
REPORT FOR: CABINET

Date of Meeting:	13 October 2016
Subject:	Watkins House, Woodlands Road, HA1 2RS
Key Decision:	Yes
Responsible Officer:	Tom McCourt, Corporate Director of Community
Portfolio Holder:	Councillor Glen Hearnden, Portfolio Holder for Housing and Employment Councillor Simon Brown, Portfolio Holder for Adults and Older People Councillor Keith Ferry, Deputy Leader and Portfolio Holder for Business, Planning and Regeneration Councillor Adam Swersky, Portfolio Holder for Finance and Commercialisation
Exempt:	No, except for the following appendices Appendix 1 – Land & Financial matters - Exempt under paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended) - information relating to the financial or business affairs of any particular person (including the authority holding that information) Appendix 3 – 3a) Information on the resident population of Watkins House and 3b) Results from formal consultation – Exempt under paragraph 2 of Schedule 12A to the Local Government Act 1972 (as amended) - information which is likely to reveal the identity of an individual
Decision subject to Call-in:	Yes

Wards affected: Greenhill Ward and potential impact on older people in all Wards seeking specialist housing support accommodation for older people

Enclosures: Appendix 1 – Land & Financial matters
Appendix 2 – Equalities Impact Assessment
Appendix 3 – 3a) Information on resident population and 3b) Consultation Report from Age UK Harrow on housing options with Secure Tenants at Watkins House
Appendix 4 OS Land map showing the HRA land site at Watkins House and adjacent land owned by the Council
Appendix 5 draft “Charter – Supporting Residents at Watkins House in Change”
Appendix 6 draft Project Plan under housing option 3
Appendix 7 Harrow Regeneration Unit (HRU) Watkins House Design Guidance

Section 1 – Summary and Recommendations

This report sets out the results of consultation with the Secure Tenants of Watkins House against the background of three strategic housing options for the site.

Taking into account the results of the formal consultation of Residents – as Secure Tenants, the report recommends approval of housing option 3.

To support this recommendation, an outline business case for option 3 is set out within this report and a draft critical path to achieve the main objectives is detailed in Appendix 6.

Measures to support residents and in particular, to assist residents in transfers from Watkins House, are detailed in the report and in a draft “Charter – Supporting Residents at Watkins House in Change” in Appendix 5.

Recommendations:

Cabinet is requested to:

- 1) Approve Housing Option 3, namely redevelopment of the Watkins House site as modern housing for older people.
- 2) Approve the outline business case and steps to achieve Option 3 including:
 - a) The procurement of a housing services organisation as a development partner;
 - b) The disposal of Watkins House, HA1 2RS to the development partner for the redevelopment of the site as a new build housing development for older people;
 - c) The disposal of General Fund land, as shown on the OS land map, to the development partner with the aim of including this in the development site.

- 3) Delegate authority to the Corporate Director of Community, following consultation with the Portfolio Holders for Housing and Employment; Adults and Older People; Business, Planning and Regeneration; and Finance & Commercialisation to:
 - a) Undertake consultation with all staff affected by the implications of the decision under housing option 3.
 - b) Undertake a procurement exercise and select a suitable housing service organisation as a development partner.
 - c) Agree the terms of the disposal of the two sites referred to in recommendation 2, including agreeing retained nomination rights and agreeing the housing model and design principles, and authorise the Council to enter into the appropriate documentation for this purpose.
 - d) Seek consent from the Secretary of State in relation to disposal and re-development of the site.
 - e) Support the existing tenants, including undertaking further engagement and involvement during the implementation of this project and arrange the decant of existing tenants to suitable alternative accommodation, including arranging temporary accommodation and a “right to return” to new homes where appropriate.

Reason: The current accommodation at Watkins House is outdated and does not contain communal facilities that are reflective of modern design principles for accommodation of this nature. The Council has an opportunity to facilitate new homes for older people on site and on an adjacent site. The existing tenants of Watkins House, plus family members and carers, have been consulted on these options and their views are set out in this report.

Section 2 – Report

Introductory paragraph

The decisions being requested at Cabinet will support the key aims and Vision of the Council:

Build a Better Harrow – the decisions in this report may be viewed as a major step towards better housing and ancillary services for older people at this central Harrow location. We will continue to listen to residents as older people plus their family members and carers on their needs and requirements if the site is comprehensively redeveloped. Housing option 3 provides much needed investment in meeting the housing needs of older people now and for future generations in an era of increased demand through our ageing population.

Be more Business-like and Business Friendly – potential redevelopment of the site will be undertaken through an appointed external service provider from a selection process. That external service will be the recipient of the council land transfer, will fund the comprehensive redevelopment of the site by grant and their own resources, and will manage the new service for older people at the site.

Protect the Most Vulnerable & Support Families – the decision being requested provides an opportunity to gain new housing for older people, built to modern design with the potential to gain about 50% more homes at this central Harrow location. There will be an ongoing requirement to support all residents facing change through housing option 3. If housing option 3 is

approved greater access to high quality homes will be available for older people and their families in a period where demand for this housing is set to increase. This can be a significant local asset for older people and their families.

Options considered

1) No change – this option would mean keeping the existing layout of the 43 bed-sit homes and communal areas as designed and continuing with essential capital improvements (as has been the case in the past) phased over a number of years. Improvements could be considered for internal and external areas. This option does not require decanting/transfer of Residents. The option will not tackle the current outdated scheme design, particularly as it retains the existing small bed-sit flats and would not meet many of the current principles for a modern housing scheme for older people.

2) Remodel housing and communal areas in a phased approach – this option may allow the reconfiguration of the existing flats to meet modern space standards and eventually new communal facilities on the site over a number of years. The current GF land adjacent to the site could be brought into this option to provide additional land capacity to assist remodelling and provide some additional new units. This option may be delivered without the decanting/transfer of Residents (although that position will need to be reviewed in greater detail) but is likely to require the Council to cease to grant new tenancies for a specified period of time. However this option is unlikely to maximise the development potential of the site as it will be constrained by the existing buildings and may not therefore deliver value for money.

3) Harrow Council seeks full redevelopment of the site through a land transfer and retains long-term nomination rights to the new homes – this option involves the demolition and complete redevelopment of the site to provide a modern and fit for purpose new older persons housing scheme with reference to HAPPI 2 Design principles for housing for older people (Housing our Ageing population: Plan for Implementation November 2012, All Party Parliamentary Group on Housing and Care for Older People). As the Council – through the Housing Revenue Account (HRA) - does not possess the capital funding to undertake a complete redevelopment of the site itself, this option requires the Council to secure a housing service/development partner to undertake, fund and rebuild new homes for older people built to current design standards. This would be completed through a land disposal so the Council would cease to be the service provider at the location. The integration of the current GF land adjacent to the site should be brought into this option to enhance the site's development potential and maximise the financial viability of this option. This option does require decanting/transfer of all Residents at least on a temporary basis – and the offer of a “right to return” to a new home for those residents who want to or are able to exercise that option.

1. Background

1.1 Watkins House is an extra care/supported living housing scheme situated at the end of Woodlands Road HA1 2RS, and the

land/property is held within the Housing Revenue Account. The scheme was formally opened in 1986 and provides secure tenancies to residents who are able to access support and care services within the environment of extra care/supported living in a housing setting for older people. The site is designated as housing for older people and there is a title covenant on the land to ensure that housing for older people continues to be provided on the site. The scheme consists of 43 bed-sit units (plus one guest room). Ten of the 43 homes are currently void. No lettings are currently taking place – until the Council's position on housing options is decided by Cabinet.

- 1.2 The current scheme is outdated, especially in the context of the bed-sit accommodation for this group of residents and there are no balconies to flats although a small number of properties on the ground floor do have access to external green space. Equally, more modern establishments provide an array of facilities and services that enhance the quality of life for older people – promoting personal independence and celebrating age. To some extent, the poor communal facilities (internally and externally) do not facilitate a modern approach to ageing that is able to enhance quality of life for residents in this setting.
- 1.3 The overall service is provided through Housing support staff and Adult care staff with a designated overall manager - a Care Manager – for the care services to residents. Only the care staff provide 100% dedicated services at Watkins House – the housing support staff work at various sites in the borough.
- 1.4 For some years, it has been evident that more complex cases involving housing support and personal care have been referred to Watkins House, and the traditional notion of a sheltered housing/extra care scheme for older people changed towards more of a care setting.
- 1.5 The new interim management arrangements from January 2016 through leadership by Adults Community Care team – agreed initially through the Watkins House Project Board – have provided the basis of leadership and management/staff practice in a) gaining new registration with the Care Quality Commission - CQC b) improving standards and operation practice, commensurate to the needs of the residents. The CQC is the independent regulator of health and social care in England and has a legal duty to ensure that health and social care services provide people with safe, effective, compassionate, high quality care.
- 1.6 On 24 May 2016, Cabinet considered a paper on range of background issues for Watkins House. Those issues addressed:
 - Operational management and staffing capacity in services at Watkins House
 - The position on registration with the Care Quality Commission – CQC

- The consultation process and arrangements under housing law to consult on housing options
- The potential impact on staff
- Consideration of the land use of an adjacent land site that is owned by the Council
- Risk issues that are related to Watkins House
- Legal and Financial implications as they might impact on the consultation and the housing options process
- Equalities Implications and the public sector equality duty – noting the relatively high level of vulnerability of the resident population
- How the three housing options fit into the Council priorities and the Council’s vision for Harrow allied to alignment with the Housing strategic agenda of the Council

1.7 Cabinet decided to:

- Delegate authority to undertake further and more detailed consultation with Residents, Family members and Carers, including the service of statutory proposal notices, and consultation with other interested parties, on the identified housing options for Watkins House.
- Agree that a later Cabinet meeting may consider a fuller business case for Watkins House but only after taking account of the consultation responses from residents on all of the three housing options.
- Agree the continuation of the current Interim Management arrangements in the care services for Watkins House as detailed in the report.

1.8 This report to Cabinet contains the results of consultation with Residents as the Secure Tenants at Watkins House. The report proposes – based on that consultation – a housing option for approval, option 3, by Cabinet. In taking that position, this report addresses the business case to establish that option as the preferred strategic housing agenda for the site. The report also draws attention to the health and well being of the Residents at Watkins House noting – in particular through the interim Equalities Impact Assessment (EqIA) any mitigating measures in reducing any adverse impacts that may be caused by the adoption of housing option 3. Equally, there are staffing issues in the interim EqIA that are noted in the context of option 3 being approved. The report also addresses a range of issues from residents that have emerged through the consultation process and a draft “Charter – Supporting Residents in Change” is proposed in Appendix 5 to collate the Council’s commitments to protect and support residents in the change through housing option 3.

1.9 The vision that underpins the proposals in housing option 3 creates new housing for older people in central Harrow and can have a place in the wider regeneration of the town centre. If the vision is realised, Harrow will gain 60-65 new 1 bedroom homes with high quality internal

and external facilities for older people all built to agreed modern design standards that are specifically attuned for older people. This should represent an increase of 50% of homes from 43 outdated bed-sits with very cramped living conditions and very poor and limited communal facilities – representing a town centre development for older people that would be available for current and future generations of older people. The proposed development has the potential to celebrate age and showcase an approach to ageing that is empowering for older residents and their families – acting as a beacon for services to older people in the borough.

- 1.10 The Harrow Housing Strategy 2013 – 2018 was agreed by the Council in 2013 and represents the strategic housing agenda for the Council over that 5-year period. Under “key facts about Harrow” – the Strategy comments that:

“There is a need for supported housing to meet the needs of vulnerable people, including a range of sheltered/ extra care housing (as an alternative to residential care and to meet the needs of people with dementia) and supported accommodation to meet the needs of people with learning disabilities and mental health needs. This will be predominantly in the social housing sector. Interest from private housing providers in coming to Harrow with targeted housing offers is nevertheless thought to provide opportunities within this area in the future as an alternative way of meeting demand.”

- 1.11 In November 2005 Cabinet approved recommendations arising from an Older Persons Housing Review that included the need to develop more modern enhanced and extra care housing solutions to meet the increasing demand for suitable older persons housing in the borough.

2. Current Situation

- 2.1 In terms of understanding the resident population and to assist the consultation process, staff gained a profile of the residents who are currently in occupation. The main elements of this are listed in Appendix 3a to this report.
- 2.2 Formal consultation with residents on the three housing options was concluded in mid-August and the Council received a draft report on the outcomes from the consultation process on the 25 August. Headline details are set out in section 3 and the full report is attached as Appendix 3b.
- 2.3 Services to the residents continue to be provided from two main sources:
- Housing Support – assistance with documentation, appointments, and welfare-type services. These staff operate across a range of housing sites and services to residents at Watkins House only provide a relatively small margin of their overall work.

- Personal Care – assistance with medication, bathing, dressing and mobility – this is provided through day and night care staff, with the majority providing care services through the day. There are also on site Laundry services provided through a Laundry Assistant plus two part-time Kitchen staff who provide lunches that are re-heated on the premises. All of these staff provide the totality of their services to Watkins House.
- 2.4 Registration with CQC was gained in June 2016 under “Sheltered Housing/Extra Care”. The Regulated activity is “Personal Care/Nursing Care”. The Care Manager for the site has been awarded a personal CQC registration.
- 2.5 The piece of land owned by the Council, adjacent to Watkins House, was leased to the Sea Cadets from November 1993 although the Lease ended in 2007. The Lease was within the 1954 Act and the Tenant was “holding over” – no lease renewal had been granted. The Tenant was only using the premises for storage and agreed to voluntarily vacate the premises by 31 August 2016. That vacation has now taken place and this leaves the Council able to include that land in an overall review for an aggregated site at Watkins House that has the potential to achieve the strategic aims of new homes to an agreed design of at least one bedroom standards and high quality internal and external communal space.
- 2.6 A decision on the approval of housing option 3 represents a fundamental step in the Council being able to gain new housing (at a higher density level than the current 43 homes) for older people on the aggregated site. It is a challenging option for the Council that will need to assert best value considerations over the lifetime of the whole project, but equally for Residents it represents a level of change in housing circumstances that will need high levels of support as they move to new housing either on a temporary basis until they may return to a new home in the development, or accept the initial decant move as a permanent move that supports their housing, support and care needs. The Council will explore all avenues to secure suitable alternative accommodation for Tenants and that will include seeking assistance from the appointed Developer in providing assistance to management of the decant process and the potential provision of supply.

3. Implications of the Recommendation under Housing Option 3

- 3.1 In considering housing option 3, Cabinet will want to consider a range of factors including detail on the business case and the critical path of key objectives that would be required to meet the overall agenda. The business case should be able to demonstrate best value consideration to the Council, and most importantly, be assured of a continued focus on existing Residents – in meeting their needs and providing re-assurance and support to them in a change process in moving to new

accommodation. In essence, that housing option 3 should progress in a manner that respects the concerns and issues of residents – especially noting the individual age related health needs (and mental health needs) where those impact on Residents. These implications are addressed in this report.

3.2 Up to date, some informal and formal consultation with residents has taken place – as set out below. There has also been initial advice to staff and trade unions since the start of the Watkins House Project.

3.3 Consultation with Residents

3.3.1 Consultation with Residents including nominated family members and appointed carers has been a fundamental element of the proposals for Watkins House. Up until a Cabinet report in May, there had been some preliminary/informal consultation with Residents, family members and carers but that Cabinet meeting agreed a more formal consultation process on three main housing options through the application of housing law. The consultation has been designed to be commensurate and fit for purpose in the context of the residents at Watkins House taking into consideration their age, health and capacity to give views that must be recorded and fed back to the Council as decision maker. Officers have been working with colleagues in the communications team to ensure that information is provided to residents to allow them to understand the proposals and the potential impact on them. Residents have had access to independent advisory/advocacy services – through Age UK Harrow - to assist them in the consultation process – see below.

3.3.2 Consultation with Residents (plus some events for family members and carers) on housing options had started at Watkins House in late March and there have been seven meetings to date. Statutory consultation arising from the Notice of Statutory Proposals in relation to future development of Watkins House (through the Housing Act 1985, Schedule 2, and Part V) commenced from the date of service on Monday 4 July.

3.3.3 Age UK Harrow was appointed in June 2016 to provide specialist skills in working with older people – acting as an advocate in protecting the interests of older people, especially where change may impact on them. Staff from Age UK Harrow are qualified in representing older people where age, physical/mental health and overall capacity may provide difficulties in the older person being able to represent her or his position in clear terms. The use of Age UK Harrow also provides a degree of independence in the formal consultation process on the three housing options. The consultation process on a one-to-one level by Age UK Harrow staff commenced from 18 July.

3.3.4 The results of the formal consultation process are set out below. More extensive detail in the full consultation report is provided in Appendix 3b to this report.

Responses to the Preferred Option

13 preferred Housing Option 1
1 preferred Housing Option 2
11 preferred Housing Option 3
1 preferred Housing Option 1 or 2
1 is happy with all three Housing Options
1 preferred options 2 and 3

There were 28 consultation responses from 33 Residents
The favourite option is no 1 with option 3 just behind in support.
There is insignificant support for option 2

- 3.3.5 The results of the consultation show that 13 residents supported the need for a change to Watkins House, with the majority of these supporting the proposal to redevelop the whole site, rather than doing this in a phased approach. This compares to 13 supporting the proposal that there be no change to the scheme. The person who supported both option 1 or 2 and the person who supported all three options have not been included in these figures.
- 3.3.6 Overall, a fairly balanced position between options 1 & 3 has emerged from the formal consultation process although it should be noted that there is insignificant support for housing option 2. There are evident concerns being expressed on a range of issues: the impact of having to move and the stresses that will bring; the current accommodation represents their “home” with friends and familiar places; some residents are happy/content at present and do not want to move; the potential for higher rents through a move. For these residents, having lived at Watkins House for a number of years, the impact of bed-sit living with relatively poor internal and external communal spaces is marginal compared to the worry and stresses that a move may bring. A lot of importance is also being placed on continuance of care services and care staff at Watkins. The consultation outcomes in this regard are clear in the extent of concerns and worries about the potential changes to Watkins House – with 64% (18 of 28 respondents) saying that they had some concerns or worries. Equally, there is recognition that the Council is reviewing Watkins House over housing standards and that aspirations to improve housing on the site are well founded given the current conditions. If housing option 3 does proceed, the Council, through the project, will have to address all these issues and the draft “Charter – Supporting Residents at Watkins House in Change” will be one significant way to reassure residents and family members.
- 3.3.7 Housing option 3 recognises the requirement to assess housing options and work with residents and family members on housing choices for Tenants. This will require additional project resources to match a range of personal factors to suitable alternative accommodation including areas of choice; health issues – including care and support needs. There will be housing options in Harrow that are dependent upon well qualified assessments, working with tenants and family members, in terms of choices of area; type of housing – e.g. extra care/supported housing or a care setting. The project plan assumes that this will take 18 months although that is an estimate and

it may be reduced or assisted by the choice of Developer. The additional project resources should remain with to the project to provide a seamless process though initial assessments to moves and settling-in support. There is an option for tenants to return to the re-developed Watkins House if the new properties continue to meet their housing and personal health needs but it should be noted that this is a longer term option as the project will take some years to reach completion. In that context, and in discussion with tenants and family members, it has been agreed to extend the period of that decision to 5 years after the new housing is completed at Watkins House – this is now reflected in the draft Charter.

- 3.3.8 On the issue of concerns on rent and care costs, the majority of tenants at Watkins House would be unaffected by increased costs as Housing Benefit and income/savings levels would cover any increase in costs that might apply but it is reasonable of tenants to express concerns in this regard by moves from bed-sit accommodation. Further work on the personal financial assessments of tenants well in advance of the decant moves process will determine any financial impact as such on any tenants.
- 3.3.9 The consultation through question 5 and question 9 in the survey has allowed all respondents the opportunity to visualise a new home and this would be very important if option 3 was approved. There is a clear gap between housing aspirations and current housing standards at Watkins House both in terms of accommodation and in the overall services that could be accessed from a new homes setting.
- 3.3.10 As the position is relatively balanced, the importance of addressing worries and concerns plus providing practical support measures becomes more important if the council was to approve housing option 3 as representing the potential for significant development and regeneration of the site. Providing suitable alternative accommodation within a framework of reassurance and definitive support is a challenging aim for housing option 3. This is being addressed by additional project resources and in the draft “Charter – Supporting Residents at Watkins House in Change” in Appendix 5.
- 3.3.11 Council staff met Residents, family members and carers on Saturday 3 September and discussed the results of the consultation process and some sense of “next steps”. There were 22 residents from 33 at the meeting and 8 family members. The draft “Charter” was presented at that meeting and broadly welcomed as a method to give clarity and some guarantees to the level of support to residents if option 3 was to proceed. In discussing the results of consultation, the meeting noted the balanced position that had emerged between options 1 and 3. Informally, this meeting displayed majority support for housing option 3 but it must be noted that this was outside of the formal consultation process and was not reflective of all Tenants.
- 3.3.12 In the conclusion of the consultation report from Age UK Harrow the report states “As can be seen by the feedback, the majority of the residents chose the No change option. But they do know this was not

practical and had many questions for the Council if they chose the other options.” In summary, with the balance of views being expressed, the Council faces a decision in seeking to realise the potential for regeneration at this site but acknowledging and mitigating the impact that residents visualise on their well being – needing an array of support measures to be able to face that level of change given their age and personal circumstances.

3.4 Staffing/workforce

- 3.4.1 In Housing Option 3, the main staffing impact would be felt by Care Staff whose main place of work is at Watkins House. Initial advice with staff and trade unions has taken place on six occasions in relation to the housing options process at Watkins House.
- 3.4.2 If Option 3 is adopted, the Council will need to undertake formal consultation with staff and trade unions. This introduces the fact that Care staff would be at risk of redeployment/redundancy if the tenants were transferred to suitable alternative accommodation prior to gaining an empty site to facilitate demolition. For further information on this aspect, please see comments in the Legal aspects section in paragraph 5.9. The jobs of Care Staff are at risk of redundancy. This will set the agenda for the formality of consultation requirements through “The Managing Change Policy & Procedure”.
- 3.4.3 The impact on Housing Support staff is considered to be minimal at this point as these staff work across a range of housing sites and the potential exclusion of Watkins House from their workload would have little employment impact.
- 3.4.4 There have been six meetings with staff (with trade unions invited) at Watkins House through the timeline of the Watkins House Project. In addition there have been separate meetings with Trade Unions. At the last staff and trade union meeting on 1 September at Watkins House, the following comments from staff and trade unions were gained. The potential for redundancy has only become clearer at the last two meetings with staff as the project format has developed and legal advice gained on the applicability of TUPE. The following comments can be considered as the feedback from preliminary consultation with staff prior to the Council making a decision at Cabinet and are able to inform Members on the views of staff and trade unions.
- Both Unison and GMB wanted to state that they are formally opposed to redundancies of Care staff at the location and wanted to assert the case for a TUPE (Transfer of Undertakings Protection of Employment) transfer.
 - Staff have requested more information at this stage on a) the proposed timeline of option 3 and b) written copies of the Council policies/procedures on redeployment/redundancy – through the “Managing Change Policy & Procedure” and associated procedures.
 - It was agreed that there will be another meeting after Cabinet in October to review the position based on a Council decision.

3.5 Ward Councillors

3.5.1 Ward Councillors have been updated through the stages of the project to this point and have been able to access further information as required.

3.6 Near Neighbours

3.6.1 An advice letter has been sent to near neighbours in Woodlands Road and Elmgrove Road to advise informally on housing proposals at this stage. Local residents will be consulted on any proposed development as part of the statutory planning process – as required if housing option 3 is adopted.

3.7 Business Case for Option 3 in respect of Watkins House

3.7.1 The outline Business case for housing option 3 is centred on a number of key principles:

- The Council can select and appoint a development partner that would be the recipient of the two land transfers of the aggregated site and the that housing service would in consequence – fund; gain planning permission; demolish and build new and well-designed homes for older people on the two sites.
- The Council would be able to facilitate this development without using capital funds from its own resources and the revenue costs to manage the project would be met within existing resources. The matter of a potential capital receipt to the Council is discussed in Appendix 1 in the exempt part of this report.
- Through a “Deed of Nominations” agreement between the Council and the selected housing service, the Council would seek to gain nominations (in perpetuity) to new housing for older people at the location.
- The appointed organisation will have to agree design principles with the Council, gain planning approvals and carry out all due diligence in respect of the build.
- This appointed housing service organisation may contribute to the decant process for Residents giving greater momentum to the Project and acknowledging that suitable alternative homes for residents – recognising their housing, support and care needs is an essential part of the project – either as a permanent move or temporary allowing the resident to move back to a new home in the completed development. This is important in addressing the concerns of residents as expressed in the consultation findings.
- The Council will need to consider carefully the financial implications of housing options 3 inter alia:
*The loss of council housing stock from the HRA and by implication the loss of rent revenues.

*The appreciation of best value considerations under best value considerations for both the HRA and the GF site forming a new aggregated boundary.

- 3.7.2 If housing option 3 was adopted by Cabinet, the main elements required to achieve that option are listed within Appendix 6. In a project format some of these elements can run concurrently but Members should be advised that the overall project will take at least 4.5 years to complete. The project plan is also designed to allow time for suitable alternative housing with required levels of care and support to be found for existing Tenants. This is a major consideration for the project if Cabinet agrees the recommendations in this report.
- 3.7.3 Appendix 7 sets out advice from the Harrow Regeneration Unit on the potential of the aggregated site as a development for housing for older people including advice on design issues and associated site matters.

3.8 Environmental Implications

- 3.8.1 If the recommendations in the report proceed, there will be an opportunity through all three options to improve sustainability and energy efficiency. This will be most enhanced in option 3 but will be very limited in option 2 and most limited in option 1. As well as thermal improvements, other environmental improvements that could be considered include provision of green roofs; solar energy; thermal hot water systems. This contributes to a reduction in Fuel Poverty. To meet the target for use of renewable resources and resulting reduction in CO2 emissions – other factors to be considered include: improved biodiversity as a result of increased tree planting and landscaped communal open spaces; plus provision of sustainable urban drainage systems.

4. Risk Management Implications

- 4.1 The Watkins House Project Board has a risk framework that contains four risk types as noted below, and at 23 September 2016 from a total of 16 identified risks 5 were identified as red, 9 as amber, and 2 as green.

RAG status – Probability x Impact GREEN 1-5 AMBER 5-10 RED 11-25

Risk Types

A. Governance	4 Risks -	1 Green 3 Amber
B Compliance & Standards	5 Risks -	1 Green 3 Amber 1Red
C Financial	3 Risks -	3 Red
D Operational	4 Risks -	3 Amber 1 Red

- 4.2 Watkins House is also included on the Housing Departmental Risk Register, the Adults Risk Register, and the Corporate Risk Register. These risks have been reflected in the operational position on a)

Safeguarding b) Compliance with CQC c) Management capacity and professional expertise to meet a) and b) offering Residents a safe and assured living environment. However, it should be noted that the overall risk framework has been mitigated through progress from the project board dealing with those issues. The risk analysis is reviewed at each meeting of the project board and for audit purposes a record of each risk analysis is kept in the project records.

- 4.3 Risks have been identified as arising from potential threats to project objectives as well as possible failures to reach project objectives and strategic opportunities that are being presented from the project format.
- 4.4 The site is potentially open to Inspection by CQC and that raises a risk profile for the Council.
- 4.5 The position of the project board has been to mitigate both of the major twin risks by a) adoption of a coherent strategic agenda for Cabinet to consider b) interim management arrangements using professional expertise in Adults Services to provide care services – working towards a safe position that would be in harmony with the standards of the CQC.

5. Legal Implications

- 5.1 All of the residents in Watkins House are secure tenants and have rights available to them to continue their tenancies. If housing option 3 was agreed at Cabinet, there are limited rights within the Housing Act 1985 to gain possession of a secure tenancy. One of the grounds relates to the disposal and redevelopment of a site. In order to gain possession of a secure tenancy for the purposes of disposal and re-development, the Council is required to carry out consultation with tenants, including serving a statutory notice of proposals, giving tenants a minimum of 28 days to make representations. These Notices setting out the broad housing options were served on 4 July and this has set the formal consultation period to run from that date. This has allowed tenants to make formal representations and for these to be fed back to Cabinet in this report allowing Cabinet to consider any comments prior to a formal decision. The Council has also involved families and carers as appropriate and has used the services of a voluntary agency with renowned expertise in working with older people – Age UK Harrow – to facilitate the ability of tenants to express their views.
- 5.2 The consultation responses are set out in this report and the relevant appendix. The results have also informed the equality impact assessment. Cabinet must take account of the results, alongside other relevant information, to make an informed decision. If the Council decides to pursue an option of disposal and redevelopment, it will be necessary to apply to the Secretary of State for consent, who will need to be satisfied that the Council properly considered the tenants' views on the proposal.

- 5.3 If the Secretary of State gives consent to the development, the Council would need to secure possession of the individual units. In order to gain possession of a secure tenancy on the grounds of redevelopment, the Council would have to demonstrate that it had offered "suitable alternative accommodation" within the provisions of the Housing act 1985. Tenants can also choose to move on a voluntary basis, without the need for possession proceedings. In this case, if the approved option required a decant transfer; the Council would seek to conclude all moves on a voluntary basis, if at all possible, without the need for possession proceedings. If the Council made a decision to dispose of the site for redevelopment, the Council has duties and powers to make payments to compensate residents for the loss of their home. It is proposed that these payments are made available to all residents regardless of whether they moved on a voluntary basis or via a statutory route.
- 5.4 Home Loss Payments would be paid in line with the Planning & Compensation Act 1991, the Land Compensation Act 1973 and Home Loss Payments (Prescribed Amounts) (England) Regulations 2008. This prescribed amount of compensation to be paid to tenants is £5,300 and that was set from 1st Oct 2015. These regulations are currently reviewed annually by the Government in August and as new rates are set the council would adopt them. Any amounts owed to the housing service will be deducted before the Home Loss payment is made. No deductions are able to be made from Disturbance costs (see below).
- 5.5 The Housing Act 1985 (Part II 5.26) allows local authorities to give financial assistance towards removal costs to residents affected by a clearance programme which has resulted in either a permanent or temporary move of house. This assistance is called a 'Disturbance Allowance'. A disturbance allowance is intended to compensate the tenant/occupier for the costs they have incurred by their displacement and the amount shall be equal to the reasonable expenses associated with their move. The Council will treat each case on its merits and will consider claims on the basis of whether a cost has been incurred as direct and reasonable consequence of being disturbed.
- 5.6 For all Tenants in Watkins House, if the recommendations go ahead, the Council will provide an informative and clear statement on financial payments; assistance at the point of moving; and assistance in settling into a new home. At a meeting on 3 September, Residents considered the package of support for transfers and wished to advocate for:

The (statutory) home loss payment of £5,300, plus moving costs and assistance including:

- ✓ free use of a Council appointed removals service
- ✓ free assistance with packing and unpacking
- ✓ free replacement of carpets/curtains and other soft furnishings

- ✓ free disconnections/reconnections e.g. TV; telephone; washing machine

5.7 In addition, Residents were keen to ensure that:

- ✓ Transport to see alternative housing would be provided
- ✓ Transport of the day of a move would be arranged
- ✓ Assistance with letting other agencies have knowledge of the move
- ✓ Setting up a postal redirection service with the Post Office for e.g. for 12 months
- ✓ Options to have a “befriending service” from an established voluntary service in the new home
- ✓ A “Right of Return” to a new home at the Watkins House site to last up to 5 years after the development was completed
- ✓ The Council should consider the possibility of offering transfers of small groups of residents to the same location keeping friendship networks together as far as practically possible
- ✓ That Care and Support packages were in no way diminished as a result of any moves

5.8 The Council has the powers to grant requests from Tenants in addition to the statutory requirements on the Council through payment of Home Loss and Disturbance. Given the resident profile, there should be a clear statement to Tenants of all the statutory *and discretionary support* that would be available for decant transfers – either on a voluntary basis as advance decants or those effected by statutory provision. Also, in listening to the views of tenants in the consultation process, the opportunity has been taken to draw up a “Charter” that would govern the conduct of the whole change process – including statutory and discretionary provision that would be available to Tenants. This “Charter” is set out in draft form in Appendix 5 to this report.

Employment law considerations

5.9 As the proposal involves the Watkins House site being disposed of for demolition and re-build, the tenants will be moved to a variety of alternative accommodation options at least on a temporary basis. For this reason, the current operation is not being transferred to a third party and TUPE is unlikely to apply. The Council will have to consider re-deployment options for the care staff employed full time at Watkins House, but there is a risk that there may be some redundancy situations. The employment situation will be kept under review during

the project and once the residents have made decisions on where they wish to move to.

Selection of the Housing Service organisation

5.10 Public procurement rules do not apply to arrangements that are predominantly land deals. However, the council intends to run a form of competitive procurement in compliance with public procurement rules and the council's Contract procedure Rules as appropriate to select the preferred Development Partner.

5.11 Land Disposal

5.11.1 The Disposal of HRA Land – under option 3

If the Council decided to dispose of Watkins House for redevelopment, it would be required to comply with Sections 32 of the Housing Act 1985 as the land is currently held for housing purposes. Such sales should normally be at market value. As Watkins House is held by the Council for housing purposes, the disposal will require the consent of the Secretary of State if the land is sold at less than best value, and if that sale results in any secure tenant becoming the tenant of a private landlord.

5.11.2 The Disposal of General Fund Land – as per options 2 and 3

If the Council proceeds with option 3, the sale of the Council land currently occupied by "Sea Cadets" should proceed at market value and the sale be designated for the purposes of housing for older people. The requirements of s 123 of the LGA 1972 will need to be met in so far as best value should be obtained for the sale subject to the statutory exceptions. The Council will need to obtain consent from the Secretary of State.

5.12 Care Act 2014

5.12.1 The Care Act aims to achieve clearer, fairer care and support, with an emphasis on promoting wellbeing – physical, mental and emotional – of both the person needing care and their carer, and on prevention and delay of the need for care and support. It aims to put people in control of their care.

5.12.2 There is a new emphasis on wellbeing, and a new statutory principle of individual wellbeing underpins the Act, and is the driving force behind care and support. There is a new national eligibility criteria established. There are duties introduced in respect of prevention of need and integration of services.

5.12.3 In respect of prevention, local authorities (and their partners in health, housing, welfare and employment services) must now take steps to prevent, reduce or delay the need for care and support for all local people. In terms of integration, the Act includes a statutory requirement

for local authorities to collaborate, cooperate and integrate with other public authorities e.g. health and housing.

5.12.4 The re-development of Watkins House into a modern higher needs sheltered housing scheme will support the wellbeing of future tenants and promote independence and options for older persons to remain in their own homes, receiving community care services as required.

6. Financial Implications

6.1 Watkins House is owned by the Council as part of its housing stock, so is an asset of the Housing Revenue Account, and the costs of the non-care elements of the provision of this facility (landlord functions), as well as the rental and service charge income attributable to the 43 units of accommodation are correctly accounted for within the HRA. That said, it is not a simple task to separately identify a set of costs specifically relating to Watkins House as they are contained within the overall cost of the Sheltered Housing service. The income from these properties is, however, separately identifiable, and is estimated as being in the region of £245,000 for 2016/17.

6.2 The cost of providing care services to the residents of Watkins House cannot be charged to the HRA because of the ring fence arrangements, which specify what costs and income can be accounted for within the HRA, and specifically excludes costs other than those related to the provision of a "landlord service". The cost of providing care services, which largely relates to the staff employed to provide those services, therefore falls on the Council's General Fund, and the net cost to the General Fund is budgeted at £470,000 for 2016/17.

6.3 In addition to this amount, for the reasons outlined in the body of the report, it has been necessary to put in place enhanced management and care arrangements to ensure that care needs of the scheme and residents are met appropriately and effectively. These arrangements commenced in January 2016 and were originally intended to be a six month temporary arrangement, spanning 2015/16 and 2016/17.

6.4 Based on the six month period originally envisaged, the additional temporary costs were as set out below.

- Registered Manager (6 months only) £22,500
- Interim care manager to review the 26 residents (4 months) at £300 per day - £24,000 – this is a one-off cost
- Team leader (6 months only) £19,000
- Shift leader X 2 (6 months only) £34,000.

6.5 In total these costs amounted to £99,500 for the 6 month period, with the costs assumed to be split evenly between the two financial years.

- 6.6 It is now clear that there is a need for the temporary support arrangements to extend beyond the end of the six month period originally envisaged, and indeed these will be required until the closure of the scheme, albeit potentially at a reducing level as the decant process progresses. Excluding the one-off costs of the assessment process, there is anticipated to be an ongoing cost in the region of £150,000 per annum in addition to the existing level of budget, meaning an overall cost to the General Fund in the region of £620,000. This approach has been agreed with Adults Services and CSB.
- 6.7 In the medium term financial strategy, the options review of Watkins House was estimated to be able to deliver savings of £100,000 in 2017-18 and a further £100,000 in 2018-19 from an assumed cessation of care services. Based on the requirement for additional expenditure to meet CQC requirements, and the process required before the disposal can proceed, it will not now be possible to deliver these savings. The current costs of Watkins House, without the above savings, must therefore form the basis of future budgets. In addition, although the proposed development under housing option 3 is welcomed as a strategic initiative, it is anticipated that there will be a potentially significant impact on Adult care costs during the process of decanting Tenants and rebuilding the new homes – access to supply for placements will be reduced with the withdrawal of Watkins House, within a market for homes that has increasing costs and difficult supply side issues within reasonable cost parameters. This budget requirement would be likely to remain until the increased new supply came on stream from the Watkins House site or through other planned new provision in the borough.
- 6.8 Given the reducing number of secure tenants within Watkins House, it is not yet clear what the cost of service provision will be post-implementation of the preferred option. In consultation with Portfolio Holders, there may need to be a further report on overall financial implications once a Developer is recommended for appointment under delegated authority but this will be reviewed at that time. In the interim period, there is a risk to the Council that an inspection by CQC may require additional expenditure that is currently not anticipated. In addition, other costs that may need to be factored in include:
- Non-statutory decant costs due to the vulnerability of the residents;
 - Potential redundancy costs of the care staff;
 - Ongoing project management costs, which are currently undertaken by an interim project manager due to lack of internal staff capacity
- 6.9 The impact of these will need to be considered as part of the financial appraisal once the approach has been agreed.

7. Equalities implications / Public Sector Equality Duty

- 7.1 The Council is required to have due regard to the need to eliminate discrimination, harassment and victimisation, foster good relations

between different groups of people and advance equality of opportunity.

- 7.2 The Cabinet report of 24 May 2016 contained an initial Equalities Impact Assessment and this has been fully updated and attached as Appendix 2. It was noted that there were potential adverse impacts on age and disability for Residents as “protected characteristics” under option 3. There are also impacts of age, gender and disability (in respect of one staff member) on the care staff who may face redeployment/redundancy under option 3. The EqlA will continue to be monitored through the Watkins House Project Board on a monthly basis, to reflect impacts on Residents and Staff as the overall project enters successive phases including review of the detail in the Improvement Action Plan - if option 3 is approved.
- 7.3 Mitigating measures are noted in the EqlA for the impact on Residents and Staff.
- 7.4 The proposals – under option 3 – can have a cumulative impact on Age and Disability as “Protected Characteristics” in that new housing for older people would be an outcome for the two sites in Woodlands Road – increasing the numbers of homes and significantly improving individual homes and internal/external facilities for older people.

8. Council Priorities

- 8.1 The Council's vision:

Working Together to Make a Difference for Harrow

- **Making a difference for the vulnerable**
This report fundamentally addresses a core service for vulnerable residents in Harrow although we should assert that not all older people are deemed to be vulnerable or would accept the notion of vulnerability but as people live longer there are more older people who need housing accommodation of the type that this report addresses.
- **Making a difference for communities**
Population trends show that provision of specialist housing for older people will require additional capacity of some margin – the data is relatively consistent for London, England and the UK although spatial variations on income, employment, and other factors are noted. The Office for National Statistics (ONS) predicts that about one-third of babies born in 2013 are projected to live to 100 years; and 8% of men and 14% of women aged 65 in 2013 are projected to live to 100 years. Living longer has introduced new thinking and concepts in celebrating age but with increasing age, it is clear that a proportion of older people will require support and care packages that flex with their age and health conditions. Specialist housing for older people will be part of the offer to older people in each community and Harrow has an opportunity

here to increase and improve services for older people that will make a difference to all communities in the borough.

- **Making a difference for local businesses**
The Council recognises that a role for local businesses relates to services and funding streams where the Council is not able to support financial strategic development of services. Partnership development with a local service provider is a potential part of this recommendation.
- **Making a difference for families**
Harrow has an opportunity to review housing options for older people with a potential wider benefit to families over and above those families who may benefit from the housing scheme.

Section 3 - Statutory Officer Clearance

Name: Dave Roberts	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 30 September 2016		
Name: Sarah Wilson	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 30 September 2016		

Ward Councillors notified:	YES
EqIA carried out:	YES
EqIA cleared by:	Dave Corby, Community – DETG Chair

Section 4 - Contact Details and Background Papers

Contact:

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Housing Services
Community
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Background Papers:

“Ageing London”, MDAG Mayor’s Design Advisory Group GLA 2016
https://www.london.gov.uk/sites/default/files/mdag_good_growth_agenda_-_ageing_london_interactive.pdf

“HAPPI 2, Housing our Ageing Population: Plan for Implementation” Nov 2012
All Party Parliamentary Group on Housing and Care for Older People
http://www.housinglin.org.uk/library/Resources/Housing/Support_materials/Other_reports_and_guidance/Housing_our_Ageing_Population_Plan_for_Implementation.pdf

Call-In Waived by the Chairman of Overview and Scrutiny Committee	NOT APPLICABLE <i>[Call-in applies]</i>
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