

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>CABINET</b></p> <p><b>12 OCTOBER 2015</b></p>
<p><b>CAPITAL DEVELOPMENT VOIDS</b></p>	
<p><b>Report of the Cabinet Member Housing – Councillor Lisa Homan</b></p>	
<p><b>Open Report</b></p> <p>A separate report on the exempt part of the Cabinet agenda provides exempt financial information.</p>	
<p><b>Classification - For Decision</b></p> <p><b>Key Decision: No</b></p>	
<p><b>Wards Affected: All</b></p>	
<p><b>Accountable Lead Directors:</b> Kathleen Corbett, Director for Finance &amp; Resources &amp; Mike England, Director for Housing Options</p>	
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## 1. EXECUTIVE SUMMARY

- 1.1. In response to the new administration's pledge to retain rather than sell void housing stock for re-letting to social tenants, officers reviewed council homes which have remained void for a long period. The properties were vacant for a number of reasons including major structural issues and high capital refurbishment expenditure and members are keen to tackle this in order to more efficiently use the properties to better meet the needs of residents. The results and recommendations of the review and surveys are detailed within this report.
- 1.2. In total 19 properties were surveyed. 15 were able to go straight into the standard voids process. The 4 remaining void properties can be developed, subject to planning, to provide:
  - 2 general needs homes which can be developed to create 4 homes:
    - 3 x 2 bedroom homes
    - 1 x 3 bedroom home

- 1 general needs 4 bedroom home which can be extended to provide 5 bedrooms
- 1 large family home that was historically converted to 3 bedsits which can be reinstated to provide a large 3 bedroom home.

1.3. The work is to be delivered by the council's service provider Mitie under the current 10 year partnering contract. They will have the responsibility for the design, management and construction of the proposed works. This will enable speedy delivery of the programme.

## 2. RECOMMENDATIONS

2.1. To approve the proposed development voids programme as set out below:

Address	Recommended Proposed Option for Development
Property A	Rebuild rear elevation and resolve structural issues & refurb and create 1 x additional bedroom making a 5 Bedroom property
Property B	Convert to 1x 3 bedroom 1 x 2 Bedroom
Property C	Convert to 3 bedroom house
Property D	Convert to 2 x 1/2 bedroom flats

2.2. To note the use of the Council's term contractor Mitie Property Services (UK) Limited to carry out the works.

2.3. To note the proposed programme for delivery of this project is estimated to be 6 months from the date that this report is approved.

## 3. REASONS FOR DECISION

3.1. The proposed project will bring these empty properties back into use and will help LBHF to meet the social housing needs of its residents within the borough whilst bringing increased rental income and increasing the stock value.

3.2. All properties will be developed and reinstated to current modern standards, thereby providing good quality homes for incoming residents.

3.3. It is important that work is started on these properties as soon as possible, to prevent and reduce on-going deterioration of these properties and therefore avoiding potential future cost burdens for the council.

## 4. INTRODUCTION AND BACKGROUND

4.1. Properties which have remained void for a long period, requiring extensive refurbishment or held for land development potential were reviewed. This review considered a number of options;

- Development potential to increase the number of homes / bedrooms in each property
- Improving the suitability of each property for letting (e.g. converting bedsits into larger homes)
- Upgrade and repair of properties without increasing the number of units and putting them back into the standard void process to enable quick re-letting.

## 5. PROPOSAL AND ISSUES

5.1 In total Housing Property Services surveyed 19 properties. 15 were able to go straight into the standard voids process and are either let or are currently having works undertaken. The 4 remaining void properties can be developed. The options considered and the proposals are set out in the next section of this report.

## 6. ANALYSIS OF OPTIONS

6.1. The table below shows the outcome of the survey and option review for the 4 properties identified for development.

Address	Current status of Property	Option 1	Option 2
Property A	Currently a 4 Bedroom property which has severe subsidence issues to rear elevation.	Rebuild rear elevation and resolve structural issues return as 4 Bedroom Property	Rebuild rear elevation and resolve structural issues & refurb and create 1 x additional bedroom making a 5 Bedroom property
Property B	This is a 5 bedroom property in a derelict condition. The development potential is Option 1 2 flat 1x 3 bedroom 1 x 2 Bedroom Option 2 1x 5 bedroom property refurb.	Major refurb, roof, damp works and redec	2 flat 1x 3 bedroom 1 x 2 Bedroom
Property C	Originally a large 3 bedroom property which has been converted in to a house with 3 bedsits with addresses. The property was original managed by an Registered Provider and has recently been returned to LBHF. Option 1 re- let as Hostel-1/2 way house Option 2 Convert to 3/4 bedroom house	re- let as Hostel-1/2 way house with Standard Void works re- let as Hostel-1/2 way house with Standard Void works re- let as Hostel-1/2 way house with Standard Void works	Convert to 3 bedroom house
Property D	Could be converted to 2 x 1/2 bedroom flats	Refurb via Voids Workstream	Convert to 2 x 1/2 bedroom flats

6.3 By delivering the recommended options detailed in this paper, LBHF will benefit from an additional estimated yearly rental income of £22,000.

6.4 The proposed void development works, will be contained within the current budget allocation for the HRA Housing Capital programme.

## 7. CONSULTATION

7.1. Details of the proposed works to the development voids will be submitted to individual members, detailing proposed schemes within their wards.

7.2. Where residents or adjoining owners are affected by the works, they will be consulted, prior to works commencing and during the works.

7.3. There are no leasehold implications in respect of these works

7.4. A clear consultation and communications plan will be developed with the Stake Holder Manager for Housing Property Service and Mitie.

## **8. EQUALITY IMPLICATIONS**

- 8.1. The works will have a positive impact as they will enable the Council to house people who are in housing need and will not have an adverse effect on any protected groups.

## **9. FINANCIAL AND RESOURCES IMPLICATIONS**

- 9.1 The works will be funded from existing capital receipts from the Decent Neighbourhood Fund out of the existing HRA capital programme allocation.
- 9.2 An appraisal to assess the marginal cost against the additional rent of the void development option has been carried out. Over the 40 years of the HRA Business Plan the additional rent generated from the void development option will more than offset the additional cost of the works.
- 9.4 A potential further benefit of the additional units from the void development is that the increased supply of general needs units may help to relieve pressures on the Council's temporary accommodation budget by moving residents out of expensive temporary accommodation.

## **10. RISK MANAGEMENT**

- 10.1 Risks relating to the projects have been ascertained and a risk register will be developed jointly with the contractor, in order that risks can be managed throughout the duration of the project, and the project will not commence until the necessary actions identified on the register have been undertaken.
- 10.2 The proposed works are subject to Planning and any restrictions imposed upon any planning applications.
- 10.3 Implications verified/completed by Michael White, Principal Manager Operations & Engineering Tel: 0208 753 6694.

## **11. LEGAL IMPLICATIONS**

- 11.1 The proposed works are to be carried out by the Council's Service Provider, MITIE Property Services (UK) Limited, under the Council's contract for Repairs and Maintenance to housing and other properties within the borough of Hammersmith and Fulham.
- 11.2 Implications verified/completed: Cath Tempest Senior Solicitor (Contracts and Procurement) el 02087532774

## **12. IMPLICATIONS FOR BUSINESS**

- 12.1 The works are to be carried out by the council's service provider Mitie and they have a full commitment to their company's Social Values and Corporate Social responsibility. For instance where feasible, Mitie aim to use local contractors as part of their supply chain and where possible apprentices and trainees will be used on this project.

12.2 Implications verified/completed by Michael White Principal Manager Operations & Engineering Tel: 0208 753 6694.

**13. PROCUREMENT AND IT STRATEGY IMPLICATIONS**

13.1 There are no procurement related matters as the work will be managed and delivered through the current 10 year partnering arrangement with Mitie under the TPC Partnering

13.2 Implications verified/completed by Alan Parry, Interim Head of Procurement (Job-share) Tel: 0208 753 6694

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	None		