

Executive – 8 March 2017

Present: Councillor Williams (Chairman)
Councillors Beale, Mrs Herbert, Parrish and Mrs Warmington

Officers: Tim Child (Asset Manager), Jan Errington (Project Manager – Housing)
and Richard Bryant (Democratic Services Manager)

(The meeting commenced at 6.15 pm.)

11. Apologies

Councillors Berry, Edwards and Habgood.

12. Minutes

The minutes of the meeting of the Executive held on 9 February 2017, copies of which had been circulated, were taken as read and were signed.

13. Declarations of Interest

Councillor Mrs Warmington declared a personal interest as a Member of Bishops Lydeard and Cothelstone Parish Council.

14. Supported Housing Property Options

Considered report previously circulated, which set out the findings from a review of the Council's Sheltered and extra care properties and the development of a new aspirational property Standard, providing information on stock performance and condition.

A range of factors had led the Council to undertake a review of its supported housing stock and services, such as emerging needs and consumer expectations relating to demands for more flexible properties which could continue to be a suitable home for older tenants - who were likely to live longer with increasing frailty, poorer health and disabilities.

Over the next 20 years the over 65 population of Taunton Deane was set to increase by over 27%. It was therefore anticipated that the health, care and support needs of the older population would also increase and Sheltered and extra care housing would be in demand.

The external landscape was changing with the advent of the Care Act enabling better informed customers, greater choice and empowerment in relation to their care and support. As such, many landlords were developing higher end products with mixed tenure which were attractive to older customers who could afford to choose.

Uncertainties around emerging Welfare Reform meant that the Council needed to be aware of potential income loss. Under the new funding regime from April 2019, the Council did not know for certain whether Sheltered and extra care housing would

continue to enjoy the protection for the additional cost within its service charges for providing intensive housing management and that older people would not be penalised for under-occupying.

All of these factors would influence the housing choices customers would make in the future with a trend towards better standards and more flexible accommodation to meet longer term needs. It was therefore more important than ever that Taunton Deane planned to make its Sheltered and extra care provision future ready.

Reported that in 2015 the Council had undertaken a review of supported housing in response to the changing environment and the need to make sure the right service and suitable accommodation was being provided in the future. The aims of the review were to:-

- Achieve and maintain a high level of tenant satisfaction;
- Provide housing that was attractive to older people to want to move in;
- Meet the local demand for people over 60; and
- Support people to maintain their independence and social networks of family and friends.

Therefore as part of the overall Supported Housing Review, a supported housing property options review was initiated to establish how the Council could invest in its properties over the next 30 years to ensure the properties met the needs of older people and were in good condition.

A range of activities had helped to build the property review and enable decisions on future investment in the stock including the result of work commissioned from Savills.

The review considered:-

- Future demand for the properties;
- Condition through Savills' Stock Condition Survey;
- Development of a new Supported Housing Property Standard;
- Appraisal of properties against the Standard;
- Stock performance (through Savills' analysis);
- Investment required to meet the Standard;
- How works should be prioritised over the 30 year Housing Revenue Account (HRA) Business Plan;
- Smarter Solutions; and
- Options Appraisal of the five lowest performing schemes.

Stock Profile - The Council's Sheltered housing stock included 980 dwellings comprising 586 flats and 394 bungalows. Almost 50% of the flats were 1st floor without lift access and therefore not suitable for elderly people with mobility needs.

Stock Condition - The properties were included in the Stock Condition Survey in early 2016. The total investment need of the Sheltered housing stock over the next 30 years was estimated at £26,300,000.

The average 30 year future investment need per unit for the Sheltered housing stock was estimated at £26,884 which was lower than the overall stock average of nearly

£33,000 per dwelling.

The survey had indicated that generally the Sheltered housing properties were in fair condition with evidence of past capital investment in key building components. The overall provision of general amenities was relatively basic and a majority of schemes would benefit from attention to address a number of issues which were detailed in the report.

Financial Performance -The average Net Present Value (NPV) of the 30 year operating cash flows for Sheltered stock was £14,267, which was 13% lower than the average for the whole stock. This was driven by low rents associated with supported housing stock, and in some cases high void levels. There were some strong performers - predominantly bungalows – but flats performed more poorly than bungalows financially in the majority of cases.

Non-Financial Performance - Each scheme had also been included in the non-financial / social sustainability analysis carried out for the whole stock. Low scores were driven by high levels of deprivation generally in the community, as well as low demand/ high turnover, low levels of resident satisfaction and, in some cases, high levels of complaints relating to noise and environmental issues.

Those schemes scoring lowest in the financial evaluation tended to be flatted schemes including Lyngford Road / Place, Broomfield House, Warwick Road / Slapes Close in North Taunton, and Moorland Place and Monmouth Road, South Road/ Tauntonfield Close at Halcon. The social sustainability evaluation mirrored this picture with Moorland Place and Lyngford Road / Place scoring lowest.

Further reported that the Council had the opportunity to improve the Sheltered housing stock profile in line with key aspects of the new Supported Housing Standard through stock rationalisation.

This meant re-designating identified ground floor properties that were more suited to older people as Sheltered accommodation and re-designating sheltered accommodation that was not fit for purpose or cost effective to remodel as general needs. To this end, a Stock Rationalisation Plan had been developed. Rationalisation would reduce the overall amount of investment required on approximately 62 of the most unsuitable Sheltered units.

Noted that the over-riding principle was that re-designation would be actioned at re-let which meant this was a long-term plan to rationalise the stock through voids over time.

To address poor financial and social performance of assets, reduce long term pressure on the Business Plan and free up financial capacity to invest in more sustainable existing stock, schemes had been identified for options appraisals based on:-

- Schemes which scored poorly against the new Standard and could not reasonably be bought up to standard. In many instances these were also schemes with a poor NPV; and

- Schemes where opportunities were thought to exist to expand and improve land use.

Five schemes had been selected using the above criteria all of which had some development potential. However, the values were relatively marginal and the appraisals showed negative land values resulting from high build costs and low rental / capital end values. No particular opportunities had been identified.

More central sites had some investment potential given their location and existence of an alternative rental market.

The Asset Management and Development Teams would progress work to identify opportunities existing now or in the future for all Sheltered and extra care stock which had appraisal scores lower than 50%, or, where other changes in the market indicated an options appraisal would be beneficial.

Reported that an aspirational Supported Housing Property Standard had been developed covering the key elements of internal, external and communal areas in relation to accessibility, condition, security, location and proximity to amenities.

Taunton Deane's aim was to achieve the aspirational Standard in the future in a way that was realistic, affordable and achievable for the Council. This would require a smart approach to the planned maintenance programme over the course of the 30 year Business Plan to mitigate financial impact.

Scheme appraisals had informed an indicative costing exercise to help the Council make decisions about which elements of the Standard it could afford to adopt and how and when this could be implemented. An estimated total indicative unfunded additional investment cost of £1,964,013 had been identified to bring existing supported housing stock up to the aspirational Standard. It was clear that prioritisation would be required as to how and when particular parts of the Standard could be achieved.

Noted that a number of Standard Workshops had been held in recent months where officers had agreed the need to work smarter in future to achieve the best results for Sheltered and extra care tenants. A range of detailed principles had been identified, details of which were submitted for the information of Members.

Agreement had also been reached as to the categories within the Standard which should be high, medium or low priority and which could not be addressed and would not be taken forward.

Works had also been identified that were already within the scope of the 30 year Capital Programme and other maintenance budgets along with works needed for statutory compliance with health and safety requirements and fire regulation.

Essential and priority elements within the Standard that were accounted for within the Capital Programme and items in existing budgets included the following:-

| | |
|---|---|
| <ul style="list-style-type: none"> • Category in Standard | <ul style="list-style-type: none"> • Budget |
| <ul style="list-style-type: none"> • Wind and weather tight | <ul style="list-style-type: none"> • Pre-planned maintenance programme (PPM) and capital programme |

| | |
|---|--|
| <ul style="list-style-type: none"> • Meeting Halls | <ul style="list-style-type: none"> • Existing budget to cover essential improvements for health and safety and DDA compliance and ongoing maintenance |
| <ul style="list-style-type: none"> • Scooter Storage | <ul style="list-style-type: none"> • Existing development budget for pilot scheme |
| <ul style="list-style-type: none"> • Kitchens | <ul style="list-style-type: none"> • Capital programme |
| <ul style="list-style-type: none"> • Bathrooms | <ul style="list-style-type: none"> • Capital Programme |
| <ul style="list-style-type: none"> • Health and safety regulatory statutory compliance | <ul style="list-style-type: none"> • Capital Programme |
| <ul style="list-style-type: none"> • Windows | <ul style="list-style-type: none"> • Capital Programme |
| <ul style="list-style-type: none"> • Doors | <ul style="list-style-type: none"> • Capital Programme |
| <ul style="list-style-type: none"> • Heating | <ul style="list-style-type: none"> • Capital Programme |
| <ul style="list-style-type: none"> • Aids and adaptations | <ul style="list-style-type: none"> • Budgeted within HRA business plan |
| <ul style="list-style-type: none"> • Telecare | <ul style="list-style-type: none"> • Budgeted within HRA business plan |

The report went on to consider schemes identified as needing urgent improvement, particularly the extra care housing which provided homes for the most vulnerable tenants and elements of the Standard not prioritised for existing stock improvement.

The total indicative cost of capital investment in the Business Plan was as follows:-

| Total Indicative Costs | £ |
|--|-----------|
| High Priority items covered within HRA Business Plan | 4,383,658 |
| High priority items (not accounted for by the Business Plan) | 391,059 |
| Medium priority items (not accounted for by the Business Plan) | 140,610 |
| Low priority items | 913,750 |

In terms of meeting the Standard, it was proposed that a common sense achievable approach would be:-

- Adoption of the full aspirational Standard for new build in as far as development finance was available and the site allowed with a minimum of meeting the high priority elements.
- Adoption of the priority elements of the Standard that could be achieved through the current Business Plan.
- Efficiencies to be sought and other ways in which Taunton Deane could achieve more of the Standard through annual review of the Capital Programme and Business Plan.
- To widen the refit of bathrooms with wet rooms to Sheltered housing at such time as the Council was able to fund this in the future.
- Additional works to bring properties up to the higher Supported Housing Standard would not be undertaken on properties that were identified for re-designation to general needs.

Further reported that there were a number of other measures required to ensure that Taunton Deane built on this work and used this opportunity to make the best use of resources to bring the Sheltered and extra care stock closer to the Supported Housing Standard. These 'next steps' included:-

- (1) Surveys would be undertaken where needed to firm up cost;
- (2) Supported Housing and Asset Management would refine the preliminary scheme matrix in relation to priorities within the Supported Housing Standard and Stock Rationalisation Plan;
- (3) Further investigation and possible full options appraisal of schemes scoring below 50% in the appraisal against the standard prior to any investment decisions being made.
- (4) The Capital Programme might need to be re-focused to take account of high priorities within existing budget. This would be the essential and high priority items together with exceptions agreed on a case by case basis;
- (5) Where costs were excessive and could not be contained within the Capital Programme without deprioritising other important works, agreement would be needed by key managers from Asset Management, Property Services and Housing Services;
- (6) Other workstreams within the HRA Business Plan would take forward work in optimising how the Council used the disabled facilities grant to adapt properties to meet tenants' needs with a view to making the best use of existing adapted properties and identifying the best properties suitable for future adaptation;
- (7) Other workstreams within the HRA Business Plan would explore the Sheltered housing lettings policy to consider whether the Council was able to facilitate access to ground floor accommodation where tenants' needs had changed in relation to their mobility and/or sight;
- (8) Further work is planned to consider how the standard was incorporated into the voids works procedures and lettable standard;
- (9) The Sheltered Rationalisation Plan would be actioned so that properties were re-let with the correct new designation;
- (10) It would be essential that Taunton Deane undertook an annual review of:-
 - Lettings and demand trends and the Stock Rationalisation Plan taking into account emerging reform of supported housing funding and welfare benefits;
 - Priorities for schemes and attributes within the Supported Housing Standard; and
 - The Capital Programme informed by the above; and
- (11) The Council would develop additional costings for priorities within the Standard to inform the next HRA Business Plan review.

It was proposed to draw up an action plan to take forward these 'next steps'.

Resolved that:-

- (a) The Council's new approach to smarter use of its stock to make it fit for purpose in the future for older people through stock rationalisation, and ensuring that suitable components used for sheltered and extra care housing were fitted in a way appropriate to the needs of vulnerable older people, be noted. This new approach was consistent with the Asset Strategy principles agreed through the Housing Revenue Account Business Plan Review in 2016; and
- (b) The Standard be approved as an aspirational Standard to be implemented as and when affordable, focusing on the attributes as prioritised.

15. **Executive Forward Plan**

Submitted for information the Forward Plan of the Executive over the next few months.

Resolved that the Forward Plan be noted.

(The meeting ended at 6.31 p.m.)