

**Cabinet On 21<sup>st</sup> December 2010**

Report Title. Supported Housing Review – Protheroe House	
Report of <b>Director of Urban Environment</b>	
Signed : <i>W Powell</i> . 9 <sup>th</sup> December 2010 .	
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Wards(s) affected: <b>All Tottenham Hale</b>	Report for: <b>Key Decision</b>
<p><b>1. Purpose of the report (That is, the decision required)</b></p> <p>1.1. This report provides Members with an update on the Supported Housing Review and the development of the Older People's Housing Strategy.</p> <p>1.2. It invites Cabinet to consider the merits and feasibility of redeveloping Protheroe House as an Extra Care Supported Housing Scheme in partnership with a Registered Provider.</p> <p>1.3. It asks for Cabinet approval to begin discussions with housing association partners and the Homes and Communities Agency (HCA) for provision of an Extra Care Supported Housing Scheme on the site of Protheroe House.</p>	

## **2. Introduction by Cabinet Member (if necessary)**

- 2.1. I welcome the progress that has been made in relation to the Supported Housing Review and the development of Haringey's Older People's Housing Strategy which, together, support the Council's strategic objective of providing well managed, high quality and sustainable homes for older people in the borough.
- 2.2. It is essential that the Supported Housing Review, including our proposals for provision of an Extra Care Supported Housing Scheme on the site of Protheroe House, consider the housing needs of all older people in the borough including owner occupiers.

## **3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

- 3.1. This Review supports the delivery of the vision for the London Borough of Haringey – 'A Council we are all proud of – Delivering high quality, cost effective services
- 3.2. This Review also supports the delivery of the Council's priorities:
  - Homes and neighbourhoods fit for the future
  - Spending wisely and investing in the future
- 3.3. Haringey's Housing Strategy 2009-2019
- 3.4. Haringey's Older People's Housing Strategy 2010-2020 (due for completion December 2010) priority to develop extra care housing
- 3.5. Strategic Commissioning Programme for extra care housing

## **4. Recommendations**

- 4.1. That Cabinet give approval for officers to begin discussions with housing association partners and the Homes and Communities Agency (HCA) for provision of an Extra Care Supported Housing Scheme on the site of Protheroe House.

## **5. Reason for recommendation(s)**

- 5.1. In 2009, the Council carried out a review of its supported housing, with the assistance of the Housing Quality Network (HQN), with a view to ensuring the provision of well managed, high quality, sustainable homes for older people in Haringey.
- 5.2. The review concluded that, for a number of the Council's existing sheltered

schemes, there are difficulties in letting properties and doubts about the long term need and demand for this type of housing. At the same time, there were concerns about the high cost of bringing the properties up to the decent homes standard and it was identified that there was a need to explore new models for providing care and support, including Extra Care.

- 5.3. In November 2009, Cabinet considered a plan for addressing the specific needs of four sheltered housing schemes (Protheroe House, Larkspur Close, Stokley Court, and Campbell Court) increasing the provision of Extra Care Supported Housing and enabling all of the Council's supported housing to be brought up to the decent homes standard.
- 5.4. At its meeting on 17 November 2009, Cabinet decided that Campbell Court should be retained as a sheltered housing scheme and included in the decent homes programme. It deferred a decision on the future of Larkspur Close and Stokley Court pending the outcome of further work, including the production of Haringey's Older People's Housing Strategy.
- 5.5. Cabinet decided that, subject to consultation and the redevelopment of the site being financially viable; Protheroe House would close and be redeveloped as an Extra Care Supported Housing Scheme. It was decided that, with immediate effect, all new lettings would be suspended.
- 5.6. On 9 December 2009, the Cabinet decision was 'called in' by the Overview & Scrutiny Committee which, after discussing the matter, made a number of recommendations for how the review should progress, particularly in relation to the consultation with residents.

#### Developments since December 2009

- 5.7. Since December 2009, good progress has been made in relation to decent homes, the Older People's Housing Strategy, the options for Protheroe House, and the assessment of Haringey's need for Extra Care:
  - Improvement works to 26 of the Council's 29 sheltered housing schemes (including Campbell Court) are being progressed by Homes for Haringey through the borough's decent homes programme;
  - Haringey's Older People's Housing Strategy is almost complete and will be reported to Cabinet in early 2011. Emerging priorities include the development of a wider choice of housing with support and care across all tenures, which includes Extra Care housing;
  - A multi disciplinary strategic commissioning project has been considering how the borough can increase the supply of Extra Care Supported Housing to meet the needs of the growing number of people moving into supported housing later in life (often when their needs include housing, care and support) and enable

the Council to reduce the number of households living in residential care.

- The provision of additional Extra Care Supported Housing (particularly in the East of the borough) has been identified as a priority within Haringey's Borough Investment Plan, developed in collaboration with the Homes and Communities Agency and approved by Cabinet.

5.8. A multi-disciplinary Project Team (comprising Officers from Housing Services, Homes for Haringey and Adult Social Care) has been overseeing the progress of the Supported Housing Review and has focused on the options for Protheroe House and Larkspur Close.

5.9. Financial provision has already been made, within the Supporting People Programme, to provide the Project Team with more substantial project management support if and when Cabinet confirms the closure of one or more of the three sheltered housing schemes under review.

5.10. The Project Team commissioned Nigel Appleton (a specialist in supported housing and extra care supported housing) to undertake an Options Appraisal, provide independent and impartial advice, and help the Council produce an outline feasibility study and draft business plan for Protheroe House and, separately, Larkspur Close.

5.11. Nigel Appleton has now provided the Council with a draft of his outline feasibility study and business plan for Protheroe House (attached as Appendix One) and is due to complete his report on Larkspur Close by the end of December 2010. The options for Larkspur Close and Stokley Court will take into account Haringey's Older People's Housing Strategy.

## **6. Options for consideration – Protheroe House**

6.1. This section provide more precise indications of the likely cost of a new Extra Care scheme for the East of the borough and the potential sources of funding, together with feedback on the consultation undertaken with residents of Protheroe House.

6.2. As the review of Larkspur Close and Stokley Court is ongoing, Cabinet is only being asked to consider the future of Protheroe House at this stage.

6.3. Appendix one of this report includes ten options that are available to the Council in relation to Protheroe House, together with a brief comment on the advantages and disadvantages of each option.

6.4. In summary, the main options for Protheroe House are to:

- (a) Retain Protheroe House with minimal investment

- (b) Retain Protheroe House but invest in upgrading and re-modelling
- (c) Demolish and re-provide as Extra Care Housing
- (d) Transfer Protheroe House to a Registered Provider for upgrading, re-modelling or re-providing as Extra Care Housing
- (e) Demolish and partner with an Registered Provider to provide Extra Care Housing
- (f) Dispose of site and take a capital receipt

6.5. In evaluating the principal options, the Council must decide what to do with Protheroe House, what to put in its place and how this can be achieved. It must also consider the following elements:

- The ability to appropriately meet the current and future needs of older people in that part of the borough;
- The fit to the overall strategic direction for future provision for an ageing population;
- The impact on revenue and capital budgets;
- The impact on the current residents.

#### Preferred option for Protheroe House

6.6. Taking all factors into account, Officers on the multi disciplinary Project Team have concluded that the preferred option is the demolition of Protheroe House and its re-provision as an Extra Care Supported Housing scheme that offers a high quality, stimulating living environment for older people in the east of the Borough.

6.7. As explained in Nigel Appleton's report, the Extra Care Supported Housing model provides the flexibility to offer support and care in a manner that enables residents to "age in place" and, as a model for housing older people, it is more sustainable in the longer term. The principal condition required to deliver a new Extra Care housing development on the Protheroe House site, however, is the availability of a significant amount of capital funding.

#### Funding for the Extra Care Supported Housing Scheme

6.8. Nigel Appleton is satisfied that, subject to the necessary capital funding being available, it is possible to develop an Extra Care scheme (comprising forty-five units)

on the Protheroe House site. He has estimated that the cost (including architects' fees and other on-costs) will be the region of £7 million to £8million, and that the rental income would support a mortgage of up to £2 million.

- 6.9. He has highlighted the opportunities and risks of setting aside a proportion of the new homes for leasehold sales (perhaps 25%) and explained that a more detailed and accurate account of the likely capital costs can be provided when agreement has been reached on the number and mix of units, the scale of communal provision and how many of the properties (if any) will be offered for sale.
- 6.10. Although Members have previously expressed a preference for the new Extra Care scheme to be owned and managed by the Council, the options available are severely constrained by the limited availability of public subsidy. In the current financial climate (and taking into account the huge pressures on the Council's capital programme), Officers have concluded that the development of Protheroe House as a Council-owned Extra Care Supported Housing Scheme is not a viable option.
- 6.11. It is recommended, therefore, that the Council works with a Registered Provider to redevelop the Protheroe House site as Extra Care Supported Housing and that, in return for foregoing the capital receipt for the land, the Council would receive 100% tenancy nomination rights.
- 6.12. Although no formal discussions have taken place with Registered Providers in relation to the development of an Extra Care Supported Housing scheme at Protheroe House, Officers have spoken informally with the Registered Provider that is currently developing two Extra Care schemes (Roden Court and Trees) in the west of the borough. It has indicated that, if the land is provided at nil cost, it could develop an Extra Care scheme on the site of Protheroe House.
- 6.13. The Homes and Communities Agency (HCA) is a potential funder, since Extra Care Supported Housing (particularly in the East of the borough) has been identified as a priority within our Borough Investment Plan. Such funding would be limited, however, as Social Housing Grant (SHG) is normally provided only for the net increase in units, which is likely to be negligible. HCA London has indicated that it may be willing to consider the net increase in bed spaces at a grant rate of £60,000 per person. This funding is not secure, however, and much of the HCA's grant funding is already committed following the outcome of the Comprehensive Spending Review. It must be noted that Social Housing Grant were required to develop the scheme the HCA's general expectation is that site should be provided by the Council to a Registered Provider at nil value. Certainly, given the pressures involved in delivering good quality Extra Care housing, it is difficult to envisage disposal of the site generating a capital receipt for the Council.
- 6.14. A way of filling the subsidy gap may also be to consider charging higher than social rents for the Extra Care units at Protheroe House. The Government's new Affordable Rent Option announced in the Comprehensive Spending Review will enable Registered Providers to charge new tenants an intermediate rent which is

equivalent to up to 80% of the market rent.

6.15. Another way to generate capital funding would be to sell a proportion of the Extra Care units at Protheroe House. Although this would help meet part of the cost of the development, this is dependent upon the scheme attracting buyers. Our view is that assuming units for sale at Protheroe House would not be a viable option in the current market given the low values generally in the area.

6.16. The Registered Provider already developing extra care homes in the borough has made the helpful suggestion of cross subsidising the development of an Extra Care scheme at Protheroe House from the potential sale of units at their Roden Court development given the higher values in Hornsey. If it sold a proportion of the units at Roden Court, this would generate a capital receipt and would release (for recycling) the HCA grant that it has received in respect of those units.

6.17. Officers believe that, subject to more detailed working and discussions with the HCA and a Registered Provider partner, this option may provide a basis for funding the redevelopment of Protheroe House. Informal discussions have been held with the HCA who in principle are positive about this proposal. However, it must be pointed out that, at this stage, there are a number of issues that would need to be resolved, including:

- Agreement with the HCA to transfer some of the grant to Protheroe House following the completion of Roden Court;
- Amendment to the planning consent for Roden Court, which determines the proportion of properties that must be offered at an affordable rent; and
- The management of any risk in relation to sales and cash flow arising from a potential 18 months marketing period.

6.18. In the absence of funding from the Council's capital programme, Members are asked to agree that Officers explore the merits and feasibility of the Council disposing of the Protheroe House site, at nil cost or minimal value, to a Registered Provider in return for the development of a new Extra Care scheme to which the Council will receive 100% nomination rights. This will be subject to a further decision once we have concluded detailed discussions with the HCA, Registered Provider partners and Corporate Finance/Property.

## **7. Summary**

7.1. Since November 2009 work has been undertaken by the Supported Housing Review Project Team to progress Cabinet's decision on the future options for Protheroe House.

7.2. This work is dependent on and aligns with the development of the Older People's

Housing Strategy and the strategic commissioning programme for extra care housing

#### **8. Chief Financial Officer Comments**

- 8.1. At present, no specific capital budget has been allocated for these schemes. In view of the likely reductions in available capital funding directly from the Council, it is necessary to explore all options for external funding, both from Central Government and the Private Sector, of any re-provided schemes as the options are further developed.
- 8.2. The potential for revenue savings are noted, however these will need to be further validated as more specific proposals are developed.

#### **9. Head of Legal Services Comments**

- 9.1. Officers should bear in mind that a disposal would require the consent of the secretary of state unless the deal reached with the housing association partner falls within the general consents
- 9.2. The next time this matter is brought before Cabinet officers must address how the decanting of Protheroe House will be dealt with.

#### **10. Head of Procurement Comments – [Required for Procurement Committee]**

- 10.1. [click here to type]

#### **11. Equalities & Community Cohesion Comments**

- 11.1. An Equality Impact Assessment is being developed for the Older People's Housing Strategy.

#### **12. Consultation**

- 12.1. The tenants of Protheroe House have been consulted and while initially opposed to change (as would be expected) they now accept that they will be moving and are keen to do so.
- 12.2. The Tottenham Hale Ward councillors have also been consulted and in principle support the proposal to redevelop Protheroe House as an Extra Care Supported Housing Scheme in partnership with a Registered Provider.



### **13. Service Financial Comments**

13.1. At present, no capital budget has been set aside for the Supported Housing Review and, due to the very low levels of capital receipts received by the Council and the likely reduction in Government funding, it is clear that the Council will not be in a position to fund the development of the Extra Care scheme.

13.2. The Extra Care strategic commissioning pilot's initial financial modeling has provided an early indication of the financial efficiencies that might be possible if Haringey uses extra care as an alternative to residential care. The pilot's report concludes that *"the provision of Extra Care services in Haringey could contribute significantly to containing future costs of Adults Social Care."* 100% tenancy nomination rights to a 45-unit Extra Care scheme at Protheroe House would clearly contribute to achieving this efficiency.

### **14. Use of appendices /Tables and photographs**

14.1. Appendix One – Outline feasibility study and draft business plan for the future development of Protheroe House

### **15. Local Government (Access to Information) Act 1985**

15.1. [List background documents]

15.2. [Also list reasons for exemption or confidentiality (if applicable)]

