

Cabinet (Resources) Panel

27 April 2022

Report title	Providing Good Homes - 78 and 80 Byrne Road – Property appropriation and refurbishment		
Decision designation	AMBER		
Cabinet member with lead responsibility	Councillor Bhupinder Gakhal City Assets and Housing		
Key decision	No		
In forward plan	Yes		
Wards affected	Blakenhall		
Accountable Director	John Roseblade, Director of City Housing and Environment		
Originating service	Housing		
Accountable employee	Maureen Lothian	Housing Enabling Officer	
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Report to be/has been considered by	City Housing and Environment	5 April 2022	
	Leadership Team		
	Cabinet Member Briefing	13 April 2022	

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the proposal for the appropriation of 78 and 80 Byrne Road from the General Fund to the Housing Revenue Account (HRA).
2. Approve the proposal for the refurbishment of the properties and remodelling as large family living accommodation at a cost of around £80,000 as set out in section 3 of the report.

Recommendation for noting:

The Cabinet (Resources) Panel is asked to note:

1. The current condition of the empty properties at 78-80 Byrne Road and the investment required.

1.0 Purpose

- 1.1 To inform Cabinet (Resources) Panel on the current condition of the properties at 78 and 80 Byrne Road and the investment required.
- 1.2 To approve the appropriation of the properties from the General Fund to the Housing Revenue Account (HRA).
- 1.3 To approve the proposal for refurbishment of the properties and establishment of accommodation which best meets the demands for housing need in the City.

2.0 Background

- 2.1 The terraced properties known as 78 and 80 Byrne Road have been empty since 2012.
- 2.2 The properties comprise two pre-1919 terraced properties that were converted into a doctor's surgery and again converted into a number of separate units with shared utilities known as a House in Multiple Occupation (HMO). They have since been converted back into two two-bedroom terraced properties.
- 2.3 The Council acquired 78 and 80 Byrne Road through Compulsory Purchase Order (CPO) under the Empty Properties Strategy. Following confirmation and vesting, an application was made to the Land Registry to register the Council as proprietor. The Council will be liable to pay the owner/interested parties' compensation at full market value minus any outstanding debts owing to the Council. The properties have been valued at £155,000 and compensation is likely to be paid in 2022-2023 financial year.
- 2.4 The property is situated within a residential area, and the current condition of the property is a visual detriment to the local neighbourhood. There have been 24 incidents of fly tipping in the past five years and will continue to be a regular occurrence whilst the property remains in its present condition.
- 2.5 The potential future use of this property was discussed at a recent Safe and Healthy Homes subgroup meeting. Employees from Housing Enabling and Private Sector Housing were to consider a number of options for the refurbishment of this property to bring it back into use.

3.0 Progress and options

- 3.1 During a recent inspection of the properties, they were considered to be structurally sound, however, there were a number of issues with the general condition as well as the poor design and quality of materials used to erect an extension to the rear of 78 Byrne Road.
- 3.2 A full assessment of the properties was undertaken by technical colleagues from Wolverhampton Homes to develop the refurbishment options. When these were received information relating to the housing needs for properties in this ward was obtained.

- 3.3 A valuation of both properties was carried out by a Chartered Surveyor registered with the Royal institute of Chartered Surveyors. The market value of 78 Byrne Road is considered to be £80,000 (eighty-thousand pounds). The market valuation of 80 Byrne Road is considered to be £75,000 (seventy-five-thousand pounds).
- 3.4 The properties are located near to an area of potential historical mining and thus a Coal Authority Mining Report will be obtained to ascertain the proximity of any mine entries to the properties and any potential impact on the valuation of the property.
- 3.5 Acquisition and subsequent refurbishment of the property was considered of significant social, economic, and environmental benefit to the area.
- 3.6 Following consideration of the options for refurbishment and consultation with Wolverhampton Homes Lettings team it was recommended that the best use of the properties would be as large family living accommodation.
- 3.7 This requires the appropriation of the two properties from the General Fund to the Housing Revenue Account (HRA). The properties could then be refurbished and converted into a large five-bedroom family home. The property could be brought up to Decent Homes standard incorporating the design for a lifetime home i.e., level access, widened doors and shower room on the ground floor, giving scope for a family with disabled member/s to be housed, if required, without the need for significant redesign or expenditure on adaptations.
- 3.8 The proposed cost to refurbish and convert the two properties into a single five-bedroom property is expected to be around £80,000.
- 3.9 Appropriation of this pair of properties to the HRA would enable extensive refurbishment to be carried out, which would help meet the City's growing demand for larger family accommodation enabling it to be allocated to a family, possibly in temporary accommodation.

4.0 Evaluation of alternative options

Do nothing

- 4.1 The Council owned properties will remain in their current deteriorating condition and will not meet the Decent Homes Standard without significant investment. The properties will continue to attract fly tipping and anti-social behaviour which could be to the detriment of the neighbourhood and wellbeing of its residents.

Sell on the open market

- 4.2 There is the option to dispose of the properties on the open market, however, this could bring a potential risk, as the properties may be purchased by a developer/investor for private rental. This will not guarantee an improved condition and once let, may lead to referrals to the Housing Standards Team. Although the properties could be sold with conditions to improve them to an agreed standard, before completing the sale.

- 4.3 Also, there is a risk of reputational damage as it could be seen that the Council 'off loads' difficult to maintain properties to the private sector when large, affordable housing is in great demand in the City. This would be contrary to the Council's current acquisition programme to increase the number of affordable units, in particular, purchasing suitable large family houses.

5.0 Reasons for decision

- 5.1 Due to the current demand for large family houses, it is recommended that the recommendations are approved. The property would be added to the housing stock and allocated to a family in housing need, possibly in temporary accommodation.
- 5.2 The Council currently has thirty, five-bedroom properties in its stock. There are currently no properties of this size within the Blakenhall area. The number of five-bedroom properties which have become available citywide for relet over the last 12 months is zero.
- 5.3 There are currently 43 families on the housing register in need of a five-bedroom property. Seven of these families are currently in emergency accommodation at a cost of approximately £200-£300 per week.
- 5.4 In order to address the current demand for larger properties, the Market to Affordable Housing Conversion programme has set as one of its priorities, the need to acquire 4+ bedroom properties. Within the last two years, the Council has acquired 2 x four-bedroom, former council properties but has been unable to identify suitable five bedroom+ properties. The Council continues to seek the availability of pairs of former council semi-detached and adjoining terraced properties that could be reconfigured and converted into a larger single property.
- 5.5 The appropriation and refurbishment of this property would provide an opportunity for this council owned asset to be converted into a larger family property and added to the Council's housing stock.
- 5.6 Bringing this property back into use and into council stock is in line with the Empty Homes Strategy which states, 'Bringing empty homes back into use nearly always involves improving the homes to a standard for their new owners or renters. Using empty homes contributes to reinvigorating neighbourhoods and improving the quality of housing has a positive effect on residents' health'.

6.0 Financial implications

- 6.1 The Council acquired 78-80 Byrne Rd through a CPO. The cost of the acquisition will be met from the Housing General Fund capital budget for Empty Property Strategy. The properties have been valued at £155,000. To appropriate the asset to the HRA will require an increase to the HRA capital financing requirement (borrowing) equal to the valuation with an equivalent reduction to the General Fund capital finance requirement.

- 6.2 The estimated refurbishment costs of around £80,000 bring the total cost of provision of these properties as five bedroom home to around £235,000 which is comparable with acquiring such a property on the market and ensuring it reaches the lettable standard.
- 6.3 There are also potential savings from an end to fly tipping and anti-social behaviour associated with these properties and from potentially providing a permanent home for a family currently residing in temporary accommodation.
[JM/31032022/L]

7.0 Legal implications

- 7.1 The Council has fiduciary duties to act in the best interest of its taxpayers. As such, the Council operates both the HRA and the General Fund as separate accounts pursuant to Section 74 of the Local Government and Housing Act 1989.
- 7.2 In alignment with the recommendations set out in the body of this report, the Council has statutory duties in respect of homelessness under Part VII of The Housing Act 1996 as amended by The Homelessness Act 2002.
- 7.3 In relation to the acquisition of land, Section 120 of the Local Government Act 1972 empowers a council to acquire by agreement any land inside or outside its area for the purposes of its functions under any enactment, or for the benefit, improvement or development of its area.
[JA/31032022/F]

8.0 Equalities implications

- 8.1 The proposals in this report would help deliver a high quality, affordable, much needed large family home.

9.0 All other implications

- 9.1 The proposals in this report will contribute to the improvements of tenants living conditions and environment and the refurbishment of the property will provide a more energy efficient accommodation.
- 9.2 The human resources implications will be managed within the Housing Services Team.
- 9.3 The property valuation has been approved by a Chartered Surveyor registered with the Royal institute of Chartered Surveyors to ensure good value to the Council.
- 9.4 The current condition of this property is potentially having an impact on the neighbouring properties and community because of persistent fly tipping and anti-social behaviour. The property will be refurbished bringing it up to a Decent Homes standard and allocated to a family in housing need, potentially leaving emergency/temporary accommodation and into a permanent home.

- 9.5 The outbreak of Coronavirus (COVID-19) declared by the World Health Organisation as a 'Global Pandemic' on 11 March 2020 has impacted on global financial markets. The housing market may see an increase in demand for affordable housing and low-cost home ownership due to changes in resident's financial position as a result of COVID-19.

10.0 Schedule of background papers

- 10.1 None