

Subject:	Seniors housing scheme review		
Date of Meeting:	11 November 2015		
Report of:	Acting Executive Director Environment, Development and Housing		
Contact Officer:	Name:	Simon Pickles	Tel: 29-2083
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Ward(s) affected:	Hanover and Elm Grove		

FOR GENERAL RELEASE**1. PURPOSE OF THE REPORT AND POLICY CONTEXT**

- 1.1 At the January 2015 Housing Committee members accepted in principle the recommendations of the seniors housing stock review. The review's remit was to ensure the council's seniors housing stock remained fit for purpose into the future and continued to support the city housing strategy.
- 1.2 One of the recommendations addressed the need to decommission a small number of seniors schemes, on a case by case basis, which could not feasibly or viably be made fit for purpose. A confidential report was brought to the September 2015 committee proposing the decommissioning of Stonehurst Court, a non-purpose built seniors scheme, built in 1951, consisting of 25 studio flats and communal facilities. Members considered this report in Part 2 of the meeting.
- 1.3 Closing a seniors scheme is a sensitive matter requiring early and sensitive consultation with the tenants concerned. For this reason members granted permission to consult the tenants on this proposal and their re-housing options prior to the public release of any report.
- 1.4 This report informs the Housing & New Homes Committee on the outcome of the tenant consultation meetings and seeks to obtain a decision on whether to close Stonehurst Court.
- 1.5 Members are also asked to note the future short and medium term options for the redevelopment or conversion of the scheme, in the event of a decision to close the scheme.

2. RECOMMENDATIONS

That the Housing and New Homes Committee:

- 2.1 Agrees to the conclusion of the scheme review, summarised in this report, and after due consideration of the results of the consultation with the current residents, that Stonehurst Court should be decommissioned for use as seniors accommodation.
- 2.2 Notes that the 6 flats which are part of the street frontage will not form a part of any redevelopment due to the difficulties relating to proximity to neighbouring owner occupied properties; and therefore agrees that priority for any vacancies in these 6 properties be given to any tenants who are required to be decanted from the remainder of the site and who would suffer particular detriment (health or social) in moving away. These flats would not be retained as seniors housing.
- 2.3 Agrees that in the event of the scheme closing, the remaining available accommodation, namely the studio flats in the centre of the site, be made available as temporary accommodation for statutory homeless people to whom the council owes a duty, subject to a property by property business case and risk assessment.
- 2.4 Notes the update on the range of potential medium term future options for the site in paragraph 3.6. A report on options for future use of the site will be brought to a future Housing & New Homes Committee in the event of the scheme closing.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Housing Strategy context of the existing and future uses of this site:
 - improving housing supply, quality and support
 - making best use of HRA assets
 - meeting the needs of an ageing population
 - enabling people to live independently at home for longer preventing costs to ASC & Health
 - a proposal to use as temporary accommodation could mitigate a budget and accommodation pressure enabling the council to discharge its statutory housing using duty within the city and offset the costs and wasted resource that would otherwise arise if these homes were left empty.
- 3.2 The council has de-commissioned seniors schemes previously, where they reached the end of their useful life. Such schemes from the past include:

- Ainsworth House (which became Balchin Court)
- Patching Lodge (which became Hanover's extra care scheme)
- Ryecroft Lodge (which became a Housing Association development)
- Mantel House (which became accommodation for adults with learning disabilities).

3.3 The reasons for recommending the closure of Stonehurst Court fall under four main headings:

- Scheme layout
- Condition of the buildings
- Difficulty in letting the current accommodation
- Financial issues: negative value and cost to HRA over the business plan period.

a. Scheme layout:

- 25 studio flats (five blocks of four studios; four end terrace studios; one semi-detached studio) and limited communal facilities. See Appendix 1 for site plan and Appendix 2 for photographs
- steep internal stairs leading to upstairs studio flats
- very high front door steps to the ground floor studio flats
- absence of internally accessed communal areas encouraging isolation
- the scheme is near the top of a hill
- there are no lifts on this scheme, nor is it viable to 'retrofit' lifts
- studio flats are not considered to be fit for purpose as seniors housing accommodation and are difficult to let
- 8 first floor tenants find it difficult to manage the stairs up to their flat
- Not accessible or adaptable or fit for future needs including meeting Lifetime Homes and modern sustainable housing standards providing thermal comfort and affordable warmth.

b. The condition of the buildings:

- There are at least three flats with chronic, structural dampness problems, which have necessitated decanting the tenants to temporary accommodation. Officers are planning some further opening up of the cavities to ascertain the exact condition and cause of the damp penetration
- A survey undertaken by an external surveyor in December 2014 concluded: *'We can confirm that the structure of the properties at Stonehurst Court is generally in a fair condition and that the buildings, with some external repairs, can be brought back to a weather tight situation'*.

c. The difficulty in letting the current accommodation:

- All 25 flats are studios which are generally hard to let. Single men accept them more readily than single women
- There are currently six empty studios (at 10.9.15) :
- In addition, two tenants have been moved temporarily into alternative accommodation
- Currently, five tenants at Stonehurst Court are awaiting priority transfers and three have registered applications with Homemove.

d. Financial issues:

- Although the council is investing in its seniors housing schemes, it is not affordable to refurbish this scheme to the new standards expected of modern seniors housing, given the limitations listed above (a.-c.)
- More detailed financial implications are set out at section 5.

3.4 Results of consultation exercise about the proposal to close the scheme

- Two meetings were held with residents on the morning of 24th September 2015. By the end of that day every tenant knew of the proposal.
- One to one meetings were held in the following week. Prior to these meetings tenants were given a Q&A sheet with subjects for consultation
- The results of the one to one meetings are summarised at section 4.

3.5 The process of emptying the scheme and rehousing the tenants

a. Should the Housing & New Homes Committee agree that Stonehurst Court be closed, the following communication and support procedures would be implemented:

- meeting to advise the residents that the council has decided to close the scheme and why, followed by individual meetings and housing needs surveys Explain the decant information package (including: entitlement to sums equivalent to home loss payments; reimbursement for any out of pocket expenses; and payment of other decant payments such as removals, carpets, white goods etc.)
- Discuss housing options regarding alternative accommodation including seniors housing available in the city
- As the Council is requiring the tenants to move, this will fall outside of the Council's Allocations Scheme. Tenants will be offered properties by the Housing Management teams as transfers due to decants falls outside the Allocations legislation. (Housing Act 1996 Part 6, S159, 4A)
- It is important to manage the emptying of the scheme to ensure people are not left isolated at the later stages of decommissioning. The council will

work with all residents to find alternative accommodation in accordance with their needs. The removal can be arranged and paid for by the council and full support and assistance will be available to the tenants, to suit each individual's requirements.

3.6 The development options to meet housing needs at this scheme in the future.

The following options are being considered for the redevelopment of the scheme. Future reports will provide details of the medium term options a-d for the Committee to determine which one should be pursued:

- a. Replace the scheme with purpose built seniors provision or general needs accommodation through Estate Regeneration Programme.
- b. Redevelop the scheme through disposal to a housing association to develop, including homes for Affordable Rent.
- c. Disposal of the land for redevelopment and use the capital receipt for development of affordable housing elsewhere.
- d. Converting the properties back to family housing – this will be dependant on the structural surveys that will be carried out after the properties are vacant.
- e. To ensure the assets are used and secure pending a decision, it is proposed to use the empty flats on the scheme as short term temporary accommodation for the homeless, subject to full business case and risk assessment. The potential financial benefits of this approach are outlined in Financial implications in Section 6 below.

4. COMMUNITY ENGAGEMENT & CONSULTATION

4.1 The outcomes of the one to one consultation meetings are summarised in the table below:

Note: **16** sitting tenants have been consulted individually. We have notified but not consulted 3 tenants owing to temporary absence.

Opposition to the proposal to close the scheme	Supports the reasons for the scheme closure	Unsure	Total	Acceptance with the right offer of re-housing	Opposition to move at all	Total
8	7	1	= 16	14	2	= 16

4.2 The feedback has been mixed, as can be seen from the table above. It is clear from the comments we have received throughout the two public

meetings and the one to one meetings that Stonehurst Court has provided a happy home for at least half of the tenants now living there and understandably they feel reluctant about moving. There is another group of tenants who understand that the scheme is no longer fit for purpose and something needs to be done. The great majority would accept the move if the right offer of rehousing was made.

4.3 Ward members have been informed and attended the tenant consultation house meetings. Ward members have advised that tenants are free to contact them, including attending their monthly drop-in surgery without appointment.

5. CONCLUSION

5.1 Having commenced consultation with residents and in acknowledgement of the stress that uncertainty over the future of the scheme may cause we have sought to bring a recommendation to decide on scheme closure to the earliest possible Housing & New Homes Committee meeting.

5.2 As outlined in this report and Financial Implications below, Stonehurst Court does not currently provide suitable or viable seniors housing (poor location, accessibility, layout, stock condition and lettable).

5.3 As outlined in this report and in the Financial implications below Stonehurst Court represents a poor value asset to the HRA in its current form. There will be a negative value and significant costs should the scheme remain as seniors housing.

5.4 There is the possibility to exclude the 6 studio flats which form part of the street frontage from future options and use any vacancies to rehouse on site the tenants who would be seriously affected by a move away from the scheme.

5.5 In the event of a decision to close the scheme, the council could use the empty flats on the scheme as short term temporary accommodation for the homeless, subject to business case and risk assessment.

6. FINANCIAL IMPLICATIONS

6.1 The net rental income stream for Stonehurst Court (i.e. the rental income net of management, maintenance and required investment costs over 30 years) shows that these units have a negative financial performance with a net cost to the Housing Revenue Account of approximately £185,000, which equates to £7,400 per unit, over the 30 years. If a decision is made to decommission (close) this scheme, this cost will be removed, however will not have material effect on the financial performance of the Housing Revenue Account over the 30 years.

- 6.2 Amounts equivalent to home loss payments, removal costs and reimbursement of reasonable out of pocket expenses as part of the move could be in the region of £133,000 (£4,900 minimum per household for Home Loss and £2,500 suggested ceiling for reimbursements for permanent decants). These and any other associated costs of decommissioning this scheme will be required to be funded through the Housing Revenue Account and will be managed and reported through the Targeted Budget Management process reported through Policy & Resources Committee.
- 6.3 It was previously reported that it could take several months to fully decant the scheme. The combined rent and service charge loss per flat is approximately £1,140 if empty for 3 months and £2,280 if empty for 6 months. If the whole scheme (25 flats) remained empty for 6 months the combined rent and service charge loss would be approximately £57,000. This reduction in income would be managed within the Housing Revenue Account budget over the decant period. However, it should be noted, as per paragraph 6.1, that Stonehurst Court's financial performance over the long term period costs more to manage and maintain than the rental income received.
- 6.4 The recommendation in paragraph 2.3 for the possible short term use of the scheme as temporary accommodation (TA) for the homeless is estimated to have an overall positive financial impact by reducing the cost/loss of rental income to the HRA from empty flats. The TA Acquisitions Manager has inspected the current empty studio flats at Stonehurst Court and advises that they already meet the TA lettable standard. This means the only remedial work required (unless the flat has structural dampness, in which case it would not be used for TA) will be redecoration, carpets and minor responsive repairs. It is estimated that these costs (currently estimated at an average cost of approximately £525 per flat) will be recovered through the rent charged (social rent which is currently £63.76 per week) within the first 8-9 weeks of use.
- 6.5 The use of these properties for Temporary accommodation would also reduce the need for emergency placement accommodation for the duration of their use and therefore reduce current budgetary pressures for the General Fund. This type of accommodation is expensive and only used as a last resort but currently costs the General Fund an average of £230 per week as the housing benefit paid does not cover the total cost of the rent. If, for example, the council was able to use 10 of these units for temporary accommodation, this could save approximately £2,300 per week for the General fund – a saving of £29,900 for 3 month period. There may be a small cost associated with providing white goods for some these properties, which will marginally reduce this saving.

6.6 Financial implications for the future redevelopment options outlined in paragraph 3.6 will be included in a future report to the Housing and New Homes Committee.

Finance Officer Consulted: Susie Allen, Principal Accountant. Date: 29 October 2015

7. LEGAL IMPLICATIONS:

7.1 Decisions made by local authorities without proper consultation are vulnerable to challenge by way of judicial review. It was therefore essential that full consultation, as outlined in paragraph 4.1 was undertaken. Proper consultation entails consultation at a time when proposals are still at a formative stage; the provision of sufficient reasons for the proposals to allow those consulted to give intelligent consideration and an intelligent response and an adequate time for response. Finally, the product of the consultation must be conscientiously taken into account when the final decision is taken. Members must therefore take the tenants' views into account when making a final decision on the future of Stonehurst Court as Seniors Housing.

7.2 In taking any decisions which might affect a tenant's home, the council must have regard to the Human Rights Act and in particular Article 8 which provides that "Everyone has the right to respect for their private and family life and also the right to respect for their home and correspondence." The term "private life" has a very wide meaning. The right to respect for a home is not a right to housing, but a right to access and live in their home without intrusion or interference. It is a qualified right, so interference with that right is possible in the interests of national security, public safety, economic well-being and the prevention of crime and disorder.

7.3 Home loss payments are payable to tenants who have been in occupation for at least one year and move out due to redevelopment and clearance. The minimum amount fixed by the Home Loss Payments (Prescribed Amounts) (England) Regulations 2014 is £4,900.

Lawyer consulted: Liz Woodley

Date: 30 October 2015

8. OTHER IMPLICATIONS:

8.1 Equalities Implications:

Any future development would meet the Lifetime Homes accessibility standards, meeting the needs of those households in the city whom we can't currently house.

8.2 Sustainability Implications:

Any future development would meet Lifetime Homes standards and the code for sustainable homes (albeit now subsumed by Building Regulations). Warm

and well insulated homes will have beneficial impacts on issues such as health, fuel poverty, reduced occupiers' costs of running the home and reduced CO2 emissions. Any conversion or newbuild project would comply with Building Regulations.

8.3 Risk and Opportunity Management Implications:

There is a range of options for meeting new housing needs on this site.

SUPPORTING DOCUMENTATION

Appendices

Enc. 1: Localview site plan

Enc. 2: Photographs

