

STROUD DISTRICT COUNCIL  
HOUSING COMMITTEE

AGENDA  
ITEM NO

27 MARCH 2018

11

<b>Report Title</b>	<b>SHELTERED MODERNISATION PROJECT</b>
<b>Purpose of Report</b>	To inform the Committee of progress on the Sheltered Modernisation Project and to gain approval to the 2018/19 and 2019/20 programme.
<b>Decisions</b>	<b>Housing Committee RESOLVES to approve the programme of improvements for the communal areas for the amber schemes for the next two years as Concord, Nailsworth in 2018/19 and George Pearce House, Minchinhampton in 2019/20.</b>
<b>Consultation and Feedback</b>	Budget setting has previously been agreed at Council. Progress has been discussed with the Tenant Reps for Housing Committee and the Chair and Vice Chair of Housing Committee.
<b>Financial Implications and Risk Assessment</b>	<p>This report sets out major areas of spend within the agreed budget and funding period and so there are no direct financial implications.</p> <p>Sheltered Housing Modernisation is one of the HRA priorities and as such is a significant programme of works within the HRAs Medium Term Financial Plan. A total budget allocation of £8.3m has been approved (starting from 2016/17), funded by £2.5m capital receipts (of which £2.3m is from the sale of sheltered assets) and £5.8m sheltered housing reserve which is funded by HRA revenue resources (i.e. rental income).</p> <p>As detailed in Section 4, this funding allocation represents the first phase of the programme, up to 2021/22. Funding beyond this first phase is not currently approved.</p> <p>Lucy Clothier, Principal Accountant Tel: 01453 754343 Email: <a href="mailto:lucy.clothier@stroud.gov.uk">lucy.clothier@stroud.gov.uk</a></p>

<b>Legal Implications</b>	<p>It is understood that the Committee is being asked to note the difference between the forecast and actual spending in relation to the “red” schemes. Subject to the shortfall of £612,456 being addressed by the re-allocation of funds as part of a wider scheme, the funding of which has already been approved together with the delegated authority to allocate such funds, there are no legal implications in this regard.</p> <p>It would appear that the Committee is being asked to determine the order of works to “amber” schemes. There are no legal implications in this regard although it is noted that no alternative options have been considered. (Ref: r0703/c2703/d1203)</p> <p>Mike Wallbank Solicitor Advocate and Deputy Monitoring Officer Tel: 01453 754362 Email: mike.wallbank@stroud.gov.uk</p>
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<b>Performance Management Follow Up</b>	<p>Update reports will be reported to this committee within the Capital Project Monitoring Report.</p>
<b>Background Papers/ Appendices</b>	<p>Appendix A – Ark report: Executive Summary</p>

## **SHELTERED MODERNISATION PROJECT**

### **1.0. Introduction**

- 1.1. The following report provides an update on the sheltered modernisation project and benchmarks progress of the red schemes against the original approvals by Housing Committee in June 2016.
- 1.2. The Sheltered Housing Asset Review was undertaken by Ark Consultancy in 2015 and was presented to Housing Committee in October the same year. The Ark report was used as a starting point for the Council. This created a framework upon which a programme of improvement works is being developed and implemented.
- 1.3. Option appraisals were undertaken on the schemes which were identified as ‘red’ within the report (a summary of the Ark Report can be found in Appendix A of this report). These options were presented to Housing Committee in June 2016 and approval was granted to dispose of the Council’s freehold interest in Drylease Court, Wotton-under-Edge, Ringfield Close, Nailsworth and Cambridge House, Dursley. Approval was also granted to redevelop the sheltered scheme at Glebelands, Cam in partnership with another provider and to consider redeveloping Willow Road, Stonehouse as part of a wider estate regeneration programme.

- 1.4. Burdett House, Stonehouse was initially identified as a 'red/amber' scheme, but subsequently re-categorised as 'amber' due to the limited potential for redevelopment. This was approved by Housing Committee in the June 2015 report.

## **2.0. Programme – Red Schemes**

- 2.1. Since the previous Housing Committee approvals, regular updates have been provided to Housing Committee either as information sheets or more recently as part of the Capital Project Monitoring report. This report provides a more detailed overview of the project status and provides Committee with an up to date position relating to the previous approvals.
- 2.2. Dryleaze Court, Wotton-under-Edge – is now empty and is currently being marketed for sale. The new laundry facility has been provided for residents to use.
- 2.3. Ringfield Close, Nailsworth – is now empty and will be marketed for sale following the construction of the new older person's apartments at Tanners Piece. It will be needed for use as a building compound to help ease congestion, access and parking problems for local residents and the contractor during construction.
- 2.4. Cambridge House, Dursley – tenants are being re-housed to suitable alternative accommodation. The scheme is expected to be empty towards the end of 2019. The timescale will be dependent upon the number of suitable voids becoming available to re-house the existing residents.
- 2.5. Glebelands, Cam – consultation to re-house residents will begin in early 2019.
- 2.6. Willow Road, Stonehouse – options for this scheme are currently being considered.

## **3.0. Programme for 2018/19 & 2019/20**

- 3.1. The Ark Report suggested that a good sheltered housing model moving forward would be to identify a number of 'hubs'. SDC explored this idea and have identified number of schemes which lend themselves as hubs. The schemes identified have a mixture of qualities from; popular and thriving communal lounges, good accessibility to properties, popular accommodation and a close proximity to town centre facilities. The first scheme which has been identified as a hub is Sherborne House, Stonehouse.
- 3.2. The Sheltered Modernisation Project Steering Group, comprising of senior management and colleagues, is recommending the following two schemes for the next two year programme of improvements. The reasons for these recommendations are summarised in the table below.

	<b>Medium Term Financial Plan</b>	
	<b>Year 3</b>	<b>Year 4</b>
<b>Funding Year</b>	<b>2018/19</b>	<b>2019/20</b>
Scheme Name	<b>Concord, Nailsworth</b>	<b>George Pearce House, Minchinhampton</b>
Ark Report Category	Amber	Amber
Ark Option Recommendation	Continue as older persons accommodation	Continue as older persons accommodation
Number & Type of Properties	26 flats and 4 bungalows	23 bungalows and 2 flats
Associated Properties Linked to Scheme	8 flats at the Long Ground	10 bungalows and 2 flats at Trinity Drive and 8 bungalows at Glebe Road
Total Number of Properties using Communal Facilities	38	37
Other Key Factors	<p>Scheme very dated; long dark corridors with dark ceilings. Storage cupboards protruding into walkways (fire hazard for egress and also due to storage of possessions on top of the cupboards). Scheme very popular and well used.</p> <p>Ringfield Close and Tanners Piece in Nailsworth have recently been closed.</p> <p>Lends itself to a hub due to size of communal lounge and level access which is split on two levels. Mobility scooter access could be achieved for ground floor properties.</p>	<p>Scheme has had four additional units added from ex-scheme manager conversions.</p> <p>Scheme is very well used by tenants and wider community and could be a possible hub due to level access across site; mobility scooter provision could be achieved to most units (except the 3 first floor flats).</p>

- 3.2. It is recommended that these two projects should be prioritised for the next two years, based on the information considered above. The improvements will be tied in with the planned team to coordinate ongoing cyclical and maintenance programmes.
- 3.3. A programme for the remainder of the amber and green schemes is currently being considered. There are a number of internal and external factors to consider and the programme will need to remain under review for the next few years.

#### 4.0. **Funding**

- 4.1. The Sheltered Modernisation Programme was initially spread over 10 years, with funding secured for the first 5 years as part of the Medium Term Financial Plan. The first five years allocated a budget to address the majority of red schemes (apart from Willow Road). It also contained a budget for a number of amber and green schemes which were due to be improved. It is important to highlight that there were still a number of these schemes which sat outside of the 'funded period'.
- 4.2. As members are aware, there are pressures on the Housing Revenue Account (HRA), which highlights the importance of the red schemes being partially self financing. Any new build on the red scheme sites is currently part funded through sales of other red schemes.

A summary of the original red scheme costs is detailed below, alongside the actual costs to date.

	<b>Original Forecast (June 16)</b>	<b>Current Forecast (March 18)</b>	<b>Difference +/-</b>
<b><u>Red Scheme Costs</u></b>			
New Build at Tanners Piece	£1,100,000	£1,674,546	+£574,546
New Build at Glebelands	£1,500,000	£1,500,000	£0
Remodel Burdett House	£450,000	£450,000	£0
<b><u>Asset Sales</u></b>			
Two properties at Ringfield Close	(£300,000)	(£262,000)	+£38,000
Dryleaze Court	(£800,000)	(£800,000)	£0
Ringfield Close	(£800,000)	(£800,000)	£0
Cambridge House	(£400,000)	(£400,000)	£0
<b><u>Funding Required from Sheltered Reserve to cover Red Scheme Costs</u></b>	£750,000	£1,362,546	+£612,546

- 4.3. The total scheme costs for the construction of the new build apartments at Tanners Piece have increased, firstly because two additional units have been created (increasing density from 9 – 11), and secondly due to the increase in construction costs and a number of technical site constraints; which have become evident as the scheme has been developed to planning stage. The figure now detailed is based on a tender sum and is an accurate reflection of the costs of the project.
- 4.4. The current allocation for Glebelands is £1.5 million and is based on developing new housing on the site in a joint venture approach similar to that undertaken by SDC at 'The Old Common and The Tynings, Minchinhampton'. In this scenario, SDC would only develop new housing on part of the site, whilst a developer would build out the rest of the development. The budget for Glebelands will be reviewed when detailed feasibility options are developed, but is likely to increase with rising building costs.

- 4.5. The current forecast will place additional strain on the Sheltered Reserve, particularly when combined with the increased build costs for the amber schemes which are set to be improved. The tender returns recently received for Sherborne House, Stonehouse (the first amber pilot scheme) are higher than initially budgeted. This is partly due to increased build costs and also to achieving full mobility access throughout the scheme. It is likely that these costs will be similar for the other amber schemes in the programme, particularly those identified as a possible hub. These costs can still be accommodated within the budget approved as part of the Medium Term Financial Plan; however it is likely that this will need to be achieved by extending the programme and addressing less of the amber schemes in the first five years.
- 4.6. There is potential for additional income to be achieved if the sites sell for a greater value than those estimated, which would assist in reducing the pressure on the Sheltered Reserve. The budget is reviewed regularly with SDC's Principal Accountant and further updates will continue to be provided to Committee. However, if additional budget is required the programme will have to be spread over time and will take longer to deliver, if further resource is available.

## **5.0. Communication**

- 5.1. Consultation and communication is a key priority for this project. Communication has been improved by implementing a regular quarterly newsletter 'Sheltered Modernisation News' which continues to keep residents up to date with progress on the project.
- 5.2. Feedback from residents was encouraged in the latest edition of the newsletter. The feedback has been very positive with a number of useful suggestions offered from residents. Officers are currently reviewing this feedback to see how it can be used to further improve communication throughout the term of the project.
- 5.3. The project team works closely with Ward Councillors to keep them involved in changes in their area and provides regular updates at Housing Committee.

## **6.0. Summary**

- 6.1. **It is recommended that Committee approves the programme of improvements for the communal areas for the amber schemes for the next two years as Concord, Nailsworth in 2018/19 and George Pearce House, Minchinhampton in 2019/20.**