

**BIRMINGHAM CITY COUNCIL
PUBLIC REPORT**

Report to: THE LEADER AND CABINET MEMBER FOR HOMES AND NEIGHBOURHOODS JOINTLY WITH DIRECTOR INCLUSIVE GROWTH AND ACTING DIRECTOR NEIGHBOURHOODS

Report of: Head of Housing Management – Neighbourhoods

Date of Decision: 25 February 2019

SUBJECT: LEASE OF BESCOT COURT SHELTERED HOUSING SCHEME AND REHOUSING OF EXISTING RESIDENTS

Key Decision: No

Relevant Forward Plan Ref: N/A

If not in the Forward Plan: Chief Executive approved ☐
(please "X" box) O&S Chair approved ☐

Relevant Cabinet Member(s): Councillor Ian Ward. Leader of the Council and Councillor Sharon Thompson, Cabinet Member Homes and Neighbourhoods

Relevant O&S Chair: Councillor Penny Holbrook, Housing and Neighbourhoods and Councillor Tahir Ali, Economy and Skills

Wards affected: Perry Barr

1 Purpose of report:

- 1.1 This report seeks approval to rehouse the remaining tenants at Bescot Court and to enter into the grant of a lease for the use of Bescot Court as shown edged black on the plan at Appendix 1 for single persons housing accommodation for a period of twenty years to enable the better use of an obsolete sheltered housing scheme in order to provide an affordable housing option to remain within the neighbourhood.
- 1.2 An accompanying private report contains confidential information in relation to the grant of the lease.

2 Decision(s) recommended:

That the Leader and Cabinet Member for Homes and Neighbourhoods jointly with the Director Inclusive Growth and Acting Director Neighbourhoods:-

- 2.1 Authorises the rehousing of tenants occupying properties at 2 – 52 Bescot Court, Bescot Croft, Perry Barr.
- 2.2 Authorises the Assistant Director of Property to pay statutory and discretionary Home Loss payments and negotiate disturbance compensation to qualifying tenants.
- 2.3 Gives authority to lease Bescot Court for a period of 20 years to Mears Housing Management .
- 2.4 Authorises the City Solicitor to take all necessary steps and to enter into all documentation to give effect to the above recommendations.

Lead Contact Officer(s): Tracey Radford
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3 Consultation

Internal

- 3.1 Options for the future of Bescot Court were considered at a meeting of the Housing Transformation Board. The board concluded that this property is not well suited for continued use as sheltered accommodation, and that a more appropriate use would be to lease the property to a suitable affordable housing provider.
- 3.1.2 The Acting Director Neighbourhoods, Officers in the Inclusive Growth and Neighbourhoods Directorates and Legal and Finance have been involved in the preparation of this report.
- 3.1.1 Ward members have been consulted and support this approach

External

- 3.2.1 Residents have been consulted on their satisfaction with and the suitability of accommodation in Bescot Court. Tenants have raised concerns around the thermal comfort of the block and the poor physical appearance of the structure.
- 3.2.2 Some tenants expressed a desire to move. These included moving for health reasons, to move closer to family and to move to a higher level of supported accommodation.
- 3.2.3 There was a recognition that a support package including help with the application process would be needed to be offered to residents.

4 Compliance Issues:

Are the recommended decisions consistent with the Council's policies, plans and strategies?

- 4.1.1 The service provided by the sheltered housing team underpins the City Council's policy statement priorities of:

Housing a Great City to live in by.

Providing housing in a range of types and tenures, to meet the housing needs of all of the current and future citizens of the city by:

Making the best use of our existing stock, delivering through a range of partnerships to support a strong supply of new high quality homes in a mix of tenures, supporting the people of Birmingham to access good quality housing provision and working with our partners to reduce homelessness.

Financial Implications

(How will decisions be carried out within existing finances and Resources?)

- 4.2.1 The rehousing costs will be funded from approved Public Sector Housing Clearance and Acquisitions budgets in 2018/19.

Legal Implications

- 4.3.1 The Council has a statutory duty under the Housing Act 1985 to provide housing accommodation. The Council is authorised to make home loss payments under the Land Compensation Act 1973. Section 32 Housing Act 1985 and the General Housing Consent 2013 Class [A3] enables the Council to dispose of housing land under recommendation 2 as this will be with vacant possession at open market value.

Public Sector Equality Duty

- 4.4.1 The Public Sector Equality Duty Statement and a Level 1 Equality Analysis are provided at Appendix 2A and 2B. The remaining residents at Bescot Court are all over the age of 55. Their current accommodation, which are all bedsits do not meet their needs and there are problems with thermal insulation. This proposal will allow us to rehouse them to more suitable accommodation.

5 Relevant background/chronology of key events:

- 5.1 Bescot Court is currently a designated sheltered housing scheme for people aged 55 and over. The scheme comprises of 26 bedsit flats and a single 2 bed flat, previously used as accommodation for an on-site warden. All of the properties are within council ownership; with no right to buy sales having taken place. The scheme is attached to Tower Hill library with a ground floor shared wall. The library is not within the scope of the proposals outlined in this report.

There are currently 15 void properties and an average void length of more than 1100 days per property. The properties suffer from poor thermal efficiency making them expensive to keep warm.

- 5.2 In order to maintain the asset value of the Housing Revenue Account (HRA) stock, it is essential that the Council constantly reviews the fitness for purpose and financial viability of the properties within the (HRA). The Council has developed an Asset Management Model which enables the indicative viability of every property within the stock to be assessed over the next 30 years. This is used to identify properties that may not be sustainable in their current form, and that need a more detailed review of their future use.
- 5.3 Many sheltered properties within the HRA no longer meet the expectations of citizens. Innovation and capital investment can enable some properties to be improved or reconfigured to meet current standards and resident expectations, but for others, the problems are more fundamental. In these cases other options, including alternative use of existing buildings or land, need to be considered.
- 5.4 An options appraisal assessment was considered by a meeting of the Housing Transformation Board on 20th July 2016. The option of pursuing a lease with Mears housing management was preferred on the basis of financial viability as well as continued benefit the property can make to the neighbourhood.
- 5.5 If the property is retained as a sheltered housing scheme, this will result in a loss of approximately £475,000 over 30 years.

- 5.6 The proposal lease of Bescot Court will be for the permitted use of providing housing accommodation to single people. The lease will be for a 20 year period. The Tenant will provide a day time management service and will re-furbish the properties.
- 5.7 The premises will be let in their present condition on a Full Repairs and Insurance Lease and the Tenant will be responsible for keeping both the interior and exterior of the premises plus all fixtures and fittings both internally and externally in good and substantial repair.
- 5.8 At the end of the lease period there will be an option for the lease to be extended or the property will return to Council ownership.
- 5.9 Beeches, Booths and Barr (3B's) Neighbourhood Planning Forum have produced a draft scoping document for the wider area. This covers the local centre and the aspiration to improve and add to the local facilities already there and highlights concerns with regard to Bescot Court and the Library. The latter is seen as a valuable local resource to be protected but in need of investment. The ambulance station was sold on the open market and is in private ownership but due to planning constraints may return to the market.

6 Evaluation of alternative option(s):

- 6.1 Options to retain and invest in these properties have been considered as part of the detailed Option Appraisals. These included retaining the building as a sheltered housing scheme; converting to general needs without further investment; investing and converting the units to 1 bedroom general needs flats; demolition and construction of 4 bedroom houses; demolition and construction of 2 bedroom dormer bungalows; and open market sale. With the exception of the open market sale, all options resulted in a financial loss over a 30 year period
- 6.2 The open market sale option was not recommended as the preferred option, due to the likelihood that the properties would become privately rented properties, potentially marketed at single young people, but without the support that Mears housing management would provide or the proposed level of investment into the fabric of the building. This was considered to pose a risk to the stability of the neighbourhood.
- 6.3 Retaining the scheme as a sheltered scheme in its current form, results in a large projected loss. This is due to the length of time taken to re-let vacant properties resulting in high void rent loss.
- 6.4 Options to demolish and redevelop result in losses over 30 years, even with the inclusion of grant funding. It should also be noted that the Council would gain valuable new housing assets as a result that would remain as a viable asset well beyond the 30 year horizon being considered here. At present the site's suitability for re-development is limited by the retention of the Tower Hill library.
- 6.5 Options to invest in the scheme and convert to 1 bedroom general needs flats also result in a loss over 30 years, due to the high costs of refurbishment. Even if these costs could be decreased, it would take a reduction of nearly a third to enable the scheme to break-even over 30 years.

- 6.6 Conversion of the scheme to general needs units without major investment also resulted in a loss, due to the projected high turnover rate and maintenance costs and low rental income associated with bedsit units.
- 6.7 The preferred recommended option for Bescot Court will provide investment to the current building, remove a drain to the Housing revenue account and a valuable resource to the local area. If in the future there is the opportunity and financial package in place to provide joined up wider investment involving clearance, there would be a need to agree a compensation or relocation package but this would not prevent or blight such an initiative. The proposal would provide a brighter future for the area than is the current position and see the remaining residents within the scheme moved to more suitable property.

7 Reasons for Decision(s):

- 7.1 To enable the better use of an obsolete sheltered housing scheme in order to provide an affordable housing option to remain within the neighbourhood.

Signatures

Date

Leader of the Council

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Councillor Ian Ward

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Cabinet Member for
Homes and Neighbourhoods

Councillor Sharon Thompson

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Chief Officer

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Waheed Nazir, Director Inclusive Growth

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Chief Officer

Robert James, Acting Director Neighbourhoods

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List of Background Documents used to compile this Report:

Relevant Officer's file(s) on the matter, save for confidential documents.

List of Appendices accompanying this Report (if any):

1 Site Plan

2A and 2B Public Sector Equality Duty Statement and Level 1 Equality Analysis

Report Version

Dated

Equality Act 2010

APPENDIX 2A

The Executive must have due regard to the public sector equality duty when considering Council reports for decision.

The public sector equality duty is as follows:

- 1 The Council must, in the exercise of its functions, have due regard to the need to:
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 2 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
 - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
 - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 4 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
 - (a) tackle prejudice, and
 - (b) promote understanding.
- 5 The relevant protected characteristics are:
 - (a) marriage & civil partnership
 - (b) age
 - (c) disability
 - (d) gender reassignment
 - (e) pregnancy and maternity
 - (f) race
 - (g) religion or belief
 - (h) sex
 - (i) sexual orientation