

Birmingham City Council

Report to Cabinet

14 May 2019



Subject: Option to Return Policy for Housing Regeneration Schemes

Report of: Acting Director, Neighbourhoods

Relevant Cabinet Member: Councillor Sharon Thompson – Cabinet Member for Homes and Neighbourhoods

Relevant O &S Chair(s): Councillor Penny Holbrook – Housing and Neighbourhoods

Report author: Guy Chaundy, Senior Service Manager, Housing

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 006033/2019		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		

1 Executive Summary

- 1.1 The Council has a strong track record of providing new homes through the regeneration of existing Council owned stock.
- 1.2 The Birmingham Municipal Housing Trust (BMHT) development programme, 2015-20, is on track to deliver over 2000 new homes through regenerating neighbourhoods. This will need to continue in order to support the ongoing need for new affordable housing in the city.
- 1.3 This Policy provides broad rehousing and returning principles that will apply to these future Council regeneration and redevelopment schemes. There will be a need for subsequent scheme specific Local Letting Plans to be in place allowing for sufficient flexibility to adapt a rehousing programme to the requirements and circumstances of individual regeneration schemes.

- 1.4 This report seeks approval for an overarching policy that would enable Council tenants / residents where we have an obligation to provide alternative accommodation, and for residents who are affected by a Compulsory Purchase Order, the option to return or move straight into the new development where the scheme design allows.

2 Recommendations

That Cabinet:-

- 2.1 Approves the Option to Return Rehousing Policy for Birmingham City Council Regeneration Schemes (The Policy), in Appendix 1.
- 2.2 Notes that individual scheme rehousing plans will be undertaken on a scheme by scheme basis through 'Local Letting Plans'. Local Lettings Plans (LLPs), key requirements and guidance is included within Appendix 2.

3 Background

- 3.1 To deliver regeneration schemes residents are sometimes compelled to move from their homes because the Council has redevelopment or demolition plans for their homes.
- 3.2 The need to effectively deliver rehousing is an essential part of the regeneration process. It is recognised that the aspirations of those residents affected by regeneration proposals and requiring rehousing, can sometimes impact on the ability to deliver schemes on time.
- 3.3 Additionally it is sometimes not possible for those wishing or needing to remain in the local area to do so, due to the lack of available appropriate stock in a given area. This can lead to well established communities breaking up.
- 3.4 This Policy aims to provide housing regeneration schemes with a clear approach to enabling the rehousing process where affected residents want to remain in the area, in an efficient, timely and fair manner. It provides an outline of how Council secure tenants will be rehoused in order to deliver the vacant possession of properties subject to housing regeneration schemes.

Policy Principles

- 3.5 This Policy recognises the community and individual benefit that can be achieved by providing mechanisms for residents affected by rehousing proposals, the option to either return to an area once completed or move directly into it.
- 3.6 Often, affected residents have a real need to remain in area for a number of reasons including schooling, caring and support needs or work and current rehousing processes for regeneration schemes often do not offer the ability for them to remain.

- 3.7 This policy is intended to provide a set of principles but it is recognised that there may be individual circumstances where flexibility is required. Therefore, the detailed site-specific procedures will be developed and put in place for each local regeneration scheme through Local Letting Plans. Additionally individual scheme approvals will include considerations in regard to consultation, financial and legal implications and equality impact assessments specific to that proposal.
- 3.8 The Policy is specifically aimed at Council tenants affected by rehousing proposals. However, the Council also has a statutory duty under section 39 Land Compensation Act 1973 to rehouse legal occupiers of private properties who are displaced by a compulsory purchase order. To qualify they must have no suitable alternative accommodation otherwise available to them and were occupying the affected property at the time the making of the compulsory purchase order was published. The policy will also therefore apply to these occupiers.
- 3.9 Legal occupiers of private properties who are displaced by a compulsory purchase order which is made under section 226 of the Town and Country Planning Act 1990 have a statutory right to be suitably relocated or rehoused, where practicable, within the development supported by that compulsory purchase order. As planning compulsory purchase orders are sometimes used to provide regeneration schemes for housing areas, it is intended that this Policy will also apply to such occupiers of private properties within a planning compulsory purchase order made under section 226 of the Town and Country Planning Act 1990.
- 3.10 Currently owner occupiers who are affected and wish to purchase on the new development are already given a first refusal to buy where this is possible.
- 3.11 All allocations will continue to be in line with the current approved Allocations Policy.
- 3.12 To ensure this policy and subsequent local lettings plans are focused on the existing community affected by clearance, it is proposed that the plan only applies to households resident in the clearance scheme up to the point the Local Letting Plan is formally agreed and not to households who take up residency after that point or who have vacated before this time.
- 3.13 The policy will apply to all regeneration scheme decisions where there is a rehousing need and subsequent re-provision of social rented homes. This will be identified in individual scheme decision reports.

4 Options Considered and Recommended Proposal

- 4.1 An option to only allow this Policy to apply to Council tenants was considered. However, in order to facilitate speedy rehousing and ensure equity for residents, and as the Council has a statutory duty to rehouse all persons who are legally occupying privately owned properties who meet the criteria referred to in paragraph 3.8 of this report, it is recommended that this Policy apply to all such

occupiers. Occupiers of such properties who do not meet the criteria because they were not in residence at the time the making of the compulsory purchase order was published will be supported in terms of their rehousing needs and in line with existing Allocations Policy.

5 Consultation

- 5.1 Housing and Neighbourhoods Overview and Scrutiny Committee have contributed to this policy at their informal meeting on 12 February 2019 and at their Scrutiny meetings on 12th March 2019 and 12 April 2019.
- 5.2 A group of residents currently affected by redevelopment on Druids Heath were consulted alongside the Local Ward Member at a meeting on 21st March 2019.
- 5.3 Senior officers from Neighbourhoods and Economy Directorates have been consulted in the preparation of this policy and support the approach.
- 5.4 The main areas of feedback from the consultation that have now been included within the policy were in regard to the need for early engagement with affected residents and through this to maximise, where possible, the opportunity for a single move.
- 5.5 Also, following consultation the policy now provides for up to 2 offers of accommodation to returners in line with the Council's allocation policy and the inclusion of affected residents living in temporary accommodation within the scheme area where there is a local connection and a duty to provide accommodation, again in line with the allocation policy.

6 Risk Management

- 6.1 Identified risks on a scheme by scheme basis will be captured within individual redevelopment decision reports and local letting plans for those schemes.
- 6.2 This policy would have a positive mitigating impact on the associated risks with achieving timely rehousing on individual schemes to deliver new housing.
- 6.3 Additional risks are included within the risk log in Appendix 3.

7 Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- 7.1.1 This policy supports the Council outcome 4 'Birmingham is a great city to live in' Priority 2 'We will have the appropriate housing to meet the needs of our citizens.'
- 7.1.2 It further supports outcome 3 'Birmingham is a fulfilling city to age well in' by providing a mechanism for communities and neighbourhoods to remain together and remove risks to creating social isolation for some people who are required to move out of their home.

7.2 Legal Implications

- 7.2.1 Section 166A(6)(b) of the 1996 Act enables housing authorities to allocate particular accommodation to people of a particular description, whether or not they fall within the reasonable preference categories, provided that overall the authority is able to demonstrate compliance with the requirements of s.166A(3). This is the statutory basis for so-called 'local lettings policies' which may be used to achieve a wide variety of housing management and policy objectives including enabling people to move back into a property following regeneration.
- 7.2.2 Any allocation will need to be compliant with the requirements of the Allocations scheme, current at the time of the allocation.

7.3 Financial Implications

- 7.3.1 The key financial consideration in regard to this policy is in regard to the payment of two disturbance compensation payments where there is a wish to move back into an area post regeneration. There will however only be one statutory home loss payment as is currently the case.
- 7.3.2 This will need to be a consideration factored into individual scheme approvals and any budget required to deliver the proposed decision.
- 7.3.3 Each scheme proposal will need to consider, and include, an affordability impact assessment to capture any associated costs and demonstrate affordability in regard to implementing this policy within each development.
- 7.3.4 It is not possible to accurately impact assess the potential future cost implications, which would be to the Housing Revenue Account (HRA). The Cabinet approved 10 year BMHT plan has identified approximately 1500 dwellings impacted by possible clearance over the next 10 years. The additional average disturbance payment amount used to calculate individual scheme costs is £1500. Further it cannot be accurately assessed as to the number of those potentially affected residents, how many will want to return and it is unlikely that 100% will. These additional costs would to an unknown degree, be offset by savings made in achieving quicker rehousing and so saving on security and Council Tax costs.

7.4 Public Sector Equality Duty

- 7.4.1 There are no identified equality implications for this overarching policy. Individual decision reports for regeneration schemes and associated Local Letting Plans will include specific equality impact assessments for those schemes.

8 Background Documents

Birmingham City Council Allocations Scheme
Local Letting Plan Guidance

Appendices:

1. 'Options to Return' Rehousing Policy for Birmingham City Council Regeneration Schemes (The Policy)
2. Local Lettings Plans (LLPs), key requirements and guidance
3. Risk Log - Risk Log 'Option to Return' Rehousing Policy for Regeneration Schemes
4. Equality Act 2010
5. Initial Equality Assessment