

Report for:	Cabinet 17 March 2015	Item Number:	
Title:	Future Options for the use of Larkspur Close		
Report Authorised by:	Tracie Evans, Chief Operating Officer Signed:		
Lead Officer:	Mustafa Ibrahim, Head of Housing Commissioning		
Ward(s) affected: White Hart Lane	Report for Key/Non Key Decisions: Non Key		

1. Describe the issue under consideration

1.1 In December 2011, Cabinet considered a report on the options for the future of Larkspur Close, a sheltered housing scheme for older people, and decided:

- (a) That the merits and viability of Hornsey Housing Trust's proposal should be evaluated by Officers and that, if the Director of Adult and Housing Services (in consultation with the Cabinet Member for Housing) is satisfied that it is in the Council's interests to dispose of Larkspur Close in this way, expressions of interest are sought from registered providers that wish to acquire Larkspur Close and continue to operate it as a sheltered housing scheme;
- (b) That, subject to formal consultation with the tenants of Larkspur Close on the future of their homes (and there being no registered provider that was able to put forward a viable and acceptable proposal for continuing to operate Larkspur Close as a sheltered housing scheme), Larkspur Close will be re-designated as a Community Good Neighbour Scheme;
- (c) That, with immediate effect and until further notice, properties that become vacant at Larkspur Close will be relet only to those applicants on the Supported Housing Register who have been assessed as requiring accommodation in a Community Good Neighbour Scheme;
- (d) That, on completion of the formal consultation with tenants and the assessment of proposals from Hornsey Housing Trust and/or other registered providers, Cabinet would receive a further report and confirm the date on which Larkspur Close will be either re-



Haringey Council

designated as a Community Good Neighbour Scheme or transferred to a registered provider that is able to continue operating it as sheltered housing; and

(e) That, until a decision is made on its future ownership, Larkspur Close should be excluded from the Decent Homes programme.

- 1.2 This report provides an update on progress and recommends a decision on the future use of Larkspur Close.

2. Cabinet Member Introduction

- 2.1 It is important to address the uncertainty that has developed over the future of Larkspur Close and I welcome this proposal. It enables us to move forward with an approach based on resident's needs and preferences rather than rigid designations of different types of supported housing.
- 2.2. I know from my discussions with them that residents of Larkspur Close will also welcome this proposal. I hope they will engage fully in the discussions about a potentially exciting new support model that links to the local community and aims to enhance their independence, health and wellbeing.

3. Recommendations

It is recommended that Cabinet:

- 3.1 Redesignate Larkspur Close as a Community Good Neighbour scheme in accordance with the approach set out in paragraphs 5.17 to 5.33 of this report.
- 3.2 Agree that consultation with residents, stakeholders and affected staff be undertaken and an agreed approach implemented, with final approval of the support model and charges delegated to the Chief Operating Officer in consultation with the Lead Member for Housing & Regeneration.
- 3.3 Agree that the exclusion of Larkspur Close from the Decent Homes programme be removed so that the scheme is eligible for inclusion in the future programme.

4. Alternative Options Considered

- 4.1 A range of options were considered by Cabinet in 2011 and a preferred option determined, with other options ruled out. The preferred option of seeking a partner to acquire Larkspur Close and continue to operate it as a sheltered scheme was pursued, as set out in the report. The ruled out options have not been reconsidered.

5. Background

- 5.1 Larkspur Close is a sheltered housing scheme that currently has 39 residents living in 34 homes. There are a total of 37 homes in the scheme but 2 units are currently in use as step down homes for adult care clients. The support service is commissioned by the Housing



Haringey Council

Related Support programme and provided by the Older People's Support Service, which is now within Homes for Haringey.

Expressions of Interest from Registered Providers

- 5.2 Following the Cabinet decision of December 2011, Savills were engaged to manage the process of seeking expressions of interest from registered providers, which took place during 2012/13. Potential partners across the Borough were contacted to ascertain their interest and twelve Registered Providers (RP) indicated that they would be interested in looking at the future potential of the scheme.
- 5.3 A selection process was developed and communicated to the RPs together with a Partner Selection pack and instructions for them to submit their proposals. The process undertaken was very similar to the successful process that was used for the selection of a preferred partner for the Waltham Cross Estate, which Savills had also assisted with. Unfortunately, no providers submitted bids by the closing date of 28th September 2012.
- 5.4 All the potential bidders were contacted to establish why they had decided not to submit any proposals. The majority of those that responded had taken the view that this was an unattractive proposal particularly given the investment needs of the scheme, the lack of development opportunity and the ballot risk involved particularly when set against other opportunities which they were aware of.
- 5.5 Two RPs, including Hornsey Housing Trust indicated they would retain an interest in a more open process based on dialogue. All the parties were then written to, to give them a further opportunity to retain an interest if a different approach were to be adopted (although it was made clear to them that the Council's overall objective, for the community to remain together, preferably as sheltered accommodation, remained). One additional RP indicated that they would remain interested if that were the case.
- 5.6 Following discussion with our adviser Savills, an alternative approach akin to a competitive dialogue process was developed that aimed to maximise the prospects of achieving Cabinet's preference to retain Larkspur Close as a sheltered scheme. This approach was designed to be:
- Less onerous for the bidders, to reduce effort and the cost of bidding
 - Sufficiently robust to ensure Council objectives and interests were served
 - Open and accountable
 - Relatively swift, as residents were waiting to be advised of the outcome.
- 5.7 This second process provided an opportunity for the interested RPs to visit the scheme again, to identify alternative approaches or to reach a conclusion on the viability of continuing as a sheltered scheme. As well as their future plans for the property, RPs were asked to include a minimal level of method statements, details of relevant experience and financial information, sufficient to enable their submissions to be evaluated against the criteria set out in the Partner Selection pack.



Haringey Council

- 5.8 A joint meeting with the three RPs was convened in November 2012. This provided an opportunity for clarification of the Council's objectives, the revised process and timetable and for RPs to ask further questions and request additional information. The RPs were asked to make a submission of a maximum of eight pages within four weeks (by 21 December 2012).
- 5.9 All three organisations had already been provided with the Partner Selection pack that was made available for the first process. Further information was requested and provided to all three RPs, including the flood risk assessment produced in 2010 as part of the site options appraisal.
- 5.10 The deadline for submission passed (and in fact was extended) but all three RPs notified us that they would not be making a submission. Hornsey Housing Trust (HHT), who had shown most interest at the time of the previous Cabinet decision in December 2011, set their reasons out in writing, citing the flood risk, fire safety concerns and the lack of a dowry from the Council, given that HHT had commissioned an independent valuation that valued the site negatively. HHT also stated:

"After a careful assessment of Larkspur Close with professional advice the Board has reached the conclusion that even with substantial investment this scheme would not provide the high quality of accommodation to which the Trust currently provides in our five sheltered schemes."

- 5.11 Savills were asked to provide an independent assessment of the failure to identify a partner for retention as a sheltered scheme, and responded as follows:

"The current financial climate is making it more difficult for RPs to raise sufficient cash to fund all their aspirational activity. This means that opportunities such as this face internal competition against other schemes to a much greater extent than previously. When considering whether to bid for a scheme of this type, the RP would have to consider both the return on their investment and the risks involved. In this case, the returns are low, with high investment needs, a constrained site with no additional development opportunity and a small number of units. The risks however are high and include:

- Welfare reform*
- Future changes to supporting people funding*
- An identified and historic flood risk*
- Substantial investment needs*
- Potential low demand in the future for sheltered accommodation of this type*
- The requirement for a successful tenant ballot*

Although we were of the view that the more collaborative process may have managed to determine a partner, some of the information which came to light at that stage, in particular the identified flood risk, meant that this was not the case. The combination of these factors would make this an unattractive proposition given the current financial circumstances."

- 5.12 The two stage process to identify a partner was thorough and rigorous and managed by Savills, specialists in this field. Their independent assessment, informed by the market



Haringey Council

evidence, is that maintaining Larkspur Close as a sheltered scheme is not seen as viable by potential providers. In order to render it a more attractive proposition, the Council would have to be prepared to make a significant “dowry” payment and possibly indemnify the RP against the more significant risks.

- 5.13 Residents were informed of the failure to identify a partner at a residents’ meeting in February 2013. Regular contact has been maintained with residents by staff, ward councillors and the Lead Member for Housing & Regeneration.

Re-designation as a Community Good Neighbour Scheme

- 5.14 The differences between the Council’s sheltered and Community Good Neighbour (CGN) schemes are as follows:

<i>Sheltered</i>	<i>Community Good Neighbour</i>
Scheme Support Manager is on site and has an office (though not necessarily in attendance all day). Support in accordance with agreed support plans	No on site presence or office – visits as necessary, support in accordance with agreed support plans
Daily morning call	Daily morning call
Alarm cord in every home	Alarm cord in every home
Communal facilities – usually a lounge, laundry, kitchen	No communal facilities

- 5.15 A strict application of the re-designation would mean:
- Residents who meet the criteria for sheltered housing would move into alternative sheltered accommodation, based on updated needs assessments and with an appropriate resettlement package;
 - The removal/conversion and re-use of communal facilities.

There are currently 13 residents of Larkspur Close (12 tenancies) that meet the criteria for sheltered housing. The communal facilities consist of a residents’ lounge and laundry, and there is also an office used by the Scheme Support Manager.

- 5.16 In accordance with the Cabinet decision of December 2011, all new lets since then have been to residents who meet the CGN criteria.

Proposed Approach

- 5.17 An approach to the future use of Larkspur Close has been developed that is based on the following principles:
- Larkspur Close will be re-designated as a CGN scheme but strict adherence is not appropriate and a more flexible support model should be applied, in agreement with residents;
 - All residents who wish to remain at Larkspur Close will do so. Any moves that arise as a result of re-designation are voluntary, although it should be noted that occasionally moves are necessary because needs change (e.g. into residential care);



Haringey Council

- Communal facilities are retained, with some changes to access and use;
- Larkspur Close is maintained in accordance with Haringey's standards for housing stock.

- 5.18 This approach builds on the experience of the previous re-designation of Stokely Court from sheltered to CGN while commissioning a revised support model that may well anticipate future changes in the whole service, as we move towards a more flexible needs-based service that makes better use of the available stock.
- 5.19 At Stokely, the Tenants Association has taken responsibility for the communal lounge and kitchen and it is open two days a week, when the Scheme Support Manager is on site. The laundry is also made available on those days.
- 5.20 An evolution of this model would be based on using the scheme as a community hub for older people in the neighbourhood. This differs from the standard CGN approach by using the scheme as a base for visiting support staff and opening up communal space for use by local older people as well as scheme residents. This form of networking will have a number of benefits for residents and local older people, including:
- Improved access to targeted events e.g. surgeries providing advice and support e.g. welfare benefits, health;
 - Improved access to social activities;
 - Opportunities for befriending, an increasingly important means of combating social isolation;
 - Opportunities for partnership approaches to deliver what local people want and need to sustain their independent living and quality of life;
- 5.21 For the Council, this approach provides a means of meeting support needs in the community that are currently not provided for. Floating support for older people was generally ended in 2011 as a result of budget reductions and more cost-effective methods of meeting these needs have been commissioned and will be in future. The strong community spirit and resident relationships at Larkspur Close make it a good choice for in effect piloting a new approach.
- 5.22 Re-designation of Larkspur Close as a CGN scheme will result in a reduction in the hours of support provided to the residents. Support will also change from being based onsite to visiting support and result in an overall reduction of the hours of support delivered at the scheme. Residents will continue to receive a daily welfare check, and support which has been agreed through their individual support plans.
- 5.23 The residents that meet the criteria for sheltered housing will be offered the choice of moving to a sheltered scheme or remaining at Larkspur Close. Residents that decide to move will be provided with advice and information on available schemes, encouraged to visit them and assisted through the lettings process. A resettlement package will be developed to provide appropriate financial assistance, which is likely to be a relatively small cost.



Haringey Council

- 5.24 Support charges will reduce from £28.31 to £12.64 per week as a result of the re-designation, so there is a loss of income to the Council. For Stokely this lower level of support charge was increased by £2.70 per week to reflect the retention of communal facilities and a similar approach would be appropriate for Larkspur Close. The changes in support charges will have no financial impact on residents as all of them are either eligible for full or partial housing benefit. Under current Housing Related Support (HRS) rules, this means an entitlement to full HRS subsidy.
- 5.25 Housing management service charges also apply and these will change in line with changes to the whole stock for 2015/16. Residents in receipt of full housing benefit will be unaffected by service charge changes as this is an eligible charge in housing benefit terms. An analysis is needed however to identify if any of the residents in receipt of partial housing benefit (currently 9 tenants) would pay an increased amount. This will be an important part of consultation and implementation.
- 5.26 Refurbishment of the communal areas will be required (see paragraph 5.28 below) and if at the right standard, the lounge could be let to local groups. As with Stokely, the laundry will be available during agreed but limited times and the office would remain, although it will not be occupied all the time. The new arrangements will need to be in line with health and safety requirements given the reduced support presence on site. A further consideration was the option to convert communal spaces to additional dwellings but this did not prove feasible at Stokely and although technically feasible at Larkspur Close, the cost has been estimated at £75,000. This is not consistent with the proposed approach and is not being pursued.
- 5.27 In summary the proposal means the following changes to the support provided at Larkspur Close:

<i>Current Sheltered Scheme Model</i>	<i>Proposed Community Good Neighbour Model</i>
Scheme Support Manager is on site and has an office (though not necessarily in attendance all day every day). Support in accordance with agreed support plans	Limited on site presence (office base). Visits as necessary, support in accordance with agreed support plans
Daily morning call	Daily morning call
Alarm cord in every home	Alarm cord in every home
Communal facilities – usually a lounge, kitchen and laundry, with general availability	Communal facilities – retain the lounge, kitchen and laundry but plan and agree more limited access times

Decent Homes and Other Works

- 5.28 Larkspur Close has not been considered for Decent Homes works since the Cabinet decision of December 2011 and its continued use will mean that Decent Homes works will be required. The programme is defined for 2015/16 but there are a number of cost pressures and competing requirements that mean some changes to the programme are likely. However additional capital funding has not been identified for works beyond the current programme



Haringey Council

and Larkspur Close will be considered alongside the other demands for additional capital funding. The latest estimate for works required to bring the scheme to the Haringey standard is as follows:

Item	Cost
External doors	£26,250
Fascias/soffits/barges	£10,500
Rainwater goods	£1,190
Roof	£125,760
Roof insulation (<i>including additional recommended insulation</i>)	£73,900
Wall finishes	£10,560
Wall insulation	£12,540
Windows	£154,770
Bathrooms	£64,605
Kitchens	£132,175
Plumbing	£5,940
Smoke detectors	£3,040
Heating/Hot water (<i>replacement of existing communal system by individual boilers</i>)	£250,800
Total	£872,030

- 5.29 In addition to these works, the proposed model will require the refurbishment of communal areas. The initial estimate for this is £20,000, which can be dealt with as a capitalised improvement/repair.

Consultation and Implementation

- 5.30 Upon approval of the proposed approach, resident consultation will begin in early April, including letters to residents, resident meetings and open information sessions, explaining the approach and the options available to residents. This will include a survey of resident preferences. The assistance needed to help residents through any changes will be discussed with them.
- 5.31 The support service specification will be amended to reflect the new approach. The staffing impact will be assessed and staff and stakeholder consultation will run in parallel with resident consultation. This will focus mainly on the implementation of visiting support, changes to existing responsibilities and engagement with the local community.
- 5.32 Staff reductions are envisaged for the Older People's Support Service in the Council's Medium Term Financial Plan. This proposal is unlikely to result directly in the loss of posts but will contribute to wider changes required to achieve the reductions.
- 5.33 Subject to approval and the outcome of consultation, the re-designation will take effect in July 2015. The timing of any resident moves will depend on numbers and preferences and could take some months. Works to the communal areas will be undertaken as quickly as



Haringey Council

possible, and should be achievable by autumn 2015. The timing of any Decent Homes works is subject to a wider review of the programme and the available funding.

- 5.34 During 2015 and into 2016 a review of supported housing provision will be undertaken. This will include all CGN and sheltered housing schemes and the use of Larkspur Close may change further in line with this wider review.

6. Comments of the Chief Financial Officer and Financial Implications

- 6.1 The re-designation of Larkspur Close as a Community Good Neighbour scheme will potentially reduce income from support charges by about £25,000 in a full year and therefore there will be a loss to the Housing Revenue Account with no compensatory savings in costs as a result of this decision. This will need to be contained within the wider HRA budgets.
- 6.2 The eligibility of Larkspur Close for the Council's Decent Homes Programme will place an additional pressure on the programme at a time when available funding is limited and the timing of works at Larkspur Close will be subject to the outcome of the ongoing review of the Decent Homes Programme.

7. Comments of the Assistant Director of Corporate Governance and Legal Implications

- 7.1 The Assistant Director of Corporate Governance has been consulted in the preparation of this report.
- 7.2 The Council has statutory responsibilities pursuant to the National Assistance Act 1948 to make arrangements to provide residential accommodation for persons aged 18 or over who because of age, illness, disability or any other circumstances are in need of care and attention which is not otherwise available.
- 7.3 In discharging those statutory responsibilities the Council must have regard to the welfare of all persons for whom accommodation is provided and to the necessity for provision of accommodation of different descriptions suited to the different needs of the people to whom it has the responsibility.
- 7.4 The proposals involve some reduction in the support offered to residents at Larkspur Close. Suitable alternative accommodation must be provided for those whose support needs cannot be met in a Community Good Neighbour scheme, and who wish to move to alternative sheltered housing. This would involve referral of individual cases to the Exceptions Panel who may accord additional priority within the Allocation Scheme for those involved and/or approve direct offers of accommodation. Subject to assessment, some may need extra care supported housing or residential care accommodation, although it is understood that assessments recently carried out suggest that no residents have such needs.
- 7.5 Appropriate arrangements for implementation of transfers to alternative accommodation were set out at paragraphs 5.54-5.60 in the December 2011 report approved by Cabinet



Haringey Council

- 7.6 Since the Council no longer proposes to dispose of the premises no issue arises in relation to its being held for housing purposes; it will remain so.
- 7.7 There are obvious potential equalities impacts of the proposals, and the Council has a Public Sector Equality Duty to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people in formulating the proposals and where appropriate in mitigation of those impacts.
- 7.8 If the proposals involved changes to the services and amenities provided which substantially affected the residents this would require consultation pursuant to section 105 of the Housing Act 1985, carried out according to the Council's published arrangements. The proposals do not however involve such changes, and the consultation proposed is more in the nature of engagement in discussing the implementation of the proposals.

8. Comments of the Head of Procurement

N/a

9. Equalities and Community Cohesion Comments

- 9.1 Equalities considerations are embedded in the support planning process for all residents of Larkspur Close. Support staff work with residents to identify and access key activities, services and organisations to prevent social isolation, improve health and wellbeing and ensure that people can live independently in their own homes for as long as possible, taking into account equalities considerations. The recommendations in this report do not affect this approach which is used across both sheltered and good neighbour schemes.
- 9.2 The proposed support model will make an important contribution to community cohesion by addressing social isolation and encouraging more active links between scheme residents and local older people.

10. Policy Implication

- 10.1 The proposal supports the priorities of the Council Plan 2015-18.
- 10.2 In support of Priority 2 (Empower all adults to live healthy, long and fulfilling lives), the proposal aims to help residents feel more supported by the community and to live independently for longer, by helping to bring scheme residents and local communities together. The scheme will provide residents with better access to information and advice and older residents will be more included and engaged in leisure, education, employment or health, contributing to independence and wellbeing.
- 10.3 In support of Priority 5 (Create homes and communities where people choose to live and are able to thrive), the proposal aims to maintain independence, sustain tenancies and develop community cohesion, bringing together scheme residents with local older people to prevent homelessness and promote inclusion and wellbeing.



Haringey Council

11. Reason for Decision

- 11.1 The preferred option identified by Cabinet in December 2011, to seek a partner to acquire Larkspur Close and continue to operate it as a sheltered scheme, has not been achieved.
- 11.2 A decision is needed on the future use of Larkspur Close in the light of this, in order that progress can be made with the designation and use of the scheme and the continued provision and development of appropriate support to residents.

12. Use of Appendices

N/a

13. Local Government (Access to Information) Act 1985

Background paper:

Options for the Future Use of Larkspur Close

Report of the Director of Adult & Housing Services to Cabinet, 20 December 2011