

**Committee:** Housing Board

**Agenda Item**

**Date:** 4 November 2013

**7**

**Title:** Sheltered housing asset management – update

**Portfolio Holder:** Roz Millership, Assistant Director Housing and Environmental Health

Key decision:  
[Select Yes/No]

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## Summary

1. This report updates the Housing Board following more in depth appraisals of five of the council's sheltered housing schemes.
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.

## Recommendations

3. That the Housing Board:
  - a. Notes progress with appraisals of the schemes.
  - b. Recommends to Cabinet that detailed consultation with residents of those schemes currently providing bedsit type accommodation takes place, commencing with Reynolds Court, Newport.
  - c. Recommends to Cabinet that further investigations on options for Reynolds Court are carried out to enable accurate costs to be established and full appraisals undertaken

## Financial Implications

4. Some provision has been made in Housing Capital budget for a programme of redevelopment of sheltered schemes.
5. The Indicative cost for each option has been calculated. How these options might be delivered in the context of the HRA Business Plan and other funding options available to the Council will need to be evaluated once a proposal has been worked up to ensure that adequate funding is available.
6. Full redevelopment or refurbishment of all schemes will require significant funding in the region of around £12.5 million. In order to address the issues of demand and fitness for purpose, it is likely that investment of £5m will need to have been made within the next five years.

## Background Papers

7. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

Michael Dyson Associates Ltd: *Appraisal of Sheltered Schemes at: Alexia House, Dunmow; Reynolds Court, Newport; Walden Place, Hatherley Court & Parkside, Saffron Walden*

8.

Communication/Consultation	Existing tenants, local residents, other service providers/agencies
Community Safety	N/A
Equalities	N/A
Health and Safety	None
Human Rights/Legal Implications	Section 105 of the Housing Act 1985 places an obligation on the council to inform secure tenants about housing management proposals which will affect them. This would include any proposals to remodel or decommission sheltered schemes. Tenants must be given a reasonable period of time to make their views known to the council and before deciding whether to proceed with the proposals the council must consider any representations received
Sustainability	An opportunity to upgrade structure and fabric will reduce heat loss, reduce carbon emissions and assist with issues such as fuel poverty for the elderly
Ward-specific impacts	Great Dunmow, Newport, Saffron Walden
Workforce/Workplace	Housing Asset Management

## Situation

9. The provision of accommodation for older people is a key issue for the District. Around 15% of the Council's housing stock is sheltered housing, providing security and support for vulnerable older residents. Demographic trends point to an ageing population which will create significant demand for accommodation, care and support in the future. Therefore the Council needs to examine options for its existing sheltered schemes to ensure that they provide decent homes where people will want to live in the future.
10. The housing board and cabinet considered this was an important issue and in 2012 commissioned a consultant, Michael Dyson Associates (MDA) to

undertake a review of all sheltered schemes. The review considered standard and condition, value and demand, accessibility and adaptability to establish whether to retain, modify or in some way dispose of them depending upon a combination of commercial viability and other less tangible attributes.

11. This initial review identified 5 sheltered schemes as the poorest performing, and earlier this year cabinet approved further in depth option appraisals to be carried out on these schemes to explore:
  - 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
12. The need to remodel or re-develop these schemes provides a one off opportunity for the council to radically improve the accommodation available for older people in the District.
13. In addition the Housing Asset Management and Development Strategy (2013) provides an opportunity to undertake a strategic approach through a programme to reconfigure sheltered bedsit properties into properties with separate bedrooms. This will assist in ensuring the long term sustainability of the council's sheltered Housing schemes.
14. Further in-depth option appraisals for the 5 sheltered schemes were completed by MDA in August 2013 and draft drawings were shown to the housing board on 22 August which demonstrated what could be achieved at each site.
15. Each scheme was assessed in terms of its size, demand and possible options for the future:

<b>Scheme</b>	<b>Comments</b>	<b>Options/ Indicative costs</b>	<b>Notes</b>
Reynolds Court Newport – 31 units	<ul style="list-style-type: none"> <li>• Excellent location but very poor bedsit accommodation.</li> <li>• Building requires modernisation</li> <li>• Low demand</li> <li>• Size of site has potential for larger development</li> <li>• Units are small and of poor quality.</li> </ul>	<p>Redevelop site to provide high quality sheltered scheme – 29 units/£3.9m</p> <p>Re-model units with some new build to compensate for loss of units 23 units/£2.6m</p>	<p>The poorest performing scheme in terms of physical attributes</p> <p>Scheme might become financially unviable if re-modelled due to reduced number of units – further investigation therefore required into demolition and rebuild</p>

<p>Alexia House Great Dunmow 21 units</p>	<ul style="list-style-type: none"> <li>• Excellent location but very poor bedsit accommodation.</li> <li>• Building requires modernisation</li> <li>• Some problems with lettings</li> <li>• Size of site has potential for larger development</li> <li>• Units are small and of poor quality</li> </ul>	<p>Redevelop site to provide high quality sheltered scheme 15 new units/£2.9m</p> <p>Re-model units with some new build to compensate for loss of units 13 units/£1.2m</p>	
<p>Parkside Saffron Walden 18 units</p>	<ul style="list-style-type: none"> <li>• Excellent location but very poor accommodation. Building requires modernisation</li> <li>• Not suitable for residents with mobility difficulties</li> <li>• Some problems with lettings</li> <li>• Size of site has potential for larger development</li> </ul>	<p>Redevelop site to provide high quality older person's accommodation (not sheltered) £3.1m</p> <p>Re-model units to provide high quality older accommodation (not sheltered) with some new build to compensate for loss of units 14 units £1.3m</p>	<p>Little more than a collection of flats, with no communal facilities and nothing to distinguish them as sheltered accommodation</p>
<p>Hatherley Saffron Walden 25 units</p>	<ul style="list-style-type: none"> <li>• Excellent location but very poor accommodation.</li> <li>• Some problems with lettings</li> <li>• Very popular</li> </ul>	<p>Re-model units to provide high quality sheltered accommodation 17 units £1.6m</p> <p>(Nb Conversion works will reduce size of scheme)</p>	<p>Site constraints limit any redevelopment option</p>
<p>Walden Place (listed building) Saffron Walden 3 units</p>	<ul style="list-style-type: none"> <li>• Excellent location but very poor accommodation</li> <li>• Not suitable for residents with mobility difficulties</li> </ul>	<p>Re-model units to provide high quality older person's accommodation (not sheltered) 5 units/£1m</p>	<p>Current scheme does not make best use of (listed) building</p>

16. It is important to highlight that at this stage these options have been identified for further investigation only. Costs identified in the table above are purely indicative.

17. The estimated total cost to address all 5 schemes is just under £12.5m if the schemes were to be re-developed and £8.7m if re-modelled. Clearly the availability of resources will play a part in the programming of works and potential timeframes.
18. There are a number of lower cost options that can increase demand in the short term such as installing lifts or creating a scooter storage facility, however these will not necessarily ensure that housing stock meets the needs of older people in the long term.
19. Type and layout of scheme had a major impact on the options proposed. For example, following the site inspections Parkside was considered one of the better performing schemes in terms of the scheme location, access and environment. However, the scheme layout provides excellent opportunity for site redevelopment. Whilst this is considered the best option for addressing the long term sustainability of Parkside it is also one of the most expensive.
20. Discussions at the Housing board on 22 August 2013 resulted in the suggestion that bedsit style accommodation offered within Reynolds Court and Alexia House does not suit the requirements of modern life and should, if possible, be modified/re-developed to accommodate separate bedroom arrangements.
21. Reynolds Court in Newport is considered to be the worst scheme in terms of physical attributes and high voids, and is the highest priority for investment in order to address the issues of low demand and fitness for purpose.
22. The scheme consists of a total of 31 units comprising 22 bedsits. These bedsit units are regularly refused and are considered to be hard to let. Long term void units have contributed to substantial levels of rental loss for the scheme. Financial records for rental income from August 1998 indicate an average annual rental loss of £20,935.
23. Any proposed plans to change the scheme need to be developed and implemented over a timescale that allows resident involvement. Ensuring that residents are kept informed and consulted will help with the introduction of any proposed changes even where these are controversial.
24. The residents of Reynolds Court are aware that officers are looking at options for the scheme. It is proposed that the next step is that residents are consulted further regarding the options under consideration.
25. Consultation will help to ensure that residents' suggestions are, where possible, incorporated in more detailed design proposals enabling accurate costs to be established.
26. Once officers are in a more informed position on the specific realistic scheme options a further report will be produced for Housing Board to enable members to decide if any of the suggested proposals should be taken forward.

## **Risk Analysis**

27.

Risk	Likelihood	Impact	Mitigating actions
Lack of investment will result in continued long term void units with substantial loss to rental income	1 options are being explored and funding has been identified in the business plan	3 failure to address the ageing stock is likely to result in poor resident satisfaction & low demand	Further detailed appraisals of schemes will need to be commissioned
Residents may not be supportive of change	2 Proposed changes will cause disruption to residents and may result in de-cants	3 delays in implementing proposals	Ensuring that residents are kept informed and consulted will help with the introduction of any proposed changes even where these are controversial.

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.