

HOMES & COMMUNITIES COMMITTEE

14 JANUARY 2019

GLADSTONE HOUSE - EXTRA CARE SCHEME UPDATE

1.0 Purpose of Report

- 1.1 To provide the Committee with review of the operation of the Gladstone House Extra Care Scheme since it opened in April 2018.

2.0 Background Information

- 2.1 Gladstone House in Newark, is a 60 unit (*48 x 1 bed & 12 x 2 bed units*) extra care scheme. Gladstone House provides housing for older people who may need some level of on-site care and support and is specifically designed to help them to remain independent, living in their own homes, for as long as possible.
- 2.2 Many people move into extra care settings because of a crisis situation, such as a health deterioration, emergency, accident, sudden illness or death of a partner, which significantly affects their ability to remain living independently in their current homes. The design and service delivery model provided at Gladstone House combines elements of housing and care provision with actions and facilities that help to manage social isolation, increase personal wellbeing and improve community integration.
- 2.3 The scheme is let on an affordable rent basis, which includes meals at lunchtime, laundry and community facilities, with the intensive housing management service provided by Newark and Sherwood Homes who manage the scheme on behalf of the District Council.
- 2.4 Under a Co-operation Agreement between the District Council and Nottinghamshire County (NCC), the County Council has nomination rights to 40 of the units (*32 extra care & 8 assessment units*) and provides extra care support to eligible residents in these units. The 20 units not under the Co-operation Agreement are allocated through the Council's housing register as general supported housing.
- 2.5 Newark and Sherwood Homes provide the housing management and repairs service to all the units in accordance with the existing Management Agreement.
- 2.6 As mentioned above, the District Council entered into a Co-operation Agreement with the County Council for the 40 nominated units, and this guarantees a rental income to the HRA Business Plan should a unit continue to be void after a prescribed period of time. The County Council made a capital contribution towards the build cost of the scheme of £3.2m.
- 2.7 The current affordable rent and service charge levels for Gladstone House are £264.31 per week for a two bedroom unit and £220.16 for a one bedroom unit. At Gladstone House the affordable rent and a significant proportion of the service charges are housing benefit eligible, with the exception of the elements relating to the midday meal, TV licence and care line facility.
- 2.8 The scheme opened in April 2018, on time and in budget, after a successful implementation and commissioning phase.

3.0 Performance

3.1 Operation

3.1.1 The Committee will be aware that prior to the opening of Gladstone House, a period of seven weeks was set to enable a thorough commissioning of the building and related services. This included a wide range of aspects:

- I. Staffing Recruitment, Training and Induction
- II. Equipment Installation and Testing
- III. Services/Facilities Testing
- IV. Property Letting
- V. Inter-agency Liaison

3.1.2 The time allowed for implementation reflected the nature of the client group, the building and the complexities of a multi –agency partnership operating from a single site. The period allowed Newark and Sherwood Homes’ staff to undertake a rigorous testing programme of all the facilities and all emergency procedures.

3.1.3 The most significant operational issue has arisen from the initial occupancy make up and the related requirements of multi - agency partnership delivery; specifically the ratio of high care need tenants being higher than anticipated. Operational inter agency mechanisms are utilised to manage and mitigate the impact on service delivery.

3.1.4 On a practical level, officers of the Company have regular operational meetings with NCC staff and representatives of the Care Provider which ensures effective service delivery. This meeting includes a housing assessment panel who determine the suitability of the scheme for potential occupants.

3.1.5 Senior managers have continued to meet to address any practical issues and ensure that learning from the resolution of these issues is used to ensure smooth running for this service and for future schemes in development. Nottinghamshire County Council have fed back that they appreciate the on-going relationship with Newark and Sherwood Homes which enables this to happen.

3.1.6 To date the partnership is working well and feedback from all service providers at the scheme is positive.

3.1.7 There have been no significant building defects. The Company has maintained a robust defects management process with the main contractor and this has minimised the impact of any other issues that have arisen.

3.1.8 Day to day management and occupation of the building has seen the emergence of some repair and operational issues which have been responded to swiftly with appropriate solutions:

- The hot summer highlighted issues with airflow through the building; this has been addressed through the improvement of the passive airflow system and the addition of air conditioning in specific areas.

- A water leak from a first flat into two ground floor flats resulted in redecoration.

3.1.9 The implementation has identified some learning points which have been addressed and incorporated in to the design of the proposed scheme at Ollerton and Boughton, namely:

- I. The original IT infrastructure did not meet the needs of all of the services operating from the building.
- II. The original designs of the catering and storage facilities were not sufficient to meet delivery requirements.

3.2 Utilisation

3.2.1 **District Council: 20 units**

To date the total number of District Council Voids equates to 12 weeks (1.43%)
All apartments are currently fully occupied.

3.2.2 **Nottinghamshire County Council: 40 units (including 8 assessment units)**

To date the total number of voids in the County Council's nominated units equates to 117 weeks (9.44%) 5 units have been vacant since April 18. Rent and Service Charge income for these void properties is paid to NSDC by NCC after four weeks for each property.

3.2.3 The Assessment Units have been fully occupied since the service opened; residents generally stay for eight weeks. It has been agreed by the partnership that on a temporary basis two additional units of the forty NCC units will become assessment units from January 2019. This will be reviewed after 6 months of operation.

3.2.4 Void levels for the County Council have been higher than would be usually anticipated for a housing with care scheme due to the initial time taken to fill the service. However, a year to complete first let is not out of kilter with other schemes of this size and it is anticipated that vacancies will be significantly reduced in 2019. In the majority of the schemes where the County Council has nominations, these units are filled within 4 weeks of any vacancy occurring due to natural turnover.

3.3 Community Facilities

3.3.1 The Truly Beauty and Coffee services form an integral part of the Gladstone House offer by providing services which would be otherwise challenging for the tenant population to access either due to location or the nature of the service. The services also introduce local people into the scheme; for example visitors to the leisure centre and both staff and pupils from local schools, which helps to embed the scheme within the community. The combination of these elements provides a holistic service that reduces the burden on more expensive public sector interventions for this client group which often includes health and more comprehensive care packages.

3.3.2 The launch of the services were timed as part of the implementation and commissioning to support maximising the letting of the properties by enhancing the attractiveness of Gladstone House and providing an active frontage to the scheme to showcase the on-site service provision available to residents.

3.3.3 The Truly services are managed by Newark and Sherwood Homes and the costs met by the Company. The Board of Newark and Sherwood Homes will review the services after a year of operation to establish if the delivery model is appropriate to the social value delivered to the residents and local community.

3.3.4 There are two guest rooms at Gladstone House which provide on-site accommodation for family and friends of the residents. Since opening the guest rooms have been occupied for a total of 36 nights. A charge to cover costs is applied which has generated income of £720.00.

3.4 Costs

3.4.1 The budget costs for Gladstone House were formulated based on comprehensive work undertaken by Newark and Sherwood Homes' Assistant Directors' of Housing Management Services and Income and Resources Services and the weekly rent and service charge levels were set to reflect the cost forecasts. The timing of the forecasting was driven by the tight time line to submit the Homes and Communities Agency grant application in May 2015 for capital funding towards the build cost, some three years ahead of the scheme's completion.

3.4.2 The estimated HRA income for 2018/19 is:

Rent income	£220K
Service charge income	£402k
Less void rate 2%	(£12k)
Less Management fee to NSH	(£446K)

Contribution to capital and debt repayment £164k

3.4.3 Income receipted to date is: £292k (Based on let properties and income from NCC).

3.4.4 The Council pays a fee to NSH to provide the landlord service at Gladstone house. The payment is set at the cost of the support services (the service charge) and 20% of the weekly rent for each property. This is an annual charge of £446k. The fee is set at this level because the support service costs and overall property management and maintenance costs are incurred whether properties are occupied or not.

3.4.5 The costs of the services are paid by Newark and Sherwood Homes including all communal facilities. The Board of Newark and Sherwood Homes will review the cost of the services including the provision of the Truly services, taking into account the cost benefit of social value added. To support this agreed parameters have already been set.

3.4.6 A management agreement variation was agreed by the District Council for 2018/19 for Newark and Sherwood Homes to deliver the services.

4.0 Equalities Implications

4.1 No equalities implications have been identified as part of this review.

5.0 Financial Implications (FIN18-19/91)

- 5.1 Based on the current levels of income receipted to date (both rent and service charge income), extrapolating forward, this would give a predicted shortfall to the HRA of £0.050m against the current Management fee to NSH of £0.446m in respect of the management of Gladstone House. The Management fee payable to NSH was based on estimated income and expenditure on services prior to the operation of the building.
- 5.2 It is suggested that once a full year of operation has been completed, that a full review of costs associated with the operation of the building be completed and brought back to this Committee. This will then allow for re-alignment of the Management fee, where appropriate, for the 2019/20 financial year, and also ensure that costs associated with the running of the building are properly scrutinised.

6.0 RECOMMENDATION

That the information provided as part of the operational review of Gladstone House is noted.

Reason for Recommendation

The delivery of the service at Gladstone House is aligned to the Councils strategic housing priorities.

Background Papers

Nil

For further information please contact Rob Main, Business Manager - Strategic Housing on 01636 655930 or Dave Newmarch, Assistant Director – Housing Management and Responsive Repairs, Newark and Sherwood Homes, on 01636 655455.

Karen White
Director – Safety

Stephen Feast
Director – Newark and Sherwood Homes