

20 June 2016

## HOUSING COMMITTEE

A meeting of the Housing Committee will be held on **TUESDAY, 28 JUNE 2016** in the Council Chamber, Ebley Mill, Ebley Wharf, Stroud at **19:00**.



David Hagg  
Chief Executive

**Please Note:** This meeting will be filmed for live or subsequent broadcast via the Council's internet site ([www.stroud.gov.uk](http://www.stroud.gov.uk)). By entering the Council Chamber you are consenting to being filmed. The whole of the meeting will be filmed except where there are confidential or exempt items, which may need to be considered in the absence of the press and public.

### AGENDA

- 1 **APOLOGIES**  
To receive apologies of absence.
- 2 **DECLARATIONS OF INTEREST**  
To receive declarations of interest.
- 3 **MINUTES - 29 MARCH 2016**  
To approve the Minutes of the meeting held on 29 March 2016.
- 4 **PUBLIC QUESTION TIME**  
The Chair of the Committee will answer any questions from members of the public, submitted in accordance with the Council's procedures.

DEADLINE FOR RECEIPT OF QUESTIONS  
Noon on THURSDAY, 23 JUNE 2016.

Questions must be submitted in writing to the Chief Executive, Democratic Services, Ebley Mill, Ebley Wharf, Stroud, and sent by post, by fax (01453 754957), or by Email: [democratic.services@stroud.gov.uk](mailto:democratic.services@stroud.gov.uk).

- 5        **WORK PROGRAMME**  
To consider the Committee's Work Programme for 2016-17.
- 6        **APPOINTMENT OF PERFORMANCE MONITORING REPRESENTATIVES**  
To appoint two Members of the Committee to attend quarterly performance monitoring meetings.
- 7        **THE FUTURE OF TENANT INVOLVEMENT**  
To receive a presentation on the outcome of the Task and Finish Group and the view of the Stroud Council Housing Forum.
- 8        **HOUSING REVENUE ACCOUNT (HRA) OUTTURN 2015-16**  
To inform Members of the 2015-16 outturn position on the HRA and a change to the position with balances and reserves.
- 9        **HOUSING REVENUE ACCOUNT BUSINESS PLAN**  
To receive a presentation on the draft HRA business plan, with a request for advice on how members wish to be consulted on the development of this document.
- 10       **CORPORATE ASSET MANAGEMENT STRATEGY**  
To consider the content and direction of the strategy and approve the programme of property reviews.
- 11       **SHELTERED MODERNISATION PROGRAMME**  
To receive an update on the Council's Sheltered Housing Asset Review and seek approval to recommendations for the six red schemes.
- 12       **MEMBERS' QUESTIONS**  
See Agenda Item 4 for deadline for submission.

### **Members of Housing Committee**

Councillor Mattie Ross (Chair)  
Councillor Chas Townley (Vice-Chair)  
Councillor Catherine Braun  
Councillor Miranda Clifton  
Councillor Colin Fryer  
Councillor Julie Job

Councillor Norman Kay  
Councillor Phil McAsey  
Councillor Jenny Miles  
Councillor Liz Peters  
Councillor Tom Skinner  
Councillor Debbie Young

**HOUSING COMMITTEE**

29 March 2016

**3**

7.00 pm – 8.10 pm

Council Chamber, Ebley Mill, Stroud

**Minutes****Membership:**

Councillor Mattie Ross**	P	Councillor Elizabeth Peters	P
Councillor Doina Cornell *	P	Councillor Gary Powell	P
Councillor Miranda Clifton	P	Councillor Lesley Reeves	P
Councillor Gordon Craig	P	Councillor Mark Rees	A
Councillor Kevin Cranston	A	Councillor Emma Sims	P
Councillor Jonathan Edmunds	P	Councillor Debbie Young	A

\*\* = Chair \* = Vice Chair

P = Present A = Absent

**Officers in Attendance**

Strategic Head (Tenant & Corporate Services)	Head of Asset Management
Strategic Head (Finance & Business Services)	Sheltered Housing Project Manager
Head of Housing Contracts	Housing Advice Manager
Head of Housing Management	Interim Business Development Manager
Tenancy Operations Manager	Sheltered Housing Team Leaders
	Communications Officer
	Democratic Services Officer

**Others Present**

Ian Allan – Chair of Stroud Council Housing Forum

**HC.043****APOLOGIES**

Apologies of absence were received from Councillors Kevin Cranston, Mark Rees and Debbie Young.

**HC.044****DECLARATIONS OF INTEREST**

There were no declarations of interest.

**HC.045****PUBLIC QUESTION TIME**

There were none.

**HC.046**                    **MINUTES – 2 FEBRUARY 2016**

**RESOLVED**            **That the minutes of the meeting held on 2 February 2016 are confirmed and signed as a correct record.**

**HC.047**                    **COUNCIL NEW HOMES AND REGENERATION PROGRAMME UPDATE**

The Interim Business Development Manager outlined the above report and provided an update on completions. Prospective tenants were currently bidding for properties at Mankley Road, Leonard Stanley. The Medium Term Financial Plan has sufficient funds for the purchases at Top of Town and some more shared ownership may be introduced as an option to increase income into the scheme.

**RESOLVED**            **To delegate authority to the Head of Asset Management to:-**

- (a) Purchase up to 3 owner occupied properties at Mason Road, Stroud; and**
- (b) Dispose of up to 2 properties at Daniels Road, Stroud**

**as part of the Top of Town regeneration project.**

**HC.048**                    **SHELTERED HOUSING UPDATE**

In outlining the above report the Sheltered Housing Project Manager highlighted the principles and progress made in sheltered housing to date. Officers were looking at the options appraisals on all 6 red schemes and would present an update report at the next Committee meeting outlining recommendations and the associated programme. Each void would be looked at on an individual basis before a decision would be made whether to re-let it or not.

An amendment to the fourth bullet point to page 21 of the Decant Policy was proposed by the Sheltered Housing Project Manager and accepted by Committee. The words “, if a suitable property is available.” be added at the end of the sentence.

The two Sheltered Housing Team Leaders had contacted sheltered housing tenants to give them the necessary support to register onto Gloucestershire Homeseekers. Some tenants had their own computers and were IT literate whilst others were visited by officers to ensure that properties of interest had bids submitted on their behalf. Contact via telephone to provide updates was also undertaken. A lot of communication and consultation was currently taking place between officers and sheltered housing tenants. A log of all communications is being kept and will be published.

In reply to questions it was confirmed that:-

- It was anticipated that there would be a gap of between 2-3 years between phases, subject to which option is recommended and approved.
- The number of voids at affected sheltered housing schemes would not be included within the normal voids reporting figures so as not to distort figures.

It was highlighted that voids already closed down on 'red' schemes such as those at Dryleaze Court would be removed from the system.

- The Communications Officer will be working on literature which promoted all sheltered schemes within the district. Many sheltered housing scheme tenants were unaware of other schemes within the Stroud district.
- Support is given by the two Sheltered Housing Team Leaders to all affected sheltered housing tenants on the Gloucestershire Homeseeker register. All tenants at Dryleaze Court, Wotton-under-Edge had been registered and half of the tenants at Ringfield Close, Nailsworth. The officers worked closely with the Housing Advice Manager and track the bids ensuring that channels of communication are kept open.

- RESOLVED**
- (a) **To approve the prioritisation for the sheltered schemes set out in section 3 of this report.**
  - (b) **To approve the amended Decant Policy at Appendix A to this report.**
  - (c) **For the sheltered schemes at Dryleaze Court Wotton-Under-Edge, Ringfield Close, Nailsworth, Cambridge House, Dursley and Glebelands, Cam:**
    - (i) **The Decant Policy in Appendix A apply to tenants being moved out of these four schemes;**
    - (ii) **A repairs limit of £2,500 be approved on properties within these schemes and delegated authority be given to the Sheltered Housing Project Manager to agree any exceptions to this.**

**RECOMMENDED TO STRATEGY AND RESOURCES COMMITTEE** That delegated authority be given to the Head of Asset Management to acquire land (including dwellings) at Ringfield Close, Nailsworth and that the cost of the acquisitions is funded from both the Sheltered Housing Review Reserve and from savings within the HRA budget identified in 2015/16 outturn (subject to the Strategic Head's (Finance & Business Services) confirmation that sufficient funds are available).

#### **HC.049                      TENANCY AGREEMENT AND CONDITIONS REVIEW**

The Tenancy Operations Manager introduced the above report and confirmed that following the review the new documents had been written in plain English and robustly reflected our position today.

In response to a Member's question the officer confirmed that if a tenant had an excessive amount of furniture or possessions thus creating a health and safety issue the matter would be dealt with as sensitively as possible to support that individual. This may be with the assistance of family members, other agencies or a case conference.

**RESOLVED**                      **To approve the new tenancy agreement and tenancy conditions for use from 2 May 2016.**

**HC.050**                    **ASSET STRATEGY OVERVIEW**

The Head of Housing Contracts outlined the above report confirming that the validation of the Stock Condition Survey was due to be completed this week. A report was expected to be published during the second week of April 2016.

Members would be updated on the Asset Strategy and Action Plan at the beginning of the new civic year.

In reply to Members' questions the following was confirmed:-

- The asset data system will hold information on each property on all works undertaken, outstanding, both planned and cyclical maintenance. This information would form the basis in decision making on each property.
- All tenants at Queens Court had been registered onto Gloucestershire Homeseekers and 3 tenants currently had received offers.
- Negotiations were currently ongoing to buy back a property from their owners.
- Officers provided a lot of support to tenants during the decanting process.

**RESOLVED**            **To note the report.**

**HC.051**                    **MEMBERS' QUESTIONS**

There were none.

The meeting closed at 8.10 pm.

Chair

## HOUSING COMMITTEE

28 JUNE 2016

8

<b>Report Title</b>	<b>HOUSING REVENUE ACCOUNT (HRA) OUTTURN 2015/16</b>
<b>Purpose of Report</b>	To inform members of the 2015/16 outturn position on the Housing Revenue Account and a change to the position with balances and reserves.
<b>Decision(s)</b>	<b>The Committee:</b> <b>a) notes the headline outturn position on the HRA for 2015/16;</b> <b>b) notes the movements on HRA balances and reserves set out in Table 3.</b>
<b>Consultation and Feedback</b>	The outturn position will impact on budget plans in future years which all key stakeholders will be consulted on.
<b>Financial Implications and Risk Assessment</b>	The change required to the opening balance on the HRA will have a significant impact on the spending plans of the HRA in future years but will be a particular risk during 2016/17.  The projects for which the earmarked reserves were set aside will need to be revisited and some projects may need to be re-prioritised in order to reinstate the HRA balance to a level that will provide some protection to the HRA in light of the various financial risks still to be quantified or realised.  David Stanley – Accountancy Manager Tel: 01453 754100 Email: <a href="mailto:david.staney@stroud.gov.uk">david.staney@stroud.gov.uk</a>
<b>Legal Implications</b>	As a local housing authority, the Council is under a duty to keep in accordance with proper accounting practices, a Housing Revenue Account, consisting of sums falling to be credited or debited in respect of the provision of housing and other associated housing purposes. The Council is also under a duty to prevent a debit balance on the HRA for each accounting year and in doing so must keep under review the proposals in place regarding the income and expenditure on its assets held for housing related purposes. The Council must also revise the proposals from time to time to ensure the relevant duty continues to be met.  Karen Trickey, Legal Services Manager and Monitoring Officer

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<b>Report Author</b>	David Stanley – Accountancy Manager Tel: 01453 754100 Email: <a href="mailto:david.stanley@stroud.gov.uk">david.stanley@stroud.gov.uk</a>
<b>Options</b>	The Council has a number of options it needs to consider over the coming months for addressing the HRA budget. These will be considered by the Housing Committee and reported to Strategy and Resources Committee if appropriate to do so.
<b>Performance Management Follow Up</b>	The outturn position will be taken into account when the budget for 2017/18 is reviewed later in the year. The increase in HRA balances and final earmarked reserve balances will be incorporated into an updated Medium Term Financial Plan that will be presented as part of the Budget Strategy report to the committee in October. Budget monitoring reports will be presented to each committee as the Civic timetable permits.

## Background

1. A summary report detailing the HRA outturn position was considered by Strategy and Resources Committee 15<sup>th</sup> June 2016 to get approval on transfers to/from balances and reserves. These decisions were required prior to Housing Committee to ensure a draft of the Statement of Accounts could be produced by the statutory deadline of 30 June.
2. This report sets out the final outturn position for the Housing Revenue Account for the 2015/16 financial year. The purpose of this report is to inform members of the significant variations on the HRA and the level of balances held by the HRA as a result of closing the accounts for the year.
3. The report also informs members of a significant change to the opening balance on the HRA for 2015/16 and an updated position with the application of Right to Buy receipts which places additional pressure on the HRA for 2016/17.

## HRA Revenue Budget outturn position

4. The gross HRA budget for 2015/16, as approved by Council in January 2016 was £31.662m. Taking into account income and other financing of £31.166m, it was anticipated that there would be a transfer from HRA balances of £0.495m.
5. The outturn position for 2015/16 shows a transfer from HRA balances of £1.432m – a variation of £0.937m. This is due to additional expenditure of £0.395m and lower income and financing of £0.542m. This is shown in more detail in Tables 1 and 2 below. See Appendices A and B for more detailed explanations from the officers responsible.



**Table 1 – HRA Outturn Summary 2015/16**

Housing Committee	2015/16 Original Budget (£'000)	2015/16 Latest Budget (£'000)	2015/16 Final Outturn (£'000)	2015/16 Outturn Variance (£'000)
<b>Expenditure</b>				
Supervision & Management	5,078	4,977	4,945	(32)
Sheltered Housing	871	820	885	65
Repairs and Maintenance	4,129	4,018	4,123	106
Gross Capital Expenditure NB&D	11,126	9,193	9,583	391
Gross Capital Expenditure - Other	10,127	8,575	8,497	(78)
Support Service Charges	333	323	323	0
Other Income and Expenditure	3,381	3,757	3,700	(57)
<b>Gross Expenditure</b>	<b>35,045</b>	<b>31,662</b>	<b>32,056</b>	<b>395</b>
Income (Rents & Charges)	(22,515)	(22,515)	(22,443)	72
<b>Net Housing Expenditure</b>	<b>12,530</b>	<b>9,147</b>	<b>9,614</b>	<b>467</b>
Funding (Borrowing, Grants)	(11,489)	(8,651)	(8,182)	470
<b>TOTAL HRA</b>	<b>1,041</b>	<b>495</b>	<b>1,432</b>	<b>937</b>

(Table contains roundings)

**Table 2 – HRA Capital Outturn 2015/16**

Housing Committee	2015/16 Original Budget (£'000)	2015/16 Revised Budget (£'000)	2015/16 Final Outturn (£'000)	2015/16 Outturn Variance (£'000)
<b>New Build &amp; Development</b>				
Minchinhampton	19	53	79	26
Berkeley	247	408	409	1
Chapel Street, Cam	578	50	11	(39)
Hillside, Coaley	270	144	159	15
Littlecombe	1,945	1,897	1,890	(7)
Sheltered Housing	0	0	1	1
Southbank, Woodchester	349	47	(18)	(65)
The Corriett	259	387	327	(60)
Wharfdale Way	392	12	6	(6)
Moseley Crescent	0	0	5	5
Leonard Stanley	4,096	3,501	3,455	(46)
Top of Town	2,792	2,068	2,621	553
Fountain Crescent	0	524	547	23
Queen's Court	0	0	91	91
Contingency	179	102	0	(102)
<b>TOTAL</b>	<b>11,126</b>	<b>9,193</b>	<b>9,583</b>	<b>391</b>
<b>Other Schemes</b>				
Central Heating	1,598	1,598	1,461	(137)
Disabled Adaptations	250	250	272	22
Estate Works	800	1,000	925	(75)
Kitchens and Bathrooms	2,025	2,025	2,241	216
Major Voids	1,400	600	615	15
Professional Fees	50	50	14	(36)
Roofing	600	700	746	46
Scheme Renovations	430	30	11	(19)
Asbestos / Radon	400	400	341	(59)
Doors and Windows	500	600	597	(3)
Electrical Works	120	300	246	(54)
Damp Works	0	0	3	3
Renewable Heating	805	805	867	62
Non-Traditional Properties	550	70	2	(68)
Gas In-House Provider	47	47	28	(19)
Door entry	100	100	125	25
Suited Locks	140	0	0	0
Gas installs	312	0	4	4
<b>TOTAL Other Schemes</b>	<b>10,127</b>	<b>8,575</b>	<b>8,497</b>	<b>(78)</b>
<b>TOTAL Capital Expenditure</b>	<b>21,252</b>	<b>17,767</b>	<b>18,080</b>	<b>313</b>

(Table contains roundings)

## Change required to HRA opening balance

6. This section of the report provides members of Housing committee with the same information as provided to Strategy and Resources committee.
7. As part of the work undertaken to close the accounts, it became clear that the HRA opening balance reported to Housing and Strategy & Resources Committees during the budget setting process has been overstated by £909k.
8. Initial investigation suggests that the total figure reported for reserves and balances includes the HRA capital receipts reserve, however, this is a balance sheet item and is only included in the budget as income as schemes are progressed that can be financed from the Right to Buy receipts. The fact that the error was undetected during the budget setting process suggests a significant weakness in the control environment that need to be addressed as a matter of priority.
9. It is clearly of grave concern given the general financial position of the HRA and the risks currently faced and so the Chief Executive has instructed both Internal Audit and External Audit to undertake an investigation. A verbal update may be available in time for this meeting.
10. The impact on HRA balances of this change and the level of expenditure in 2015/16 are shown in Table 3 below. The impact of the loss of Right to Buy capital receipts is also significant and continues to be a risk in 2016/17

**Table 3 – Impact on Reserves and Balances in 2015/16**

<b>HRA Balances 2015/16</b>	<b>Budget £'000</b>	<b>Actual £'000</b>	<b>Variance £'000</b>
Opening balance	3,729	3,370	359
Spend in year	-494	-1,432	938
Closing balance	3,235	1,938	1,297
Earmarked reserves 1 April	2,067	1,517	550
Applied in year	-1,717	-1,517	-200
Closing balance	350	0	350
<b>Closing reserves/balances</b>	<b>3,585</b>	<b>1,938</b>	<b>1,647</b>
<b>Explanation of variance</b>			
Opening balance misstated			909
Outturn position:			
- Capital schemes brought forward			391
- Right to Buy receipts not applied			211
- Shared ownership income delay			121
- repairs & maintenance			106
- other			-91
<b>Total variance</b>			<b>1,647</b>

## **Right to Buy Receipts**

11. The application of Right to Buy receipts has been a particular issue during 2015/16 and following extensive work it became clear that:
  - the receipts could not be applied to schemes that had already applied HCA funding;
  - appropriated land does not count as eligible expenditure.
12. Given the much smaller New Build programme in 2016/17 and that almost the whole spend will not be eligible as it has HCA funding attached, the income budget for £550k application of RTB receipts need to be removed in 2016/17.
13. The amount received during the year sits on the balance sheet and is applied at the year end to fund eligible expenditure or repaid to the Government. No budget for the repayment to Government is needed apart from any interest paid. On this basis, £177k repayment needs to be removed from the budget.

## **Impact on HRA budget 2016/17**

14. The budget for 2016/17 will need to be updated for the changes regarding RTB receipts described above and take account of the outturn position. Budgets to be carried forward will also need to be added when they are finalised. These changes alone are likely to see HRA balances reduced to zero by the end of 2016/17.
15. There are a number of options for re-instating balances to a level which provide the cushion needed to face the financial risks the HRA currently faces. For example, earmarked reserves can be reviewed, works can be re-profiled, sales of land and property. Some difficult decisions will need to be made.
16. All options are currently being looked into and will be reported to the Housing Committee for consideration. Ultimately Strategy and Resources Committee and the Council will need assurances from the Section 151 Officer that the balances are adequate and the estimates are robust.

## **Carry forwards / Slippage**

17. Given the reduced level of HRA balances, it is proposed that a decision on the carry forwards and capital slippage requested by budget holders is held over until the September meeting when the HRA budget can be reviewed more fully.
18. There are a number of further pressures on the HRA budget that were highlighted as uncertainties in the January 2016 MTFP. Further information is needed from Government on the impact of legislative changes contained within the Housing and Planning Act, particularly around the extension of RTB to Housing Associations and the requirement for Local Authorities to make a levy payment to Government or sell higher value assets. Details of the carry forwards and slippage are shown below for information. Budgets will therefore be reviewed

throughout the year and changes proposed to future Housing Committee meetings as part of the regular financial reporting process.

**Table 4 – Carry Forwards/Capital Slippage**

<b>Budget</b>	<b>Amount (£'000)</b>
<b>Revenue Carry Forwards</b>	
Allocations Team	15.0
Performance and Improvement Team	61.0
Tenant Participation	6.2
Tenancy Fraud	4.2
	<b>86.4</b>
<b>Capital Slippage</b>	
Chapel Street, Cam	39.0
Littlecombe	7.3
Southbank, Woodchester	65.1
The Corriett	59.9
Wharfdale Way	5.7
Development-Leonard Stanley	46.2
Non-Traditional Properties	68.0
	<b>291.2</b>
<b>TOTAL impact on Balances</b>	<b>377.6</b>

## Revenue variations in excess of £20k

### 19. Supervision and Management – (£32k underspend)

There was a substantial increase in procurement activity during the financial year. The volume of activity and critical business requirement has seen the need to acquire additional specialist professional support to procure numerous contracts, including the Repairs and Maintenance contract, communal door entry, heating installation and sewage treatment plant. This resulted in an overspend on Consultancy support of **£200k** although this did assist in obtaining a significant reduction in the Lovell (Morgan Sindall) Energy Final Account position.

This overspend can be offset by salary savings of **(£90k)** as a result of posts not being filled while the service went through a staff redesign, along with unspent training and IT budgets of **(£68k)**.

A number of small savings across Tenant Involvement budgets has led to an underspend of **(£75k)**. These include (£22k) on environmental funds, (£13k) reduction the printing of promotional materials, (£10k) saving achieved on the procurement of the STAR survey and (£10k) saving due to changes to Keynotes deliveries. These budgets will be reviewed during 2016/17.

### 20. Sheltered Housing – £65k overspend

Costs associated with the Sheltered Housing Review have led to this overspend including Consultancy support and Options Appraisal reports from Ark.

### 21. Repairs and Maintenance – £106k overspend

The poor condition of properties being returned to us this year has led to an increase in costs on the minor voids budget, with the average void job cost rising by £900 compared to the previous financial year. This coupled with KPI payments to the contract and undertaking increased amounts of remedial works following the removal of asbestos has led to an overspend of **£270k**.

Although earlier in the year it was anticipated the Responsive Repairs budget would be underspent, as the contract with Morgan Sindall came to an end all outstanding jobs on the system were cleared and spend in the final quarter increased significantly leading to a **£30k** overspend.

These overspends are partly offset by an underspend of **(£200k)** on the cyclical maintenance budget. (£100k) underspend on the decoration and rendering contract to reflect delays on the internal refurbishment programme. The works were pulled from the programme to restrict escalating costs. Tender prices for stock conditions surveys came in lower than budget, saving (£100k).

**22. Other Income and Expenditure – (£57k underspend)**

This variation is associated with lower debt management costs in year which offsets the increased bad debt provision requirement in year. Additional variations include Pensions and FRS17 service adjustments.

**23. Income (Rents and Charges) – £72k adverse**

As previously reported to Housing Committee in February 2016, a combination of some properties being held void awaiting development and variation in the timing of new properties being added to the housing stock resulted in lower than anticipated income. The variation equates to 0.3% of the annual rent.

**24. Funding (Borrowing, Grants) – £470k adverse**

As highlighted earlier in the report, a reduced level of financing has been applied to the to HRA's capital programme from other sources. This is largely due to a reduction in expenditure which was eligible for the application of Right to Buy (RTB) receipts under the complex Government rules, and lower than expected shared ownership income for the year (largely a timing difference as this was received in April 2016).

## Capital variations in excess of £20k

### 25. **New Build and Development – £391k variation (accelerated delivery)**

As highlighted to members in previous monitoring and outturn reports, the New Build and Development programme runs over a number of financial years. As such, it is difficult to profile budgets from one year to the next as the overall level of spend in one year or the next will be affected by a number of different factors.

In 2015/16, a number of the developments progressed more quickly than was anticipated in the final quarter of the year as a result of accelerated delivery of contracts. Whilst technically this could be seen as an overspend on the year's budget, this is not additional expenditure but just timing of payments for contracts that span over financial years.

Every effort is made to ensure that the annual budget for each development reflects the likely level of expenditure for the year, but ultimately, the delivery of the programme (and hence the annual spend) is dictated by the contractor based on the speed of delivery of materials and supply of labour.

### 26. **Central Heating – (£137k) underspend**

The central heating underspend was partially due to higher than expected volume of reactive boiler failures in the last quarter of the financial year, which caused a hold up with the planned programme and a reconciliation exercise was required causing further delays. The actual volumes of full replacements were slightly lower than the original budgeted numbers due to a higher than expected number of refusals and access issues, the volume of just boiler replacements was higher as above, however these have a lower unit rate, so the overall affect was an underspend.

### 27. **Disabled Adaptations– £22k overspend**

The number of referrals passed by Social Services was higher than anticipated. 91 major property adaptations have been carried out this financial year.

### 28. **Estate Works– (£75k) underspend**

As previously reported to Housing Committee in February, delays caused by extra work identified once works underway have reduced the number of properties that were completed in the year. The total number of properties re-rendered in the financial year was 57, along with general building works at 72 other properties.

### 29. **Kitchens and Bathrooms – £216k overspend**

As reported to Housing Committee in February, works that had previously been funded from the minor voids budget were capitalised during the year and had not been budgeted for here. The total number of kitchens fitted in 2015/16 was 191 and the total number of bathrooms was 257.



**30. Professional fees – (£36k) underspend**

These costs had previously been reported as capital expenditure but following a review of all capital expenditure are considered as revenue expenditure (see Paragraphs 19 and 20).

**31. Roofing – £46k overspend**

Additional on site tile replacements identified on the final phase of properties. Total number of full roofs replaced is 96.

**32. Asbestos / Radon – (£59k) underspend**

A delay in the procurement of the asbestos survey and removal contracts has delayed delivery of the programme.

**33. Electrical – (£54k) underspend**

This underspend has occurred due to the early close down of the Morgan Sindall electrical contract.

**34. Renewable Heating – £62k overspend**

This overspend relates to the final account of the Glevum PV330 and Lovell Energy contracts.

**35. Non-Traditional Properties – (£68k) underspend**

The contract for external wall insulation at 1 and 2 Swedale was procured in December 2015 however due to the delay in manufacturing the structural insulation the start on site date has changed to 1 June 2016. The works are due to complete in September 2016.

**36. Door Entry – £25k overspend**

A higher number of reactive communal door failures than anticipated, along with some spend relating to 2014/15 has led to this overspend.

<b>Report Title</b>	<b>CORPORATE ASSET MANAGEMENT STRATEGY</b>
<b>Purpose of Report</b>	For Committee to agree the content and direction of the strategy and approve the programme of property reviews.
<b>Decisions</b>	<b>Housing Committee RESOLVES to:</b> <b>a) Approve the programme of property reviews for Housing Revenue Account property.</b> <b>b) RECOMMEND to Strategy and Resources Committee that the Corporate Asset Management Strategy is approved.</b>
<b>Consultation and Feedback</b>	The Chair and Vice Chair of Housing Committee have had input into the direction of the strategy along with officers in Housing Contracts and Asset Management.
<b>Financial Implications and Risk Assessment</b>	<p>Whilst there are no financial implications arising directly from this report, it is important the Council has a Corporate Asset Management Strategy that is fit for purpose. The strategy should help to ensure the Council's limited capital and revenue resources are applied in such a way that property assets are held and maintained to deliver the Council's key objectives, and resources are not tied up or expended unnecessarily.</p> <p>In the case of the HRA, the report sets out a programme of reviews which are likely to have significant financial implications in themselves.</p> <p>David Stanley – Accountancy Manager  Tel: 01453 754100  Email: <a href="mailto:david.stanley@stroud.gov.uk">david.stanley@stroud.gov.uk</a></p> <p><b>Risk assessment by the report author</b>  The strategy requires sufficient budget and resource to deliver the work streams, if these are not clearly available then the delivery will be curtailed or deferred.</p>
<b>Legal Implications</b>	The report is strategic in nature. There are no material legal implications arising from it. Alan Carr, Solicitor Tel: 01453 754357 Email <a href="mailto:alan.carr@stroud.gov.uk">alan.carr@stroud.gov.uk</a>

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<b>Options</b>	The Committee can adopt the strategy and review programme or suggest amendments to them.
<b>Performance Management Follow Up</b>	12 month review via briefing note to members on status and effectiveness of the strategy in light of any legislative or other impacts.
<b>Background Papers/ Appendices</b>	Appendix A – Corporate Asset Management Strategy Appendix B - Stock Condition Survey <a href="\\stroud.gov.uk\sdata\Housing\Shared\Stock Condition Surveys">\\stroud.gov.uk\sdata\Housing\Shared\Stock Condition Surveys</a> Appendix C - Overview of general needs property review

## **1.0 Background**

1.1 The Corporate Asset Management Strategy (CAMS) is a key corporate document which details how the Council manages its property assets to achieve its corporate objectives. This plan should ensure that robust processes are in place to deal with the challenges that lie ahead.

## **2.0 Changes**

2.1 The previous Corporate Asset Management Strategy was updated in 2013 when an attempt was made to merge it with Tenant Services' to provide an overview of policies and issues relevant to both General Fund and Housing Revenue Account (HRA) property, with a separate Asset Management Strategy and action plans for each.

2.2 The Strategy has been reviewed and further work undertaken to improve consistency. A significant change is that there is now one overall Corporate Asset Management Strategy with a detailed action plan for General Fund property in place and Tenant Services' action plan to be developed within the next six months.

2.3 The Strategy will be reviewed every 5 years. Progress on the Action Plans will be reviewed annually and reported to Housing and/ Strategy & Resources Committees. The Strategic Head of Tenant & Corporate Services has overall responsibility for the Corporate Asset Management Strategy and the implementation of the Action Plans.

### 3.0 **Property Reviews**

- 3.1 In October 2014 Strategy and Resources Committee agreed a programme and methodology for property reviews for General Fund property ensuring that every property /property type is reviewed every 4 years on a rolling programme. Updates and decisions on the review programme are taken to Strategy and Resources Committee at regular intervals.
- 3.2 Reviews of HRA properties have previously been on an ad-hoc basis but are now programmed and will be reported to Housing Committee and are set out below:

Property Type	Review date	Comments
Garages and small sites	Sept 2016	Underway – update from Principal Estates Surveyor
Sheltered Review	October 2015 (start)	Options appraisals of red schemes reported to June 2016 Housing Committee
General Needs Stock	December 2015 March 2016  To be programmed	Queen’s Court - decision to dispose Stock Condition Survey (Appendix B) Overview of general needs property review (Appendix C) Reviews of different categories of general needs stock
Council Estate Shops	June 2018	Ongoing as part of the 5 year review process – Property Manager
Playing Fields	June 2018	Ongoing as part of the 5 year review process – Property Manager
Miscellaneous properties	June 2018	Ongoing as part of the 5 year review process – Property Manager

### 4.0 **Conclusion**

- 4.1 The Strategy will also be presented to Strategy and Resources Committee with specific information relating to the action plan for General Fund property.
- 4.2 It is recommended that the Committee approves the strategy in respect of Housing Revenue account property.

# **Corporate Asset Management Strategy**

## **2016-2021**

## **Corporate Asset Management Strategy 2016-2021**

### **1.0 Introduction:**

1.1 A significant amount of the council's resources is spent on its property. It is crucial therefore that we understand how this investment should be prioritised and what we expect to achieve as a result. Asset management planning ensures a corporate approach and provides the framework to measure and monitor how our property is performing and where we can improve.

### **1.2 Stroud District Councils strategic property aim is:**

**To ensure that the council's property assets are managed in the most economic effective and efficient manner to achieve value for money and contribute towards achieving the Council's corporate objectives and service delivery.**

### **1.3 The Council's strategic property priorities are:**

- Regenerate poor performing and non-traditional construction stock
- Pursue new initiatives relating to the use of our land and existing stock
- Dispose of the assets we no longer need
- Challenge whether we need to keep all of our assets
- Acquire new assets if we need them

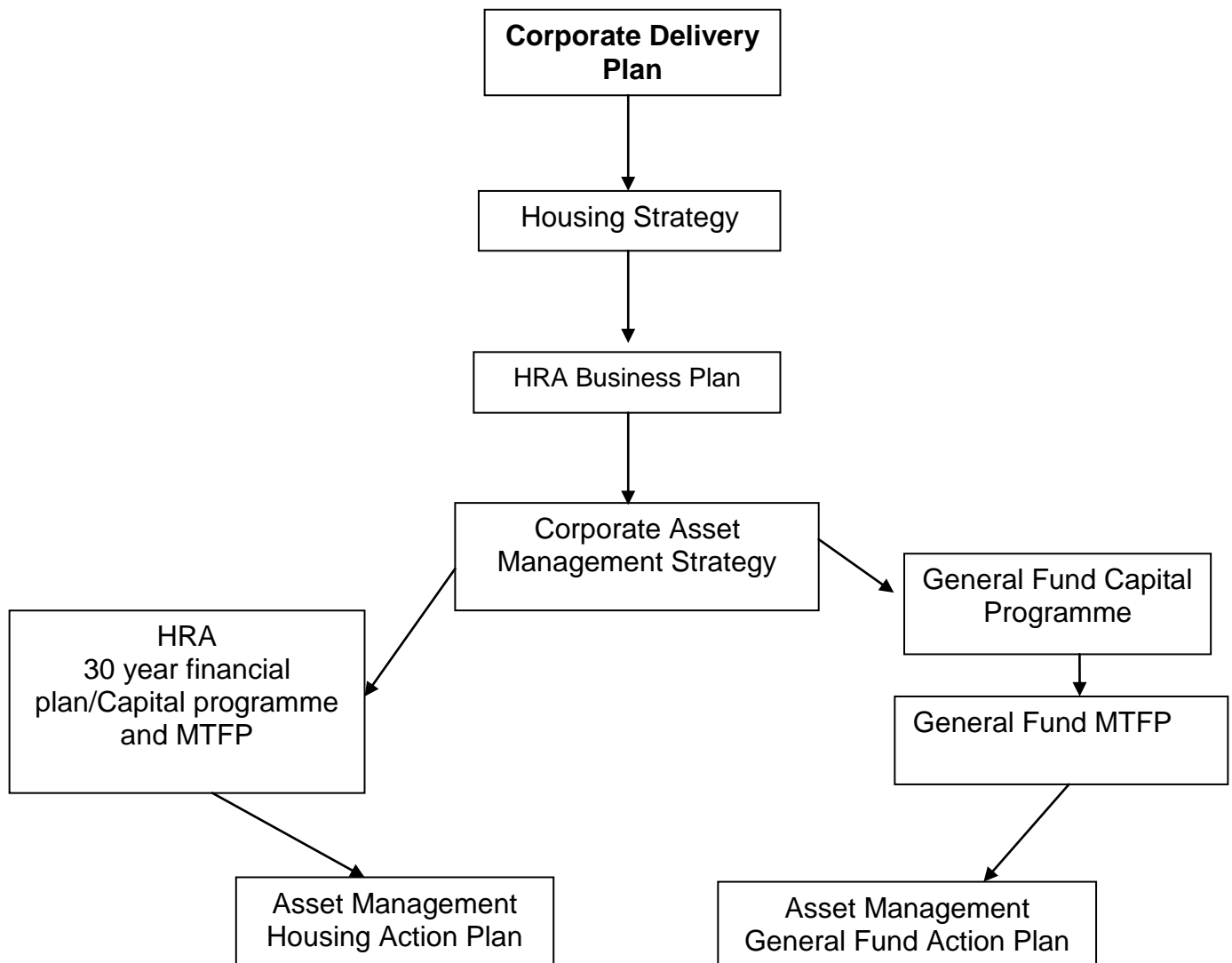
### **1.4 This will achieve the following:**

- Assets aligned with corporate aspirations and customer needs
- A more environmentally sustainable asset base and an understanding of what we can deliver within the constraints of budget and technology
- The right mix of properties in the right locations to meet local and demographic needs
- Minimise running costs to the Council and tenants
- Identify long term capital investment needs with a clear understanding of maintenance needs and a clear strategy for maintenance
- Appropriate retention and disposal of assets, enabling reinvestment in existing properties, and development or acquisitions of new homes and properties

1.5 The Corporate Asset Management Strategy (CAMS) is a key corporate document setting out how the long term objectives for managing the Council's property portfolio will be delivered. Action plans, which outline clear and measurable actions that will be implemented over the next 5 years as part of delivering the CAMS, will form part of the framework and be reviewed annually.

## 2.0 The Corporate Picture:

- 2.1 The Corporate Delivery Plan 2015-19 (CDP) was published in 2015. <http://www.stroud.gov.uk/media/1084/cdp2015web.pdf>. New challenges for our housing stock include; customer affordability issues arising from welfare reforms, increasing customer expectations, increasing demand and the need to ensure more sustainable homes against the back drop of recent legislative reforms which have significantly affected income streams from 2016-2020 and an ageing stock.
- 2.2 Challenges for the General Fund portfolio are similar with many listed buildings requiring ongoing maintenance, increases in running costs and requirements to improve energy efficiency, all against a backdrop of reducing revenue streams.
- 2.3 The Council's key priorities contained in the Corporate Delivery Plan are:
- ❖ **ECONOMY**  
Help local people and businesses grow the local economy and increase employment
  - ❖ **AFFORDABLE HOUSING**  
Provide affordable, decent and social housing
  - ❖ **ENVIRONMENT**  
Help the community minimise its carbon footprint, adapt to climate change and recycle more
  - ❖ **RESOURCES**  
Provide value for money to our taxpayers and high quality services to our customers
  - ❖ **HEALTH AND WELLBEING**  
Promote the health and wellbeing of our communities and work with others to deliver the public health agenda
- 2.4 The CAMS supports the Corporate Delivery Plan and includes key objectives and targets for our assets to ensure they are used in an effective and efficient way. It also provides detail on our future investment strategy and the effect this will have on our assets. The framework is shown below:



### 3.0 Property Portfolio

3.1 As at the 31<sup>st</sup> March 2016, the Council's balance sheet shows that the council held Property, Plant and Equipment with a net book value of £256.8m (split HRA £225.5; GF 31.3m) and an asset management policy ensures that these assets are maximised to best use in support of its corporate aims.

3.2 The council's property portfolio is categorised as follows:

❖ Housing Revenue Account Portfolio:

Comprises of 5,097 general needs dwellings, 21 shared ownership dwellings, 798 sheltered units, 161 leasehold flats, 775 garages, 12 estate shops, open spaces and play areas, un-adopted roads and drainage.



❖ General Fund

Operational property portfolio:

Assets held for service delivery e.g. Ebley Mill, Dursley Pool, Stratford Park Leisure Centre

Non operational property portfolio:

Assets held for economic development and financial return e.g. Brunel Mall, Old Town Hall, Oldends Lane, Littlecombe, public car parks, public conveniences

Community/Heritage Assets:

Assets of social value and /or heritage value e.g. the Subscription Rooms, Woodchester Mansion

A list of the council's assets can be found on PDF format at

<http://www.stroud.gov.uk/council/opendata/registers/council-property-register>

**4.0 How is the property held and funded?**

**4.1 General Fund Capital Financing**

Property other than Housing is held by the Council in a “General Fund”, which will show the aggregated financial position of the Council's non housing portfolio.

**4.2 HRA Capital Financing**

The Councils Housing and housing related property is held in a Housing Revenue Account. Self financing was introduced in 2012. The Councils HRA capital financing position is set out in the 30 year financial business plan.

**5.0 Property Reviews/Asset Challenge**

5.1 It is essential that the council routinely challenges and reviews the use, provision and performance of its property and a programme of property reviews have been time tabled and reviews are underway. These challenge whether the council's assets are fit for purpose, provide value for money, meet current and future needs and will enable informed decisions in respect of retention, management and disposal.

**6.0 Acquisitions, Under-Use and Disposal**

6.1 The Council both sells, acquires land and property as appropriate, more recently it has also started to build homes in Minchinhampton and Stroud and facilities such as Gossington Depot and manage property on behalf of other parties (MSCP and Brimscombe Port). Discussions to acquire or sell assets are informed by the asset management planning process, ongoing asset reviews and proposals arising from market opportunities and service requirements.

## 6.2 Acquisitions

One of the council's new priorities is to invest in a balanced portfolio of investment properties in mainstream sectors that can generate an income for the council to contribute towards financial self sufficiency.

A detailed investment strategy is being drafted which identifies the issues, ground rules, drivers and governance arrangements and incorporates development.

## 6.3 Under use /disposals

Assets that the council no longer needs will be identified in asset reviews and will be disposed of generating capital receipts for re-use in support of council priorities or reducing costs.

## 6.4 Future disposals will arise:

- Through changing operational needs such as the sheltered and garage reviews.
- Where property has the potential of development, redevelopment or may be of more beneficial use.
- Where it is considered that the councils needs can be provided by alternative accommodation, joint use or rationalisation of existing property holdings.
- As a result of approaches from interested parties (e.g. developers or adjacent owners).
- Where the management of a site can be delivered more effectively by another organisation (we encourage purely local facilities to be managed locally).

## 7.0 **Property Data and Performance**

7.1 In order to manage its property portfolio effectively both now and in the future and to enable priorities to be met, the council requires accurate information on its property assets including legal title, landlord and tenant matters, running costs, good quality stock condition and performance information including user and occupier satisfaction This is provided in a variety of ways through Agresso, Northgate, Keystone and other databases.

## 8.0 **Condition of the portfolio**

8.1 Condition surveys inform us of the backlog of works and ongoing demand for new investment. It also assists with the prioritisation of schemes within limited resources and helps reassess future programmes. General Fund stock condition surveys are carried out on a 5 yearly cycle.

8.2 The Strategy is informed through the regular undertaking of Stock Condition Surveys, and is supported by the medium term financial plan (MTFP) Long term projections for maintenance and investment costs have been made based on component whole life forecasts contained within the Asset management database.

- 8.3 The MTFP HRA Business Plan 2017-2022 will incorporate the Stock Condition Survey data to ensure that the maintenance requirements are fully transparent.
- 8.4 Proper investment in existing HRA stock is imperative for continued high performance. For the medium term, a five Year Maintenance Plan (2017-2022) is being produced for HRA properties and will be publicised to customers and stakeholders. The Plan is designed to be both flexible and comprehensive, enabling us to balance maintenance with development and with government funding streams where applicable. Investment is not simply a balancing figure in the business plan; the Maintenance Plan is one of the essential supporting documents to be reviewed early in the life of this new Corporate Asset Management Strategy.
- 8.5 The New Homes and Regeneration programme is set to deliver 236 homes by March 2018 from an overall budget of £19.5 million. The future delivery of new homes beyond this programme needs to be reviewed in the light of recent national policy changes and their impact on the HRA.
- 8.6 Due to the stock condition spend requirements, in particular with regard to the sheltered housing stock and non traditional properties, it is envisaged that future new homes will be delivered as part of the redevelopment and regeneration of existing schemes and estates.
- 8.7 The Council's key development sites at Littlecombe and Brimscombe Port will be progressed over the next period of this Strategy.

## **9.0 Statutory Duties**

- 9.1 The Council ensures that its property portfolio is compliant with legislation by establishing key responsibilities and carrying out all necessary statutory servicing and inspections including asbestos, Legionella, gas and electrical safety and fire risk assessments, Housing health and safety rating system and energy performance certificates (EPC's).

## **10.0 Equality and Diversity**

- 10.1 The Council values and respects the wide variety of people in the district from diverse backgrounds, cultures, beliefs and lifestyles who are a part of the community we serve. The policies, procedures and working practices reflect the commitment to adhering to the Equalities Act 2010.

## **11.0 Environment**

- 11.1 The Council will seek to minimise its effect on the environment by ensuring that its assets are sustainable in maintenance and operation and has an environmental strategy, see [http://www.stroud.gov.uk/media/2267/environment\\_strategy.pdf](http://www.stroud.gov.uk/media/2267/environment_strategy.pdf). It aims to improve energy efficiency and reduce energy consumption in line with the targets set out in the strategy.

## **12.0 Risk Management**

- 12.1 Management responsibility has been clearly defined for the identification, evaluation and control of significant risks throughout the organisation. There is a formal and on-going process of management review which is coordinated through a quarterly reporting framework from management through Scrutiny members who have been appointed by Housing Committee.
- 12.2 Risk is also managed via Excelsis which is monitored by Unit Managers and Heads of Service on a monthly basis and reported to corporate team quarterly. Significant risk areas are also reported to Joint Safety Committee which meets bi-annually.
- 12.3 The ongoing review of risk includes consideration of the completeness of the principal risks identified, of the relative significance of those risks and of the risk management techniques that are applied to mitigate those risks.
- 12.4 A range of risk mitigation techniques should be used including assurance, preparation of contingency plans and internal controls. The system of internal control is present in all aspects of the organisations operations and is essential to its management of risk.

The Corporate risk register is a supporting document to this Strategy

## **13.0 Next Steps**

- 13.1 The delivery of the Strategy will be achieved through the Asset Management Action Plans which identify clear and measurable actions that will be undertaken to deliver each of the strategic priorities, give brief details of the work needed and allocate responsibilities and deadlines.

## **14.0 Document Review**

- 14.1 The Asset Management Strategy will be reviewed every 5 years. The Action Plans will be reviewed annually and progress reported to members.

## **15.0 Document Responsibility**

- 15.1 The Strategic Head of Tenant & Corporate Services has overall responsibility for the Asset Management Strategy and the completion of the associated Action Plans.

## General Needs Housing Stock –Property Review

### Strategic Context

The draft Housing Revenue Account Business Plan sets out the challenges facing the Council in relation to owning, managing and providing quality rented housing stock to our local community.

Our Mission Statement as landlord is:

*“To provide quality homes for our tenants and their families which are well managed and, as far as possible, meet the needs of our communities”*

Our Vision is:

*“The effective management of our stock (rented homes) based on accurate information, strong business decision making and the view that stock must not be only managed as a whole (and not prioritised individually) but also future housing needs must influence future housing provision. This means that stock management priorities must remain flexible in order to enable us to best respond to future need projections”.*

Our Objective is:

*“To maintain our existing stock to a decent homes standard within the budget constraints we face”.*

### Background

#### Demand for our Homes

The HRA Business plan recognises that we currently lack clear information in terms of housing need and future projection however; a 15.9% increase in population in Stroud District is expected between 2012 and 2030. In 2014, 21.3% of the population of Stroud District was aged 65+ compared to 17.6% across England and over the next 20 years this is projected to increase - to 28.5% by 2030.

In February 2016, 0.8% of the working age population in Stroud District is unemployed and claiming benefits compared to 1.8% across England and Wales. However, Gross Domestic Product per head of European Union average is only 74% and this has remained broadly flat over the past decade. When compared to the UK average figures, the percentage of Housing Benefit claimants in Stroud District is broadly in line with the average in England,

Stroud District Council has operated the Choice Based Lettings system, known locally as Gloucestershire Homeseeker since 2010, to offer homes to potential tenants.

The changing demographic profile of Stroud along with Welfare Reform is likely to lead to a demand for smaller homes in the future. The number of people on Glos Homeseekers' waiting list continues to increase with over 3,000 registrations currently seeking Council accommodation.

The Council's Housing Strategy confirms that the proportion of households living in private rented accommodation in the District has increased and predicts that this upward trend is likely to continue.

Demand for good quality rented homes that are affordable will increase.

Expansion of the 'Right to Buy' scheme to Housing Associations, and the shift of funding from rented social houses to shared ownership and starter homes will mean that maintaining or increasing the supply of social rented housing will become ever more challenging.

### **About Our Homes**

SDC's landlord housing and housing asset management services is a not for profit business unit, regulated by the Homes and Communities Agency (HCA). Any trading surplus is used to maintain existing housing and to help finance new homes.

SDC manages 5279 residential properties. Most of this stock is houses followed by bungalows. 798 properties are designated as sheltered units. Over 65% of the stock is between 30 - 40 years old.

There are 590 properties and 31 blocks which are of non-traditional construction which present issues of a different nature that will need to be tackled and should be considered now as part of an overall strategy.

In the 1980's the Council held over 9000 dwellings within the housing portfolio. This currently stands at 5097 largely due to the right to buy legislation which has effectively seen the better properties in terms of condition or location, sold off.

Stroud District Council (at 31st March 2016) had a stock in ownership and management distributed as shown below:

- Social housing rented 5097
- Shared ownership 21
- Leasehold properties 161
- **Total Stock 5279**
  
- 83 % of the stock are made up of houses, bungalows, maisonettes and flats
- 12 % are of non traditional construction
- 65% are over 30 years old

**Table 1: Dwelling stock by type**

Property Type	0 Bed	1 Bed	2 Bed	3 Bed	4 Bed	5 Bed	6 Bed	Total
House	0	35	559	1565	68	1	1	2229
Maisonette	0	0	5	16	4	0	0	25
Bungalow	119	569	553	50	3	0	0	1294
Flat	49	977	497	25	1	0	0	1549
<b>Total</b>	168	1581	1614	1656	76	1	1	<b>5097</b>

In 2015/16 £21.705m of rent was collected in respect of the Council's Housing Stock.

### **Condition**

Accurate stock information and good data systems are key components to the delivery of sound asset management. Reliable information is absolutely critical to the operational delivery of improvements. The Keystone Asset Management system is the primary asset database for data and reporting functions.

Although the stock was last surveyed in 2010, it has become clear in the subsequent years that on a property by property basis, this information is no longer sufficient.

Investment in the stock through planned programmes of work, the undertaking of ad-hoc, pieces of work, and changes in regulatory standards and best practice has created potential information gaps.

As a result of this, a 25% stock condition survey was undertaken in 2015/16, which will form the baseline data used to develop programmes and reinvestment plans for the stock based on standard elemental lifecycles. This stock condition survey, carried out by Pennington Choices, has been used to update asset management systems, forecast future asset management budgets and produce a 5-year Improvement Plan.

The 2015/16 Stock Condition Survey has covered more homes, targeting both a representative sample of stock and areas of data weakness/uncertainty. Stock has been physically surveyed and financially modelled in terms of short, medium and longer term investment. This will be followed in future years by a focussed programme to replace all cloned and extrapolated data with surveyed information.

Future Surveys will focus on areas where gaps in information have been newly identified alongside a systematic programme to actively resurvey a representative proportion of the remainder of stock. This will ensure that a balanced mix of property types and areas are being surveyed, gradually reducing the number of properties with unrepresentative data year on year



until all properties are fully surveyed. In addition to this programme we will also ensure robust management information is collected in relation to Asbestos, Legionella, and other statutory compliance areas.

### **Decent Homes**

96.3% of our homes meet the Decent Homes Standard where planned improvements took place supported by HCA grant funding of £5.9m. We are continuing work to develop and agree a Standard which supports the aspirations of our stakeholders using decent homes criteria.

### **Aids and Adaptations**

At Stroud we are committed to ensuring that residents and those who care for them are able to live independently in their homes for as long as possible. To avoid delays in completing work, officers and contractors will be trained to identify where minor adaptations up to £1,000 which do not require an assessment by an Occupational Therapist can be carried out, whilst they are on site.

For major adaptation work, an Occupational Therapist referral is required to ensure it is fit for tenants' needs. Funding is awarded in line with the Disabled Facilities Grant process which Tenant Services administers on behalf of Environmental Health.

Our Aids and Adaptations Policy outlines the scope, processes and limitations of SDC's responsibilities in this area.

### **Health and Safety (compliance)**

Statutory compliance with Health and Safety related legislation is essential. SDC has procured appropriate contracts and implemented programmes to meet its statutory obligations. Headline areas include heating appliance servicing, energy performance of homes, electrical safety, Asbestos, Legionella and water hygiene, Radon and non-traditional system built stock.

### **Sustainability**

Sustainable development is a wide reaching agenda that includes policy initiatives such as the Decent Homes Standard, Affordable Warmth, energy efficiency ratings and the "SAP" energy assessment methodology.



All social landlords undertaking development have constructed new homes to meet the Code for Sustainable Homes Level 3 as a minimum but the bar has been increasingly raised and the Code has been replaced by new national technical standards which comprise new additional optional Building Regulations regarding water and access as well as a new national space standard (this is in addition to the existing mandatory Building Regulations). These additional options (which are comparable with the requirements for the former Code for Sustainable Homes Level 4) can be required for planning permission.

The Development Programme will continue to take opportunities to provide the most economically viable sustainable homes that can be achieved within budgetary restrictions and will have delivered 236 new homes by 2018.

This Corporate Asset Management Strategy will continue to take these agendas forward by ensuring that resources are targeted effectively. With particular reference to energy efficiency and fuel poverty, the poorest performing stock has now been identified and programmes are underway to increase energy performance through a combination of improved insulation, more efficient heating systems, smart technology, and more energy efficient replacement components. This approach underpins the objectives outlined within the Energy Strategy (which is currently being reviewed) to relieve fuel poverty and maximise carbon reduction. We are developing a “whole stock” approach to ensure that we can invest to achieve the greatest benefit in value for money terms, whilst aiming to reduce real heating costs for customers.

Stroud District Council will continue to support tenants and stakeholders to ensure they benefit through initiatives to reduce energy consumption such as:

- Fitting low energy light bulbs
- The installation of water saving devices (if appropriate)
- Providing advice and supporting behaviour change
- Installing low energy components

### **Budget/ Maintenance Programme**

£6.5 - £7.0 million planned and cyclical maintenance per annum  
 £3.0 – £3.3 million responsive maintenance and voids per annum

### **Maintenance and Repairs**

The Regulatory framework for social housing in England since April 2012, under the Home Standard sets out specific expectations of landlords in relation to the upkeep of properties in particular: *“Registered providers shall ensure a prudent, planned approach to repairs and maintenance of homes and communal areas. This should demonstrate an appropriate balance of planned and responsive repairs, and value for money. The approach should*

*include: responsive and cyclical repairs, planned and capital work including empty properties and adaptations.*

*It must meet all applicable statutory requirements whilst giving choices, and respond to the needs, of our customers”.*

A range of framework contracts are in place to deliver the majority of planned property maintenance needs. In addition to maintenance services (and recognising the difficulty customers face in obtaining a competent, safe and value for money contractor for minor repairs) SDC has developed the “Handyperson” service. This provides access to affordable assistance to all customers.

The Council owns many types and ages of homes, not all of these will be suitable to meet the needs of our current and future tenants. Future investment in maintenance and improvements will be based on ongoing stock condition surveys. Limited funds need to be targeted to maximise value for money.

### **Challenges**

While significant progress has been made in improving our homes, the stock condition survey undertaken indicates that 40% of the original backlog repairs still need to be tackled. This along with existing non decent homes and a predicted newly arising need over the next 5 years means we still have challenges ahead.

Good asset management requires planning, and the technical risk of component failure should not be considered in isolation. Our approach will be to validate the assumptions made, and where appropriate incorporate backlog repairs, newly arising need, and existing components which do not meet the required standards into existing and future programmes of work.

We will intelligently plan our programmes to ensure they meet the needs of our business, customers, and stakeholders.

### **Achievements to Date**

Since the adoption of the Strategy in October 2012, good progress has been made, particularly in areas relating to:

- A successful bid was submitted to the Homes and Communities Agency (HCA) for backlog grant to make 902 homes comply with Decent Homes Standard. The target was surpassed with 1049 homes being made decent. 96.3% of tenant’s homes now meet the Decent Homes Standard. Exceeding estimates have improved the lives of our tenants and demonstrates our commitment to providing quality homes.

- 295 homes are benefitting from additional loft insulation upgrades to 300mm, in addition to cavity, and external wall insulation leading to warmer and cheaper to heat homes.
- 597 properties have benefited from the installation of 5373 photovoltaic panels. In addition, 449 air source heat pumps have been fitted and 3 ground source heat pumps installed. This project has meant that tenants who were in fuel poverty, on low incomes, or may have become fuel poor can properly heat their homes and in most cases reduce costs at the same time.
- Implemented our own in house gas team with customer satisfaction levels massively improved across sheltered and general needs tenants.
- Procured a value for money contract based on a quality first versus cost approach to deliver responsive repairs and maintenance, and planned programmes of work such as new kitchens, bathrooms, and external works. We anticipate a 9% saving over the lifetime of the contract against previous contractual agreement estimates.
- A 25% condition survey of housing stock by archetype has been undertaken. By the end of 2015/16, £11.5 million has been invested in the Council's New Homes and Regeneration programme with 110 properties completed from the 236 new homes that the programme is set to deliver by March 2018. These include completed schemes at Minchinhampton and Littlecombe, the first phase of the regeneration scheme at Top of Town and the first homes from our programme of small sites. These new homes include the completed sales of 20 shared ownership homes.
- Received an allocation of £2.75 million of grant through the 2015-18 Affordable Homes Programme for the New Homes and Regeneration programme.

### **Completed reviews of elements of General Needs homes**

- Addressing the limited life of our Woolaway properties in Minchinhampton, Stroud and Leonard Stanley and replacing these homes
- Decision to decommission/dispose of Queens Court, Brimscombe, which is a block of maisonettes and flats
- Review completed and a programme started for utilising small sites and garages

### **What Next?**

In order to meet the considerable financial challenges facing the maintenance and management of the Council's general needs stock, the stock condition survey now needs to be used to inform a series of more detailed reviews of different categories of stock. For example, a strategy for dealing with the remaining non-traditionally constructed properties needs to be formulated and approved, likewise dealing with maisonettes and flats above commercial premises or properties in the poorest condition.

There have been and will continue to be circumstances when certain properties, should be recommended for disposal these may be:

- Difficult to let.
- Homes for which there is no or very low demand.
- Where the cost of investment outweighs the market value or long-term rental value of a property and where more could be achieved through disposal and reinvestment of the capital receipt or where redevelopment is viable.
- Disposal or demolition could result in regeneration or remodelling to provide better accommodation.

Conversely, there will also be circumstances where the Council should continue to invest and implement timely planned maintenance to improve the performance and viability of the majority of its homes.

A matrix is being developed to help inform these reviews and recommendations on major investment decisions.

### **Action Plan**

An action plan with an annual review will ensure that our homes are fit for purpose. The Action Plan will be presented to Housing Committee in September 2016 subject to the outcome of the Housing Committee decision in June 2016.

28 JUNE 2016

11

<b>Report Title</b>	<b>SHELTERED MODERNISATION PROGRAMME</b>
<b>Purpose of Report</b>	To update the Committee on Stroud District Council's Sheltered Housing Asset Review and seek approval to recommendations for the 6 red schemes
<b>Decision(s)</b>	<p><b>Housing Committee RESOLVES:</b></p> <p><b><u>Dryleaze Court, Wotton-Under-Edge:</u></b></p> <p>a. To retain 31 bungalows and flats and associate them to Dryleaze House.</p> <p>b. To dispose of the Council's freehold interest in Dryleaze Court on the open market.</p> <p><b><u>Ringfield Close &amp; Park Road, Nailsworth:</u></b></p> <p>c. To dispose of the Council's freehold interest in 26 and 28 Ringfield Close on the open market.</p> <p>d. To dispose of the Council's freehold interest in Ringfield Close and the garage site at The Ridings together on the open market. Should the garage site not be required for the redevelopment of Ringfield Close, to add it to the small sites programme.</p> <p>e. To redevelop the Council's properties at Tanner's Piece to provide flats for Older People.</p> <p>f. That the Head of Housing Contracts reviews the future of the general needs properties at Upper Park Road, as part of the strategy for the Council's non-traditional housing stock.</p> <p><b><u>Cambridge House, Dursley:</u></b></p> <p>g. To retain the 4 sheltered bungalows currently associated with Cambridge House.</p> <p>h. To dispose of the Council's freehold interest in Cambridge House on the open market.</p> <p><b><u>Glebelands, Cam:</u></b></p> <p>i. To redevelop its sheltered scheme at Glebelands</p> <p style="padding-left: 40px;">i. using half of the site to provide flats,</p> <p style="padding-left: 40px;">ii. using the other half to provide bungalows and houses through a joint venture</p> <p><b><u>Stonehouse Schemes:</u></b></p> <p>j. To remodel and retain Burdett House, Stonehouse.</p> <p>k. to consider the future of the sheltered scheme at Willow Road, Stonehouse a part of a wider review of the Park Estate and potential estates renewal project.</p>

	<p><b>I. To approve the proposed redevelopment schemes subject to further reports to Committee on scheme design and financial appraisal, overall 30 year plan modelling and confirmation that funding is available.</b></p>
<p><b>Consultation and Feedback</b></p>	<p>The following update and/or consultation meetings have been arranged to discuss the recommendations made in this report: (at the time of writing)</p> <ul style="list-style-type: none"> <li>• 9<sup>th</sup> June – Meeting to brief Ward Councillors of the schemes affected</li> <li>• 13<sup>th</sup> June – Dryleaze Court residents meeting (Cllrs invited)</li> <li>• 15<sup>th</sup> June – Ringfield Close residents meeting (Cllrs invited)</li> <li>• 15<sup>th</sup> June – Cambridge House residents meeting (Cllrs invited)</li> <li>• 16<sup>th</sup> June – Glebelands residents meeting (Cllrs invited)</li> </ul> <p>Copies of the draft report have been sent to the respective Town and Parish Council's.</p> <p>Feedback will be given at Committee.</p>
<p><b>Financial Implications</b></p>	<p>The October 2015 decision (Decision 2-b) states that the long term sheltered delivery plan will be “supported by a financial plan which models and responds to risks such as the budget requirement for a 1% rent decrease, Right to Buy (RTB) changes and other challenges.” This needs to be undertaken and the outcomes considered by the committee before commitment to any related expenditure, to assess the financial impact of changes to rented unit numbers and related costs and income, all of which may have substantial impact over 30 years.</p> <p>For each scheme proposal further detailed financial analysis should also be provided for consideration prior to agreement to commit any funds. This is to confirm aspects such as scheme viability assumptions and projections and affordability within budget and medium term financial plan parameters. Given the rapidly changing environment for council housing finances this will be particularly important.</p>

<b>Financial Implications</b> Cont'd/...	<p>Whilst it is intended to set aside significant sums for sheltered redevelopment, it is expected that there will be substantial competing demands when options for all remaining schemes are considered.</p> <p>David Stanley, Accountancy Manager Tel: 01453 754100 Email: <a href="mailto:david.stanley@stroud.gov.uk">david.stanley@stroud.gov.uk</a></p>
<b>Risks</b>	<p>The main risk is funding the sheltered assets review programme. This can be managed through decisions on the future of each scheme after consideration of the options appraisals and during the budget setting process and reviewing these (if appropriate) as schemes near closure.</p> <p>The project risk register forms part of the Corporate Risk Register.</p>
<b>Legal Implications</b>	<p>There are no material legal implications arising from the report at this stage of the project</p> <p>Alan Carr, Solicitor Tel 01453 754357 Email <a href="mailto:alan.carr@stroud.gov.uk">alan.carr@stroud.gov.uk</a></p>
<b>Report Authors</b>	<p>Dave Milner – Sheltered Housing Project Manager Tel: 01453 754175 Email: <a href="mailto:dave.milner@stroud.gov.uk">dave.milner@stroud.gov.uk</a> Alison Fisk – Head of Asset Management (joint) Tel: 01453 754430 Email: <a href="mailto:alison.fisk@stroud.gov.uk">alison.fisk@stroud.gov.uk</a></p>
<b>Options</b>	As set out in the report
<b>Performance Management Follow Up</b>	Programme updates will be reported through the Housing and Development Panel and Committee
<b>Background Papers/ Appendices</b>	<p>Appendix A - Methodology Appendix B – Options Appraisal Commentary Appendix C – Flow Chart Proposed Programme Appendix D – Budget Forecast Appendix E – Draft Communications Plan</p>

## 1. Introduction & Background

- 1.1 A review of sheltered housing stock owned by Stroud District Council was undertaken by the Chartered Institute of Housing (CIH) and the report presented to Housing Committee in June 2014. In summary, the findings of the report highlighted the council owned some stock that was not fit for purpose, in need of significant investment and did not meet the expectations and needs of an aging population. A further report was commissioned to be undertaken by a housing consultant to look at all schemes against a set of criteria to establish a status for each scheme and a plan for tackling the issues raised by the CIH report.



1.2 The Sheltered Housing Asset Review report was undertaken by Ark Housing during 2015 and was presented to Housing Committee in October 2015 and Committee resolved the following:

1. *That schemes identified as 'green' and 'amber' are supported and a programme developed and implemented for their improvement, subject to budget availability and constraint.*
2. *That schemes identified in the 'red' category, are approved, in principle, to consider options for redevelopment.*

(The latter included prioritising sites, engaging with local tenants and ward members, reviewing amber schemes to consider where there is a case for a similar options appraisal on these, developing a long term programme and financial plan and developing a package of support for affected tenants.)

3. *That a communications plan is implemented*

1.3 March Committee approved the prioritisation of the red schemes, approach to repairs and decanting and gave delegated authority to the Head of Asset Management for the potential buy back of two private properties at Ringfield close in Nailsworth.

1.4 The Ark report has been used as a starting point for the Council and as a framework upon which a programme of improvement works can be developed and implemented. It is important to stress that the Council has taken ownership of the report, and will challenge and validate it where necessary.

1.5 Given that the status of 6 existing sheltered housing schemes were in a category that would potentially close the scheme, the priority was to undertake options appraisals on all these schemes. This would allow the council to propose informed recommendations, give certainty to those directly affected and allow time to support finding and moving residents into other suitable accommodation. To ensure that all 6 red schemes were considered together and looked at as part of the entire housing stock, and to limit the period of uncertainty for residents directly affected by this situation, all 6 red schemes have been appraised and recommendations presented to the first Housing Committee of the new civic year.

1.6 As this project has progressed, it has become necessary when discussing any aspect to move away from the review stage to more of an implementation phase. With this in mind the project is now known as the Sheltered Modernisation Project.

1.7 It is important to recognise the following key points when considering the contents of this report:



i) Implementing Change

Implementing change to a small number of our sheltered housing schemes now, in a timely, well planned, managed approach is hugely beneficial as there would come a time, in the near future, where these schemes would need to be addressed, possibly all at the same time. This would not allow enough time to be afforded to individuals to help support their moves, communicate correctly and the council would be in danger of making less informed, rushed decisions.

ii) Budget pressures

There are pressures on the Housing Revenue Account (HRA) budget that denote this project needs to be largely self financing. Any new build on the red scheme sites has to be funded through sales of schemes, shared ownership sales or outright open market sales of properties built. Right to Buy (RTB) receipts can also be used on additional homes (but the council has to fund 70% of any developments that utilise these).

The sheltered reserve has to pump prime and support the red scheme programme but also provide funding for the green and amber schemes. The cost to build new homes for affordable rent across the first four of the red sites is currently estimated at £15.7m, Ark estimated costs for modernising the green and amber schemes at £3.9m.

iii) Improved Stock

In order to improve stock, the difficult decision the council has taken to close and dispose of some sheltered sites will result in the retention and improvement of the remaining sheltered schemes. The modernisation project confirms the council's commitment to sheltered housing and the homes and communities in which people live. There are the green and amber scheme improvements but also the project team has identified under utilised areas on schemes that have the potential to generate additional sheltered accommodation. One site in particular has undergone feasibility work and has a viable scheme of between 7 and 10 new one bedroom bungalows, should funding become available.

iv) Sustainable Schemes

Overall this project represents a real and positive step forward in dealing with aging, unsustainable schemes that are no longer desirable or that require huge investment to improve them. This modernisation project will result in schemes and homes that are popular, meet the expectations of older residents now and in the future and offer a choice of accommodation styles in various locations.

## 2 Housing Need

- 2.1 Ark set out some detailed analysis of current and projected Housing Need for older people in the district in its report in 2015 and also some of the weaknesses of the tools and data available.
- 2.2 To enable recommendations to be made in line with housing needs, both now and in the future, several meetings have taken place with the Housing Strategy team. The findings that their research and evidence provided have contributed greatly to the outcome of the options appraisal.
- 2.3 The Gloucestershire Strategic Housing Market Assessment (updated 2013) outlines the need for the development of new older persons accommodation over the next 18 years (Local Plan Period):

Table 1

Dwelling Size	Affordable*
One Bedroom	292
Two Bedroom	210

Source: Gloucestershire Strategic Housing Market Assessment updated household dataset 2013

\*Affordable - relates to both rented and low cost home ownership provision

- 2.4 Data from Gloucestershire Homeseeker (May 2016) – the choice based lettings scheme for social rented housing – shows that of the 2361 households registered on the system there are 468 households where the lead/sole applicant is aged 60 or over. Of these 468 applications:

Table 2

### Bedroom Need

Dwelling Size	Affordable – rented
One Bedroom	430
Two Bedroom	31
Three+ Bedroom	7 (all registered as family households)

Table 3

### Support Need – number of households who informed that they:

Have a support worker	24
Are a wheelchair user	35

- 2.5 The above data demonstrates demand for one bedroom rented properties for older people and the ongoing need for affordable one and two bedroom accommodation of both rented and low cost home ownership type e.g. shared ownership.
- 2.6 It has to be recognised and accepted that the Council can not meet the future demand for sheltered housing and indeed general needs

housing through its own stock. However, it can aim to ensure that the stock it has and any new stock acquired or built is delivered to standards that are forward looking and sustainable.

- 2.7 The recommendations made in this report are based on the current knowledge and research undertaken. The project team is aware that needs and expectations can change and will look to future proof the works that are carried out as far as possible. The design of any development will define the exact split of 1 and 2 bedrooms that are built, but there will also be consideration given to the ability to change the nature of units, either to general needs or even to additional or less bed spaces.

### **3. Options Appraisal**

- 3.1 The methodology followed to enable all options to be considered for each site is set out in Appendix A. Some options are relatively easily considered and dismissed or accepted:

- 3.2 Extra Care: The potential for an extra care scheme to be built on one of the sites was considered and subsequently dismissed at an early stage as the size of the site required to deliver the number of units to produce a viable extra care scheme was not available within any of these sites.

- 3.3 Remodelling: When the Ark report was presented to Housing Committee in October 2015, the status of Burdett House, Stonehouse was classed as red/amber. Having looked at the development opportunities against the benefits of the scheme as it is, the recommendation is to retain the scheme and look to remodel the bedsit bungalows either as a whole scheme or on an individual basis as and when they become available. The scheme would benefit from a lift and mobility scooter store and if these were to be provided, together with the eradication of the bedsits, the scheme should move into the amber/green category.

- 3.4 Further Appraisal Work with adjacent sites: It is recommended that the Willow Road scheme in Stonehouse is considered as part of a larger regeneration project due to the need to address general needs properties on the wider Park Estate and that only catch up repairs and essential maintenance are carried out. The scheme has a medium term future of 5 or 6 years and the property can be monitored and voids looked at on an individual basis as and when they arise.

- 3.5 For each of the other 4 schemes, the following options have been considered:
- i. Demolish and develop new units for social rent
  - ii. Demolish and develop a mix of properties for sale and for social rent

- iii. Use Right to Buy (RTB) receipts to grant aid a registered provider to enable them to purchase the site and develop for social rent (using the grant at up to 30% of eligible costs and with no other public grant permitted.)
- iv. Enter into a joint venture with a developer – gift the site and in consideration the council is gifted housing stock as part of the new build (Minchinhampton model)
- v. Dispose of the property (land sold with or without planning)

3.6 The following table highlights the two options at either end of the spectrum for the schemes; the Council redevelops or the schemes are disposed of on the open market. It also gives the estimated date schemes are expected to be empty and closed by – a key consideration in considering which option to recommend.

Table 4

	<b>Council redevelops: Estimated Build Costs £m</b>	<b>Disposal: Market Value guide price £m</b>	<b>Estimated closure date</b>
Dryleaze Court	3.35	0.8	Dec 2016
Tanners Piece	1.10	0.5	June 2017
Ringfield Close	4.90	0.8	Sept 2018
Cambridge House	1.90	0.4	Dec 2019
Glebelands	4.00	0.6	Jan 2021
<b>TOTAL</b>	<b>£15.7m</b>	<b>£3.1m</b>	

3.7 Option i) Redevelopment for social rent. For the Council to redevelop any of the schemes, funding needs to be identified and secured. The intended reserve will in part be required for decant, void and feasibility costs as well as funding the green and amber scheme improvements and remodelling works. It is not possible to increase density on many of the sites for a variety of reasons including topography, planning restrictions and requirements, space standards and the location of utilities.

3.8 Option ii) Redevelopment with mix of tenure. In order for this option to be feasible the ratio of market sales needs to be sufficient to support the social rented element – and funds have to be available up front to fund the development. The ratio at Minchinhampton is approximately 1:1, but on smaller sites, build costs are higher and the ratio is likely to be higher in terms of the number of market sales required.

3.9 Option iii) Use RTB receipts to grant fund an RP to develop. It is unlikely that this option will provide a receipt for the land disposal at market value. RP's are under similar financial pressures and funding restrictions as local authorities. This option is a possibility for some

sites but RTB funds are limited. RP will have to fund 70% of development costs (including land acquisition).

- 3.10 Option iv) Enter into a joint venture with a developer This option will have similar requirements regarding the ratio of market sales to social housing units as for option ii) above. Developer funds the development costs. It is thought the sites may be too small to make this a viable option but this has not been tested.
- 3.11 Option v) Dispose of the property. The Council owns the freehold interest in all the schemes and can dispose of them on the open market. Any restrictions imposed, (e.g. provision of affordable units) will impact on value and delivery timescales, and may have limits as to their enforceability unless delivered via a development agreement
- 3.12 **Additional funding.** The potential for funding and grant opportunities has been researched and there is the possibility of utilising the council's right to buy receipts to fund 30% of additional units on any new developments that we take on ourselves (but not remodelling), with the requirement to draw on HRA funds for the remaining 70% but this could be found through the sale of some sites.
- 3.13 Another possible opportunity for grant funding is the new HCA 'Shared Ownership and Affordable Homes Programme 2016-2021'. The prospectus was made available in April this year.. HCA funding cannot be combined with the RTB funding, and again this would require subsequent HRA funding input. The project team will endeavour to explore and bid for the maximum funding subject to Committee approval.
- 3.14 The options appraisals are discussed in Appendix B:

#### **4. Recommendations**

- 4.1 To develop the proposals and make recommendations, the team have utilised all the information gleaned, the knowledge and expertise of all the stakeholders involved and the financial modelling of all proposed schemes. Together with the priority order of schemes as agreed at March Housing Committee, the project team have had discussions with the new homes & regeneration project team and the steering group to enable the recommendations set out in this report to be presented.

4.2 The recommendations for each scheme are as follows:

Table 5

Scheme/Site		Current Unit No's	Recommendation
Wotton-under Edge	Dryleaze Court	32	Dispose of main scheme
	Dryleaze Court – bungalows and flats	31	Retain and associate with sheltered scheme at Dryleaze House

Nailsworth	Ringfield Close (2 houses)	2	Dispose
	Ringfield Close	26	Dispose
	Tanners Piece	8	Council redevelops
	Flats at Upper Park Road	6	Assess with other general needs non-traditional properties
	Garages at Ringfield Close	n/a	Dispose (with Ringfield Close) if not required add to small sites review

Dursley	Cambridge House	20	Dispose of main scheme
	Cambridge House	4	Retain 4 no. 2 bed bungalows
Cam	Glebelands site A	40	Council redevelops
	Glebelands –site B		RP develops/joint venture with RTB receipts

Stonehouse	Burdett House	25	Remodel
	Willow Road	25	Review/consider for redevelopment as part of wider estates renewal project

4.3 The programme sequence based on the recommended option for each scheme is shown at Appendix C.

4.4 **Funding and Costs.** The recommendations and programme work to provide funding for redeveloped schemes via the disposal of decommissioned schemes and timing to fit in with schemes becoming vacant. The sheltered reserve is required to cover; the decanting costs for red scheme moves; the consultant costs for the option appraisal works and remodelling of Burdett House. The budget forecast and impact on the sheltered reserve of these recommendations is shown at Appendix D.

- 4.5 As set out in the March report to Housing Committee, detail around the modernisation of the green and amber schemes will be presented in September. As well as the improvements, the reserve would need to pay for associated design, planning and management fees for these schemes too.
- 4.6 The costs set out within this report rely on parameters and criteria remaining as they are now. It must be recognised that these are subject to change given further internal financial pressures or external influences, such as, but not limited to:
- Government changes in legislation
  - Right to Buy (RTB) receipt rules
  - Implementation of RTB Levy which is a government proposal to fund the extension of discounts available to housing association tenants through a charge to councils. This could have a major impact on funding availability for projects within the HRA.
  - Sales value
  - Speed of decants, the availability of move on accommodation
  - Increase in home loss payments
  - Financing opportunities
  - Possibility of a new recession
  - Possible down turn in housing market
  - Implications of the European Union vote to stay or leave affecting property sales
- 4.7 Please note these and other potential risks are covered in the project risk register with significant risks recorded in the council's corporate risk register

## **5. Next Steps**

Following on from this meeting, the next steps for the project will be:

- Resident meetings at the 6 affected schemes
- Plan individual 1-2-1 meetings with tenants of Cambridge House and Glebelands
- Attend Town & Parish council meetings to update members on the outcome of Housing Committee
- Consider holding of voids that arise at schemes known to be the preferred move accommodation for residents in any of the closing schemes.
- Continuously review and monitor need, demand, financial pressures and influences, local land valuations and sales across all schemes to examine the effects of any of these on the recommendations of this report.
- Implement the communications plan which is currently being written – a draft is contained in Appendix F.



- Arrange for further tours and a document that highlights other available housing choices for the residents affected by the closure of a scheme. Return to September Housing Committee with an update and detail regarding the green and amber schemes.

## **6. Implications of not approving these recommendations**

- 6.1 The risks and implications for not making the recommended decision on the 6 red schemes cannot be underestimated. Following the decision in October 2015 to close a number of schemes, residents were informed of that outcome. Despite a commitment from the council to communicate and support those residents affected, it is completely understandable the stress and anxiety this process has put on them. It is hoped that the decisions made on the recommendations of this report will bring an end to the period of uncertainty for the majority of residents and allow them to begin to plan for the future with certainty.
- 6.2 Proposals to change recommendations for individual schemes will have a knock on effect on those for other schemes, in terms of funding, timing and delivering the programme as set out.
- 6.3 Having made a commitment to return to see the residents following the June Housing Committee, a failure to do this with some tangible news will not only add to their strain and worry, but could also begin to diminish the level of trust and co-operation that has built up in the last few months.
- 6.4 The project team can begin to implement the recommendations of this report and also concentrate on improving the green and amber schemes which would be delayed if decisions are deferred.

## **7. Summary and Conclusion**

- 7.1 It is not possible for the Council to redevelop all of the red sites but there is a firm commitment from the council to retain sheltered housing stock across the district and build some new accommodation for older people, where possible. Whilst it is recognised that there will be a reduction in unit numbers (mainly due to the loss of unpopular bedsits), the actual person spaces proposed will lead to an increase in some locations.
- 7.2 In conclusion it is recommended that the Committee approves the option set out for each scheme in this report. Despite the loss of a small number of schemes, the project team is pleased to be able to maintain at least some sheltered housing or affordable homes for older people at each red scheme, in spite of the financial constraints facing the Council.



## **Methodology**

To enable all options to be considered for each site, the project team engaged with the following key stakeholders and external consultants:

### **Communications/Consultation**

- Residents - where possible, both Stroud District Council tenants and local private residents have been updated on progress and timescales. This has been through a series of consultation meetings, individual meetings with residents which has involved support networks and ward councillors where possible. Communication logs are in place for Dryleaze Court and Ringfield Close/Tanners Piece to record all dialogue.
- Ward councillors - all ward councillors who were associated with one of the 6 closing schemes were emailed in March with a view to meeting with the Project Manager and these meetings took place. A record of these meetings is also available. The elections in May resulted in some changes to the councillors in the wards to which these schemes are located and meetings have been scheduled or have taken place. For example two new councillors are now elected for Nailsworth and the team have met with one of them and scheduled a meeting with the other.
- Town and Parish Councils - The initial invitation to meet with Ward councillors was then extended to the town and parish councils involved. Once again some meetings have taken place where this was appropriate. Following discussion with the clerks, other meetings will be scheduled following the 28<sup>th</sup> June Housing Committee.
- Neighbourhood Wardens - The project manager has met with the neighbourhood wardens on the schemes (Dryleaze and Ringfield) to discuss the future of the schemes and also briefed them on the entire project. Meetings to be scheduled in as the project moves forward.
- Sheltered Housing Team - Weekly meetings with the two Principal Sheltered Housing Officers take place to ensure they are up to date with progress and the Project Team are aware of new information regarding residents, moves, voids and arising issues
- Communications Team - The project team is meeting regularly with the communications team to ensure any letters and/or dialogue is consistent. As the project proceeds, areas for improvement in communication are identified, rectified and implemented. An example of this was the fact that the residents of Ringfield Close were not aware of other sheltered schemes in the district that they could possibly move to. A tour of other schemes was arranged for the end of May and was well received and attended by 8 residents. A booklet of all council schemes is currently being produced. The feedback from the tour was that residents now have a greater knowledge of what is available

### **Options Appraisals**

- Housing Need - To enable recommendations to be made in line with the housing needs, both now and in the future, several meetings have taken place with the Housing Strategy team. The findings that their research and evidence provided have contributed greatly to the outcome of the options appraisal and is summarised in section 1 of the report.

- Legal - The project team have involved the SDC legal team to work on areas such as the homeless legislation and the title boundary plans.
- Audit - Initial meetings have taken place with the senior auditors from SDC's Audit Risk Assurance Team regarding the review, the modernisation project moving forward and the options appraisal phase. All information and reports written to date have been made available and access arranged to the shared folder location.
- Tenant Services - The project team has worked with Tenant Services to glean up to date information on the planned works at each scheme, the level and trends of repairs carried out and the investment in internal improvements (kitchens, bathrooms, heating, windows and doors) carried out to date. It is also worth noting that instructions have been given to ensure no further elemental improvements are carried out at any of these schemes. However, any repairs, health & safety or security issues are still being carried out in the normal manner.
- Planning Service - A pre application meeting has taken place with two senior members of the planning team to discuss proposals for the schemes. Plans and proposals were amended to reflect the comments from the planners. Some key principles were agreed such as 30% affordable homes requirement on developments on any of these sites and the requirement for financial contributions identified.
- Ark Housing Consultancy - The same lead consultant was appointed to continue from the first phase review works and to work with the project team to establish the methodology and approach for this phase II option appraisal stage of the project.
- Architects - An architectural design practice was engaged to look at the density and mix of accommodation that could be developed on each site, taking into account the housing need, requirement for parking, similar approved local developments, impact on existing buildings/homes and the existing services, gradients, trees and public highways or footpaths. Due to the time constraints, the plans and proposals produced were undertaken using the best available information.
- Surveyors - Topographical surveys were commissioned to survey the sites, pick up all services, boundaries, gradients, buildings, paths, roads, drains, trees and foliage.
- Valuations - A valuation report was commissioned from David James and Partners and subsequently presented to the project team which highlighted indicative land sale values and potential opportunities for each site.
- QS/Cost Consultant - The designs and proposals produced by the architects, project team and planning officers were fully costed by an appointed cost consultant enabling accurate financial information to be available for the potential disposal of any sites.

## OPTIONS APPRAISAL- COMMENTARY

### Dryleaze Court, Wotton-under-Edge – Outright Sale of Site

There is an absolute commitment to retain and improve SDC existing sheltered stock in Wotton-under-Edge which is evident with in excess of 60 flats and bungalows on the Dryleaze House site and surrounding roads. It is worth noting that the original red status for Dryleaze Court also included the 31 bungalows (**site B**) and flats to be included in a redevelopment scheme. These have now been associated to Dryleaze House and will be retained bringing the total of sheltered units in Wotton to nearly 10% of SDC's overall sheltered housing stock.

However, the estimated costs of redeveloping this scheme (for 20 units) are £3.35m for which there is no funding currently available. Given the need to generate funding to invest in the overall modernisation programme, added to the fact that Dryleaze Court (**site A**) only has 8 remaining tenants of the 32 units and will be the first scheme to be closed, the recommendation is to sell the site. Disposal is expected to generate between £800,000 and £900,000 for reinvestment in the programme

Any redevelopment that is proposed for the site will be subject to the planning process which will include the provision of affordable units.



**OPTIONS APPRAISAL- COMMENTARY****Ringfield Close, Nailsworth – Part SDC New Build Development and Part Outright sale of Site**

With the money generated from the sale of the Dryleaze Court site, it is recommended that the council make use of the Tanners Piece site (**site A**) to build a two storey block of 1 and 2 bedroom flats, designated for older people. The flats would be self contained, incorporating washer/drier in the kitchen with adequate ventilation, wet room and separate bedroom. The communal facilities would consist of a lift and mobility scooter store. Parking would be provided within the site of the flats, not adding to the existing parking issues. This will increase the person spaces provided on this site from 10 to 24.

The site of Ringfield Close (**site B**) would be sold. The cost of redeveloping this site is estimated at £4.9m to provide 13 dwellings.

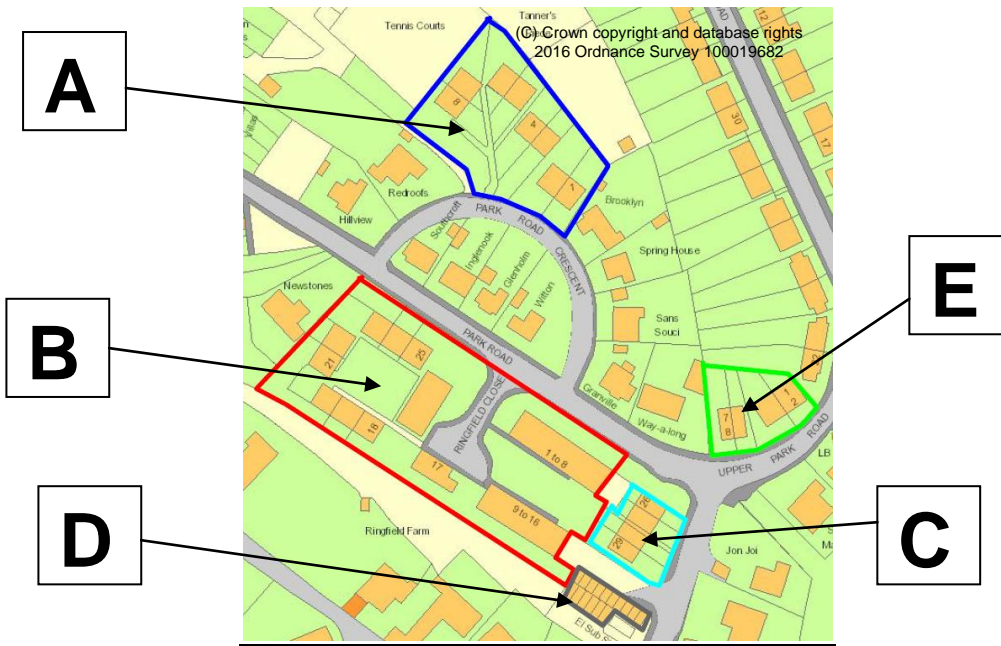
As part of the appraisal work, the block of 4 properties to the back of Ringfield Close (**site C**) were considered. They do not provide value for money as part of a development proposal given that two of the properties were privately owned. There are two tenanted properties also in this block which it is recommended are sold.

The garage block (**site D**) could be used for additional parking or development but will be further considered during the market appraisal stage and offered with Ringfield Close. If it is not required it will be added to the small sites programme and may be brought forward for development or disposal as part of that.

The third site on Upper Park Road (**site E**) does not allow for significant development opportunity and having pursued discussions with the planning service, it is felt that further investigation work undertaken to ascertain exactly what would be required to make these properties sustainable in the long term. The argument could be made as to why this could not be undertaken on Ringfield Close but given that Upper Park Road is only 6 flats and Ringfield Close is a further 26 units, the investment required would be too high and would not allow for the proposal on Tanner's Piece to proceed or for investment elsewhere.

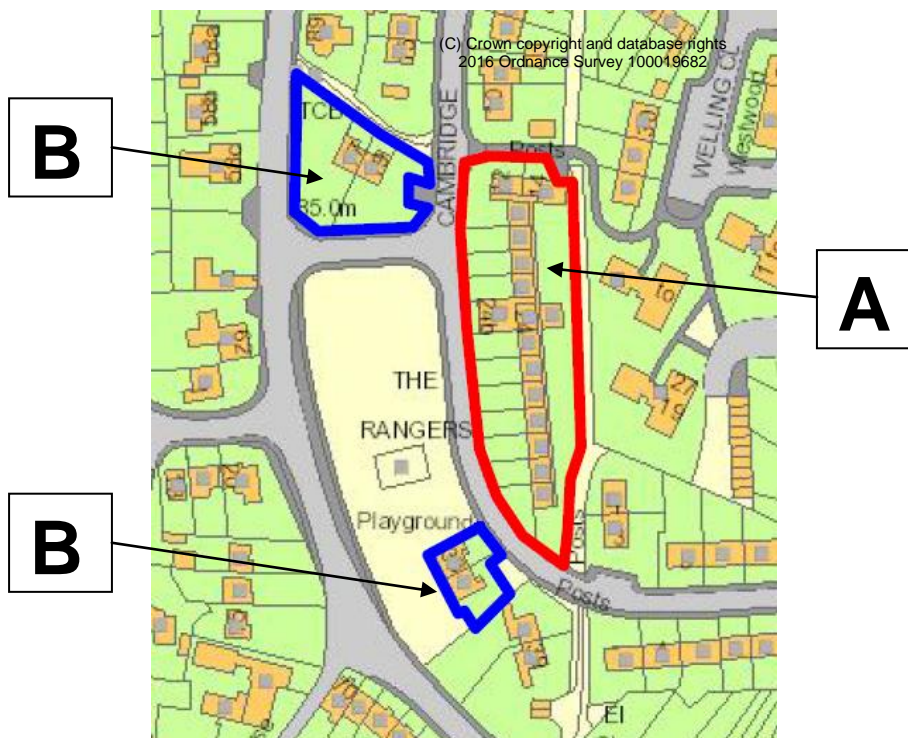


OPTIONS APPRAISAL- COMMENTARY



**Cambridge House, Dursley – Outright Sale of Site**

The development opportunities at Cambridge House (**site A**) are limited due to the extent of existing underground services present requiring significant easement when building new properties. Also any new properties would have to provide their own off road parking. This results in a scheme that only produces 11 properties. The recommended option for Cambridge House would be to sell the site. There are also two separate plots (**two site B's**), each with two bungalows on and it is recommended that these are retained.



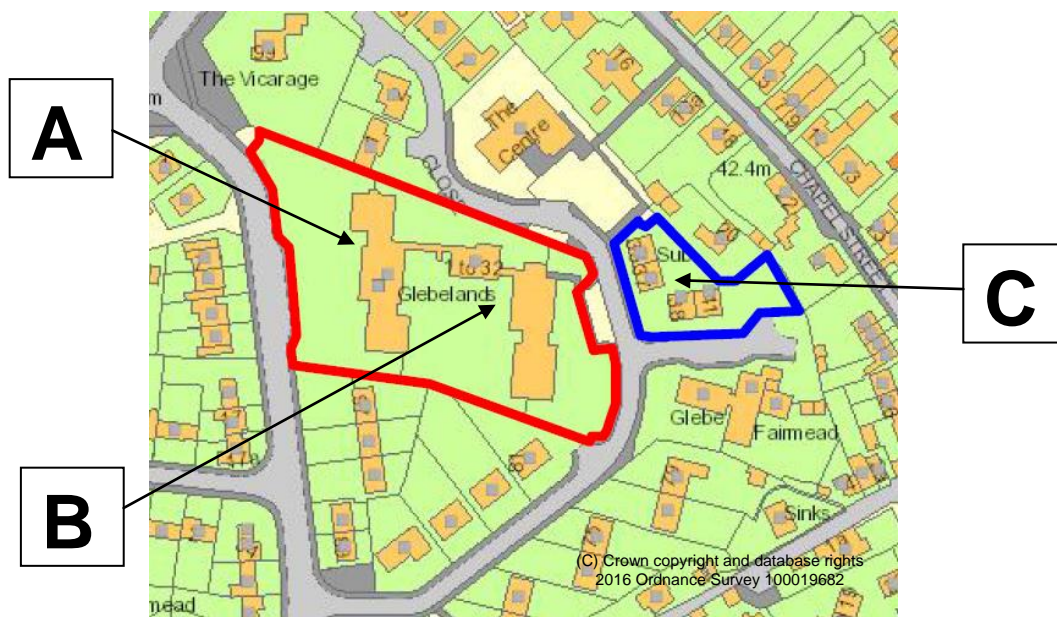
## OPTIONS APPRAISAL- COMMENTARY

### Glebelands, Cam – New Build Development

It is recommended that on half of the site (**site A**), the council build a two storey block of 1 and 2 bedroom flats, designated for older people. The flats would be self contained, incorporating washer/drier in the kitchen with adequate ventilation, wet room and separate bedroom. The communal facilities would consist of a lift and mobility scooter store. There would be parking on site.

The remaining part of the main site (**site B**) could be used to build some bungalows and 2 and 3 bedroom houses, either in joint partnership with a developer or with a Registered Provider (RP) which would allow the RP to develop the site and deliver additional homes for rent.

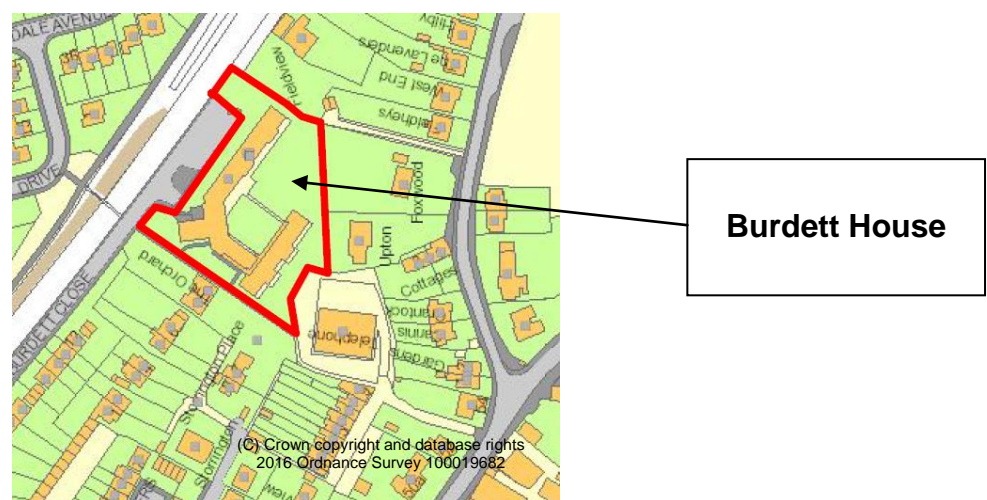
The recommendation for the small site (**site C**) attached to Glebelands that sits on the other side of the road would be for this to remain as it is, given that the flats have received significant investment recently.



## OPTIONS APPRAISAL- COMMENTARY

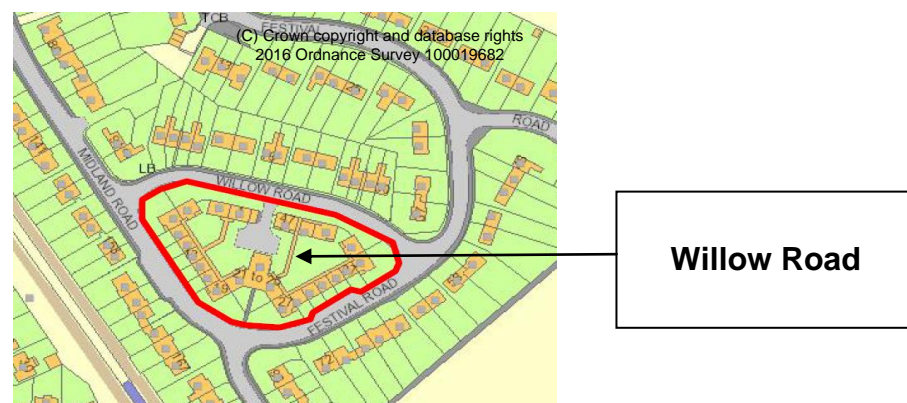
### Burdett House, Stonehouse – Retain and Remodel in the long term

When the Ark report was presented to Housing Committee in October 2015, the status of this scheme was classed as red/amber. Having looked at the development opportunities against the benefits of the scheme as it is, the recommendation would be to retain the scheme in the short and medium term of 5 to 6 years and look to remodel the bedsit bungalows either as a whole scheme or on an individual basis as and when they become available. The scheme would benefit from a lift and mobility scooter store and if these were to be provided, together with the eradication of the bedsits, the scheme should move into the amber/green category.

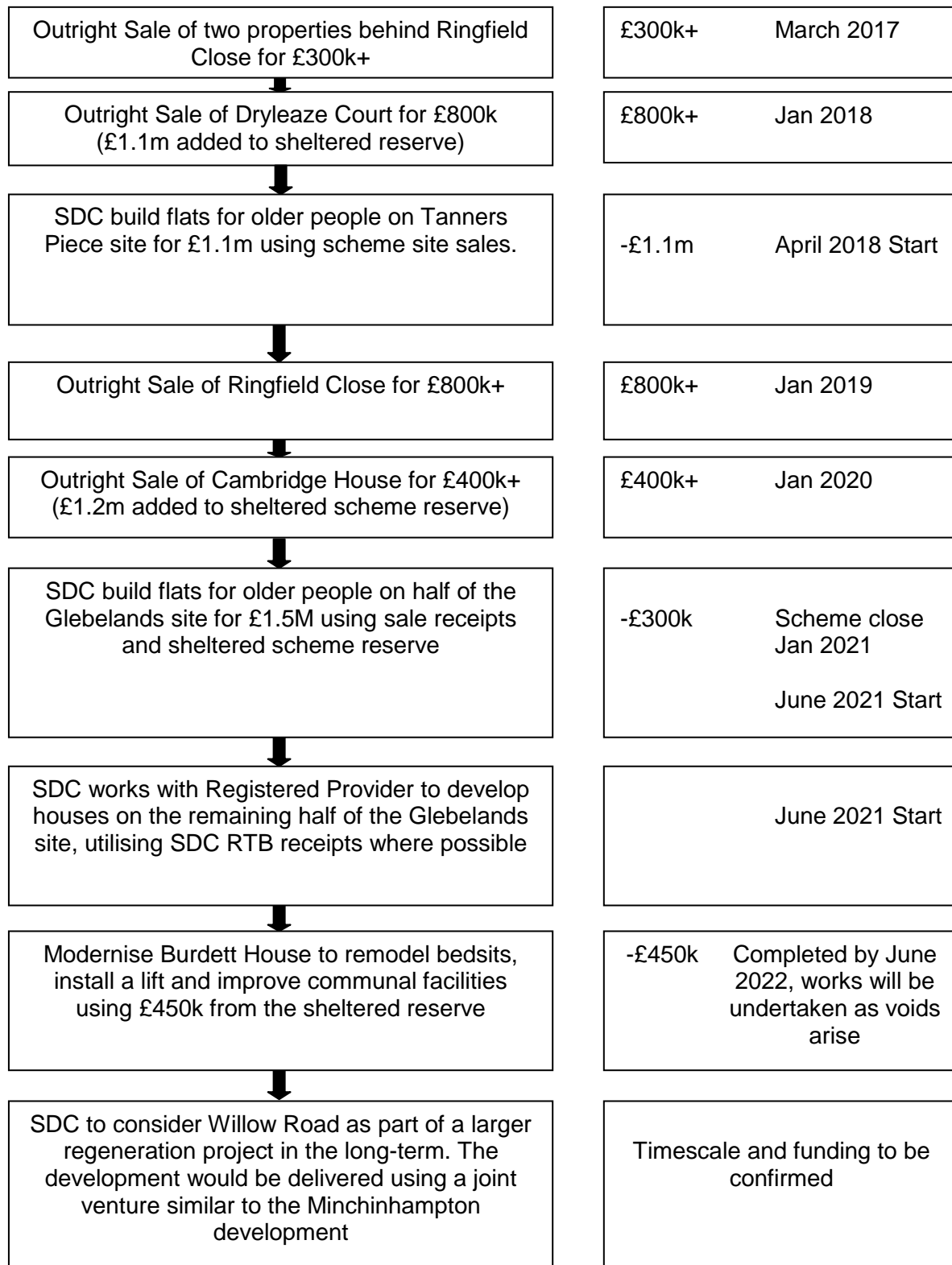


### Willow Road, Stonehouse – Further Appraisal Work with other adjacent sites

It is recommended that this scheme is considered as part of a larger regeneration project and that only catch up repairs and essential maintenance is carried out. The scheme has a medium term future of 5 or 6 years and the property can be monitored and voids looked at on an individual basis as and when they arise.





**Recommendations - flow diagram format**

NB \* costs are subject to change and do not include fees for marketing, valuations or legal costs which will be paid for from the sheltered reserve budget. Sheltered reserve budget set out in the medium term financial plan. Dates are also subject to change dependant on factors set out in the risk register.

\*\* Valuations are for guidance only and are prudent

\*\*\* Right to Buy receipts will be used to help fund build costs where possible



## Budget Forecast for Red Scheme Programme

Appendix D

	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Total
<b>Expenditure</b>							
Decant	250,000	250,000	250,000	250,000	250,000	250,000	1,500,000
Professional fees	9,000						9,000
Option appraisals	87,000						87,000
Remodelling units (red schemes only)	80,000						80,000
Void expenses e.g. Council tax/Security etc	50,000	50,000	50,000	50,000	50,000	50,000	300,000
Tanners Piece, Nailsworth - build flats			1,100,000				1,100,000
Glebelands, Cam - build flats						1,500,000	1,500,000
Glebelands, Cam build through RP						0	0
Burdett House ,Stonehouse remodel			100,000	100,000	100,000	150,000	450,000
<b>Total</b>	<b>476,000</b>	<b>300,000</b>	<b>1,500,000</b>	<b>400,000</b>	<b>400,000</b>	<b>1,950,000</b>	<b>5,026,000</b>
<b>Funding</b>							
Ringfield - 2 houses at site D, Nailsworth	-300,000						-300,000
Dryleaze Court disposal		-800,000					-800,000
Ringfield Close, Nailsworth - disposal				-800,000			-800,000
Cambridge House, Dursley - disposal				-400,000			-400,000
<b>Total</b>	<b>-300,000</b>	<b>-800,000</b>	<b>0</b>	<b>-1,200,000</b>	<b>0</b>	<b>0</b>	<b>-2,300,000</b>
<b>Reds Balance</b>	<b>176,000</b>	<b>-500,000</b>	<b>1,500,000</b>	<b>-800,000</b>	<b>400,000</b>	<b>1,950,000</b>	<b>2,726,000</b>
<b>Cumulative reds balance</b>	<b>176,000</b>	<b>-324,000</b>	<b>1,176,000</b>	<b>376,000</b>	<b>776,000</b>	<b>2,726,000</b>	
Sheltered reserve (MTRP provision)	-650,000	-1,390,000	-1,390,000	-2,380,000	0	0	-5,810,000
Cumulative sheltered reserve	-650,000	<b>-2,040,000</b>	<b>-3,430,000</b>	<b>-5,810,000</b>	<b>-5,810,000</b>	<b>-5,810,000</b>	-5,810,000
Overall sheltered reserves position	-474,000	-2,364,000	-2,254,000	-5,434,000	-5,034,000	-3,084,000	-3,084,000

# DRAFT

## Sheltered Modernisation Project Communications Strategy

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### Introduction

A review of sheltered housing stock owned by Stroud District Council was undertaken by the Chartered Institute of Housing (CIH) and the report presented to Housing Committee in June 2014. In summary, the findings of the report highlighted the council owned some stock that was not fit for purpose, in need of significant investment and did not meet the expectations and needs of an aging population. A further report was commissioned to be undertaken by a housing consultant to look at all schemes against a set of criteria to establish a status for each scheme and a plan for tackling the issues raised by the CIH report.

*The Sheltered Housing Asset Review report was undertaken by Ark Housing during 2015 and was presented to Housing Committee in October 2015. The committee resolved the following:*

- 1. That schemes identified as 'green' and 'amber' are supported and a programme developed and implemented for their improvement, subject to budget availability and constraint.*
- 2. That schemes identified in the 'red' category, are approved, in principle, to consider options for redevelopment.*

*(The latter included prioritising sites, engaging with local tenants and ward members, reviewing amber schemes to consider where there is a case for a similar options appraisal on these, developing a long term programme and financial plan and developing a package of support for affected tenants.)*

- 3. That a communications plan is implemented*

The above colour coding of schemes is explained as follows:

- Red – earmarked for sale (or redevelopment) as repair and redevelopment as sheltered housing - ie financially unviable for the council
- Amber and green - schemes which require remodelling (eg new lifts, access for mobility scooters, modernisation)

Dryleaze Court, Wotton-under-Edge and Ringfield Close, Nailsworth have been identified as the first two 'red' schemes, and work has already begun to move and rehouse tenants

The four other red schemes are:

- Cambridge House, Dursley
- Glebelands, Cam, Dursley
- Willow Road, Stonehouse (possibly red/amber)
- Burdett House, Stonehouse (red/amber)

The decision on the future of all the above sites will be decided by the housing committee in June 2016.

Whilst the committee report focuses on the six red schemes, the Sheltered Modernisation Project is a much broader project which also aims to improve the vast majority of the council's sheltered housing schemes and the housing conditions for current and future generations of older people. The intention is to use funding from possible asset sales (of financially unviable schemes) and use this funding to achieve this aim.

This communications strategy outlines the overall communications objectives and methods that can be used to communicate forthcoming changes, in particular the sensitive issues associated with possible closure or change at the red schemes.

## Communications objectives

- to communicate how the Sheltered Modernisation Project will shape sheltered housing provision and housing provision for older people across the entire district as a whole
- to deal with the sensitive issue of changes to sheltered tenants' housing arrangements in a carefully planned and considered manner, and communicate effectively to minimise disruption and inconvenience to affected residents
- we want to make it clear that our approach is focused on delivering the best result for the future delivery of sheltered and affordable housing in the district within the financial constraints afforded to us
- to show how we are meeting the housing needs of future generations of older people and how we are improving the standard of our sheltered schemes

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Sheltered Modernisation Project  
Communications Strategy

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## Key messages

- the Sheltered Modernisation Plan (SMP) is a plan to ensure that we deliver the best possible sheltered housing provision, across the district, for future generations with the limited funding we have available to us
- we are facing huge financial pressures and do not have the money to repair and rebuild sheltered schemes
- consequently, the SMP intends to make the best use of the assets we have in order to achieve improved sheltered housing and other housing opportunities across the district
- the schemes which need to be closed, really have to be closed - this is because the buildings have come to the end of their useful lives
- whilst there will be a small reduction in the number of sheltered housing units across the district, the improvements that will be made will deliver:
  - a better standard of homes for the needs of older residents
  - a net increase in the number of affordable homes across the district
  - more housing
- older people are often healthier and fitter than previous generations and they do not necessarily want sheltered accommodation. They may prefer general needs housing, of which more will be available

## Risks

- possible negative publicity, as some sheltered tenants will be required to move from their homes
- the perception that SDC is making cuts to its services and reducing the amount of social housing for the elderly
- rumours and misinformation causing distress to tenants
- vulnerable tenants do not receive adequate support
- tenants cannot find suitable alternative accommodation
- lack of availability in schemes where tenants from one scheme wish to move en masse
- resourcing levels for communications activity
- project delays
- planning applications
- objections from town/parish councils
- limited communications capacity

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Communications Strategy

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## Strengths

- the overall plan, despite budget constraints, aims to improve housing for older people
- sheltered housing staff have close relationships with tenants and can identify anyone requiring special assistance
- the sheltered housing managers have an excellent rapport with sheltered tenants

These 'people' strengths are critical, as much of the communication with affected tenants will involve close one-to-one contact.

## How we will achieve our objectives and reduce risks

- develop a dedicated operational action plan for each scheme
- provide information as early as possible
- work directly with tenants with as much one to one contact as possible
- hold meetings to provide information to residents and give opportunities to ask questions
- help affected tenants through the process – eg develop and provide a moving pack with advice on who to contact and what to do when moving house
- explain clearly the options available to tenants (eg details of other schemes)
- provide tenants with priority status on Gloucestershire Homeseeker
- effectively manage proactive and reactive media and other enquiries to minimise negative PR
- keep councillors informed so that they can help allay tenants' fears and correct information which may have been misunderstood
- ensure that we obtain feedback from tenants
- ensure that we consider all appropriate audiences in our communications (These will differ from scheme to scheme)

## Audiences

- all sheltered tenants (and family contacts if appropriate)
- Right to Buy homeowners on affected sites
- neighbours
- garage tenants/owners on affected sites

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Communications Strategy

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- housing advice team
- district councillors
- town councils
- parish councils
- county council
- residents associations
- neighbourhood watch
- staff, especially sheltered support workers & site officers
- visiting partner agencies (NHS, police, fire)
- local doctors surgeries
- MPs
- media
- developers
- planning service

## Communications channels

### PEOPLE

- Staff, especially:
  - sheltered housing staff
  - neighbourhood wardens
  - Tenant Services
  - customer services
- Councillors
  - Housing Committee
  - all councillors
- Parish/town councils
- Community groups
- Community offices (Arkell Centre, GL11, APT)

### OTHER COMMUNICATION CHANNELS

- personal/home visits
- scheme coffee mornings
- scheme newsletters

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Communications Strategy

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- scheme meetings
- dedicated communications eg moving home guides for decanting tenants
- local media – press releases, press briefings, photo opps
- leaflets
- posters
- SDC website
- Keynotes
- E News
- town/parish council newsletters
- Tour of decommissioned schemes for Housing Committee/SCHF

## Communications team

Communications are the responsibility of:

- Kam Mistry, Principal Marketing Officer
- Rachael Lythgoe, Communications Officer
- Dave Milner, Project Manager
- Michelle Elliott, Principal Sheltered Housing Officer

## Budget and resources

???????

## Evaluation

- Satisfaction surveys????
- Case studies????
- Media coverage
- Attendance at events???

## Action Plan

A separate, detailed operational plan will be available for each scheme.

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Communications Strategy

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