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<b>REPORT TO:</b>	<b>HOUSING AND COMMUNITY SERVICES COMMITTEE: SPECIAL - BUDGET</b>	<b>AGENDA ITEM: 5</b>
<b>DATE OF MEETING:</b>	<b>9<sup>th</sup> JANUARY 2018</b>	<b>CATEGORY: DELEGATED/ RECOMMENDED OPEN</b>
<b>REPORT FROM:</b>	<b>KEVIN STACKHOUSE STRATEGIC DIRECTOR (CORPORATE RESOURCES)</b>	
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<b>SUBJECT:</b>	<b>CHANGES TO THE HOUSING STOCK</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>SWADLINCOTE AND ETWALL</b>	<b>TERMS OF REFERENCE: HCS01</b>

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## **1.0 Recommendations**

- 1.1 That the changes to the housing stock identified in the report and the planned actions to deliver these are noted.

## **2.0 Purpose of Report**

- 2.1 To update Members on work to make minor changes to the size and type of the Council's Housing stock.
- 2.2 To outline the proposed conversion of the office at Carnegie House to create a one bedroom unit which will be used for temporary accommodation, this will complete the conversion of flats at 75 to 89 Alexandra Road, Swadlincote.
- 2.3 To outline the proposed conversion of two first floor bedsits at Pear Tree Court to two one bedroom flats.

## **3.0 Detail**

### **Carnegie House**

- 3.1 The Council purchased from Metropolitan Housing Association the 8 x 1-bed block of flats at 75 to 89 Alexandra Road, Swadlincote following a report to this Committee on the 12<sup>th</sup> January 2016. The original permission to buy this development and carry out this work is shown in the minutes detailed below.

*'Members sanctioned the purchase of the former Mother and Baby unit on Alexandra Road, Swadlincote, at a cost of £130,500, using funds already allocated within the Phase 1 budget for the acquisition of properties'*

- 3.2 As part of this redevelopment of the Alexandra Road, Mother and Baby Unit, the Council created eight units of which three were temporary accommodation and five were one bedroom flats which have since been let to those in Housing Need from on our Housing Register.
- 3.3 The initial redevelopment of the site did not include the conversion of this office space to temporary accommodation. It is now proposed that we convert the office into a one bedroom flat for temporary accommodation to increase the Council's stock for those who the Council owe a homeless duty. This will reduce our reliance on temporary bed and breakfast provision and provide more stable accommodation for those vulnerable and in the greatest need of rehousing.
- 3.4 The Council has drawn up plans to now undertake this conversion of the office. The project will be fully specified. The Council will then be looking at the potential to deliver this through our in-house Direct Labour Organisation (DLO) to reduce the cost of the project. If this is not feasible, then the Council will then be going out to the market to procure this work in line with its Procurement Framework. The cost of the works has been budgeted at up to £12,000 and this will be delivered within existing capital budgets
- 3.5 Given the nature of this accommodation it will be necessary to make an application to Planning for a change of use from office accommodation to residential use and this will be done in due course as part of the procurement process.
- 3.6 This conversion will increase the Council's stock by one dwelling and will generate a potential additional rental income against a rent of £74.75 per week, which equates to £3,887 per annum.

### **Pear Tree Court**

- 3.7 The Council has two hard to let first floor bedsits (Numbers 15 and 19) which remain at Pear Tree Court, Etwall. There has been little to no interest in these properties off the waiting list due to the type and location of these properties. This creates issues for the Council to address including a reduction in the rental income stream.
- 3.8 To address these concerns, the Council has developed plans to convert these bedsits on a one to one basis to one bed flats. This is possible with the existing layout which offers an opportunity to create one bedroom flats. This conversion will make these properties more lettable for potential applicants and will also increase the amount of potential rental income the Council can realise. These properties will command a higher rent increasing from £60.00 to £71.56 per week. This would result in a potential annual income of £7,442 when fully let, and bringing in an additional £1,202, than if these properties were let as bedsits.
- 3.9 The project will be fully specified and the Council will then be looking at the potential to deliver this through our in-house DLO to reduce the cost of the project. If this is not feasible, the Council will then be going out to the market to procure this work in line with the Council's Procurement Framework. The cost of these works has been budgeted at up to £15,000 per property and this will be delivered within existing capital budgets

## **4.0 Financial Implications**

- 4.1 Any financial costs to complete this work will be contained within the current housing capital programme.
- 4.2 The changes to this stock will have the potential to bring in additional rental income as outlined in the report.

## **5.0 Corporate Implications**

- 5.1 One of the aspirations contained within the Council's Housing Strategy is to deliver against the Strategic Outcome:

### **HS01 – Improving access to and supply of housing**

HS Objective 01c - Unlock the potential of empty homes and minimise voids

HS Objective 01d - Make the best use of existing housing stock

To do this the Council continues to review and update its stock so that it meets the needs and requirements of current and future tenants. These changes to our stock will enable us to increase the number of available units for affordable housing to support those faced with homelessness through the provision of our own temporary accommodation. It will also provide more accessible lettable units for those on our current waiting list.

## **6.0 Community Implications**

- 6.1 Increasing our housing stock and improving the lettable of our existing stock directly impacts on Council tenants and those in need of housing; however it can also impact on the planning, public health and healthcare sector as well as the wider communities of South Derbyshire.