

Committee: Housing Board

Agenda Item

Date: 24 January 2013

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Title: Sheltered Housing Asset Management – update

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Summary

1. This report gives details of the recent review carried out on the councils sheltered housing by an external consultant
2. The work was commissioned as part of the Business Plan to ensure the most effective use is made of the sheltered housing stock in order to meet long term housing need
3. The review demonstrates that disposal of the schemes appears to be the least favoured option
4. A combination of retain/remodel/redevelop appears to be the most practical and financially appealing way forward (see appendix A – cost analysis)
5. The two schemes where bedsits predominate are highlighted as a high priority for re-development
6. The review also shows that in order to modify/retain the remaining stock a substantial amount of HRA funding is required (circa £20 million)

Recommendations

7. The Housing Board accepts the principle of pursuing retain/remodel/redevelop sheltered accommodation, and approves further in depth appraisals to be carried out in order to continue with the upgrade of the sheltered programme as follows:
 - a. Re-development options for the councils remaining two schemes where bedsits predominate (Reynolds Court and Alexia House)
 - b. Modification options for the all remaining schemes and in particular those highlighted as having the highest priority - Hatherley Court and the listed building at Walden Place and Parkside

Financial Implications

8. There is capacity within planned budgets for the in depth review, but improving housing for older people will have revenue and capital implications which will be explored in detail as this programme develops.

9. The initial review recommendation highlights the need to invest in the stock in the region of around £20 million over the next thirty years. However in order to address the issues of demand and fitness for purpose, it is likely some investment will need to have been made within the next ten years. Provision has been made in Housing Capital programme for a programme of redevelopment for sheltered schemes.

Background Papers

10. None

Impact

- 11.

Communication/Consultation	Tenant Forum. Engagement with individual tenants would be essential if projects proceed.
Community Safety	N/A
Equalities	The principle of remodelling sheltered accommodation was included within the HRA Business Plan which was appraised in an EqIA
Health and Safety	N/A
Human Rights/Legal Implications	Tenants' rights are protected by their tenancy agreements. Home loss payments would apply if projects proceed.
Sustainability	Chance to improve long term sustainability of the current stock
Ward-specific impacts	All wards
Workforce/Workplace	N/A

Situation

12. UDC initiated a review of the sheltered stock by an independent specialist company Michael Dyson Associates (MDA).
13. MDA carried out the last housing stock condition survey and were commissioned to undertake an options study to ascertain the efficiency and effectiveness of the sheltered schemes in terms of meeting current and future demand.

14. Two of the schemes with bedsit accommodation, Alexia House and Reynolds Court, have been identified as a priority for re-development due to the low demand for this type of accommodation and the fact that this type of accommodation is no longer fit for purpose.
15. The remaining schemes were assessed using a preliminary cost model to assess in broad terms the financial implications of a number of options. Options considered were:
- Retain the sheltered schemes in their existing form and maintain to same standard
- Modify schemes where appropriate to create larger units
- Demolish schemes and redevelop the site
- Dispose on the open market
16. The costs associated with the review include general allowances with rental income and future maintenance costs being added.
17. Overall the most attractive model appears to be to retain/modify the remaining schemes however this needs closer financial and technical review as the wide range of variables can cloud the issues.
18. The next stage would be to articulate and quantify the social impacts of proposals for each remaining scheme. For example there may well be overriding social imperatives that need to be weighed against financial considerations. Changes to the schemes will cause controversy if they are perceived as not meeting community needs. That would potentially result in reputational damage.
19. UDC have recently entered into a development framework via “Scape”, this model allows UDC to have scheme appraisals carried out at no cost, therefore the two schemes highlighted as a priority for re-development, Alexia House and Reynolds Court, could be appraised at no cost.
20. It is recommended that in depth appraisals of these schemes are carried out in an appropriate timescale to fit in with budgets available in the business plan and to enable officers to investigate alternative housing options for the affected residents.

Risk Analysis

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Risk	Likelihood	Impact	Mitigating actions
Properties remain in accommodation that is not fit for	1 – low – different options available to	2 – failure to address the ageing stock is likely to	Appraisals to commence on the two schemes highlighted in 2013,

purpose and do not comply with Decent Homes standards	the Council will be discussed at housing board	result in poor resident satisfaction & low demand	Further detailed appraisals of each scheme will need to be commissioned
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- 1 = Little or no risk or impact
- 2 = Some risk or impact – action may be necessary.
- 3 = Significant risk or impact – action required
- 4 = Near certainty of risk occurring, catastrophic effect or failure of project.