



**WARDS AFFECTED – SPINNEY HILLS,
STONEYGATE**

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

CABINET

24 JULY 2006

RENEWAL EFFICIENCY SAVINGS - FUTURE OF RENEWAL OFFICES

REPORT OF THE CORPORATE DIRECTOR (HOUSING)

1. PURPOSE

To agree the future of two surplus properties.

2. SUMMARY

- 2.1 The Housing Renewal Efficiency Review proposed that three offices be merged into one which would save managerial and support costs as well as releasing a valuable residential property. In the interim it was agreed that a limited customer service be provided from the closed offices until suitable alternatives could be found. This interim arrangement is estimated to cost £55K per annum and provision has been made for one year only in 2006/07.
- 2.2 It has not been possible to identify sustainable alternative uses of the two surplus properties. Melbourne Road, if sold, will yield a significant capital receipt that may be used for more affordable housing and Evington Road office closure would avoid lease costs.

3. RECOMMENDATIONS

It is recommended that:

- 3.1 Notice is given in August 2006 to determine the lease on the Renewal Office at 166 Evington Road under the break clause provisions on its anniversary date in February 2007.
- 3.2 Until the lease expires in February, consideration is given to the Stoneygate Ward Community Alliance using the Evington Road office for this temporary 6 month period and that consideration is also given to piloting a Customer Services Surgery at this site (see 5.1 in Supporting Information).

- 3.3 The Renewal Office at 99 Melbourne Road is disposed of by auction and the receipt be used to fund the Housing Capital Programme.
- 3.4 A Renewal and Grants Surgery is provided from an alternative location in the Spinney Hill Ward until March 2007 at the latest and subject to use by the public.

4. HEADLINE FINANCIAL AND LEGAL IMPLICATIONS

4.1 Financial Implications Rod Pearson x7108

Closing the two offices would result in revenue savings and a useable capital receipt. If the two offices are not closed then the cost in a full year is £55k for which there is no budget or capital programme provision beyond 2006/07.

Revenue costs of £17k would need to be cut and in a context where all 3 frontline General Fund services have been subject to efficiency reviews any cut will have frontline and/or CPA implications. In this context, retention of the offices would require the Renewal and Grants Service to be cut by £17k, which would mean 100 fewer low income owner-occupiers receiving advice and assistance with home improvements.

Capital costs of £38k (arising from capitalised premises/staff costs) would mean that on average three fewer home improvement grants would be paid.

4.2 Legal Implications Joanna Bunting x6450

As the Melbourne Road Office is housing stock the Secretary of States consent will be required for disposal.

5. Officers to contact about this report -

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DECISION STATUS

| | |
|--------------------------------------|---|
| Key Decision | Yes |
| Reason | Significant effect on one or more wards |
| Appeared in Forward Plan | Yes |
| Executive or Council Decision | Executive (Cabinet) |

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

CABINET

12th JUNE 2006

RENEWAL EFFICIENCY SAVINGS - FUTURE OF RENEWAL OFFICES

REPORT OF THE CORPORATE DIRECTOR (HOUSING)

SUPPORTING INFORMATION AND APPENDICES

1. BACKGROUND

- 1.1 One of the most significant features of the Council's three-year revenue strategy, agreed in February 2006, is a substantial efficiency drive, which includes management restructuring in all departments. We have achieved management restructuring of the Renewal & Grants Service by centralising staff to one location in Ross Walk, Belgrave. As part of this centralisation, staff are to be withdrawn from area offices at 99 Melbourne Road (Spinney Hills Ward) and at 166 Evington Road (Stoneygate Ward). The original intention was that these offices would be closed.
- 1.2 Following concerns raised by Ward Councillors the Corporate Director of Housing agreed with the Leader of the Council that these two offices will be retained in the short term and that the usual advice sessions will continue to run. These advice sessions take place for two hours three times per week, giving a total of six hours per week at each office.
- 1.3 Recommendations relating to the Renewal & Grants Service included in the Revenue Strategy report were; reducing the number of offices in use; changing the management structure; and reducing staff in line with changed workloads. The report went on to say that, "Staff will be moving to Ross Walk. The Melbourne Road and Evington Road Offices will continue to open on a surgery basis while a review of usage is carried out to determine whether they are closed on a permanent basis".
- 1.4 As a consequence of that decision the proposed efficiency savings for 2006-07 were reduced by £17,000 from £113,000 down to £96,000 and an additional charge will need to be made on the capital programme for 2006-07 of £38,000. The approximate annual cost of running the Evington Road office is £26,000 and at Melbourne Road it is £6,000.

- 1.5 One of the historical features of the Council's Housing Renewal Strategy has been an area-based approach. After declaration of an area it was usual for a local Renewal Office to be opened enabling staff to work closely with the local community. Part of this work was providing local advice surgeries, supporting Resident Associations and liaison with other agencies and departments about area issues and on behalf of individual residents.
- 1.6 Due to the changing nature of the areas covered by the Renewal Area programme there will no longer be extensive community involvement and no need for local offices. However individual residents will continue to be consulted on work to their own homes. These changes were agreed by Cabinet on 9th January 2006 after considering a report entitled "Decent Homes in the Private Sector / Review of Policy".
- 1.7 Renewal Areas have been declared since 1990; prior to that Housing Action Areas were declared. These areas tackled the most deprived inner city areas of the City. These areas had major economic and environmental problems. Renewal Areas and Housing Action Areas aimed to completely 'turn around' the conditions in the areas and residents' and public perception. This comprised of major public involvement, liaison with other Council services and tackling issues beyond just housing, for example, empty sites, eyesore non-residential buildings, traffic problems and the renewal of underground services and pavements. A Renewal Office was always opened in the area. Leicester's success was nationally recognised. As the area programme has moved on, the problems of house condition and low-income owner occupation are still found, but overall confidence in the areas is higher than it used to be. Other Council and Leicester Partnership programmes operate in many of the areas and the need for housing to lead, rather than be a part of, the regeneration has lessened. In addition area offices have become more costly to set up and less viable because the time spent in an area has decreased.
- 1.8 All homeowners who receive assistance with home improvements and home maintenance are offered help through our Home Improvement Agency Service. The Home Improvement Agency Officer obtains estimates for the work, handles all the details of the grant application, and oversees the work on site. Contact with the service user is by telephone and by home visit. The service user has little need to call into the office in person.
- 1.9 The annual number of visitors to the two Renewal Offices varies but is generally about 950 at Melbourne Road and 750 at Evington Road equating to 18/14 visitors per week.
- 1.10 In addition to the fixed costs detailed below the cost of continuing to provide advice sessions at Melbourne Road and at Evington Road will be considerable once staff have relocated to Ross Walk. Following a risk assessment exercise we have determined that the advice surgeries will need to be resourced by two members of staff. This will entail them travelling from Belgrave for a two hours session then returning to Belgrave, on three separate occasions at each office every week. Allowing for travelling this will amount to some 35 person hours per week – virtually equivalent to a full time post.

2 THE OFFICES

Evington Valley Renewal Office, 166 Evington Valley Road

- 2.1 This property a double fronted shop-type property with rooms above which was converted for use as a Renewal Office in 1993. It is located within the popular Evington Road shopping area. It is privately owned and is held on a ten-year lease. The current lease started in February 2004. There is an opportunity to determine the lease without penalty after three years (February 2007). However six months notice of determination is required (August 2006). Under the break clause provisions the next opportunity to determine the lease is after a further two years in February 2009. This means that a decision about whether to give notice must be taken very shortly in order to avoid incurring significant additional costs, that is unless funding is found to retain use of the premises.
- 2.2 We are committed to paying rent until February 2007, although this could be mitigated by sub-letting (with the landlord's agreement) or by assigning the lease to another tenant. The current rent is some £12,000pa but would need to be renegotiated in February 2007, if retained. The rental cost is very likely to increase. Other running costs, to include rates, heat, light, water, cleaning, maintenance, etc would be an additional £14,000pa.
- 2.3 Stoneygate Ward councillors have used the office to provide a 'surgery' for local residents on a monthly basis

Highfields Regeneration Office, 99 Melbourne Road

- 2.4 This property is part of the Council's housing stock and is included in the Housing Revenue Account. Limited period planning approval for change of use from house to an office was obtained originally in 1985. Further applications have been made to continue the use. The most recent application was in January 2006 and permission has been obtained to continue the use at least up to 31st March 2011.
- 2.5 Closure of this office has been under consideration for some years since the expiry of the last declared area in Highfields. However successful bids were made to run projects in the area funded through SRB2. The office was retained in order to assist with the administration of those projects, which have now all ended.
- 2.6 The cost of running this office, including rent, is some £6,000pa. It has been under-occupied in the past and opportunities have been taken to provide space to other projects needing a base in the general area. However there are no such projects in residence at present.

3 ADVICE PROVISION

- 3.1 In the past Renewal & Grants services in a declared area were delivered through an area office that was set up for the life of the declared area. The principal purpose was to provide specialist advice about the services available but staff also took on queries about other Council services and provided assistance in dealing with the issues raised or by passing the queries onto specialists.

- 3.2 There is no longer any need for Renewal & Grants staff to provide general advice as this is provided through the Council's Customer Service Centres who handle more than 2,000 personal visits and 500 telephone enquiries per week. In addition many services are now available 'on-line'.
- 3.3 A few local residents find the Renewal Offices very useful because of their locations but their advice and information needs can be met through other existing provision.

4 MEETINGS WITH WARD COUNCILLORS

4.1 The Service Director met with the Spinney Hill Ward Councillors. The Melbourne Road office is in their Ward. She explained the Renewal Services that would continue to be available to residents. These are:

- St Saviours Renewal Area – Home Improvement Grants will continue to be available for at least another two years, until demand drops. This service is largely provided by home visits, phone and letter and this would continue, by staff based at Ross Walk.
- St Saviours Renewal Area – Environmental Works programme. £48,000 is programmed for schemes to be carried out in 2006-07. This service is provided by a dedicated officer who will be responsible for implementing the full programme of environmental schemes regardless of area. This officer will be based at Ross Walk and will generally communicate with residents through home visits, phone and letter. There might also be a need for occasional meetings with groups of residents together and these will be organised on an 'as necessary' basis.
- St Saviours Renewal Area – Support to Moat Road Residents Group will continue but at a slightly reduced level. We will continue to fund the hire of the meeting room and will distribute minutes, both for a further year when we will review the situation again. Relevant officers will attend meetings from time to time and submit reports on work in the area as appropriate.
- City Wide Home Maintenance Service – this service is provided on a rolling two-year programme during which all wards are visited in turn. Advice and assistance is provided to homeowners about the upkeep of their homes. Qualifying homeowners are eligible for Home Maintenance Grants of up to £2,100 towards works which make a property 'wind and watertight'. We therefore concentrate particularly on works such as re-roofing and replacing old defective windows. Replacement of dangerous wiring can also be considered. These grants are targeted to those homeowners in receipt of one of the main means tested benefits. This service will be operating in Spinney Hills ward this summer. A survey inspection of the property is carried out and any subsequent contact with the service user depends on the service to be provided. Generally this is provided through home visits, phone and letter. The service has always been administered through the Ross Walk office, although the individual Home Improvement Officers working on cases may have been based elsewhere in the past.
- DFGs – this service will not be affected as it is provided citywide through joint work with colleagues in Social Care & Health. Most matters are dealt with by home visits, often jointly with Occupational Therapists.

- 4.2 The Service Director explained that there was no budget provision to keep open the office but that Cabinet had agreed a small amount for one year to pay for staff for an advice surgery at another location in the Ward. She advised, however, that this would not be very cost effective. Currently, 18 people per week went to the Melbourne Road office. The sale of Melbourne Road office would give a capital receipt for the Housing Capital Programme.
- 4.3 The Ward Councillors were keen to keep the Melbourne Road office open and said they would look for other uses to join a housing surgery or Customer Services.
- 4.4 The Service Director also met with two Stoneygate Ward Councillors; Councillor Suleman and Councillor Renold. She explained that Renewal Services that would continue to be available in their Ward through the Evington Valley Renewal Area phase 2. These services are the availability of Home Improvement Grants to qualifying homeowners, environmental schemes, citywide Home Maintenance Services and DFGs, all very much as detailed above for St Saviours Renewal Area.
- 4.5 The main differences are that the citywide Home Maintenance Service will be operating in Stoneygate Ward this autumn and the proposed environmental works programme for Evington Valley Renewal Area ph2 is £125,000.
- 4.6 Evington Valley Renewal Area phase 1 has now ended and renewal services have been withdrawn from that part of the area.
- 4.7 The Councillors are keen to see a community facility in the Ward and Evington Road office offers a possible location. However, they were clear that Housing could not fund this. They understood that notice would be given on the lease by August and that any alternative proposals would need to be in place by this Cabinet meeting. They said they would look into other uses.

5. ALTERNATIVE USES

5.1. Evington Road office

The lease cannot be ended before February 2007 and some suggestions have been made for other uses of the office once Renewal staff transfer to Ross Walk. One is a proposal from the Community Alliance for Stoneygate Ward to run a volunteer community resource centre. The Ward Councillors support this proposal as a pilot.

The Alliance has applied to the Area Committee for £6K funding. Subject to this being agreed at their meeting on 22nd May and agreement with the Service Director on operating details it is recommended the Alliance are allowed to use the premises until the lease finishes at the beginning of February 2007, on the clear understanding that any arrangements for use beyond this date cannot be funded by the Housing Department.

The second suggestion is that a sessional Customer Service Centre is piloted at the office. The Service Director for Information would welcome the opportunity to pilot a local Customer Services surgery and can fund the staffing costs, but only for a couple of hours on a Thursday morning. It is recommended that consideration is given to this pilot going ahead.

5.2 Melbourne Road office

Discussions have been held with BUILD who are a voluntary group funded by VAL and other sources, who are looking for premises in East Leicester. At this stage, it is unlikely the group could get sufficient funding to take on the premises and is in any case, not really suitable for their needs. The Head of Renewal & Grants Services has identified that a Renewal Surgery can be held at the Highfields Community Centre on Melbourne Road, subject to negotiation over times and days. The cost will be £14 per session. There is budget provision for this for one year. This will be run by staff from Ross Walk.

OTHER IMPLICATIONS

| OTHER IMPLICATIONS | YES/NO | Paragraph references within Supporting Information |
|-------------------------------|--------|--|
| Equal Opportunities | YES | |
| Policy | YES | |
| Sustainable and Environmental | NO | |
| Crime and Disorder | NO | |
| Human Rights Act | NO | |
| Elderly/People on Low Income | YES | |

6. BACKGROUND PAPERS - LOCAL GOVERNMENT ACT 1972

- Housing Strategy 2005 - 2010
- "Decent Homes in the Private Sector / Review of Renewal Strategy Policy". Report to Cabinet, 9th January 2006.
- "General Fund Revenue Budget Strategy 2006/07 to 2008/09". Report of the Chief Finance Officer to cabinet 20 February 2006 and then to Council on 22 February 2006
- Background Files held by the Corporate Director of Housing.

7. CONSULTATIONS

Cabinet Link for Housing - Councillor Metclafe, Spinney Hills Ward Councillors, Stoneygate Ward Councillors

8. AIMS AND OBJECTIVES

The Aim of the Housing Services is 'A decent home within the reach of every citizen of Leicester'.

This report contributes to that aim through the following objectives:

1. To improve the condition of Leicester's housing stock and resolve unfitness in all sectors.

3. To reduce the number of empty and under-occupied homes in Leicester.
 4. To enable all the citizens of Leicester to find and retain a home which suits their needs.
 5. To offer citizens housing choices and full mobility between tenures, locations and types of home.
 6. To enable citizens of Leicester to stay in their homes as long as these homes continue to meet their needs.
 7. To enable all citizens to have access to affordable warmth and a healthy living environment.
- 8.2 To support and develop residents groups in declared areas.

9. Officers to contact about this report -

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