

## **Response on scheme viability**

The Extra Care development at the Homestead will deliver 100% social housing. All apartments will be available to rent on an affordable rental basis. The funding for the scheme is heavily dependant upon grant funding from the Homes and Communities Agency. Over recent years the level of grant funding for schemes has virtually halved presenting additional challenges to Housing Associations in delivering social housing at lower costs.

Any viability appraisal for this scheme would need to take into account the maximum level of grant funding that is available per unit of accommodation. The grant allocated to any scheme is fixed which precludes a housing association to go back and request increased funding for any type of additional cost from the Homes and Communities Agency. The Trust will also invest its own capital funding in the scheme and as a not for profit organisation and registered charity it is unable to commit to greater levels of its own funding than its policies dictate. As a charitable body it has an obligation to 'live within its means' and not over commit on the basis of high risk schemes.

This scheme has seen a number of value engineering exercises undertaken to reduce the costs to keep them within the affordable levels. These exercises seek to lower the cost of the development whilst retaining the value they will deliver. Some of this value is directly associated with the residents within the extra care in addition to this there is added value to the wider community. Unfortunately where schemes have financial pressures often the elements associated with delivering added value to the wider community can suffer. This can also be said where a scheme has pressures presented by planning restrictions. The scheme at May Place is no exception to this. The original scheme contained a greater range of community resources which would have delivered a significant range of outcomes, but due to a mixture of issues, predominantly financial, the relationship of the building and its massing on the site and the need to react to site constraints such as tree retention, these have all led to a reduction in the size of the community space. What has been retained will deliver significant community outcomes, albeit not to the extent of the original scheme, but any further financial burden will potentially remove these altogether.

Where additional costs arise on a project a housing association does not have the ability to simply adjust sale values of the units to accommodate additional costs as does a private developer nor do they have the ability to increase rents above an affordable level. The rent level is driven by the HCA rules and the local authorities own rules in relation to housing benefits.

The Wrekin Housing Trust seek to integrate their Extra Care developments into the community. The extent of this integration is dependant on many local factors, location, access and size of the site. In the case of the Homestead, the integration with the community will be through the community rooms provided and the community café and restaurant.

The benefits to the community will include but not be limited to the following:

- A wider range of community support services available to both the extra care residents and the community
- Community integration (residents within the extra care benefit from being part of the wider community and the wider community embraces the extra care without stigma)
- Social activities will involve the wider community
- Outreach health services, health screening available to the community within the community setting
- Wider opportunity for healthy living events
- A joined up approach which will offer the customer a better experience
- Better use of publicly funded assets
- The communal space and café become a heart of the community and a nucleus for community cohesion

The monetary value of these benefits is extremely difficult to determine. We have anecdotal evidence from other schemes that there are health and social benefits.