

Review of Sheltered Housing

**Report of the Scrutiny (Community and
Regeneration) Committee**

July 2004

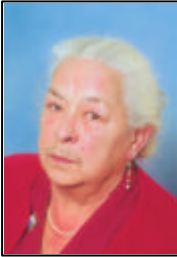
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Section 1: Foreword by the Chairman and Controlling Group Spokesperson

***An introduction to the review on behalf of the Scrutiny
(Community and Regeneration) Committee by the Chairman,
Councillor Mrs H Bartolo and Controlling Group
Spokesperson, Councillor P S Le Chevalier***

Foreword



Councillor Mrs Helen Bartolo

Chairman of the Scrutiny (Community and Regeneration) Committee.

"We have a responsibility to look after elderly people in our District and to ensure that the accommodation provided for them is the best that we can possibly offer within the resources available. Through this review a picture has emerged of a number of schemes that require substantial investment and there is much that needs to be done to improve the situation. At this stage, the interim recommendations contained within the report depend upon the findings of the Council's stock options appraisal which will be completed in 2005. However, I sincerely hope that once this process is completed we can find a way forward to invest in our housing stock and offer an improved service to our tenants."



Councillor Paul Le Chevalier

Controlling Group Spokesperson of the Scrutiny (Community and Regeneration) Committee

"When I went on to this Committee some eighteen months ago I did not realise the complexity of the subject before me but I was soon brought up to speed by a very dedicated officer and his team.

Other Members of the Committee have been through housing reviews before and their experience and the grasp of the subject matter helped me enormously.

We were able to keep politics out of the job in hand. A job that involves moving elderly people from their homes to enable them to be able to enhance their surroundings and improve their living standards.

We had visiting speakers from different housing organisations, housing officers and carers. It has been a long job and I believe I speak for the other members when I say a job well done."

A handwritten signature in black ink that reads "H Bartolo".

Chairman of the Scrutiny (Community and Regeneration) Committee

A handwritten signature in black ink that reads "P Le Chevalier".

Controlling Group Spokesperson of the Scrutiny (Community and Regeneration) Committee

Section 2: Scope and Process Report

Overview of the process adopted in conducting the review

Scope and Process Report

Introduction

- 2.1.1 The provision of sheltered housing accommodation for older people is a key issue for the District. Around 10% 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 schemes to ensure that they provide decent homes where people will want to live in the future.
- 2.1.2 The Scrutiny (Community and Regeneration) Committee considered that this was an important topic for review and has worked with the Council's housing officers, representatives of external agencies and housing and financial consultants to develop proposals for consideration by the Cabinet and the Council. The opportunity has also been taken to examine schemes elsewhere in East Kent.

Process

- 2.1.3 A structured approach has been adopted in conducting the review as follows:

Stage 1: Methodology

- 2.1.4 A Project Plan was developed identifying the scope and time scale for the review as well as the various parties who would be involved.
- 2.1.5 The terms of reference were agreed as being:
- To review the adequacy and standards of existing accommodation for older people in the Council's housing stock.
 - To evaluate and consider future demands for older persons' accommodation in the District.
 - To research the type of older persons' and associated services provided by other social landlords.
 - To review the support services provided by the Council to older people in designated accommodation.
 - To evaluate the need for extra care Sheltered Housing in the District.
 - To consider possible options for re-modelling the Council's Sheltered Housing accommodation.
 - To consider the appropriate consultation to be carried out with residents and develop a Consultation Plan.

Stage 2: Research

- 2.1.6 Site visits were undertaken by Members to Sheltered Housing schemes in the District and also to schemes at Whitstable, Canterbury and Tankerton to provide first hand knowledge of local provision and different types of scheme, eg extra care housing.
- 2.1.7 The review looked at a broad range of issues affecting the future housing and support of older people. However, the main focus was on the eight sub standard sheltered schemes where tenants were living in bedsits and sharing amenities like bathrooms and toilets.

Stage 3: Investigation

- 2.1.8 The Committee considered potential options for each of the Council's Sheltered Housing schemes while taking in to account the following factors:
- The demand for old persons' accommodation was growing.
 - The population was becoming older and by implication more frail.
 - The amount of residential places was declining.
 - Traditional models of sheltered accommodation were becoming less popular.
 - Technological developments would change the way services were delivered.
 - Schemes needed to have sustainable service charges.
- 2.1.9 The purpose of this part of the review was to examine the options available so that detailed financial appraisals could be undertaken.
- 2.1.10 Each scheme was assessed in terms of its size, demand and possible options for the future. For example, at some of the schemes, immediate improvements could be achieved through upgrading communal areas whereas elsewhere more fundamental changes involving refurbishment, modernisation and/or redesignation of use needed to be considered.
- 2.1.11 The initial aspirations of the Committee were then examined in detail by a consultancy firm, the Roger Wenn Partnership, which was appointed to assess eight Sheltered Housing schemes within the District and to prepare an appraisal with a view to maximising the potential of each site.
- 2.1.12 Beha Williams, a firm of consultants who had been working with the Council on developing the business plan for the Housing Revenue Account were asked to provide a financial appraisal of the funding and other options available to the Council to achieve the aspirations identified by the Roger Wenn Partnership.

Stage 4: Final Analysis

- 2.1.12 Following the receipt of reports from both consultants, it was established by the Committee that the full redevelopment and or refurbishment of the poor quality sheltered housing schemes was not possible without significant funding support from the Government. This was true whether the works were undertaken directly by the Council or through a transfer to a Registered Social Landlord.
- 2.1.14 The review of Sheltered Housing forms part of a wider review in the form of the Council's Stock Options Appraisal culminating in a submission to central government in July 2005. Pending the outcome of the full review, the Committee has identified

interim options for eight of the Council's Sheltered Housing schemes, which are identified within the report under the section headed "Recommendations".

Section 3: Research Report

The final report of the Head of Head of Housing which formed the basis for the review

Research Report

3.1 **Introduction**

3.1.1 The Council has 18 sheltered housing schemes providing 476 units of accommodation for older people in the District. This amounts to around 10% of the Council's housing stock.

The problem for the Council is that much of this accommodation is sub standard being bedsits with shared amenities (ie bathrooms and or toilets).

Clearly this standard of accommodation is unacceptable for older people and these schemes need to be modernised or replaced.

There are a number of other considerations, which need to be taken into account when coming to a final decision on how to tackle these sub standard schemes. These would include:

- The future demand for older person's housing in the Dover District.
- The demand for and popularity of traditional sheltered housing accommodation.
- Changing aspirations and expectations of tenants.
- The supply of older person's accommodation in the District including accommodation provided by RSLs and the private sector.
- The housing and support needs of an increasingly older and more frail population.
- The changing patterns of housing support services for older people that might be provided through the Careline.
- The ability of the Housing Revenue Account Business Plan to fund any improvements or re-provision along with the other demands of the Decent Homes Standard on the Council's investment resources.
- The availability of public funds to support the refurbishment and replacement programme.
- Wider considerations of stock options for the Council's whole housing stock

3.2 **Supply and Demand**

3.2.1 The Council is not the only provider of sheltered housing accommodation in the District. A number of RSLs also own and manage sheltered housing accommodation.

Sheltered Housing Units in Dover District by Provider

Provider	Dover	Deal	Sandwich	Rural
Dover DC	173	107	66	130
Housing 21	120	92	0	0
Southern	0	0	0	36
Anchor	30	0	0	0
Hanover	0	59	0	0
Hyde	34	0	0	0

- 3.2.2 There is no private sector sheltered housing schemes within the District although there is a pipeline scheme being developed by McCarthy and Stone.
- 3.2.3 One problem for the Council is that most of the sheltered accommodation provided by housing associations is newer and more desirable than the Council's stock. In a situation where there is potentially an over supply of sheltered accommodation, the Council's stock will always be more difficult to let.
- 3.2.4 Additionally there are a number of other properties, which are designated for older people including flats and bungalows.

Designated Older Persons' Housing (Non-Sheltered) in District

Provider	Dover	Deal	Sandwich	Rural
Dover DC	162	69	0	70
Moat	23	0	0	0
North British	0	120	0	0
Sanctuary	12	0	0	0

- 3.2.5 In recent years the Council has undertaken extensive research to map the future housing needs of the District. This has been done to help inform the housing strategy and make decisions about future investment priorities.
- 3.2.6 The most striking feature of this research is the significant growth in the elderly population of the District between 2001 and 2021. During this period a 22.2% increase in people over 65 is projected. Of even greater concern is the projected growth in the number of people in the District over the age of 85. It is anticipated that there will be an increase of around 800 people, a 21.6% increase. The over 85's will inevitably include a significant number of physical and mentally frail individuals with special housing needs.
- 3.2.7 Most of the people who within this age band will already be owner occupiers in the District and a majority will make their own provision in the private sector when they need higher levels of support and care. However a significant number of people will require public sector housing to support them in old age. This would include not only the existing tenants of social landlords including the Council but also a large number of tenants of the private rented sector (a sector which makes up a disproportionate amount of the local housing tenure compared to another areas). It is also likely that a number of owner occupiers who own their homes through the Right to Buy are at the margins of owner occupation and have few assets other than the equity in their properties. This group of people are likely to seek housing assistance in their older age.

3.2.8 In conclusion there is likely to be a significant increase in the demand for older persons accommodation in the Dover District between now and 2012 and that much of this demand will be in the social housing sector and there will be a requirement of support and care services attached to this housing provision.

3.3 **Expectations of Older People in Sheltered Housing**

3.3.1 From our contact with many older residents of our existing sheltered housing schemes we know that many residents can be very tolerant of the poor facilities that they have in their homes. However, it is increasingly difficult to let sheltered accommodation of all qualities and especially those with poor or shared amenities.

3.3.2 Not only have expectations about the quality of accommodation risen but also increasingly older people are keen to stay in their own homes as long as possible. Many initiatives are in place to encourage this, including the work that the council does to provide adaptations for people with mobility problems. In the private housing sector initiatives like Care and Repair and the Disabled Facilities Grants help ensure that the homes of older people remain suitable for them as their needs change.

3.3.3 There is also a problem that sheltered housing has an image which wrongly associates it with residential or some kind of institutional care. People think of sheltered housing as an old persons home. This may in part be due to the state and design of the buildings of many schemes, which are now looking a little tired, run down and institutional.

3.3.4 In an ideal world sheltered housing should provide move on accommodation for existing tenants releasing family sized homes which can then be let to the next generation of tenants. In reality, tenants of two and three bedroom houses are reluctant to give these up and move into even the better quality sheltered schemes. The table below demonstrates the source of tenants for sheltered housing lettings in the last six months. It demonstrates that a majority of lettings in our sheltered schemes including the good quality accommodation go to people who do not already live in council owned accommodation.

Table: Sheltered Housing Lettings During last Six Months

Previous tenancy of new tenant	Number of lettings
Existing tenant of Dover DC	10
Private sector tenant	9
Out of area/national mobility scheme	2
Homeless applicant	2

Table: Average Re-Let Times for Sheltered and Non-Sheltered Accommodation During last Six Months

Type of accommodation	Average time taken to re-let property (days)
All sheltered	38
Sheltered with shared amenities	221
Non sheltered lettings	31.4

3.3.5 This decreasing popularity of traditional sheltered housing has been noted by other local authorities and social landlord and suggests that there is scope for us to reduce the amount of sheltered accommodation while retaining and increasing the amount of accommodation for older people.

3.3.6 KCC commissioned a series of studies into the future of sheltered housing in the county. The study analysed what attracted residents to sheltered housing. In order of importance the reasons identified for wanting sheltered housing were:

- Poor or declining health.
- Security, including a residential warden.
- Difficulties with existing accommodation eg too big/can't manage stairs.
- Social activities and loneliness.

3.3.7 There is clearly a misalignment between the expectations of residents and what sheltered housing can actually deliver. Traditional sheltered housing does not provide care to help people with deteriorating health problems. This is more in the realm of extra care sheltered housing. Many relatives and indeed care professionals mistakenly believe that traditional sheltered housing does provide a care and supervision suitable for people with failing health.

3.3.8 The importance of security for older people is borne out in the research. Very few landlords provide residential wardens although this was once the normal practice. However security can be provided in a number of ways including improved design of accommodation, door entry systems and electronic monitoring through the Careline of through CCTV.

3.3.9 The number of tenants of sheltered accommodation for whom the social activities are important is small compared with the importance attached to security issues. However it does demonstrate that there is a need for some sheltered housing where social activities are promoted and there are facilities for them to take place. However this is not necessary for all schemes.

3.3.10 The conclusion is that while there remains a role for traditional sheltered housing, the demand is limited and it needs to be part of a wider range of housing options for older people. For many tenants the most important aspects of their housing in older age are security, location including access to facilities and the quality of the accommodation. Many of these needs can be met without the need for sheltered housing.

3.3.11 For tenants who have higher support and care needs, traditional sheltered housing is not the solution. Extra care sheltered accommodation or in its absence nursing or residential care is a more suitable alternative.

3.4 **Extra Care Sheltered Housing**

3.4.1 Extra care sheltered housing is sometimes called enhanced care housing or part two and a half housing. It provides a range of services midway between traditional sheltered housing and residential or nursing care. It recognises that as people become older they become both physically or mentally more frail and need a higher level of support. This support might mean, the provision of a main meal each day, dispensing and supervision of medication, assistance with laundry, bathing and shopping.

3.4.2 Importantly extra schemes are staffed 24 hours a day and offer high levels of security. Some schemes specialise with residents who have dementia.

- 3.4.3 The value of extra care sheltered housing is that it maintains a person's independence longer. There is strong evidence to suggest that people who move into residential or nursing care deteriorate physically and mentally much faster than had they stayed in an environment where they retain more responsibility for their lives. There is also evidence that people are often placed in residential homes prematurely because care packages and suitable accommodation is not available.
- 3.4.4 The range of services provided in extra care schemes far exceeds the level of services that we are able to deliver in the type of sheltered housing that we manage, although the expectations are often that we should provide this level of support especially 24 hour on site supervision. To provide these enhanced services comes at a cost and there is a requirement for both social services and Supporting People to support such schemes financially. However from the County's perspective supporting the costs of extra care sheltered housing is often better value for money than providing places in residential or nursing care schemes.
- 3.4.5 One further advantage of extra care sheltered housing is its potential contribution to the problem of delayed discharges from hospitals. Extra care schemes provide an environment that can support frail residents who might otherwise have to stay in hospital longer than necessary. There is potentially a role for extra care schemes providing some recuperative or respite care for people who would not normally be resident in the scheme.
- 3.4.6 Given the growing older population of the District especially amongst the over 85's, there will be an increasing need for extra care sheltered housing in the Dover District. The real problem is getting the funding lined up so that these schemes can happen in the future. Not only does the capital funding need to be in place to build the scheme or convert an existing scheme, but there needs to be a commitment from Social services and Supporting People to the future funding of the care and support for residents. At a time of severe pressures on budgets, it is difficult to secure these long-term commitments. Nevertheless our long-term strategy goal should be to develop more extra care schemes in the District and wherever practical convert our existing schemes so they can provide a higher level of support.

3.5 **The Future of Support Services to Older People in the Area**

- 3.5.1 Currently the Council provides a limited range of support of older residents of designated older person's accommodation. This can be summarised as follows:

Scheme of Accommodation	Support Services
Sheltered housing accommodation	Connected to 24 hour Careline monitoring service. Visits from Sheltered Housing Officer 3 times per week. Social events arranged within the scheme.
Designated older persons flats and bungalows	Connected to 24 hour Careline monitoring service. Monthly visits from Sheltered Housing Officer.
Tenants of general needs housing connected to the Careline	Connected to 24 hour Careline monitoring service. Monthly or quarterly visit depending on need.
Private sector tenants or owner occupiers connected to Careline	Connected to 24 hour Careline monitoring service.

- 3.5.2 The 24 hours monitoring community alarm service allows tenants to contact the Careline if they have a problem. The Careline will contact medical or emergency services or relatives as necessary. For residents of sheltered schemes there is a 24-hour on call arrangement where a sheltered housing officer will attend if required.
- 3.5.3 People connected to the Careline pay a weekly charge of £3.36 per week, which for those on benefits is met by Supporting People through a charge in the rent.
- 3.5.4 The services of the Sheltered Housing Officer to residents of sheltered housing scheme constitutes "counselling and support" and is paid for by Supporting People for residents entitled to benefits. It does not cover the costs of any domiciliary care type services.
- 3.5.5 The problem with the current range of services that we provide to older people is that they are not flexible. The nature of the service is linked to the accommodation rather than the needs of the residents. The regularity of visits and the services that we can offer to help people remain in their own homes longer should be tailored to the needs of individuals. The range of services that we could provide might include:
- Simple connection to Careline monitoring service with no visits.
 - A range of visit frequencies including daily visits including weekends to the more vulnerable residents.
 - Remote checks on residents through the Careline, eg a daily call from the Careline to ensure that the resident is up and about.
 - Assistance with routine administrative matters like bills, rent and benefit claims.
- 3.5.6 We should be developing a flexible range of services with an appropriate fee structure.
- 3.5.7 Another dimension to the future service options for the Careline is the development of remote electronic monitoring, sometimes called telecare. This approach allows technologies to monitor the activities of residents and alerts the Careline centre to any abnormal patterns of behaviour that might warrant investigation eg movement around the accommodation can be monitored to ensure that the occupant is up and about etc.
- 3.5.8 Telecare is a fairly new concept and is being trialled in West Kent and elsewhere in the country. We are working on developing a business plan for the Careline, which will set out not only the range of services that we can offer in the future but will identify the investment that is required not only to introduce telecare but also to upgrade the existing equipment.
- 3.5.9 The Scrutiny Committee considered the role of residential wardens during its investigation. This including interviewing two postholders. It was agreed that there were practical difficulties in having residential wardens:
- Recruitment to these positions was often difficult, as many people did not want to live on the job.

- There were potentially problems with the working time directive if wardens were on call for residents outside normal working hours.
- The introduction of the Careline meant that it wasn't necessary to have on site wardens 24 hours a day as might have once been the case in the early days of sheltered housing.
- People applying for residential jobs were often more motivated by their need for accommodation rather than wanting to work with older people.
- The costs of residential wardens adds a significant burden to the service charges of a scheme especially the smaller schemes

3.5.10 For these reasons it was felt to be inappropriate to continue with having residential staff based in the schemes and that future recruitment would be on a non residential basis.

3.6 **Redevelopment and Refurbishment Options for the Existing Sheltered Housing Schemes**

3.6.1 The table below gives a summary of the Council's sheltered housing accommodation. The problematic schemes are highlighted.

Scheme	No. of units	Bed-sits	Shared Facilities	Comments
Barnsende Court, Sandwich	30		No	Good scheme in excellent location. Very popular.
Hazelwood Meadow, St Bart's Rd Sandwich	24		No	Quiet attractive scheme. No lettings problems
Birch/Laburnum Avenue, Sandwich	28		No	All bungalows
St Nicholas House, Ash	28	19	Bath Showers	Poor scheme, with sub standard accommodation and poor internal layout and communal facilities. Low demand. 10 occupants under retirement age
Eastry Court Aylesham	19		No	Attractive and popular scheme but only 19 units after refurbishment
Wilmott Place Eastry	36	No	No	Reasonable standard of accommodation
Bede House Deal	21	20	Bath & Toilets	Small bed sits with shared facilities. Heating and structures of building in need of urgent attention
Dunstan House Deal	21	20	Bath & Toilets	Small bed sits with shared facilities. Heating and structures of building in need of urgent attention

Scheme	No. of units	Bed-sits	Shared Facilities	Comments
Norman Tailyour, Deal	23	17	Bath/ Showers	Excellent town centre location. But some accommodation has shared bathrooms
Lambert House, Deal	19		No	Refurbished to good standard but only has 19 units
Manley House, Whitfield	35	31	Bath/ Showers	Reasonable location but isolated from significant general needs housing. Site has potential for greater density
Roly Eckhoff, Buckland	30	24	Bath/ Showers	Poor standard of accommodation with close proximity to RSL scheme with modern facilities
Wellington Gardens, Buckland	20		No	All bungalows. Suffer from problems of anti social behaviour in neighbourhood
William Muge, Dover	28	23	Bath & Toilets	Excellent location but very poor accommodation. Lettings policies have diminished quality of the scheme
Snelgrove House, Dover	36	24	Bath/ Showers	Very similar to William Muge, above. Needs to be considered as a package.
Goschen Road, Tower Hamlets	34		No	Little more than a collection of flats with nothing to distinguish them as sheltered accommodation
Reece Adams, Capel	23		No	Refurbished scheme with good accommodation but fairly small
Sunny Corner, Aycliffe	21		No	Modern scheme, Fairly small

3.6.2 The focus of attention in this review has been the sub standard accommodation highlighted above. In examining options for each of the sub standard schemes we have been guided by the following principles:

- The standard form of refurbishment traditionally used by the council, eg Reece Adams and Eastry Court is expensive and don't necessarily deliver the best solutions. In particular the schemes often end up being very small and uneconomic to run.
- The need to remodel or re-provision these schemes provides a one off opportunity for the council to radically improve the accommodation available for older people in the District.

- While there is a need for more older persons accommodation in the District, the demand for traditional sheltered housing had declined and it was not necessary to replace existing schemes with more sheltered housing.
- The population of the District is projected to become much older and we should be planning for providing extra care sheltered housing for the future

3.6.3 Guided by these principles we have gone through the following evaluation process:

- Identify the shortcomings of each scheme.
- Examine the potential for each site and identified a desired outcome regardless on any financial constraints.
- Test the feasibility of each option and identify the indicative costs of delivering the solution.
- Evaluate how these options might be delivered in the context of the HRA Business Plan and other funding options available to the Council.
- Re-cast the site by site options in the light of the feasibility of funding options.

3.6.4 The table below summarises the preferred options agreed for each site without reference to the funding implications:

Scheme	Options	Reason
Bede and Dunstan House	Refurbish with some new build to compensate for loss of units. Two schemes to be combined into one with one set of communal facilities	Position of the scheme in flood plain restricts redevelopment options. Redevelopment options for sale for private housing development restricted
St Nicholas House Ash	Site to be cleared and used for alternative housing use	Low demand. Not an area with a natural feeder area of social housing
Norman Tailyour House	Self-containment of flats with shared amenities. Conversion of communal facilities into residential units. Scheme becomes non sheltered flats for older people	Site constraints limit any redevelopment option. Conversion works will reduce size of scheme to below viability for sheltered scheme
Manley House	Redevelopment of the site for high quality older person's scheme	Current scheme does not make best use of site.
Roly Eckhoff House	Demolish and rebuild on site. Potentially as extra care sheltered housing	Size of site has potential for larger development. Presence of 24 hour extra care scheme on Buckland would be beneficial
William Muge and Snell Grove Houses	Demolish and redevelop as mixture of older person's accommodation	Excellent site not being used to full potential. Has potential for 3 storey development
Reece Adams House	Extend existing scheme	Popular modernised scheme but too small for long term viability

Scheme	Options	Reason
Eastry Court	Extend existing scheme	Popular modernised scheme but too small for long term viability

- 3.6.5 The Roger Wenn Partnership was engaged to test the feasibility of each of the above options from an architectural and planning perspective. Their report was presented to the Scrutiny Committee in December.
- 3.6.6 A summary of their conclusions for the potential for each site and the indicative costings are included in Appendix 1.
- 3.6.7 If the Council were in a position to fully implement their recommendations it would result in an additional 71 units of accommodation at a cost of £23,680,000.
- 3.6.8 If we were to ignore Reece Adams and Eastry Court where work is desirable but not essential, then the package would create 45 new units at a cost of £21,510,000.

3.7 **Can we Afford it?**

- 3.7.1 The Council's financial consultants, Beha Williams Norman, who have been working with us on the HRA Business Plan and the wider stock options appraisal were tasked with evaluating the results of the Roger Wenn work and seeing what opportunities there were for achieving the level of investment required. A number of different options were considered.

Funding from the HRA Business Plan

- 3.7.2 Not surprisingly the HRA business plan could not sustain the level of expenditure required to carry out the full range of aspirations envisage in the Roger Wenn report. The Business plan is currently modelled on a fairly minimalist investment design to reach the basic standard of Decent Homes. To bring all our homes up to a modern standard over and above Decent Homes would create a deficit in the plan of £27.2 million over the next ten years. By adding our full aspirations for the sheltered housing, this shortfall would rise to around £53.2 million.

Prudential Borrowing

- 3.7.3 From April 2004 Councils have been able to borrow money for investment provided they have the resources to service the debt. However the HRA business plan indicates at the moment that the HRA couldn't sustain the level of investment required implementing the Roger Wenn improvements

Private Finance Initiative (PFI)

- 3.7.4 Under this model the Council would contract with the private sector to carry out the improvement works to the identified schemes. Over a 20-year period the council would pay a facilities fee to the provider for the provision and maintenance of the facility. The PFI contractor often is contracted to provide the services as well eg the housing management. The Council retains ownership of the stock and the tenants remain tenants of the Council.
- 3.7.5 While PFI does provide an investment option for the Council, there are considerable obstacles to this approach:

- PFIs are relatively new and untested in the housing field and the early pilots have taken several years to get off the ground.
- Developing proposals for PFI is very complex and resource intensive. It is unlikely that the Council has the internal capacity to develop such proposals.
- Proposals would need to be worked up for the next bidding round in December 2004. It is a competitive bidding situation and there is no guarantee that we would be successful. KCC who have been working for two years on the extra care PFI only secure 50% of the funding required.
- The initial set up costs are estimated to be in the region of £0.5 to £0.75 million.

Partial Stock Transfer

- 3.7.6 This option has previously been considered by the Council as a potential solution to the sheltered housing problem. This would involve the transfer of the schemes to a RSL (Housing Association) who would use private finance secured against the future rents to modernise and rebuild the schemes. Tenants would need to vote to transfer and they would become tenants of the RSL once the work has been completed. This solution provides the best opportunity for some two bedroom older persons accommodation as part of the re-provision.
- 3.7.7 The difficulty that this option presents is that because the units of accommodation are one bedroom, their rental income is limited and therefore the amount of borrowings that can be supported are insufficient to fund the full extent of the works without some public subsidy.
- 3.7.8 It is likely that social housing grant of around £19.2m will be required to deliver the full option above.
- 3.7.9 The Regional Housing Board and Housing Corporation take decisions on Social Housing Grant. In reality the Corporation are unlikely to agree to the level of investment to cover the full scope of the refurbishment works given the other pressures for growth in the South East. We have had initial discussions with the Housing Corporation and they have indicated that they would be interested in receiving proposals from us for the possible part funding of the programme provided we could demonstrate that it was part of a clear strategy and was consistent with the regional priorities. This provides the opportunity to deal with one or two key sites by transferring them to RSLs for redevelopment as high quality sheltered accommodation.
- 3.7.10 The two year bidding round for Housing Corporation funding was announced in March and it is possible that the next bidding round will not be until November 2005.

Full Stock Transfer

- 3.7.11 Although essentially outside the remit of this review our aspirations to refurbish and remodel all our older persons accommodation could be achieved through a voluntary transfer of the whole stock to a new or existing RSL.
- 3.7.12 Initial work suggests that the stock would be valued around £9m but this excludes the aspirations contained within the Roger Wenn report. If these were taken into account

then the valuation would be negative at around minus £12m. However, Government monies are available to provide gap funding for negative valued transfers.

3.7.13 The pros and cons of full stock transfer will be considered by the stock options appraisal process which we are required to do later this year, but it does provide one option which needs to be considered carefully. The advantage of this approach is that the stock is retained as one unit giving the landlord the ability to meet the full range of tenants needs. This might be preferable to breaking up the stock and parcelling some older persons housing to a different landlord. Stock transfer would have a negative effect on the Council's overheads and running costs but increased usable RTB receipts would provide some compensation.

Alternative Solutions

3.7.14 In the current climate it is not possible to fund our aspirations within the Roger Wenn proposals either because the HRA cannot sustain the level of expenditure required or because solutions require commitment from the Government or the Housing Corporation to additional funding support as part of a partial transfer solution.

3.7.15 The picture may change again as a result of the stock options appraisal process and our aspirations to improve older person's accommodation needs to be fed into the process. In this respect although we might opt for a scaled down version we should not let go of what we would want to do in an ideal world.

3.7.16 Below is set out a reduced range of options which we have tested with Beha Williams and which will fit within our existing resources.

3.7.17 This gives us the basis to start work on with Bede and Dunstan Houses in Deal, which will be empty by the end of the year. In the meantime we will:

- Make proposals to the Housing Corporation for the funding of the possible transfer and redevelopment of schemes at Manley House, William Muge House and Snelgrove House.
- Revisit the Roger Wenn proposals as part of the Stock options appraisal and build these into the wider aspirations that we have to improve the whole stock.

3.7.18 The revised options are set out below in Appendix 2.

3.7.19 It reduces the requirements on the Roger Wenn proposals by including land sales to generate income for reinvestment at Manley House and William Muge. On both these sites there will still be some older person's accommodation but less than originally proposed. The expansion of Eastry Court and Reece Adams House is dropped on the ground that the additional rental income from the new units created will not support the development costs. Roly Eckoff House is converted to extra care sheltered housing in as part of the KCC countywide PFI scheme.

3.8 Goshen Road, Dover

3.8.1 This scheme was not originally included in the schemes looked at as part of the scrutiny review because it comprises flats that are self-contained. However there is nothing to suggest that these flats should be sheltered housing. It is a series of unconnected dispersed blocks of flats with no communal facilities. In reality it is a

collection of flats connected to the Careline that happen to be let to older people. At times in the past these it has been difficult to let some of these flats. It is recommend that the scheme ceases to be a designated sheltered housing scheme but that there is some flexibility in the future lettings of some of the blocks eg proposals to turn one block, which is isolated from the others into, supported accommodation for vulnerable people.

3.9 **Summary of Recommendations**

- 3.9.1 Business Plan and Service Plan is developed for the Careline to test the long term feasibility and viability of the service in the light of the investment needs of the service and the changing patterns of service delivery in this field.
- 3.9.2 The Options set out in section six and Appendix 2 are pursued while other investment options continue to be explored through the stock options appraisal and with the ODPM and Housing Corporation
- 3.9.3 We pursue with KCC the re-provision of Roly Eckoff House as an extra care scheme through the PFI initiative.
- 3.9.4 Representations are made to the Housing Corporation for funding to support the transfer and redevelopment of Manley House and William Muge/Snellgrove Houses.
- 3.9.5 Goshen Road ceases to be a sheltered housing scheme, although some blocks will remain designated for older people.

Section 4: Recommendations

Summary of the recommendations of the Scrutiny (Community and Regeneration) Committee to Cabinet and Council

Recommendations

4.1 **Recommendations**

4.1.1 That the (Cabinet and) Council be recommended:

- (a) That a Business Plan and Service Plan is developed for the Careline to test the long term viability of the service in view of the need for investment and changing patterns of service delivery.
- (b) That the options set out on page 34 are pursued whilst other investment options continue to be explored through the stock options appraisal and also with the ODPM and Housing Corporation.
- (c) That the redevelopment of Roly Eckhoff House is pursued with KCC as an extra care scheme through the PFI Initiative.
- (d) That representations are made to the Housing Corporation for funding to support the transfer and redevelopment of Manley House and William Muge/Snelgrove Houses.
- (e) That the accommodation at Goshen Road ceases to be a sheltered housing scheme although some blocks remain designated for older people.

4.2 **Comments of Corporate Management Team**

4.2.1 Corporate Management Team welcome this Scrutiny Review and its use as a basis for developing the way forward both in the short term and to feed in to the Options Appraisal that the Council is undertaking.

Section 5: Appendices

Additional material relating to the review

Summary of Roger Wenn Partnership Proposals and Costings

Bede and Dunstan (Refurbishment) 1,630,000

Need to check with Planners on refurbishment on the flood plain.
40²m, flats bit on the small side.
Will become a 32-unit scheme.
2 houses at rear will remain but with different access.

Site value £400,000 (cleared)
Demolition costs not identified

Norman Tailyour (Refurbishment) 460,000

Loses the warden accommodation and communal lounge
Relocate the lift. Not essential but cost £50,000 to £70,000
End up with 18 units.
Effectively becomes a block of flats for older people

Manley House (Demolition and re-build) 3,900,000

Poor use of existing land
31 Bedsits + 4 Flats + Warden's House.
Will create 53 units.

Site value £400,000 (cleared)
Demolition costs, £40,000)

Roly Eckhoff House (Demolition and re-build) 6,540,000

Currently 36 units. Would create 76 units and possibly sleeping arrangements for overnight cover
77 Flats at 4,905,000 (£65,000 per unit)
Subject to a PFI bid for 40 units with KCC
Could consider that as only option for the site and take out of the equation

Site value £300,000
Demolition, £80,000

William Muge and Snell Grove (Demolition and re-build) 7,780,000

Demolition of 81 units, including block of flats between the two schemes
Would produce 105 units (£74,000 per unit)
Include extra care potential and fully range of older persons accommodation
Site will permit up to 120 units.

Site value £1.1million

St Nicholas at Ash (Demolition and sale)**-1.2 million**

Provide 1¼acre for disposal.

£600,000 St Nicholas alone

£1.8m site value if adjacent bungalows are included but re-provided on a smaller plot

Demolition and re-build (of 8 replacement bungalows) costs £610,000

Site value £600,000 or 1.8 million (cleared)

Net receipt after demolition and re-provision of bungalows £1.2M

Eastry Court (Additional units added)**1,300,000**

14 additional units

Reece Adams (Additional units added)**870,000**

Include upgrading of entrance. Remove Warden's flat

12 new units.

Scheme	Existing units	Proposed Units
Bede and Dunstan	42	32
Norman Tailyour	23	18
Manly House	36	53
Roly Eckoff	30	77
William Muge/Snellgrove	81	105
St Nicholas	28	0
Eastry Ct	19	33
Reece Adams	23	35
Total	282	353

Scheme	Proposed Option	Units now	New units	Cost £	Rationale and alternatives
Bede and Dunstan	Refurbish of existing bedsits with some additional new flats and retention of communal facilities	42	32	1.6m	Restrictions of development in the flood plain make redevelopment of site difficult. Area would not command significantly high market value if land was sold. Demand for housing in Deal area is high
Norman Tailyour House	Refurbish non self-contained accommodation. Remove communal and warden facilities and convert to flats for older people	23	18	460,000	Very popular town centre location with limited redevelopment potential. Limited options and 18 unit scheme isn't viable to support communal facilities.
Manley House	Refurbishment of existing units at the rear of the site for older people accommodation. (non sheltered) Sale of front portion of the site for private development	36	10	320,000	Costs extrapolated from Roger Wenn study. Could be an alternative site for the extra care scheme with KCC. Sale of full site for private development
Roly Eckoff	Disposal to KCC for extra care sheltered housing scheme	30	0	0	Will provide 40 units of extra care housing
William Muge and Snelgrove	Redevelopment of half of the site as a 50 unit sheltered scheme and disposal of remaining site for private development	64	40	2.57m	Redevelopment of whole site not financially viable.
St Nicholas, Ash	Sale of site for private development	28	0	-1.2m	Village location low demand
Eastry Court	Leave as existing	19	19	0	Not viable in current financial position
Reece Adams	Leave as existing	23	23	0	Not viable in current financial position
Total		282	152	3.75m	Net loss of 130 but there will be 40 additional units of extra care housing