

STROUD DISTRICT COUNCIL

AGENDA
ITEM NO

HOUSING COMMITTEE

10 SEPTEMBER 2019

6

Report Title	PROPERTIES AT GLOUCESTER STREET AND BRADLEY STREET, WOTTON-UNDER-EDGE
Purpose of Report	To provide the Committee with the redevelopment proposals for the properties at Gloucester Street and Bradley Street, Wotton-under Edge.
Decisions	The Committee RESOLVES to approve the redevelopment of properties at Gloucester Street/Bradley Street, Wotton-under-Edge to provide 8 new affordable rented council homes subject to planning.
Consultation and Feedback	Consultation has taken place with the relevant Ward Councillors, with the Chair and Vice Chair of Housing and the tenants of 13 and 15 Bradley Street. The Town Council have also been consulted and have supported the planning application.
Financial Implications and Risk Assessment	The budget for this development is already included within the Medium Term Financial Plan, and can be fully funded from existing capital receipts (a mix of Right to Buy and non Right to Buy receipts). Therefore there are no financial implications of the recommendation included in this report. Lucy Clothier, Interim Accountancy Manager Tel: 01453 754343 Email: lucy.clothier@stroud.gov.uk
Legal Implications	Any legal implications are set out in the body of the report. Patrick Arran, Interim Head of Legal Services & Monitoring Officer Tel: 01453 754369 Email: patrick.arran@stroud.gov.uk
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Options	These are set out in paragraph 2.4 of this report.
Performance Management Follow Up	Progress with the redevelopment of the land will be contained within the regular updates to Housing Committee on the New Homes and Regeneration Programme.
Background Papers/ Appendices	Appendix 1 - Final Site Layout Plan.

1.0. Background

- 1.1 At Housing Committee on 20 June 2017, members were presented with a report on the properties at 8 and 10 Gloucester Street and 13 and 15 Bradley Street, Wotton-under-Edge.
- 1.2 The site comprises four, 3 bed semi-detached properties, set in large gardens. The two properties on Gloucester Street are long term major voids that require extensive work. The two properties on Bradley Street are tenanted and also require similar levels of investment, largely due to their age (reported to be 1921) and type of construction see paragraph 2.3.
- 1.3 The site has the potential for redevelopment at a higher density to provide 8 new homes.
- 1.4 The Committee considered the option for the Council to redevelop the site itself, dispose of it to another Registered Provider or dispose of the site on the open market. Members were made aware of the objections of the tenants to the proposed redevelopment and their wish to remain in their home at the meeting. Committee resolved that the decision on the means of redeveloping the site be brought back for approval. That is the purpose of this report.
- 1.5 The Committee also resolved to authorise each of the following officers, namely the Heads of Asset Management (now Property Services), Housing Management (now Housing Services) and Housing Contracts (now Contract Services) in consultation with the Chair and Vice-Chair of Housing Committee and relevant Ward Councillors:
 - a. to make decisions in accordance with the Council's Decanting Policy;
 - b. to serve demolition notices on relevant tenants, and
 - c. to issue Notices of Possession Orders for this and other HRA properties.

2.0 Progress to date

- 2.1 An Initial Demolition Notice was served on all four properties on 26 June 2017 to protect the Council's position. The notice remains in force until 25 June 2024 unless revoked or otherwise terminated.
- 2.2 Any Right to Buy applications received can proceed to S125 notice stage and then are suspended until the Final Demolition notice is issued, the expiry of the Initial Demolition Notice is reached or the Initial Notice is withdrawn.
- 2.3 A condition survey has been completed on the two properties on Bradley Street. This indicates that £72k (excl VAT) in total is required across the two properties to bring them back into repair. The Head of Contract Services had reviewed the report and had established a programme of works which equated to £92k in total for the 2 properties on Bradley Street and £120k across the properties on Gloucester Street. These figures included external wall insulation (EWI) at £15k per property, which reflects current market rates. The properties have solid masonry external walls, which have a poor thermal performance, and which have resulted in condensation and consequential mould growth. The EWI improves the thermal efficiency and would be in line with the Council's energy strategy approved by members on 28 March 2017.

Options

2.4 The options identified for this site have been assessed as follows:

1) Repair

- (a) Retain the properties as rented homes and refurbish the four houses that occupy the land at Gloucester Street and Bradley Street.
- (b) Refurbish the properties and dispose of them as shared ownership.
- (c) Refurbish the properties and dispose of them on the open market.

2) Redevelop

- (a) Redevelop the whole site for 8 new affordable homes.
- (b) Redevelop the land on Gloucester Street for 5 new homes and retain and refurbish the properties on Bradley Street for social rent.
- (c) Redevelop the land on Gloucester Street and dispose of the properties on Bradley Street on the open market.

3) Disposal

- (a) Dispose of the site to a Registered Provider of Social Housing or;
- (b) Dispose of the site on the open market.

Financial appraisal

2.5 As there is a high demand for affordable rented properties in Wotton-under-Edge and in view of the Committee's decision in June 2017 the options that would see the disposal of homes on the site have not been considered further. Financial appraisals have therefore been carried out for the redevelopment of all or part of the site and the financial results are as follows:

Estimated NPV* for Gloucester Street/Bradley Street		Estimated NPV (£k)	
		Over 30 Years	Over 60 Years
Option 2a	Develop Gloucester St and Bradley St 8 new homes (5 x 2 bed, 3 x 3 bed)	-183	488
Option 2b	Develop Gloucester St only 5 new homes (5 x 2 bed) Refurbish and continue to let Bradley St	-77	395

**NPV = Net Present Value is the difference between the present value of income and expenditure over a period of time, in this case 30 or 60 years.*

2.6 Over the 30 years there is a better financial position for option 2b (£106k) with the retention of the two properties on Bradley Street and the redevelopment of Gloucester Street. However, over 60 years and ongoing there is a better financial position for option 2a which would involve the redevelopment of the whole site (£93k).

2.7 The higher cost of redeveloping only 5 homes, due to the reduced economies of scale, have been factored into the figures.

- 2.8 As option 2a delivers more affordable housing and performs better financially over the longer term it is proposed that the scheme to redevelop the whole site is pursued. This will provide 8 new energy efficient family homes, with off street parking close to the town centre, which are in great need in Wotton-Under-Edge as evidenced by the figures from HomeseekerPlus. The layout plan is attached as Appendix 1. In the last two years, there has only been 1no. two bed house and 3no. three bed houses advertised on HomeseekerPlus. All of these properties had between 43 & 76 bids each. There have been more sheltered properties becoming available for letting with each of these receiving between 1 and 22 bids on average, and a large number of one bed flats with between 1 and 105 bids. There has also been one four bed house with 67 bids.
- 2.9 As outlined within the New Homes & Regeneration Programme report presented to and approved by Housing Committee in June 2019, the proposals for this site have been submitted to planning. Subject to achieving a successful planning decision, this report provides Housing Committee the opportunity to approve the redevelopment of the site.
- 2.10 Stroud District Council have entered into a Unilateral Undertaking to provide 8 new affordable rented homes on this site. The planning decision is currently awaited.
- 2.11 The funding of the rented units will be through Right to Buy receipts, of which we have sufficient unallocated receipts to allocate up to the 30% of costs allowed on the additional units. The remainder of the scheme will be financed through other capital receipts.

Equality Implications

- 2.12 Section 149 of the Equality Act 2010 sets out the Public Sector Equality Duty ('PSED'). Consideration of equality matters is an integral part of a local authority's decision making. The PSED requires public authorities to have "due regard" to the need to eliminate discrimination, advance equality of opportunity and foster good relations when carrying out activities.
- 2.13 In order to assess whether there were any equality implications, officers carried out an Equalities Impact Assessment (EIA) which was completed on the 19th of July 2019. The EIA concluded that there may be negative impacts on the basis of age and, potentially, disability.

Age - Older residents may find it difficult to be forced to move and may require extra assistance to understand the process and to ensure they get the best possible outcome in terms of new property and ease of move.

Disability - Disabled residents may find it difficult to be forced to move from a property which has been adapted to their needs and may require extra assistance to understand the process and to ensure they get the best possible outcome in terms of new property which suits their needs and the ease of move.

- 2.14 The EIA identified a number of actions that would mitigate against any potential negative impact with the protected characteristics of age and disability. These were:
- Advice, support and assistance made available to tenants;

- Completion of Housing Needs Assessment, identifying the needs of each tenant and household;

- 2.15 The recommended option does, of course, involve the re-housing of the tenants at 13 and 15 Bradley Street and whilst the impact of the loss of their homes on tenants is fully appreciated, the Council has extensive experience of successfully supporting tenants in these circumstances. These tenants are currently being supported by officers and ward members and have been consulted regarding the contents of the report prior to publication. The tenants will have the option to return to one of the new homes on the site if there is a suitable property which meets their needs.
- 2.16 The Human Rights Act 1998 incorporated into domestic law the European Convention of Human Rights (“the Convention”). Specific rights protected by the Convention include in this case those under Article 8, the right of everyone to the peaceful enjoyment of their possessions. It also includes the right to a private and family life, home and correspondence. These rights can only be impinged upon in accordance with the law and where such encroachment is necessary in the interest of national security, public safety or the economic wellbeing of the country.
- 2.17 Housing legislation recognises that a landlord may need to demolish premises and as such any Article 8 rights would be encroached upon in accordance with the law. Given the nature of the scheme, the fact that the properties occupied by the tenants need extensive work, the support package being put in place by the Council and the fact that the tenants will be offered alternative accommodation any infringement would be necessary and proportionate and will be mitigated satisfactorily.

3.0. Recommendation

- 3.1 It is, therefore, recommended that the site at Gloucester Street/Bradley Street is redeveloped to provide 8 new affordable rented council homes subject to planning.