

APPENDIX 2 - Strategic Review of Sheltered Housing Project Board

Minutes of the Members update – CBRE Report
Committee room 2, Hammersmith Town Hall, 16.00hrs, 19th July 2012

1.0 Present

- 1.1 Cllr Johnson – Joint Chairman (*Cllr AJ*)
- Cllr Ginn – Joint Chairman (*Cllr MG*)
- Cllr Alford – Sheltered Housing Forum Chair (*Cllr AA*)
- Mel Barrett – Project Sponsor (HRD) (*MB*)
- Lyn Swinamer – Organisational Development and Transformation (ODT) (*LS*)
- Martin Waddington – Adult Social Care (ASC) (*MW*)
- Hannah Carmichael – Adult Social Care (ASC) (*HC*)
- Stephen Kirrage – Housing and Regeneration (HRD) (*SK*)
- Jo Rowlands – Housing and Regeneration (HRD) (*JR*)
- Mike Atherton – CBRE (*MA*)
- Mark Longley – CBRE (*ML*)
- Tom Morgan – CBRE (*TM*)
- Geoff Wharton – Project Manager (*GW*)

2.0 Apologies

- 2.1 Jonathan Weisgard - Communications

3.0 Introduction

- 3.1 MB opened the meeting by reminding the group of the original brief for this project, which was proposed by joint Cabinet Members Decision (Cabinet Members for Housing and Community Care) and adopted at the 30th January 2012 Cabinet Briefing.

3.1.1 The vision is to ensure that LBHF HRA stock is managed efficiently and profiled to meet changing aspirations and need in the Borough. A key driver is to provide sustainable, fit for purpose accommodation that meets the corporate objective of delivering high quality, value for money services. Whilst the outcome of the review of the Sheltered Housing Stock cannot be predetermined, a primary objective is to deliver an additional 105 units of Extra Care accommodation within our existing Sheltered housing stock to support the operational requirements of Adult Social Care. Current stock will be assessed for potential conversion as part of the Review.

- 3.2 MB thanked all parties for their attendance and advised that that the most substantial item for discussion was the draft Strategic Review of Sheltered Housing Stock and Provision of Extra Care Units in Hammersmith and Fulham – Phase 1: Summary Report and Key Findings from CBRE circulated in advance of the meeting. The meeting would begin with CBRE presenting their report, and taking questions from the members on any issues which required clarification.

4.0 CBRE Report

- 4.1** MA gave some background on his organisation. CBRE is the world's largest commercial real estate advisor, and relevant for this assignment, with colleagues who specialise in areas such as Care and Health facilities provision at both national and international levels. Moreover CBRE were focused on assisting clients to implement solutions in addition to providing reports to support evidenced based decision making. As a result the report was able to address more than a conventional survey which advised on the current fabric of the buildings, but also covered the practicalities of provision and means of facilitating it.
- 4.2** The report was the executive summary of the detailed reports on each scheme, however it was detailed enough to draw a number of conclusions and recommendations which were clearly set out in the report. MA highlighted these points, and the methodology employed to arrive at them
- 4.3** CBRE then focused Members attention to the latter sections of the report which drew upon their specialist knowledge of the sector, and gave some detailed background on how the Council could meet its objectives of providing Extra Care, including development options and financing, and invited questions from the Members.
- 4.4** The conclusions and recommendations from the CBRE reports were clearly set out and Councils responses are set out in the table below:

CBRE Conclusion	LBHF Response
Conclusion 1: We conclude that other than the noted exceptions, the stock is currently in sound condition, meets the needs of residents under the current policy for sheltered housing and is likely to be manageable for the short term (up to 10 years).	Accepted See recommendations 1, 9 and 11
Conclusion 2: We conclude that based on the demand profile provided, none of the schemes can be considered unsuitable from a demand perspective. Any change to the sheltered accommodation schemes should therefore be based on other criteria. This conclusion needs to be re-visited if the nature of the qualification policy or service level to sheltered accommodation residents is changed.	Accepted See recommendations 2, 3 and 4
Conclusion 3: Benchmarks indicate void levels are higher than expected and the financial performance of the sheltered accommodation could be improved if this is addressed. However, we have noted that HRD were fully aware of the issues and are already addressing them as part of a service review.	Accepted See recommendation 8
Conclusion 4: We conclude that none of the sheltered accommodation schemes represent practical options for conversion to extra care.	Accepted See recommendations 1, 12 and 13
CBRE Recommendation	LBHF Response
Recommendation 1: The Council undertakes a review of the service requirements for people with elderly support/care needs linked to sheltered accommodation in order to ensure it is	Accepted See recommendations

appropriate for residents' needs. The link between these needs and whether the physical attributes of the current sheltered housing stock meets those needs can then be better assessed.	2, 3, 4, 5, and 6
Recommendation 2: The Council reviews the current qualification and allocations system to ensure that only residents in need of sheltered accommodation become eligible. Such a review should culminate in a revised qualification policy that reflects on service needs, from which the demand and supply of sheltered accommodation can then be assessed.	Accepted See recommendation 3
Recommendation 3: Further investigation should be undertaken on the net revenue position for sheltered accommodation. Furthermore, any future options should clearly take account of any potential loss of net income to the Council.	Accepted See recommendation 9
Recommendation 4: We recommend the Council considers its position on sheltered housing in the Borough in light of the key findings set out in this report. There is scope to vary the number of sheltered housing units but this should only be done in the context of a full understanding of the service needs associated with sheltered units.	Accepted See recommendation 9
Recommendation 5: From a property perspective, there is clear potential to re-develop low density schemes. This could provide an opportunity for the re-provided units to be of a quality and design that better meets the requirements of residents with sheltered housing needs, particularly if a revised policy on sheltered accommodation were to require higher spec units.	Accepted See recommendation 9
Recommendation 6: We recommend that if redevelopment is an option the Council intends to evaluate then consideration is given to all potential forms of finance, including some innovative solutions now being proposed in the private sector market. These can allow the Council to retain capital receipts and finance new accommodation in a more strategic way.	Accepted See recommendations 13 and 14
Recommendation 7: We recommend that the Council undertakes further review of the options for the provision of extra-care units given that conversion of sheltered accommodation is not, in our opinion, a viable option.	Accepted See recommendations 13 and 14

5.0 Points of clarification

- 5.1** Members welcomed the report and thanked CBRE and officers for its preparation. The report was considered to be clear and logical. The methodology employed by CBRE appeared to be very sound which, coupled with CBRE's experience and reputation, made the report a good basis for subsequent decision making.
- 5.2** Members questioned what seemed to be high void rates. It was discovered that there were a range of factors affecting this such as LOCATA allocations system, and retrospective Decent Homes work. However, this was part of an ongoing service review and significant improvements were expected.
- 5.3** Members requested further details as to why none of the existing schemes were suitable for conversion through refurbishment. TM advised that the major factors were the inability to convert enough units on a single site to get

a minimum critical mass of at least 30 units, small existing units which would require conversion of 2 units in 1 to achieve modern space standards of 50 square metres, and the very significant cost of retrofitting lifts and other works to provide level access and accessibility. These, and other lesser factors, meant it was not financially or practically possible to deliver the specifications of units which had been set out in the original brief from ASC.

- 5.4 The long term sustainability of the schemes was discussed. CBRE reported that whilst there was no immediate concerns, expenditure would start to significantly increase in the 5-10 year period, and continue thereafter. As a result the Council would have to consider the long-term benefit in investing in each specific scheme.
- 5.5 Redevelopment to provide Extra Care housing had been a considered option for every site. CBRE explained that this was set out in the brief as part of work programme. It was further discussed that some of these site have significant land value, and could potentially offer the Council assistance in delivering future Extra Care units or resources if they were to be redeveloped.
- 5.6 Members felt very strongly that any accommodation provided should be high quality and be as close as possible to “Lifetime Homes” specification. The discussion concluded with their agreement that conversion was not a viable option to produce the high quality of units residents deserve.

At this point Members thanked CBRE for their contribution to the meeting and asked them to leave the room so that discussion on their feedback could be had, and distilled into a series of conclusions and recommendations that could be made to Cabinet following conclusion of this phase of the Sheltered Housing Review

6.0 Recommendations to Cabinet

6.1 Provision of Extra Care by conversion from existing stock

- 6.1.1 Further to the Terms of the joint paper (see 3.1.1 above) presented by the Cabinet Members for Housing and Community Services, the Strategic Review undertaken by CBRE has concluded there is no practical ability to deliver 105 units of extra care from conversion of existing stock.
- 6.1.2 **Recommendation 1:** Phase 2 of this project, the provision of additional extra care units, is primarily an issue for ASC as the emphasis will be on commissioning of services. However, HRD have offered to continue to give whatever practical advice and assistance necessary and Transformation Board will be updated accordingly.

6.2 Joint working

- 6.2.1 Members noted this project had forged a good working relationship between HRD and ASC. This good practice anticipated, and is now endorsed, by the draft Care and Support Bill. Housing and social care departments will be required to work together to effectively to meet the needs of vulnerable people.

- 6.2.2 **Recommendation 2:** HRD and ASC continue to explore a closer working relationship which prioritises the needs of the service user. This shall include areas such as information sharing, and developing joint assessment processes for allocations to sheltered accommodation.
- 6.3.3 **Recommendation 3:** HRD and ASC review the needs of our current residents. There are concerns that the current allocation system may have lead to inappropriate allocations to sheltered accommodation. A review will establish residents short, medium and long term needs and assist in future planning of services, and the provision of services. It should also quantify the issue of supply and demand to ensure the current provision is adequate, rather than an overprovision.

6.3 Service review

- 6.3.1 The report has highlighted a number of areas for further investigation. HRD have already identified many of these issues, but this report validates the need for that work.
- 6.3.2 **Recommendation 4:** HRD to take account of the review findings in finalising LBHF's revised Housing Allocations Policy, which is currently out for public consultation, prior to formal adoption. In particular, to ensure that those in housing need where ASC are currently providing support are appropriately prioritised in the new, reduced, Housing Register.
- 6.3.3 **Recommendation 5:** HRD will work with ASC to agree a revised definition and physical attributes for designated sheltered accommodation. Properties will be required to be "fit for purpose" and meet modern criteria. This would be known as the "H&F standard for modern sheltered accommodation".
- 6.3.4 **Recommendation 6:** Notwithstanding the anticipated "H&F standard for modern sheltered accommodation" it was agreed that bedsit/studio apartments were not appropriate modern accommodation and should be phased out as soon as practically possible. Bedsit/studio accommodation is only currently provided in Edward Woods and Underwood House.
- 6.3.5 **Recommendation 7:** HRD to investigate the provision of wireless alarm systems to replace the current hardwired system. This could save a considerable capital amount, as well as ensuring more flexibility with the property (supporting portable and personalised services over institutional services supplied to designated properties).
- 6.3.6 **Recommendation 8:** HRD will invite input from ASC to review the void process and the impact of the revised allocation policy and procedure. Related to this, HRD will record the reasons for refusal of its properties. This will allow analysis and deter unreasonable refusals.

6.4 Options appraisal

- 6.4.1 The report findings raise a number of issues which require further and detailed clarification. There is a strong suggestion that there could be an overprovision of sheltered accommodation leading to inappropriate services, and misdirected resources.
- 6.4.2 **Recommendation 9:** In the event of proven overprovision, HRD will undertake scheme by scheme analysis, and make recommendations for de-designation, rationalisation or additional investment, as appropriate. This will be done through full consultation with Members and the affected residents.
- 6.4.3 **Recommendation 10:** Notwithstanding the need for a detailed assessment, Members were of the view that the Edward Woods scheme was not ideal for the provision of sheltered accommodation and they would support proposals to de-designate as sheltered accommodation with no further allocations for such use at the earliest opportunity, with existing sheltered residents offered transfers to other schemes. (The Edward Woods scheme is a “scattered site” comprising 19 units in Poynter House, 11 in Stebbings House, and 10 in Norlands House, composing 31 one bed flats, and 9 bedsits).

6.5 Piloting of new approaches

- 6.5.1 **Recommendation 11:** Partnership working with other local providers of accommodation for the elderly is acknowledged best practice and increasingly encouraged. It was agreed that joint working with Hammersmith United Charities, specifically their Sycamore Gardens site, should be explored as this was a very good example of modern elderly housing provision.

6.6 Phase 1 - Conclusion

- 6.6.1 **Recommendation 12:** It be noted by Cabinet that Phase 1 of the project had been completed and all outcomes achieved on time and on budget. Outcomes included (i) conversion of existing stock had been robustly tested and found not to be an option (ii) the Council now had a 30 year building cost model for its sheltered sites (iii) detailed options appraisals for each site had been independently completed.

6.7 Phase 2 - Commencement

- 6.7.1 Initially, in addition to the terms of reference for the review set out in 3.1.1 above, the Council had the following options for the provision of Extra Care:
- 6.7.1.1 Option 1: Refurbish existing Council owned stock if suitable;
- 6.7.1.2 Option 2: Provide accommodation in alternative Council owned buildings;

- 6.7.1.3 Option 3: Provide accommodation in non-Council owned stock;
 - 6.7.1.4 Option 4: Provide accommodation in alternative existing buildings out of Borough;
 - 6.7.1.5 Option 5: Develop new buildings.
- 6.7.2 Phase 1 had clearly concluded that Option 1 was not viable. Members serving on the Sheltered Housing Project Board had stated that out of Borough provision was not a preferred option thus ruling out Option 4 in the absence of any Tri or Bi-Borough projects. Effectively this means that only Options 2, 3, and 5 are viable at present.
- 6.7.3 Having regard to the findings of the CBRE report, there are considered to be four main options for funding any future provision:
- 6.7.3.1 Option A: Bring in the private sector to develop/ finance/ operate new facilities
 - 6.7.3.2 Option B: The Council's own capital/borrowing facility
 - 6.7.3.3 Option C: Sale and leaseback, a variant of Option A
 - 6.7.3.4 Option D: Extra Care units facilitated by Section 106 planning gain [*Note: outside the terms of reference of the original review*]
- 6.7.4 There is work underway within ASC to test and validate the likely future demand for Extra Care accommodation in terms of base load and variable peaks. In order to model scenarios, and subsequently to test market appetite and financial implications for the provision of this requirement on LBHF or third party land, this work will need to be concluded.
- 6.7.5 **Recommendation 13:** It should be noted that this project has a Transformation Board agreed saving £1.1m to be achieved by 2014. It is recommended these options are quickly evaluated by ASC and a further report presented to Transformation Board detailing the current and future Extra Care needs, and how they will be met through commissioning of services, together with other measures required to achieve the target ASC saving in 2014/ 15.
- 6.7.6 **Recommendation 14:** The extent to which Extra Care units could be facilitated through Section 106 planning gain should be tested.

7.0 Next steps and timeline

- 7.1 The recommendations arising from this meeting would be presented to Cabinet in the following timeline:
 - 7.1.1 Completion of the final report for Strategic review of sheltered housing stock and the provision of extra care (Phase 1) – 08/08/12

7.1.2 Completion of the report for H&F Business Board - 15/08/12

7.1.3 Report to Cabinet Briefing – 03/09/12

7.1.4 Cabinet decision – 15/10/12

8.0 Date of next meetings

8.1 The time and date of the next meeting will be determined by Members, and circulated to the group.

END OF MINUTES