



Northumberland County Council

Cabinet

Tuesday, 9 April 2024

Housing Regeneration Report – Stock Rationalisation

Report of Councillor(s) Cllr Colin Horncastle, Cabinet Member for Looking After our Environment

Responsible Officer(s): Simon Neilson, Executive Director - Place and Regeneration

1. Link to Key Priorities of the Corporate Plan

The implications detailed within this report and the need to provide homes and neighbourhoods that are safe, modern and fit for purpose are aligned to the priorities outlined in the Corporate Plan 2023-26 “Northumberland: Land of Great Opportunities”.

1. Achieving Value for Money – by redeveloping NCC owned sites that currently accommodate low demand stock with housing stock that will be in demand and will generate revenue income
2. Tackling Inequalities - Residents have the building blocks of a good life – by providing safe and appropriate eco friendly housing that will be affordable to rent and heat
3. Driving Economic Growth section specifically under Thriving Places and Culture – by regenerating these areas to create places that people aspire to live in

2. Purpose of report

The report seeks Cabinet approval to:

- To place on hold lettings for empty homes and any homes that become empty in the addresses listed within this report (Appendix 1A);
- To give priority status for re-housing to all customers who currently reside in any of the addresses detailed in this report;
- To approve the award of Home loss & Disturbance payments for any customers relocating from the properties detailed in this report;
- To authorise the progression of any Compulsory Purchase Order process for adjacent properties and Buy backs for any leaseholders if required for the redevelopment proposal;
- To approve the demolition of low demand stock in Blyth detailed in this report.

3. Recommendations

3.1 Members are requested to:

1. Approve placing lettings on hold within these low demand blocks.
2. Approve the prioritisation of customers for rehousing; the issuing of Homeloss and disturbance payments as appropriate.
3. Approval to remove the existing void properties from the Housing Revenue Account rent roll.
4. Authorise the Strategic Director, Housing, Environment and Healthy Communities to commence negotiations to acquire the two residential leasehold properties and develop a suitable compensation package. Should negotiations not be successful to compulsorily acquire the properties using compulsory purchase powers as a last resort.
5. Approve Compulsory Purchase Order process for adjacent properties if required.
6. Approve the demolition of low demand stock in Blyth as detailed in this report.

4. Forward plan date and reason for urgency if applicable

09.02.24

5. Background

- 5.1 Following a review of management performance and investment requirements across a number of low to mid rise blocks in Blyth, Cabinet approval is sought for the demolition of blocks of flats and maisonettes at Delaval Terrace, Windmill Grove, Marlow St, Harper St and Tynedale Drive 1a-1l in Blyth. This demolition phase forms part of the work to support a statutorily compliant Business Plan that can fund a compliant, well maintained and sustainable housing portfolio in line with the Housing Revenue Account Medium Term Financial Plan (MTFP).
- 5.2 Cabinet agreed a new HRA budget and Capital programme in January 2024, which is underpinned by expectations that the housing stock will remain sustainable, with homes meeting the decent homes standard and being maintained as safe and affordable as per the requirements of the Social Housing Regulation Bill. The MTFP includes assumptions about the average void rate across the portfolio being 4.87%. However, it has become increasingly clear that there are a number of low to mid rise blocks where there is little or no demand for the homes when advertised.
- 5.3 There are a number of maisonette style accommodations within the blocks that are not desirable to families with young children. Access to maisonettes is on the first floor, there is no lift, no secure private garden that children can run out to and no in curtilage parking. The flats are only attractive to single people and couples who are not successful in bidding for higher demand stock. This arrangement has created disengaged communities with large communal outside areas (former open air drying areas and coal sheds) that only attract Anti Social Behaviour and fly tipping.

- 5.4 Despite there currently being 14,000 applicants registered on Homefinder, there has been little demand from applicants for this low to mid rise block accommodation. There are approximately 572 flats and 60 maisonettes of this house type across the Blyth area and recent bidding patterns over the last 12 months on vacancies has consistently shown little demand exists as applicants are reluctant to live in this type of accommodation. The overwhelming priority for housing appears to be for a typical family home 2, 3 & 4 bed houses that are accessed by their own front door rather than a communal hallway and have their own defendable outdoor space be it either a yard or a garden.
- 5.5 Void rates at the low and mid rise blocks identified are 32% broken down as follows:
- Windmill Grove at 61%
 - Delaval Terrace at 59%
 - Marlow & Harper St at 33%
 - Tynedale Drive 1a-1l at 8%
- 5.6 These void rates create considerable rent loss and if allowed to go unchecked will have considerable impact on the MTFP. Furthermore, despite continued investment in the flats, they continue to be blighted by Anti Social Behavior, fly tipping and criminal damage. Communal areas and windows are being broken and repaired on a regular basis making it a very poor living environment for the remaining residents and the surrounding properties.
- 5.7 The maisonette blocks in Blyth have been surveyed to determine the condition of the concrete detailing which is showing signs of spalling concrete and exposed steel reinforcement. Record drawings show the concrete architectural detailing used above the window openings to be reinforced concrete boot lintels and the visual survey confirms this. The condition of the exposed reinforced edges of all projecting boot lintels and concrete surround details vary in severity but they generally show signs of the same defects. The steel reinforcement in the concrete has corroded causing the steel to expand which has cracked the concrete. The cause of the defect is due to carbonation and the projection on the concrete detail has allowed the concrete to become saturated and retain moisture longer than if it was flush with the brickwork. Some of the concrete detailing has spalled and is in danger of breaking away and falling to the ground which could be dangerous to anyone below outside. Internal property damage occurs by water ingress through the cracks in the concrete which can sometimes be localised where the cracks can be seen on the outside and the dampness is visible in similar locations internally. The dampness can also occur in other areas of the walls or on the ceilings in the properties below where the rainwater travels down the cavity. The concrete boot lintels create cold bridging from the outer leaf to the inner leaf and we are receiving more complaints related to mould occurring on the inside walls in these maisonettes.
- 5.8 There are temporary and permanent solutions that can be employed to deal with these defects but they are labour intensive, costly and may still not address all the physical problems created by the spalling and cold bridging. Further detail on these defects is detailed in the attached Appendix 1B
- 5.9 Regardless of whether budget can be allocated to carry out these works it has been assessed that such a costly outlay would be false economy as it still does not affect

or improve the fundamental layout of the maisonettes in that they are not conducive to a modern family lifestyle for our residents.

- 5.10 Whilst options have been considered to look at conversion of the units into larger family homes and to improve the public realm this would be limited by structure that is past its lifespan and is restrictive in its layout on the sites. A more efficient use of HRA funding would be to seek authority to demolish the blocks and deliver up development sites that will provide an opportunity to meet the identified local need in different styles of accommodation that will attract a higher demand from Homefinder applicants.
- 5.11 Financial modelling has been undertaken to consider what the comparison would be in retaining these blocks against demolition to make way for new, modern, energy efficient housing. Whilst on paper the blocks continue to provide a positive net present value, in practice the low demand indicates that they will continue to be a drain on revenue and capital resource in the short to medium term and are unlikely to be sustainable in the longer term.
- 5.12 The decision to rationalise the housing offer in Blyth aligns to the Corporate Plan and Homes England's new strategy supporting Regeneration and Housing Renewal. Previous funding rounds have been focused more on net increase of new homes however, the revised strategy from Homes England supports improvements to Place and the creation on new Sustainable Homes and Neighbourhoods.
- 5.13 In 2012 Consumer Standards were introduced and reviewed in 2023, that Registered Providers of social housing needed to comply with. One of those is the Neighbourhood and Community Standard which places a duty on Northumberland County Council to ensure that it keeps the neighbourhood and communal areas associated with their homes clean and safe, promotes the wellbeing of the local area and helps to prevent and tackle antisocial behaviour. The standard also states that a Registered Provider should appoint a Health & Safety lead to monitor compliance; to assess risks of failure; to notify any risks of actual failure to comply with Health & Safety requirements; and to provide advice on addressing risks and failures. The demolition of these blocks would ensure that this duty and risks identified are addressed.
- 5.14 Over the past few years, several significant and tragic events (Grenfell Tower Fire and the death of Awaab Ishak) have highlighted the need for change within the social housing sector. The Social Housing Regulatory Bill 2023 has the aim of improving how social housing is regulated, including strengthening tenants' rights, and ensuring better quality and safer homes for residents. The demolition of these blocks meets with the ambition of the social housing regulatory requirements.
- 5.15 Further cabinet reports will be presented once alternate proposals for the sites have been confirmed but it is expected that sites will remain in Council ownership and used to support the direct delivery of new affordable homes to meet identified local need.

6. Options open to the Council and reasons for the recommendations.

- 6.1 Maintain the status quo, continue to carry voids and incur loss of rent and have residents that are living in poor living conditions.
- 6.2 Invest resources in remedying the window concrete detailing issue causing disruption to residents but not addressing the underlying issue of outdated stock.

Or the preferred recommendations are to:

- 6.3 Approve the prioritisation of customers for rehousing; the issuing of Homeloss and disturbance payments as appropriate.
- 6.4 Approve the removal the existing void properties from the Housing Revenue Account rent roll.
- 6.5 Authorise the Strategic Director, Housing, Environment and Healthy Communities to commence negotiations to acquire the two residential leasehold properties and develop a suitable compensation package. Should negotiations not be successful to compulsorily acquire the properties using compulsory purchase powers as a last resort.
- 6.4 Approve progressing to demolition of the blocks once they are all in a void state.

The recommendations are being made for the following reasons:

- To set a Housing Revenue Account that is not in debit as required under the Local Government and Housing Act 1989 (Part VI) and is able to meet its short and long-term investment requirements.
- To assist in the delivery of the Council’s vision for Northumberland as set out in the Corporate Plan.
- To ensure that council housing stock meets with the core values of health and wellbeing and provides a basis for a thriving community.

7. Implications

Policy	The HRA Budget and Medium-Term Financial Plan which are impacted by these proposals are aligned to the priorities outlined in the Corporate Plan 2023-26 – Northumberland: Land of Great Opportunities.
Finance and value for money	The financial implications of not progressing with these options will result in void properties remaining unoccupied and incurring rent loss, repair and maintenance costs for the Council. Decommissioning the properties will result in financial costs for disturbance and Home loss but will provide VFM in the longer term by allowing development of much needed new affordable homes on the cleared sites that better meet identified local housing need.
Legal	Consultation with legal colleagues will be carried out throughout the process.

Procurement	There are no specific Procurement implications within this report.
Human resources	The proposals outlined in this report may lead to a request for extra staffing resource to carry out tenant liaison.
Property	All of the assets listed in this report are included within the HRA property and assets portfolio although Strategic Estates may be engaged to acquire any leasehold properties.
The Equalities Act: is a full impact assessment required and attached?	No The nature of the main HRA Budget proposal aims to ensure that the Council is able to provide services to all tenants, maintain existing homes to the decent home standard, and develop new housing to meet the needs of current and future tenants. The proposal does not therefore adversely impact on any member of staff, or public due to individual or multiple protected characteristics.
Risk assessment	The risks of doing nothing with these homes will be a detrimental impact on communities and on those residents who are living in poor quality accommodation which is blighted by ASB.
Crime and disorder	It is anticipated that removal of empty homes that have become a magnet for ASB and crime will address this and the sites once cleared will be secured ahead of demolition and redevelopment..
Customer considerations	The individual proposals will carefully consider the impact upon customers impacted by these proposals and any temporary negative impacts will be closely managed.
Carbon reduction	The Council continues to develop proposals concerning the management of energy which are supported by the budget and will look to employ practices and technologies that will minimise harm to the environment.
Health and wellbeing	The proposals should improve the health and wellbeing of customers currently living in low demand failing stock and ensure new housing provision improves health and wellbeing.
Wards	Cowpen; Isabella; Kitty Brewster;

8. Background papers

Appendix 1A and 1B

9. Links to other key reports already published

Energising Blyth report

Blyth Deep Dive application and approval for DLUHC funding

Links can be made available if required

10. Author and Contact Details

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