

WELWYN HATFIELD BOROUGH COUNCIL
CABINET – 6TH NOVEMBER 2018
REPORT OF THE CORPORATE DIRECTOR (HOUSING AND COMMUNITIES)

OUTCOME OF THE CONSULTATION ON REDEVELOPMENT PROPOSALS FOR
MINSTER CLOSE, HATFIELD

1 Executive Summary

- 1.1 In December 2017, following consultation with the residents of Minster House comprising 29 flats, Cabinet approved a report recommending the sheltered housing scheme at Minster House, Minster Close, Hatfield be redeveloped and that a modern older persons housing scheme be rebuilt on the site through the councils Affordable Housing Programme.
- 1.2 In addition to the main Minster House building there are also 11 council owned bungalows adjacent to the sheltered scheme which were not included within the original tenant consultation process. In July 2018 Cabinet authorised the commencement of consultation with the tenants of the 11 bungalows in order to provide a larger, modern, state of the art sheltered housing scheme.
- 1.3 This report informs on the outcome of the consultation process with the tenants of the 11 bungalows and also provides recommendations on how to proceed with redevelopment.

2 Recommendation(s)

- 2.1 Cabinet to note the outcome of the consultation with the tenants as set out in this report.
- 2.2 Cabinet agrees that the redevelopment proposals proceed as set out in this report.
- 2.3 Cabinet notes that the bungalow residents were given the opportunity to move out of their properties either temporarily or permanently, due to the likely disruption which will be caused by the redevelopment of Minster House.

3 Explanation

- 3.1 The main Minster House building sits on a plot which provides scope for redevelopment at a higher density than provided at present. Of the existing 29 flats, one council tenant is left and due to decant shortly and two Hospitaller Order of St John of God (who lease a number of the units) tenants are left and are due to decant shortly.
- 3.2 Adjacent to the main block are 11 council owned bungalows and if included within the redevelopment proposals could increase the overall density of the proposed new facility still further. Of the existing 11 bungalows 9 are currently occupied. Bungalow occupiers have expressed concern about the impact the redevelopment would have on them due to their close proximity and due to the

likely disruption, they have been given the option to move out either temporarily or permanently.

- 3.3 The consultation with the bungalow tenants, their family members and carers took place between 26th July and 28th August 2018. Individual appointments were offered to each council tenant and a brochure with frequently asked questions and answers were provided to tenants.
- 3.4 All the tenants attended an individual meeting and provided detailed feedback. The Scheme Coordinator and other appropriate Officers were available to tenants during the course of the consultation.
- 3.5 Eight tenants expressed the views that ideally they would like to stay in their bungalow but don't want either the upheaval of a temporary move or the disruption of living in close proximity to a building site. These eight tenants have now indicated the type and location of property they would move to if the proposals proceed and are registered on the housing transfer list. None of the tenants expressed a wish to return to a new flat within the redevelopment but are all keen to move to alternative accommodation.
- 3.6 One tenant has expressed the view that they do not want to move out of their bungalow. Despite being against the proposal they have indicated the type and location of property should the proposals proceed.
- 3.7 Despite the tenants being settled in their bungalows, the majority of tenants understood the reason for the proposals and want to permanently move out of their bungalow prior to the redevelopment commencing.
- 3.8 In these circumstances, the tenants are placed in Band A (as set out in the Housing Allocation Policy) and supported to make bids for suitable alternative properties.
- 3.9 The recommendation in this report is that the proposal to demolish and redevelop the bungalows is agreed as part of the wider redevelopment of Minster House. This would include a permanent decant of the council bungalow tenants.
- 3.10 Redevelopment plans were originally drawn up by the council's feasibility architect to assess the viability of the redevelopment of the main Minster House block. The plans provided 70 one bedroom flats and this was subject to carrying out detailed site surveys and subject to planning constraints.
- 3.11 Detailed site surveys have now been undertaken and the council's newly appointed architects, Rock Townsend LLP have indicated that 64 one bedroom flats, 16 two bedroom flats, 2 guest rooms and associated communal spaces can be provided on the larger site dependent on detailed discussions with planners. This will provide a building which will meet future requirements and expectations in terms of design and size and follow the HAPPI design principles.
- 3.12 The programme for redevelopment seeks pre application advice in September 2018 and dependent on this feedback, a planning submission by March 2019. Subject to a successful planning approval an award of contract for a construction partner is expected in March 2020.

Implications

4 Legal Implication(s)

- 4.1 Homeloss payments are payable under the Planning and Compensation Act 1991 and Land Compensation Act 1973. The rate of homeloss payment for tenants is reviewed annually and is currently £6100.
- 4.2 Homeloss payments are made when:
- The tenant has been living in the property for one year before they have to be permanently decanted
 - The tenant has been living in the property as their main or only residence
- 4.3 The tenant is being required to move as a consequence of improvement or redevelopment (repairs, even if major, do not justify payment)
- 4.4 Any outstanding rent arrears will be deducted from the Homeloss Payment and credited to the tenant's rent account
- 4.5 Council tenants will be moved from the scheme via the council's transfer scheme and during the consultation process all tenants have been willing to engage in discussions about moving. However should a tenant later refuse to move from the property, the council would need to consider taking legal action to gain possession of the tenancy.

5 Financial Implication(s)

- 5.1 A development appraisal was completed to evaluate the financial cost to redevelop the scheme and this was reported to Cabinet in December 2017. It was estimated that the costs for redeveloping the scheme would be projected to be in the region of £15 million. Further cost analysis has been undertaken to include the larger site and will be in the region of £16 million. The expenditure will be spread across the life of the project which is predicted to be 4 financial years. Costs will be reviewed once planning permission is received and prior to a tender seeking a construction partner.
- 5.2 There will be an opportunity cost of rent loss from the bungalows which will be sustained within the Housing Revenue Account – this is difficult to predict at this time, as it will depend on the speed at which tenants can be decanted. However, the use of these properties as temporary accommodation in the interim will mitigate the loss of income to some extent.
- 5.3 There are costs associated with the decant process including the statutory homeloss payments, disturbance payments and costs associated with the practical support to assist tenants to move which is on average £7,500 per tenant. This is included within the redevelopment cost.
- 5.4 The useable Right to buy receipts can be applied to 30% of all the allowable development costs. The remaining cost will be met by the Housing Revenue Account and income generated from the newly developed flats will form part of this account going forward.

6 Risk Management Implications

- 6.1 The risks related to this proposal are:

- 6.2 Reputational risk: The residents of the bungalows are older and there is a recognition that the decant to suitable alternative accommodation can cause concern. Ultimately if any of the tenants will not move on a voluntary basis, then legal action would have to be pursued, which would potentially cause additional stress and could have a negative impact on the council's reputation. Controls: appropriate staffing resources will be put in place to ensure no undue concerns or stress is caused for some possible vulnerable older people. The Scheme Coordinator on site is the lead officer for the decant process for the main block. The process has worked well and we would employ the same approach with the bungalows. Impact High Likelihood Low Residual Risk Score Medium.
- 6.3 Resources: Insufficient funding/staffing resource to deliver the project. This is mitigated by the detailed development appraisal, project plan and project group tasked with delivering the project. The project group will have oversight of the detailed risk register and project budget/plan. Impact High Likelihood Very Low – Residual Risk Score Low
- 6.4 Financial: Project budget inhibits viability. Controls: Robust cost reporting mechanism to be put in place to identify any cost movements. Scheme progression will be monitored by the project group overseeing delivery. The scheme proposal is included in the Housing Revenue Account Business Plan and the financial appraisal demonstrates that the scheme is viable based on cost and future income streams. Impact Medium - Likelihood Low - Residual Risk Score Low.

7 Security and Terrorism Implication(s)

- 7.1 There are no specific security and terrorism implications arising from this report

8 Procurement Implication(s)

- 8.1 The eventual procurement of a construction partner will be overseen by the Affordable Housing Programme Member Procurement Board.

9 Climate Change Implication(s)

- 9.1 Proposals will make a significant impact on climate change it incorporates :
- Increasing the supply of affordable housing for older people which includes the potential to build new homes which are more sustainable and energy efficient
 - Improving and redeveloping the councils existing sheltered stock, making it more sustainable and energy efficient

10 Human Resources Implication(s)

- 10.1 The current Scheme Coordinator will lead on the decant of the existing bungalow occupiers.

11 Health and Wellbeing Implication(s)

- 11.1 The health and wellbeing of the boroughs' residents will be improved with the redevelopment of Minster House. Living conditions and the local environment will be improved for the council tenants who will reside in the new accommodation and the residents of the wider area will also benefit as current proposals include:

- Opening up and improvement for accessibility to the adjacent wooded area
- Communal spaces within the building (design and use to be agreed) which will be offered to the wider community
- Links with the University of Hertfordshire and use of their spaces for wellbeing activities e.g. gym facilities for council tenants residing in the new accommodation

12 Communication and Engagement Implication(s)

- 12.1 A Communication Plan is in place for the redevelopment of Minster House. We will promote the positive outcomes from the project once complete.

13 Link to Corporate Priorities

- 13.1 The subject of this report is linked to the Council's Corporate Priority Meet the borough's housing needs, and specifically to the achievement of Plan for the housing needs of our communities.

14 Equality and Diversity

- 14.1 An EqIA was completed on the 12th July 2018 and the EqIA identified that there is the potential for negative impacts on age as the current residents of Minster House are older and will be caused disruption by having to move for the re-development. Actions have been agreed to mitigate these impacts. These actions include: providing the residents with an intensive package of support throughout the process both physically and financially and it is considered that with these mitigating actions in place, it would be appropriate to recommend the proposals in this report.
- 14.2 The negative impact is short-term and will be mitigated against the longer term benefits to this group by developing purpose built accommodation that meets the changing needs and aspirations of current and future older residents.

Name of author	Sarah Newman 357787
Title	<i>Housing Development Manager</i>
Date	25.09.18

Background papers to be listed (if applicable)

Cabinet Report 4th April 2017

Cabinet Report 5th December 2017

Part II Cabinet Report 10th July 2018

Appendices to be listed

None