



## CAERPHILLY HOMES TASK GROUP – 4TH APRIL 2013

**SUBJECT: SHELTERED HOUSING SERVICE – STOCK APPRAISAL**

**REPORT BY: ACTING CHIEF EXECUTIVE**

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### **1. PURPOSE OF REPORT**

- 1.1 The Council has committed to undertaking a review of the sheltered housing stock as part of the overall sheltered housing review.
- 1.2 This report provides Members of the Housing Task Group with an overview of the sheltered housing stock and a detailed appraisal of those schemes where facilities may no longer meet the needs and aspirations of existing and future tenants. Recommendations are provided for schemes identified as a priority for improvements and /or remodelling.

### **2. SUMMARY**

- 2.1 On 17th February 2012, the stock transfer ballot resulted in a majority vote from the tenants in favour of their homes remaining with the Council.
- 2.2 As part of the offer within its Stock Transfer proposals, the Council promised to undertake a review of the sheltered housing service with the aim of developing improved services for sheltered housing tenants and other older tenants, following full consultation within twelve months of the ballot, i.e. 17th February 2013. This includes a commitment to undertake a review of the sheltered housing stock to determine its suitability and condition.
- 2.3 This report concentrates on those schemes prioritised for an appraisal as they contain bedsits, have poor accessibility and lack suitable facilities to meet tenants' needs and expectations, therefore major improvements or remodelling works are necessary.
- 2.4 Other schemes will be improved both internally and externally as part of the WHQS investment programme, which also includes environmental improvements.

### **3. LINKS TO STRATEGY**

- 3.1 The recommendations in this report provide the Council with options in respect of potential improvements and / or remodelling in some sheltered housing schemes. The report therefore links to the following strategic objectives:
  - Improvement Plan 2009/12, Building Better Communities for All - *To improve the provision of housing for our tenants;*
  - Community Strategy Living Environment Objective 1 – *Encourage the development and maintenance of high quality, well designed and efficient, sustainable homes and environments which can meet all needs;*

- People, Property & Places: A Local Housing Strategy for Caerphilly County Borough (2008/2013) Strategic Aim 6 – *Our aim is to provide good quality, well managed homes in communities where people want to live, and offer people housing choices which meet their needs and aspirations, and*
- The National Housing Strategy - Improving Lives and Communities - Homes in Wales (WG 2010) priority – *Provide housing-related advice, guidance and support, including financial and debt management advice, to help people stay in their homes and to help them to make best use of their income.*
- Older Persons Strategy
- Strategic Equality Plan – Objectives 3, 4, and 5

## 4. THE REPORT

### 4.1 Background Information

4.1.1 The Council owns and manages 37 sheltered housing schemes. In total there are 1090 sheltered housing units throughout the county borough. Schemes generally fall into one of the following categories:

- **Category 1 Schemes**  
Schemes comprising blocks of flats without communal facilities
- **Category 2 Schemes**  
(a) Schemes where all flats and communal facilities, e.g. communal lounge, kitchen, laundry, guest room, etc. are under one roof.  
or  
(b) Schemes where the dwellings are bungalows, usually grouped around a communal block housing the warden's office and communal facilities.
- **Category 3 Combined Schemes**  
Sheltered housing schemes where flats and communal facilities are under one roof and where there are blocks of flats/bungalows within the boundary of the scheme. Tenants in the external flats/bungalows share the communal facilities housed in the main building.

4.1.2 Appendix 1 provides a list of schemes within each category.

### 4.2 Stock Appraisal Process

#### 4.2.1 *Light Touch Stock Audit*

As part of the overall review process, and following discussions with the Council's Corporate Services, a decision was taken with regard to what aspects of the sheltered housing service needed to be appraised. A light touch audit was undertaken in all schemes to initially gather information and data on a wide range of issues and to assist with determining the direction for long term planning and the future viability of the Council's sheltered housing schemes.

#### 4.2.2 *Stock Audit Checklist*

The audit checklist includes the following information:

- Basic scheme information
- General details
- Location
- Condition
- Occupancy levels
- Links with the community

- Accessibility
- Design and space standards
- Voids and lettings performance
- Demand /potential demand for the scheme

#### 4.2.3 Stock Audit Outcomes

The information gathered for all sheltered housing schemes helped to provide an overall picture about the future of each scheme and to identify and prioritise those schemes where further detailed analysis would be required based on the following criteria:

- Is the scheme financially viable?
- Is there sufficient demand for this scheme?
- Is the scheme a strategic fit both in terms of local priorities and the Council's overall objectives for older persons?
- Are the needs and aspirations of the residents being met?

4.2.4 Where the answers to these questions are 'yes' and likely to still be 'yes' in five years time, there may be no need for any fundamental changes to those schemes.

4.2.5 However, where the answers were less clear, the information gathered was used to prioritise those schemes where a full stock appraisal was required to inform the overall sheltered housing review report due for submission on 4th April 2013.

### 4.3 Schemes Prioritised For A Full Stock Appraisal For Inclusion In The Sheltered Housing Review

4.3.1 Based on the initial audits undertaken for each sheltered housing scheme, the information gathered provided some detailed issues that need to be addressed in some schemes. In consultation with Corporate Services it was therefore agreed that a full stock appraisal would be undertaken for four schemes. These schemes were selected because one or more of the following issues needed to be addressed:

- Accessibility
- The absence of a lift in buildings with two or more floors
- Unpopular bedsit or small individual units
- Location
- Demand

### 4.4. Standards

4.4.1 In addressing the issues of inadequate accommodation (bedsits and /small flats with unsatisfactory layouts) and the other issues identified above, Corporate Services provided detailed plans showing a reduction in the overall number of units in schemes if bedsits / small flats are converted to larger dwellings. The plans provided do not purport to be a definitive solution but give an indication of what may be achieved, including the potential to incorporate sufficient space for wheelchair turning circles in some of the remodelled flats.

4.4.2 There is also a desire to achieve accommodation that meets WHQS and in considering the suitability of the accommodation, Corporate Services are using the WHQS Standards Guide (July 2008) as a reference point. It should be noted that there is no other specific guidelines relating to building standards for sheltered housing.

4.4.3 The Housing Service is committed to achieving accreditation for its sheltered housing service once the review is completed. This will include meeting the requirements set out in the Centre for Housing and Supports' Excellence Standards and the RNIB Visibly Better Standards. Both contain guidelines on specific standards for sheltered housing and service delivery. These standards will be helpful in the absence of any specific sheltered housing building standards.

## **4.5 Summary Of Issues Identified During The Stock Appraisal Visits**

- 4.5.1 Most of the Council's sheltered housing schemes were built between 1965 and 1988 to a lower standard than would be acceptable now. In particular, bedsit flats are very small and only provide the most basic accommodation. The bedroom space has limited access around the bed, which is unsuitable for the provision of care and support services and therefore unsuitable to meet the needs of residents if their health deteriorates.
- 4.5.2 Kitchens in both bedsits and some flats are too small to satisfy the WHQS standards with insufficient space for white goods and inadequate worktop areas permitting only the most basic food preparation. Furthermore, the kitchens may not be accessible for people with mobility problems because of the lack of room for residents to use walking frames or other walking aids.
- 4.5.3 The WHQS defines the minimum furniture requirements for habitable rooms and although the majority of flats and bedsit units can accommodate this furniture, the remaining circulation space can be cramped, particularly where residents use mobility aids to move around their flats.
- 4.5.4 All units of accommodation in these schemes lack storage space for tenants' possessions.
- 4.5.5 All units lack space for a washing machine but at the time the schemes were built, it was assumed that residents would use the communal laundry facilities provided on site in all of these schemes. However, communal laundry areas are becoming less popular and during the consultation meetings, space for washing machines in their own flats was high on residents' wish lists for improvements. The stock appraisals undertaken seeks to address this issue and makes provision for a space for a washing machine in each flat, thus giving residents a choice in the future.
- 4.5.6 The feasibility of installing lifts in the schemes without these facilities has also been addressed in the individual reports.
- 4.5.7 Options for the provision of mobility scooter storage have also been considered as well as additional car parking, where possible and access improvements.
- 4.5.8 The proposals detailed in paragraph 4.8 seek to address some of the issues identified in this section of the report for the schemes where full surveys have been undertaken and estimated costs are provided in paragraph 6 of this report.
- 4.5.9 It should be noted that the proposals do not address issues relating to low demand for some of these schemes and further work needs to be undertaken to determine whether or not the proposals would resolve this problem as well as the future viability of the schemes.
- 4.5.10 The high re-design costs identified for Ty Melin together with access issues, location and low demand for this scheme would also need further investigation before any decisions are made about the future options for this scheme.

## **4.6 Energy Efficiency Measures**

The Housing Service is currently undertaking an assessment to establish energy efficiency options including the availability of grant funding for works in sheltered housing schemes. Such works include loft insulation upgrades, cavity wall insulation, voltage optimisers, solar panels, new energy efficiency boilers, energy advice and renewable energy technology. To date, 22 schemes have had cavity wall insulation and 18 schemes have had loft insulation of between 200 – 250 mm fitted. The remaining schemes will be prioritised for loft insulation and an assessment of their suitability for cavity wall insulation. A number of schemes have already benefitted from the installation of low energy light fittings as well as new energy efficient heating systems and this programme of investment will continue as part of the WHQS

works programme.

## 4.7 WHQS Programme

4.7.1 The WHQS investment programme will introduce improvements to our sheltered schemes, which will be delivered to each property and the communal areas and where relevant, designed to meet individual tenant's needs. Typical works include kitchens, bathrooms, heating, re-wiring, re-roofing and environmental works. These works will complement the proposals contained within this report.

## 4.8 Proposals

4.8.1 Stock appraisals were prioritised for the completion of 4 sheltered housing schemes to inform the overall sheltered housing review report. The table below summarises the recommended works and approximate costs of these schemes:

Scheme	Proposed Works	Estimated costs*
Castle Court, Pontywaun	<ul style="list-style-type: none"> <li>• Conversion of bedsit flats to one bedroom flats</li> <li>• Provision of scooter storage area</li> <li>• Library room</li> <li>• Additional small lounge / TV room</li> <li>• 8 additional car parking spaces</li> </ul>	£804,000
St Mary's Court, Risca	<ul style="list-style-type: none"> <li>• Conversion of bedsits to one bedroom flats</li> <li>• Provision of mobility scooter storage</li> <li>• Upgrades to kitchens to house white goods</li> </ul>	£576,000 (This excludes the provision of vertical lifts – 2 would be required for full access to the first floor at an estimated cost of £200,000)
Ynyswen, Springfield, Pontllanfraith	<ul style="list-style-type: none"> <li>• Conversion of bedsit flats to one bedroom units and upgrades to kitchens to house white goods</li> </ul>	£360,000 (Due to reduction in the overall number of units the future viability of this scheme needs to be considered before the proposed works proceed)
Ty Melin, Croespenmaen	<ul style="list-style-type: none"> <li>• Provision of vertical lift</li> <li>• Conversion of bedsit flats</li> <li>• Upgrades to kitchens to house white goods, including washing machines</li> </ul>	£840,000 (Due to the high cost and associated issues with this scheme, further consideration is required to determine it's future use)

\* These estimates are exclusive of fees, and subject to structural and asbestos surveys.

4.8.2 Based on the information provided in paragraph 4.8.1 above and to ensure a consistent standard, where feasible, in all sheltered housing schemes, an Equalities Impact Assessment has been undertaken. The following principles are put forward for consideration to meet the requirements of the Council's Equalities Policy prior to the implementation of any changes. If this approach is agreed, the principles below could be adopted where full stock appraisals have already been undertaken:

4.8.3 Subject to funding being confirmed and practical considerations, the improvements identified in 4.8.1 above be prioritised as follows:

- (i) Castle Court Sheltered Housing Scheme
- (ii) Ynyswen, Springfield
- (iii) St Mary's Court Sheltered Housing Scheme (subject to further information on the feasibility and funding of the vertical lifts for this 2-storey building)

- 4.8.4 Based on the outcome of the stock appraisals undertaken, the improvements identified for Ty Melin Sheltered Housing Scheme be the subject of further consideration in relation to future viability, high re-design costs, low demand and location.
- 4.8.5 Subject to negotiation with Corporate Services, detailed stock appraisals be undertaken for all remaining sheltered housing schemes, prioritising schemes of two or more storeys without lifts and one remaining scheme where bedsit flats still exist. Funding for future works on a rolling programme would need to be considered to ensure continuous improvements and provide schemes which are fit for purpose that meet the needs of existing and future tenants.

## **5. EQUALITIES IMPLICATIONS**

- 5.1 Caerphilly County Borough Council is opposed to discrimination in any form and aims to ensure that all sections of the community have access to and benefit from the full range of services it provides.
- 5.2 The range of facilities in our sheltered housing schemes requires a review to ensure that they meet the needs and aspirations of existing and potential future tenants. Schemes should provide facilities to enable older people to retain their independence and allow them to remain in the community for as long as possible. Where possible it should provide a home for life.
- 5.3 It is important to ensure that, where possible, access to the Council's sheltered housing schemes should comply with DDA requirements and specialist adaptations should be undertaken to individual properties based on assessed needs.
- 5.4 The Housing Department is also consulting with the RNIB to consider improvements and quality standards in line with their 'Visually Better Objectives' for people with visual impairment.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 Based on the detailed stock appraisals undertaken for the 5 schemes where stock appraisals were prioritised and the estimated costs identified for 4 of these schemes, the Savills Stock Condition Survey undertaken prior to the stock transfer process identified a total of £820,000 for improvements in sheltered housing schemes. This amount is included in the Business Plan but any proposed expenditure above this could impact on the council's borrowing and/or WHQS programme.
- 6.2 The proposals contained within paragraph 4.8 also need to be considered in conjunction with the proposed works to be undertaken as part of the WHQS investment programme. The estimated costs provided include elements of the WHQS, e.g. kitchens, bathrooms, heating, wiring and such costs would have already been accounted for within the Business Plan. Additional funding therefore is only required for the structural re-design work over and above the WHQS costs already identified.
- 6.3 The proposals could be postponed until later in the WHQS programme when finances could be made available but the impact on tenants occupying these schemes, as well as void loss during this period would need to be carefully considered. Furthermore if the proposed works were postponed, WHQS improvements for these schemes would also need to be postponed so that improvements and WHQS works could be undertaken at the same time.
- 6.4 The total rent loss in the financial year 2012/2013 for the three schemes identified in

paragraph 4.8.3 above (Castle Court, Ynyswen and St Mary's Court) is £18,014.95 to date. This is an increase of £7,327.55 based on a rent loss of £10,687.40 in the 2011/2012 financial year.

- 6.5 Bedsit units account for the highest percentage of voids with 54.55% for ground floor bedsits and 13.64% for first floor bedsits. The remaining voids were 1 bedroom GF and FF flats, with the majority of void first floor flats in St Mary's Court where there is no lift in situ.
- 6.6 Based on the information provided in the stock appraisal reports, the conversion of bedsit flats to one bedroom units would have an impact on the rental income, rateable value for water rates and the on existing subsidy arrangements. Housing Revenue Account Subsidy (HRAS) payments to WG would reduce by approximately £11,752 (2012/13 figures) if 28 units were taken out of the subsidy calculation.

6.6.1 Castle Court

There are currently 12 flats and 28 bedsits in Castle Court and the proposals to convert the bedsit flats to 1 bedroom flats would reduce the total to 25 units. Based on rent charges for the 2012/2013 financial year the loss of rental income is estimated in the table below:

**Current Rental Income**

Rental Income 2012/2013		Per annum per unit	Total per annum x number of units
1 bedroom flats	£62.87 per unit per week	£3017.76	£36,213.12 (12 x 1 bedroom flats)
28 x bedsit flats	£55.60 per unit per week	£2668.80	£74,726.40 (28 x bedsit flats)
Total			£110,939.52

**Proposed Rental Income**

Rental Income 2012/2013		Per annum	Total
25 x 1 bedroom flats	£62.87 per unit per week	£3017.76	£75,444.00

**Total Rental Loss of income**

**£35,495.52**

6.6.2 Ynyswen

There are currently 7 flats and 12 bedsits in Ynyswen and the proposals to convert the bedsit flats to 1 bedroom flats would reduce the total to 14 units. Based on the rental charges for the 2012/2013 financial year the loss of rental income is estimated in the table below:

**Current Rental Income**

Rental Income 2012/2013		Per annum per unit	Total per annum x number of units
7 x 1 bedroom flats	£62.87 per unit per week	£3017.76	£21,124.32 (7 x 1 bedroom flats)
12 x bedsit flats	£55.60 per unit per week	£2668.80	£32,025.60 (12 x bedsit flats)
Total			£53,149.92

**Proposed Rental Income**

Rental Income 2012/2013		Per annum	Total
14 x 1 bedroom flats	£62.87 per unit per week	£3017.76	£42,248.64

**Total Rental Loss of income**

**£10,901.28**

### 6.6.3 St Mary's Court

There are currently 16 x 1 bedroom flats and 16 bedsits in St Mary's Court, Risca and proposals to convert the bedsits and improve the 1 bedroom flats would reduce the total to 24 units. Based on the rental charges for the 2012/2013 financial year the loss of rental income is estimated in the table below:

Rental Income 2012/2013		Per annum per unit	Total per annum x number of units
16 x 1 bedroom flats	£62.87 per unit per week	£3017.76	£48,284.16
16 x bedsit flats	£55.60 per unit per week	£2668.80	£42,700.80
Total			£90,984.60

### Proposed Rental Income

Rental Income 2012/2013		Per annum	Total
24 x 1 bedroom flats	£62.87 per unit per week	£3017.76	£72,426.72

### Total Rental Loss of Income

**£18,557.88**

6.6.4 In addition to the rent loss, the rateable values for water rate payments would change where bedsit units are converted to one bedroom flats and the overall costs per scheme would be covered by a lower number of units.

### 6.6.5 Ty Melin

No calculations are provided for this scheme as further investigations into the future viability of this scheme have yet to be undertaken.

### 6.6.6 Other Associated Costs

In addition to the rent loss, the rateable values for water rates would change where bedsit units are converted to one bedroom flats and the overall costs per scheme would be covered by a lower number of units.

6.6.7 In addition to the rent loss, there would also be a reduction in the total amount collected in service charges for each individual unit. The service charge per unit for the 2012/2013 financial year in these three schemes is £21.71. Based on proposals to reduce the units in Castle Court by 15 units overall, the estimated loss of income in service charges would be £15,631.20 per annum. A reduction of 5 units in Ynyswen would result in an estimated loss of income in service charges of £5,210.40 per annum and a reduction of 8 units in St Mary's Court would result in an estimated loss of income in service charges of £8,336.64.

6.6.8 The rental income that would be lost for these three schemes should be offset by the void loss identified in paragraph 6.4 above as well as the loss of income derived from service charges. The void loss can be attributed to the fact that bedsit units are unpopular low demand units. Conversion to 1 bedroom units with better space standards would probably reduce the level of voids for these schemes as existing one bedroom units in both schemes are in demand.

### 6.6.9 Summary of potential overall loss of income (figures rounded up)

Loss of Rent	£ 64,956
Minus Subsidy Loss	£ 11,752
Service Charge loss	£ 29,178
Total	£ 82,382.00
Minus Void Income Loss for 2012 / 2013	£ 18,015.00
Total loss of income per annum	<b>£ 64,367.00</b>



## **7. PERSONNEL IMPLICATIONS**

7.1 This report has no direct personnel implications.

## **8. CONSULTATIONS**

8.1 Consultation has taken place with Officers listed as consultees.

## **9. RECOMMENDATIONS**

9.1 Members of the Task Group consider the report and recommend to the Housing Cabinet Sub-Committee, the pursuit of one of the following options:

### 9.1.2 Option 1

Not to undertake the improvements to the schemes identified by the stock appraisal, but proceed with the WHQS related works where feasible to do so.

### 9.1.3 Option 2

Not to undertake the structural improvements e.g. conversions to the schemes identified, but proceed with addressing issues relating to access, storage and bringing the schemes up to WHQS where feasible to do so.

### 9.1.4 Option 3

Subject to an in depth analysis of income loss, identified funding for the improvements and practical considerations, the improvements identified in 4.8.1 above be planned for future work programmes and prioritised as follows:

- (i) Castle Court, Pontywaun
- (ii) Ynyswen, Springfield
- (iii) St Mary's Court, Risca (subject to further information on the feasibility and funding of the vertical lifts for this 2-storey building)

It is further recommended that:

9.1.5 Based on the outcome of the stock appraisals undertaken, the improvements identified for Ty Melin Sheltered Housing would be the subject of further consideration in relation to future viability, high re-design costs, low demand and/or location.

9.1.6 Subject to negotiation with Corporate Services, detailed stock appraisals be undertaken for all remaining sheltered housing schemes. Funding for future remodelling works on a rolling programme would need to be identified to ensure continuous improvements and schemes fit for purpose that meet the needs of existing and future tenants.

9.1.7 Prior to any works being undertaken, tenants be fully consulted about the proposals and implementation plan for their schemes.

## **10. REASONS FOR THE RECOMMENDATIONS**

10.1 The Council made a commitment within the formal offer document to tenants to undertake a full review of the sheltered housing service including a stock appraisal for all sheltered housing schemes.

10.2 Refurbishment on a major scale, identified in the stock appraisals undertaken have major cost implications and careful analysis of future demand for some schemes will be needed before decisions are taken as outlined in paragraph 9.1.5 and 9.1.6 above. Furthermore, the costs of re-housing residents while the improvement works are undertaken and revenue that will be lost due to voids also need to be taken into consideration.

## 11. STATUTORY POWER

11.1 Housing Acts and Local Government Acts. This is a Cabinet Sub-Committee function.

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Consultees:

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Graham North	-	Public Sector Housing Manager
Councillor Gerald Jones	-	Deputy Leader and Cabinet Member (Housing)
Nigel Barnett	-	Deputy Chief Executive
Phil Davy	-	Head of Programme
Lesley Allen	-	Principal Accountant
David A Thomas	-	Senior Policy Officer (Equalities and Welsh Language)
John Rogers	-	Principal Solicitor
John Thomas	-	Client Liaison Officer
Sandra Isaacs	-	Senior Rents Officer
Mandy Betts	-	Housing Strategy Manager
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Appendices:  
Appendix 1 Schedule of Sheltered Housing Schemes By Category