

Executive – 29 May 2008

PROPOSED HOUSING CAPITAL PROGRAMME EXPENDITURE 2008 - 09

Report of the Head of Community Regeneration

Statutory Powers: Housing Act 1996; Local Government Act 1988;
Homelessness Act 2002

Financial Implications:

- An equity loan of £200,000 to Westcountry Housing Association towards the retention of a property to be used as a teenage pregnancy supported accommodation scheme.
- Contribution of £75,000 (£25,000 per annum) towards revenue costs of the teenage pregnancy supported accommodation scheme.
- Contribution of £145,000 to Signpost Housing Association towards the conversion of two open market extra care flats to social rented accommodation.

Purpose of the report:

The purpose of this report is to update Members on the current position of two schemes within the South Hams, Belmont Villa, Ivybridge and Bishops Court, Newton Ferrers, and to request Members consider providing the required capital and revenue support from second homes council tax to enable the schemes to be progressed.

RECOMMENDATIONS

That the Executive RESOLVES that;

- 1. Second homes council tax of £200,000 be used as an equity loan to retain Belmont Villa, Ivybridge for use as a teenage pregnancy supported accommodation scheme.**
- 2. Second homes council tax of £75,000 (£25,000 per annum for 3 years) be used towards the revenue support costs at Belmont Villa (support will be provided by Young Devon)**
- 3. Second homes council tax of £145,000 be used to enable the remaining two unsold extra care flats at Bishops Court, Newton Ferrers to be converted to social rented accommodation.**

Scheme 1 - Belmont Villa, Ivybridge

1. Until mid 2006, Belmont Villa had been owned and run by Colebrook Housing Society; operating as a long stay service for older men with enduring mental health problems. Following negotiations between (WHA), Colebrook, and Devon Supporting People, WHA agreed to purchase Belmont Villa from Colebrook in the autumn of 2006. DCC provided £210,000 second homes council tax towards the purchase to provide targeted mental health provision in the South Hams. The property was refurbished to provide a re-modelled short stay supported housing service for 5 mental health service users was opened in November 2006.
2. Despite initial indications from local mental health practitioners of a need for an accommodation based service, there was a lack of appropriate referrals.
3. With no further use for an accommodation based service located in Ivybridge for this client group, the Belmont Villa service was fully de-commissioned by November 2007. The revenue funding for the support element of the scheme, provided by Devon Supporting People, has now been integrated into a Devon-wide mental health floating support service.
4. As a condition of the original funding, DCC imposed a requirement that the money was to be paid back should the house no longer be required for mental health service users in the South Hams. Therefore, WHA are now required to pay back the original £210,000 which will be used by DCC for other supported housing priorities across the County.
5. WHA were looking to sell the property on the open market as soon as possible. Due to the difficulties in obtaining good quality affordable housing in the District, officers decided to explore the opportunities for other vulnerable client groups using the house.
6. Discussions with Young Devon and the Youth Enquiry Service (YES) highlighted a growing need for supported accommodation for young pregnant girls in the District. At present there are no appropriate housing and support schemes in the South Hams and young pregnant girls who are not able to be supported by their families may be sent either to Torbay or Plymouth or placed in bed and breakfast accommodation. For many girls this is a difficult transition to make in terms of rural/urban lifestyle and away from their family/friends support network whilst they are at their most vulnerable. Many choose not to take up this option and although are supported by Young Devon and YES find it difficult to manage. WHA have agreed to remove the property from the market for a limited period to see whether it is feasible to retain the property as a supported house for 5 pregnant teenage girls.
7. The house is situated only a few hundred metres from Highland Villa, a supported house for 16-25 years olds, and YES, both of which are supported by Young Devon.

Evidence of need

8. The Housing Advice Team are aware of increased numbers of teenage pregnant girls in the last 2 years, approximately 4-5 per year.
9. Young Devon are strong promoters of this scheme and have supported approx 13 young pregnant girls per annum for the last 3 years. They are currently supporting 4 pregnant teenage girls who are in need of specialist supported accommodation.
10. Officers have spoken with the Primary Care Trust, Health Centres, midwives, health visitors and Sure Start in order to try to gauge the level of need for this type of supported unit. There has been a high level support from those contacted.

National Guidance

11. The 'Every Child Matters' green paper identified the five outcomes that are most important for children and young people:
 - Be healthy
 - Stay safe
 - Enjoy and achieve
 - Make a positive contribution
 - Achieve economic well-being
12. These outcomes are universal ambitions for every child and young person, whatever their background or circumstances. Improving outcomes for all children and young people underpins all of the development and work within children's trusts.
13. Improving outcomes also involves narrowing the gap between disadvantaged children and their peers. The Government is focusing particularly on improving outcomes for [looked-after children](#) and children with [special educational needs](#) and disabilities, and on reducing the incidence of [teenage pregnancy](#) and the number of [young people not in education, employment or training](#).

Teenage Pregnancy Strategy

15. The Government's Teenage Pregnancy Strategy represents the first coordinated attempt to tackle both the causes and the consequences of teenage pregnancy. The strategy's targets are:
 - Halve the under-18 conception rate by 2010, and establish a firm downward trend in the under-16 rate

- Increase the proportion of teenage parents in education, training or employment to 60% by 2010, to reduce their risk of long-term social exclusion
16. All local areas have a 10-year strategy in place, with local under-18 conception rate reduction targets of between 40 and 60%. These local targets underpin the national 50% reduction target.
- **Poor child health outcomes**
Children born to teenage mothers have 60% higher rates of infant mortality and are at increased risk of low birth-weight which impacts on the child's long-term health.
 - **Poor emotional health and well-being experienced by teenage mothers**
Teenage mothers are 3 times more likely to suffer from post-natal depression and experience poor mental health for up to 3 years after the birth.
 - **Teenage parents' poor economic well-being**
Teenage parents and their children are at increased risk of living in poverty.

Capital and Revenue Funding

Capital contribution

17. WHA would like to remain as landlords of the property with a management agreement with Young Devon to provide both the housing management and the support. WHA would however need to repay £210,000 of the original purchase price to Devon Supporting People as soon as possible. In the absence of any other funding streams, it is proposed that South Hams District Council provide an equity loan of £200,000 from second homes council tax. The equity loan would be repayable with any uplift in the value of the property should the scheme be unsuccessful at any point in the future and the property need to be disposed of.

Revenue contribution

18. Discussions have taken place with Devon Supporting People and they have advised they are unable to consider revenue funding this scheme at the present time as all available funding is fully committed. However a review of homelessness services is currently underway which could provide opportunities in the future. The three organisations (SHDC, Young Devon, WHA) have therefore considered how the scheme could be revenue funded for a period of 3 years with a view to the revenue costs being picked up by Devon Supporting People at the end of that period. The scheme will be monitored and reviewed regularly to ensure it continues to meet the required objectives.

In order to progress this scheme at the present time the revenue costs need to be achieved in some other way. Detailed discussions with Young Devon and WHA have identified the revenue costs for the scheme as approximately £72,000 per annum. This could be achieved in the following way;

£34,000	rents and service charges
£12,500	Young Devon existing Supporting People contract for young people
£25,000	second homes council tax

19. Young Devon are working closely with WHA who already run two similar schemes in Torbay and Cornwall. It is envisaged the scheme will have a full time co-ordinator post shared between two workers. Experience at the other two schemes have shown that support is needed generally throughout the daytime although this will be looked at flexibly as the scheme progresses i.e. teatime and early evening may be stressful and therefore need a support worker on site. Although there will not be overnight on site cover Highland Villa which does have overnight cover is only a short distance away and a response service will be operated if necessary. Highland Villa also benefits from a security camera system which can also be extended to take in Belmont Villa and can be monitored.

Risk Assessment

The following are the significant risks and opportunities identified:

Opportunity	Issues / Obstacles	Benefits
<p>Belmont Villa</p> <p>Prevention of homelessness for vulnerable young girls and their dependants.</p> <p>Prevention of repeat homelessness</p> <p>Retention of a 5 bedroom house in the social rented sector - CP1</p>	<p>Health & Safety of vulnerable young girls who may be placed in inappropriate accommodation if the scheme is not funded</p> <p>Difficult to secure revenue funding for new supported housing schemes – a partnership approach needed to achieve supported schemes where Supporting People funding not available</p> <p>Devon Supporting People may not agree to revenue fund this scheme in the future which may put the future of the scheme in jeopardy</p>	<p>Enables vulnerable young girls to gain life skills in order to maintain future tenancies.</p> <p>Prevention of homelessness option</p> <p>Fits with the Governments 'Every Child Matters' agenda to ensure all children/young people have opportunity to access the five identified outcomes e.g. be healthy, stay safe</p>

<p>Bishops Court</p> <p>Bringing two extra older persons flats into the social rented sector – CP1</p>	<p>There is a risk the Housing Corporation does not approve use of RGCF in this scheme</p> <p>The viability of continuing to provide on site care to the residents of the scheme</p> <p>Serious financial implications for one of Council's partner housing associations</p>	<p>Enables social rented tenants in need of care to remain in their own home as long as possible</p> <p>The schemes continues to benefit both the residents and the wider community</p>
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Conclusion – Belmont Villa

20. This scheme will provide much needed supported housing for vulnerable teenage girls who may otherwise have to be placed in bed & breakfast or in a similar scheme out of the district. The support would enable the girls to gain much needed skills both in terms of looking after their baby and other life skills which should enable them to hold down a tenancy in the future. Officers would see this scheme very much as a prevention of homelessness option. It is also in line with best practise and will assist in the Council meeting its statutory homelessness duties which could also prevent repeat homelessness in the future.

Scheme 2 - Bishops Court, Newton Ferrers

21. Bishops Court, Newton Ferrers is an extra care scheme for persons 55 years of age or over and/ or in need of care and was completed in March 2006 by Signpost Housing Association (SHA). Newton & Noss Parish Council identified a growing population of older, frailer people within the two villages and worked with Plymouth University to survey residents to confirm their beliefs before bringing the scheme to the Council. The Council responded to the identified need and has worked in partnership with SHA, Social Services, Devon Supporting People and the Parish Council to progress the scheme.

22. Due to the high development costs of an extra care scheme (in this case approximately £3.7m) and in line with Government thinking, and the number of older persons within the two villages who are owner occupiers, the decision was made in consultation with all stakeholders to develop a mixed tenure scheme. The scheme consists of 25 flats - 13 for rent and 12 for sale
23. The scheme completed in March 2006 and SHA carried out an extensive marketing campaign starting 1 year prior to completion. The scheme has therefore been marketed since 2005.
24. Despite spending almost £200,000 on marketing, a show flat, council tax charges/services of empty properties, interest charges, agent's fees etc four of the flats have remained unsold. Two of the flats however are currently reserved.
25. The inability to sell the remaining units, plus the costs of council tax, services etc., over such a prolonged period is causing serious financial concern to SHA. At present the scheme costs have considerably overrun the original budget. Perhaps even more importantly in terms of balancing the care needs of the scheme as a whole there is a risk that it becomes unviable to keep a care team on site when the scheme is not fully occupied. This could result in Devon Social Services withdrawing the care element of the funding.
26. Discussions have been ongoing with SHA to resolve this issue and the only realistic option now available is to convert the two remaining flats to social rented. Officers have looked at the Council's Housing Waiting List and currently there are 9 households who want sheltered housing in Newton & Noss.

Financial implications

27. In order to enable these flats to become rented £290,000 of grant is needed. SHA have advised they would be able to use £145,000 recycled grant (from SHA disposals but subject to Housing Corporation approval). Match funding of £145,000 has been requested from the Council

Conclusion – Bishops Court

28. The scheme was originally conceived by the community and progressed as a partnership between SHA and SHDC. There is a current need for rented extra care units in Newton and Noss and surrounding parishes. Officers therefore support SHA's request for a funding contribution towards the conversion of two open market flats into the tenure of social rented. . It is proposed that the £145,000 grant funding be ring fenced for the provision of affordable housing in the South Hams should those properties ever be disposed of at any time in the future.

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Background Documents:

Every Child Matters Green Paper
DCC Children and Young Persons Plan 2008-11
SHDC Allocations Policy