

## BABERGH DISTRICT COUNCIL

**FROM:** Housing Panel

**REPORT NUMBER:** **H191**

**TO:** STRATEGY COMMITTEE

**DATE OF MEETING:** 12 February 2009

### **REGENERATION SCHEME – 45 TO 51 WATTISHAM ROAD, BILDESTON**

#### **1. PURPOSE OF REPORT**

- 1.1 To seek Strategy Committee approval to transfer Council owned land at 45 to 51 Wattisham Road, Bildeston to Orwell Housing Association. To authorise the Head of Community Development and the Head of Contract and Asset Management, in consultation with the Housing Panel, to complete a feasibility study for the proposed development and agree any appropriate discount required for the transfer of the land under their delegated authorities.

#### **2. RECOMMENDATIONS**

- 2.1 That Strategy Committee approves disposal of the land outlined on Appendix 1 to Orwell Housing Association, on terms and conditions to be agreed by the Head of Community Development and the Head of Contract and Asset Management, in consultation with the Housing Panel. The level of discount being negotiated to a level that will secure a minimum payment to the council of £25,200 to pay the full cost of Home Loss and Disturbance payments to existing tenants on the site.

#### **3. FINANCIAL IMPLICATIONS**

- 3.1 Babergh will benefit from capital receipts in relation to the extent to which a discount is not required for specific schemes, which helps to fund our own capital programme and reduce overall borrowing requirements.
- 3.2 With this proposed redevelopment, tenants will be required to move from their homes on a permanent basis in order for the scheme to progress. Disturbance allowances and compensation payments totalling £25,200 are anticipated. In order to cover this cost, an equivalent minimum amount will be secured from Orwell Housing Association as part of the land sale arrangements.

#### **4. RISK MANAGEMENT**

<b>Risk Description</b>	<b>Likelihood</b>	<b>Seriousness or Impact</b>	<b>Mitigation Measures</b>
Tenants will not agree to vacate their homes.	Very Low	Critical	Early negotiations indicate that all of the tenants are willing to move.  Potential vacancies have already been identified for two households.  One household has already vacated.

Risk Description	Likelihood	Seriousness or Impact	Mitigation Measures
			<p>A close working relationship is being developed with tenants on the site ensuring they are well informed and are able to make informed choices in relation to the proposed redevelopment.</p> <p>The Council's agreement to meet reasonable disturbance and compensation costs incurred by the current residents of the site is an incentive for them to move.</p>
No suitable accommodation is available for tenants to move to	Very low	Critical	Officers have worked closely with existing tenants on the site to ensure that their re-housing requirements are reasonable and achievable.
Registered Social Landlord partners will not wish to work with the Council on an "at risk" basis due to Local Govt Review	Very Low	Critical	<p>Experience confirms that Registered Social Landlord's are willing to work with the council on an "at risk" basis.</p> <p>No concerns have been raised over progressing existing schemes.</p> <p>Council approval to transfer the land will confirm our commitment to the scheme and provide confidence to Orwell Housing Association who is our appointed partner on the project.</p>
Funding cannot be secured	Very Low	Critical	<p>Experience shows that schemes similar to this one have been attractive to the Homes and Communities Agency to fund.</p> <p>Following an early financial appraisal by Orwell Housing Association, it has been found that discounting the land will make the grant required from the HCA an acceptable amount at £37,500 per dwelling.</p> <p>Recent discussions with the HCA confirms that they are supportive in principle of the scheme.</p>

## 5. KEY INFORMATION

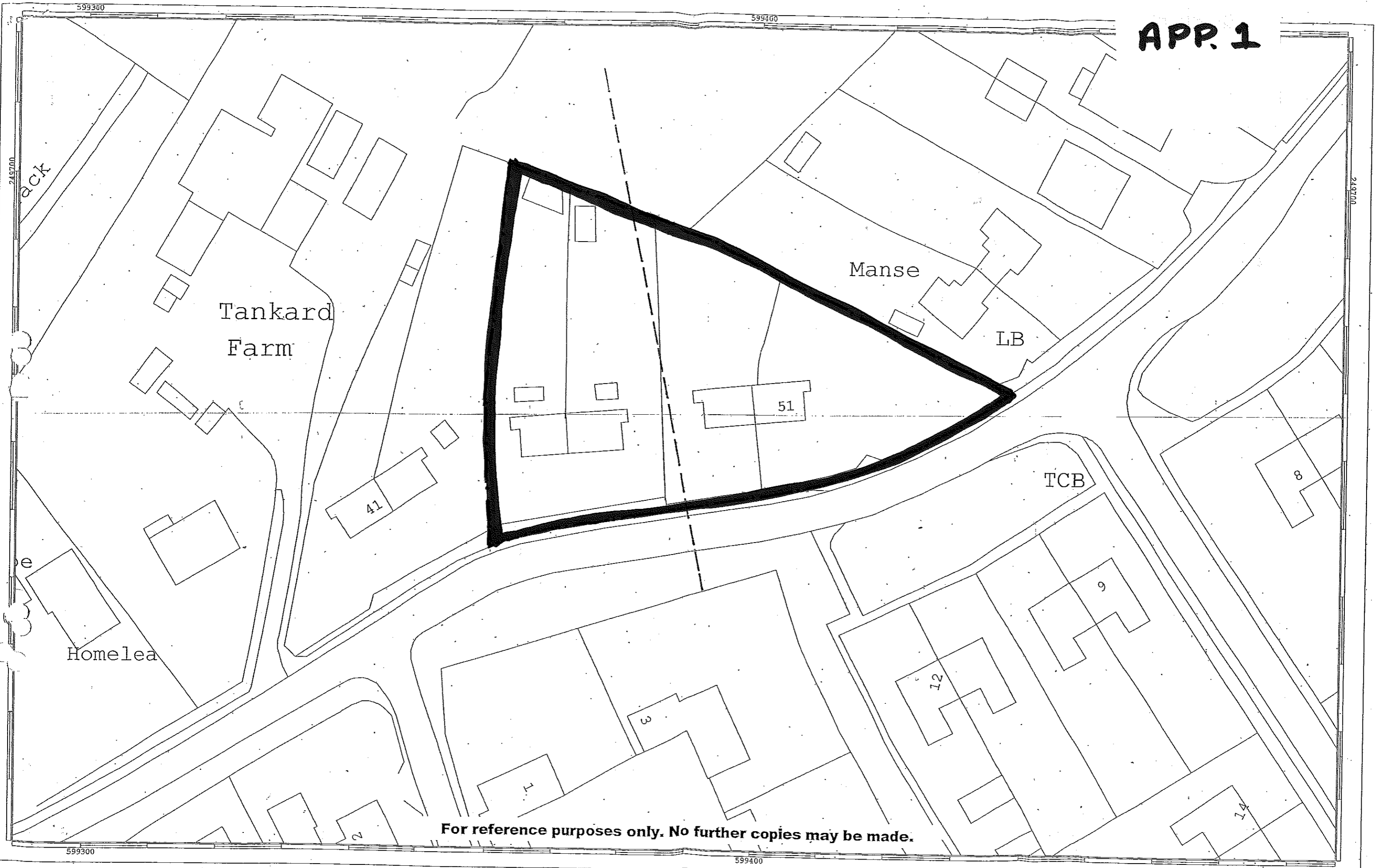
- 5.1 The Affordable Housing team has recently completed a full appraisal of all council landholdings in the district. The Development Control team has confirmed which sites are appropriate for development. The Housing Panel has considered these and has requested a more detailed appraisal for each site.
- 5.2 The site at 45 to 51 Wattisham Road, Bildeston is one of these. The current layout is shown in Appendix 1. It is proposed that once the properties are vacated the land and buildings are transferred to Orwell Housing Association, who will then build and own the replacement properties.
- 5.3 The scheme will involve the demolition of the existing four 3-bedroom houses, built in 1929. Our surveyors have confirmed that all four properties do currently meet the Decent Home Standard. Our records show that other than normal day to day repairs, only number 45 has had any major work undertaken in recent years, with a new kitchen being installed in 2005. Generally, the properties are in "reasonable" condition with a rendered exterior and a pitched tiled roof which was replaced approx 12 years ago. All four properties suffer with mild dampness even though some minor rectification work has been undertaken over the years.
- 5.4 It is proposed that these four properties will be replaced with eight new dwellings for rent. Following careful analysis of the housing register in liaison with our allocations team, and taking account of those tenants who may wish to return to a property on the site, and the current economic climate the following mix is proposed:-
- 1 x 3-bedroom 5-person wheelchair bungalow for rent
  - 2 x 2-bedroom 3-person flat for rent
  - 3 x 2-bedroom 4-person house for rent
  - 2 x 3-bedroom 5-person house for rent
- 5.5 Following a report to the Housing Panel on the 29 August 2008 a competition was held with four of our partner Registered Social Landlords. At its meeting on 28 November 2008 the Housing Panel considered the results of the competition and appointed Orwell Housing Association to partner the Council on this scheme.
- 5.6 The Housing Panel has requested that two alternative schemes be worked-up which meet Code for Sustainable Homes, levels 3 and 4. If grant funding can be secured from the Homes and Communities Agency, a level 4 scheme is preferred as it will deliver a more environmentally sustainable development. A plan of Orwell Housing Association's proposed scheme is shown in Appendix 2.
- 5.7 All tenants have agreed to move and have registered a Transfer application which has been awarded priority status, in order to rehouse them in as short a time as possible. In response to this it is proposed that the Home Loss Payment scheme normally used for tenants being decanted due to major works be used to calculate Compensation and Disturbance Allowance payments for these tenants.

- 5.8 Current guidance recommends a figure for Home Loss compensation of £4,700, and for Disturbance Allowance payments of up to £600. In addition removal expenses are paid for directly by the Council, and are likely to be approx £1,000 per household. This means a potential payment of £6,300 will be due to each household, and therefore total funding of 25,200 is required. These payments will be made by the council once the tenants have been re-housed.
- 5.9 Once all four properties are vacated it is proposed that they will be used for temporary homeless accommodation. If local homeless families cannot be found the dwellings will be decommissioned, secured and taken out of stock pending a planning approval and redevelopment of the site.
- 5.10 Full consultation with the Parish Council and local Ward Member has been undertaken, and their support for the project has been given provided the current tenants are kept fully informed.
6. **APPENDICES – To be distributed at the meeting**
- a) Appendix 1 – Existing layout of 45-51 Wattisham Road, Bildeston
  - b) Appendix 2 – Indicative layout for regeneration scheme

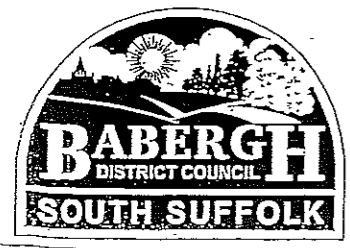
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APR 1



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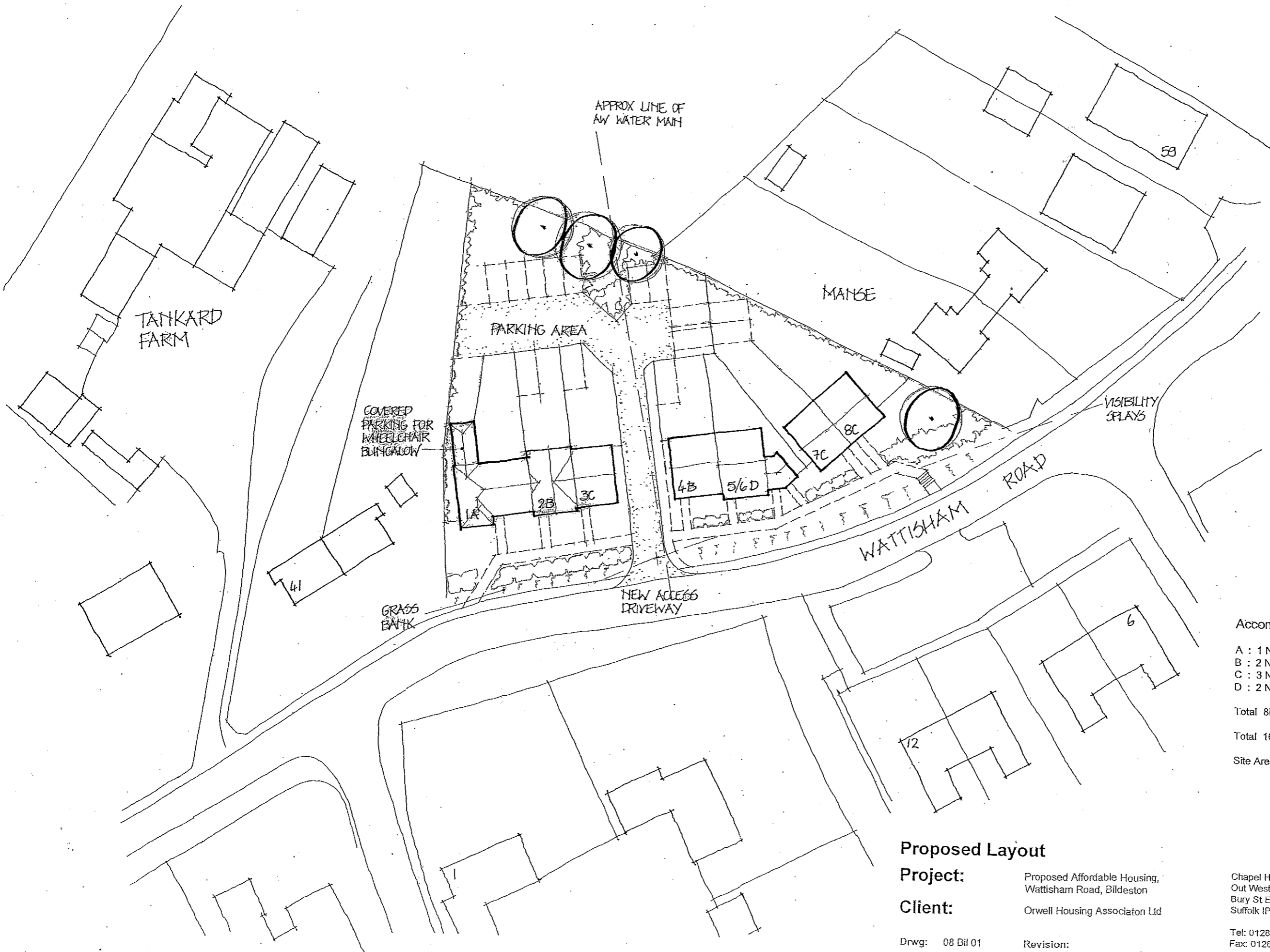
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PROPOSED HOUSING AT LAND ADJACENT TO  
 43 WATTISHAM ROAD, BILDESTON.  
 EXISTING SITE LAYOUT.

BILD/FS/SK1

↑ N SCALE: 1:500

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**Accommodation**

- A : 1 No. 3 Bed 5 Person Bungalow @ 97sqm
- B : 2 No. 3 Bed 5 Person Houses @ 89sqm
- C : 3 No. 2 Bed 4 Person Houses @ 79sqm
- D : 2 No. 2 Bed 3 Person Flats @ 63sqm

Total 8No. Dwellings

Total 16No. Parking Spaces

Site Area approximately 0.25ha

**Proposed Layout**

**Project:** Proposed Affordable Housing,  
Wattisham Road, Bildeston

**Client:** Orwell Housing Association Ltd

Chapel House  
Out Westgate  
Bury St Edmunds  
Suffolk IP33 3NZ



Drwg: 08 Bil 01      Revision:

Date: October 08      Scale: 1:500

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