

Manchester City Council Report for Resolution

Report to: Executive - 14 October 2020

Subject: Demolition of the Maisonettes on Bridgnorth Road

Report of: Interim Director of Housing and Residential Growth

Summary

This report sets out proposals for the demolition of a maisonette block on Bridgnorth Road, Higher Blackley. The block is in a poor state of repair and will require significant investment over the next few years to bring it up to Decent Homes standard.

Located alone on a large site, which sits next to other vacant land, it provides an opportunity, if the block was to be demolished, to create a larger development site for the re-provision of modern, energy efficient, social and affordable homes in the area. The larger development site has the potential for 38 new homes, providing an increase of 22 homes in the area.

A comprehensive consultation exercise was conducted, in March 2020, to ensure residents living at the maisonette block, numbers 2 to 32 Bridgnorth Road, had the opportunity to have their say on the proposals. Overall, 82% of residents responded to the consultation of which 93% supported the proposal to demolish the block.

Recommendations

The Executive is recommended:

1. To note the results of the residents' consultation where 82% of residents took part, of which 93% supported the proposal to demolish the maisonette block.
2. To authorise the Interim Director of Housing and Residential Growth, in consultation with the Executive Member for Housing and Regeneration, to cease new lettings for the maisonettes at Bridgnorth Road.
3. To authorise the Interim Director of Housing and Residential Growth, in consultation with the Executive Member for Housing and Regeneration, to declare the maisonettes in the block surplus to requirements and should be demolished.
4. To authorise the Interim Director of Housing and Residential Growth to serve Initial Demolition Notices to all secure tenants within the block in order to suspend the right to buy pending the demolition of the block.
5. To authorise the Interim Director of Housing and Residential Growth to award Band 1 rehousing priority to displaced residents.

6. To approve the use of Home Loss and Disturbance compensation for all displaced residents.

Wards Affected: Higher Blackley

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| Environmental Impact Assessment - the impact of the decisions proposed in this report on achieving the zero-carbon target for the city |
| The existing maisonette block is poorly designed, not energy efficient and fuel costs for residents are considered to be high. Demolition will allow for more energy efficient/low carbon homes to be developed on the site, together with vacant land adjacent to the site, hence increasing the number of affordable homes across the city. |

| Our Manchester Strategy outcomes | Contribution to the strategy |
|---|---|
| A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities | Affordable housing gives people a stable, well-managed home to enable them to fulfil their potential |
| A highly skilled city: world class and home grown talent sustaining the city's economic success | A world class city requires a mix of homes for all members of the community |
| A progressive and equitable city: making a positive contribution by unlocking the potential of our communities | Increasing the amount of affordable housing will provide the opportunity for Manchester residents to raise their individual and collective aspirations |
| A liveable and low carbon city: a destination of choice to live, visit, work | The right mix of quality energy efficient housing is needed to support growth and ensure that our growing population can live and work in the city and enjoy a good quality of life. |
| A connected city: world class infrastructure and connectivity to drive growth | Demolishing poorly designed, low demand housing and replacing with new, better designed, housing will enable us to retain neighbourhoods where residents choose to live and their housing needs and aspirations are met |

Full details are in the body of the report, along with any implications for

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

Following the demolition of these properties there will be a loss of rent of c£60k per annum to the HRA, and this will be slightly offset by reduced ongoing investment requirements. The net loss to the HRA over the life of the 30 year business plan is c£1.533m.

In addition to the above there will also be an additional £161k for security and holding costs in relation to the void properties for a period of up to 12 months. This would also be funded through the Housing Revenue Account (HRA).

Financial Consequences – Capital

The estimated capital costs of the demolition, and tenant homelessness & disturbance payments are £0.637m. This is made up of £475k demolition costs and £162k for home loss and disturbance payments to existing tenants. Approval for an increase to the capital programme is required and the project will be subject to the usual checkpoint process for approvals.

Depending on the future use of the land the Council may receive a capital receipt once the vacant site is disposed of.

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Background documents (available for public inspection):

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

Delivering Manchester's Affordable Homes to 2025 - Executive 11 September 2019

1.0 Introduction

- 1.1 The 'Our Manchester' strategy has established a series of high level aims to secure the 2025 vision for the city, in particular the need to build well designed, energy efficient, sustainable and affordable homes to rent and buy. Creating more homes to meet the needs of a growing population and economy is our highest priority.
- 1.2 Manchester's aspiration, through the Residential Growth Strategy, is that we have sufficient homes for people to buy or rent that are affordable for Manchester residents. At the core of what we are doing, as set out in the Housing Strategy 2016-21, are Manchester City Council's three objectives:

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| Growth | Increasing the quantity of housing to ensure the right types of housing are available in the right places. |
| Place | Raising the quality and sustainability of our homes and neighbourhoods. |
| People | Enhancing opportunities to access homes for residents with raised aspirations and a sense of self-esteem. |

2.0 Background

- 2.1 The Riverdale estate in the Higher Blackley ward is a sustainable area with good demand for most property types. The stock profile for the estate is a mix of houses, flats and maisonettes, with a high percentage of properties sold through the Right to Buy.
- 2.2 The estate has four blocks of maisonettes at Bridgnorth Road, Inchcape Drive and Riverdale Road, comprising 44 properties: 8 x 3-bed and 36 x 2-bed homes. Despite investment in the maisonettes to achieve the Decent Homes standard in 2011, the blocks are generally a poor housing offer with limited demand for the upper units.
- 2.3 Options appraisals carried out suggest that three of the blocks at Riverdale Road and Inchcape Drive are suitable for refurbishment and the block at Bridgnorth Road, comprising 16 x 2-bed homes, should be demolished. Whilst all four blocks require significant improvements and investment, the block on Bridgnorth Road sits alone on a large site and is adjacent to other vacant land which will provide potential for more housing to be delivered in the area. The estimated refurbishment costs for the block (without zero carbon measures) also exceed the cost of demolition and rehousing.

3.0 Options Appraisal

- 3.1 Without major investment the maisonettes at Bridgnorth Road are set to fail the Decent Homes standard by 2022. In addition, significant further investment over the next few years would be required to meet the Council's 'Decent Homes Plus' and zero carbon target.

- 3.2 Demolishing the block, which sits alone on a large site, next to vacant land, provides an opportunity to engage a Registered Provider (RP) partner to build out more social and affordable homes in the area or to include the land for development by the Council's embryonic housing delivery vehicle.
- 3.3 The following points support the proposal to stop lettings and demolish:
- A resident consultation on the proposal to demolish the block in March 2020 highlighted overwhelming support (93%) for the demolition of the block due to its poor state of repair.
 - The site sits next to other vacant land which provides an opportunity to create a larger development site for the re-provision of modern affordable homes in the area.
 - The development land made available by the demolition of these properties has the potential for 38 new homes, providing an increase of 22 homes in the area.
- 3.4 The following options have been explored:
- To carry out a refurbishment scheme, to bring the maisonettes up to decent home plus standards, at a cost in excess of £1.2m (£75K per property), and significantly more investment would be required to bring the maisonettes up to zero carbon standards. This option is not considered to be good value for money.
 - To demolish the maisonette block at Bridgnorth Road as this will provide opportunity for more affordable homes on the site, which are modern and energy efficient.

4.0 Consultation

- 4.1 Under Section 105 of the Housing Act 1985 the Council must consult its tenants before making a housing management decision in relation to demolition.
- 4.2 A comprehensive consultation exercise was carried out in March 2020. The aim of the consultation was to provide residents with the opportunity to express their views on the proposals to either demolish or to refurbish the block, through a questionnaire, and it was felt important that residents had the opportunity to ask officers questions face to face during the consultation exercise.
- 4.3 Letters were distributed to residents, residing at numbers 2 to 32 Bridgnorth Road, informing them of the proposals, the decision making process and how their views would be captured through the consultation exercise, including details that officers would be visiting , every day, over a specified period. Residents were also given the option of making appointments with officers at a time that suited them, or to complete the questionnaires themselves and return using stamped, addressed envelopes provided.

4.4 82% of residents took part in the consultation of which 93% supported the proposal to demolish the block. A summary report of the findings is attached at appendix A.

5.0 Stopping Lettings / Rehousing

5.1 Meeting residents' housing needs

Affected residents will be relocated in accordance with their housing need to alternative accommodation with at least 2 bedrooms, if requested.

5.2 Empty properties

The Council will carefully consider the impact on the residents and in the surrounding area when choosing the type of security for the block as homes become empty as a result of the decision to demolish.

6.0 Delivery and timescales

6.1 Following approval by Executive the indicative delivery timescales are:

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| • Rehousing Registrations | November - December 2020 |
| • Rehousing (including compensation) | February 2021 – April 2021 |
| • Procurement of Building Services | January 2021 |
| • Demolition Works | July 2021 - December 2021 |
| • Handover of vacant site | December 2021 |

7.0 Management of Vacant Sites

7.1 Following demolition the resulting vacant site will be managed by the City Council until the future redevelopment commences.

8.0 Conclusion

8.1 Due to the high cost of maintaining and improving the maisonette block on Bridgnorth Road, the opportunity to deliver more affordable housing on the site and overwhelming resident support for the proposal to demolish, the Executive is asked to support the proposal for the Interim Director of Housing and Residential Growth to rehouse residents and demolish the block. In the longer term this would allow for more modern, energy efficient, low carbon, affordable homes in the area to be built.

9.0 Contributing to a Zero-Carbon City

9.1 The right mix of quality, energy efficient housing is needed to support growth and ensure that our growing population can live and work in the city and enjoy a good quality of life.

9.2 The existing maisonette block is poorly designed, considered not to be energy efficient and fuel costs for residents are high. Demolition will allow for more energy efficient and low carbon homes to be developed. The remaining 3

blocks of maisonettes will be refurbished including work which will support the Council's carbon reduction strategy.

10.0 Contributing to the Our Manchester Strategy

(a) A thriving and sustainable city

10.1 Affordable housing gives people a stable, well-managed home to enable them to fulfil their potential

(b) A highly skilled city

10.2 A world class city requires a mix of homes for all members of the community

(c) A progressive and equitable city

10.3 Increasing the amount of affordable housing will provide the opportunity for Manchester residents to raise their individual and collective aspirations

(d) A liveable and low carbon city

10.4 The right mix of quality energy efficient housing is needed to support growth and ensure that our growing population can live and work in the city and enjoy a good quality of life.

(e) A connected city

10.5 Demolishing poorly designed housing and replacing with new, better designed and sought after housing, will enable us to retain neighbourhoods where residents choose to live and their housing needs and aspirations are met.

11.0 Key Policies and Considerations

(a) Equal Opportunities

11.1 Residents of maisonettes will be treated fairly and equally and provided with clear, consistent information regarding this proposal. Every attempt will be made to engage with residents and assist them with their rehousing options if the decision is to demolish.

(b) Risk Management

11.2 Risks associated with the project will be managed by the Director of Housing and Residential Growth. The Risk Log will be updated and reviewed regularly.

(c) Legal Considerations

11.3 Before making a housing management decision in relation to demolition, Section 105 of the Housing Act 1985 provides that the Council must consult those of its tenants that are likely to be substantially affected.

11.4 Initial Demolition Notices will need to be served on all secure tenants within the block in order to suspend the statutory right to buy. The City Solicitor will continue to support and advise the project team to ensure that the necessary arrangements are put in place, which sufficiently protect the Council, and comply with all relevant legislation, regulatory and constitutional requirements.