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| Part 1 | ITEM NO. |

REPORT OF THE STRATEGIC DIRECTOR FOR SUSTAINABLE REGENERATION

TO THE LEAD MEMBER FOR HOUSING ON 6th FEBRUARY 2012

TO THE LEAD MEMBER FOR FINANCE AND SUPPORT SERVICES

ON 6th FEBRUARY 2012

TITLE: Learning Difficulty Service Invest to Save Application for £150,000 – Returning people with learning difficulties who are currently accommodated out of borough to supported accommodation sites in Salford.

RECOMMENDATION:

Lead Member for Finance and Support Services is asked to:

1. Approve the application for £150,000 Invest to Save funding to invest in a one-off capital project. The proposal is to fund the reconfiguration of properties secured by a Supported Housing Provider Partner to return people with learning difficulties who are currently accommodated out of borough to supported accommodation sites in Salford.

Lead Member for Housing is asked to:

1. Approve the transfer of funds via agreement under Section 22, Housing Act 1996 to an identified Supported Housing Provider partner to secure two large properties with facilities defined by the user’s needs.

EXECUTIVE SUMMARY:

The purpose of this report is to seek the approval of the Invest to Save funding and the approval to transfer funds. These funds will be transferred via a Section 22 to a partner Registered Social Landlord to deliver a project to develop two properties to offer accommodation for six people with learning difficulties, five of whom are returning from out of borough.

The need for this project has been identified in Salford’s Housing and Support Strategy for Learning Difficulties 2007/12 and the Learning Difficulties Business Plan 2011/14.

The Sustainable Regeneration Directorate will oversee the work of the Supported Housing Provider partners to secure two large properties each of which can be developed / reconfigured in order to meet the individual needs of the service users.

The potential savings to Community Health and Social Care Services from the development of this accommodation have been estimated to be in the region of £40,000 per person per annum. Therefore for the five individuals identified from out of borough this generates an approximate total saving per annum to Salford City Council of £200,000. In addition to this figure this proposal will generate an inward investment back into borough in relation to the housing benefit payments.

In order to achieve the saving we will seek to invest in a one-off capital project to secure the properties working with Registered Social Landlord partners, which will be funded by the on-going revenue saving.

BACKGROUND DOCUMENTS:

(Available for public inspection)

Minutes of Supporting People Core Strategy Group and Commissioning Body.

Minutes of Supported Housing providers meetings.

KEY DECISION: YES

DETAILS:

1. **Background**
	1. There are a number of people being supported and living outside of Salford due to a lack of the right kind of accommodation and support available within the borough to meet their needs.
	2. It is more expensive to place people ‘out of borough’ than it is to provide care and support within the city. There is also significant benefit to accommodating

Individual’s back into the community allowing more contact with family, the community and access to new opportunities in Salford on a day-to-day basis.

* 1. Through the ‘Out of Borough Forum’, Community Health and Social Care and Sustainable Regeneration directorates have been working in partnership over several years to develop accommodation, care and support packages that meet people’s support needs as they return to the city.
	2. This project proposes to bring back the five people outlined in the Forum’s business plan. In addition the project will accommodate a sixth person already living in the city. By providing this latter case with more suitable accommodation, in borough, this could in turn permit the future move of another out of borough placement back into the city, potentially generating a further saving.
	3. This model has proved successful for this user group for a previous scheme delivered in Salford. That project, completed in February 2011, was to identify, purchase and remodel one property to accommodate three users from out of borough. The property was purchased by a Registered Social Landlord partner through their internal finances bringing a total of £253,000 investment into the city. A £50,000 capital investment in the project was funded by the city council. The savings from this project have been approximately £40,000 per person per annum. At that time the city council’s funding to reconfigure the property was secured via the Housing Capital Programme.
1. **Project Description**
	1. The current proposal is for Sustainable Regeneration to work closely with our Supported Housing Provider partners to secure two large properties with facilities defined by the users needs.
	2. The project proposes to use the same model as the previous scheme – a minority (capital) investment by Salford Council funded by care cost (revenue) savings, supporting a major investment by a Registered Social Landlord, which they will support from rent revenue. The exact split of costs will not be known until appropriate properties can be found and the purchase and development costs finalised.
	3. In line with previous work of this nature Sustainable Regeneration will liaise with our Registered Social Landlord Supported Housing partners to identify a partner to purchase and develop the property and provide on-going landlord services. To support progression of the scheme it is requested that this funding is approved by Lead Member for Finance and Support Services and Lead Member for Housing is asked to approve the proposal to transfer the capital funding via a Section 22 to the identified Registered Social Landlord. This capital project will then be overseen by the Urban Renewal Team, Sustainable Regeneration.
	4. In order to allocate funding appropriately the Learning Difficulty Service has worked in collaboration with Sustainable Regeneration to identify the service users who require this accommodation, along with their particular housing needs.
2. **Estimated budget savings and financial risk.**

* 1. Community, Health and Social Care have estimated that the average current cost for accommodating five people out of borough is £170,000 per person per annum. If moved back into the borough there would be an average saving to the learning difficulties pooled budget of £40,000 per person per annum to achieve the same service outcome. (see Annex 1 for example and source costings).
	2. Therefore £200,000 per annum savings can be made by returning the five to Salford which will support the initial capital outlay. The sixth which is an internal placement may provide the opportunity for a further saving of £40,000 per annum.
	3. We therefore propose to invest £150,000 capital to support the reconfiguration of the properties by the Registered Social Landlords. It is proposed to manage the capital allocation via Sustainable Regeneration budget, while the saving will be made from Community Health and Social Care pooled budget.
	4. It is to be noted that it may not be possible to search for, secure and adapt the properties, as well as prepare the tenants for the move, all within 12 months. It therefore may take between one and two years to realise the savings.

KEY COUNCIL POLICIES:

Within Community Health and Social Care’s Learning Difficulty Service’s Business Plan 2011/14 there is a commitment to return five people per year from ‘out of borough placements’. Sustainable Regeneration’s Housing and Support Strategy for People with Learning Difficulties 2007/12 supports this commitment with development, procurement and management of the accommodation aspect of the project.

Due to the financial pressures facing the city council the projects are expected to deliver significant savings for the authority, and NHS Salford.

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:- All organisations that have contracts in place with the Supporting People Team have been robustly assessed in a number of areas; this included assessment of their policies in relation to equal opportunities and equality and diversity.

ASSESSMENT OF RISK:

Medium – The Supported Housing Provider partner, as a Registered Social Landlord, monitored by the Housing Corporation to comply with all legal and financial requirements and plans will be supported by appropriate Planning Permissions, Building Regulation Approval and the Section 22 agreement. Project management and monitoring will be provided by officers of Urban Renewal, Housing Futures.

If the transfer of funding were not approved a suitable property would not be made available to improve services for people with learning difficulties and a key action within the Learning Difficulties Housing Strategy will not be met.

SOURCE OF FUNDING: Existing provision in the 2011/12 capital programme for the use of unsupported borrowing on an invest to save basis.

LEGAL IMPLICATIONS Supplied by Melinda Edwards, Solicitor, Ext 3112

Section 22 of the Housing Act 1996 enables the Council to make grants or loans to Registered Social Landlords (RSLs) for the assistance of that landlord.

By entering into an agreement with an RSL pursuant to section 22 of the above Act, the Council is able to specify terms and conditions relating to the payment of such grant and any subsequent disposal of the properties by the RSL, should they be required in the circumstances.

By virtue of the above legislation the Council therefore has the power to enter into the agreement described in this report.

FINANCIAL IMPLICATIONS Supplied by John Spink/Stephen Bayley Ext 2584

The annual savings will repay the capital investment within one year and appropriate provision has been made for the capital funding.

OTHER DIRECTORATES CONSULTED: Community, Health and Social Care have been fully involved throughout the development of this proposal.

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WARD(S) TO WHICH REPORT RELATE(S): Properties to be identified – not yet known. Swinton and Irlam preferred locations to meet strategic aim.