

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Services and Public Health
Date:	13 December 2022
Title:	Hampshire Accommodation Development and Support Options Model – Property Voids
Report From:	Director of Adults' Health and Care

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Purpose of the report

1. The purpose of this report is to request permission from the Executive Member for Adult Services and Public Health to approve spend for Property voids in Supported Accommodation.
 - For existing Supported Accommodation where there are existing Nomination & Void Agreements or for current Supported Accommodation schemes, where there is not already an agreement in place.
 - To support the development of new Supported Accommodation where a new Nomination and Void Agreement is required using the Hampshire Accommodation Development and Support Options Model procurement vehicle (HADSOM)

Recommendation

2. That the Executive Member for Adult Services and Public Health gives spend approval of up to £25.5 million of contingent spend to renew and/or enter into Nomination & Void Agreements for existing Supported Accommodation Schemes
3. That the Executive Member for Adult Services and Public Health gives spend approval of up to £40 million of contingent spend under HADSOM for Adults' Health and Care to enter into new Nomination and Void Agreements to support the development of new Supported Accommodation for Younger Adults
4. That the Executive Member for Adult Services and Public Health delegates authority to the Director of Adults' Health and Care in consultation with the

Executive Member to finalise terms and level of spend and to enter into Nomination and Void Agreements as set out in this report.

Executive Summary

5. Supported Accommodation is accommodation where one or more people with eligible social care needs resides for the purposes of receiving accommodation and support. Each person holds a tenancy with a Housing Provider and receive care from a social care provider commissioned by the County Council. In most cases the care will include regulated care activity and the social care provider will therefore be registered with the Care Quality Commission.
6. A property void (in relation to this paper) is an empty unit in Supported Accommodation. A nomination agreement is an agreement between the County Council and the Housing Provider which provides exclusive nomination rights to the Supported Accommodation to the County Council.
7. It is proposed that in order to support the maintenance of the current stock of Supported Accommodation and to further develop and improve the Supported Accommodation opportunities available to Younger Adults in Hampshire that spend approval is given to enable the County Council to enter into Nomination and Void Agreements with Housing Providers.
8. Supported Accommodation is more expensive to provide and maintain for Housing Providers than general needs accommodation. It usually takes longer to fill voids in Supported Accommodation due to issues related to compatibility and the various processes of assessment of individual need and mental capacity that need to be undertaken as part of identifying if a place is suitable for an individual. The cost of the void to the Housing Provider includes the rent (cost of the building) and the Management and Service Charges associated with maintaining the property and providing Housing Management Services to tenants. These costs are ordinarily met by Housing Benefit whilst the property is occupied. Rent loss can become a significant cost to the Housing Provider if a unit is void for a long period.
9. The County Council does not have a duty to fund property voids in Supported Accommodation, however without such a commitment the ability to maintain and develop Supported Accommodation opportunities would be significantly reduced. The full permission to spend requirement for property voids is a contingent liability. However, any agreement to spend on voids would still commit the County Council to the full liability in the unlikely event that all units in a particular scheme were void at the same time.
10. This paper seeks to
 - Set out the background to the proposed approach
 - Explain the rationale for the use of Nomination & Void Agreements
 - Explain the associated risks
 - Set out the processes to be used

Contextual information

11. The County Council supports the use and development of Supported Accommodation as a preferred model of care for Younger Adults (18-65) with disabilities. This is in line with Government policy and is supported by service user feedback in Hampshire through the Learning Disability Partnership. Supported Accommodation offers individuals the opportunity to hold a tenancy, have access to a greater range of benefit entitlements and have greater choice and control over their lives. Historically the dominant model of care and accommodation for Younger Adults has been residential care, which even in the best provision does not offer individuals the advantages that Supported Accommodation can provide.
12. Supported Accommodation is ordinarily a more cost-effective accommodation and support option for the County Council than residential care. This is because in Supported Accommodation the County Council only pays for the care and support that is provided. Rents are ordinarily covered by Housing Benefit entitlement and service users pay for their own daily living expenses. In residential care, the County Council funds all of these elements.
13. In Hampshire there are over 200 properties providing long term Supported Accommodation to approximately 750 adults with Learning Disabilities, Autism, Physical Disabilities or Mental Health needs. These are predominantly shared houses, but this number also includes blocks of flats which may be referred to as 'Younger Adults Extra Care' or similar core and cluster models and some single person services for people with very complex needs. The County Council has a strong track record in encouraging growth in this sector.
14. The County Council has an obligation under the Care Act 2014 to encourage quality, choice and sufficiency of provision through market shaping activity. The County Council is seeking to maximise the choice of housing options for individuals who need care and support through the development of a range of suitable Supported Accommodation options.
15. The County Council is under no obligation to enter into Nomination and Void agreements with Housing Providers, however the County Council has already entered into several of these arrangements with a number of different Housing Providers.
16. Whilst Supported Accommodation offers a more secure option for tenants it offers a relatively insecure and expensive model of housing provision for Housing Providers. For general needs housing a Housing Association will expect to have minimal voids and a turn-around time for any voids of 2 – 3 weeks. In general needs accommodation the tenant will be expected to provide all of their own furniture, fixtures and fittings and to have a high level of responsibility for ensuring that the property is kept in good condition and not damaged by the tenant. In Supported Accommodation, particularly in shared accommodation, it can take several months to fill voids due to ensuring the right person is identified to be compatible with existing tenants, that all their care needs are understood and can be met, and that there is a

suitable transition period to ensure a successful move for that person. Delays can also be caused due to applications for Deputyship to the Court of Protection. Additionally, the Housing Association will be responsible for providing more of the fixtures and fittings including white goods and furniture in shared accommodation. The operation of Supported Accommodation also requires more intensive management input from the Housing Provider.

17. Within general needs housing, the Housing Provider ordinarily takes nominations from the relevant District or Borough Council housing register. Within Supported Accommodation, the Housing Provider does not have a pathway for identifying suitable nominations. Individuals moving into Supported Accommodation will require the support of the Local Authority to agree to fund the Care and Support package that provides the Support within the Accommodation. In this context, the County Council has de facto control over referrals into the scheme.
18. Housing Providers may seek Nomination and Void Agreements for the provision of Supported Accommodation either from the County Council or the Care Provider involved in providing the support. The advantage of the County Council holding the Agreement is that the County Council would only pay for voids that arise, a Care Provider with void liability would have to increase the rates it charges for care to cover this risk. Many of the not-for-profit Care Providers cannot take on these financial liabilities and therefore the market of potential Providers is reduced. Additionally, best practice models for Supported Accommodation support a clear separation between Housing and Care functions.

Hampshire Accommodation and Support Options Model (HADSOM)

19. HADSOM is the County Council's bespoke procurement vehicle which allows the County Council to procure either Care and Support or Accommodation.
20. HADSOM came into operation in April 2018 and will be open for a maximum of 12 years. The permission to spend on HADSOM from Adults Health and Care was £720 million. Additional allowances were made for potential spend from Children's Services and Hampshire CCGs, taking the overall spend ceiling to £1.120 billion. The value of contracts procured by Adults Health and Care via HADSOM is currently forecast to amount to a value of £423 million. This is the full value of current contracts with inflation assumptions included over their duration. Contracts issued via HADSOM can exceed the lifespan of HADSOM itself. The majority of current care contracts procured via HADSOM will run beyond its 2030 closure date. There is £297 million of headroom within HADSOM for potential future growth and the permission requested in this paper.
21. It is difficult to provide very accurate estimates on future spend through HADSOM. Several factors may increase the potential spend. These include new developments, increased care needs for individuals and inflationary pressures. Other factors may reduce the potential spend. These include reduced care needs, increased use of Care Enabled Technology, and the application of Least Restrictive Practice.

22. The County Council will track total spend via the HADSOM procurement vehicle and will produce an annual report on actual and forecast spend, including any Nomination and Void Agreements. If the total Adults Health and Care spend permission were to be reached, the County Council would be required to take relevant action. This would likely involve requesting additional spend permission and launching a new procurement vehicle. This would require a new Executive Member permission.

Existing Supported Accommodation Properties

23. The Supported Accommodation stock that the County Council currently has access to comes from a range of sources. Many of these properties are owned by Housing Associations who also hold large stocks of general needs housing. Most of this stock is older provision and for these Housing Providers, their Supported Accommodation is a small but potentially problematic part of their property portfolio. The County Council holds Nomination and Void Agreements for a proportion of these properties, many of which are due for renewal. The County Council funds care and support through contracts with a Care Provider which is separate from the housing arrangements to provide for the care and support needs of the individuals living in the accommodation.
24. There is an intention to bring some consistency to current arrangements and to hold single, longer agreements with existing Supported Accommodation Housing providers for all of their Supported Accommodation rather than having location specific agreements with the same Housing Provider for each property as is currently the case.
25. For existing Supported Accommodation, the proposed new and renewed agreements would be negotiated with the Housing Providers. These would be presented to the Director of Adults Health and Care for approval. The approval request would include details around the contingent liability for each agreement, the length of the agreement, the number of units involved, the assessed actual financial risk, details around review and exit clauses and any strategic or operational factors which may inform the decision.
26. There are approximately 70 existing properties in scope for inclusion in renewed void agreements.

New Supported Accommodation Properties

27. The County Council has spent over £30 million through the capital programme to develop a range of new build Supported Accommodation opportunities across the County, mainly through the provision of one bedroom flats in purpose built blocks. This programme has been very successful in both providing individuals with good quality accommodation, increased independence and more choice and control, and in meeting the County Council's savings target. Over 100 new units of accommodation have been built through this programme.
28. The amount of capital available for future new build projects is limited. Additionally, the most suitable land that the County Council owns has now

been used and increasing building costs mean the County Council needs to diversify its approach to developing new Supported Accommodation capacity.

29. The key lever that the County Council now holds to support the maintenance of current stock and the development of new Supported Accommodation is through Nomination and Void Agreements. These Agreements incentivise Housing Providers to supply Supported Accommodation by reducing the risk of a Scheme becoming financially unsustainable due to long term voids.
30. For the development of new Supported Accommodation, the County Council would run call offs under the Accommodation Stream on HADSOM for the accommodation that is required to meet the needs of individuals with disabilities in different parts of the County. The specification for the call offs would require that the rent and service charge levels must be approved by the local Housing Benefit department and that the Housing Provider is able to offer an appropriate service for the needs of the tenants.
31. The broad requirements for Supported Accommodation across the County will be identified in the Strategic Plan for Supported Accommodation for Younger Adults which is currently under review.
32. The funding for new Supported Accommodation may come from a range of sources including private Investment funds, Homes England, NHS England, and the County Council's existing capital grant arrangements. The County Council will continue to build the relevant relationships to identify and secure the funding to support vulnerable people in Hampshire. This will also include gaining access to housing through Section 106 Agreements where appropriate.

Finances

33. The Council already has Nomination and Void Agreements in place for a number of Supported Accommodation schemes. The cost of these Voids is already accounted for in the Adults' Health and Care Budget. Renewing these Agreements would not place additional pressure on the budget.
34. For Nomination and Void Agreements in new Supported Accommodation schemes it is proposed that these will be funded by the Adults' Health and Care budget. The total cost of Supported Accommodation including Nomination and Voids Agreements would ordinarily be less than the total cost of other accommodation and care options such as Residential and Nursing Care. Therefore, the provision of Nomination and Void Agreements would not place additional pressure on the budget.
35. The issuing of a Void and Nomination Agreement holds a level of contingent liability for the County Council based on the entire Scheme being vacant for the whole lifetime of the Agreement. The level of contingent risk is determined by the size of the scheme and the length of the agreement. This can run into several £ millions for a larger Scheme over a long period of time. The actual cost of the voids will be significantly lower than this as the intention is that the property will be fully occupied most of the time. The County Council has a range of well-established processes which monitor

voids and match people with Care Act eligible needs, and a specialist team focused on this area of work.

36. Permissions for any specific Nomination and Voids Agreement would be provided by the Director of Adults' Health and Care on a case-by-case basis. Each request would include full details of the full financial liability and any limitations to this, anticipated actual spend and the review and exit clauses specific to that Agreement
37. The Nominations and Void Agreements ordinarily include relevant review and exit clauses which would allow the County Council to withdraw from the Agreement where the County Council assessed that voids were consistently at an unsustainable level, or the accommodation was no longer strategically relevant. In this scenario the Housing provider may decide to continue without a Nomination and Void Agreement, or (more likely) the County Council and the Housing Provider would work in partnership to de-commission units. Some situations where decommissioning might be a favourable option would be where there were significant issues with the quality or accessibility of a building, where the location of a building was not conducive to community access or where there were other unresolvable issues related to the accommodation in question. Decommissioning is more likely to be considered for older housing stock.
38. In the event of a service being de-commissioned, the County Council would work in partnership with relevant stakeholders, including tenants and their families, to ensure people's accommodation and care needs continue to be met in the most appropriate way.
39. Operational budget considerations are in exempt appendix 2.

Operational Risks

Risk	Level/Likelihood	Mitigation
High levels of void costs impacting on the revenue budget	Low	Planned development of suitable accommodation for identified need Accommodation is predominantly long term
Inability to identify individuals to move into Schemes	Low	Well established processes already in place through the Supported Accommodation Advisory Group (SAAG) to match individuals and vacant properties Supported Accommodation Team in place to support individuals to move to Supported Accommodation

		SAAG is available to NHS Commissioners and other Local Authorities
Care Providers not accepting new referrals	Low	High level of engagement with Care Providers on a regular basis to review voids and progress of referrals

Performance

40. The County Council pays for voids through Purchase Orders and the amount spent each year can be monitored. The Commissioning Team would track the voids in all properties that have Nomination and Void Agreements in place and produce an annual report on activity.
41. An annual report would be produced which tracks actual spend to date and forecast spend on all contracts and agreements procured via the HADSOM procurement vehicle against the total permission to spend for Adults' Health and Care.

Legal implications

Legal advice is in exempt appendix 1

Consultation and Equalities

42. The development of Supported Accommodation is aligned with the County Council's responsibilities to the Learning Disability Plan for Hampshire, in particular "The Right Support" and the "The Right Place to Live" sections. These are concerned with service users having appropriate accommodation and support options. The Plan makes it clear that service users would prefer increased independence and security of tenure in their accommodation and supported accommodation fulfils this need effectively.
43. An Equality Impact Assessment was carried out on 8th November 2022 which identified that the opportunity for people to live in Supported Accommodation has a positive impact on their lives and protected characteristics.

Climate Impact Assessment

44. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

45. A full assessment of climate change vulnerability was not completed as the initial vulnerability assessment showed that the project is at minimal risk from the climate vulnerabilities because the projects delivered would be operated from premises not owned by the County Council or the organisation in receipt of the grant.

Conclusion

46. The provision of Supported Accommodation to people with disabilities remains a key objective for the County Council. The potential for the County Council to use its own capital to fund new developments is reducing. The County Council will need to encourage and incentivise Housing Providers to supply and maintain Supported Accommodation in the future. Nomination and Voids Agreements provide the County Council with exclusive nomination rights and reduce the risk of financial loss for Housing Providers. The permissions requested in this paper will support the County Council's long-term strategy and foster close relationships with Housing Providers who may otherwise be disincentivised from providing Supported Accommodation.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	yes
People in Hampshire enjoy a rich and diverse environment:	yes
People in Hampshire enjoy being part of strong, inclusive communities:	yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u> AS10870 HADSOM Executive Member Report.pdf	<u>Date</u> 22/11/2017

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

1.2 Equalities Impact Assessment:

An EIA was completed on 8th November 2022. The conclusions of that assessment were that the project may have the following levels of impact on the following protected characteristic groupings:

Age -Enabling individuals to access suitable housing for their current and ongoing needs will give a greater opportunity for individuals to remain in their own home as their needs change as they age. Increasing the number of individual flats will enable more opportunities for younger people to access Supported Accommodation as much of the existing Supported Accommodation is shared and is home to individuals who are 50 years old +

Disability - Offering individuals with disabilities the opportunity to have their own accommodation and to hold their own tenancy in settled accommodation will have a positive impact on their lives. Being able to offer as many individuals as possible the option to have suitable Supported Accommodation rather than having only the option of going into a residential care home will

promote their choice and control over their own lives. Individuals will have access to their full range of Benefits and will be able to live as equal citizens in the community.

Gender Reassignment - Individuals having access to their own accommodation and holding their own tenancy will enable them to have more choice and control over their lives and their support. The opportunity to offer individuals their own flat will promote their independence and ability to live their own identity free of involvement of others.

Pregnancy and Maternity - Individuals having access to their own accommodation and holding their own tenancy will enable them to have more choice and control over their lives and their support. The opportunity to offer individuals their own flat will promote their independence and ability to have more choice about their relationships and the ability to start a family if they are able to and wish to.

Race - Individuals having access to their own accommodation and holding their own tenancy will enable them to have more choice and control over their lives and their support. The opportunity to offer individuals their own flat will promote their independence and ability to live in whichever way they choose to according to their culture.

Religion - Individuals having access to their own accommodation and holding their own tenancy will enable them to have more choice and control over their lives and their support. The opportunity to offer individuals their own flat will promote their independence and ability to live their own religious identity in whichever way they choose to.

Sexual Orientation - Individuals having access to their own accommodation and holding their own tenancy will enable them to have more choice and control over their lives and their support. The opportunity to offer individuals their own flat will promote their independence and ability to have relationships and/or partners of their own choosing.

Marriage and Civil Partnerships - Individuals having access to their own accommodation and holding their own tenancy will enable them to have more choice and control over their lives and their support. The opportunity to offer individuals their own flat will promote their independence and ability to have relationships and/or partners of their own choosing.

Poverty - Offering individuals Supported Accommodation rather than residential care as an accommodation option means that they will have access to their full financial Benefit entitlement