

Report to Stronger Place Select Committee



SCRUTINY

Date of meeting: 9 July 2020

Portfolio: Housing and Communities (Councillor H Whitbread)

Subject: Sheltered Housing Review



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Recommendations/Decisions Required:

1. To note the key findings from the Sheltered Housing Review summarised in this report.
2. To approve the 5 recommendations arising from the review.
3. To agree to undertake detailed feasibility studies on any schemes receiving a red rating through the process of review.
4. To approve the proposal that any resulting projects plan with timescales and resident consultation programmes are brought back to committee for agreement prior to commencement.

Report:

Introduction

1. ARK was commissioned to undertake a review of the Council's 12 sheltered housing schemes which comprise 7 traditional sheltered housing schemes and 5 grouped accommodation (shown below as *):

Scheme	Location	Bedsit	Bedsit Bungalow	1 Bed Flat	2 bed Flat	1 bed Bungalow	Total
Buckhurst Court	Buckhurst Hill			49	2		51
Chapel Road*	Epping	25		26	1		52
Frank Bretton House	Ongar			32	1		33
Grove Court*	Waltham Abbey		6	12	2		20
Hedgers Close *	Loughton			21			21
Hyde Mead House	Nazeing			40			40
Jessop Court	Waltham Abbey			39			39
Jubilee Court	Waltham Abbey	23		24			47
Leonard David House	North Weald	1		42	1		44
Parsonage Court	Loughton			47			47
Pelly Court*	Epping	28		14	2		44
Rochford Ave*	Waltham Abbey			7		18	25
Total		77	6	353	9	18	463

2. A third of the Council's sheltered housing was built before 1970 when the average life expectancy of a man was 69 and a woman 75.3 years of age. Fifty years on, life expectancy has increased considerably, with the average life expectancy of a man currently thought to be 79.5 and a women 83.5 years of age.
3. The district's population of over 65s is expected to increase by 3% in the next decade to around 30,000 (22.5% of the district's total population). The consequences of an ageing population are many and not least that increasing numbers of older residents are living with ill health and resulting social care needs.
4. For example, EFDC's own study, *Impact of an Ageing Population*, published in 2016, predicted the numbers of people living with dementia to increase by around 56% by 2030 (in 2016 around 1,700 people aged 65+ years were thought to be living with dementia, by 2030 it is anticipated that number will be in the region of 2,700¹). As the demographic of an ageing population changes so do the needs for health and social care and housing.
5. This was one of the main motivations for commissioning a review of our accommodation provision for older people. By building a comprehensive picture of performance and sustainability and taking into consideration the likely future demand for accommodation, we can achieve a clear direction for older people's accommodation that makes best use of the stock and meets the needs of residents.

Methodology for Review

6. Ark's review of EFDC's sheltered housing focussed primarily on the performance and sustainability of the schemes. This involved several carefully sequenced steps including:
 - a. A 'document review' to understand the context of each scheme and the dynamics within its local housing market and neighbourhood;
 - b. A review of competing provision;
 - c. A review of stock information including costs, repairs history and void times;
 - d. A staff workshop to assess the quality and performance of the schemes;
 - e. Undertaking an on-site inspection of each scheme and
 - f. Carrying out an options appraisal
7. The sheltered housing portfolio was considered in relation to the local market and the overall balance of supply and demand for older people's accommodation in the area.
8. To identify the best course of action for the sheltered housing portfolio a range of options were considered including:
 - a. Improve and continue as sheltered housing
 - b. Improve for an alternative use
 - c. Remodel for older people's use
 - d. Remodel for an alternative use
 - e. Redevelop
 - f. Dispose

Main findings

Affordability

9. It is widely held that residents should pay no more that 35% of their net income on housing costs. The average net monthly income of a single pensioner in the East of England is around £1,310 per month. Using the 35% as an affordability benchmark, housing costs should amount to no more than £450 per month for a single pensioner. The average cost (rent plus service charge) for EFDC's sheltered housing is £390 per month which is just 30% of an average single pensioner's net income.

¹ Epping Forest District Health & Wellbeing Strategy 2018-2028

10. Positively, our sheltered housing presents as affordable. However, the average service charge currently attached to our sheltered accommodation of £8.22 per week falls significantly short of typical benchmarks for service charges which suggest around £30 per week is more accurate to cover the cost of service provision.
11. A piece of work is already underway to examine service charges across EFDC housing stock of which sheltered will be part.

Support Offer

12. The principal focus of the review has been to report on the performance and sustainability of the asset rather than focussing specifically on the support offered as part of the current service model albeit a recommendation to conduct a full review of the service model is proposed once the direction of the assets has been agreed.
13. A full consultation with residents and stakeholders will form the basis of any review and resulting recommendations in relation to our current support offer.
14. Sheltered housing units include a hardwired call alarm system, the technology for which has remained largely unchanged for the last 40 years. It relies on a Public Switched Telephone Network which is being replaced by Voice Over IP Telephony by 2025.
15. Going forward we will need to budget to replace the call systems by 2025 looking particularly at more advanced models of telecare technology and ensure that any new system is flexible and can adapt to the changing needs of residents.
16. To lay the groundwork for this piece of work and bearing in mind that cutting-edge technology relies on an internet connection, we are currently seeking to install WIFI in all the sheltered housing schemes.

Resident Profile

17. The review compared some key features of EFDC's sheltered housing residents with national averages and found:
 - The average age of EFDC's sheltered housing residents is almost 77 years of age. This is 3 years lower than the national average.
 - Only 10% of EFDC's sheltered housing residents are over the age of 90 which is typically lower than seen elsewhere.
 - The average length of an EFDC sheltered housing tenancy is also below the national average of around 8 years at just 6.8 years.
 - The need to work is becoming increasingly common among sheltered housing residents and 9% are currently in full or part-time employment.
 - On average 4 in every 10 residents have at least one car culminating in the availability of parking being an issue in many of the schemes.
 - On average 15% of residents are receiving some form of support.
 - Around 30% of residents identify as having a mobility disability.
 - Nearly 23% of residents identify as having a communication disability.
 - 5% of residents have a mental health issue.
18. Shorter tenancies and greater churn will have resource implications for housing management and while we can assume that the make-up of stock has a reasonable part to play (for example there are a number of schemes with upper floor flats that are only accessible by stairs and may become unsuitable for residents far earlier than if they were lifted) a piece of work is already underway to more robustly record and monitor the reasons why sheltered housing tenancies end.

Asset Management

19. A third of homes were built before 1970 and are now over 50 years old, 40 per cent were built in the 1970s, 20 per cent in the 1980s with one scheme (8 per cent of homes) built in the 1990s. There are significant strides being made within the Housing and Property Directorate that are improving intelligence on individual components, their costs and expected lifecycles in respect of the asset management of sheltered housing and the review found our approach to future planning the investment sound.
20. However, our plans to spend around £900 per unit per annum on improving the accommodation is lower than ARK's benchmark cost of around £1,100 and the review suggests that consideration should be given to going beyond compliance in order to address issues of quality and desirability. This is particularly important to address under-occupation in general needs accommodation and make best use of family sized stock. This may also address issues of tenancy churn and enable residents to live independently for longer, the fundamental aim of sheltered accommodation, by, for example, introducing dementia friendly décor in communal areas.
21. The report also highlights the under use of second lounges and the guest rooms that exist in some of the schemes. For example, across the 9 schemes with guest rooms they were booked collectively for just 29 weeks of the year generating gross revenue of £2,394 per annum. If these rooms were units, even with an 80% occupancy rate the gross rent revenue would be around £30,000 per annum. The second lounges in 3 of the schemes also present an opportunity for a further 1 or 2 units in each scheme which could provide for much needed fully accessible units currently missing from the portfolio.

Voids Performance

22. Ark looked at void performance over the last 3 years 2016/17 – 2019/20. The average void turnaround time over that 3-year period is in excess of expected and satisfactory performance with all schemes requiring improvement.
23. Following the restructure of the Housing Needs Service in January 2020 and the recruitment of new management, there have been considerable improvements to the voids process which were taking effect just before the onset of Covid-19 and the results of which will now inevitably be delayed due to the limitations placed on moving and the understandable reluctance, particularly of older people, to move during the current crisis.
24. While a number of measures are now in place to affect a reduction in the length of void times, the review urged that consideration be given to the current 60+ age limit placed on eligible sheltered housing residents to increase access to the provision for those between 55 and 60 years of age who have a housing need. This would have the added advantage of reducing the pressure on single occupancy general needs dwellings for which there is high demand².

Financial Appraisal

25. A financial appraisal of the schemes (based on information drawn from the Council's data) to calculate a 30-year net present value³ found all schemes to be performing well.

Summary and Recommendations

² 48% of applicants currently on the Council's Housing Needs Register require 1-bedroom accommodation. This compares with 1-bedroom accommodation making up just 38% of the total housing stock.

³ Net present value (NPV) is the difference between the present value of cash inflows and the present value of cash outflows over a period. It is used to analyse the profitability of a projected investment or project.

26. Of the 12 schemes, half were given a green rating with recommendations to continue use albeit explore minor remodelling to make better use of guest rooms, second lounges and disused warden accommodation.
27. A further 4 schemes were rated amber with recommendations to continue use as sheltered accommodation while making efforts to improve quality, desirability and overall performance.
28. Just 2 schemes were rated amber/red with recommendations to continue use as sheltered accommodation in the short term with targeted improvements and consideration being given to redevelopment opportunities in the medium term to better meet the needs of the district's ageing population.
29. In addition, the review set out the following 5 recommendations:

1. Take forward proposals for remodelling and redevelopment by:

- a. Agreeing the schemes requiring detailed feasibility studies for remodelling or for redevelopment; and
- b. Developing a brief for design input to the feasibility study work to include measured surveys where necessary, services identification, sketch design proposals and phasing plans.

2. Work with residents (including prospective residents) to develop forward-looking and sustainable standards that improve the quality, suitability and desirability of schemes including:

- a. Defining minimum requirements in areas such as physical security and accessibility covering issues such as entrances, provision for mobility scooters and car parking;
- b. Addressing forward-looking issues such as efficiency and effectiveness, affordability (running costs) and agreed lifecycles and specifications for building elements such as kitchens and bathrooms; and
- c. Defining interior design standards for communal areas and facilities to make them feel 'modern', welcoming and enhance their use by older people for example, people with dementia. Standards should cover all aspects of provision including quality and accessibility of laundries, bin stores, communal lounges and gardens.

3. Improve the approach to asset management by:

- a. Ensuring future plans are based on a robust understanding of condition and the use of 'real' unit costs and lifecycles;
- b. Developing a coherent scheme-wide planned programme with sufficient investment to ensure schemes' future sustainability and as a minimum sustain Decent Homes Standard compliance; and
- c. Providing decision-makers with assurance that the approach to diagnosing and recording repairs is robust and using it to proactively identify trends that should inform investment plans.

4. Improve demand for sheltered housing by:

- a. Seeking opinions from prospective residents on how the Council can better 'market' the sheltered housing 'offer';
- b. Targeting promotion of schemes to existing council and social renters living locally in general needs housing;
- c. Improving advice and support for owner-occupiers who may be interested in moving or 'downsizing';
- d. Considering widening the allocation criteria to enable access to 'younger older' people aged over 55 and potentially prospective residents with pets; and
- e. Capturing and learning from (more) detailed information on refusals, reasons for tenancies ending, satisfaction with new lets and the home

5. Improve the financial performance of schemes by:

- a. Conducting a fundamental review of the approach to reletting with the aim to drive a 'step change' in void performance;
- b. Considering the use of scheme-level targets to reduce the level of 'avoidable' turnover and improve tenancy sustainment;
- c. Exploring ways to maximise the contribution of each schemes' communal facilities. This could include generating additional income or enhancing the 'offer' to residents and other older people through health and well-being initiatives;
- d. Reviewing the service charge schedule to ensure it is comprehensive and transparent to tenants; and
- e. Reviewing the approach to letting guest rooms to ensure their approach appropriately balances their objectives.

Reason for decision:

The poor performance in relation to sheltered housing voids led to a perception of low demand which formed the basis for a recommendation to reduce the number of sheltered housing units in a report that went to Select Committee in January 2018.

However, it seemed somewhat counter-intuitive to reduce housing specifically aimed at older people when the Epping Forest District is characterised by an ageing population pyramid structure with a sharp increase in the number of older people and a proportionate decrease in the younger population.

The review commissioned by Ark delved more deeply into the possible reasons for poor void performance and concludes that there is not a low demand for older people's accommodation but that EFDC's current sheltered housing offer lacks desirability and does not fulfil its aim of supporting older people to live independently for longer.

Some of the current sheltered housing stock is not fit for purpose (e.g. upper floor flats without lifted access) and much of it no longer meets the modern needs of older people. For example, schemes do not support digital connectivity, communal areas are uninspiring, under-used and ineffective at tackling issues such as loneliness and social isolation and supporting people with dementia, for example, to continue to live independently for as long as possible.

A decision to agree to the recommendations and the proposed next steps will enable EFDC to meet the housing, health and social care needs of the district's ageing population and support older people to live independently for as long as possible

Options considered and rejected:

The option to leave EFDC's sheltered housing stock as it currently is, has been considered and rejected. In order to meet the modern housing, health and social care needs of our growing older population and make best use of the Council's housing stock, the schemes require investment and in some cases further exploration to ascertain the most beneficial way forward to ensure the financial viability of the schemes and to balance the housing needs of the district as a whole.

Consultation undertaken:

Consultation with members of the Older People's Team and the Housing and Communities Portfolio Holder has been undertaken with a view to gaining further consultation with Members via this report.

Full resident consultation plans on a scheme by scheme basis will also be undertaken where appropriate.

Resource implications:

Depending on agreed next steps it is likely there will be resource implications in terms of undertaking further consultation, commissioning feasibility studies and latterly investment in the redesign and remodelling of sheltered housing stock albeit decisions on specific work and cost will go to cabinet for agreement.

Legal and Governance Implications:

Ark consultancy was procured in line with the Council's procurement rules.

The provision of sheltered housing is consistent with a key aim of the Council's Corporate Plan, which is to promote and to maximise independence for older people and people with disabilities.

Safer, Cleaner, Greener Implications:

Arrangements for increasing safety and tackling anti-social behavior in schemes (and their car parks) will be considered. In particular, an increase in the use of CCTV has been requested by tenants.

Any work carried out to schemes to upgrade them will ensure energy efficiency is increased and the Government's Decent Homes Standard is met, in accordance with our Local Plan and National Policy.

All activities undertaken as part of this review will be subject to the Council's requirements to contribute to a sustainable environment and improve the wellbeing of tenants.

Background Papers:

None

Impact Assessments:

Impact assessments will be undertaken at the appropriate times in relation to any major changes to sheltered housing provision or, indeed, the service offer.

Risk Management:

Lack of the right investment in sheltered housing provision poses significant risks for the long-term financial viability of the schemes and risks the Council being unable to achieve its corporate objective to promote and maximise independence for older people and people with disabilities.

Not having the right provision also risks an increase in homelessness demand, for example, where we are unable to encourage under occupiers to downsize and release family sized housing to meet new demand. This will be particularly important given that we expect demand to increase as a result of the economic consequences of the current pandemic.

Lack of investment over the longer term also poses significant risk to the Council's asset with implications for the HRA.

Risks can be mitigated with timely and appropriate action in line with the recommendations from the review.

Equality:

The Equality Act 2010 requires that the Public Sector Equality Duty is actively applied in decision-making. This means that the equality information provided to accompany this report is essential reading for all members involved in the consideration of this report. The equality information is provided as an Appendix to this report.