

## **Cabinet**

14 January 2013

### **Older People's Housing**

All wards

#### **Cabinet Portfolio:**

Cabinet Member for Health and Wellbeing:  
Councillor Jim Dickson

Cabinet Member for Housing and  
Regeneration: Councillor Pete Robbins

#### **Report authorised by:**

Executive Director for Adults' and  
Community Services: Jo Cleary

Executive Director for Housing,  
Regeneration and Environment: Sue  
Foster

#### **Executive summary**

Lambeth has a growing older population. This is to be celebrated; more people are living longer, and enjoying active and fulfilling lives. Lambeth Council is committed to supporting older people to live independently, to make well informed decisions about their housing, and to access specialist housing should they need it.

These goals reflect what older people have told us about how they want to live their lives. However, there is also a strong financial imperative to find more sustainable ways to provide housing, care and support for older people. With more people living longer, and more people living into very old age, demand for services provided by the Council will increase in coming years.

This report presents three options for how Lambeth can transform its housing for older people; improving the quality and design so people can live independently, and access the support they need to do so. The three options will have different implications for the Council both in terms of the capital investment required and the ongoing cost of providing services.

The Council also has a role in supporting older people who live in their own home or rent privately. So this report also outlines the ways in which the Council will work to support these people to live well and independently.

In summary the three options are:

#### **Option 1**

- 732 existing sheltered units be retained but not remodelled with the properties brought up to Decent Homes standard

#### **Option 2**

- 352 units in 10 schemes modernised and used as designated housing (where suitable for older people)
- 1 scheme sold
- 7 schemes vacated and sold for general needs housing, creating 66 affordable housing units
- 5 schemes vacated and redeveloped as extra care schemes delivering 280 units
- 1 scheme retained as sheltered housing

### **Option 3**

- 465 units in 14 schemes modernised and used as designated housing (where suitable for older people)
- 4 schemes vacated and sold for general needs housing, creating additional affordable housing units
- 5 schemes vacated and redeveloped as extra care schemes delivering 280 units

### **Summary of financial implications**

The estimated capital implications of the proposals vary with Option 1 in this report requiring funding of £21.2m. This is in excess of the value of works to bring the properties up to the Lambeth Housing Standard. The Lambeth Housing Standard programme is not fully funded. It is very unlikely that this can be funded in the immediate future.

Option 2 could provide a net capital receipt estimated at £6.8m. This is dependent upon the assumptions of sale value of sites for redevelopment as extra care and for private sale. The assumed capital receipt is estimated at £12.2m with the costs of modernising the retained stock being estimated at £5.4m. The costs of retaining units for social housing and sheltered units are therefore met from the capital receipts. Option 3 requires a net capital investment of £1m and as in Option 2 is dependent on the sale values. There is a considerable reduction in the capital receipts which are estimated at £6m but an increase in cost of modernising the retained stock which increases to £7m. This option retains more units as social housing. Both Options 2 and 3 will require upfront investment to start the process from a registered provider. There is an opportunity for registered providers to apply for grant funding which could assist in offsetting this cost. The budget report to Cabinet and Council in February will incorporate the impact on the Capital Investment Programme of the preferred Option.

The revenue impact of the options presented in the body of the report will be determined by the final operating model of delivery. The current sheltered housing service expenditure is £973,000 per annum. The development of extra care/sheltered housing is part of the council's overarching preventative strategy, which is key to ensuring financial stability in future years and minimising the risk of financial pressure as a result in the increase in the ageing population. There is an anticipated increase in demand in the 65+ population of 12% by 2012 and a direct increase in residential care would mean £576,000 additional spend per annum. The 85+ population is expected to increase by 20% by 2012 and if we were to base the potential increase in residential care spend on this percentage, this would mean £990,000 additional spend per annum. There are agreed savings of £585,000 predicated on a new delivery model for sheltered housing as part of previous service and financial planning. Based on current net costs of

placements, the cost of an extra care placement is £121 per week, compared to £354 per week for residential and £435 per week for nursing placements. An estimated saving at a 50:50 ratio could be £25,000 per week. The previously agreed revenue savings from Supporting People will be delivered through the reframing of the support service. Future Service & Financial Planning rounds will incorporate the revenue implications of implementing the new service model.

### **Recommendations**

- (1) That Cabinet instruct officers to commence consultation on Option 3 as the preferred way forward.
- (2) That a programme of consultation is implemented with tenants and other stakeholders, and that feedback from the consultation is reported back to Cabinet.
- (3) That Cabinet note that the Capital Investment Programme will be updated for approval by Cabinet/Council in February to reflect the investment required to deliver the preferred Option.

## Consultation

Name of consultee	Department or Organisation	Date sent	Date response received	Comments appear in report para:
Internal				
Jo Cleary	Executive Director of Adults and Community Services	07.11.12	09.12.12 24.12.12 03.1.13	Throughout
Sue Foster	Executive Director of Housing, Regeneration and Environment	09.11.12	21.12.12	
Helen Charlesworth-May	DD Strategic Commissioning, ACS	07.11.12	09.11.12 14.12.12	Throughout
George Marshman	DD Adult Social Care, ACS	09.11.12	24.12.12 03.1.13	Throughout
Maria Millwood	DD Resources, ACS	07.11.12	13.12.12	Summary of Financial Implications
Rachel Sharpe	DD Housing, HRE	07.11.12	13.12.12	
Christina Thompson	DD Resources, HRE	07.11.12	21.12.12	Summary of Financial Implications
Guy Ware	DD Corporate Finance	09.11.12	13.12.12	Throughout
Neil Litherland	Interim Chief Executive, Lambeth Living	09.11.12		
Greg Carson	Governance and Democracy	09.11.12	24.12.12	Para 5
Gary O'Key	Governance and Democracy	06.12.12	11.12.12	Throughout
Pete Hesketh	Department Finance Officer	09.11.12	03.1.13	Summary of financial implications Para 2.7.1
Cllr Jim Dickson	Cabinet Member for Health and Wellbeing	09.11.12	20.12.12	Throughout
Cllr Lib Peck	Cabinet Member for Regeneration and Strategic Housing	09.11.12	14.11.12	
Cllr Jane Pickard	Deputy Cabinet Member for Older People	09.11.12	9.12.12 24.12.12	Throughout
Frank Higgins	Chief Accountant	06.12.12	03.1.13	Summary of financial implications Para 4 Para 2.7.1

## Report history

<b>Decision type:</b> Key decision (entered into the Forward Plan November 2012)		<b>Key decision: reason</b> <b>EITHER a) expenditure or savings of £500,000 or more</b> <input type="checkbox"/>  <b>OR/AND: b) proposal affects significantly two or more wards</b> <input checked="" type="checkbox"/>	
<b>Authorised by Cabinet member:</b>	<b>Date report drafted:</b>	<b>Date report sent:</b>	<b>Report deadline</b>
See above	06.12.12	09.12.11	11.12.11
<b>Report no.:</b>	<b>Report author and contact for queries:</b>		
198/12-13	Sumathi Pathmanaban, Senior Policy, Equalities and Performance Officer 020 7926 2682 <a href="mailto:spathmanaban@lambeth.gov.uk">spathmanaban@lambeth.gov.uk</a>		

## **Background documents**

Positive Ageing: An Older People's Strategy for Lambeth  
Older People's Housing Strategy  
Lambeth Housing Strategy 2012-2016  
Lambeth Sheltered Housing – Investment Options Appraisal, May 2012

## **Appendices**

Appendix 1: Sheltered Housing Scheme Summary

# Older People's Housing

## 1. Context

- 1.1 Lambeth's Older People's Housing Strategy, agreed by Cabinet in February 2012, stated our ambition to help people, as they grow older, to live well, independently, and in a way they choose.
- 1.2 This strategy is important because we know that Lambeth's older population is changing, and so Lambeth Council must also change the services it provides. People are living longer and the average life expectancy for a child born in Lambeth today is longer than it was twenty years ago. The number of people living into very old age is also increasing; the number of people over 85 years of age in Lambeth is due to increase by 18 per cent by 2025. Lambeth's older population is also projected to become more diverse, and so it will become more important for the council to commission and deliver services that are personalised, and capable of meeting a wider range of needs.
- 1.3 The development of extra care/sheltered housing is part of the council's overarching preventative strategy, which is key to ensuring financial stability in future years and minimising the risk of financial pressure as a result of the increase in the aging population. There is an anticipated increase in demand as the 65+ population of 12% by 2012 and a direct increase in residential care would mean £576,000 additional spend per annum. The 85+ population is expected to increase by 20% by 2012 and if we were to base the potential increase in residential care spend on this percentage this would mean £990,000 additional spend per annum.
- 1.4 Older people's expectations of their lives are also changing. Our older citizens have told us<sup>1</sup> that they want to remain independent and in their own homes for longer, and to exercise greater choice over their housing and support options. We share these aspirations and recognise their importance, and in the Older People's Housing Strategy we developed three outcomes that will guide our work to meet older people's expectations:
  - 1.5 Outcome 1: Older people are able to live independently in their home for as long as they choose or it is safe to do so.
  - Outcome 2: Older people are able to access specialist housing if they need extra support
  - Outcome 3: Older people are able to make well informed, supported decisions about their homes and housing options that maximises their overall control and independence
- 1.6 We recognise that Lambeth's sheltered housing accommodation does not meet older people's current needs and expectations, nor their future aspirations. The majority of the properties do not meet either the national Decent Homes standard or Lambeth's own Housing Standard, and are not

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<sup>1</sup> Through the recent consultation for the Older People's Housing Strategy and through extensive consultation for the Older People's Commissioning Strategy.

capable of adapting to allow people to stay in their own homes as they grow older and their needs change.

- 1.7 The existing properties are too small, often lacking lifts to upper floors and some are unsuitably located. All the properties need to be modernised. For these reasons we find it difficult to find tenants for sheltered housing units – it takes over 70 days to let a sheltered unit compared to less than 17 days to let other council properties.
- 1.8 The inadequacy of our current sheltered housing properties, projected increases in our older population and pressures on local government finances mean that it is not wise for us to continue to invest in sheltered schemes in Lambeth.
- 1.9 Instead we need to look at alternative types of older people's housing that can support older people to remain independent and in their own homes for longer, even when their support needs increase. These alternatives include extra care housing and designating existing council properties specifically for older people.

**What is extra care housing?**

Extra care housing offers older people the opportunity to remain independent in their own homes, but also to access 24 hour on-site care. People can enter extra care housing when they are fit and mobile with the expectation that they can draw on care services as their circumstances change. People who live in extra care housing have their own self-contained homes, their own front doors, but extra care housing comes in many built forms, including blocks of flats, bungalow estates and retirement villages.

These developments are intended to bring together people of differing needs to create a more sustainable community. Extra care homes are homes for life that can adapt to a person's changing needs as they grow. It is a popular choice among older people because it can sometimes provide an alternative to a care home.

People living in council provided extra care housing have tenancy agreements.

**What is sheltered housing?**

Sheltered housing means having your own flat in a purpose built block, or on a small estate, where all the other residents are older people (usually over 55). Most developments (or 'schemes') provide independent, self-contained homes with their own front doors.

Sheltered housing provides access to support services available to residents, such as a warden or increasingly floating support. People living in council provided sheltered housing have tenancy agreements.

**What is social housing designated for older people?**

Social housing is housing owned by Lambeth Council, or registered social landlords, that is made available to rent to residents of Lambeth. Some housing, typically groups of flats, will be designated specifically for use by older people. This housing will meet the Lambeth Housing Standard, and will have adaptations made so that people can live safely and comfortably in their homes. Some social housing designated for older people will have communal facilities such as gardens and lounges. People living in social housing for older people will have tenancy agreements. If they have social care support needs these will be met following an individual needs based assessment.

**What is residential care?**

Residential care is designed for people who need a lot of care and support. Residential care typically provides people with their own bedroom and bathroom, but shared dining rooms and lounges. These homes will have staff on site at all times to support the residents.

A home registered simply as a care home will provide personal care only - help with washing, dressing and giving medication. Some care homes are registered to meet a specific care need, for example dementia or terminal illness.

- 1.10 At present Lambeth has a limited number of extra care units, and due to high demand for housing with care services this has meant that we have tended primarily to house people with high needs in this type of accommodation. With additional units in the borough, however, we can widen the range of residents in extra care developments to ensure a mixture of people with high and low levels of needs.
- 1.11 As part of the development of the Older People's Housing Strategy, we analysed Lambeth's existing range of older people's properties and looked at current demand and the potential future demand for housing by the next generations of older people. We found that today there is:
- **More social rented sheltered housing than we need:** A surplus of social rented sheltered housing of an estimated 719 units - including Housing Association properties
  - **Not enough social rented extra care units suitable for people with high care needs:** A deficit of high care dependent social rented extra care housing of an estimated 79 units
  - **No extra care provision for lease or sale.** We calculate there is currently potential demand for an estimated 171 units
- 1.12 And by 2031 we estimate that there will be:
- More social rented sheltered housing than we need: A surplus of social rented sheltered housing of 377 units

- An even bigger gap between the social rented extra care housing we need, and what is available: a deficit of social rented extra care housing of 165 units
- Not enough sheltered housing for lease/sale: A deficit of sheltered housing for lease / sale – with a potential demand of 784 units
- An even bigger gap between the leased/sale extra care housing we need, and what is available: a deficit of extra care for lease / sale – against a potential demand of 214

## **2. Proposals and reasons**

2.1 Feedback from residents and comparison against national and local standards suggested that our existing sheltered housing stock is not fit for purpose. We commissioned an independent review of all our older people's housing schemes, looking at the quality of the homes, and at how we can use the properties in the future. The review also needed to take into account the financial constraints we are operating within.

2.2 The key finding was that most of our sheltered housing properties are not fit for purpose and do not meet standards for older people's housing, although the consultants' report acknowledged that some schemes could be modernised and continue to be used as older people's housing.

2.3 This report presents an objective assessment of what the Council's options are in transforming its sheltered housing schemes given this starting position, the financial constraints the Council faces, and what older people have told us about how they want to live.

2.4 After reviewing the findings, we propose that the council:

- Develops additional extra care housing in the borough
- Modernises those sheltered housing properties that can be improved: Although these properties will no longer function as traditional sheltered housing schemes, they will be reserved for older residents
- Disposes of sheltered properties that cannot be improved to enable reinvestment of resources to upgrade the offer for older people.

2.5 The sections below set out the key findings from an independent review of the Council's existing sheltered housing properties, and a summary of the available options for creating additional extra care housing in the borough.

## **2.6 Development of extra care / sheltered housing proposals**

2.6.1 The independent review of Lambeth's sheltered housing assessed each scheme against the following possible uses:

- Modernise and continue to use for sheltered accommodation
- End their use as sheltered housing but retain as social housing, preferably for older people
- Sell buildings for private housing
- Sell (cleared) site for affordable housing
- Sell (cleared) site for extra care housing

- 2.6.2 The review included estimated costs for all the development / renovation options, and these costs, as well as potential capital receipts from site sales, helped to inform the overall recommendations. The resulting report outlines the possible future uses for each scheme, noting that some schemes are suitable for more than one use.
- 2.6.3 The report confirms that Lambeth Council's sheltered housing stock is currently not fit for purpose and most of it cannot be modernised to a standard that would equip it for long term use as either sheltered or extra care accommodation.
- 2.6.4 Only four schemes could be modernised to a standard that would meet modern design guidelines for sheltered housing and this would be at an estimated cost of £4.888m. In some schemes the improvement process would mean a reduced number of units. At the end of this process we would have 112 units of sheltered accommodation.
- 2.6.5 The report finds that 13 schemes could be re-designated as social housing within council ownership. Furthermore, if appropriate, these schemes could be suitable for older people's independent living accommodation. This would create 375 units at a cost of £5.1m.
- 2.6.6 A key reason why the remaining units could not be converted to general needs use is that they would be too small under present planning rules.
- 2.6.7 The third option identified by an independent report considers whether schemes could be sold on the open market as private sales, using the money received (receipt) to fund more appropriate older people's housing elsewhere. They concluded that 13 schemes could be sold which would give a net receipt of £57.02m, after taking into account the loss of revenue to the Housing Revenue Account (HRA). The report also considers whether it is possible to build affordable housing on these sites, concluding that this is a viable option, providing that rents are charged at affordable rather than at social rent levels.
- 2.6.8 The report also assesses what the value would be of all sites if they were sold as cleared sites. The net value varies considerably between schemes, from a maximum of £3.89m to a nominal £0.1m. Where values are very low this is because the reviewers considered that the sites are not financially viable places for building affordable accommodation.
- 2.6.9 The final option against which existing schemes are assessed is whether they are suitable for conversion to extra care facilities. The report assumes that a 40 unit scheme is the smallest viable scheme size, although a scheme size of 60 units would be preferable. It also assumes that any new extra care schemes would be developed and owned by external partners, such as a housing association, rather than by the council.
- 2.6.10 The report concludes that whilst none of the existing sheltered buildings could be modernised to extra care standards, 6 existing scheme sites are suitable for the construction of extra care units.

- 2.6.11 This would mean the existing buildings being vacated and the sites cleared and new extra care schemes constructed. All 6 sites are suitable for a development of 40 units but only two of the sites were considered suitable for 60 unit developments.
- 2.6.12 In terms of cost, this option (converting existing sheltered scheme sites to extra care accommodation) is slightly more complex, as we need to consider not just how much it will cost to build the properties, but also how much care and services costs in the new schemes will be, and how these may be recovered.
- 2.6.13 Firstly the report assumes that care costs are met from separate budgets so the report only looks at how the initial build costs and ongoing housing related costs are financed. If the council wishes to maintain rents at social rent levels there would have to be a subsidy of between £3.5m to £3.7m for 40 unit schemes with this increasing to £4.6m to £4.9m for 60 units (the range in subsidy levels reflects the difference between affordable and social rents).
- 2.6.14 Housing associations are able to offer tenancies at rents of up to 80% of market rent levels within the local area – this is known as an ‘affordable rent level’. The additional finance raised will be available for reinvestment in the development of new social housing. Essentially, this model envisages the replacement of the capital grant supply subsidy for social housing.
- 2.6.15 The position changes significantly if rents are charged at government defined affordable rent levels which are themselves based on up to 80% of the private sector market rent: with three affordable rent schemes Lambeth may receive a small capital receipt. This position applies whether the extra care developments are of 40 or 60 units. Finally, if schemes are developed on a mixed tenure model then the same three schemes would return a positive valuation.
- 2.6.16 The report then provides an assessment of each scheme on a red, green and amber basis - prioritising an option for each scheme - although for a number of schemes more than one option is still feasible.
- 2.6.17 A summary of the report findings is set out in the table below and an expanded, more detailed summary, with ratings for each scheme, can be found in Appendix 1.

	Retain as Sheltered Housing	Retain but as Social Housing	Sell as Vacant Property	Sale as Cleared Site	Build New Extra Care Scheme
Balmoral court	RED	GREEN	AMBER	RED	RED
Bland/Burchell	AMBER	GREEN	AMBER	AMBER	RED
Carfax Place	RED	AMBER	AMBER	GREEN	GREEN
Castle House	RED	GREEN	AMBER	GREEN	RED
Chaplin Close	RED	GREEN	GREEN	GREEN	AMBER
Cherry Tree Drive	AMBER	AMBER	AMBER	AMBER	AMBER
Cloisters	AMBER	GREEN	AMBER	AMBER	AMBER
Crowhurst Close	RED	AMBER	RED	AMBER	RED
Denby Court	AMBER	RED	RED	AMBER	GREEN
Elderberry Grove	AMBER	RED	RED	AMBER	GREEN
Fitch Court	AMBER	AMBER	AMBER	GREEN	GREEN
Glebe	AMBER	AMBER	AMBER	AMBER	GREEN
Heather Close	RED	AMBER	AMBER	AMBER	RED
Holland Grove	RED	GREEN	AMBER	AMBER	RED
Joe Hunte Court	AMBER	GREEN	AMBER	AMBER	AMBER
Leigham Court Rd	RED	RED	RED	GREEN	RED
Matlock Close	AMBER	AMBER	AMBER	AMBER	RED
McCall close	RED	AMBER	RED	GREEN	RED
Northwood House	GREEN	GREEN	AMBER	RED	GREEN
Norwood Rd	RED	GREEN	GREEN	GREEN	RED
Nuneham	RED	AMBER	AMBER	AMBER	RED
Queenswood court	RED	RED	RED	AMBER	RED
Spa Court	RED	GREEN	AMBER	GREEN	RED
Westcott house	RED	RED	RED	AMBER	RED

2.7 Drawing on the independent review of our sheltered housing schemes, we have developed three alternative proposals for the future use of these schemes. These proposals take into account what older people have told us through extensive consultation, the information collected for each scheme, the identified future needs as outlined in paragraph 1.11 – 11.12 and the available financial resources.

2.7.1 A summary of the options for the future use of existing sheltered housing stock is provided in the below table. Further examination of each of the proposals is provided below the table:

	<b>Option 1</b>	<b>Option 2</b>	<b>Option3</b>
<b>Outputs</b>	<p>732 existing sheltered units retained but not remodelled.</p> <p>Properties brought up to Lambeth Housing Standard and additional works as identified</p>	<p>352 units in 10 schemes modernised and used as designated housing (where suitable for older people).</p> <p>1 scheme sold (vacant).</p> <p>7 schemes vacated and sites sold for general needs housing, creating 66 affordable housing units.</p> <p>5 schemes to be vacated and redeveloped a extra care schemes delivering 280 units.</p> <p>1 scheme retained as sheltered.</p>	<p>465 units in 14 schemes modernised and used as designated housing (where suitable for older people).</p> <p>4 schemes vacated and sites sold for general needs housing, creating additional affordable housing units.</p> <p>5 schemes to be vacated and redeveloped as extra care schemes delivering 280 units.</p> <p>Note: scheme retained as sheltered in option 2 is still retained but used as general needs housing for older people.</p>
<b>Cost</b>	£21.2m capital expenditure.	Gross estimated capital receipt of £12.2m and a £5.4m cost of modernising retained properties – net £6.8m.	Gross estimated capital receipt of £6m and a £7m cost of modernising retained stock requiring an investment of £1m.
<b>Capital</b>			
<b>Revenue</b>	No reduction in older persons costs to mitigate future demographic increases.	Net estimated reduction (once extra care units completed) is approx £15k- 25k per week.	Net estimated reduction (once extra care units completed) is approx £15k- 25k per week.
<b>HRA</b>		Net estimated loss of rental income to the HRA £1.52m	Net estimated loss of rental income to the HRA £1.05m

	Option 1	Option 2	Option3
<b>Outcomes</b>	<p>Older people in existing sheltered properties continue to live in housing that does not meet the Decent Homes standard, let alone national requirements for older people's housing.</p> <p>Worsening health and wellbeing outcomes for older people living in outdated, non-Decent Homes standard housing.</p> <p>The choice of supported housing for older Lambeth citizens is increasingly limited over the next 20 years.</p>	<p>Older people are able to access specialist housing if they need extra support.</p> <p>Older people supported to stay in their own homes for longer as extra care housing can be adapted for their changing needs as they grow older.</p> <p>Improved health and wellbeing outcomes for older people who are housed in modern accommodation, designed to enhance their independence.</p> <p>Reduction in social isolation and building of social capital through the use of extra care schemes as community hubs offering a range of services and activities for the local community.</p> <p>Lambeth's older people (across all tenures) have an increased choice in their housing options.</p> <p>Council-owned retained stock is fit for purpose.</p> <p>Revenue budget for older people offers better value.</p>	<p>Older people are able to access specialist housing if they need extra support.</p> <p>Older people supported to stay in their own homes for longer as extra care housing can be adapted for their changing needs as they grow older.</p> <p>Improved health and wellbeing outcomes for older people who are housed in modern accommodation, designed to enhance their independence.</p> <p>Reduction in social isolation and building of social capital through the use of extra care schemes as community hubs offering a range of services and activities for the local community.</p> <p>Lambeth's older people (across all tenures) have an increased choice of housing options.</p> <p>Council-owned retained stock is fit for purpose.</p> <p>Revenue budget for older people offers better value.</p> <p>The council demonstrates that it is maximising the use of its current assets.</p>

## 2.8 **Option 1: The Council continues to own existing sheltered housing stock and makes no new investment in the properties**

2.8.1 This option assumes that the Council continues to own all current sheltered housing schemes, making no significant investment in the schemes. In this option the Council does not develop a programme to create additional extra care housing, although we would still need to try and bring all existing properties up to at least the Decent Homes standard and make improvements to comply with general guidance issued by government and housing advisory bodies. The cost of retention is estimated at £21.2m

2.8.2 Advantages of option 1:

- No disruption to existing tenants, beyond renovation works to bring homes up to the Lambeth Housing Standard

2.8.3 Disadvantages of option 1:

- Existing properties are not fit for purpose and fail to meet either the Decent Homes standard or the Lambeth Housing Standard
- Properties are not capable of being modernised to current standards for older people's accommodation
- Properties will continue to deteriorate
- There will be continuing difficulties in renting sheltered housing properties (given the current lack of popularity for scheme lettings)
- This option does not meet the long-term needs identified in the Older People's Housing Strategy – especially as future generations of older people do not want to live in this type of housing
- It is not financially possible to maintain the stock with the current levels of expenditure required
- Older people are not able to safely and comfortably remain in their own home as their needs increase

2.8.4 **Conclusion:** this option does not help us to meet our older citizens' ambitions for their housing. Despite past delays in taking a decision on the future of existing sheltered housing stock, the Council urgently needs to transform these properties, given the population changes Lambeth will experience and the financial constraints the organisation faces. We consider therefore that option 1 is not a viable option.

## 2.9 **Option 2: Self-financed transformation**

2.9.1 The aim of option 2 is to closely match older people's housing aspirations with an approach that looks at what is practically achievable for each scheme. This option aims to set out a programme for developing extra care housing in the borough that also delivers a capital receipt.

2.9.2 The following table summarises the individual recommendation for each scheme within this option:

	Retain as Sheltered Housing	Retain but as Social Housing designated for older people	Sell as Vacant Property	Sale as Cleared Site	Build New Extra Care Scheme
Balmoral court		X			
Bland/Burchell		X			
Carfax Place					X
Castle House				X	
Chaplin Close			X		
Cherry Tree Drive		X			
Cloisters		X			
Crowhurst Close		X			
Denby Court					X
Elderberry Grove					X
Fitch Court					X
Glebe					X
Heather Close		X			
Holland Grove		X			
Joe Hunte Court		X			
Leigham Court Rd				X	
Matlock Close		X			
McCall close				X	
Northwood House	X				
Norwood Rd		X			
Nuneham				X	
Queenswood court				X	
Spa Court				X	
Westcott house				X	

- 2.9.3 According to these recommendations one scheme would be retained as sheltered housing, 10 retained (352 units) and used for social housing for older people, 1 scheme would be sold, 7 schemes demolished with the sites sold to enable new affordable housing to be built, and 5 sites to be used to develop new extra care schemes.
- 2.9.4 In time this option would result in sufficient funds (from the sale of unsuitable sheltered properties or sites) to pay for modernising those properties we will continue to own - both sheltered and general social housing.
- 2.9.5 This option, however, relies heavily on the Council being able to sell unsuitable sheltered properties at a price that will generate enough funds and that we will be able to reserve these funds in order to carry out the necessary work on the retained properties.
- 2.9.6 The capital value also assumes that at least some of the new extra care schemes will themselves deliver a positive valuation due to the long term income stream that can be achieved by the registered providers. In this case, providers would have to charge affordable rents and develop mixed tenure schemes.

2.9.7 If all the broad financial assumptions made within the consultants' report are correct, over the period of the programme we would receive an overall capital surplus of nearly £6.8m.

2.9.8 However we need to be cautious about this figure given the current condition of the property market. We also know that the programme will take several years to complete and is therefore likely to experience building cost inflation. The tightening of the affordable rented market may also make it more difficult for the providers of extra care to produce the revenue returns the report has assumed.

2.9.9 This option also assumes that some sheltered schemes that may be suitable for modernisation and use as general social housing designated for older people are instead sold to help finance the modernisation of other schemes.

2.9.10 Advantages of option 2:

- The option meets Lambeth's overarching aspirations around housing (as set out in the 2012 Housing Strategy) and would enable more older people to live independently in good quality housing. The option is cost-neutral for capital costs.
- It creates additional extra care capacity which achieves long term savings in residential care costs.
- The option will mean there are more properties that allow older people to live independently (as a result of some existing sheltered housing schemes being converted to general needs housing designated for older people).
- It will bring inward investment to the borough.

2.9.11 Disadvantages of option 2:

- Potential difficulties around seeking agreement from existing tenants.
- Standard risks associated with a major development programme.
- Risk around financial assumptions regarding capital receipts.
- Risk of selling properties that could potentially be used for general needs older people's housing.
- Some initial difficulty in commencing the programme as tenants from existing schemes would need to vacate the properties before the construction of any new extra care housing.
- Some schemes which would be viable for use as social housing for either older people or general needs tenants would be sold to fund the programme.

2.9.12 **Conclusion:** this option meets the Council's aspirations for older people's housing within a viable financial framework that does not require the Council to take resource away from other capital projects.

2.9.13 However, the disadvantages regarding the practical aspects of option 2 (such as completing the first new extra care development) will make the programme difficult to implement during the early phases.

2.10 **Option 3: Transforming at a price**

2.10.1 This option enables the Council to continue to own as many properties as is practically possible, taking into consideration their condition and the potential

for modernisation. As in option 2, however, we would still aim to develop a programme for the development of additional extra care units. This option involves the Council continuing to own a greater number of schemes (rather than selling certain schemes as in option 2) and converting these to general needs housing designated for older people.

2.10.2 The following table summarises what would be the individual recommendation for each scheme

	Retain but as Social Housing designated for older people	Sell as Vacant Property	Sale as Cleared Site	Build New Extra Care Scheme
Balmoral court	X			
Bland/Burchell	X			
Carfax Place				X
Castle House	X			
Chaplin Close	X			
Cherry Tree Drive	X			
Cloisters	X			
Crowhurst Close	X			
Denby Court				X
Elderberry Grove				X
Fitch Court				X
Glebe				X
Heather Close	X			
Holland Grove	X			
Joe Hunte Court	X			
Leigham Court Rd			X	
Matlock Close	X			
McCall close			X	
Northwood House	X			
Norwood Rd	X			
Nuneham	X			
Queenswood court			X	
Spa Court	X			
Westcott house			X	

2.10.3 This option maximises the number of schemes retained by the Council (465 units). It would mean modernising 14 schemes and using them as housing reserved for specific groups (such as older people). It reduces the number of schemes to be sold to 4 and, as in option 2, retains 5 sites for building new extra care housing.

2.10.4 Sheltered housing will be modernised and used as a designated general housing scheme for older people. The tenants would have any social care support needs met on an individually assessed basis.

#### 2.10.5 Advantages of option 3:

- The option meets Lambeth's overarching aspirations around housing (as set out in the 2012 Housing Strategy) and would enable more older people to live independently in good quality housing. It creates additional extra care capacity which achieves long term savings in residential care costs.
- This option will lead to more social housing compared to Option 2, an additional 113 units, as some existing sheltered housing schemes will be converted to general needs housing designated for older people
- It will bring inward investment to the borough
- With fewer properties being sold more residents will be able to stay living in the same location, and therefore face less disruption

#### 2.10.6 Disadvantages of option 3:

- Potential difficulties around seeking agreement from existing tenants
- Standard risks associated with a major development programme
- Risk around financial assumptions regarding capital receipts
- Some initial difficulty in commencing programme as existing schemes would need to be decanted prior to the construction of any new extra care housing
- The Council will also have to find money from other capital budget sources to fund the extra care programme

2.10.7 **Conclusion:** this option also helps to achieve the Council's ambitions for older people's housing, and in fact creates a greater number of housing units for older people (a mixture of general needs and new extra care units). Furthermore, given that this option would increase the number of schemes that the Council owns, existing tenants may respond more positively to the programme.

2.10.8 This option, however, would require the Council to make a significant capital investment to build additional extra care housing. In addition, the issue of how the initial extra care housing scheme will be developed still remains with this option.

2.10.9 Using the same financial assumptions as option 2, this option would require around £1m of net capital investment by the Council. This makes the programme almost self-financing over its life, however, the provisos in paragraph 2.25 still apply to this option.

2.10.10 There may also be a need to forward fund some work at the early stages of the programme as some schemes would be modernised before others are sold to generate capital receipts.

### 2.11 Conclusions

2.11.1 We conclude that the only way to meet the Council's ambition to support older people to live well, independently, and in a way they choose is by transforming the Council's existing sheltered housing stock and developing additional extra care housing in the borough.

2.11.2 This ambition can only be realised through pursuing either option 2 or 3 as described in paragraphs 2.29 – 2.51.

2.11.3 Our recommendation is that if the Council can identify additional capital funding for the programme, then Option 3 is the preferred option. This will transform Lambeth's housing stock, introducing homes that allow older people to maintain their independence for longer, accessing support where necessary. Option 3 delivers the most amount of housing for older people, and is likely to cause the least disruption for existing tenants.

## 2.12 Delivering the Transformation

2.12.1 Option 3 allows us to minimise the number of sheltered properties that are sold and still represents a major transformation programme.

2.12.2 At present there are older citizens living in sheltered housing that does not meet the Decent Homes standard nor the Lambeth Housing Standard, let alone design standards for older people's housing. Our proposals are intended to improve their wellbeing and quality of their lives by offering high quality housing which can be a home for life.

2.12.3 It is vitally important therefore, that we present these tenants with clear information about the options available to them and how these will be an improvement on existing sheltered housing. There is a possibility that in some of the schemes recommended for modernisation tenants will be able to remain in their homes while the improvements take place, and the advantages of improved housing will hopefully be clear.

2.12.4 For those tenants in sheltered properties which will be demolished, either for redevelopment as extra care schemes or as affordable housing, we will seek to offer high quality alternative housing options.

2.12.5 Lambeth has recently gone through the process of moving existing tenants out of a sheltered property whilst it is being redeveloped as an extra care scheme - in Cheviot Gardens. Here we have successfully rehoused 40 residents into other sheltered or extra care facilities and general social housing. The majority of residents moved to new housing association tenancies and, although reluctant at first to consider moving, are settling into their new homes. All these residents have a right to return to Cheviot Gardens in 2015. Whilst this was not an easy time for tenants ACS and HRE staff worked closely together in order to offer them as much reassurance and choice as possible. The lessons learnt will be invaluable in moving forward with the proposed changes.

2.12.6 The key elements that have ensured a smooth transition for Cheviot Gardens residents include:

- A dedicated staff member for ensuring the move of tenants, and a project team with effective joint working between the Housing, Regeneration and Environment (HRE) and Adults and Community Services (ACS) departments
- Clear justification of the need for change based on residents' current homes, including the condition of their homes, poor access, being too small to respond to people's needs as they change
- Detailed and regular briefing of all staff who are in contact with residents

- Resident involvement in co-production of proposals, including option appraisal, partner selection and design development
- A firm rehousing package, with options for location and type of new homes, to be available when talking to residents
- Information about and visits to other schemes with residents, explaining what is available
- Provision for home loss payments to be paid on signing of new tenancy rather than after moving so that people can furnish new homes before they move in
- Right to return where appropriate
- Availability of good quality alternative accommodation locally, requiring good co-ordination with partner providers
- Close working between the HRE / ACS project team and the occupational therapy team, Age UK, the home improvement team and allocations, as well as residents' relatives or advocates to offer the best housing choices and ensure groups of friends move together
- Individuals are listened to and their needs are taken into account

- 2.12.7 It is therefore important that at least one new extra care scheme is developed as part of the first phase on the programme so that we can provide high quality, attractive housing alternatives to those tenants who will be displaced by changes to sheltered housing schemes.
- 2.12.8 We are currently exploring possible options around the construction of an additional extra care site on land outside of any of the existing sheltered scheme sites. There have been discussions with a number of developers who may be interested in providing an extra care scheme as part of a larger development.
- 2.12.9 We are also reviewing the current range of Lambeth sites which are suitable to be sold to see if any of these can provide a site for an extra care scheme and also whether there are any in fill development opportunities within the council's own housing estates.
- 2.12.10 Furthermore the government has recently announced a £300m five year funding programme to support the development of new extra care housing. Up to £60m of this fund will be allocated to London, to be administered by the Greater London Authority (GLA). The GLA have recently confirmed that the London fund will be administered through the Mayor's Care and Support Housing Fund.
- 2.12.11 Phase1 of the funding scheme is concerned with affordable housing and will accept applications for both new extra care schemes and also for redeveloping existing sheltered schemes. The deadline for Phase 1 applications is the 18<sup>th</sup> January 2013 and we are working closely with a number of housing associations in order to submit a bid for a new extra care scheme. We are also working with Lambeth Living to also submit an application for redeveloping those schemes which have been identified as suitable for modernisation.

## 2.13 **The new offer for older council tenants**

2.13.1 Options 2 and 3 include provision to improve and create additional units of social housing designated for older people. This new offer will include the following features:

- Properties modernised to Lambeth Housing Standard
- Prioritising repairs for older tenants
- Reserving certain council properties for older people

Lambeth Council is also reviewing the services it offers to support older people living in social housing. Well designed services are as important as bricks and mortar in allowing people to live safely and comfortably in their homes.

2.13.2 There are four main types of services that will be available to those who meet certain criteria:

- Self-directed support: personal budgets allow older people to decide what services they want
- Telecare: This is care services delivered at a distance. Telecare involves using technology such as personal alarms and monitoring equipment to ensure that people are able to access rapid help in an emergency.
- Home Improvement Agency: A redesigned home improvement agency will offer advice and support to older people to help them to stay in their homes. They will help people to repair, improve, maintain or adapt their home to meet their changing needs.

Re-ablement: Support to empower and enable people to live independently and achieve their goals. In contrast to personal care which may involve a carer doing things for older people, re-ablement focuses on working with people to build the skills and confidence to maintain their independence.

## 3. **Consultation**

3.1 We have been speaking to older people through consultations for the current Older People's Housing Strategy and the 2008 Older People's Strategy about their priorities and expectations around how and where they want to live. Our older citizens told us that they want to be independent, to stay in their own homes for longer and to exercise more control over their housing and support options.

3.2 If we adopt a strategy to transform our sheltered housing stock and create new extra care developments in the borough, we will need to start a process of collaboration and consultation with sheltered housing tenants. This will involve explaining in detail to tenants the proposals for each scheme.

- 3.3 Where proposals involve the decommissioning of a scheme, tenants will need to understand what offers of alternative accommodation will be available and details of the support we can provide on moving. Where a property is being modernised and converted to designated housing for older people, we will need to provide details of the support and community services available to tenants once the work has been completed, as well as the nature of the proposed modernisation.
- 3.4 We have developed a communications strategy to ensure citizens generally are made aware of the proposed changes to sheltered housing schemes and plans to create more extra care housing in the borough.
- 3.5 We have developed an inclusive engagement and consultation process with residents of individual sheltered schemes, providing an opportunity to put cooperative working in action, by offering residents the opportunity to co-design aspects of the new and modernised properties, and the services they receive.
- 3.6 Following this Cabinet report, depending on decisions made, a full programme of consultation will be put in place. It will take place between Monday 28 January and Monday 29 April 2013 and will ask people for their views on the proposals. The consultation will include meetings at sheltered housing schemes, public meetings, questionnaires and focus groups. It will involve people who live in sheltered housing schemes, older people more generally, voluntary and community sector organisations, tenants' groups, staff and other stakeholders.

#### **4. Finance Comments**

- 4.1 The estimated capital implications of the proposals vary per option. Option 1 in this report requires funding of £21.2m. This is in excess of the value of works to bring the properties up to Lambeth Housing Standards. The Lambeth Housing Standard programme is not fully funded. It is very unlikely that this can be funded in the immediate future.
- 4.2 Option 2 provides an estimated net capital receipt estimated at £6.8m. This is dependent upon the assumptions of sale value of sites for redevelopment as extra care and for private sale. The costs of retaining units for social housing and sheltered units of an estimated £4.7m are met from the capital receipts. The estimated net loss to the HRA of rental income on the disposal of 380 units for this option is £1.52m. The impact will be phased in over the life of the project.
- 4.3 Option 3 requires an estimated net capital investment of £1m and as in Option 2 is dependent on the sale values. The difference is that this option retains more units as social housing with an additional cost of £1.3m to Option 2. The estimated net loss of rental income on the disposal of 267 units for this option is £1.05m. As in option 2 above the impact will be phased in over the life of the project.

- 4.4 Both Options 2 and 3 will require upfront investment to start the process. Due to the fact that improvements to the retained properties will need to commence prior to any schemes being decommissioned and the capital receipts realised. There is also an opportunity for a housing Registered Provider to apply to the Greater London Authority for grant funding which could assist in offsetting this cost. This is dependent upon a registered provider identifying a suitable site. The exact funding required and the timing will be dependent on the detailed programme which will be finalised once the consultation has been completed.
- 4.5 The figures are indicative and are based upon the estimated sale value of sites at current values as well as the development potential. Given that the likely length of this programme will be spanning some ten years the development evaluations will be subject to change. Full financial modelling will be carried out for the chosen option.
- 4.6 The difference between the estimated net capital receipt in option 2 and the net capital investment in option 3 needs to be balanced by the impact of the retention of the additional 113 units of general social needs housing in option 3 which contributes an annual income of approximately £470,000 to the HRA.
- 4.7 The revenue impact of the options presented will be determined by the final operating model of delivery. The current sheltered housing service expenditure is £973,000 per annum. The development of extra care/sheltered housing is part of the council's overarching preventative strategy, which is key to ensuring financial stability in future years and minimising the risk of financial pressure as a result in the increase in the aging population. There is an anticipated increase in demand as the 65+ population of 12% by 2012 and a direct increase in residential care would mean £576,000 additional spend per annum. The 85+ population is expected to increase by 20% by 2012 and if we were to base the potential increase in residential care spend on this percentage this would mean £990,000 additional spend per annum. There are agreed savings of £585,000 predicated on a new delivery model for sheltered housing.
- 4.8 Based on current net costs of placements, the cost of an extra care placement is £121 per week, compared to £354 per week for residential and £435 per week for nursing placements. An estimated saving at a 50:50 ratio could be £25k per week. This would not however result in any reduction to the Adult Social Care budget, but better equip this council to manage the anticipated increase in demand.
- 4.9 The support service is currently funded from Supporting People grant. The Council's budget agreed in February 2011 contained savings in this service area of £585,000 (as part of savings proposal ACS15 totalling £2.437) which will be delivered as part of these overall proposals.

## **5. Comments from Director of Governance and Democracy**

- 5.1 Section 47(1) of the NHS and Community Care Act 1990 states that where it appears to a local authority that any person for whom they may provide all arrange for the provision of community care services may be in need of such services, the authority shall carry out an assessment of his needs for those

services; and having regard to the results of that assessment, shall then decide whether their needs call for the provision by them of any such services

- 5.2 Pursuant to section 21 of the National Assistance Act 1948 the Council may make arrangements for providing residential accommodation for persons aged 18 years or over who by reason of age, illness, disability or any other circumstances are in need of care and attention which is not otherwise available to them. In making such arrangements the Council is required to have regard to the welfare of all persons for whom accommodation is provided, and in particular to the need for providing accommodation of different descriptions suited to different descriptions of such persons.
- 5.3 Section 105 of the Housing Act 1985 provides that local authority landlord must maintain such arrangements as it considers appropriate to enable those of its secure tenants who are likely to be substantially affected by a matter of housing management—
- (a) to be informed of the authority's proposals in respect of the matter, and
  - (b) to make their views known to the authority within a specified period; and the authority shall, before making any decision on the matter, consider any representations made to it in accordance with those arrangements.
- 5.4 Section 11A of the Housing Act 1985 provides a local housing authority to provide welfare services in connection with the provision of housing accommodation by them as accord with the needs of those persons.
- 5.5 Section 17 of the Crime and Disorder Act 1998 places a duty on the council to have due regard to the likely effect of the exercise of its various functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area.
- 5.6 Section 149 of the Equality Act 2010 sets out the new public sector equality duty replacing the previous duties in relation to race, sex and disability and extending the duty to all the protected characteristics i.e. race, sex, disability, age, sexual orientation, religion or belief, pregnancy or maternity, marriage or civil partnership and gender reassignment. The public sector equality duty requires public authorities to have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation
  - Advance equality of opportunity and
  - Foster good relations between those who share a protected characteristic and those who do not
- 5.7 The Equality Duty must be complied with before and at the time that a particular policy is under consideration or decision is taken - that is, in the development of policy options, and in making a final decision. A public body cannot satisfy the Equality Duty by justifying a decision after it has been taken.
- 5.8 The Equality Act 2010 (Specific Duties) Regulations 2011 impose specific duties on certain public bodies to enable them to perform the Equality Duty more effectively, including a requirement to publish information to demonstrate its compliance with the duty imposed by s.149 Equality Act 2010 and also to publish its equality objectives.

## 6. Results of consultation

6.1 The proposed extra care programme draws on the extensive consultation with older people undertaken for the 2008 Older People's Strategy. Some of the key points from consultation feedback emphasise older people's desire to live independently and to remain in their own homes for as long as possible:

- Older people experienced problems of social isolation and concerns for their safety and well-being
- The majority older people want to stay in their own home for as long as possible, or in housing that resembles general housing but which is reserved for an older age group, and is safe and secure
- The main demand for specialist housing is for housing that includes an 'on site care service', i.e. extra care housing
- They expressed a desire for larger homes than those available in many of the existing sheltered housing schemes, sometimes with two bedrooms
- A choice of support services - attuned to individuals' needs rather than on a 'one size fits all' basis

6.2 Further consultation undertaken as part of the development of the Older People's Housing Strategy informed us that:

- They experience difficulties in accessing adaptations, in particular to do with showers and baths; there is no response to repairs requests, and a high demand for Handyperson services
- The importance of feeling safe at home, and concerns about anti-social behaviour issues
- They are concerned about low income and the impact this has on things like repairs and keeping the heating on
- Experiencing loneliness and isolation (this issue was raised repeatedly by respondents)
- Concerns about accessing information – lots of older people did not know about some of the services we were asking them about (such as grants or the handyperson service). Owner occupiers particularly requested support and advice
- Concerns about workmen: respondents felt that older people are treated badly, at risk of being cheated or receive shoddy work; they want names of reputable firms
- Concerns about making the choice based lettings system easier
- Concerns about sheltered housing – no improvements are being made and the schemes are falling into disrepair
- Older people do not want to be forced into giving up homes that are larger than they need
- Concerns about how the council holds social housing providers to account

6.3 If we adopt a strategy to transform our sheltered housing stock and create new extra care developments in the borough, we will consult and involve tenants and other stakeholders throughout the process. Any formal tenant consultation will meet all legislative requirements, including those set out in section 105 of the Housing Act 1985. All consultation and involvement will be carried out in

ways that fully engage older people and other tenants. We will provide clear information, ensure that all of Lambeth's diverse communities are involved, support vulnerable people to have their views heard, and offer real opportunities for coproduction of housing that meets the needs of people in the borough

- 6.4 Recommendation: That an inclusive programme of consultation is implemented with tenants and other stakeholders, and that feedback from the consultation is reported back to Cabinet.

## **7. Organisational implications**

### **7.1 Risk management:**

High level risks and disadvantages associated with each potential option on the future of sheltered housing are set out in section. A detailed risk register for a delivery programme will be drawn up once Cabinet Members have identified their preferred option.

### **7.2 Equalities impact assessment:**

An equalities impact assessment has been carried out and submitted to Equalities Panel on 9<sup>th</sup> January 2013.

### **7.3 Community safety implications:**

None

### **7.4 Environmental implications:**

None

### **7.5 Staffing and accommodation implications:**

The current staffing establishment for scheme managers is 22 posts and comprises a mix of resident and non-resident staff. Options to change service delivery will impact on this group and have particular implications for those staff who have residential status. Formal consultation on any changes will have to take place with staff and trades unions in line with agreed council procedures.

### **7.6 Any other implications:**

None

## **8. Timetable for implementation**

- 8.1 We estimate a 10 year timetable for the extra care programme, which will require a phased approach.

- 8.2 The priorities in Phase 1 of the programme will be the construction of new extra care units, and modernising the council's sheltered housing schemes in order to offer them as designated older people's council housing.

- 8.3 Following consultation with sheltered scheme tenants, we could begin the modernisation programme for the retained schemes in 2013/14. This is likely to be at least a two year programme.

- 8.4 The construction of a new extra care scheme will not be completed until at least 2015; in fact a more realistic date is 2016. The Cheviot Gardens development, however, is scheduled to be completed in 2015 and will provide a number of homes for tenants of sheltered schemes that are being sold or redeveloped, even after allowing for the right of existing tenants to return.
- 8.5 Phase 2 of the programme would involve ending operations in those which are not earmarked for modernisation, and preparing them for sale. This process can begin in 2015/16.
- 8.6 We will be developing a fully detailed programme following conformation from Cabinet of the overall programme consultation with sheltered housing tenants.