



Council Cabinet
16th January 2019

ITEM 15

Report sponsor: Christine Durrant – Strategic
Director of Communities and Place
Report author: Karen Brierley – Principal
Housing Development Manager

Allocation of Grant to the War Memorial Village Trust

Purpose

- 1.1 To propose the allocation of Right to Buy (RtB) receipts as grant funding to the War Memorial Village Trust (WMVT) to replace unsuitable properties and provide new homes

Recommendation(s)

- 2.1 To approve the allocation of Right to Buy receipts as grant funding to WMVT to replace unsuitable properties and provide new homes that are fit for purpose.
- 2.2 To delegate authority to the Strategic Director of Communities and Place and the Head of Legal Services to enter into all negotiations and approval of the grant conditions to WMVT.

Reason(s)

- 3.1 To provide new suitable homes that are fit for purpose and meet the current design requirements for wheelchair users enabling specialist housing that would otherwise not be financially viable.
- 3.2 To ensure the allocation of the grant for the redevelopment is undertaken in accordance with Council procedures ensuring due diligence throughout.

Supporting information

- 4.1 The WMVT offers affordable rented accommodation within a cluster development in the Allenton area of the city to ex-servicemen or women and disabled residents of Derby in receipt of industrial injuries, pension/war disability/registered disabled or with an ex-emergency service background.

- 4.2 The War Memorial Village consists of a mix of flats, bungalows and houses. Of these there are 4 flats and 2 bungalows that are no longer fit for purpose and it is proposed to demolish them and replace them with 9 new bungalows that are accessible and adaptable with level access showers.
- 4.3 The 4 flats have been hard to let and as a result have been vacant for a number of years. Although empty they have still been accruing Council Tax charges with no rental income to meet the expenditure. Due to the design standards at the time they were built it is not viable to undertake a scheme of remodelling to bring them up to an accessible standard for a disabled person so the decision was made to demolish them.
- 4.4 In addition there are 2 bungalows that are very large in comparison to resident requirements and sit on gardens that are difficult to maintain. Taken together, the footprints released by the progressive demolition and new provision will allow for improvement in the quality and sustainability of the housing stock and an increase in the total stock by better use of the footprint.
- 4.5 The 4 flats will be demolished and replaced with 3 bungalows on the same footprint as Phase 1 on the works. The 2 bungalows will be demolished and replaced with 6 bungalows on the same footprint as Phase 2 of the works. Both phases will be carried out consecutively.
- 4.6 On completion of construction WMVT will let the new homes as affordable housing to those in housing need through Derby Homefinder or in accordance with WMVT Allocations Policy or an allocation policy agreed between Derby City Council and WMVT.
- 4.7 WMVT was established in 1949 and became a registered charity in 1965. Originally providing affordable accommodation to disabled veterans, this has now extended to include a broader range of people needing these types of homes.
- 4.8 Since 2013, WMVT have had a contractual arrangement in place with Derby Homes to provide the management and maintenance services for the village as well as allocations.
- 4.9 WMVT have directly contracted with a demolition company and have appointed an independent agent to oversee the works and costs.
- 4.10 The properties will not be subject to Right to Buy (RtB) which will protect the grant allocation

Public/stakeholder engagement

- 5.1 Discussions have been held between WMVT and DH relating to the management, maintenance and letting of the new properties and their current arrangement will extend to include the 9 new bungalows.

Other options

- 6.1 To not allocate Right to Buy receipts as grant funding to WMVT. This would not bring forward new suitable homes that are fit for purpose and meet the current design requirements for wheelchair users
- 6.2 To not allocate Right to Buy receipts as grant funding to WMVT. By allocating surplus receipts to WMVT the Council will ensure the allocation of receipts within the city and help avoid a financial penalty.

Financial and value for money issues

- 7.1 RtB receipts can be used to fund up to 30% of development of Affordable Housing. The grant to WMVT would be 30% of total costs incurred for x7 of the new bungalows as a net gain.
- 7.2 Where RtB receipts are not allocated within 3 years they must be returned to the Department of Communities and Local Government for re-investment elsewhere with an interest payment calculated at 4% above base rate. By allocating surplus receipts to WMVT, the Council will ensure the allocation of receipts within the city and help avoid a financial penalty.
- 7.3 The exact level of grant will be subject to a final tender for the works but an indicative redevelopment cost of £1,200,000 for the 9 properties has been provided which would give a grant level of £300,000 for the 7 eligible properties.

Legal implications

- 8.1 The grant to WMVT will be made on the basis of the Council's standard form Grant Agreement.

Other significant implications

- 9.1 The new homes will ensure Derby's residents have access to high quality, affordable homes and housing services which support communities and improve quality of life.
- 9.2 Equality - The homes will be accessible for disabled people with level access showers enabling people living there to have a much better quality of life and accessible environment

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Emily Feenan	7-1-19
Finance	Amanda Fletcher	7-1-19
Service Director(s)	Greg Jennings	
Report sponsor	Christine Durrant	

Other(s)

Ian Fullagar