

 <b>Executive – 11 July 2012</b>		<b>Agenda Item No.</b> <b>10A</b>
<b>Title</b>	Proposed Demolition and Redevelopment of Fetherston Court	
<b>For further information about this report please contact</b>	Dave Ward – Housing Manager	
<b>Wards of the District directly affected</b>	Brunswick Ward	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	Full Council 22.9.11 Minute number 45	
<b>Background Papers n/a</b>		

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	Yes
<b>Equality &amp; Sustainability Impact Assessment Undertaken</b>	No

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	1.6.12	Bill Hunt
Head of Service	17.5.12	Jameel Malik
CMT	15.6.12	
Section 151 Officer	1.6.12	Mike Snow
Monitoring Officer		
Finance	1.6.12	Sandra Jones
Portfolio Holder(s)	1.6.12	Councillor Norman Vincett
<b>Consultation &amp; Community Engagement</b>		
None in respect of this report.		
<b>Final Decision?</b>		Yes
<b>Suggested next steps (if not final decision please set out below)</b>		

## 1. **SUMMARY**

- 1.1 This report seeks approval from Executive to adopt a policy of not re-letting flats at Fetherston Court when they become vacant, pending the redevelopment of the site.

## 2. **RECOMMENDATION**

- 2.1 That approval is granted to the Head of Housing and Property Services to adopt a no lettings policy in respect of vacant flats at Fetherston Court with immediate effect, pending proposals to demolish and redevelop the site.
- 2.2 To note the potential rent loss referred to in paragraph 5.3 of this report as a result of adopting a 'no lettings' policy.

## 3. **REASONS FOR THE RECOMMENDATION**

- 3.1 On 22 September 2011, Full Council received a report on the proposed demolition and redevelopment of Fetherston Court. It agreed the following recommendation:

"That Council gives delegated authority to the Deputy Chief Executive, Head of Housing and Property Services, Head of Finance in consultation with the Portfolio Holders for Housing and Property Services and Finance to consult relevant tenants on the proposed demolitions and redevelopment of a local housing scheme and to confirm before the 10 October whether the properties should be demolished in order to develop a new scheme to enable us to respond to the Department for Communities and Local Government and (DCLG)." [Recommendation 2.1]

- 3.2 On 5 October, the Deputy Chief Executive and the Head of Finance, in consultation with relevant Portfolio Holders, received a further report from the Head of Housing and Property Services and the following recommendations were agreed under Delegated Authority;
- 3.3 That delegated representatives note the consultation which has been undertaken with tenants at Fetherston Court regarding the proposed demolition and redevelopment of a local housing scheme.
- 3.4 That representatives approve to notify DCLG that Fetherston Court will be demolished in order to develop a new scheme.
- 3.5 Under the Scheme of Delegation contained within the Council's Constitution, the Head of Housing and Property Services has delegated authority to let Council dwellings in accordance with Council policy. The Head of Service does not, however, have delegated authority *not* to let Council dwellings.
- 3.6 There are a total of 29 ground and first floor flats at Fetherston Court. 28 of these are one bedroom flats and one is a two bedroom flat.
- 3.7 Since April 2008, there have been a total of 14 vacancies at Fetherston Court – an average void rate of 3.5 per year. 2 flats are currently vacant.

2008/09 – 5

2009/10 – 3

2010/11 – 4

2011/12 – 2

#### 4. **POLICY FRAMEWORK**

##### 4.1 **Policy Framework**

The proposal to redevelop Fetherston Court will deliver key priorities contained in the Sustainable Communities Strategy. It will deliver a purpose built, energy efficient and high quality housing scheme. In addition, the scheme will provide a net increase in affordable housing, and meet and exceed tenant expectations.

#### 5. **BUDGETARY FRAMEWORK**

- 5.1 Reducing void rent loss (rent lost because properties are not let) is a key performance indicator. For 2011/12 void rent loss for all Council properties amounted to £116,683. This equated to 0.52% of the rent debit. The target is 0.85%. This level of void rent loss makes Warwick District Council a top quartile performer nationally. Void rent loss will be a consequence of the redevelopment of Fetherston Court and this will have a negative impact on performance.
- 5.2 The current average rent for a one bedroom property at Fetherston Court is £69.30 per week, which amounts to £3603.60 per year. The average vacancy rate is 3.5 properties per year. Currently there are two vacant properties. One has been vacant since 15 January 2012 and the other since 22 January 2012. At 20 May 2012 rent loss for these two flats was £1104.42 and £1123.00 respectively. A total rent loss of £2227.42 at that date.
- 5.3 For the purpose of this report, the effective scheme date for the redevelopment of the Fetherston Court site and the commencement of the decant process for existing tenants is provisionally set at 1 January 2013. This is the anticipated date by which all relevant approvals for the scheme should have been granted. Anticipated rent loss at 1 January 2013, if only 2 flats remain vacant, will rise to £6632.26. If, in line with the historical annual vacancy rate, a further 2 vacancies arise, then projected maximum void rent loss would amount to £10235.86 at 1 January 2013. This would equate to 8.8% of the total value of void rent loss for 2011/12. The total rent loss will depend on when and how many of the properties become vacant.
- 5.4 Of course, there may be no further vacancies before the effective scheme date, or there may be more if existing tenants secure alternative accommodation in advance of the redevelopment scheme. Void rent loss may, therefore, vary accordingly.
- 5.5 A saving of £4700 will be made for each vacant flat at the effective scheme date as no Home Loss payment will be due. There will also be a saving of any discretionary disturbance allowance.
- 5.6 From the effective scheme date, all void rent loss will be accounted for as part of the build cost for the new development.

## **6. ALTERNATIVE OPTION(S) CONSIDERED**

- 6.1 It is not considered appropriate to re-let the flats to new secure tenants because the tenants would be required to move again in the foreseeable future as the site is developed. As the properties are designated for occupation by those over 60 years of age, then this would be particularly disruptive. These 'new' tenants would also be able to claim the statutory Home Loss payment, currently £4,700, and any further discretionary payment deemed appropriate by the Council. The amount of this discretionary payment will be proposed in a further report which will address the re-housing of existing tenants in more detail.
- 6.2 Neither is it considered appropriate to use the vacant properties for temporary accommodation for the homeless. This would be potentially disruptive for the elderly residents at the scheme.
- 6.3 Nine of the flats, however, have wheelchair access and these could be used as temporary accommodation for wheelchair users should an urgent need arise. Should this be the case, a temporary tenancy would be granted pending their permanent re-housing in suitably adapted property. These temporary tenants will not qualify for Home Loss payment.