

For Decision

Agenda Item: 11.3
Date of Meeting: 25/06/25

To: The Management Committee

From: The Director

Subject: Supported Accommodation Unit

1. Introduction and Purpose

- 1.1 Committee is aware that we have one remaining supported accommodation unit with 3 occupants (maximum capacity is 4). In January I brought a report to Committee advising that now that we had demutualised and become a charitable registered housing association, it was possible to look at another option for the unit.
- 1.2 Committee gave its approval for me to look into the possibility of leasing the unit to Glasgow City Council or Quarriers, the Care Provider. As reported at subsequent meetings the outcome of this was that leasing the unit was not something either party would do.
- 1.3 As reported as part of my Director's report for the May meeting, I had discussed our options for the future of the unit with our solicitor. Having talked through our options, we concluded these were limited. There are only 2 real options open to us:
- Continue with the plan to "wind down" the unit until only two residents remain, at which time we could do conversion works (as was the previous plan for the other supported unit) and create a joint SST between the 2 residents.
 - Continue with the supported accommodation unit and notify the Council and the Care Provider that they can let the vacant room.
- 1.4 I advised that I would provide more details on these 2 options for the June meeting. Therefore, the purpose of this report is to provide more information on both options, including the risks relating to each for Committee's consideration and to decide which option to go with.

2. Background

- 2.1 Some time ago Committee made a decision about the future of the two supported accommodation units; due to constitutional/legal considerations (having non-members occupying our properties and not

being able to lease properties to third parties/entities) it was decided that the two units should be wound down.

- 2.2 This decision was reached on the understanding that the units would continue to run whilst there were residents living there or until a suitable solution could be found. Committee agreed that the matter had to be handled sensitively and wished to avoid any distress to existing residents, where possible. To achieve this, it was agreed that if vacancies arose in the units they would not be filled. However, the existing residents could continue to live there.
- 2.3 Following the occupancy levels at 100 Peat Road falling to 2, a proposal was approved by Committee (October 2018) to do some reconfiguration works to the unit which would see it change from a 6 apt bungalow to a 4 apt bungalow with minimal internal disruption. This would have then enabled the 2 remaining occupants to become joint tenants and hold a Scottish Secure Tenancy Agreement.
- 2.4 Unfortunately before the works could proceed, 1 of the occupants passed away. Subsequent discussions with the Care Provider led to us being advised they would start looking for suitable alternative accommodation for the remaining occupant. It was reported to Committee at the start of 2024 that the occupant was being relocated and the unit was handed back to us on 6th February 2024. The intention is to convert the property to 2 x 3 apt semi-detached bungalows. As reported at the time due to other pressing priorities within the Technical Services Team, this work would not be undertaken in the foreseeable future. We are also looking at the feasibility of using the property as a pilot for net zero measures.
- 2.5 We have one remaining unit at 70 Househillwood Road with 3 occupants.

3. Options for the future of the remaining Supported Accommodation Unit

- 3.1 Option 1 – Continue with Plan to Wind Down Unit
 - 3.1.1 As mentioned at para 2.5 there are 3 remaining occupants in the unit. If the occupancy level fell to 2, we could undertake works to reconfigure the unit to a 4 apt detached bungalow and create a joint Scottish Secure Tenancy for the 2 occupants (as was the plan for the unit at 100 Peat Road).
 - 3.1.2 We had previously been successful in obtaining a building warrant for the proposed reconfiguration work at 100 Peat Road and, therefore, don't envisage any difficulties for this unit. At the time we had also contacted Glasgow City's Assessor's Office about the potential changes to the

property and they did not indicate there would be any issues. However, they would not confirm the council tax banding for the property until they had inspected it following completion of the works. However, as the plans for 100 Peat Road did not proceed, we did not complete the process with the Assessor's Office.

3.1.3 We had as part of the proposed changes to 100 Peat Road, considered what the implications for the rent, service charges and housing benefit eligibility would be for the 2 residents if they became joint tenants. After seeking advice from Bill Irvine, an expert on HB and UC and whose advice website we subscribe to, we concluded that the implications of changing to a joint SST could be managed and in some cases minimised. As this was almost 7 years ago, we would need to revisit the matter/advice and ensure that we and the 2 residents/tenants would not be negatively impacted by changing from a supported accommodation unit to a joint SST.

3.1.4 It is our understanding that none of the 3 residents in the supported accommodation unit have the mental capacity to enter into a tenancy agreement. This was the case with the 2 residents at 100 Peat Road. Someone can act on behalf of the residents but they must have the legal authority to do so – have guardianship. We are unclear at this time if the 3 residents have any family members and whether any of them have guardianship for the residents. If they do not, our solicitor would arrange to have an independent solicitor go through the process of being granted intervention orders. This would then enable the joint tenancy to be signed on behalf of the 2 remaining residents at the time this is required.

3.1.5 In considering the option to continue with the winding down of the unit, a number of factors should be considered as follows:

- The legal/constitutional issues that led to the original decision to wind down both units, no longer exist. When we changed from a fully mutual housing co-operative to a charitable registered housing association, the issue of having non-members occupying our properties became irrelevant, as membership is no longer tied with having a tenancy. We can now have supported accommodation units with occupants and obviously can now have tenants without having to be members.
- We would need to wait until the occupancy level fell to 2. We have no way of knowing how long that would take. However, to give Committee an indication of waiting time, the first vacancy that previously arose in the unit became vacant in September 2014, which is almost 11 years ago.
- While we wait for the occupancy level to fall to 2, we will continue to incur rent and service charge loss and liability for the council tax for

the current vacancy. Justifying this ongoing financial loss and costs are harder now that the legal/constitutional issues have been addressed with our change in constitution.

- We would need to establish whether the occupants have family and if any of them have guardianship. If not, our solicitor would need to make the arrangements. Our experience of how long this took for the residents of 100 Peat Road was not positive. Initially our solicitor was liaising with Glasgow City Council's solicitors about them arranging for one of their solicitors to go through the process. This began in April 2019 but things dragged on, which resulted in Committee in February 2021 deciding that it wished to proceed with applying for the necessary intervention orders, as the Council was taking too long to sort this. It was not appropriate for our solicitor to apply for the necessary intervention orders, as we were their clients but they would look to appoint a solicitor from another company to undertake this process. It took until May 2022 for the process to be completed and for intervention orders to be granted for the 2 residents which would enable tenancy agreements to be signed on their behalf once the reconfiguration works were completed. From a discussion with our solicitor, she reaffirmed the process can be drawn out. We may be able to bypass the Council in the process, as long as we were willing to pay the cost of applying for the intervention orders. However, she did advise that the Council may still have to be involved in the process if any welfare reports on the residents had to be produced and if this is the case, this stage would need to happen first.
- Having spoken with the Council and the Care Provider about the potential to lease the unit to them, both parties are aware of the change in our constitution. At some point they may question our decision to continue with the plan to wind down the unit. Whilst the decision is for Committee to make about the future of the unit, it may be harder to justify as the previous barriers no longer exist.

3.2 Option 2 – Continue with the Supported Accommodation Unit and allowing the vacant room to be let

3.2.1 This is the more straightforward of the 2 options. Our recent change in constitution has meant having a supported accommodation unit with residents who are non-members is no longer an issue.

3.2.2 If we continue with the unit, we would advise the Council and Care Provider that the vacant room can be let. The letting of the room would mean we would stop incurring rent and service charge loss and the liability for the council tax.

3.2.3 In considering the option to continue with the unit and allowing the vacant room to be let, a number of factors should be considered as follows:

- We need to establish if the new resident would be signing up to an occupancy agreement or a Scottish Secure Tenancy Agreement, our solicitor was to check the position on this. The feedback from our solicitor is that her colleagues who deal more with tenancy related matters, have indicated that a SSTA may be the appropriate agreement to use. I am currently arranging to have a discussion with this solicitor about this. If the new resident doesn't have the mental capacity to enter into either an SST or an occupancy agreement, we would need to ensure that whoever is signing it on their behalf, has the legal authority to do so.
- We may have some initial expenditure in terms of furniture, furnishings for the room but there may still be some provision left for replacing such items. Even if there isn't, it may be a small cost to pay to get the room let and start generating income again.
- By letting the room again, we would be accepting the unit would continue to operate indefinitely. However, the unit has been in existence for over almost 25 years and the management of it does not pose any real challenges for us.
- If any subsequent vacancies arise, we will be liable for the rent/service charge loss until the vacancy is filled. If we are solely liable for any rent/service charge loss, there is a slight concern that there is no incentive for the Council or Care Provider to try and let the vacant room quickly. We could potentially explore with the Council that in the event the void period is longer than 3 months for example, that they then become liable for the void loss. There is no guarantee that the Council will agree to this but it may be worth checking.
- As there are currently 3 residents in the unit, it is still subject to a HMO licence (Housing in Multiple Occupation). This wouldn't be affected by a 4th resident moving into the unit. There are HMO requirements that we need to comply with and the licence has to be renewed every 3 years. To date we haven't encountered any compliance issues or with renewing the licence.

3.3 Committee is asked to consider both options and decide whether any further information is required before making a decision or to make its decision.

4. Risk

4.1 The risks relating to the options for the future of the supported accommodation unit have been covered in Section 3. However, have been set out below under the relevant risk categories.

Risk Category	Mitigating Measure
Option 1 – continue with plan to wind down unit:	

<p>Financial:</p> <p>Ongoing rent/service charge loss and ongoing liability for council tax; Don't know how long it would take for a further vacancy to arise, last vacancy was in 2014</p> <p>Governance:</p> <p>Basis for winding down unit no longer exists, therefore harder to justify decision including ongoing rental loss and council tax liability</p> <p>Reputation:</p> <p>GCC and Care Provider aware of our constitutional change. May question why we do not continue with unit. Harder to justify basis for decision as original and main reason no longer applies.</p>	<p>No particular mitigating measures</p> <p>No particular mitigating measures</p> <p>No particular mitigating measures</p>
<p>Option 2 – continue with unit and allow vacant room to be let</p> <p>Legal/Regulatory:</p> <p>Need to let vacant room on correct basis i.e an occupancy agreement or a Scottish Secure Tenancy;</p> <p>Resident's mental capacity to sign an agreement (SST or Occupancy Agreement).</p>	<p>Seek legal advice and ensure correct document is used.</p> <p>Establish this with Council/Care Provider and ensure if occupant hasn't got mental capacity, that the agreement is signed by someone who has legal authority to do so. Seek legal advice if necessary.</p>

<p>Governance:</p> <p>Allowing the vacant room to be let, means the operation of the supported accommodation unit indefinitely</p>	<p>Unit has been running for almost 25 years without any real challenges. The main issue and reason for winding down the units (having non-members occupying our properties and not being able to lease to third parties/entities) has been removed with the change in our constitution.</p>
<p>Financial:</p> <p>If subsequent vacancies arise we are liable for rent/service charge loss</p>	<p>Explore potential for agreement with the Council that if the void period is longer than 3 months, they will become liable for rent/service charge loss. If this is not possible, then we would need to accept/tolerate this risk.</p>

5. Delivery of our Strategic Objectives

Area	Related Strategic Objective(s)
Consideration of options for future of supported accommodation unit	3) Deliver value for money 6) Use resources efficiently and effectively 7) Achieve the highest standards in all that we do

6. Application of our Core Values

Area	Related Core Value(s)
Consideration of options for future of supported accommodation unit	<ul style="list-style-type: none"> • Accountable and Compliant • Efficient and Responsible

7. Compliance and Assurance

- 7.1 Considering the options for the future of the remaining supported accommodation unit and, identifying and considering the associated risks, means we are compliant with Regulatory Requirements and in particular:

Compliance Source	Details
The Standards of Governance and Financial Management for RSLs	Standard 4 - The governing body bases its decisions on good quality information and advice and identifies

	<p>and mitigates risks to the organisation's purpose.</p> <p>Guidance 4.1 – The governing body ensures it receives good quality information and advice from staff and, where necessary, expert independent advisers, that is timely and appropriate to its strategic role and decisions. The governing body is able to evidence any of its decisions.</p> <p>Guidance 4.4 - The governing body identifies risks that might prevent it from achieving the RSL's purpose and has effective strategies and systems for risk management and mitigation, internal control and audit.</p>
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7.2 Evidence Bank

Evidence	Assurance Exercise Location
<ul style="list-style-type: none"> Report for 25/06/25 meeting; 	<ul style="list-style-type: none"> Regulatory Standard 4 – Guidance 4.1 and 4.4

7.2.1 Committee is reminded that our Assurance Exercises are available in the Committee Log-in Area of our website, which Committee can access at any time.

8. Summary and Decision Sought

8.1 With the change in our constitution the basis for our decision to wind down the supported accommodation units, no longer exists. We had explored the potential to lease the remaining unit to the Council or the Care Provider. However, the outcome of this has been less than positive and it is not a feasible option for either party.

8.2 We now need to determine the future of the remaining unit and 2 options have been identified which are set out in Section 3, along with various factors for consideration.

8.3 Section 4 sets out the risks of each option by risk category.

- 8.4 Section 5 shows how the consideration of the options for the supported accommodation unit, links to the delivery of our strategic objectives.
- 8.5 Section 6 shows how consideration of the options for the supported accommodation unit, links to the application of our Core Values.
- 8.6 Section 7 sets out how we comply with Regulatory requirements.
- 8.7 Committee is asked to consider this report and determine whether it has sufficient information to make its decision. If it has sufficient information to decide which option should be progressed.