

# Sheltered Housing Review Update for Campbell Close

March 2006

## Overview

Our programme for evaluating the future of some of our sheltered schemes is dependent upon a number of factors that are not directly controlled by Sentinel. These make it difficult to be precise about timeframes for our proposals. We do commit, however, to ensure that residents will be informed of any updates as soon as we know or immediately thereafter. Campbell Close is now in a phase which makes precise forecasting difficult. We want nonetheless to keep you informed of ongoing matters and issues.

## Campbell Close

We are currently seeking to advance an acceptable scheme design for Campbell Close that addresses current and future housing needs, and one that makes a statement on a quality environment for senior citizens. In terms of a design timetable we aim to have an agreed scheme design in place by the end of April 2006. We would like to thank all for their valued contributions to date, and hope that these contributions can be sustained to come up with a scheme that meets everyone's needs whilst addressing key aspirations. We will offer further opportunities for your input into the design, with the aim to present a finalised scheme design proposal to you, for comment, prior to submission for planning permission. Outside of the design process, there remain two key challenges for delivery of a new Campbell Close development:-

- Achieving a satisfactory planning permission.
- Obtaining the necessary funding to undertake the project.

*Achieving a satisfactory planning consent* - Review of the planning application, by Hart District Council, for the new design is likely to take several months. This could be significantly longer. A key planning consideration for the redevelopment proposal will be its potential impact on the surrounding environment and wildlife habitats. This is a particular challenge for all new planning applications in the area. We are presently consulting with the government's appointed agency, on such matters, English Nature, and are hopeful that they may be supportive of our proposal

*Obtaining the necessary funding to undertake the project* - We have now been advised that our bid for public grant under the government's Affordable Housing Programme 2006-08, to support a new project proposal at Campbell Close, has not been successful. This is a set-back. We do, however, remain positive that an acceptable funding route can be achieved to deliver the project, if planning permission is forthcoming. Other funding options will need to be considered by the Sentinel Board of Management, prior to any firm commitment to the project.

We are presently working in earnest to address both of these factors. Failure to overcome either may have a significant impact on a timetable for redevelopment. We will keep you updated of ongoing progress.

### Rosefield Court, Hartley Wintney

As you are aware, the development of an extension to the Association's existing scheme at Rosefield Court is critical for the redevelopment proposal affecting Campbell Close. A new planning application for this was submitted in February 2006, with an outcome likely in April 2006. This provides for 16 new self contained flats to accommodate residents who may need to move as a result of our Sheltered Redevelopment proposals. The good news is that we have been successful in winning the public grant necessary to part-fund the works. At this point, it is therefore fingers-crossed that our planning application will be successful. If successful, we would anticipate commencing works in the late summer with completion sometime in mid-2007. Moving residents to this new development would then follow.

### Empty Properties in schemes (Voids)

We are keen to mitigate the impact of empty properties in Campbell Close, and other sheltered schemes, and are currently looking at ways in which we may best deal with them. We obviously share existing residents' concerns about the empty properties, and possible uses that they may be put to. We are keen to discuss options for their use when we have more details. Options will depend upon the speed by which we can overcome the issues outlined above, relating to planning and funding.

### Rents and Service Charges - Why Do We have to Keep Charging Them?

At the Consultation Meeting on 21st March 2006, some residents asked why they still had to pay rent (and why rents kept going up), when the costs incurred in building Campbell Close in the first place must surely have been paid off by now. This was a reasonable and understandable question to ask.

Over recent years, there has been major change in legislation regarding grants and subsidy for Housing Associations such as Sentinel. During the late 1980's and the 1990's, a number of restrictions were placed on both local authorities and housing associations as to the amount of grant or government subsidy available to them to build new homes, to redevelop or refurbish existing homes and to meet the cost of future major repairs to properties.

New rules and restrictions were introduced to limit the amounts that local authorities could borrow to meet these costs; housing associations were required to borrow more and more to pay for capital programmes of work such as new building or major repairs.

They were also required to set rents and service charges to cover costs, including the cost of new borrowing. This meant, in effect, that if they wanted to continue to

provide more homes or wanted to replace old or inadequate housing, they would have to charge higher rents and to make sure service charges rose to reflect actual costs of services. Rents also have to pay for the costs of managing and insuring the properties, for day-to-day repairs and for modernisation of existing properties.

So from a position where housing associations received virtually 100% grant prior to 1988, they now only receive grants to meet about 40% of the cost of construction of new homes or the cost of redevelopment. Housing Associations do not receive any funding for modernising or upgrading existing properties. They are expected to make surpluses to meet these future costs of repair and to pay for future homes. They are also required to set and charge so-called 'target rents' - you may remember the time we discussed 'rent restructuring' with you.

Housing Associations are not free to do what they like with rents, and cannot stop charging rents or increasing rents at a reasonable pace. The service charge must cover all costs associated with expenditure from the schemes, in addition to the rent charge. The financing system which governs housing associations is a bit like National Insurance and Pension contributions - tenants today have to pay not only to meet the running costs of their own homes or an income for their own old age, but also for the homes of others and an income stream to meet future housing needs.

### Contact details if you have any questions or comments:

Residents should contact in person or by phone Nadine Robinson on 01252 845256 or Pauline Holland on 01252 870509.

All other enquiries to Sue Hawkins, Sheltered Housing Manager or Julie Porter, Head of Development & Asset Management on 0800 195 5515.

Press enquiries to Ben Giles on 01252 788716.