ageing sheltered housing cannot be immediately de-commissioned.
- 3.27 The development of extra care housing in Kent would increase the total amount of appropriate provision available, increase the choice and nature of accommodation provided and release space in other accommodation. It would also lead to additional residential care places being available for those who really require it and would free up much needed under-occupied affordable family housing. The situation in each district varies and a summary of some of the strategic issues for each district are given below:

TUNBRIDGE WELLS

The following information demonstrates the need in Tunbridge Wells for Extra Care housing.

Population over 65 (2007 – Source: ONS)	17,600
Population over 85 (2007 – Source: ONS)	2,700
Current number of sheltered housing units	781
Current number of extra care units	0
Proposed number of new extra care units	40

Summary of Condition of Current Sheltered Stock:

- 3.28 Existing social housing sheltered schemes managed by housing associations in the borough were mainly built in the 1960's and 1970's and whilst most are maintained in good order with double glazing, central heating and communal facilities, many include bedsit accommodation, lack sleepover rooms and not all schemes have lifts or level access to all areas. Of the 781 units of sheltered housing stock that is available for older people 140 of the units are bedsits, and 389 of the units are in buildings with more than one floor but no lift access making them inaccessible to people with mobility problems or wheelchair users.

Housing Strategy Statement:

- 3.29 The provision of extra care housing for older people supports the following priorities of the Housing Section of the Tunbridge Wells Sustainable Community Strategy and also the Council's 2006-2011 Housing Strategy:
- Priority 1 – Provision of Affordable Homes (including Social Rented Homes, Low-Cost Home ownership and Housing for Key Workers).

- Priority 2 – Supporting Independence for all Vulnerable People (including Older People, Young People and those with Disabilities).
- 3.30 The provision of an extra care scheme for older people via the Housing PFI project is a specific target within the Council’s 2006-2011 Housing Strategy Action Plan.
- 3.31 The Housing Strategy 2006-11 notes that “*some sheltered housing for older people in the Borough may not be suitable to meet the needs of current and future residents*” and that “*there is a lack of extra care sheltered housing for older people.*” In 2005 the Council commissioned consultants BMG to conduct a borough-wide survey to seek local peoples views on what they thought were the most important issues locally. Respondents indicated that the highest housing need in the borough is for more affordable homes, followed by sheltered housing for older people and the adaptation of existing housing for disabled people.
- 3.32 The Housing Strategy highlights the Excellent Homes for All PFI scheme as a contribution to planned improvements in the Borough for older people - through the provision of extra care housing which will enable them to ‘downsize’ and live in the community close to local services.

Housing Needs Survey Data

- 3.33 Data shows that there are currently (as of 14 January 2009) 112 applicants registered on the Tunbridge Wells Housing Register seeking sheltered accommodation. Of these, 18 applicants are seeking sheltered accommodation in Cranbrook (the ward in which the new facility will be developed). The Housing Register application form does not currently ask if anyone is interested in extra care sheltered housing as there isn't any in the borough at present and so can not be offered.
- 3.34 The Council's most recent borough-wide Housing Needs Survey undertaken in 2005 estimated the demand for affordable sheltered housing in the borough in the next two years at 389 households and for extra care housing at 251 households.

DOVER

The following information demonstrates the need in Dover for Extra Care housing.

Population over 65 (2007 – Source: ONS)	20,900
Population over 85 (2007 – Source: ONS)	3000
Current number of sheltered housing units	782
Current number of extra care units	40
Proposed number of new extra care units	40

Summary of Condition of Current Sheltered Stock:

- 3.35 Several of the Council's sheltered housing schemes include bedsits with shared amenities (i.e. bathrooms and toilets). They fall a long way short of modern standards and customer expectations and have consequently proved difficult to let. Other sheltered schemes have no communal facilities and are likely to become flats for older people rather than sheltered housing. The Council has just completed a major review of its sheltered housing and has taken the decision to empty and dispose of four schemes, resulting in a net reduction of 130 units.

Housing Strategy Statement:

- 3.36 The district has an insufficient supply of accommodation and services for older people. Much of the existing provision is in need of refurbishment and fails to meet the needs of the local community. The Council’s current Housing Strategy (2005-2009) recognises the implications that projected increases in both the 65+ and 85+ age groups has on the

amount and type of housing that will be required in the future. By 2012, the number of people in the district over the age of 85 will have increased by 22% over levels recorded in 2003. Consequently, there is an urgent need for new services and models of accommodation that will be able to meet a wider range of housing and support needs.

- 3.37 There are currently 369 people placed in residential care and 96 in nursing homes in Dover - a total of 465 people. There is a need for around 93 units of extra care on the basis of dependency indications but this number should be doubled to allow the development of a livelier and more fulfilling community within schemes.
- 3.38 Schemes ideally need to aim for a minimum of 40 units each to ensure viability (economies of scale for staff teams). Bearing in mind the high desirability of a more mixed community, this indicates a requirement for four or five schemes across the district over the next ten years. One is already under construction and there is the need for more.

Demand for two-bed apartments in Dover

- 3.39 Within Dover District Council there is a clear demand for two bed apartments. This can be demonstrated by reference to how long people have waited on the housing register (last updated July 2008 and seen in the table below:

2 Bedroom flat or maisonette	
Location	Average time on housing register of successful applicants (July 08)
Dover	3 yrs 10 months
Deal	3 yrs 4 months
Sandwich	3 yrs 5 months
Rural Areas	1 yr 5 months

This demand relates to all applicants, but demonstrates that generally there is a lack of two bedroom accommodation and that it is even more difficult to find two bed accommodation for older people who also have other specific needs regarding accessibility and design. The new extra care accommodation will address this by providing adequate two bedroom accommodation which will be accessible for older people. Dover district council is in the process of producing an older persons housing strategy and estimates that this strategy will recommend the need for four extra care schemes in the district – there is currently only one.

ASHFORD

The following information demonstrates the need in Ashford for Extra Care housing.

Population over 65 (2006 census)	18,200
Population over 85 (2006 census)	2,600
Current number of sheltered housing units	543
Current number of extra care units	42
Proposed number of new extra care units	40

Summary of Condition of Current Sheltered Stock:

- 3.40 There are currently 20 sheltered housing schemes in Ashford, 13 of which are owned by the council. Older people have increasing aspirations in terms of the type of home they would like and the services they might need to help them remain living there independently for as long as possible. Of the council's 13 sheltered schemes there are

some that are approaching forty years old and are not to the standard we would expect in the 21st century. The Borough no longer has any bedsits with shared facilities but still recognise improvements need to be made to meet expectations. The Borough want to improve the size and standard of accommodation.

Housing Strategy Statement:

- 3.41 The existing Ashford Older Persons Housing Strategy 2005-2008 sets the framework for collaboration between the council, Social Services and the NHS in the provision of housing, care and support for older people in the borough. With the expected increasingly ageing population Ashford Borough Council recognises the need to support the provision of appropriate accommodation and work closely with other agencies to ensure older people have the relevant housing related support they need to live a dignified and fulfilling life. The council also recognises the importance of promoting social inclusion, tackling inequality and ensuring the rights of older people are acknowledged in the same way as with other groups in the population.
- 3.42 While the majority of older people are home-owners, Kent County Council research has shown that those renting council or Housing Association homes are disproportionately more likely to be in receipt of support from Social Services.

Housing Needs Survey and Demand for 2 Beds

- 3.43 The Housing Needs Survey 2005 identified the need for 678 units of sheltered housing for older people, some of which can be met through the flow of existing sheltered housing but the council must assess the suitability of existing housing for this group of people. By 2016 we anticipate that the 65 plus age group will account for 1 in 5 of the population.
- 3.44 Ashford currently has 92 applicants over 50 years of age with a 2 bed housing need on their list, of these 79 have housing need points. 42 of these applicants are on the transfer list and so would be freeing up other council-owned accommodation for those in need if appropriate accommodation was available for them to move into. There are also 22 applicants over the age of 50 with a 3 bed need and although their need could reduce it is likely to reduce to 2 bed initially at least.
- 3.45 The proposed PFI development is in a parish where there is currently no Extra Care.

THANET

The following information demonstrates the need in Thanet for Extra Care housing.

Population over 65 (2006 census)	27,400
Population over 85 (2006 census)	4,200
Current number of sheltered housing units	652
Current number of extra care units	69
Proposed number of new extra care units	40

Summary of Condition of Current Sheltered Stock:

- 3.46 Properties are currently in a reasonable condition. No properties have shared facilities.

Housing Strategy Statement:

- 3.47 Research for the Housing Strategy 2006-2010 concluded that older people wished to remain in their own home, be in control of their freedom and independence, and be consulted on policies and services affecting them.

- 3.48 Thanet's Housing Strategy points out the fact that from research carried out it is clear that extra care housing which is not currently available in the social housing sector in Thanet would be a useful addition which in certain instances can enable more frail older people to retain their independence and privacy.
- 3.49 The Corporate Plan 2007-2011 for Thanet includes the theme 'Decent Quality Housing' within the vision. We want to ensure that irrespective of income and tenure, people in Thanet have access to good quality and secure accommodation that they can afford.
- 3.50 Thanet District Council's housing register shows that they have 320 people over 60 years of age on the waiting list, and 10 couples of over 60 years. Thanet do not determine whether they need a one or two bed property since there are presently no two bed apartments available. 56 people on Thanet's register specifically require sheltered accommodation, however this does not include those people who may be waiting for residential care but would prefer extra care if that was available to them.

DARTFORD

The following information demonstrates the need in Dartford for Extra Care housing.

Population over 65 (2006 census)	13,000
Population over 85 (2006 census)	1,600
Current number of sheltered housing units	598
Current number of extra care units	20
Proposed number of extra care units	40

Summary of Condition of Current Sheltered Stock:

- 3.51 There is a good supply of category 1 and 2 sheltered housing accommodation. In terms of condition the Council has recently carried out a public sector stock condition survey, however a detailed analysis has not yet been undertaken for sheltered housing.

Housing Strategy Statement:

- 3.52 The Housing Strategy highlights the fact that latest Housing Needs Survey states that the significant levels of growth in the older population in future will have a direct impact on the nature of specialist accommodation requirements for older people. The survey also identified the need for 273 units of extra care accommodation over the next three years. The need is likely to be greater than this level and an audit of existing sheltered housing schemes should be undertaken as part of the development of an Older Persons Housing Strategy.
- 3.53 Of the 598 ordinary sheltered accommodation units in Dartford only 97 apartments are suitable for disabled access. Six of the fifteen schemes of accommodation do not have any lift access, making them difficult for use by people with mobility problems and inaccessible for wheelchair users, meaning that as older people become more frail they can no longer stay in these schemes.
- 3.54 Dartford's emerging older person's housing strategy has identified a clear need for more 2 bedroom apartments within existing and future sheltered housing stock, to meet the needs and aspirations of the future older population.

Extra Care Apartments

- 3.55 The proposed new provision which was evaluated as the Preferred Service Option under the options appraisal (section 4) is as follows:
- 3.56 The extra care schemes will consist of: 4 x 40-unit developments of extra care housing for older people, and 1 x 48 unit development of extra care housing. Within each block of accommodation it is anticipated that 50% of the apartments will be two bedroom apartments.
- 3.57 Extra care housing is an alternative to residential care. It provides older people with their own apartments within a scheme of accommodation in which there are communal facilities and care which is available 24 hours a day – as and when people need it.
- 3.58 Schemes will be built to high standards and will be designed to provide flexible supported accommodation to people with a range of needs and disability including dementia.
- 3.59 Apartments will be self-contained and designed to avoid an institutional look i.e. balconies, terraces and well-designed interiors and walkways. Each apartment will also be designed to be as flexible as possible, e.g. to allow easy installation of hoists and will have wheelchair accessible bathrooms and kitchens. All units will have the capacity to take assistive technology to accommodate the changing dependency of users.
- 3.60 The configuration of one/two bed apartments is based on our understanding of what is expected in the current market for extra care housing. We have taken advice from our housing partners and technical advisers regarding the number of two bedroom apartments. We have also consulted with representatives from the Department of Health's Housing, Learning and Improvement Network regarding the numbers of two bedroom apartments that are being produced in current schemes. On the basis of this there are a number of reasons for including 50% two-bedroom apartments in the extra care schemes:
- Aspirations of older people are changing. Most older people who are moving out of family housing into extra care apartments prefer to have more than one bedroom.
 - Two bedroom apartments enable couples to stay together rather than be separated when one person requires additional care.
 - Two bedroom apartments are more flexible and assist in future-proofing the scheme as they would be easier to adapt to other client groups in future if required.
- 3.61 The Department of Health's Housing Learning and Improvement Network published a study into Extra Care accommodation. This study contained design principles outlined by PRP Architects as follows -
- 3.62 *'Careful consideration should be given to the size of dwellings and the number of bedrooms. A balance needs to be struck between current cost constraints and likely future demand for increased space standards and a second (or even third) bedroom. Evidence shows that a second bedroom is a high priority for residents where the rent level or purchase price allows. This could be used by either a partner, carer, visitor or used as a separate study, dining room etc. A third habitable room in housing for older people is now a Housing Corporation expectation:*
- 3.63 In addition to this the Housing Corporation have expressed expectations of additional rooms for older people as evidenced below:
- 3.64 *"We expect that homes within housing for older people projects will have three habitable rooms and any exceptions to this standard will need to be agreed by the Housing Corporation on the basis of a clearly defined case that makes specific reference to evidence of ongoing demand for smaller units."*
- National Affordable Housing Programme 2008-11 Prospective, Housing Corporation.'

- 3.65 The 'New Horizons' document about Housing Choices - commissioned by CLG also supports the move to increased room availability for older people:

Page 8: 'Two bedrooms were seen as a minimum requirement for most people, as well as having reasonable space standards for the whole dwelling.'

Page 28: 'A key factor discussed was space, both in terms of the size and number of rooms in accommodation. Two bedrooms were seen as essential, for both single people and couples, but particularly important for retired couples who are spending more time at home together.'

Pages 41 - 42: 'People were reluctant to move from 'family' homes if the alternative was somewhere pokey and small that would constrain their interests, activities, and family relationships. Most of our participants felt that two bedrooms was a minimum, and that space standards, particularly in the public rented sector could be more generous. There are messages here for both private and public sector housing developments in the future, both in terms of space standards, but also regarding the capacity of properties to be relatively easily adapted if required.'

- 3.66 The move to two bedrooms where possible is therefore important to enable both current and future aspirations for older people's housing to be met, and Kent wishes to fulfil this expectation where possible. This in turn may free up family housing which is currently under-occupied by older people who do not want to move unless a suitable alternative is available.

Communal Facilities

- 3.67 Social Services, Health and Housing Partners will work closely together to provide appropriate support to tenants. Schemes will contain facilities for the use of residents and older people from the local community including a gym and cyber café. Communal facilities will include:

- Communal lounges
- Laundry room.
- Staff room and office.
- Catering kitchen and restaurant.
- Store for wheelchairs and buggies.
- Room for visiting relatives.
- Facilities for visiting staff (e.g. Health, benefits agencies).
- Specialist care room for chiropody, hairdressing etc
- Exercise/therapy room

Meeting Local Need and Benefits for Older People in Kent

- 3.68 Each scheme will be tailored to the specific needs of the older population in that area. For example in Dartford the scheme will feature services that reflect the needs of West Kent's minority ethnic population. For instance appropriate meals should be provided and staff will be expected to have training in the provision of culturally competent services. For each of the services delivered under the project the provider will be required to set out how they will meet individuals' special needs, and how they will ensure that the council's equality and diversity policies are adhered to. The approach of potential bidders to diversity issues will be tested from the PQQ stage onwards.

The benefits for older people in Kent are:

- A positive environment where older people can live independently in their own homes, preventing unnecessary moves to residential or nursing care and supporting speedy discharges from hospital.

- Housing which offers older people increased choice and the ability to remain in a community setting and fully participate, with their family and friends, in the life of the community.
- Integration with all community services and positive roles for relatives, friends and carers.
- Flexible care delivery based on individual need which can increase or decrease according to circumstances.

PEOPLE WITH MENTAL HEALTH PROBLEMS IN THANET

National Policy Agenda

- 3.69 The former ODPM's Social Exclusion Unit report Mental Health and Social Exclusion (2004) showed that many people with mental health problems experience exclusion and lack equal access to a range of opportunities in society, including paid employment, volunteering, housing and education. This is not only unjust but it lowers self esteem and self confidence. The report sets out an action plan for improving opportunities for people with mental health problems to enhance recovery, bring hope to people and their families, and ultimately reduce dependence by enabling them to contribute to society and their community. The report highlighted the fact that ensuring appropriate housing with support to enable people to participate in society is a key element of achieving these aims.
- 3.70 The Excellent Homes For All project will also make a significant contribution towards our performance framework by benefiting Indicator N149 – *'adults in contact with the secondary mental health services who are in settled accommodation'*.

Local Strategy

- 3.71 The South East Regional Public Health Group – Information Series 8 “Promoting Well-being For People At Risk of Mental Health Problems” (produced by the DoH Care Services Improvement Partnership) looks at the issue of mental health and aims to promote an integrated approach to well-being that includes mental, physical and social wellbeing in order to enhance community engagement for people with mental health problems. It notes that poor housing and homelessness contributes to stress and poor mental health and that addressing housing need adequately and preventing homelessness have positive health and social benefits, especially for those with mental health problems. It states that Mental Health Trusts should increase engagement with local Housing and Homelessness Strategies to improve housing via: Local Supporting People plans; Direct Payments; Mental Health LITS (Local Implementation Teams for the National Service Framework); and that Mental Health Trusts should provide a housing support officer and maintain close links with the housing department.
- 3.72 KCC delivers its Mental Health Services through integrated Community Mental Health Teams within the NHS and Social Care Partnership Trusts. KCC's Planning & Development Manager (Specialist Accommodation) works closely with District Council partners to establish the capacity and type of accommodation provision which is required for people with mental health problems in Kent. The accommodation being delivered through Excellent Homes for All is a product of that joint commissioning process.

Kent County Council Adult Mental Health Services Kent Annual Business Unit Operational Plan

- 3.73 This plan highlights the need for additional appropriate housing solutions for people with mental health problems. There is a need for new provision for people with mental health problems that enables them to live independently in their own home with appropriate support. There is a particular requirement for accommodation for people with mental health problems which will bridge the gap between institutional care and independent living.

Need and Demand – Local Evidence

- 3.74 There is currently inadequate provision of appropriate accommodation for people with mental health problems in Thanet.
- 3.75 Thanet District Council Housing Strategy 2006-2010 notes that *“An audit of long term patients in East Kent has revealed that of 130, 24 people could move on to supported housing plus; however, this type of accommodation does not currently exist in the East Kent area. A further 27 people require more independent accommodation with floating support.”*

3.76 Seven units of accommodation for people with mental health problems are being delivered in Thanet under Kent's first partnership PFI – Better Homes Active Lives. These will be situated in Margate. Excellent Homes for All will complement this provision with a further 9 apartments for people with mental health problems to be developed in the Ramsgate area.

Excellent Homes For All – New Provision

3.77 Through the Excellent Homes for All project nine new apartments for people with mental health problems will be developed in Thanet. The apartments will be self-contained purpose built flats. In addition a tenth apartment will be dedicated for use by support staff or as communal space if necessary.

3.78 **The benefits for people with mental health problems in Thanet will be:**

- Living independently with appropriate support rather than in institutional care.
- Learning to manage their own homes in a safe environment with a view to being able to 'move on' into general needs housing.

MOVE – ON ACCOMMODATION IN ASHFORD

National Strategy

- 3.79 Through the strategies put forward under the Government's Sustainable Communities Plan: 'Building for the Future 2003', the growth of Ashford is intended to provide 31,000 new homes by 2031. Increasing the supply of homes is the first priority of Ashford's Housing Strategy 2007-2011, and within this is the need to provide appropriate rented accommodation to address homelessness. The growth in Ashford will have an impact on the levels of homelessness experienced by the Borough, and the Excellent Homes for All move on accommodation in Ashford will contribute to the Borough's strategy for meeting this need.
- 3.80 In 2005 the government produced its strategy document 'Sustainable Communities: settled homes; changing lives,' which sets out to tackle homelessness and aims to halve the number of individuals in temporary accommodation by 2010. The Government has set the following national targets:
- A commitment to end, by 2010, the use of bed and breakfast accommodation by local housing authorities in discharging their homelessness duty to secure suitable accommodation for 16 and 17 year olds.
 - End the use of bed and breakfast accommodation for families with children, except in an emergency, and then for no longer than six weeks.
 - Halve the number of households living in temporary accommodation.
 - Maintain low levels of rough sleeping.

Local Strategy – Need and Demand for Move-On Homelessness Accommodation.

Vision for Kent (Kent Partnership)

- 3.81 The Vision for Kent notes that there is a need to promote the provision of supported housing for vulnerable households, and to provide a range of housing options including social rented housing to meet identified needs. In particular it notes the need to continue to support those who are homeless or at risk of homelessness.

Ashford Borough Council – Homelessness Strategy

- 3.82 Ashford Borough Council's strategic priorities for homelessness include:
- increasing the supply of homes for homeless and potentially homeless households; (which includes increasing the supply of affordable rented and intermediate tenure homes to meet local need and demand)
 - Improving the quality and range of housing options, advice and assistance available
 - Enabling the provision of suitable temporary accommodation for homeless households
 - Enable effective move on from supported housing
- 3.83 In particular there is a need for move-on accommodation and for good quality temporary accommodation as alternatives to bed and breakfast. Ashford Borough Council's homelessness review found that the number of social rented properties becoming available for letting has reduced markedly in recent years and therefore new sustainable move-on accommodation solutions are required, in particular to meet the needs of young people at risk. The homelessness strategy is also predicting growth in applications in tune with the growth of the Ashford area.

- 3.84 The lack of affordable housing available means that the Council can offer only limited options to homeless households and as a result where the Council has a duty to secure accommodation temporarily, this is often in Bed and Breakfast accommodation. The Council and all stakeholders agree that this is not an appropriate solution as such accommodation lacks proper amenities and offers only limited privacy. The Council is therefore aiming to reduce reliance on temporary accommodation and the Excellent Homes For All Project will assist in achieving this by providing good quality move-on accommodation for vulnerable single homeless people.
- 3.85 The intention for the new Excellent Homes for All accommodation in Ashford is to provide a resource targeted towards homeless people with the three bed acting as a temporary supported living facility where needs can be assessed properly. The childrens team in Ashford Social Services are also supportive of the need for this type of provision as they often have to resort to Bed & Breakfast use for young people. Ashford Borough Council currently has no provision for temporary accommodation for young people other than B&B. There is one existing supported housing scheme Ashford for young people, funded by Kent County Council, but this is serving the whole of Kent and is often full or not able to provide the level of support required for a young homeless person. This new facility would provide the lacking move on accommodation and assessment space, that will help to complete the pathway of accommodation for young people in the Borough. The CLG have previously raised the issue of using B&B for young people with Ashford Borough Council Housing Options Team and have encouraged the development of a scheme such as the one being delivered under Excellent Homes for All to provide alternatives to B&B in this area.
- 3.86 Over the past year Ashford have had a total of 74 young people approach the Authority because they are threatened with homelessness. There are currently have 5 young people in B&B accommodation excluding the numbers placed into B&B by social services in this area. Often this group remain in B&B much longer due to the lack of appropriate accommodation for them to move onto. For those most needy this can often be several months as their needs are too high for other schemes or landlords to accommodate them. The average length of stay in B&B for this group over the past year was 85 days.
- 3.87 Supported housing schemes in Ashford have significantly more referrals than vacancies and are in desperate need therefore of move on accommodation to assist in the process. For the period 1/1/08 to 31/12/08 there have been 57 homeless young people accepted as homeless. This group are less able to take up private rent solutions and often need a supportive environment because they have not had the responsibility of managing a tenancy and fending for themselves. Existing supported housing schemes are often not able to help as they are either full or cannot meet the clients support needs.

Excellent Homes For All - New Move-On Accommodation in Ashford

- 3.88 The PFI will also develop apartments which can be used as 'move on' accommodation for vulnerable groups – such as young people coming out of care, or single homeless people in crisis who require social housing.
- 3.89 The accommodation will provide move on from B&B or other temporary accommodation or supported housing schemes in Ashford.
- 3.90 The project will provide 11 apartments configured as follows:
- 2 x 1 bed apartments which will be designed to be easily converted to a single 3 bed apartment to give flexibility in use. The purpose being to improve the flexibility of the scheme and ensure that it is future proof and can meet local needs on a long term basis. This will provide a short term shared accommodation for individuals who need to be assessed or would benefit from living in a shared environment. This apartment would be utilised as a base to provide emergency placements and to assess needs. This will be very short term accommodation whilst longer term options to cater for the residents accommodation needs are pursued.

- 1 x 1 bed apartment with potential to be used by someone with mobility issues and which could cater for a wheelchair user.
- 8 x 1 bed self contained apartments, spread across two upper floors. These apartments will be self contained and will provide move-on accommodation for people on assured short-hold tenancies. It will provide a stepping stone to other types of accommodation in a good quality safe environment.

3.91 In addition to this there will be staff office space and space for basic living skills training / meeting area for staff to meet with residents/ etc.

4 OPTIONS APPRAISAL

The Service Options

- 4.1 The options appraisal was carried out in August 2008 through a two stage process:
- 4.2 Stage One - This was attended by the Project Manager, Project Accountant and Head of Housing for Ashford on behalf of the District Council partners. All the options to deliver the objectives were identified and the risks and benefits received a preliminary evaluation.
- 4.3 Stage Two - A meeting was attended by all the Heads of Housing, the Kent Adult Social Services Director of Resources and the Project Team where they interrogated the options and the costs, risks and benefits. Where necessary the options were further developed and additional costs, risks and benefits taken into consideration. This work was sent out to advisers for final comments. The Options Appraisal was finalised following this work and enabled the partners to participate and take responsibility for the outcome.
- 4.4 The Council and its partners undertook a workshop to appraise the strategic and financial options available for the improvement and modernisation of services for the client groups who are the focus of this Business Case. The following section outlines the strategic and financial options considered and the results of the appraisal for each client group.

The Strategic Analysis

4.5 Accommodation for Older People

Option 1: “Do nothing” - continuing the inappropriate placement of people into residential care.

Option 2: Refurbish and remodel existing sheltered housing facilities (with the implication that there will be a 50% reduction in the number of units within those schemes) and purchase the remainder from the independent sector.

Option 3: Purchase all places from the independent sector (residential care) and close any internal provision.

Option 4: Purchase all places from the independent sector (RSL provision) and close any internal provision.

Options 5: New build –provide newly built accommodation funded through the private finance initiative.

- 4.6 For the evaluation of these options the workshop group identified criteria and weightings which are shown on the tables over the page.
- 4.7 The ‘do nothing’ option would result in us continuing to inappropriately place older people in residential care. Much of the current residential care provision owned by the County Council is outdated and there is concern that it may not meet future standards. This option does not fulfil the Partners’ aims to provide accommodation that enables older people to retain their independence and stay in their own homes for life. It would not address the issue of need for additional capacity created by the growing elderly population in Kent and may mean that some people are continuing to live in conditions which are not appropriate and which even put them at risk. The ‘do nothing’ option therefore scored a low amount on the strategic analysis as it does not meet the needs or aims outlined in Section 3 of this OBC and therefore did not match our scoring criteria.

- 4.8 Option two was to upgrade and re-model existing sheltered accommodation to turn it into more suitable extra care facilities. Although this would result in accommodation that could meet the needs of this client group whilst allowing them to remain independent, it would not create the extra capacity of this type of accommodation required in Kent. There would also be restrictions on the design of the facility created by the original layout, meaning that it may not be possible to create the same standard of accommodation as we would through a new build. The process of re-modelling would most likely also lead to a reduction in capacity as a 40 apartment scheme of studios would not convert to a 40 unit scheme which adheres to current department of health guidance regarding extra care. Not all Districts have sheltered accommodation which could be made available to be re-modelled in this fashion.
- 4.9 The options to purchase all places from the independent sector were also not as desirable as providing new build accommodation. Two options were considered – purchasing places from independent sector residential care and from RSLs as extra care sheltered accommodation. Placing people in RSL accommodation scored higher than purchasing residential care provision because this type of accommodation fits better with the aims to improve the quality of life of older people and enable independence, however there is not enough appropriate affordable accommodation of this type available through the independent sector.
- 4.10 Through the strategic analysis the option of new build extra care accommodation was clearly the preferred option. Newly built extra care accommodation would enable the development of flexible housing designed specifically to meet the needs of older people, which would create extra capacity and increase the authorities' ability to house this group in good quality 'homes for life' which are future-proof. The provision of new accommodation would also increase capacity and choice in a way which the other options could not.

Move-on Accommodation

Option 1: "Do nothing" - continuing the inappropriate placement of people with learning disabilities into residential care and the placing of the elderly into permanent care.

Option 2: Purchase all places from the independent sector (RSL provision) and close any internal provision.

Option 3: New build –provide newly built accommodation funded through the private finance initiative.

- 4.11 The Move-On accommodation provision for planned through this project is intended to meet the needs of people who are currently 'homeless' and need a temporary solution until they can access other options. Typically this may be young people who have just come out of care or who have had to leave home and require an interim solution. There is a strong need to increase the capacity of this type of accommodation in Kent.
- 4.12 The 'do nothing' option scored very low in this analysis. The individuals who require this accommodation do not currently have another option to access and therefore doing nothing would leave these individuals highly vulnerable.
- 4.13 No accommodation of this type currently exists to be refurbished, as this proposal is intended to provide additional capacity, therefore the other options available were to use additional places available through RSL provision or to provide newly built facilities. Independent sector provision scored highly in terms of enhancing the quality of life of potential tenants and assisting with social inclusion, however there are not enough suitable places available. The provision of new build accommodation brought better scores in terms of safety and design and increasing volume and choice, as it would be new purpose built accommodation which would meet higher standards and provide additional capacity.

Supported Housing for People with Mental Health Problems

Option 1: "Do nothing" - continuing the inappropriate placement of people with learning disabilities into residential care and the placing of the elderly into permanent care.

Option 2: Purchase all places from the independent sector (RSL provision) and close any internal provision.

Option 3: New build –provide newly built accommodation funded through the private finance initiative.

- 4.14 The ‘do nothing’ option would maintain a situation in which people with a mental health problems have restricted options for accommodation and often remain with their families or in institutional care. It is not therefore in line with the Partners’ strategies for housing these individuals, or with the aspirations of the people who need this provision. The option of ‘doing nothing’ is therefore undesirable as it does not meet the needs or aims outlined in Section Two of this OBC which are reflected in our scoring criteria.
- 4.15 The option of keeping individuals in institutional care has been given very low scores because it is inappropriate for many people and does not meet our aims of enhancing quality of life and promoting independence, or increasing social inclusion.
- 4.16 Some provision may be made available through the independent sector however this relies on the market to make this type of accommodation available. Currently there is a shortfall in appropriate accommodation for people with mental health problems in Kent. There is also increasing demand as fewer people are kept for long periods in institutional care.
- 4.17 Through the strategic analysis the option of new build accommodation was clearly the preferred strategic option as it will result in high standard accommodation for this group and additional capacity for people with mental health problems who are leaving institutional care and who require their own accommodation with appropriate support services available.

The Financial Analysis

- 4.18 For the provision of care for the elderly to do nothing would not represent value for money (VFM). Placing people in residential care homes is expensive and costs around £400 per week. It is anticipated that KCC could save up to 50% by providing Extra Care accommodation (depending on the needs profile of the residents in the facilities).
- 4.19 The refurbishment of existing facilities would not result in VFM to the Partners as a 40 unit facility would become only a 20 unit one to adapt to the Extra Care Social Housing model. Therefore Partners would lose 20 units, which would have to be purchased from the independent sector, assuming there were sufficient suitable facilities. This solution does not therefore address the problem of capacity which the County faces in terms of its ageing population and will actually increase the pressure on existing services.
- 4.20 In terms of purchasing places from the private sector, this relies on enough adequate places being available and as outlined above is an expensive option for the few places available.
- 4.21 The preferred option of new build was found to represent good VFM. Appendix S which shows the benefit of PFI when compared with other options available to the Authority demonstrates the PFI option as value for money. In addition the preferred option meets the Partner’s strategic objectives and the Government’s requirements for giving people equal access to opportunities to live ordinarily in the community. The new build will also enable the Partners to ensure that the facilities meet modern standards of living and are future proofed. The table below is a summary of the results of the options in Appendix S.

	Elderly £m	Mental Health £m	Move On £m
Do nothing	121	6	5
Refurbishment	88		
Independent sector (residential care)	121		
Independent purchase (RSL provision)	93	6	5

New build	48	2	2
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4.22 The problem of a lack of capacity also affects the options for Move-On and Mental Health Accommodation. As noted above, the problem that the County faces is one of a lack of adequate accommodation for these groups, and as such the options to re-furbish existing facilities do not address our current need. Therefore financial analysis of such options has not been considered as they do not meet our strategic priorities.

Options Appraisal for Extra Care

Criteria	Weighting	Option 1 Do nothing		Option 2 Remodel & refurbish		Option 3 Independent sector – residential care		Option 4 Independent sector – RSL provision of EC		Option 5 Provide new purpose built facilities	
		Score/10	Weighted	Score/10	Weighted	Score/10	Weighted	Score/10	Weighted	Score/10	Weighted
Enhancing quality of life and promoting independence	25	4	10	6	15	6	15	8	20	10	25
Social inclusion & sustainable community	10	5	5	5	5	4	4	6	6	8	8
Location	10	5	5	5	5	5	5	6	6	6	6
Safety & design	20	3	6	5	10	5	10	7	14	10	20
Increasing volume to meet demand, and choice and support for carers and users	25	1	3	1	3	3	8	3	8	5	13
Integration with other services	10	5	5	6	6	3	3	4	4	8	8
	100		34		44		45		58		80

Options appraisal for Homelessness

Criteria	Weighting	Option 1 Do nothing		Option 2 Independent sector provision		Option 3 Provide new purpose built facilities	
		Score/10	Weighted	Score/10	Weighted	Score/10	Weighted
Enhancing quality of life and promoting independence	25	0	0	7	18	7	18
Social inclusion & sustainable community							

Location	10	0	0	7	7	7	7
Safety & design	10	0	0	6	6	8	8
Increasing volume to meet demand, and choice and support for carers and users	20	0	0	6	12	8	16
Integration with other services	25	0	0	4	10	8	20
	10	0	0	5	5	6	6
	100		0		58		75

Options appraisal for Mental Health

Criteria	Weighting	Option 1 Do nothing		Option 2 Institutional care		Option 3 Independent sector – other provision		Option 4 Provide new purpose built facilities	
		Score/10	Weighted	Score/10	Weighted	Score/10	Weighted	Score/10	Weighted
Enhancing quality of life and promoting independence	25	0	0	1	3	6	15	8	20
Social inclusion & sustainable community	10	0	0	1	1	6	6	7	7
Location	10	0	0	1	1	6	6	7	7
Safety & design	20	0	0	3	6	6	12	8	16
Increasing volume to meet demand, and choice and support for carers and users	25	0	0	0	0	5	13	8	20
Integration with other services	10	0	0	3	3	5	5	6	6
	100		0		14		57		76

5 VALUE FOR MONEY

Introduction

5.1 Since the Kent Expression of Interest was submitted there have been a number of important changes to the project, which have impacted on the unit cost. These have been raised previously with the HCA and are discussed in more detail in the paragraphs below. In summary the project has been reviewed in three key areas to ensure value for money has been maintained. The first is looking at the changes since the Expression of Interest was submitted, to ensure increases are justified. The second is looking at the costs against the CLG benchmark for non-HRA Housing projects, and evidence from the Better Homes Active Lives PFI and thirdly looking at the Quantitative and Qualitative Analysis as required as part of the Stage 2 HM Treasury Value for Money Assessment.

Changes to the project since the Expression of Interest.

5.2 As detailed in section seven we have undertaken ongoing soft market testing to test the market appetite for the project and to determine any areas in which the project could be made more attractive to bidders. We felt this was particularly important given the current economic climate. As part of the soft market testing we have sought the views of construction companies, housing providers, banks and also our external advisers to take advantage of their experience particularly regarding the current market conditions. So far we have met with or had telephone discussions with 16 companies. At the same time we have with our district partners reviewed the need for specialist housing in Kent to ensure that we are targeting the areas of greatest need.

5.3 As a result of this work the project has changed since the Expression of Interest in September 2007. Feedback from the market testing exercise gave a strong message that there were too many sites with a small number of units being built to make economies of scale a possibility and for the project to attract sufficient market interest for good competition. As a result we reviewed the sites available for use and the need with the district partners and subsequently reduced the number of sites as follows:

	No of sites	No of facilities	No of apartments
Expression of interest Sept 07	10	11	182
Outline Business Case	7	7	228
Difference	- 3	- 4	+ 46

5.4 The section of this OBC dedicated to “Need and Demand” demonstrates the growing requirement for extra care housing for older people in Kent. Even with the seven units of Extra Care accommodation acquired through the Better Homes Active Lives PFI there is a significant shortage of this type of specialist housing in Kent. With an ageing population and an increasing demand for housing the need for specialist Extra Care housing is likely to increase in the foreseeable future.

5.5 Originally the project required a total of 12 sites (in the original Expression of Interest submitted in March 2006), which would be spread across the county, and which would accommodate small blocks of accommodation (6-12 units) for a range of different client groups and tenures. The shift to provision of extra care not only meets the partners key strategic needs, it also provides us with a project scope which is more coherent and potentially easier to deliver through the PFI route as there are fewer site risks than our EOI model.

5.6 The units for sale which were initially included have been taken out of the project as the indications from discussions with construction companies and RSL’s is that there would be a reluctance to consider the project with these as part of the standard bid. In fact the project would be less attractive to the market with the units for sale included which might impact negatively on competition.

Value for money and CLG benchmark

- 5.7 One of the changes made to the project has been to increase the number of Extra Care facilities in the project from two to five. There were 88 units of Extra Care accommodation in the EOI and 94 units of other supported accommodation. This OBC has 208 units of Extra Care accommodation and 20 units of supported accommodation. The increase in the overall proportion of Extra Care accommodation has a direct result on the unit cost. This higher unit cost is a direct result of the increase in the proportion of Extra Care accommodation to standard supported accommodation. Extra Care housing has more non dwelling space than standard supported accommodation. This is required for specialist features which enable the residents to remain in their own homes rather than move to residential care.
- 5.8 On average a 40 bed Extra Care facility has approximately 40m² of non-dwelling space per apartment whereas the supported accommodation apartments for people with mental health problems have 23m² of non-dwelling space. This increases the unit cost of the project and the high proportion of Extra Care facilities in the project has resulted in unit costs higher than the CLG benchmark figure. We do not feel however, that the cost is high given the type of accommodation being proposed.

Specialist features in Extra Care

- 5.9 The Extra Care apartments are built with features in mind that will enable elderly residents to remain in their home should their mobility reduce. This increases the cost per unit for this type of specialist accommodation. Such features include:
- Strengthened ceiling between the bedroom and bathroom to support a hoist
 - Bathrooms that can easily convert from bath to shower depending on need
 - Wiring to enable smart technology to be fitted
 - Wheelchair/buggy store
 - Laundry room (including sluice)
 - Hairdressing/treatment room
 - Exercise/therapy room
 - Assisted bathrooms
 - On site shop
 - Restaurant
 - Activities room
 - Care staff facilities to enable 24 hour care provision
- 5.10 Some of the features included (such as the strengthened ceilings) marginally increase the initial build cost but enable the building to be used by tenants who become less mobile and need adaptations such as a hoist. Without the building being able to take such adaptations the tenant might need to move to residential care and the home would not be a home for life.
- 5.11 Although the total construction costs per unit of accommodation are higher than at the EOI stage this is directly attributable to the increase in the amount of Extra Care accommodation in the scheme. However, it should be noted that the construction cost per m² has reduced from £1,736 at the EOI to £1,675 in this OBC, providing clear value for money.
- 5.12 The unit costs for this project are higher than the CLG benchmark figure. However the comparison is not on a true like for like basis as the type of Extra Care accommodation that the Authority is procuring is of a very specialist nature and has been developed since the exercise was undertaken. Some of these specialist features were included in the Better Homes Active Lives project but since that project was procured higher standards have been introduced and expectations have increased. The units now also need to include:

- Higher design standards that exist now including the need to allow for a wheelchair turning circle within the flats.
- Higher environmental standards.
- A higher proportion of two bed accommodation to enable couples to stay together rather than be separated if one has high care needs. Section 3 outlines the demand for 2 bed accommodation.

These higher standards are required to prevent the building from being out of date before it is completed and to enable the building to take the adaptations necessary for residents to stay in their own home.

- 5.13 The CLG benchmark figure gives a unit cost for a mix of supported and extra care accommodation and as mentioned the amount of non living space varies significantly between different types of supported accommodation. This makes a direct comparison with the CLG figure difficult. However, the Authority is confident that the amount of non living space in the Extra Care facilities is standard in accommodation of this nature. If any one of the specialist facilities was excluded it could impact on the ability to use the accommodation as “homes for life” for tenants. The facilities are in line with those included in the BHAL PFI and are comparable to other similar schemes that the Project Team has reviewed.
- 5.14 Although the unit cost for this project is higher than the CLG benchmark figure inflated to 2008 price base, it is lower than the unit cost from the Better Homes Active Lives PFI which closed in October 2007. The Authority and its advisers feel that the BHAL project is a better comparison than the CLG benchmark because the housing is of a similar type. The table below compares the different unit costs:

	Unit Cost £
CLG benchmark	167k
Excellent Homes for All	171k
Better Homes Active Lives	200k

- 5.15 We have minimised the amount of credit that we are applying for by:
- Donating the land for all seven sites to the project so that the contractor is not being asked to pay for the land or in fact find land to enable to project to go ahead.
 - Using sites with existing facilities to reduce the likelihood of not securing planning permission.
 - Using sites known to the Authority to minimise the risk of unknown problems such as contamination.
 - Allowing for a realistic residual value based on future usage and rental assumptions.
 - Reconfiguring the scope of the project to include larger units of accommodation with the associated economies of scale that brings.
- 5.16 The costs included in the financial model have been compiled using the experience of our external technical advisers and our financial advisers. The construction and lifecycle costs have been based on similar schemes and adjusted to reflect the specific scope of this project in terms of unit numbers, location and facilities as detailed in the output specification. Both the costs of construction and the lifecycle costs have been tested against the database held by our external financial advisers against other similar schemes to ensure they are in line with the expected range considering current market conditions. Close liaison between our advisers in compiling costs is evidence in the letters attached in Appendix I.
- 5.17 We are confident therefore that this project represents good value for money. Further information on value for money and a comparison with the CLG benchmarking exercise is provided in Appendix W.

Quantitative Analysis

- 5.18 As set out in the HM Treasury VFM Assessment guidance, the Council and its advisers have considered the quantitative assessment of Value for Money through the use of the HCA financial model. As set out above the financial model has been completed in respect of the capital, lifecycle and operational costs, as well as financial and VFM inputs. The derivation or calculation of these inputs is set out in the Data book shown in Appendix Q.
- 5.19 Optimism bias has been assessed at a workshop attended by the Council's Project Team, and Financial Advisers. At the workshop the experience of previous projects and the guidance/upper bounds set out by HM Treasury were considered and mitigation factors assigned based on evidence available.
- 5.20 The taxation adjustment for the project has been calculated based on the flow chart within the HM Treasury guidance. The project is assumed to be on a revenue basis for taxation purposes. Please refer to Appendix U for the taxation adjustment.
- 5.21 The VFM analysis shows a close result with the PFI cost as £98m, against the PSC cost of £103m. This gives a VFM margin of 5% at 13% IRR.
- 5.22 Due to current fluctuations within the financial market and changes to SWAP rates and margins within the last year, the Council and its financial advisers have included very prudent financing assumptions within the financial model. This includes a SWAP rate of 5.0%, which is 1.0% above current rates (3.9% - 4.0%). The impact that these have is to increase the PFI cost. A sensitivity analysis has shown that reducing the project to current financing terms would increase the VFM margin to a more comfortable 9.9%

Funding Competition

- 5.23 The Authority acknowledges that contracts of this size are required to undertake a compulsory debt funding competition. However, although the funding for this project falls above the minimum requirement for a compulsory Debt Funding Competition, due to the current uncertainty in the capital markets, and the lack of capital across infrastructure investment sectors generally, the authority would prefer to secure funding interest and commitments as early as possible in the procurement process. This preference has been reinforced by our meetings with funders who are keen to have a good understanding of the project and detailed involvement from the beginning. However if it is considered that the funding terms prior to the selection of a Preferred Bidder are not competitive The Authority will require that a competition is undertaken at the Bidders cost. Bidders will be asked to confirm in writing that they agree to this principle.
- 5.24 The Authority's experience with funders has demonstrated to us that engaging them at an early stage is key to the success of the project. We recognise the importance of helping funders understand the scope of project and the associated risks. Our experience is that a funder who understands how the risks are to be managed and has a good understanding of the perspective of the risks in the project will be more likely to pass on a good deal to the bidder. This in turn will benefit the Authority through a lower unitary charge. The Authority will use the funding competition if it feels the terms to the bidder and the benefit to the Authority can be improved. As noted in Section Seven, the Authority has already begun to engage with potential funders and has maintained an ongoing dialogue to ensure we are up to date with the way in which funders are approaching PFI projects.
- 5.25 The Authority will make clear to all Bidders that it will not enter into further negotiation or dialogue as a result of any due diligence carried out by the funder. Therefore bidders and funders will need to undertake all relevant due diligence during the dialogue phase prior to preferred bidder appointment, including when a funding competition takes place. There is sufficient time in the procurement timetable to allow a funding competition to take place at any time during the procurement process. This is a task that can be run in parallel to other tasks.

Sensitivity Analysis

5.26 The Sensitivity Analysis within the HCA model has shown the following indifference points:

Public Sector Comparator	
Capital Expenditure	-62%
Operating Expenditure (non staff)	-100%
Transaction	-367%
Private Finance Initiative	
Unitary charge	+6%

5.27 That the costs of the PSC option would have to reduce significantly for it to be quantitatively better value for money than the PFI option.

5.28 The unitary charge for the PFI option would have to increase by 6% to result in the PFI option being worse value for money than the PSC option. These sensitivities show a reasonable level of value for money for the project.

Qualitative Assessment

5.29 In accordance with the HM Treasury VFM assessment guidance, the Authority and its financial advisers have considered the stage 2 assessment of VFM for the project. This is demonstrated in Appendix P.

VFM conclusion

5.30 The quantitative assessment has shown that the PFI funded option is value for money compared against the public funded option, even in these difficult financial times that lead to the higher financing costs within the project. The VFM margin is 4.18% with very prudent financing terms, rising to 9.9% when actual financing terms are used.

5.31 The sensitivity analysis has shown that whilst the VFM margin is narrow, the costs of the publicly funded option would need to significantly reduce to result in better value for money than the PFI option, whilst the unitary charge would need to increase by 13% to be worse value for money than the PSC.

5.32 The qualitative assessment has demonstrated that the project is viable, deliverable and achievable. The affordability has been separately assessed in section 6 of this OBC.

5.33 On balance when considered with the qualitative assessment factors, the overall conclusion reached is that the project is value for money against the publicly funded option.

6 PFI CREDITS & AFFORDABILITY

PFI Credits

- 6.1 In calculating the PFI credits the Council and its financial advisers has used the CLG financial model. The financial model calculates a unitary charge of £4.837m and a maximum PFI credit of £77.706m. This is based the assumption that the project will reach financial close in September 2011 and have a 24 month construction period resulting in full service commencement in 2013.
- 6.2 Several sensitivities were undertaken to assess the affordability of the project, and as a result of this, the minimum level of PFI credit assessed at ensuring an affordable project and therefore applied for is **£75.090m**.

Key Housing Assumptions

- 6.3 The financial model that has been produced is included as Appendix C along with the databook at Appendix Q which sets out the assumptions. The key assumptions underlying the modelling are described below.

Affordability Analysis

- 6.4 The Council has completed an affordability analysis looking at cash flows within the Project to ensure that the Authority has the resources (including Central Government financial support in the form of PFI credits) to undertake the Project. The analysis has been based on various assumptions.
- 6.5 The Data book in Appendix Q shows the derivation and source of the assumptions used within the financial models. An example of some of the key sources are:
- Technical Advisers
 - Data from previous projects which have reached financial close
 - Guidance from HCA/CLG
 - KCC cost assumptions – Contract management
 - DTI Public Sector construction index
 - OBC timetable

Revenue Budgets

- 6.6 The County Council will be responsible for providing the care services required to enable the units to be occupied by tenants with care needs. This includes domiciliary care and other housing support as required which will be met from the Council's revenue budgets.

Rents

- 6.7 As with the previous Better Homes Active Lives PFI the rents payable by the tenants of the units will be paid directly to the contractor who will be responsible for the housing management of the units. The rents have been based on Housing Corporation rent figures for 2007 and uplifted for inflation (RPI + 0.5%) for each district as follows:

	One bed flat	Two bed flat
	£	£
Ashford	63.99	75.53
Dartford	58.06	74.17
Dover	60.02	72.12
Thanet	61.43	70.36
Tunbridge Wells	64.82	78.34

Service Charges

- 6.8 These again will be paid directly to the contractor. For modelling purposes they have been based on the service charges in the Better Homes Active Lives PFI which was a similar model of extra care and supported accommodation. The value of the rent and service charges will be the Contractor's decision as the risk of collection lies with the Contractor. However the level of rent and service charges must be within the regulatory guidelines.

Additional Revenue Support through the receipt of PFI credits.

- 6.9 For the PFI funding option, it is assumed that revenue support is received from Central Government as a result of the PFI credits. The calculation of the level of annual revenue support is based on an annuity calculation assuming an interest rate of 5.4%, a scaling factor of 1, payable for 30 years following services commencement. Any change to these assumptions will result in the affordability analysis being updated.

Interest Earned on Balances

- 6.10 Due to the way in which the PFI credit is paid there may be a small cash flow surplus in the early years. It is assumed that interest will be earned on this balance and invested back into the project.

Utilities and Insurance

- 6.11 The figure for utilities has been derived using the previous project as a benchmark and the experience of our advisers on other projects. In addition to this consideration has also been given to the current market conditions and the recent increases have been factored in to the modelling.
- 6.12 The figure for insurance has also been derived using the previous project as a benchmark and the experience of our advisers on other projects. Due to the complexity of the insurance market the assumptions have also been tested with the Council's own insurance adviser.

Residual value and use of land

- 6.13 The contractor will be required to build facilities that have an anticipated life of not less than 60 years. At the end of the contract period the buildings will remain in the ownership of the private sector contractor and will not revert to the Authority although there may be provision to purchase the units if the Authority chooses to at that stage in time. The land will be passed to the contractor on a long lease of 99 years with the restriction of use for social housing only. The contractor will therefore receive the benefit of the use of the buildings for some considerable time after the end of the contract period in particular the cash flow received from the collection of rents and service charges.
- 6.14 The Authority expects the contractor to pass on the benefit of the residual value of the assets to the Authority in the form of a reduced unitary charge. This will benefit KCC and the district partners during the contract period by helping to make the project affordable. At the end of the contract period the estimated residual value of the buildings is calculated to be approximately £19.5m. This calculation takes into account the overall anticipated cost of construction and the expected minimum life of the buildings. It also takes into account the future use of the buildings by the contractor following the expiry of the contract period and the restrictions on the use of land.
- 6.15 To test the residual value we have consulted our external financial and technical advisers. As a benchmark it is in line with the level of residual value achieved in the Better Homes Active Lives PFI. It has also been tested with the market through the soft market testing

exercise and at meetings with construction companies, RSL's and banks. As a comparison the table below shows the assumed residual value at the OBC stage of the Better Homes Active Lives PFI, at financial close and the level assumed for this project. The Authority feels that this level of residual value is realistic and achievable.

Project/Stage	Capital expenditure £m	Residual value £m	%
EHFA OBC	39.0	19.5	50
BHAL OBC	55.7	22.3	40
BHAL Financial Close	64.3	32.6	51

6.16 In addition to the residual value estimated the possible terms of the contract (ownership of the assets, basis of the land transaction and the use of the land) has been discussed with a number of private sector parties to ascertain whether the assumptions are reasonable and whether the terms would be attractive to the market. The feedback we had was that the market would not have a preference for the nature of the land transaction (i.e. no difference between a long lease and freehold) but that they would favour retaining ownership and control of the assets even with restrictions on the use of the building and land.

Sensitivity

6.17 The Council is aware that there may be changes during the procurement of the project in the following key areas:

- Increases and decreases in the rate of inflation
- Increases and decreases in operating costs
- Increases and decreases in the Internal Rate of Return (IRR)
- Variances in the assumed rental and service charge income
- Increases and decreases in SWAP rates.

The impact of changes are highlighted below:

Change	Unitary Charge £'000 (1 April 2008 terms)	Unitary Charge NPV £m	Council Budget £000 p.a. (1 April 2008 terms)
BASE	4,837	91,082	153
RPI 2.0%	4,883	90,386	132
RPI 3.0%	4,795	91,856	173
RPI 3.5%	4,758	92,729	191
Capex - 5%	4,641	87,394	14
Capex + 5%	5,032	94,757	291
Capex + 10%	5,228	98,447	430
Opex - 5%	4,739	89,232	83

Opex + 5%	4,935	92,931	222
Opex + 10%	5,034	94,788	292
IRR 14.0% * see note	4,873	91,759	179
IRR 15.0%	4,920	92,657	212
Rents & Service Charges – 5%	4,921	92,662	212
Rents & Service Charges + 5%	4,752	89,494	93
Rents & Service Charges + 10%	4,668	87,909	33
SWAP Rate - 50 bps	4,651	87,575	20
SWAP Rate + 50 bps	5,025	94,643	287
SWAP Rate + 100 bps	5,217	98,237	422

6.18 In the event of changes impacting on the affordability for the project, the Council would have to review the specification, scope and costs of the project, where the budget required exceeds that available. However the costs contained within the model are robust and significant variations should not occur. The Council as with the previous PFI, intends to pass on a significant amount of risk to the contractor. This includes the setting and collection of rents and service charges.

6.19 In the event of a 6 month delay to the project the revised sensitivity shows the following amounts:

Change	Unitary Charge (Base £000)	Unitary Charge NPV £m	Council Budget £000 p.a.
BASE	4,837	91,082	153
6 month delay Financial Close 1/3/2012	4,877	92,076	201

6.20 The Council would therefore need to manage such delays extremely carefully, with the Bidders and ensure that increased costs are not significant for any such delay to minimise the impact on affordability. The Council would have to consider funding the additional costs, or reducing the scale of the project should such a delay occur. It is however noted elsewhere within this OBC that the Council has experience of managing such a procurement and has delivered a similar scheme already.

6.21 The financial model demonstrates affordability and is showing a contribution from the Council's revenue budget. The affordability and commitment to the project is evidenced in the letter from the Director of Resources for Kent Adult Services which is included with this submission at Appendix Y.

7 DELIVERABILITY: MARKET SOUNDING

Soft Market Testing

- 7.1 We are satisfied that there is considerable market interest in this Project.
- 7.2 Low key Soft Market Testing on this Project was conducted before the Expression of Interest was submitted to the CLG last year. This consisted of letters to selected companies, recommended to the authorities by our external financial advisor. The correspondence detailed the scope of the Project and asked for a response in terms of the attractiveness of the Project and any improvements which we could make. Our initial contact with the market generated interest from both national and local organisations.
- 7.3 We have developed the Project in accordance with the results of our dialogue with the private sector. In particular, since the Expression of Interest the type of accommodation included in the contract has changed, and we are now procuring a greater proportion of extra care housing – in blocks of 40 units. This is more attractive to the private sector than the previous configuration which included a larger number of small blocks, more individual sites, and more variety in client group. From discussions with bidders it is felt that the new configuration is more deliverable and presents a more cohesive project.
- 7.4 Since that initial contact with the market we have had more detailed discussions with potential bidders including meetings with individual organisations. In addition to meetings, information regarding the project and soft market testing questionnaires were sent to 20 prospective bidders, including a range of RSLs and construction companies.

This correspondence has resulted in meetings with a range of organisations, including Lenders, RSLs and Construction Companies:

- **Meetings with** – Sumitomo Mitsui Banking Corporation, Norddeutsche Landesbank, Osbornes, William Verry, Kier, Sanctuary Housing, Hanover Housing, Housing 21 Wates, Bouygues UK, Cyril Sweett Investments.
- **Telephone discussions with** –Denne Construction, United House.

- 7.5 Examples of some the completed SMT questionnaires are attached in Appendix F. From our discussions with the private sector, they were particularly interested in:

- How the partnership between the authorities is structured and approach to planning.
- Our proposals for the treatment of the properties at the end of the contract.
- The possibility of providing care within the contract as a variant to bidders.
- Helping to refine the scope of the project.

- 7.6 Below is a summary of the answers which we received to some of the key questions regarding the scope of the project.

Scope of the Project

- 7.7 The scope of the project was generally felt to be very attractive due to the growing demand for this type of accommodation, and the nature of the schemes as substantial blocks on a reduced number of sites.

Use of additional space on sites

- 7.8 Prospective bidders were asked how additional space on one of the sites could be used to improve value for money on the project, and whether they felt in the current market it would be of value to include this space for units for sale within the project. In general companies responded that in the current climate including additional space for units for sale would not particularly add to the attractiveness of the project, and that they would be concerned if the project was relying on units for sale to make the project affordable. However they were open to having further discussions with the authority regarding use of the space for the provision of additional affordable or social housing, particularly if it was for the extra care client group.

Care in or out of the contract

- 7.9 Prospective bidders were asked for their opinion regarding whether it would produce efficiencies to have care in the contract, rather than separately contracted. Most bidders responded that they would be able to find a care provider to deliver the services and that this would have some benefits in terms of a more seamless arrangement between providers on site. However, the main response was that the inclusion of care would complicate the contract as care needs are difficult to estimate, and it would require additional inputs to the payment mechanism. Most bidders felt that care is not easily negotiated within a long-term PFI contract, and were also concerned that many housing organisations interested in specialist housing might not deliver care themselves, which would add to the complexity of consortia by requiring another party.

As a consequence the council is not including care within the scope of the contract, and the Authority feels that it will be more appropriate to procure this separately.

Timetable

- 7.10 Prospective bidders were asked to comment on the timetable and also to recommend how the authority could manage the process in a way which would assist bidders. Bidders felt that the timetable was realistic, however they were concerned to check that the Council would not be taking more than six bidders through to the ISOS phase and three bidders at ISDS. One potential bidder stated that they would like the council to shortlist to two bidders as soon as possible. Companies expressed a tension between giving enough time for the accurate production of bids, and the feeling that they did not want to be kept in competition for an extended period as the CD process and its requirements is expensive.

Land and Sites

- 7.11 Prospective bidders were re-assured that all of the sites for the project were identified and were in Council ownership, although one prospective bidder did suggest that they may have alternative sites to offer (the Authority would not consider this). They were asked about the Authorities assumptions regarding residual value and were asked to suggest whether it would make a difference to the residual value if the Authority were to put the land into the project on a different basis (for instance a 125 year lease or freehold). It was felt that a change in the nature of disposal would not make a significant difference to the value offered. Companies felt that the basis on which the authority was calculating the value was appropriate but were reticent about discussing figures at this stage.

- 7.12 All respondents said that they felt that the timetable was achievable, and that they were generally happy with our approach to the competitive dialogue process.

PIN and Bidders Briefing Day

- 7.13 The Project Team is concerned about the need to engage the market as strongly as possible, due to the current economic climate, and we are therefore proposing to issue a Prior Information Memorandum. Our aim is to ensure that we reach as many potential bidders as possible and get the message to them that we are keen to receive innovative and competitive bids.

- 7.14 In 2009 a Bidders Briefing Day will be held at County Hall in Kent and we will invite national RSLs, construction companies, and banks. The day will be introduced by Kent County Council's Cabinet Member for Social Care and Community Health and will include presentations by the Internal Project Team, Advisors, KCC's Senior Planner and a representative for the District Council partner authorities. Potential bidders will be given the opportunity to ask questions about the project. We will also inform bidders of our expectations from them at the PQQ and ISOS stage of the project, to enable them to prepare and to give them the opportunity to ask questions about the process.
- 7.15 We are also setting up a website for potential bidders and stakeholders to the Project, which will enable us to ensure a fair and open treatment of questions that we receive and will facilitate open discussion with the market.
- 7.16 Conversations with the private sector to date indicate that it would be possible for one PFI consortium to take on all the elements of design, build and housing management and that the strategic nature of the proposal is one that remains attractive despite current market conditions.
- 7.17 As noted in sections 7.1 to 7.6 the Authority has had individual meetings with numerous organisations (including banks, construction companies, and RSLs) these meetings have been very positive and we believe that there is at least as much interest in the Excellent Homes for All project as there was in the Better Homes Active Lives project at the same stage. The authority has done more soft market testing on this project than it had on the previous project at this stage – including detailed meetings with funders who have been very helpful in advising on the potential funding scenarios for the project, and the best way to attract and secure the interest of funders.

8 RISK ALLOCATION AND ACCOUNTING TREATMENT

Risk Allocation

- 8.1 The Project will be structured through the Project Agreement and particularly the Payment Mechanism, to allocate risks appropriately to the relevant parties in the transaction. The Payment Mechanism is discussed in Section ten (Scope of Contract) and included in Appendix A.
- 8.2 The allocation of risks in this project will reflect the requirements of SOPC4. The risk allocation will be based on the current market position on risk transfer on commercial PFI deals particularly with regard to the BHAL PFI which achieved a good level of risk transfer from the Local Authority to the private sector contractor. Appendices M and N contains the risk matrices – one which relates to the risks encountered in procuring the project, the other relates to the distribution of risk through the contract.

Accounting Treatment.

- 8.3 An initial assessment of the transaction with regard to the likely accounting treatment under International Financial Reporting Standards (IFRS) has been undertaken by the Council's External Financial Advisers (Grant Thornton). This initial view is with regard to the guidance issued by HM Treasury which will apply to Local Authorities from 2009/10 and also to the Statement of Recommended Practice (SORP) 2009 ITC exposure draft. Grant Thornton have also referred to International Financial Reporting Interpretations Committee (IFRIC)12. It is with reference to this that they have reached their "best view".
- 8.4 Details of how the External Financial Adviser has reached the view on the accounting treatment are contained in Appendix T. The outcome of the review is that the scheme falls within the scope of IFRIC 12 and the assets to be constructed as part of this PFI would therefore need to be accounted for as being on the Council's balance sheet.
- 8.5 This analysis will be updated at Key stages in the procurement process including prior to appointing the preferred Bidder when the full business case is prepared and all key commercial principles are agreed. There will continue to be ongoing discussions with the Council's External Auditor. The Auditor's letter is attached at Appendix R.

9 MANAGING THE PROCUREMENT PROCESS

Project Structure

- 9.1 The structure for project management and the governance structure for Excellent Homes for All has been agreed by the Local Authority partners and is documented in the Development Agreement (Appendix H). The structure is designed to enable representation of all Partners whilst retaining a Project Board at an appropriate size to enable effective decision making. The Project is being managed according to Prince 2 principles.

Project Board

- 9.2 The Project is overseen by the Project Board which contains senior representation from all the Partners – Heads of Housing from each District/Borough Council sit on the board, as well as Kent County Council's Head of Adult Services for West Kent. The Board is chaired by the Director of Resources for Kent County Council Adult Services. Four out of the five partners represented on the Project Board were partners in the County's previous Better Homes Active Lives Housing PFI, and therefore understand the complexity of the PFI procurement process, and the key risks associated with PFI projects.

9.3 The role of the Project Board is to:

- Approve the start of the Project and confirm the Project tolerances.
- Agree the responsibilities of the Project Director and Project Manager.
- Provide overall guidance and direction to the Project – reviewing each stage and giving approval for the next.
- Commit project resources at each stage.
- Ensure Project costs, affordability, scope and programme is robustly controlled and approve changes to the Project.
- Agree the quality assurance arrangements to the project
- Represent the Project to respective senior management and political authorities.

9.4 The Board will meet on a regular basis as dictated by the requirements of each stage in the Project, but as a minimum this will be every two months.

Project Management - The Core Project Team

9.5 The Project Team consists of key staff who have been brought together to deliver this project. This includes internal legal, property, accountancy and commissioning staff, all of whom have been involved in the delivery of Kent's previous PFI programmes. It also includes external Financial, Legal and Technical advisers who have been formally appointed to the Project.

9.6 The Head of the Public Private Partnerships Team is the Project Director, overseeing the development of the Project and reporting, with the Project Manager, to the Project Board. The Project Director role is part time, and represents the Project at an executive level whilst the day to day management of the Project is handled by a dedicated full time Project Manager. The experience of the three core members of the team is detailed below:

Project Director's Experience

9.7 The Project Director successfully directed two previous PFI projects including the previous Better Homes Active Lives PFI and a Social and Health Care Integrated PFI project. The Project Director has had 28 years local government management experience commissioning and managing services and is fully qualified in Prince 2. The experience of the Project Director in delivering previous PFI projects, in particular Kent's previous PFI for specialist housing will be invaluable in negotiating the new project, and in ensuring that the project benefits from lessons learned on the Better Homes Active Lives PFI.

9.8 The role of the Project Director is to:

- Ensure that the Project is adequately resourced and supported.
- Ensure that the Project progresses to the timetable by directing the Project Manager.
- Ensuring that Project plans are comprehensive and that good progress is being made against them.
- Lead high level discussions with central Government and members
- Lead the dialogue with the bidders.
- Ensure effective liaison with the district council partners

Project Manager's Experience

9.9 The Project Manager project managed the Kent Better Homes Active Lives PFI project which successfully closed last year and was also delivered in partnership by 11 Local Authorities. The Project Manager is a Prince 2 Practitioner and a Management of Risk Practitioner and has been working in the Kent Public Private Partnerships and Property team for 5 years. The experience

of the Project Manager in delivering Kent's previous PFI for specialist housing will be invaluable in negotiating the new project, and in ensuring that the project benefits from lessons learned on the Better Homes Active Lives PFI. The project team won a Partnership award at the PFI Awards for the successful delivery of their previous housing PFI project, which closed affordable within the original credit allocation agreed from the CLG.

9.10 The role of the project Manager is to:

- Ensure the Project Director is kept informed of progress against the timetable
- Plan and monitor the procurement process to financial close.
- Manage the production of the required products, PQQ, ISOS, ITPD, ISDS.
- Report to the Project Board.
- Direct the Project Team and ensure the information is produced as requested and that timescales are adhered to.
- Liaise with Programme Management.
- Be responsible for Project administration
- Negotiate the contract.

Project Accountant's Experience

9.11 The Project Accountant is a CIPFA qualified accountant and has over 10 years experience in providing strategic financial advice to Chief Officers and Members on large corporate projects. The Project Accountant has experience in both HRA and Non HRA PFI Housing projects. She helped to secure the successful financial close of the Kent Better Homes Active Lives PFI and prior to this worked on the Project Team delivering the Chalcots Estate PFI at Camden a HRA Project. She will be part of the team actively involved in negotiating the contract.

External Advisers

9.12 External Advisors to the project are Grant Thornton (Financial) Philip Panks Partnership (Technical) and Addleshaw Goddard (Legal). All three sets of advisors and the individuals working on the Excellent Homes For All Project have extensive experience in the specialist social housing sector of PFI, and have advised both bidders and authorities and played a key role in delivering successful Housing PFI in the recent past. They were also selected for their experience and understanding of the Competitive Dialogue process.

Internal specialists

9.13 Kent County Council and its partners are able to draw on a range of internal specialists in order to deliver the project. These are as follows:

Design Champion

9.14 The Council has appointed a Design Champion to advise on this element of the Project. The officer appointed to this role is a Senior Project Manager in the Council's Property Department and is a trained architect. The Design Champion's role will be to promote the procurement of high quality design through the project, and to quality assure the process for obtaining good design. Championing good design is of particular importance to the Council on this project, not just to ensure that these buildings have a positive impact on the local landscape and environment, but also to ensure that the facilities are fit for purpose and designed to meet the special needs of the vulnerable people who will be our tenants.

9.15 The Design Champion will be involved in the project on the following basis:

- Ensuring that stipulations relating to design in the output specification are appropriate and reflect good design practice, and the Authorities' aims.

- Attending meetings with bidders' architects to explain our vision for design on this project, to ensure that bidders appreciate the design standards that have been set, and to ensure that the Council's policies relating to design and the built environment are adhered to.
- Ensuring that design issues are given due consideration in the evaluation of bids and drawing the evaluation panel's attention to appropriate issues for consideration.
- Liaising with planners to establish appropriate design requirements for each site, ensuring that this is reflected in the tender, and ensuring that the preferred bidder pays due regard to good design in its planning applications.

9.16 The Design Champion will work with the project team to establish appropriate criteria for the assessment of design in tenders and will have a clear role in the evaluation process. They will attend the Project Board meetings as requested to discuss design issues.

Housing Expertise

9.17 The project is being developed in partnership with five Housing Authorities and as such there is strong housing expertise available to the project team. Specialists from our partner authorities were involved in workshops to develop the output specification and will be used throughout the project to ensure that the housing and management services that we procure are appropriate for tenants needs. Housing partners have agreed to put forward representatives for each stage of the tender evaluation process, and to speak to bidders. The resourcing of this work is committed to within the development agreement between partners.

Property specialists

9.18 The County Council have a dedicated property team who are available for officers to approach for advice on issues relating to the Authority's sites and property. In addition to this the Project Team have procured specialist assistance from the consultants Mouchel who will work with the Project Manager to undertake the development of the data room, and to facilitate the swift turnaround of any issues relating to sites.

Legal Services

9.19 KCC internal legal department have experience of working on a range of PFI and PPP projects that the Council has procured (including previous housing, social care and education PFIs as well as Building Schools for the Future). A legal officer has been dedicated to work on this project, to Advise on the Authority's position, and to liaise with the legal officers from our partner authorities. The Kent Secretaries Group – a county wide group consisting of the senior legal officers from each Council, will be used as a mechanism to update all partners on the project, which is a standing item on their agenda.

Finance Managers

9.20 As noted above, the project has a dedicated Project Accountant, who was recruited for her experience of housing PFI. In addition to this, the Chair of the Project Board is KCC Adult Services Director for Resources. Kent has a cross-authority Chief Finance Officers Group, and this group will be used as a forum to update on the project and ensure that all partners are aware of the project risks and benefits. Kent also has an internal VAT specialist who can be called on for advice.

Planning

9.21 As explained in detail in section 10 the County is administering the planning for this project. KCC's Principle Planning Officer has been advising the partners with regard to outline planning issues, and has agreed to speak to bidders informally regarding planning issues throughout the process. He will attend Project Board meetings as necessary.

Insurance

9.22 The Council, has its own insurance advisory section who will be assisting on the project, however we will also be procuring external insurance advice.

Project Governance

9.23 The Project has been approved by Kent County Council's Cabinet and will be approved by the Cabinets, or Key Portfolio holders, of each District Council partner. Appendix G contains a Record of Decision from Kent County Council's Cabinet, and those of our district council partners. A letter from the leader of Kent County Council has been provided confirming his Cabinets understanding of the risks and costs and financial implications for Kent County Council and that it considered the risks acceptable and strongly supports the project (Appendix O).

9.24 The Project Team will be holding a cross-authority briefing for Members from all partner authorities. This will be the first of a series of meetings which will bring partners' Members together at key points in the project to discuss its progress and its strategic impact. This process is felt by partners to be an appropriate and effective way of enabling Members to have the opportunity to interrogate the Project Team, keep updated on key Project issues and risks so that the confidence and enthusiasm of members is fully maintained throughout the process. If Members request it this mechanism can be converted into a formal cross-authority Member Board but currently the partners are fully satisfied with the process outline above.

County-wide Communication

9.25 The project team will be using already established County-wide mechanisms for communicating with other internal stakeholders. The project will therefore feature as a regular item on the agenda's of the following groups: Kent Planning Officers Group, Kent Finance Officers Group and Kent Legal Officers Group. This will ensure that key figures in each authority are kept up to date on the progress of the project and any risks or issues that they may need to be aware of.

9.26 Partners will be asked, through the Project Board, to put forward representatives as required to participate in the processes for evaluating bids – to ensure that the relevant stakeholders are involved and the project benefits from the combined knowledge and experience of all partners.

Development Agreement

9.27 In order to deliver the project effectively in partnership with a number of stakeholders the partnership arrangements for the project will be embodied in a formal Development Agreement. The Development Agreement is a legal agreement between the 6 authorities which outlines the management and financial arrangements for the delivery of the project. This includes the arrangements for division of development costs for the project, which have already been agreed in principle by the Project Board.

9.28 A copy of the Development Agreement is included in Appendix H.

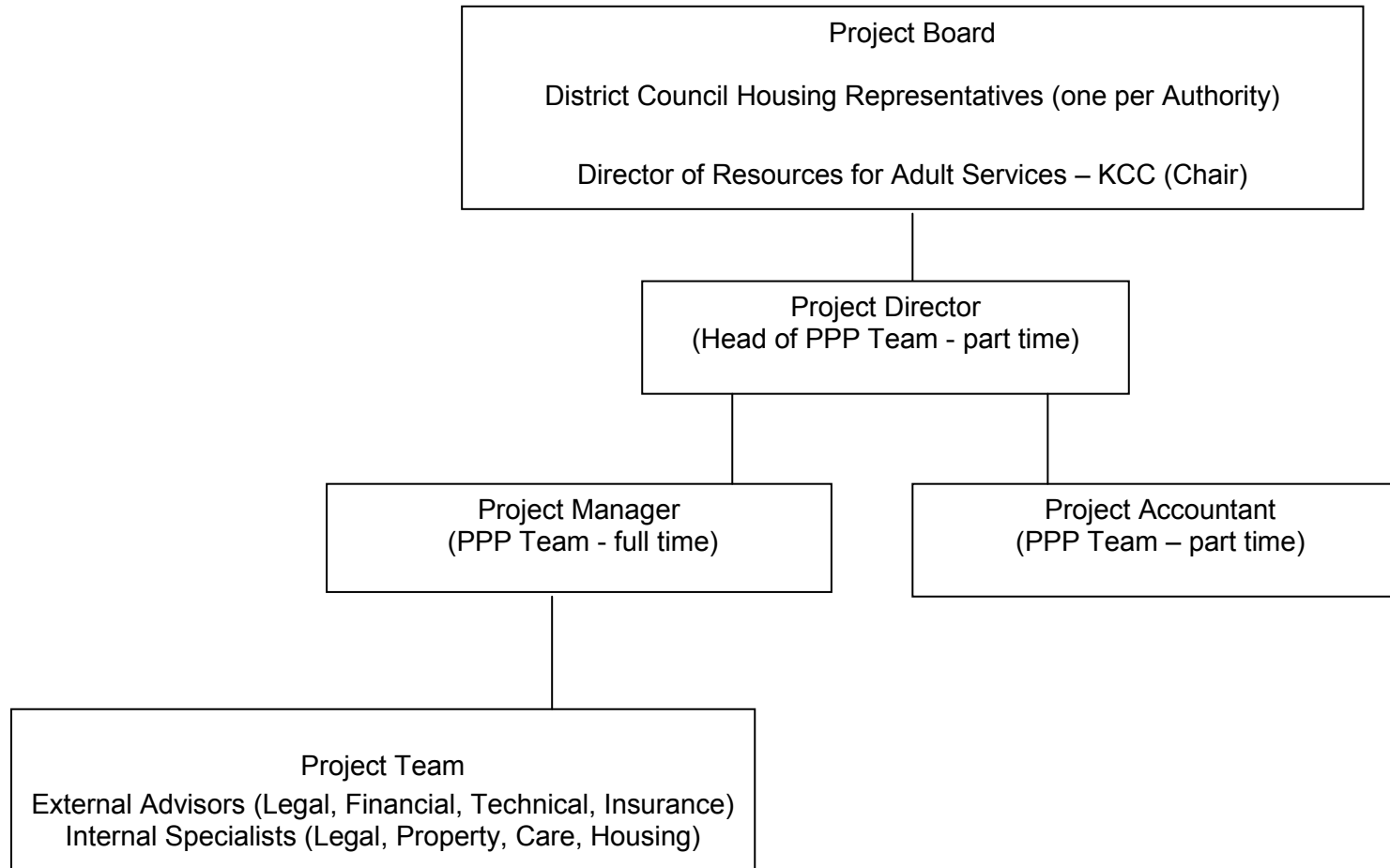
Procurement Budget

9.29 A budget for the procurement of the project has been set at £907k. This can be broken down as follows:

Cost category	£000
Internal KCC costs	203
Legal Advisers	300
Financial Advisers	170
Technical Advisers	170
Site Costs	50
Insurance Adviser	14
Total procurement budget	907

- 9.30 This budget was compiled by the Project Team and agreed with the Project Board following consultation with the Housing Partners. It is based on lessons from the previous project and the bids received from external advisers for undertaking work on this project. The budget includes the work undertaken by the in-house project team at KCC and the use of external advisers. Although it is based on the experience gained from the last project, where skills have been transferred to the in-house team, this has been taken in to account in a reduced cost to the project. The Better Homes Active Lives project was procured in 27 months and the final budget for the procurement of the project was £1.007m.
- 9.31 In setting the budget consideration has also been given to the size of the project and the number of partners working together (both a reduction on the previous project). In addition to this some allowance has been made to factor in the additional work involved in the competitive dialogue process (we followed the negotiated route on the last project) due to keeping more bidders engaged for a longer time.
- 9.32 The project negotiations will be completed by the Project Team and led by the Project Director or Project Manager with the assistance from advisers as necessary. The Cabinet Approval from Kent County Council gives delegated authority for the Project Team to progress with the procurement of the project including the negotiation of the contract. Further approval will be required in order for the contract to be signed and this has been accounted for within the timetable.
- 9.33 KCC is keen to share the information and experience obtained as a result of procuring this project subject to restrictions regarding commercial sensitivity. We confirm that we will be happy to help other Authorities in any way we are able. Appendix X details how Project Team propose to approach the evaluation of the ISOS/ISDS submissions.

PROJECT STRUCTURE



PROJECT TIMETABLE

9.34 The Project Timetable has been discussed with the project's advisers, the CLG Housing PFI team, bidders and the 4Ps. A detailed Project Plan is included in Appendix J.

Milestones	Finish
Submission of Exp of Interest	Oct 2007
Announcement of Successful Schemes	Feb 2008
Submission of OBC to DCLG & Treasury	Nov 2008
Outline Planning Process Undertaken	May 2009
Issue Prior Information Notice	May2009
Bidder's conference	June 2009
Decision to proceed from PRG	July 2009
Issue OJEU notice	July 2009
Issue PQQ	July 2009
Receipt of PQQ and Evaluation	Aug 2009
Issue ITPD and ISOS	Aug 2009
Receipt of ISOS	Sept 2009
Evaluate ISOS – shortlist to 3 bidders	Oct 2009
Issue Invitation to Submit Detailed Solutions (ISDS)	Feb 2010
Receipt of Invitation to Submit Detailed Solutions (ISDS)	May 2010
Evaluation of Detailed Solutions and shortlist to 2 bidders	June 2010
Further Dialogue on Detailed Solutions	Aug 2010
Close Competitive Dialogue and Call for Final Tenders	Aug 2010
Receipt and evaluation of Final Tenders - Select Preferred Bidder	Sept 2010
PRG second stage review	Dec 2010
Appoint Preferred Bidder and Alcatel process	Jan 2011
Fine tuning and Full Planning Process (including Judicial Review)	Oct 2011
FBC Approvals and Council Approvals	Sept 2011
Financial Close	Sept 2011

Explanation of Timetable

- 9.35 The timetable is based on the Authority's best assumptions at this stage, based on our own experience and taking into account advice and guidance from our advisers, the 4ps, and the HCA. The time-table has also formed part of the Council's soft market testing discussions with bidders.
- 9.36 The time-table shows that the Council intends to issue a Prior Information Notice to make the market aware that the project may be advertised by OJEU later in the year. The Authority intends to issue the OJEU as soon as possible once PRG approval has been achieved, and to this end has already begun drafting the relevant documentation.
- 9.37 We intend to issue the PQQ and ISOS at the same time and will be outlining the content of this documentation for bidders at our bidders day. Bidders will not, however be expected to complete the PQQ and ISOS at the same time – the ISOS will be for information. Those bidders who pass the PQQ will be invited in writing to submit the completed ISOS and given time to do so.
- 9.38 The Authority feels that it will be necessary to have an ISOS stage in order to be able to adequately shortlist to three bidders to whom the ISDS will be issued. The ISOS will be used to test issues such as the strength of bidders' consortiums at this stage, their approach to this project and their experience of successfully delivering similar projects
- 9.39 We have discussed our approach to the competitive dialogue process and our timetable with prospective bidders who were comfortable with it. Bidders emphasised that there should not be more than three consortia taken forward to ISDS stage.
- 9.40 We have shown a two-stage ISDS to enable the Council to ask bidders to refine their solutions before dialogue is closed and final tenders are called for.
- 9.41 The outline planning process noted in the timetable is already underway. Design briefs for all sites have been compiled, and outline planning applications have all been submitted for all sites and are in the process of being considered. It is our intention to have outline planning permission achieved on the majority of the sites by the time that the project is OJEUd. All permissions should be achieved well before the ISDS is issued and access to the applications is required by bidders.

10 SCOPE OF CONTRACT AND PAYMENT MECHANISM

Basis of Contract

- 10.1 The contract will be for 30 years, on the basis that in order to gain cost efficiencies in terms of the procurement costs to the Authorities and in construction costs, a long term contract offers these advantages.
- 10.2 The scope of the contract will cover new build, continuing management and maintenance of 208 units of extra care housing, 9 units of supported accommodation for people with mental health problems and 11 units of move on accommodation for vulnerable homeless people. These will be distributed across seven sites, all of which are in the ownership of the procuring authorities.
- 10.3 The Housing Management and Facilities Management services included in the contract will be provided on a 24 hour basis and will include the running of additional services contained in the extra care schemes such as therapy room and restaurant.
- 10.4 The contract will not cover care services. Arrangements for care will be made separately by the County Council. We feel that this represents better value for money for the Authority since it is difficult to estimate accurately the levels of care which will be required over such a long contract.

We have tested our decision to keep care out of the contract with bidders and this is also the preferred option from their position as most felt that it would make the contract more complex to negotiate and add more complexity to their consortia.

- 10.5 Sites will be put into the project on a long lease basis (99 years). The buildings will be built and owned by the contractor and the contract will include a nominations agreement between the county, our district council partners and the housing provider. This agreement will include arrangements for the councils to retain nomination rights beyond the PFI contract period.
- 10.6 KCC will enter into the contract with the PFI company / consortium and KCC will enter into a back to back agreement with the other Local Authority partners. There will be one Unitary Charge which will be paid by KCC. Benefits, costs and risks will be shared as appropriate with the District Councils through the Back to Back Agreement. This arrangement is the preferred model to attract the private sector and it is a model which the partners have used successfully on our previous housing PFI which has closed successfully and is now under construction.

Output Specification (Appendix D & E)

- 10.7 The Authority has developed separate Output Specifications for each model of housing, which are brought together through the documentation in Appendix D. Workshops with partners, and other stakeholders such as Occupational Therapists, were held to develop the specifications. The text and Room Data Sheets are included at Appendix E.
- 10.8 Both local and national guidelines for good design and construction practice are reflected in the document, along with policy relating to this type of specialist housing.
- 10.9 As is illustrated in more detail in the Output Specification in Appendix D, management of the extra care facilities will include housing management services, but it will not include management of the care input – this will be arranged separately by KCC. The contract will include hard and soft facilities management, within both types of housing. The private sector partner will therefore be requested to provide on site restaurant and catering facilities. We will also ask bidders to show whether they would be able to open up these services up to the community and provide a possible source of third party income.

The Output Specification covers the following elements for each type of accommodation being delivered through the project:

- Background Information
- Scheme Location and Sizes
- Service Users
- Reference Information and Standards
- Design & Construction
- Quality Standards
- Facilities management
- Housing Support & Management
- General Property Standards
- Room Data Sheets

General Design standards in the Output Specification

- 10.10 The facilities must be visually attractive and fit well with the local community. The facilities should follow a design that will inspire all who live in and use them whilst making a positive statement in the community.
- 10.11 These facilities must function internally to give people the privacy and independence that they require and also facilitate the effective provision of care and promote an internal community.

- 10.12 Each facility shall meet 16 of the 20 criteria of the Building for Life scheme led by CABI and HBF when assessed by a qualified professional. Higher scores or independent assessment will be favoured by the Authority.
- 10.13 Design will reflect standards, research and good practice regarding appropriate design for housing for these client groups for instance:
- “Home Life” and “A Better Home Life” produced by the CPA.
 - The Housing Corporation’s ‘essential’ items contained within the “Design and Quality Standards” document (April 2007).
 - The National Housing Federation’s publication ‘Standards and Quality in Development’ (essential items only).
 - RNIB and RNID guidelines and audit assessment for use of the Facilities by visually impaired Service Users.
 - The requirements of ‘Secured by Design’ as determined by the Local Police Architectural Liaison Officer.
 - The best practice guidance for design of services for people with dementia indicated in the research undertaken by the University of Stirling (Dementia Services Development Unit).
 - Wheelchair Housing design Guide, Second Edition, by Stephen Thorpe and Habinteg Housing Association.

Sustainability

- 10.14 The Authority will require the bidder to design and operate the facilities, so far as is reasonably possible, in a way which benefits the environment and minimises any adverse impact upon the environment. Particular considerations include the following:
- Contribution to minimising ozone depletion, global warming, air and water pollution, and non-renewable resource depletion;
 - Avoidance of radon contamination;
 - Avoiding sources of ionising and electromagnetic radiation and any design features associated with sick building syndrome;
 - Maximising the opportunity for re-cycling;
 - Maintenance regimes to be used to maintain optimum performance;
 - Avoidance of any actively harmful building products and processes;
 - Minimise traffic movements needed to construct the facilities;
 - The use, where possible, of natural resources such as daylight and passive solar energy.
- 10.15 The Authority will encourage the following aspects of sustainability:
- Orientation;
 - Façade design;
 - Facility layout;
 - Ventilation;
 - Facility form;
 - Selection of materials;
 - Insulation;
 - Energy-efficient fixtures and fittings;
 - Draught lobbies.
- 10.16 The Authority will require the Contractor to design and construct the apartments to a standard such that they can achieve a minimum Code for Sustainable Homes energy efficiency standard level for new housing of “Level 4” or BREEAM “Excellent”.
- 10.17 The Authority requires that 20% of all energy consumed to be from renewable sources produced on site. Renewable energy generation shall be operated for the life of the agreement and any time

during which renewable energy is not used shall be balanced by additional renewable use to ensure at least 20% usage during the period of the agreement.

10.18 The Authority will give preference to bids that give consideration to:

- Adopting 'green' materials from sustainable sources which are non-hazardous in their erection, maintenance and long-term use, and which are environmentally sustainable. Examples are organic paints, timber (sustainable species only), and natural fibre finishes in carpets;
- Recycling, e.g. bottle banks, etc;
- Efficient use of water supply and waste water;
- Reducing traffic movements necessary for the construction phase and those resulting from deliveries and waste removal during the operational phase;
- Proposals for landscaping which interact with the natural environment;

Payment Mechanism (Appendix A)

10.19 The Payment Mechanism within the Project Agreement will be based on the Payment Mechanism which was agreed as part of our previous housing PFI and was based on the CLG/4Ps guidance. It has been updated to ensure relevance to the Excellent Homes For All project.

10.20 KCC and our Partners will develop our payment mechanism and operational monitoring system to ensure that it is flexible enough to accommodate variations in local services but simple enough to be acceptable to all Partners, including the PFI company / consortium.

10.21 The key terms of the payment mechanism will be payment of the monthly unitary charge by the Authority subject to deductions for unavailability or performance which is below the standard agreed with the Authority prior to contract close. The performance deductions will focus on the service delivery aspects of the contract that are most important to the Authority. There will be a minimum tolerable level of performance for each performance indicator and a desirable level set higher. Deductions will be made if the SPV performs at below the desirable level.

10.22 The payment mechanism will also allow for the ratchet of deductions for continuous failure to meet satisfactory service levels or for intermittent failure where the contractor does not provide satisfactory service levels consistently.

10.23 The contract negotiations will be based on the OGC standard contract documentation SOPC4 and using 4Ps procurement guidance. KCC will advise all bidders that compliance with SOPC4 and national guidance will be strictly enforced.

Project Agreement

10.24 The Project Agreement will be based on Treasury Guidance SOPC4. Legal Advisers Addleshaw Goddard have been appointed to the project and will work with the Authority to develop the Project Agreement.

10.25 The Council has not yet fully worked up with its advisers the project specific derogations which it will be seeking sign off from HCA/PUK. A number of these derogations will relate to the sites being inputted into the scheme. Work is currently underway at the Council deducing title to the sites to be included in the project so that any derogations can be identified before procurement of the project commences.

10.26 With regards to derogations in general, the Council will ensure that derogations to SOPC 4 are submitted to HCA/PUK for sign off. The Council will be seeking a number of derogations given that this is a Non HRA Project (such as the inclusion of the recovery of rents and service charges under the Compensation Event and Qualifying Change in Law provisions and amendments to the compensation on termination provisions to cater for the fact that residual value risk will be taken by bidders as part of the Project). These derogations will be worked

up and submitted to HCA/PUK for sign off prior to the Council issuing its Invitation to Submit Detailed Solutions (ISDS) to bidders.

Treatment of sites

- 10.27 All of the sites for the project have been identified and all are in Local Authority ownership. All are owned by KCC with the exception of one which is in the ownership of Ashford Borough Council. Some have existing buildings on and these will need to be demolished. The table below identifies the sites to be used for the project.

Site location	Owned by	Existing building?	To be used for	No of units
Associate House, Ashford	KCC	No	Move on	11
Little Hill, Ashford	Ashford BC	Yes	Extra Care	48
Cornfield, Dover	KCC	Yes	Extra Care	40
Newington Library, Thanet	KCC	Yes	Mental Health	9
Newington CPS, Thanet	KCC	Yes	Extra Care	40
Quaker Lane, Cranbrook	KCC	Yes	Extra Care	40
Manorbrook, Dartford	KCC	Yes	Extra Care	40
Total number of units				228

- 10.28 It is intended that sites will pass to the provider on a long lease (at least 99 years) with a restriction for use at the end of the initial contract period so the sites can only continue to be used for social housing. The Ashford Borough Council owned site will be passed to KCC on a long lease and then sub leased to the contractor by KCC.
- 10.29 There are a number of sites which have existing buildings. These include two residential care homes and an existing sheltered housing scheme. These structures will be decanted prior to the PFI contract commencement, and the sites will be handed over vacant to the contractor. The contractor will be responsible for demolition of the buildings.
- 10.30 The sites are all within the ownership of KCC and one district partner, and as stated some have existing buildings on them. The history of the sites is known and preliminary surveys are being undertaken on each site. The likelihood of adverse conditions on the sites that are not known about is therefore minimised. There are seven sites in the project and it can therefore be reasonably expected that variations in the conditions in the sites will average out overall across the project.
- 10.31 Consultation with residents and tenants on all three sites is already underway and all residents/tenants will be re-located prior to the contract closing. Those residents who wish to move into the new extra care housing will be given the opportunity to do so. The homes which are in the ownership of the County Council are being de-commissioned as part of a wider strategy for modernisation of care facilities and residents are being consulted as part of this strategy regarding their re-location. It is not assumed that many of these residents will opt to move into the housing developed through this PFI. The site which is owned by Ashford Borough Council contains an existing sheltered scheme that is being demolished. Tenants have already been consulted and understand the proposals. It is not anticipated that many will move back into the new scheme, although it was noted in the consultation that the existing tenants felt that there was a need for this type of extra care accommodation.

Feasibilities and Planning

- 10.32 We have had initial feasibilities undertaken on all of our sites by our technical advisers (Philip Pank Partnership) to ensure that they are appropriate for the facilities which we wish to develop. Their cost budgets were also re-evaluated based upon these initial studies.
- 10.33 Outline planning is being progressed on all sites and it is anticipated that this will be achieved on most sites by the time we issue the OJEU and on all before we reach ISDS. We will be using the County Planning Process for all of the sites, so that a single consistent process is followed for the whole project and Bidders will have one point of contact for planning information. As part of that process, Philip Pank Partnership are monitoring the original assumptions and cost profiles against the documentation being assembled for the Planning submission. This includes any bespoke studies needed for a particular site, sound, ecological, environmental, etc.
- 10.34 The County Council's planning team are engaged with this project and understand the complexity of PFIs which contain a number of sites. At our bidders day the County Council's Principle Planner will be presenting our approach to planning to bidders, and will speak to them about concerns which they have regarding the planning process or planning considerations on the sites.
- 10.35 Having successfully completed two previous PFI projects, the Project Team is aware of the need to tackle any issues related to sites as early as possible in the process. The County Council has engaged consultants Mouchel to assist in the due diligence work for the sites and this is already underway.
- 10.36 The planning applications have all been submitted and are in the process of being considered. In our experience it is better to deal with site related issues – for instance highways problems that affect design – up front with planners and other stakeholders (such as local Members, parish councils, highways etc) before the application goes in. This assists with a smoother application process, less delays during planning consideration, and more chance of successful initial applications. A great deal of work has been undertaken with planners prior to making the submissions in an attempt to 'head off' problems before the applications went in.
- 10.37 It is our intention to have outline planning permission achieved on the majority of the sites by the time that the project is OJEUd. All permissions should be achieved well before the ISDS is issued when bidders will need to have access to the applications.
- 10.38 A workshop was held in early November to go over the site issues in detail with Mouchel and Addleshaw Goddard (our external legal adviser) to agree on our approach to conveyancing.

Site Surveys

- 10.39 Mouchel are in the process of compiling packs of information regarding each site in the project which will be presented to bidders at ISDS stage. Following discussions with our legal and technical advisers the Project Team will be asking bidders to undertake site surveys, such as ecological and contamination surveys at ISDS stage. On Kent's previous housing PFI the three short-listed bidders jointly procured site surveys and this is the approach that the Authority would like to take on this project. We have chosen this approach to ensure that the risk of any issues revealed (or failed to be revealed) by the surveys can be more readily and cost effectively passed to the bidder (as the exercise remains fully in their control at all times).
- 10.40 By delaying the inception of site surveys Kent gains two further benefits. The existing assets can continue to be used for longer before intrusive investigation renders them unusable.
- 10.41 The continually evolving nature of standards applied to such things as environmental issues can be more fully included within the investigation process by keeping the time frame between investigation and delivery to a minimum.
- 10.42 All of the sites are in the County Council or District Council ownership and therefore we have good knowledge of their condition and previous history. Combined with our experience on the

previous housing PFI we feel that this knowledge has enabled us to include robust estimates for the cost of site treatment (for issues such as contamination, or ecological risks) within the financial model. As the same Technical and Financial Advisors have been retained for both PFI projects, this learning has been more readily captured and capitalised.

10.43 Our technical advisers have visited all of the sites prior to working with the Financial Advisers to draw up the costings on which the model is based. The risk assessment of contamination (principally asbestos) in the existing superstructures has been based on the age, design and usage of the existing properties. The risks of ecological issues have been priced based on similar sites previously developed both within the county and elsewhere. The risks of adverse soil conditions have been based on an understanding of the previous uses of the sites with standard allowances for unforeseen risks. Further contingencies have been assessed based on past experience of similar projects in instances where basic information has been scant.

10.44 The table below demonstrates the current position:

Site	Feasibility Undertaken	Planning Status	Decision Anticipated
Associate House, Ashford	Yes	Submitted December 2008	May 2009
Little Hill, Ashford	Yes	Submitted December 2008	May 2009
Cornfield, Dover	Yes	Submitted December 2008	May 2009
Newington Library, Thanet	Yes	Submitted January 2008	May 2009
Newington CPS, Thanet	Yes	Submitted December 2008	May 2009
Quaker Lane, Cranbrook	Yes	Submitted December 2008	May 2009
Manorbrook, Dartford	Yes	Submitted December 2008	May 2009

10.45 Our technical advisers prepared both the Output Specification (based upon extensive consultation with user groups and other contracting professionals involved in the delivery of the earlier PFI projects) and the costs on which the model is based (again utilising the experiences gained by the delivery team on the last PFI project) to ensure seamless coordination between the two.

10.46 Prices are based on costs returned on previous PFI projects and other related tenders, fully adjusted to allow for the particular specifications in this project and the likely site conditions (as discussed above).

10.47 The technical advisers have liaised with the financial advisers to ensure that a consistent approach has been taken to risk management and optimism bias allowances. The technical advisers confirm that they are able to sign off those parts of the overall model that all within their specialism.

11 POST PROCUREMENT AND CONTRACT MANAGEMENT

Contract Management

- 11.1 A dedicated Contract Manager will be employed to monitor the service provider's performance against the contract and ensure that the Authorities' contractual position is protected.
- 11.2 KCC have experience of managing the post procurement/construction and operational phases of similar projects, including a social care PFI and a partnership housing PFI.
- 11.3 A Partnership Project Board made up of representatives from KCC and the five District Council Housing Departments will oversee the construction and operation of housing services for the term of the Project. The Contract Manager will report to this Board.
- 11.4 The terms of reference for the Project Board will be set out and agreed in the Back to Back Agreement which will be sealed by all Local Authority partners prior to the signature of the Project Agreement.
- 11.5 The Contract Manager will be employed as the interface for day-to-day issues with the Contractor. The Contract Manager will report to the Partnership Project Board.

Construction Stage

- 11.6 During the construction phase KCC and the District Council partners will require the PFI Company to establish construction progress meetings which senior local authority officers can attend. There will be full documented reports on a monthly basis including any variances from the programme and, if there are delays, detailed recovery plans.
- 11.7 The Contract Manager will use internal property expertise to assist in monitoring the construction stage, advise on any issues to the authority partners and attend construction progress meetings.
- 11.8 During the construction stage the issues of reviewable design and change mechanisms will be carefully controlled by the Contract Manager, and any significant issues considered by the Partnership Board. Independent certifiers will be appointed to the project and will report to the Contract Manager.

- 11.9 The Authority will jointly procure an independent certifier with the contractor to confirm compliance with the output specification and to ensure the buildings meet the availability standard. The independent certifier will need to sign off the buildings before the SPV can invoice the Authority and before the apartments are occupied.

Operational Stage

- 11.10 The Contract Manager will be responsible for monitoring the PFI contract compliance, the performance standards and the operation of the Payment Mechanism and to consider regular reports.
- 11.11 Nomination arrangements for the housing will be agreed as part of the Back to Back Agreement between partners and nomination panels at a District level will be set up to ensure a smooth process for referrals to the new accommodation. All schemes will be part of the 'Kent Home Choice' lettings scheme.
- 11.12 Each year there will be a formal review of the Project focusing on the performance of the PFI Contractor and the performance of other services into the apartments. All changes during the year will be considered.
- 11.13 There will be a Project Liaison Board established between KCC, the District Council partners and the Contractor which will formally meet to consider issues during the Project Term. Partners from the District Councils as well as the County Council will be represented on this Board. This will ensure that there is a close and effective partnership for delivering good quality housing services for 30 years.
- 11.14 The contractor will be expected to employ a contract manager who will have an overview of the operation of the facilities and services and their performance against the targets in the output specification and payment mechanism. The contractor is expected to keep comprehensive records in relation to the monitoring information required for assessing performance through the payment mechanism. The contractor's representative will meet regularly with the Authority's contract manager to ensure a good relationship between the parties and to tackle any issues that arise as swiftly as possible.
- 11.15 As with the Better Homes Active Lives Project, prior to the end of the Project Term the Project Liaison Board will consider the arrangements for the post contract period and a budget will be agreed to support the process. The budget will be appropriate to the level of work and skill required to manage the post-contract period. The partners are aware of the costs involved in management of such contracts as they are currently supporting the same process on the Kent Better Homes Active Lives PFI.

12 COMMITMENT OF PROJECT SPONSORS AND STAKEHOLDERS

Staff and Tenant Involvement

- 12.1 Stakeholders have been involved in drafting of key project documentation, such as the Output Specification - (which was drawn up following a number of workshops with representatives from each District as well as stakeholders such as Occupational Therapists.) Structures have been established to ensure the ongoing involvement of stakeholders in the future development of the project documentation - for instance the Authority has a change approval process for stakeholders to sign off changes to the output specification or the payment mechanism going forward. Stakeholders will also be invited to become involved in the evaluation of bid documentation, such as the designs proposed by each consortium and also the services proposals for the accommodation. In particular they will be present for any evaluation of the bidders presentations at ISDS stage. Each District will be invited to recommend which representatives from their authority should be involved at each stage of the process and the Project Team will ensure that representation reflects the wide range of expertise and interests required to appropriately evaluate bids for the project.

- 12.2 As this is a non-HRA project there is not an identified group of tenants who we know at this stage will be moving into this accommodation. Consultation has been undertaken with older people regarding housing needs as part of the development of Kent's Active Lives Strategy and Strategy for Later Life. Kent County Council has focus groups for user involvement whose experience and expertise can be drawn on to assist in the evaluation of the designs and proposals for services as part of the ISDS evaluation. For example KCC has a group of users who meet regularly to work with our Occupational Therapists and who work with them to look at the appropriate design of facilities.

Political Support

- 12.3 There is support from the Members of all Partner authorities. Included is a Record of Cabinet Decision approving the project from the lead partner, Kent County Council's Cabinet, along with all of the minutes/decision sheets for all of the District Council's from their relevant Cabinet/Executive meetings.

Ensuring Partners Remain Informed and On-Board

- 12.4 KCC will be taking a strong lead on this Project through the structure described in section nine. The Project Management Team will report to the Project Board, which will meet on a regular basis and will contain high level representation on behalf of the District Council Partners. The Project Director, Project Manager and Project Team will work with local partners to represent the Project to partners' political leadership. This will include, where necessary, the production of template reports or assisting with briefings.
- 12.5 The Project will be run according to Prince 2 principles and a detailed strategy for communicating with stakeholders will be agreed at the outset. As noted in section nine the project has been structured in such a way as to ensure that it fits into other reporting and communication mechanisms that operate between partners – to enable an efficient approach to managing information about the project.
- 12.6 KCC has a good history of delivering complex projects in partnership with other Local Authorities and public sector agencies. There are already structures in place for developing housing strategically across the County. In particular, the Kent Housing Group, the Supporting People Core Strategy Development Group and the East and West Kent Joint Policy and Planning Boards serve as mechanisms which bring together Housing, Health, and Social Care representatives at a high level to undertake strategic planning. All partners are represented on these bodies.
- 12.7 As noted in Section nine, the relationship between Partners on this project is underlined by a formal Development Agreement, which is at Appendix H. The Development Agreement is a legal agreement between the 6 authorities which outlines the management and financial arrangements for the delivery of the project. This includes the arrangements for division of development costs for the project, the obligations of the partners in respect of the delivery of the project, and the terms of reference for the Project Board. The development agreement ties the partners into the procurement of the project and ensures that if a partner chose to withdraw from the project they would still be liable for contributing their total share of development costs – this is to ensure stability in the project. The Back to Back Agreement which will follow on from the Development Agreement once the Project Agreement has been signed will share the risk from the Project Agreement between the Local Authority partners. The Back to Back Agreement will contain a mechanism for sharing any costs that arise from risks that occur and will mirror the Project Agreement in terms of treatment of major risks such as termination scenarios. Partners are not able to withdraw from the Back to Back Agreement unless a termination scenario occurs within the Project Agreement.

Existing Tenants

- 12.8 As this is a non-HRA new build PFI we are not refurbishing existing tenants apartments.

- 12.9 Three of the sites which are being put into the project have existing facilities (such as older care homes) which are being decanted prior to being handed over to the contractor.
- 12.10 Two care homes which are in the ownership of the County Council are being de-commissioned as part of a wider strategy for modernisation of care facilities and residents are being consulted as part of this strategy regarding their re-location. It is not assumed that many of these residents will opt to move into the housing developed through this PFI.
- 12.11 The third facility which is being vacated is a sheltered housing scheme in Ashford. A programme of meetings with tenants has already begun and they are generally happy with the proposals. The concept of the new extracare facility has been explained to them and they have also been given full information about how the Authority will secure alternative accommodation for them. The tenants of this scheme have also been given the option to return to the new facility if they wish. The idea of extracare went down very well with both residents and those family members present. The council will be arranging to meet residents again, and will hold a number days of "surgeries" to go through each individual's housing options, be that one permanent move or to temporary accommodation.

13 STATUTORY PROCESSES

- 13.1 KCC and Partners are aware of the statutory processes required to deliver the Better Homes – Active Lives PFI Project and have put in place strategies to ensure that they are completed, as follows:
- 13.2 KCC will undertake the procurement of the design and build contract, on behalf of itself and the District Councils, in conformity with all applicable public procurement regulations.
- 13.3 The Project involves the use of sites in several District Council areas the title of which is currently being investigated. There will be no requirement for compulsory purchase orders. Sites will be disposed of through the project according to the appropriate consents procedures and this will be dealt with prior to the ISDS stage.
- 13.4 Section 123 of the Local Government Act 1972 which provides that Councils must obtain the best consideration for disposals otherwise the Consent of the Secretary of State must be obtained for the disposal. The project will require the following consents for disposal of the sites:
- Section 32 (Housing Act 1985) Consent – Required for disposals of land held for Housing purposes.
 - Section 25 (Local Government Act 1988) Consent – this is required in 2 situations:
 - (a) where a local authority exercises the power conferred by Section 24 to provide any person with any financial assistance for the purpose of or in connection with the acquisition construction conversion improvement maintenance or management of any property which is or is intended to be privately let as housing accommodation or with any gratuitous benefit.
 - (b) where a local authority exercises any other power to provide any person with any financial assistance for the purpose of or in connection with the acquisition construction conversion improvement maintenance or management of any property which is or is intended to be privately let as housing accommodation or with any gratuitous benefit.
- KCC and Ashford Borough Council's legal departments are both aware of the consents processes which are required for to dispose of the sites and the Authorities have approval to dispose of the sites from their Cabinets.
- 13.5 Planning consents will be required for the new units, [including, where necessary, change in designated use]. It has been agreed by all the District Councils taking part in the Project that KCC will act as the statutory planning authority in each case. The outline planning process is already underway.
- 13.6 It is not anticipated that any highways issues, or changes to rights of way, will delay the Project.
- 13.7 All statutory processes will be carefully planned during the Project and executed in good time. KCC has extensive experience of progressing PFIs and ensuring that statutory processes are processed expeditiously.

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By: Sarah Hohler, Cabinet Member, Children, Families and Education

To: Cabinet Scrutiny Committee – 19 January 2011

Subject: Inspection of Safeguarding and Looked After Children Services

Classification: Unrestricted

Summary: This report updates Committee on the improvement plan and provides historical data on social worker vacancies and patterns of referrals to children's social services

Introduction

1. (1) This report addresses the recommendations and responses raised by Members at the Cabinet Scrutiny Committee on 8 December 2010.

Improvement Plan and outcome of meeting with the Minister for Children

2. (1) Following the meeting with Tim Loughton, Minister for Children on 14 December, an Improvement Notice was issued in draft to Kent County Council on 23 December. The final version will be issued by the end of January. The notice requires a number of detailed actions to be incorporated into an improvement programme. The final improvement plan is to be in place by the end of February and will be monitored by an Improvement Board, chaired independently. The draft improvement plan presented to Cabinet on 10 January is being amended to incorporate the requirements of the improvement notice.

Social worker vacancies

3. (1) Information on the number of social worker posts and number of vacancies in children's social services since April 2009 is attached as appendix 1. The situation gradually improved during 2010. 20 more European social workers will join the service in January, and a further 20 will start in March. The most pressing need now is recruitment of principal social workers.

Safeguarding referrals

4. (1) Information on safeguarding referrals since April 2009 is attached as appendix 2. The main referring agency is the police, and most of the referrals relate to domestic abuse. A new process for dealing with these referrals has been agreed between Kent Police and Children's Social Services; it will be implemented in January 2011.

Recommendation

5. (1) Cabinet Scrutiny Committee notes the report.

Background Documents:

Cabinet Report – 10 January 2011

Other Useful Information:

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District	Apr-09			May-09			Jun-09			Jul-09			Aug-09			Sep-09			Oct-09					
	Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)		Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)		Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)		Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)		Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)		Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)		Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)				
Ashford	21.54	6.00	27.9%	21.54	6.80	31.6%	22.80	9.00	39.5%	22.80	9.00	39.5%	22.80	9.00	39.5%	22.80	9.00	39.5%	22.80	9.00	39.5%	22.80	9.00	39.5%
Canterbury	41.07	3.00	7.3%	41.07	3.00	7.3%	37.93	1.00	2.6%	37.93	1.00	2.6%	37.93	3.85	10.2%	37.93	2.85	7.5%	37.93	3.62	9.5%	37.93	3.62	9.5%
Dartford and Sevenoaks	21.21	5.00	23.6%	21.21	5.00	23.6%	41.83	10.00	23.9%	41.83	13.00	31.1%	41.83	13.00	31.1%	41.83	16.00	38.3%	41.83	16.00	38.3%	41.83	16.00	38.3%
Dover	31.04	8.20	26.4%	31.04	8.20	26.4%	29.88	4.00	13.4%	29.88	4.00	13.4%	29.88	4.00	13.4%	29.88	7.00	23.4%	29.88	7.00	23.4%	29.88	7.00	23.4%
Gravesham	25.65	2.00	7.8%	25.65	2.00	7.8%	26.65	5.00	18.8%	26.65	3.50	13.1%	26.65	6.90	25.9%	26.65	6.90	25.9%	26.65	3.50	13.1%	26.65	3.50	13.1%
Maidstone	22.76	4.50	19.8%	22.76	11.50	50.5%	32.62	9.50	29.1%	32.62	11.00	33.7%	32.62	11.00	33.7%	32.62	11.00	33.7%	32.62	11.00	33.7%	32.62	11.00	33.7%
Shepway	29.54	6.00	20.3%	29.54	6.00	20.3%	28.83	6.00	20.8%	28.83	6.00	20.8%	28.83	6.00	20.8%	28.83	6.00	20.8%	28.83	6.00	20.8%	28.83	6.00	20.8%
Swale	33.82	7.50	22.2%	33.82	7.50	22.2%	33.65	9.15	27.2%	33.65	9.15	27.2%	33.65	8.00	23.8%	33.65	8.00	23.8%	33.65	8.00	23.8%	33.65	8.00	23.8%
Thanet	51.89	15.00	28.9%	51.89	15.00	28.9%	50.93	17.00	33.4%	50.93	19.00	37.3%	50.93	20.00	39.3%	50.93	18.70	36.7%	50.93	16.77	32.9%	50.93	16.77	32.9%
Tonbridge and Malling	16.73	6.00	35.9%	16.73	6.00	35.9%	46.59	17.10	36.7%	46.59	17.05	36.6%	46.59	17.05	36.6%	46.59	17.60	37.8%	46.59	17.10	36.7%	46.59	17.10	36.7%
Tunbridge Wells	21.87	9.90	45.3%	21.87	8.90	40.7%	21.87	0.00	0.0%	21.87	0.00	0.0%	21.87	0.00	0.0%	21.87	0.00	0.0%	21.87	0.00	0.0%	21.87	0.00	0.0%
Disability EK	15.14	1.00	6.6%	15.14	1.00	6.6%	15.14	0.00	0.0%	15.14	4.00	26.4%	15.14	2.00	13.2%	15.14	4.00	26.4%	15.14	4.00	26.4%	15.14	4.00	26.4%
Disability WK	16.46	4.00	24.3%	16.46	4.00	24.3%	16.46	4.00	24.3%	16.46	2.00	12.2%	16.46	1.00	6.1%	16.46	1.00	6.1%	16.46	2.00	12.2%	16.46	2.00	12.2%
KCC	348.72	78.10	22.4%	348.72	84.90	24.3%	405.18	91.75	22.6%	409.18	98.70	24.1%	409.18	101.80	24.9%	409.18	108.05	26.4%	409.18	103.99	25.4%	409.18	103.99	25.4%

District	Nov-09			Dec-09			Jan-10			Feb-10			Mar-10			Apr-10			May-10					
	Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)		Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)		Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)		Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)		Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)	Agency Staff	Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)	Agency Staff	Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)	Agency Staff			
Ashford	22.80	8.80	38.6%	22.80	8.80	38.6%	22.80	8.80	38.6%	22.80	5.00	21.9%	22.80	5.00	21.9%	22.80	5.00	21.9%	22.80	8.50	37.3%	22.80	8.50	37.3%
Canterbury	37.93	7.23	19.1%	37.93	7.23	19.1%	37.93	8.43	22.2%	37.93	11.43	30.1%	37.93	9.43	24.9%	37.93	6.43	17.0%	37.93	8.23	21.7%	37.93	8.23	21.7%
Dartford and Sevenoaks	41.83	19.00	45.4%	41.83	18.00	43.0%	41.83	17.00	40.6%	41.83	15.00	35.9%	41.83	11.50	27.5%	41.83	17.50	41.8%	41.83	17.50	41.8%	41.83	17.50	41.8%
Dover	29.88	7.00	23.4%	29.88	8.00	26.8%	29.88	8.00	26.8%	29.88	8.00	26.8%	29.88	8.00	26.8%	29.88	9.00	30.1%	29.88	11.48	38.4%	29.88	11.48	38.4%
Gravesham	26.65	3.50	13.1%	26.65	5.00	18.8%	26.65	5.00	18.8%	26.65	3.55	13.3%	26.65	2.55	9.6%	26.65	6.55	25.0%	26.65	3.64	13.7%	26.65	3.64	13.7%
Maidstone	32.62	9.50	29.1%	32.62	11.50	35.3%	32.62	10.50	32.2%	32.62	11.00	33.7%	32.62	10.00	30.7%	32.62	10.00	30.7%	32.62	11.50	35.3%	32.62	11.50	35.3%
Shepway	32.83	7.00	21.3%	32.83	7.00	21.3%	32.83	7.00	21.3%	32.83	5.00	15.2%	32.83	5.00	15.2%	32.83	5.00	15.2%	32.83	2.00	6.1%	32.83	2.00	6.1%
Swale	33.65	8.00	23.8%	33.65	8.00	23.8%	33.65	8.00	23.8%	33.65	8.00	23.8%	33.65	10.00	29.7%	33.65	14.00	41.6%	33.65	14.00	41.6%	33.65	14.00	41.6%
Thanet	50.93	20.02	39.3%	50.93	20.02	39.3%	50.93	18.65	36.6%	50.93	12.02	23.6%	50.93	12.02	23.6%	50.93	12.02	23.6%	50.93	11.22	22.0%	50.93	11.22	22.0%
Tonbridge and Malling	46.59	17.40	37.3%	46.59	12.60	27.0%	46.59	14.50	31.1%	46.59	14.50	31.1%	46.59	12.10	26.0%	46.59	11.10	23.8%	46.59	9.00	19.3%	46.59	9.00	19.3%
Tunbridge Wells	21.87	0.00	0.0%	21.87	0.00	0.0%	21.87	0.00	0.0%	21.87	0.00	0.0%	21.87	0.00	0.0%	21.87	0.00	0.0%	21.87	0.00	0.0%	21.87	0.00	0.0%
Disability EK	19.86	3.00	15.1%	19.86	2.00	10.1%	19.86	2.00	10.1%	19.86	2.00	10.1%	19.86	2.00	10.1%	19.86	0.00	0.0%	19.86	2.00	10.1%	19.86	2.00	10.1%
Disability WK	16.14	2.00	12.4%	16.14	2.00	12.4%	16.14	4.00	24.8%	16.14	4.00	24.8%	16.14	4.00	24.8%	16.14	4.50	27.9%	16.14	4.50	27.9%	16.14	4.50	27.9%
KCC	413.58	112.45	27.2%	413.58	110.15	26.6%	413.58	111.88	27.1%	413.58	99.50	24.1%	413.58	91.60	22.1%	391.71	101.10	25.8%	391.71	103.57	26.4%	391.71	103.57	26.4%

District	Jun-10			Jul-10			Aug-10			Sep-10			Oct-10			Nov-10									
	Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)	Agency Staff	Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)	Agency Staff	Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)	Agency Staff	Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)	Agency Staff	Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)	Agency Staff	Establishment Caseholders (SP, QSW)	Vacancies Caseholders (SP, QSW)	Agency Staff							
Ashford	22.80	7.00	3.00	22.80	8.00	5.00	22.80	8.00	4.00	22.80	6.00	4.00	22.80	6.00	4.00	22.80	3.00	3.00	22.80	3.00	3.00	22.80	3.00	3.00	
Canterbury	37.93	5.23	3.00	37.93	4.23	3.00	37.93	5.00	3.00	37.93	7.00	3.00	37.93	7.00	3.00	37.93	7.00	3.00	37.93	7.00	3.00	37.93	7.00	3.00	
Dartford and Sevenoaks	41.83	16.50	2.00	41.83	17.50	3.00	41.83	11.50	7.00	41.83	12.40	7.00	41.83	12.40	7.00	41.83	14.40	7.00	41.83	14.40	7.00	41.83	14.40	7.00	
Dover	29.88	10.48	3.00	29.88	10.48	3.00	29.88	8.50	1.00	29.88	8.50	1.00	29.88	7.50	1.00	29.88	7.50	1.00	29.88	7.50	1.00	29.88	7.50	1.00	
Gravesham	26.65	5.70	1.00	26.65	5.70	1.00	26.65	4.10	3.00	26.65	2.70	1.00	26.65	4.10	1.00	26.65	3.10	1.00	26.65	3.10	1.00	26.65	3.10	1.00	
Maidstone	32.62	9.20	3.60	32.62	9.20	2.60	32.62	6.20	2.00	32.62	5.20	3.00	32.62	4.00	3.00	32.62	4.00	3.00	32.62	4.00	3.00	32.62	4.00	3.00	
Shepway	32.83	1.00	3.00	32.83	8.00	1.00	32.83	4.00	1.00	32.83	2.00	3.00	32.83	3.00	3.00	32.83	4.00	3.00	32.83	4.00	3.00	32.83	4.00	3.00	
Swale	33.65	13.00	3.00	33.65	12.00	4.00	33.65	11.00	3.50	33.65	12.00	3.50	33.65	11.00	6.50	33.65	11.00	6.50	33.65	11.00	5.50	33.65	11.00	5.50	
Thanet	50.93	15.03	4.00	50.93	16.82	3.00	50.93	17.82	3.00	50.93	9.82	3.00	50.93	9.60	5.00	50.93	9.60	6.00	50.93	9.60	6.00	50.93	9.60	6.00	
Tonbridge and Malling	46.59	9.00	5.00	46.59	12.00	8.00	46.59	10.80	8.00	46.59	1.00	1.00	46.59	1.00	1.00	46.59	3.00	3.00	46.59	3.00	3.00	46.59	3.00	3.00	
Tunbridge Wells	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!	0.00	0.00	#DIV/0!	0.00	7.85	30.8%	0.00	10.00	5.00	0.00	9.00	4.80	0.00	9.00	4.80	16.5%	0.00	4.80	16.5%
Disability EK	19.86	0.00	3.00	19.86	1.00	3.00	19.86	0.00	3.00	19.86	0.00	3.00	19.86	1.00	3.00	19.86	1.00	3.00	19.86	1.00	3.00	19.86	1.00	3.00	
Disability WK	16.14	4.50	3.00	16.14	0.50	3.00	16.14	0.50	3.00	16.14	0.50	3.00	16.14	0.50	3.00	16.14	0.50	3.00	16.14	0.50	3.00	16.14	0.50	3.00	
KCC	391.71	96.64	21.60	391.71	105.43	27.60	391.71	87.42	32.50	391.71	74.97	23.50	391.71	77.10	33.50	391.71	77.10	34.30	391.71	77.10	34.30	391.71	77.10	34.30	

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Number of referrals in CSS since 01/04/2009 by Referral Agency

Data Source: ICS as at 21/12/2010

Ad Hoc 100051

REFERRAL AGENCY	Number	Percentage
CF POLICE	10888	30.6%
CF RELATIVE	4227	11.9%
CF EDUCATION	3965	11.1%
CF PRIMARY HEALTH STAFF	2307	6.5%
CF SECONDARY HEALTH STAFF	2019	5.7%
CF INTERNAL SSD TEAM	1699	4.8%
CF ANONYMOUS	1493	4.2%
Not Recorded	1490	4.2%
CF INDEPENDENT/VOLUNTARY AGENCIES	1185	3.3%
CF OTHER	1017	2.9%
CF HOUSING DEPARTMENT/ASSOCIATION	920	2.6%
CF OTHER LOCAL AUTHORITY	863	2.4%
CF IMMIGRATION	555	1.6%
CF NEIGHBOUR/FRIEND	537	1.5%
CF EXTERNAL PROVIDER	504	1.4%
CF PROBATION SERVICE	426	1.2%
CF TEAM	399	1.1%
CF INTERNAL SSD PROVIDER	317	0.9%
CF COURT	222	0.6%
CF SELF REFERRAL	217	0.6%
CF REGULATORY BODY	105	0.3%
CF LEGAL	91	0.3%
CF FOSTER AGENCY	31	0.1%
CF STRANGER	20	0.1%
School Organisation	16	0.0%
CF KENT ADULT SOCIAL SERVICES	12	0.0%
Attendance & Behaviour	10	0.0%
CF CARER - INFORMAL	10	0.0%
CF BENEFITS AGENCY	9	0.0%
CF PRIVATE FOSTER CARER	5	0.0%
Community Development	4	0.0%
Early Years Unit	4	0.0%
CF EX STAFF - EXTERNAL	3	0.0%
Operations - CFE	3	0.0%
Childrens Safeguards Service (Child Protection)	2	0.0%
PR2 - Other Local Authority provision	2	0.0%
PR5 - Voluntary / Third Sector provision	2	0.0%
CF Care & Repair Agency	1	0.0%
CF Independent Architect	1	0.0%
Thanet 1	1	0.0%
Grand Total	35582	100.0%

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