

BROMSGROVE DISTRICT COUNCIL

CABINET

FEBRUARY 4th 2009

HOUNDSFIELD LANE CARAVAN SITE – UPDATE UPON POTENTIAL TRANSFER NEGOTIATIONS

Responsible Portfolio Holder	Cllr Peter Whittaker
Responsible Head of Service	Dave Hammond
Key Decision	

1. SUMMARY

- 1.1 Faced with the challenge of addressing management, maintenance and refurbishment issues, and with the objective of securing the future provision and continuation of site facilities for Gypsies and Travellers in the District, a report was made to the Executive Cabinet in June 2008 providing members with alternative options for the future management and ownership of the Council owned Gypsy and Travellers site at Houndsfield Lane, Wythall.
- 1.2 Consideration was given to the report that detailed the need to address issues relating to the future management and maintenance of the site together with the possible refurbishment which may be required. It was resolved that officers be requested to further investigate options 3 and 4 set out in the report and to report back to Cabinet on the potential terms which could be negotiated in relation to the transfer of the Houndsfield Lane Caravan site to an alternative organisation.
- 1.3 Options 3 and 4 related to the site being transferred to either the County Council or a Registered Social Landlord (RSL) for continued provision for Gypsy and Traveller communities, refurbishment and extension of existing facilities on the site.
- 1.4 This report provides members with an update upon the outcome of the consultation and negotiations that have taken place since the matter was last considered by Members in June 2008.

2. RECOMMENDATION

- 2.1 That the principle of transferring the Houndsfield Lane Caravan Site to the County Council or a Registered Social Landlord be approved.

- 2.2 That delegated authority be granted to the Executive Director (Partnerships and Projects) and the Sect 151 Officer, in consultation with the Portfolio Holder for Strategic Housing and the Strategic Housing Manager, to negotiate, agree terms and conclude the most favourable transfer proposal that provides a cost effective solution for the Council and provides a protected and enhanced site and service to the Gypsy and Traveller community.

3. **BACKGROUND**

- 3.1 Houndsfield Lane Caravan site is situated in the Wythall area of the district adjacent to the boundary with Solihull. The site provides caravan / mobile home site facilities for use by the Gypsy and Traveller community.
- 3.2 The local authority has owned the site since 1964 when it originally provided 6 pitches. Having undergone two refurbishments over the years, the site now provides a total of 18 permanent pitches with amenity blocks plus seven unused transit pitches.
- 3.3 Prior to Large Scale Voluntary Transfer, the site was managed by the Housing Section of the Council's Treasurer's Department.
- 3.4 BDC remains the only District Council in Worcestershire that has retained ownership of a Gypsy and Traveller Caravan Site; all other sites are owned and managed by the County Council.
- 3.5 The Government currently has grant available to help fund the provision of additional Gypsy and Traveller residential pitches (100%) and to assist in the refurbishment of existing sites to current day standards (50% – 75%). The application process for grant assistance is extremely onerous and requires a high degree of technical ability. Bids for Government grant will only be considered if plans for refurbishment and extension are worked up to a high and detailed standard.
- 3.6 **Management issues associated with continuing ownership by the Council – As detailed in the previous report.**

When the Council transferred its housing stock to BDHT in 2004, the site remained in the ownership of the Council and the management was outsourced to Bromsgrove District Housing Trust under a service level agreement as there was no longer the infrastructure e.g. repairs, rents and tenant management services to enable it to be managed effectively 'in house'.

- 3.7 Whilst BDHT continues to provide a site management service to the Council, it is recognised that the visiting warden arrangements are under resourced and at times of difficulty, require back up from the Council's Strategic Housing Staff. BDHT have expressed a desire to

withdraw from providing the management service to the Council as it is not cost effective for them and is incompatible with their housing management role.

- 3.8 The low level of management and supervision of the site leaves the Council at risk of not being suitably equipped to manage anti social behaviour, licensee / occupancy management issues and unauthorised entry onto the site. Low level management means that it is difficult to prove whether dilapidation to the site is caused by unlawful damage by residents or has occurred through natural usage. Potentially a situation of unlawful entry onto and occupation of the site could lead to the site becoming unmanageable and existing residents put at risk.

3.9 **Maintenance issues associated with continuing ownership by the council – As detailed in the previous report.**

Under the Council's Housing Capital Programme, the utility blocks have benefited from PVC door and window replacement. Otherwise there has been little capital investment in recent years, other than response repairs and repair of amenity units at change of occupation.

- 3.10 Many amenity units still have the original concrete floors, painted concrete block walls and no heating. Others have been improved by the residents themselves
- 3.11 With regard to the condition and facilities on each individual pitch, current recommended standards require higher levels of insulation, better space standards and more modern facilities to be provided within amenity blocks. Direct metering of electricity supply is considered more appropriate than the sub metered arrangements currently in place.
- 3.12 With regard to the communal areas and the overall site itself, there is considerable improvement work ideally requiring upgrading of the perimeter fencing and relaying of the concrete hard standings.
- 3.13 There has been little demand for use of the 7 transit pitches which are therefore a resource that could be converted into use as permanent pitches if upgraded and amenity units provided. National guidance now identifies that permanent and transit patches are incompatible and are best not provided in the same location.
- 3.14 **Demand and supply issues relating to the provision of sites for Gypsy and Travellers in the district**

Members will recall from the June report that a Gypsy and Traveller Accommodation Assessment had been completed for the South Housing Market Area to meet CLG requirements. The Assessment had concluded that across the South Housing Market Area (Worcestershire,

Stratford and Warwick) there is a potential need for 289 additional pitches across the 8 districts.

3.15 The assessment identified that no additional pitches are required in the Bromsgrove District up to 2013 and that as there is no need for Transit Accommodation in the area, the unused transit pitches at Houndsfield Lane could be used to meet future G&T residential needs in this or the wider area.

3.16 The assessment will be used to inform Phase Three of the RSS process which when adopted (early 2011) will make allocations to authorities to meet the identified need. The allocation may be different to the needs identified for this district in the assessment.

3.17 **Summary of the options that were considered by Cabinet in June 2008 for addressing the refurbishment, management and additional provision issues**

The previous report to cabinet examined the options for upgrading the existing site. Whilst there were short term solutions, these would not solve the longer term capital and revenue pressures that continued ownership of the site would bring to the Council.

3.18 Members considered four options that were set out in the report to establish the best way for the Council to address both the ongoing management and maintenance difficulties of running the site and the need to further improve and extend the facilities.

Options 1 and 2 were for the ownership of the site to remain with the Council. Both carry a risk of the site revenue budget falling into deficit and the Council also facing future capital commitments to maintain and improve the site.

Option 3 offered the opportunity of the site being transferred into County Council ownership.

Option 4 offered the solution of transferring the site to an RSL that had involvement and interest in the sector of housing for Gypsy and Travellers. Rooftop Housing had expressed an interest in acquiring the site and was prepared to consider a number of ways in which this could take place including the possibility of managing the grant application for and project managing site upgrade and extension.

3.19 It was established that the most appropriate way forward was to transfer the site to an organisation equipped to manage the site in the longer term and to bid for government grant to refurbish the site to full CLG recommended standards and provide additional residential pitches on the transit part of the site. The cost of refurbishment works

was estimated to be in the region of £800,000 for which up to 75% could be bid for from the CLG. The cost of providing additional residential pitches with amenity blocks was estimated to be in the region of £430,000 for which 100% CLG grant could be applied for.

- 3.20 It was resolved that officers be requested to further investigate options 3 and 4 set out in the report and to report back to Cabinet on the potential terms which could be negotiated in relation to the transfer of the Houndsfield Lane Caravan site to an alternative organisation.

4.0 PROGRESS UPON NEGOTIATIONS UNDER OPTIONS 3 AND 4

- 4.1 Meetings have taken place separately with both officers of the County Council and Rooftop Housing Group Ltd. Following further consultation with the site residents, both organisations have been given the opportunity to visit and inspect the site.

- 4.2 **Progress with Option 3 – Proposal to transfer the site to the County Council.** - Discussions with officers of the County Council's Countryside Unit of Environmental Services indicate a good deal of support to the principle of transferring the site to the County Council. However, there appear to be some staff resource issues that would come under pressure if County were to project manage the refurbishment bid and there is a reluctance by the officers to recommend the transfer proposal to County Council Members unless it can be presented as part of a wider strategic partnership with local authorities to enable traveller sites to be provided across the county.

The County Council officer's vision for such a strategy would be for there to be partnership working with local authority Planning Departments to enable the provision of sites to meet the identified need. The view is that local authorities should provide leadership and develop communication strategies with Gypsy and Traveller communities to assist and guide them upon how to bring appropriate potential private sites forward for consideration.

The Worcestershire Planning Officers Group is to discuss a way forward in the near future, but until some form of progress is established it is uncertain when site transfer proposals can be further progressed.

- 4.3 **Progress with Option 4 – Proposal to transfer the site to an RSL.** In the absence of interest by the Council's RSL preferred partners, discussions have taken place with Rooftop Housing Co. Rooftop Housing (a Worcestershire RSL based in Evesham) has undertaken a substantial amount of research into the needs of the Gypsy and

Traveller client group and has opened up dialogue with the GOWM who are eager for RSLs to play a more active role in the provision of services to the travelling community. As previously reported in June 2008, Rooftop had expressed an interest in acquiring the site and is prepared to consider a number of ways in which this could take place including the possibility of managing the grant application and project managing the site upgrade and extension. Rooftop now has their Board's approval to appoint a specialist officer to develop and manage Rooftop's range of services into the travelling community.

Rooftop have appointed architects to develop plans for the Houndsfield Lane site and have very recently submitted scheme proposals for the refurbishment of the site, replacement of all amenity blocks with significantly higher standard (CLG Design Standard) residential units and the provision of five additional residential pitch/ units on the transit part of the site. Eight of the existing pitch/units and the five additional pitch/units are specifically designed for use by older or disabled residents and incorporate innovative features to provide level access between the amenity units and the residents own caravan. The scheme proposal would also include the provision of a new office and communal facility / meeting place for residents and the relocation of child playground facilities.

Receipt of the formal proposal from Rooftop co-insides with the deadline for the despatch of this report and thus has not allowed detailed analysis of the submission to take place. Whilst on the face of it, the proposed scheme costs are higher than originally anticipated; the submission indicates a willingness for the RSL to contribute a degree of funding through a loan that would be supported from anticipated rental income to supplement the government grant and local authority contribution.

- 4.5 Both options 3 and 4 require further investigation. The option of a transfer to County appears to be a long way off being a possibility, however if planning issues are progressed, option 3 could become a viable option. The scheme proposals submitted by Rooftop clearly need to be analysed in depth to establish whether the level of expenditure / investment is appropriate to qualify for Government Grant and whether the level of borrowing that would be required by the RSL can be sustained by rental income without there being any future deterrent to the levels of rent charged and services provided to residents.
- 4.6 Progression under Options 3 and 4 requires ongoing and complex involvement by Council officers. The deadline for the submission of an application for grant by either an RSL or the County Council to the CLG's annual bidding round is July 2009.

- 4.7 Due to the complexity of the negotiations and the tight timescale to achieve a bid submission by July 2009, Members are asked to approve the recommendation that delegated authority be granted to the Executive Director (Partnerships and Projects) and the Sect 151 Officer, in consultation with the Portfolio Holder for Strategic Housing and the Strategic Housing Manager, to negotiate and conclude the most favourable transfer proposal that provides a cost effective solution for the Council and provides a protected and enhanced site and service to the Gypsy and Traveller community.

5. CONSULTATION

- 5.1 A Customer Satisfaction Survey of residents of the Houndsfield Lane Caravan Site was carried out in November 2007. Within the survey, occupants views were sought upon their preferred use for the under utilised transit pitches on the site and given four options. The following results were received in respect of occupant's first choice of alternative use:

Social Housing	9.1%
Adapted bungalows for older travellers	9.1%
New permanent residential pitches	54.5%
Transit use	18.2%

- 5.2 Previous consultation upon the future needs of site occupants carried out 3 years ago indicated a desire amongst older gypsy and traveller occupants to be able to remain on the site in their later years. Accordingly it is considered that upgrading of existing and provision of new pitches and amenity units would be designed to be more accessible for older persons and residents with a disablement.
- 5.3 On the third of September 2008, the Strategic Housing Manager and the Strategic Housing Performance Monitoring & Enabling Officer spent half a day on the Houndsfield Lane site interviewing individual residents and small groups of residents explaining to them why transfer is being considered and asking them a set of questions covering their preferences with regard to the future use of the Transit site, the standard and type of amenity unit facilities they require and their views upon the potential transfer of the site to an RSL or County Council. The overall outcome of the consultation indicated a low level of concern with regard to the proposed transfer of the site and general support if it would lead to a higher level of investment in the site and the individual pitch amenity units. The majority favoured the use of the unused transit site for the provision of additional residential units.

6. FINANCIAL IMPLICATIONS

- 6.1 The revenue and capital financial implications for the Council in continuing to own the site were set out in section 9 of the June 2008 report.
- 6.2 The financial implications to the Council in the event of a transfer taking place would be the need to find match funding for any Government Grant that may be received towards a full refurbishment scheme. This would amount to 25% of the refurbishment costs. Whilst an allowance has been made in the Council's capital programme to potentially fund this amount, our negotiations with the potential new owners of the site would seek to maximise the level of contribution being made by them towards the match funding (25%) by them taking out a loan that could be supported from projected net rental income from the site after modernisation has been completed. Whilst a higher level of rent and service charge may be justified to reflect any improvements that are subsequently made to the site, it will be important to ensure that these are reasonable and will not exclude access to the site and its facilities by the client group.
- 6.3 The Houndsfield Lane Caravan site was valued at £400,000 in July 2005 in accordance with CIPFA recommendations for the valuation of capital assets held by public authorities. The basis of the valuation was Existing Use Value based upon the assumption that vacant possession would be provided of all parts of the property. The value of the site upon transfer to an RSL or other social housing provider would be on the basis of the existing use being preserved in perpetuity or until such time as the Council agreed to the site being released (after sale) for any alternative use. Accordingly the value of the site would be restricted to a capitalisation of the annual net income which would be significantly lower than that reflected in the asset valuation. A 'Claw Back' clause would be included in any transfer terms that would allow the Council to recover open market value in the event of the future owner ever being released from the condition of utilising the site solely for the provision of accommodation for the Gypsy and Traveller community.

7. LEGAL IMPLICATIONS

- 7.1 From 2008, The Housing Regeneration Act 2008 removes the exemption of local authority sites being licensed which is likely to have implications for the future standards that will be required for local authority owned sites.
- 7.2 In the event of a transfer taking place the Council would impose a covenant requiring the site owner to continue to provide accommodation for the Gypsy and Traveller community unless the Council gave its permission for the site to be used or sold for an

alternative use. In circumstances where the Council would give its permission for the site to be sold or used for alternative purposes, then a clause would be included in the conveyance allowing the Council to claw back funding from the land owner representing an appropriate proportion of the open market value at the time.

8. COUNCIL OBJECTIVES

- 8.1 CO1 Regeneration – Housing
CO2 Improvement – Customer Service
CO3 Environment – Climate Change (improved insulation to amenity units)

9. RISK MANAGEMENT

- Loss of outside organisation to manage Houndsfield Lane Site.
- Budget deficit due to repair and management issues.
- Unlawful occupation and anti social behaviour.

- 9.1 Currently the risks identified in the bullet points above are not addressed by any risk register and will be added to the 2008 revision of the risk register.

10. CUSTOMER IMPLICATIONS

- 10.1 In the event of alternative management and ownership options being pursued, site residents would be further consulted. A key element of the transfer proposal is to achieve replacement or refurbished amenity units for each residential pitch and improved communal services on the site including direct electricity supplies to each pitch.

11. EQUALITIES AND DIVERSITY IMPLICATIONS

- 11.1 The report relates to the provision of housing and services to a minority group. Failure to address the needs of this group and to maintain or improve standards may be in breach of the Council's Inclusive Equalities Scheme.
- 11.2 It is important in the event of the site being transferred, that the Council should impose a covenant or other legal undertaking by the new owner that the site would continue to provide accommodation for the Gypsy and Traveller community.
- 11.3 Gypsies have established themselves as an ethnic group by virtue of precedent under the Race Relations Act and have recourse to legal action under the Act if they are treated less favorably. Irish Travelers'

established that they are also an ethnic group under the Race Relations and the CRE declared that Scottish Travelers' should also be classed as an ethnic group.

- 11.4 If the site was to be transferred, any receiving RSL would be required to make a formal commitment to participating in the Council's Hate Crime Incident Reporting System and promote the reporting system to their tenants and provide access for their tenants to the mechanism for reporting incidents.

12. VALUE FOR MONEY IMPLICATIONS

- 12.1 The report addresses value for money issues in pursuing options 3 and 4 for the refurbishment and extension of the site to release the Council from future revenue and capital pressures. The report recommends, that negotiation and the agreement of terms should reflect the most favourable transfer proposal that provides a cost effective solution for the Council whilst ensuring a protected and enhanced site and service to the Gypsy and Traveller community.

13. OTHER IMPLICATIONS

Procurement Issues Yes
Personnel Implications None
Governance/Performance Management None
Community Safety including Section 17 of Crime and Disorder Act 1998 Future management and standards of site impact upon ability to reduce crime and disorder.
Policy No
Environmental Condition and standard of site impact upon environment.

22. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Chief Executive	Yes
Executive Director - Partnerships and Projects	Yes
Executive Director - Services	Yes

Assistant Chief Executive	Yes
Head of Service	Yes
Head of Financial Services	Yes
Head of Legal, Equalities & Democratic Services	Yes
Head of Organisational Development & HR	Yes
Corporate Procurement Team	Yes

23. WARDS AFFECTED

All wards specifically Hollywood and Majors Green within which the Hounsfield Lane site is situated.

24. APPENDICES

None

BACKGROUND PAPERS

Gypsy and Traveller Accommodation Assessment.

CONTACT OFFICER

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