

CABINET

Date of Meeting	Tuesday, 19 th December 2023
Report Subject	Sheltered Housing Review
Cabinet Member	Cabinet Member for Housing and Regeneration
Report Author	Chief Officer (Housing and Communities)
Type of Report	Strategic

EXECUTIVE SUMMARY

The purpose of this report is to provide an update on the Council's sheltered housing review, the proposed methodology and scoring matrix and the communication and engagement plan.

The Council's Housing Revenue Account (HRA) housing stock consists of circa 7,300 properties with approximately 2,500 of those being classed as sheltered stock.

With future standards increasing in terms of the Welsh Housing Quality Standards (WHQS), Welsh Government's ambitions with regards to decarbonisation, the need to ensure our sheltered properties continue to meet our contract holders needs and the costs associated with investment and future maintenance, the Council are now required to ensure that any future expenditure is allocated appropriately.

The options for those sheltered assets deemed to require significant investment to comply with current and future standards or are no longer meeting the needs of our contract holders, are redesignation to general needs, refurbishment or demolition.

The review will adopt a holistic approach to the sustainability of the sheltered housing stock and reviewed each scheme from an asset management perspective to identify the current and future investment needs of each scheme, WHQS works and de-carbonisation and compliance considerations.

This information will be aligned to housing management intelligence and insight which will review and assess demand / turnover and desirability to determine the sustainability of each scheme.

Each scheme will be assessed against a sustainability matrix with four possible recommendations:

Option 1 – Scheme is sustainable with no recommended changes.

Option 2 Refurbishment / regeneration – Scheme has some issues requiring intervention – for example, additional works required to make the scheme more attractive to existing and future tenants.

Option 3 Redesignation - Scheme has some issues requiring intervention – for example, may benefit from re-designation to a more sustainable client group.

Option 4 Demolition / re-development – Scheme potentially requires significant intervention to address more fundamental demand / sustainability issues and not be able to achieve compliance and therefore considered for demolition / re-development. A full options appraisal will be undertaken to explore all options and associated costs.

It is important for the Council to ensure that its offer to current, and prospective, sheltered housing contract holders is attractive, competitive and meets current expectations and aspirations.

It has been several years since the Council last reviewed its offer to sheltered housing contract holders and it timely that the offer is updated.

RECOMMENDATIONS

1	To support the methodology proposed to assess the Council's sheltered assets.
2	To support the communication and engagement plan proposed to assess the Council's sheltered assets.
3	To support future assessment work to sheltered housing assets and progress to an options appraisal stage if investment concerns are highlighted through its in-depth review.

REPORT DETAIL

1.00	BACKGROUND AND METHODOLOGY USED TO REVIEW THE SHELTERED HOUSING STOCK
1.01	The Council's Housing Revenue Account (HRA) housing stock consists of circa 7,300 properties with approximately 2,500 of those being classed as sheltered stock.
1.02	With future standards increasing in terms of the Welsh Housing Quality Standards (WHQS), Welsh Government's ambitions with regards to decarbonisation, the need to ensure our sheltered properties continue to meet our contract holders needs and the costs associated with investment and future maintenance, the Council are now required to ensure that any future expenditure is allocated appropriately.

1.03	<p>SHELTERED HOUSING REVIEW TASK AND FINISH GROUP</p> <p>A decision was made by the Community and Housing Overview and Scrutiny Committee on the 8th March 2023 to establish a Sheltered Housing Review Task and Finish Group. This followed the recommendation of the Committee at its meeting on 8th February 2023 following consideration of the Sheltered Housing Review report.</p> <p>The group has met on three separate occasions to consider the terms of reference of the Group, the Scoring Matrix and the Communications and Engagement Plan.</p>
1.04	<p>The group proposed the following changes to the Scoring Matrix and Communications and Engagement Plan:</p> <p><u>Scoring Matrix</u> The Task and Finish Group supported the scoring matrix but suggested the following amendments:</p> <ul style="list-style-type: none"> • Where there is more than one local Member for a ward, the scores should be combined. • Consideration be given to amending the weighting of scores on the housing estate matrix. <p><u>Communications and Engagement Plan</u> The Task and Finish Group supported the communications and engagement plan with the following amendments:</p> <ul style="list-style-type: none"> • The recommendation of ‘demolition’ be re-worded to ‘demolition / re-development’ shown on the list of possible recommendations arising from the review of a scheme. • A short explanation of the following terms be added to the document: <ol style="list-style-type: none"> 1) Demolition/re-development 2) Refurbishment 3) Redesignation • Consultation with the Cabinet Member for Housing and Regeneration be included within the document.
1.05	<p>The review will adopt a holistic approach to the sustainability of the sheltered housing stock and reviewed each scheme from an asset management perspective to identify the current and future investment needs of each scheme, WHQS works and de-carbonisation and compliance considerations.</p> <p>This information will be aligned to housing management intelligence and insight which will review and assess demand / turnover and desirability to determine the sustainability of each scheme.</p>
1.06	<p>The Council have many sheltered assets across the County requiring significant investment. In addition, there are a number of assets that continue to be challenging to let due to location being remote, poor accessibility to local services and transport links and matching need to contract holder’s requirements.</p>

	<p>Adaptations can be undertaken to some assets to improve access / egress, for example, the installation of ramps or lifts to aid tenants accessing their homes, whilst other assets may have improvement works undertaken to increase desirability, including additional security measures and improvements to internal and external areas.</p> <p>However, there are assets / blocks which require significant investment as many components (roof coverings, windows, doors, communal access points etc.) need replacement, and the Council is unable to bring these assets up to the required standard and achieve compliancy. The reasons vary from physical constraint (size, layout, topography etc.) and construction type, which may prohibit or restrict the Council (listed buildings, design, original layout, and location).</p> <p>To assess these assets, a scoring matrix has been developed to inform decision making regarding their future.</p>
1.07	<p>SCORING MATRIX - HOUSING REVIEW SECTION</p> <p>The scoring matrix assesses each sheltered asset against the following main and subheadings along with the rationale utilised for each score (appendix 1):</p> <p><u>Desirability</u></p> <ul style="list-style-type: none"> • Reputational issues • ASB incidents • Car parking • Amenities • Travel links • Social networks etc. • Location and accessibility • Existing Tenant Satisfaction Survey • Local Member feedback <p>Scoring rationale:</p> <p><u>High level of concern</u></p> <ul style="list-style-type: none"> ○ Involvement from North Wales Police, high number of tenancy enforcement cases, negative housing officer feedback, other contract holders and local residents aware of issues. ○ Less than 50% car parking available. ○ No shops, pharmacies, bus routes, social networks in close proximity. ○ Remote location, located on a steep hill / incline with challenging access / egress etc. ○ Contract holder satisfaction survey – score below 60%. ○ Local Member in favour of reclassification / further review. <p><u>Medium Level of concern</u></p> <ul style="list-style-type: none"> ○ Medium number of tenancy enforcement cases, other contract holders and local residents aware of issues. ○ Between 50% - 80% car parking available. ○ Limited amenities in close proximity. ○ Close proximity to bus routes etc. but low frequency.

- Limited availability of social networks.
- Remote and difficult to access / egress homes
- Contract holder satisfaction survey – score between 60% - 80%.

Low Level of concern

- Low / zero number of tenancy enforcement cases, no contract holders or local residents aware of any issues.
- Over 80% car parking available.
- Sufficient amenities in close proximity.
- Close proximity to bus routes, high frequency.
- High availability to social networks with varied options.
- Close to town centre with good access for all users.
- Contract holder satisfaction survey – score above 80%.
- Local Member against reclassification / further review.

Attributes

- Access / elevator lifts etc.
- Scooter storage
- Security
- Allocated communal garden/ outdoor space

Scoring rationale:

High Level of concern

- Access via steps/ stairs only - very difficult to access.
- Scooter storage - less than 50% available.
- Security low - no security equipment etc.
- No communal garden areas / outdoor spaces.

Medium Level of concern

- Access via steps / stairs only - difficult to access.
- Scooter storage - between 50% - 80% available.
- Security medium - e.g. door entry system installed.
- Limited availability of garden / outdoor spaces.

Low Level of concern

- Access via lifts, stair lifts, no steps - easy access.
- Scooter storage - over 80% available.
- Security high - e.g. door entry system, cameras installed.
- High availability of garden / outdoor spaces with varied options.

Low availability of sheltered stock in area

- Alternative stock

Scoring rationale:

- High, medium or low level alternative suitable stock in local area.

Turnover

- Average length of tenancy
- Number of terminations
- Waiting list / demand
- Number of refusals
- Number of long-term voids

	<p>Scoring rationale:</p> <ul style="list-style-type: none"> ○ High, medium or low levels of the sub-headings outlined above. <p><u>Rent loss</u></p> <ul style="list-style-type: none"> ● Rent income / loss. <p>Scoring rationale:</p> <ul style="list-style-type: none"> ○ High, medium or low levels of rent income / loss.
1.08	<p>The scoring matrix can also be used to identify future investment requirements and the associated works. For example, the scoring matrix may identify that a sheltered complex is highly desirable with no future investment concerns, however our contract holders or officers do have concerns over the security of the complex. This requirement would inform the investment teams to commence a review and costing exercise which may lead to any required works / adaptations etc. being integrated into the Council's capital programmes.</p> <p>This may also include the asset being adapted with certain components or attributes removed and replaced with more suitable and fit for purpose solutions.</p>
1.09	<p>Scoring Matrix - Assets Review Section</p> <p>An additional section of the scoring matrix, to be used in conjunction with the housing section or in isolation, is to be used by the Housing Assets Team where there are concerns over future investment requirements, suitability and the feasibility of the asset achieving and remaining compliant moving forwards (appendix 1).</p> <p>The following areas are assessed as part of the scoring matrix:</p> <ul style="list-style-type: none"> ● Number of properties within the scheme / complex. ● Current condition of the assets and the block(s) as a whole. ● WHQS previous investment costs. ● WHQS planned future investment costs. ● Repair and maintenance costs (both previous and forecasted). ● Void costs - property refurbishment costs etc. (both previous and forecasted). ● Current EPC / SAP score. ● Feasibility rating of achieving decarbonisation. ● Decarbonisation investment costs to achieve compliance. ● Other compliance investment costs - fire, security, servicing etc. ● Rental income. ● Rental loss.
1.10	<p>Using the assessment criteria above, the costs are calculated using a formula to ascertain when, and if, the Council will recoup any investment costs and rental loss.</p> <p>There are those assets that may, or may not, break even over a thirty-year period and those that will not be able to reach compliance as the works cannot be undertaken.</p>

At this point the Council will need to assess its options further before any investment or planned works commence or are scheduled.

There may be a requirement to reclassify the asset / complex from sheltered to general needs, as compliance cannot be achieved, i.e., level access / egress is unable to be improved, fire suppression / detection systems cannot be installed, or certain requirements cannot be met due to the construction, type or location of the asset / complex.

There may also be concerns that the asset / complex may be in poor condition, require significant investment, not be able to achieve compliance and therefore considered for demolition. This decision is only reached when all alternative options have been explored.

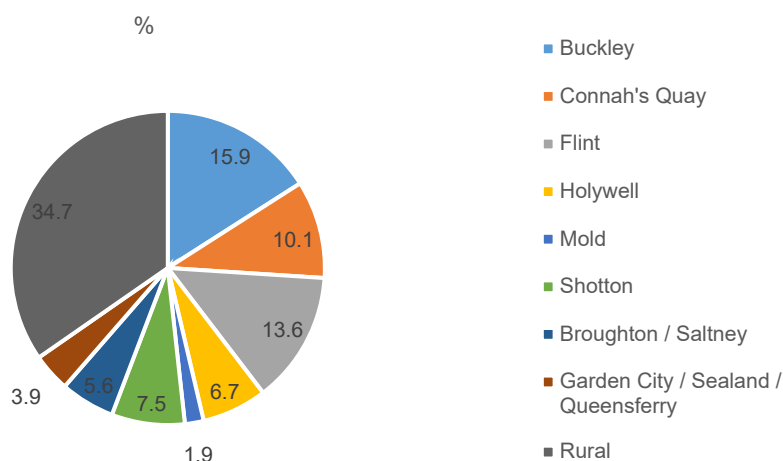
1.11 Next steps of the evaluation process

As mentioned above, the sections of the scoring matrix can be used together or in isolation informed by the final scoring and recommendations from each section.

The financial calculations, alongside the data from the scoring matrix, will provide the Council with a proposed option to consider further.

An options appraisal on the asset should be completed to ascertain what options are available to the Council in terms of adaptation or demolition, including proposals on the use of the land owned by the Council where it is identified as suitable for development.

1.12 The diagram below provides a broad breakdown of the location of the sheltered properties across the county.



Whilst certain areas have higher concentrations of sheltered housing than others, all areas have been evaluated in a consistent manner and will continue to be so through the scoring matrix.

The methodology used for the review has identified that most sheltered schemes are sustainable and viable over the short to medium term. There are, however, a small number of schemes where due to changing aspirations and demographics, compliance requirements and future investment challenges further detailed analysis of these factors are

	<p>required before an assessment can be finalised regarding the medium to long term viability of the scheme. In these circumstances, for a small number of schemes, it is recommended that an options appraisal is undertaken.</p>
1.13	<p>Communication and Engagement Plan Where a sheltered scheme is identified for review via the agreed matrix and methodology and a recommendation is identified it is vital to communicate across all stakeholders effectively.</p> <p>Contract holders must be fully engaged through the process given the potential sensitivities and strong emotions which may be provoked when looking to address changes to homes and indeed those communities.</p> <p>A communication and engagement plan has been developed outlining the key principles and approach to consultation (appendix 2). The activity will be tailored to the recommendation identified and this will be reviewed regularly to inform future engagement activity.</p>

2.00	RESOURCE IMPLICATIONS
2.01	<p>Staff and budgets The review and subsequent proposals shall ensure the housing stock is utilised most effectively and is sustainable over the longer term.</p> <p>The options appraisal process shall involve a detailed technical assessment of schemes and whilst most of this work can be conducted in house there may be a need for some specialist support and input when assessing potential for scheme reconfiguration or new build options.</p> <p>The decision to re-designate schemes or undertake options appraisals shall necessitate a significant investment in staff time particularly from the housing management service which shall lead on any decant process which can be intensive, challenging, and sensitive work. Any decision to de-commission schemes shall present a significant challenge to the housing asset service to ensure the scheme remains safe and secure throughout the decanting process.</p>

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	<p>There is a significant risk that a small number of sheltered housing schemes will become increasingly difficult to let as a result of changes in aspirations and expectations. Furthermore, it is essential that a strategic review of the future investment and compliance costs for sheltered schemes is undertaken to ensure that all stock is able to meet safety and compliance standards and de-carbonisation requirements.</p> <p>The review will provide the Council with up-to-date intelligence and insight regarding the performance of the sheltered housing stock and identify a</p>

	<p>small number of schemes further appraisal or where intervention may be required.</p> <p>It should be noted that where schemes are re-designated from sheltered housing to general needs accommodation there is a risk that those properties may become eligible for right to buy should the current restrictions on buying Council housing be lifted. There are no signs that Welsh Government is considering lifting the restriction on the right to buy and should it do so then the Council should be consulted and may wish to discuss the potential for re-designated stock to be exempt from such proposals.</p> <p>Each scheme subject to options appraisal and potential re-designation shall be subject to a formal risk assessment as part of the appraisal process. The outcome shall be included in future reports to Chief Officers Team (COT), Overview and Scrutiny and Cabinet.</p>
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4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	To date limited consultation has been undertaken. The report proposes a communication and engagement plan to be undertaken with all stakeholders as recommendations are identified for each scheme.

5.00	APPENDICES
5.01	Appendix 1 – Sheltered Review Housing Estates Matrix
5.02	Appendix 2 – Sheltered Review Assets Matrix Example
5.03	Appendix 3 - Communication and Engagement Plan

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	N/A

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officers:</p> <p>Name: Sean O'Donnell (Service Manager - Housing Assets) Email: Sean.O'Donnell@flintshire.gov.uk</p> <p>Name: Jen Griffiths (Service Manager - Housing Welfare and Communities) Email: Jen.Griffiths@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<p>Capital Programme: The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.</p> <p>The Welsh Housing Quality Standard (WHQS): is a national standard of quality for homes. This is set by the Welsh Government. It means that all tenants in Wales should have the opportunity to live in good quality homes which meet the requirements of that household.</p> <p>Energy Performance Certificate (EPC): utilised to measure an assets energy performance in terms of energy used and thermal retention.</p> <p>Standard Assessment Procedure (SAP): A SAP rating is the calculation that is required in order to produce a Predicted Energy Assessment.</p> <p>Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p>Financial Year: the period of 12 months commencing on 1 April.</p> <p>HRA: The Housing Revenue Account is a ring fenced account derived from rental income and in the main, Welsh Government funding.</p> <p>Components: A part or element of an asset (Kitchen Bathroom, Boiler, Roof, Windows, Doors etc.)</p> <p>Sheltered Stock: Housing for tenants aged 55 and over who may or may not have support needs.</p> <p>General Needs: Housing for tenants which applies to general family housing and dwellings for singles and couples who may or may not have support needs.</p> <p>Anti-social behaviour (ASB): Antisocial behaviour is defined as behaviour by a person which causes, or is likely to cause, harassment, alarm or distress to persons not of the same household as the person.</p> <p>Scheme Re-designation/classification – changing the eligibility criteria for a scheme so that it can accommodate a different client group than that for which the scheme was originally developed.</p>