



**Executive Briefing**  
**6 June 2016**

**Subject Heading:**

**Review of Older Persons' Housing Needs- Report of Executive Briefing Sub Group**

**Cabinet Member:**

**Councillor Damian White**, Lead member for Housing

**CMT Lead:**

**Isobel Cattermole**, Group Director, Children, Adults and Housing

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**Policy context:**

To address the over supply of Council owned sheltered housing accommodation and the need for more alternative types of older persons' accommodation in the future

**Financial summary:**

HRA Capital Spend will be required to transform housing provision, so that it better meets current demands.

**Is this a Key Decision?**

**Yes**

**When should this matter be reviewed?**

**N/A**

**Reviewing OSC:**

### **SUMMARY**

1. This report provides information on a review of the future housing needs of older people in the borough across all tenures, excluding residential care needs and makes recommendations to close. It also includes an overview of the work undertaken by the Member led Sub Group that has met on three occasions to consider the recommendations in more detail.

2.

This report will also show:

- 1.1 There is a current and projected surplus of affordable sheltered schemes within the borough and that this is projected to continue even with the projected growth in the number of older people living in Havering
- 1.2 There is a current and projected deficit in sheltered/retirement housing for lease and sale within Havering
- 1.3 There is a current and projected deficit of enhanced and extra care housing of all tenures within Havering, but that this is particularly prominent in the sale/lease tenures
- 1.4 There is significant uncertainty on the financial viability of new supported housing schemes whilst Government policy on levels of rents chargeable remains unclear.
- 1.5 A separate report on the HRA Business Plan including fully updated financial information will be presented will be presented to Cabinet in September 2016.

## RECOMMENDATIONS

1. That Members note the findings of the review of older persons' future housing needs in Havering.
3. That Members note the work undertaken by the Member led sub group
4. That Members note the current level of rent loss due to the high number of difficult to let sheltered properties.
5. That Members approve the need to carry out consultation with sheltered accommodation residents at Brunswick Court, Dell Court, Delderfield House, Solar Serena Sunrise Court, Royal Jubilee Court, Queen Street and Park Lane over the next two months and the outcomes are reported back to the sub group.
6. That before any other work is undertaken on progressing the de-commissioning of any sheltered sites, Members approve that the Council should wait for the outcome of Government rent policy and in particular supported housing costs. This is expected in summer 2016.
7. That Members note the viability work being undertaken by two housing associations on their possible interest in developing retirement villages in the Borough and that the outcomes will be reported back to the sub group.
8. That the Group Director of Children, Adults and Housing, after consultation with the Lead Member for Housing, has delegated authority to make variations to or substitutions for disposal or alternative use of any of the

schemes already in the Housing development programme subject to financial viability, full resident consultation and there being no need for additional capital investment beyond the existing programme budget.

## REPORT DETAIL

### 1. INTRODUCTION

- 1.1 This report follows the previous approvals given by Cabinet on 23 September and 18 November 2015 on the Council's housing development programme to deliver over 1,000 new properties over the next 10 years.
- 1.2 The report identifies an over-supply of sheltered accommodation and proposes a number of possible options for some of the Councils sheltered accommodation based on an independent review undertaken in July 2015. This includes the possibility of entering into a partnership with an existing specialist in developing extra care/retirement schemes.

### 2. BACKGROUND

- 2.1 A review was commissioned by Housing Services in May 2015 with the aim of assessing the overall need for housing for older people within the borough, both now and for the foreseeable future.
- 2.2 The review looked at the current provision of housing including the different types of accommodation that are available. This included both general needs housing and various forms of specialist housing.
- 2.3 It looked in some detail at the sheltered housing stock that is owned by the Council and reviewed the future need for that accommodation based on the current and projected need for that accommodation.
- 2.4 It also reviewed the current services that are available to enable older people to remain in their own homes.
- 2.5 Suitability of housing has an important effect on quality of life and health outcomes for older people. This requires a range of specialist housing services, from adaptations to help people stay in their own homes, to sheltered housing, to full time nursing care for the most infirm. The challenge is to provide housing that reduces the need for care (such as avoidable residential care) whilst being attractive, desirable and financially viable, within a strategy that responds to changes in both demographics and expectations.
- 2.6 Nationally, older people are more likely to be home owners (75%) than the population as a whole with again a much greater proportion being mortgage free. Conversely it has been estimated that two thirds of low income older households are home owners. The Council of Mortgage Lenders has estimated that there is around £1 trillion of un-mortgaged equity held by older home owners. There are around 7 million households which are now led by a person over 65 and this will continue to increase.

- 2.7 The vast majority of older people (90%) live in their own homes. Nationally there are around 500,000 specialist housing units (sheltered through to extra care) with 400,000 of these being in the social housing sector. Therefore whilst there is a demand for specialist older person housing any long term solution does also have to include how people's existing homes and communities can be improved to allow older people to live independently within their own homes.
- 2.8 One of the key challenges that health and social care agencies will continue to face with an increasingly older population is dementia. According to the Alzheimer's Society Dementia Report (2011), there are 750,000 people living with dementia in England and Wales and this is likely to double over the next 30 years, with the costs associated with this condition likely to treble.
- 2.9 In many respects Havering's position is a reflection of the national picture. Unlike many other parts of London Havering has a proportion of older people which is currently just above the national average. It has the largest percentage of older people of any London borough. The Office of National Statistics (ONS) also predicts that Havering's older person population will grow significantly in the future, increasing by 16% by 2021 accounting for nearly 50,000 people. The growth being significant for the over 85s.

Source ONS 2015 update

<b>% &amp; No. of older people</b>	<b>England</b>	<b>Havering</b>		
<b>2011 census</b>	16.5%	17.8%	44,000	
<b>ONS Estimate 2015</b>	17.9%	18.7%	46,000	
<b>ONS Estimate 2021</b>	19.2%	19.0%	50,000	
<b>ONS Estimate 2037</b>	24.3%	22.1%	69,000	
<b>Older People numbers (000)</b>	2015	2020	2025	2030
<b>65-69</b>	14	12	14	16
<b>70-74</b>	10	13	12	13
<b>75-79</b>	9	9	12	11
<b>80-84</b>	7	7	8	10
<b>85-89</b>	5	5	5	6
<b>90+</b>	3	3	4	5
<b>000</b>	46	49	54	61

- 2.10 In terms of tenure, Havering has a greater number of its older population that own their own homes than both nationally and regionally. The numbers in social housing are substantially less than London as a whole and also nationally.
- 2.11 The majority of those older people who own their own home are mortgage free 73% (as per the Housing Needs and demand assessment 2012), with

over 85% of those responding indicating that the equity ownership was in excess of £100,000.

Tenure	Owner Occ	Shared Owner	Local Authority	Other Social Rent	Private Rent	Living Rent Free
<b>England</b>	74.1	0.5	10.2	8.7	4.4	2.1
<b>London</b>	64.5	0.5	16.6	10.8	6.0	1.6
<b>Havering</b>	82.9	0.2	10.6	2.6	2.5	1.2
<b>Havering</b>	23277	67	2968	721	711	328

Source ONS2011 census

- 2.12 In Havering there is a considerable degree of under occupation in both social and owner occupied sectors.
- 2.13 This year, Housing Services has conducted a survey of older people with the intention of better understanding their housing needs. It showed that 79% of those responding to the survey (653) had either no plans to move or had not thought about moving, therefore confirming the general lack of preparedness for older people to want to move.
- 2.14 Of those that did express a desire to move the preferred type of accommodation was a bungalow (56%) with a strong preference for a minimum of two bedrooms (61%).
- 2.15 When asked about moving into supported/specialist accommodation, of the choices that the survey offered, retirement villages was heavily favoured (80%). This is perhaps not surprising as it was the most obviously independent living of the choices offered.
- 2.16 Havering has just under 2000 specialist housing units for older people across all tenures. This includes sheltered housing, retirement and assisted living schemes and extra care housing. This figure does not include general needs housing that the Council has designated for older people. In excess of 60% of these are social housing, the majority of this group being the Council's own sheltered housing accommodation (approx. 800 units).
- 2.17 The quantity of private sector specialist older persons' accommodation is generally higher than for most other London boroughs (8<sup>th</sup> highest) and in part could be a reflection of the very high degree of owner occupation in the borough and the fact that the market is able to support a relatively high proportion of private retirement housing.
- 2.18 The fact that house prices are low for London (3<sup>rd</sup> Lowest borough) also means that the prices for retirement schemes are considerably lower than for other parts of London.
- 2.19 The private sector schemes tend to be newer and are either one or two bedroom properties with no bedsit accommodation. The Council's properties were generally developed earlier and some contain a percentage of smaller studio/ bedsit accommodation. There are also a number of Housing Association schemes (excluding extra care schemes) totalling just over 300 units. The majority of these are located in seven schemes. There are currently three schemes which have been specifically developed for

extra care. Two of these schemes cater for both shared ownership and social rent whilst the third is a social rent scheme only. All three of these schemes have been developed by Housing Associations who are the prime developers of this type of accommodation across the country.

2.20 There are no schemes designed specifically for meeting the needs of older people who suffer from dementia although the existing extra care schemes do have tenants with dementia and the agreements with the housing and care providers require them to accept people with levels of moderate dementia. Currently the majority of dementia clients will, when having to move from their homes by Adult Social Care, be placed in residential care. Havering's 2011 JSNA reported that there were 3014 people with dementia and predicted that this could rise to 4691 by 2030. It is estimated that 63% of people with dementia remained in their own homes whilst 37% were in residential accommodation.

2.21 The older persons' housing needs review had regard to the annual target of new specialist accommodation that the GLA states is needed in Havering. The GLA annual targets for Havering were also compared to the Housing London Information Network (LIN) Toolkit for assessing need and the following table shows the comparative numbers of demand.

<b>Demand</b>	<b>2015</b>	<b>2025</b>
<b>GLA</b>	2838	3277
<b>Housing LIN</b>	3842	4879
<b>Difference</b>	<b>1004</b>	<b>1602</b>

2.22 Appendix 1 shows the types and tenure of specialist housing in the first table for 2015 and for the projections to 2025 in the second table. The modelling assumptions for the projected need uses the ONS population projection figures and assumes the same distribution between lease/sale and affordable rent. Although there are different projections in the actual numbers produced by the GLA and the Housing LIN Toolkit, there is the acceptance that there is a considerable deficit in the private market and a surplus in the affordable sheltered accommodation.

### **What is the correct figure for Havering?**

2.23 In addition to the assumptions already mentioned in this report, when calculating the accommodation needs for older people, both the GLA and the LIN calculations assume a level of need for specialist housing which is greater than the market currently provides. For example, they recommend that for sheltered housing the figure is 125 people per 1000 over the age of 75, whereas the average figure for England in 2014 was only 105.

2.24 Both the current and future projections presume a higher level of overall need for specialist older persons' housing than the GLA model; however it should be noted that the Housing LIN stress that they consider their base model does need to be adapted to take into account local conditions. For example, in areas which have a large older population and where the market has developed its own solutions such as having a large number of care homes, this needs to be taken into account when considering how the future

market will be developed. Other factors will be the Council's own approach to developing alternatives to residential accommodation.

- 2.25 The review concluded that, at this point in time, there is possibly an over estimate on the overall need especially for the entry level specialist older persons' housing-retirement/sheltered. This is not to say that for leased/sale properties there is not a need for additional ones to be built, although it should be at a slightly lower level than is specified for example by the LIN.
- 2.26 The review also concluded that the split between the properties that need to be built for sale/lease and those for affordable rent is broadly correct. With over 80% of Havering's older population being home owners and nearly three quarters of those owning their property outright, it follows that this split should also be reflected in the older person's specialist housing market.
- 2.27 The review differentiated between different types of specialist older persons' housing. The separation of enhanced sheltered and extra care is useful in that it identifies the different level of care that is required. Enhanced being care but without 24 hour cover whilst extra care assumes that 24 hour cover is provided. However it is likely that in modern extra care or retirement villages both levels of care will be provided in one scheme.
- 2.28 For the purposes of modelling, the demand level for sheltered/ retirement schemes has been reduced to 100 people per 1000 of over 75 population. The rationale for this is also that the agreed strategy in Adult Social Care is to try where possible for people to remain in their own home. Using these assumptions, the table below shows the current and future demand of older person's accommodation in Havering.

Havering	2015			2025		
	Demand	Supply	Variance	Demand	Supply	Variance
<b>Sheltered Housing 100 per 1000+75</b>	2260	1734	526	2870	1734	
-Rent	475	1024	+549	603	1024	+421
-Lease	1785	710	1075	2267	710	1643
<b>Enhanced Sheltered 20 per 1000 +75</b>	452	0	452	574	0	574
-Rent	95	0	95	121	0	121
-Lease	357	0	357	453	0	453
<b>Extra Care 25 per 1000+75</b>	565	195	370	718	195	523
-Rent	119	175	+56	151	175	+24
-Lease	446	20	426	567	20	547

- 2.29 As can be seen, the majority of the need relates to provision within the private sector (there is a shortage of more than 1,800 leasehold properties). The Council does, as part of its strategic role, need to identify that need and to assist in enabling that to occur via its strategic policies but does not have

a statutory responsibility to either build or commission that development. The exception to this relates to accommodation that is designed to also provide levels of care (extra care and retirement villages) and these schemes are likely to contain a mix of tenures. They are also not likely to be commissioned without the support of the local authority as the developer/provider will want to be clear that there is both a need and resources to fund the care element of any scheme.

2.30 The figures also clearly evidence that there is an over-supply of affordable sheltered housing (510 in 2015 and 324 in 2025 based on current supply), the majority of which in Havering is owned by the Council. This over-supply could be increased if, in developing new developments which cater for mixed dependency, some older people who previously would have moved into an older sheltered property, prefer to move into newer developments.

In summary:

- There is currently provision of approximately 2000 specialist housing units in the borough.
- The majority of this provision is in the public/not for profit sector
- The current and projected demand indicates that this will be considerably bigger in the private sector.
- Currently there is surplus of sheltered accommodation in the public/not for profit sector. That there is currently sufficient capacity in the public/not for profit sector to meet projected increase in population levels (this does not take into account quality of existing stock)
- Future growth would therefore be concentrated in the private sector
- That the current extra care housing provision is almost exclusively for affordable rent. None of the private sector schemes currently offer extra care facilities.
- There is no specific provision for older people with dementia or for other vulnerable older people

### **Older Persons' Housing Sector**

2.31 The older persons' housing sector continually adapts to changes in aspirations, demographics, need and more immediately, the market and funding options. This has led to the development of different types of older persons housing. These include:

- Larger purpose built extra care, from 80 units to village scale, that integrate with the wider community
- Co-housing initiatives that are funded, commissioned and managed by the residents
- Smaller schemes designed to high space and mobility standards with limited communal and support facilities
- Specialist developments that cater for higher levels of dependency and dementia



- Developments that cater for active lifestyles and young-older people
- Developments combined with other housing and care to create community hubs

For those developments that have been developed by Housing Associations the mixed tenure development is becoming the norm. This is both a reflection on the reduced level of grant funding and the need to cross subsidise the affordable rent properties and also the relative lack of private sector older persons housing when compared to the public sector.

- 2.32 A further review of the extra care provision in the schemes within Havering is taking place with Adult Social Care. In the longer term we will look to see if, by bringing together the services, a more coordinated, economic and effective service can be provided. Consultation with providers will be a feature developed in the future. The Council's own research indicates that there is a general lack of awareness amongst residents of the benefits of extra care accommodation and this can extend to some professionals when considering re-housing options which aim at maximising a client's independence.

### **Other Supported Housing Needs**

- 2.33 We believe that there is a shortage of supported housing for other groups of people and work is underway to identify the demand for supported housing as part of our housing development programme work. Future choices about increased levels of provision will be made in partnership with Adult Social Care and Children's Services and Health based on rigorous development of business cases and the strongest possible evidence base.
- 2.34 Current research indicates that there could be considerable long term financial savings for councils and the NHS by extended use of extra care and retirement village schemes. There is also some evidence that it improves the health and well-being of residents:
- Savings for local authorities are more likely to be deferred costs rather than short term savings
  - It is essential to have an element of flexibility built into care contracts relating to extra care schemes and ASC is currently looking at these
  - A retirement village development could produce a greater degree of flexibility in delivering care needs.
  - Development of any retirement village is not without risk and due to the high number of sale and shared ownership units, needs to be carefully managed.

### **Potential Use for the Council's Sheltered Schemes**

- 2.35 Appendix 1 lists all of the Council's existing sheltered schemes along with the recommendations from the review on each scheme.

Seven existing sheltered schemes (just under 300 properties) have been identified as not being fit for future purpose due to them containing bedsits, not having lifts and/or shared facilities.

The following potential use of these sheltered schemes can be seen in more detail in Appendix 2.

Retirement Village – two schemes are large enough to be suitable to provide around 150 properties at each scheme for sheltered, ownership and extra care. An example of a retirement village is attached as Appendix 3.

Extra Care – four schemes may be suitable.

General Needs Development – three schemes may be suitable.

Other Supported Housing – this needs to be assessed although two schemes may be suitable.

- 2.36 An option would be to enter into a joint venture or partnership with an existing specialist provider who has experience in operating extra care schemes and/or retirement villages. The exact nature of any agreement would have to be carefully worked out. The Council could potentially invest via its land and/or additional capital grant which in turn would mean it would get both the 100% nomination rights plus return on its investment via a proportion of any profit/surplus generated by the scheme. This option has the advantage of a lower level of upfront investment and a sharing of the risk.
- 2.37 HRA resources may be utilised once viability models have been worked through and included within the redevelopment programme approved by Cabinet on 23 September 2015 and 18 November 2015.
- 2.38 All of the schemes that are either recommended for closure or closure is an option are capable of having alternative accommodation built on them. Royal Jubilee Court and the Sunrise/Serena/ Solar schemes are the largest sites, both being in excess of 1 hectare and depending on planning could be capable of having a retirement village constructed on them, in excess of 150 properties at each site. The two sites currently have a total of 134 properties, of which 65 are bedsits.
- 2.39 In respect of the sheltered schemes at Queen Street (Waterloo Estate) and Park Lane (Maygreen Estate), they do not have a lift, making the upper floors more difficult to let. It is suggested that consultation with residents should be carried out with the view to closing these schemes as part of a larger estate regeneration.
- 2.40 Delderfield House (Collier Row) has already had part of the original scheme sold to East Thames Housing Association. The 14 units are unlikely to have a long term viability, especially once the new family size accommodation is constructed. Negotiating a sale of the remainder of the land to East Thames would be an option for general needs housing, although another option would be for it to be used by the Council for other supported housing.

2.41 Two further sheltered schemes (Brunswick Court and Dell Court) contain a very large number of bedsits. In addition to potentially being suitable for general needs or redevelopment, the existing schemes might be suitable for other groups of people needing supported housing.

## REASONS AND OPTIONS

### **Reasons for the decision:**

The over-supply of Council rented sheltered accommodation and the lack of older persons' accommodation for sale needs to be addressed in order to ensure the Council makes best use of its assets, assist with the pressures facing social services care budgets and to meet the future housing needs of older people in Havering.

### **Other options considered:**

The option of not reducing the provision of sheltered accommodation was considered, but rejected, as it would not begin to address the difficulty of letting bedsits, un-lifted properties or with meeting the future housing needs of older people in Havering.

## IMPLICATIONS AND RISKS

### **Financial implications and risks:**

The continued current and projected surplus of sheltered accommodation would lead to HRA rent and council tax losses; it would also be a poor use of scarce resources.

The consideration of using some existing sheltered scheme sites for alternative groups of residents needing support, may lead to savings for Adult Social Care and Children's Services.

An HRA redevelopment programme was approved by Cabinet, initially in outline on 23 September 2015 and, in more detail, 18 November 2015. The review of older people provision will feed into that development programme. A number of recommendations in this report are "subject to financial viability" – by which means as assessment will be made of the relative costs and benefits of a particular scheme proposals.

### **Legal implications and risks:**

This report seeks approval for the development of two retirement villages in place of two sheltered schemes, subject to viability and full consultation, and the potential decommissioning of 5 sheltered housing schemes.

Under powers conferred by the Housing Act 1985, the council can provide housing accommodation by erecting houses or converting buildings into houses on land acquired by them for housing purposes. The council also has powers to provide welfare services in connection with the provision of housing accommodation.

The development and de-commissioning of existing sheltered housing accommodation would require consultation with occupants under S.105 of the Housing Act 1985, as they are likely to be substantially affected by the proposals. Such consultation should be extended to those on the waiting/transfer list for sheltered accommodation. To be effective, consultation must take place when proposals are still at a formative stage; provide sufficient reasons for the proposals to permit intelligent consideration and response; allow adequate time for consideration and the product of consultation must be conscientiously taken into account when reaching a decision.

An equalities impact assessment will also be required, which members/officers will need to take into account when making decisions on the proposals.

Members should note that the council has a fiduciary duty to their local tax payers. In taking a decision on the proposals, they will need to give proper consideration to the risks and benefits of approving the recommendations and whether the monies that will need to be invested in the development/decommissioning of existing sheltered housing could be better used by the council for the wider interest of its local tax payers. In this regard members should note the other options put forward for consideration.

#### **Human Resources implications and risks:**

This report makes recommendations that will potentially have a direct impact on the Council's workforce. The change of use for the sites where there are currently sheltered accommodation provisions for older people are supported by employees from Housing Services who may be at risk of redundancy with the closure of those provisions. Housing Services senior management, with advice and support from oneSource HR & OD, will ensure that the rights and requirements for staff as set out in the Council's HR policies, employment law and other relevant regulatory frameworks, are upheld if the proposed actions recommended in this report are agreed and implemented.

#### **Equalities implications and risks:**

An equalities impact assessment will be carried out as part of determining the final proposals for the affected sheltered schemes and as part of the required consultation with residents.

**BACKGROUND PAPERS**

None

## **Member Led Sub Group**

Following the Executive Board Decision to set up a sub group to discuss the findings of the review and how these could be practically implemented, the group has met on three occasions. Specifically, the group considered the options, in detail, which could involve the closing of a number of sheltered schemes and redevelopment of those sites.

1. At least one of the options for the following schemes could involve them being closed:
  - Dell Court, Ravenscroft Grove, Hornchurch
  - Brunswick Court, Brunswick Ave, Upminster
  - Royal Jubilee Court, Main Road, Romford
  - Solar Serena Sunrise Court, Sunrise Ave, Hornchurch
  - Maygreen Crescent, Park Lane, Hornchurch
  - Queen Street, Romford
  - Delderfield House, Portnoi Close, Collier Row
2. For the first four of the schemes listed above the main reason for considering them being closed was the number of bedsits in each scheme and the fact that it was not possible to convert them to one bed or larger units. Brunswick Court does not have a lift and the other three schemes only have partial lift access.
3. In the case of Park Lane and Queen Street, these are part of larger estates which could be subject to overall regeneration and therefore should be considered as part of any regeneration plans although consultation could be carried out now with a view to closing these schemes. Delderfield House had already been partially sold, leaving a small scheme which would not fit well in the new family development currently being constructed.

## **Vacancies**

4. There are currently 86 vacancies out of a total of just under 790 properties. Of these, 84 can be considered long term vacancies. This is largely due to these properties being bedsits, which are becoming increasingly difficult to let. The percentage of vacancies for all of the existing schemes are shown in the first table below and the second table shows the vacancies in greater detail of the schemes proposed for closure.



Scheme	Total Units And Size	Currently Vacant	% vacant	50–64	65–79	80+	Care Needs Low Medium High	Comment
Dell Court (St Andrew's Ward)	29 23 x 0 5 x 1 1 x 2	9 (All 9 Bedsits)	31	5	8	6	L – 15 M – 13 H - 7	<b>All long term voids</b> Partial lift
Brunswick Court (Cranham Ward)	47 15 x 0 31 x 1 1 x 2	8 (All Bedsits)	17	4	20	15	L – 13 M – 17 H - 9	<b>7 Long term</b> <b>1 short term</b>  Bedsits located predominately in one part of scheme – no lift
Royal Jubilee Court (Pettits Ward)	79 54 x 0 23 x 1 2 x 2	10 ( 9 Bedsits, 1 two bed) Plus 28 bedsits	48.1 (includes 28 reablement bedsits)	0	15	23	L – 12 M – 12 H - 18	<b>All long term voids</b> In addition 28 Bedsits currently used as part of reablement and let to ASC scheme with limited success
Solar, Serena, Sunrise (St Andrew's Ward)	55 11 x 0 42 x 1 2 x 2	17 (9 Bedsits, 7 one bed & 1 two bed)	30.9	3	17	16	L – 17 M – 7 H - 13	<b>All long term voids</b> Partial lift
Park Lane (Hylands Ward)	31 3 x 0 27 x 1 1 x 2	2 (1 one bed & 1 two bed)	6.7	11	16	9	L – 7 M – 5 H - 6	<b>All long term voids</b> No lift
Queen Street (Romford Town Ward)	31 30 x 1 1 x 3	1 (1 one bed)	3.2	10	16	2	L – 22 M – 0 H - 10	<b>All long term voids</b> No lift
Delderfield House (Pettits Ward)	14 14 x 1	3 (3 one bed)	21.4	4	5	2	L – 9 M – 3 H - 2	<b>All long term voids</b> No lift

### Rent Loss

5. The current annual rent loss for the above seven sheltered schemes is in the region of £480,000.

### 6. Sheltered Housing Register

There are 75 tenants on the sheltered housing list and 23 people are actively bidding on properties.

## Maintenance costs

7. All of the Council's sheltered units have been subject to works to bring them up to decent homes standard. As part of normal business planning, detailed projections have been undertaken to assess future long term costs to ensure that properties are maintained to those standards. Typically they would include items that would need replacing over a long term period; for example kitchen, bathroom, windows, heating systems. Included is also a separate figure for any backlog repairs that have not been able to be carried out. This figure is included within the total cost to 2042 figure. These costs do not include any upgrading of schemes, for example installation of lifts or undertaking major conversion of bedsits to larger units. They also do not include day to day repairs. Figures are given below for the average predicted cost per unit as well as all units within the scheme (including bedsits)

Scheme	Current Condition	Costs to 2042 £	Average Cost per unit £	Backlog repairs included in Costs £
Dell Court	Red	1,729,334	18,397	262,804
Brunswick Court	Amber	990,784	21,080	103,312
Royal Jubilee Ct	Amber	1,529,794	19,364	519,242
Solar Serena Sunrise	Amber	1,061,122	19,293	170,924
Park Lane/Maygreen	Amber	733,430	23,659	58,826
Queen Street	Red	740,414	21,373	87,418
Delderfield	Amber	256,672	18,333	39,438

## Development Options

8. The report includes a number of options that could be considered for each scheme. This includes looking at the potential capacity for development of both general needs housing and also alternative supported housing. The sub group has considered the options for five of the schemes which could potentially be closed. No additional work has been undertaken on Queen Street or Park Lane as this would have to be part of a wider regeneration plan. For Dell Court and Brunswick Court, the preferred option might be specialist supported housing developments for other client groups or shared ownership. A second option would be the development of low cost home ownership and rented housing which is likely to be most feasible at Delderfield House. As well as the internal appraisal including using the Council's own development company, confidential discussions have taken place with a developing housing association to test the market.
9. Initial Capacity studies for the sites indicate that there is scope to redevelop sites to achieve a range of options for each site. Planners have agreed the capacity for the general needs option only at this stage. Proposed mixes for



affordable housing options are set out in the table below. The scheme mixes can vary and two schemes, Brunswick Court and Dell Court, may be suitable for a mixed development of general needs housing and specialist supported housing if a smaller number of supported units would be more suitable.

### Option 1

Brunswick Court	Units	Approx. Build costs	Annual Potential Social Care Savings
Other supported housing	20	£3,150,000	£208,000

### Option 2

Brunswick Court	Units	Build costs
Shared Ownership	12	
Affordable Rent	12	
Total	24	£5,553,876

### Option 1

Delderfield House	Units	Build Costs
Shared Ownership	9	
Total	9	£1,575,000

### Option 1

Dell Court	Units	Approx. Build costs	Annual Potential Social Care Savings
Other supported housing	20	£3,150,000	£208,000

### Option 2

Dell Court	Units	Build Costs
Shared Ownership	15	
Affordable Rent	15	
Total	30	£4,672,271

A financial viability test for these schemes shows that each scheme has a positive NPV and IRR that are better than our base viability test and so over time would be a positive contributor to the HRA.

The levels of sale and rent are all deemed affordable and accessible to local residents and would be attractive to first time buyers.

The schemes would enable spend of RTB for the rented units and the shared ownership is likely to attract GLA grant.

In respect of Queen Street and Park Lane schemes, redevelopment options would need to be drawn up as part of the proposed wider estates regeneration programmes although closure of the schemes would be possible before these projects start.

### **Retirement Villages Potential**

10. For the two largest sites - Serena, Solar Sunrise and Royal Jubilee Court - confidential discussions have taken place with two potential providers specialising in developing retirement villages to ascertain whether they consider either of the sites suitable for development as a retirement village but also whether they consider the overall concept as being viable. They are carrying out further option appraisals which we will progress with them via the sub group.

The provider is interested in Havering as they are hoping to build villages in Essex and areas in close proximity.

The operating model assumes a large proportion of sales; 50% sales, 30% shared ownership, 20% affordable rent being a typical figure. In this respect the relatively low land prices of Havering compared with the rest of London is a positive factor as is the very high levels of owner occupation amongst older people in Havering. It would be possible to have agreements in place to put restrictions on sales. This usually involves putting geographical boundaries on sales. The vast majority of this particular housing association's sales come from within a two mile radius of any development.

For retirement villages to function as a genuine mixed community they operate on 20% of residents requiring formal care packages. Any partnering arrangements with local authorities normally involve the housing association delivering care directly. The local authority would have to underwrite any shortfall in care hours that are agreed for the first 3 years of any contract although this particular housing association had never had to invoke this in the past 17 years. Their model also involves them having a well-being programme involving a qualified nurse which is available to all residents irrespective of whether they have a care package.

Their newer developments have tended to be larger and they were now generally looking for sites that would deliver 200 plus units which usually means a population of around 240/280 older people. All of their schemes do have fairly large communal areas. These include a large atrium which has a, "village shop", hairdresser, fitness suite, hobby rooms, computer rooms and library well-being centre, restaurant and bar. Other facilities included village hall (which can be used as a cinema), gardening area/greenhouses.

Our consultant visited a scheme on our the sub group's behalf and was impressed with the development. There was no feel of it being an old persons home and it was vibrant.. The actual development is a large 4

storey horseshoe with flats around the outside and the atrium communal facilities in the centre. Pictures are attached as an Appendix.

Flats are built to a high standard, fully equipped (including IT and white goods), reasonably spacious, all with either balcony or outside space.

In terms of the two specific Havering sites the housing associations have been given details and will be coming back to us having undertaken their own initial appraisal. It is however clear that the sites are at the very smallest that they are likely to consider and may not be viable unless they are allowed to build reasonably high/dense, something that might be practical at SSS but more difficult at RJC.

The housing associations would be prepared to find an alternative site within the Borough if this was practical, the assumption being that the local authority would then sell vacated sites for general needs housing as part of their contribution. The cost of a typical development is around £45/£50m of which the housing association would get £35m back on sales. He considered that any development within London would be more expensive, however as an organisation that is all that they did and therefore development of that size did not “phase” their board. The housing association was also fairly pragmatic about current government approach to supported housing revenue funding (rent cap / HB etc). It feels that the announcement the Government has recently made exempting supported housing from any rent reduction for a year was the first step in a permanent exemption.

Other retirement village developers may be prepared to develop accommodation with less communal areas which may mean that they can develop on a smaller site. If there is still an interest following their initial appraisal, the housing association is happy to arrange further site visits for Members and staff to other developments including a high storey development which is currently being constructed.

### **Potential Savings/ Cost Avoidance for Social Care**

11. This report identifies the current difference in costs for those adult social care clients that live in general needs accommodation, sheltered, extra care or residential. Where clients are housed in extra care accommodation rather than residential homes, there is a saving of around £200 per week per person.
12. There have been on-going discussions as to whether, if some existing sheltered schemes are closed, they could be redeveloped to provide purpose built supported housing or the existing building may be suitable for use by another client group. To date it has been established that there are older looked after children (aged 16-18) who the Council has an on-going responsibility for, including preparing them for independent living. There is therefore a need to provide suitable supported living accommodation for around groups of four to five young adults. There are around 40 existing clients who are currently in accommodation outside the borough who could benefit.

13. The Council has already enabled some supported accommodation for clients with a learning disability to be built (Great Charter Close) and there is considered to be additional clients who could also benefit from further in-borough provision. Discussions have also been undertaken with regard to clients with physical and sensory disabilities with indications that providing at least one supported living accommodation for up to eight clients would be feasible.
14. The potential savings to the General Fund is shown in Option 1 for Brunswick Court and dell Court in the above tables.

### **Consultation**

15. This report has shown there is an over- supply of the Council's rented sheltered accommodation. This over supply is in the region of 500 properties and there are a high number of bedsits in this number which are not considered to be fit for purpose. It is therefore recommended that residents in the scheme with the most bedsits should be consulted with now as keeping these bedsits is not a long term viable option for the Council.

The schemes affected are:

- Solar Serena Sunrise Court
- Royal Jubilee Court
- Brunswick Court
- Dell Court
- Delderfield House
- Queen Street
- Park Lane

Decisions to close any schemes, regardless of the justification, is often looked at negatively by individual tenants as they are settled and did not anticipate that they would need to be moving.

There is a legal process of consultation that the Council would have to follow where tenants of any scheme that is considered to be closed must be fully consulted on before the Council makes any final decision on that scheme's closure. Due consideration of any representations that are made by tenants on the proposals must be taken into account when the Council makes its final decision. This does not mean that if all tenants objected to a scheme being closed that it could not be closed if other factors meant that the decision to close was still a reasonable one for the Council to make.

Whilst it is important when undertaking the consultation for tenants be given the overall rationale for why the Council is considering closing a scheme, for most tenants what is most important is what is going to happen to them as individuals. To this end it is important that tenants are given:

- Clear justification of the need for change based on residents' current homes, including the condition of their homes, poor access, being too small to respond to people's needs as they change.
- A firm rehousing package, with options for location and type of new homes, to be available when talking to residents

- Including a right to return if, for example, a new scheme is being built on the site
- Opportunities are given for visiting alternative schemes, especially modern developments which can show tenants the improved properties that are available.
- Clarity on guarantees of level of rent they will pay and that they will not lose the right to a permanent tenancy.
- Clarity about how costs of the move will be covered and their entitlement to a statutory home loss payment and other compensation
- Availability of good quality alternative accommodation locally, requiring good co-ordination with partner providers
- An indicative timescale for everything involved in this process

The method of consultation will be face to face at each affected scheme and on an individual basis over a suggested period of one month as follows:

- Letter to be issued to affected tenants inviting them to a meeting with other residents at their scheme giving two weeks' notice and invite extended to family members. Meetings to be conducted over two days by the Head of Service and Community Services Manager
- At the same time, letter to be issued to unaffected residents in case they become concerned that their scheme might also close
- The Scheme Managers will undertake individual meetings with residents and their family over the following two weeks
- There will be a 'round up' meeting with residents at each scheme again after one month conducted by the Head of Service and Community Services Manager

## Appendix 1

Sheltered Scheme	Bedsits	1	2	3	Grand Total	Recommendation
ROYAL JUBILEE COURT	54	23	2		79	Close and consider site for retirement village
SOLAR/SERENA/SUNRISE	11	42	2		55	Close and consider site for retirement village
DELL COURT	23	5	1		29	Close and consider for other Supported Housing
BRUNSWICK COURT	15	31	1		47	Close and consider for other Supported Housing
DELDERFIELD HOUSE		14			14	Close and consider a shared ownership scheme
PARK LANE/MAYGREEN CRESCENT	3	27	1		31	Close as part of overall estate regeneration
QUEEN STREET		30		1	31	Close as part of overall estate regeneration
CHARLBURY CRESCENT		50		1	51	Retain
COCKABOURNE COURT		22	1		23	Retain
COLE COURT		33	2		35	Retain
COTTONS COURT/FAMBRIDGE COURT	6	48	1		55	Retain
POPLAR STREET		38			38	Retain (bungalows)
RAVENSCOURT GROVE		64	1		65	Retain
THOMAS SIMS COURT	3	28	1		32	Retain
WILLIAM TANSLEY SMITH HOUSE		22	1		23	Retain
ADELPHI CRESCENT/GARRICK HOUSE		40	1		41	Retain and install lift
BARDS COURT		28		1	29	Retain and install lift
HOLSWORTHY HOUSE/NEAVE CRESCENT		40	1		41	Retain and install lift
BEEHIVE COURT	13	33	2		48	Retain but convert bedsits
<b>Grand Total</b>	<b>128</b>	<b>618</b>	<b>8</b>	<b>3</b>	<b>767</b>	
<p>If all sites initially recommended for closure number of properties will be reduced by 286</p> <p>Revised total number 481</p>						

## APPENDIX 2

### Potential Council Sheltered Housing Development Options

Scheme	Approx Size Hectares	Current number of units	Retirement Village	Extra Care	General Needs	Estate Regen	Other Supported Housing
Solar, Serena, Sunrise	1.124	55	✓(200 units)	✓	✓	X	X
Royal Jubilee Court	1.095	89	✓(150 units)	✓	✓	X	X
Queen Street	0.315	31	X	X	X	✓	X
Park Lane Maygreen	0.7	31	X	X	X	✓	X
Brunswick Court	0.31	47	X	✓		X	✓
Dell Court	0.425	29	X	✓		X	✓
Delderfield House	0.14	14	X	X	✓	X	

**Retirement Villages**

1. Retirement villages are a relatively new concept in the United Kingdom but have been operational in other countries such as Australia, New Zealand and USA. They have substantially more dwellings than would exist in either a sheltered housing or extra care scheme, a typical village having 150 to 300 dwellings. They are designed to ensure they are capable of delivering services for both the active older person and those who need a significant level of personal care services. They are also likely to have within them other facilities such as café, bar ,gym plus a wide range of communal activities. Some retirement villages have also been able to include other facilities such as swimming pools and even cinemas, although the tightening financial framework of the last few years has meant that these are not easily achieved .
2. Attached is an example of a “Village Centre”. Courtesy Extra Care Charitable Trust



3. Whilst some schemes have been developed with the units purely for sale, other providers have developed multi-tenure models. Where these are provided the greater proportion of the scheme will be for sale and there will be a smaller number of units for affordable rent. A typical example would be a mix of 50 % for sale 30 % shared ownership and 20 % affordable rent. This enables the reliance on grant to be reduced to make the scheme viable.



4. There will be a mix of one and two bed properties built to modern standards and be compliant with HAPPI standards.
5. The concept of building an older person community which has a genuine mix of both active older people and those who do require some support means there will be a limitation on the number of residents who will require care support. For example extra care charitable trust schemes aim to have only 25% of residents in their villages that require care. Given the larger number of dwellings when compared with a typical extra care development this can still represent a significant number of residents. There will be on site provision for care support, the staff either being provided directly by the housing provider or a separately contracted care provider. Providers will typically also offer different levels of support for those who do not require/qualify for care services such as a domestic support service or just general support. For example Anchor describes their offer as:
  - Companionship services such as arranging social appointments, making travel arrangements, helping participation in hobbies and company at meal times.
  - Home help services such as light housekeeping, meal preparation, supervising home maintenance, pet care and help with shopping.
  - Personal care services including bathing, assistance with dressing and eating, and a live-in service.

## Costs

6. In addition to either the outright purchase price, shared ownership and rental or affordable rent there are additional charges
  - A **Service Charge**: Costs associated with maintaining the community areas, such as: fire alarms, entry phone system and emergency lighting repair; communal area cleaning; rubbish collection, disposal and pest control; building insurance; staff time for organising these services. This would be applicable to all residents.
  - **Management and Maintenance Charge**. This would be included in rental costs but would be payable by those who have purchased outright. There may also be an additional one off cost when the property is sold which some providers apply, the argument being that this allows them to charge a lower cost whilst the resident resides in the development.
  - **Amenity charge** will also be applied to cover any heating light and power charges etc.
  - **Housing Related Support Charge**: This covers the costs of providing the Housing Related Support Services including welfare benefits advice, assistance with routine household issues, help in accessing other services and encouraging and supporting people to live as independently as possible. Some providers will also include in this charge the cost of running of a well-being service and 24 hour access to support in an emergency and costs of running communal areas. Others may raise this as a separate charge; part of this may itself be dependent on maximising

the charges that qualify to be considered as part of any Housing Benefit Calculation.

- **Care Services.** These will be raised separately and be dependent on the level of care required. For those residents that qualify for care following assessment by the Council, then all or a proportion of the costs may be covered by the Council.
7. There are a number of Housing Associations who have started to specialise in the development of retirement villages. These are almost exclusively providers who are already established providers of specialist older persons' accommodation. The reliance on having to sell a high proportion of any schemes means they need to have a sound business model which takes into account the level and also speed that properties are sold at and a sales team that understands the complexities of the older persons' housing market.
  8. If the Council wished to develop a retirement village, entering into a partnership arrangement with a specialist provider would be a possible option. This would allow the Council to be specific about the affordable housing element of the scheme and also the nature of the care services that will be developed, including ensuring that any provision is consistent with the Personalisation agenda.

APPENDIX 4









