

Decision maker: Cabinet Member for Housing

Subject: Purchase of seven properties for Adult Social Care Supported Living clients

Date of decision: 15th March 2011

Report by: Owen Buckwell Head of Local Authority Housing Management

Wards affected: ALL wards

Key decision: Yes

Budget & policy framework decision: No

1 Purpose of report

To request approval to purchase the Properties to provide supported accommodation for 29 adults with learning disabilities.

2 Recommended that:

- 2.1 Approval be given to purchase the seven properties known as 96 & 98 Queen Street; 89, 91, 93& 96 Shadwell Road and 51 Copnor Road (the Properties) within the sum set out in the attached exempt financial appraisal.
- 2.2 Authority be delegated to the Head of Local Authority Housing Management and Head of Adult Social Care in consultation with Strategic Director and Section 151 Officer to conclude the purchase of these properties.
- 2.3 Authority be delegated to the Head of Legal Services and Head of Asset Management to conclude all legal and other agreements as required.
- 2.4 The Head of Financial Services financial appraisal be approved.
- 2.5 The Head of Housing Management apply to the Government for approval to exempt these properties from the current Housing Revenue Account Subsidy System and Pooling of capital receipts from Right to Buy sales in accordance with the Housing and Regeneration Act 2008, Section 313

3 Reasons for recommendations

- 3.1 Purchase of the Properties will ensure that the individuals currently living in this accommodation will not need to be rehoused and will provide stability for this group.

- 3.2 The Properties will be repaired and brought up to decent home standards. At the moment all of this accommodation would be classified as fair to poor condition.
- 3.3 The Properties being held by Portsmouth City Council will allow for security of tenure that has not previously been available to these residents.
- 3.4 If at any time the Properties are no longer required for supported accommodation they will then provide large general needs accommodation within the city for which our Housing Register shows significant demand .

4 Background

- 4.1 Adult Social Care currently purchase the provision of eighty three supported living places for people with a learning disability in and around Portsmouth. Supported living differs from registered residential care in that people are able to maintain their own tenancies, are supported to integrate more fully into the community and where appropriate to seek employment. Some of the services are jointly funded from the Supporting People fund.
- 4.2 Supported living services will normally have separate organisations acting as landlord and care and support provider and it is a requirement of the regulator (The Care Quality Commission) that there is some separation of services.
- 4.3 **Services.** These properties are owned by one of the supported living providers used by Supporting People and Adult Social Care and currently provide up to twenty nine places in seven houses in the North End, Buckland and Copnor areas of the City. Currently this provider both owns the seven properties and provides support services to the clients living there. This results in a number of problems in the operation of these services including:
 - The care and support for these services cannot be tendered as required by Standing Orders without potentially moving up to twenty nine vulnerable people with a learning disability should the existing provider be unsuccessful.
 - The most recent guidance from the Department of Health in respect to Ordinary Residence for non registered services places the responsibility for providing support on the local authority where the individual resides. Consequently, should one or more of the individuals living at the services move to alternative accommodation, the organisation acting as both the landlord and the support provider could offer the vacancies to people supported by other local authorities who could subsequently transfer financial responsibility to Portsmouth City Council.
 - The Care Quality Commission will not permit the support organisation to provide personal care for the tenants resulting in additional cost for Adult Social Care of employing a separate care provider and a lack of continuity of support for the tenants.

- 4.4 Adult Social Care and Supporting People have begun a joint tendering exercise in respect of the care and support element of a number of supported living services including the tenancies in the seven properties owned by this provider. In order to address the concerns outlined above, Housing and Social Care have considered the options and believe that the most favourable one is to purchase the properties and hold them within the Housing Revenue Account.
- 4.5 **Properties.** The portfolio comprises of seven brick built properties with timber floors in most areas. Six are mid terrace and one is end of terrace. Internally all decorations are generally in a poor condition. There is some evidence of rising damp in isolated areas. There have been some internal alterations carried out to a fair to poor standard. A number of ceilings show historical evidence of water ingress and have been poorly repaired. The properties require thermal upgrading in the lofts and general timber treatment. Repairs to small flat roof areas will have to be carried out. Five properties have uPVC double glazing which due to their age will require overhauling. The remaining two properties have timber framed windows which will require upgrading to uPVC double glazed units. Most of the bathrooms are in a poor to fair condition and require some replacement. The kitchens generally only need minor repairs.
- 4.6 Externally the properties are in fair condition with some redecoration required to stonework front bays and to some rear elevation rendering. Generally minor repairs to fascias, soffits and guttering/downpipes will need to be carried out. All properties require a complete gas and electrical test coupled with an asbestos survey. Our survey suggests that some electrical renewal and asbestos removal will be required.
- 4.7 The current Housing Revenue Account Subsidy System (HRASS) and the Pooling of capital receipts from Right to Buy sales would apply to these homes if they were brought into the Housing Revenue Account (see budget report here para's 9.3 to 9.14 <http://www.portsmouth.gov.uk/media/h20110201r3.pdf> for further explanations). The Housing and Regeneration Act 2008, Section 313 gives the Government the power to exclude these dwellings from both the HRASS & Pooling. It is therefore recommended that the Head of Housing Management apply for these exemptions.

5 Proposed way forwards

5.1 Our aims are to:

- Achieve the best outcomes for Supported Living Clients in terms of quality of care & support, security of tenure and quality of landlord services
- Conform to the Care Quality Commission requirement for separation between landlord and care and support provider services
- Use our resources as efficiently and effectively as possible

5.2 For the reasons given in section 4 above it is not practicable to carry on with the present arrangements. We have therefore examined two alternative options as follows:

- Option 1 - Purchase the 7 properties from the Supported Living provider
- Option 2 - Rent 7 Properties from a Private Landlord

5.3 After taking into account the benefits of security of tenure for Supported Living Clients, the quality of landlord services and the financial effects, as described in the Head of Financial Services Comments below, Option 1 is recommended as it best meets our aims

6 Options considered and rejected

6.1 Do Nothing

This option is not possible as The Care Quality Commission requires separation of services and accordingly we can not continue to have the same party acting as both the landlord and care and support provider.

6.2 Rent properties from Private Landlords via the Housing Revenue Account

This option requires all of the residents to move. This process could be extremely distressing and would require a great deal of preparation with the residents. Private leases of this nature are not secure and accordingly this option does not offer the residents the security of tenure afforded to them by the recommendation.

7 Reasons for Urgency

7.1 The new care and support package for these residents is due to commence on the 1st October 2011. The purchase of these properties needs to be completed by this date in order that the residents become PCC tenants. If we were to delay this matter until the next meeting this may not allow for the conveyancing to be completed in time.

7.2 An offer to purchase these homes, conditional upon obtaining Portfolio Holder approval, was accepted by the owner on 10th March 2011. Previously it had not been anticipated that conditional agreement would be reached in time to seek approval at this meeting.

8 Duty to involve

8.1 Our Housing Investment Programme Budgets are set after consultation with resident's representatives, including examination of every budget line. This year a budget for this item was added & has been considered by residents representatives.

9 Corporate priorities

9.1 This report and the project it refers to contribute to the following Corporate Priorities:

- Increase availability and quality of housing
- Protect and support our most vulnerable residents
- Regenerate the city

10 Equality impact assessment (EIA)

10.1 A preliminary EIA has been completed and it has been found that there is a low risk of a full EIA being required.

11 Head of Financial Services Comments

11.1 The City Council approved the Capital Programme on 8th February 2011 which included a budget provision for Supported Living purchases as detailed in Appendix 1 to the report, page 37, item 30. That budget provision is sufficient to meet the capital costs of the recommendations to this report.

11.2 The Exempt Financial Appraisal attached as an Appendix to this report details the financial effects of two the Options considered. The recommended Option 2 achieves the best balance of costs and risks whilst meeting the key aims set out in section 5 above.

12 Head of Legal Services' comments

10.1 Under Section 120 (1) of the Local Government Act 1972 local authorities can acquire land for the purposes of any of their functions under the 1972 Act or any other enactment or for the benefit, improvement or development of their area. The land may be situated inside or outside of its area.

10.2 There is also a power under Section 17 of the Housing Act 1985 to acquire houses or buildings to be made suitable as houses together with any land occupied by the house or building. If these powers are used the properties would have to be held under the Housing Revenue Account. It should be noted that where land passes into the Housing Revenue account restrictions on the power to dispose arise under Section 32 of the Housing Act.

10.3 The Head of Legal Services is, for the reasons given above, satisfied that it is in the council's powers to make the recommendations.

Signed by:

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Owen Buckwell – Head of Housing Management

Appendices:

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
1 Data held in files & electronic form by Housing Management Service	Housing Management Service
2 Data held in files & electronic form by Adult Social Care service	Adult Social Care Civic Offices
3 Financial appraisal prepared by Financial Services	Exempt appendix to this report
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The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the Cabinet Member for Housing on 15 March 2010

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Signed by: Cabinet Member for Housing