

**WARD AFFECTED – SPINNEY HILLS**

**FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:  
CABINET**

**11 DECEMBER 2006**

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**RENEWAL EFFICIENCY SAVINGS - FUTURE OF RENEWAL OFFICE  
AT 99 MELBOURNE ROAD**

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**REPORT OF THE CORPORATE DIRECTOR OF ADULTS AND HOUSING**

**1. PURPOSE**

- 1.1 To agree the future of this surplus property.

**2. SUMMARY**

- 2.1 On 24<sup>th</sup> July 2006 Cabinet considered a report about the Housing Renewal Efficiency Review, which proposed that three offices be merged into one in order to save managerial and support costs as well as releasing a valuable residential property. Whilst agreeing the proposal to move staff to 111 Ross Walk and to determine the lease on 166 Evington Road, Cabinet deferred their decision on the future of the Renewal Office at 99 Melbourne Road.
- 2.2 This report selling the property although there is potential for the property to be retained and put to other uses which are discussed in the supporting information at paragraph 4 'Alternative Uses'.

**3. RECOMMENDATIONS**

- 3.1 It is recommended that:
- 1 The Renewal Office at 99 Melbourne Road is disposed of by auction and the receipt be used to fund the Housing Capital Programme.
  - 2 A Renewal and Grants Surgery continues to be provided from an alternative location in the Spinney Hills 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

The closure of 99 Melbourne Road as a renewal office was approved as a Housing Department budget reduction during the budget setting process for 2006/07 to 2008/09. The office is due to close prior to the 2007/08 financial year. If it is kept open in 2007/08 the total cost to the Department would be in the region of £8k-£9k for rent, rates, heating, maintenance etc. The Housing Department has no budget for this.

If its sole use were to be for two hour advice surgeries three times per week, then the accommodation cost per surgery (i.e. net of staffing costs) would be around £55. Alternative accommodation could be found for some £14 per surgery. Staffing costs would be

There are a number of alternative uses for the property. These include:

- It is an HRA council house and can be returned to its intended use. There is a shortage of affordable housing in Leicester and a growing bed and breakfast problem.
- It could be sold and the capital receipt could be used for affordable housing. It is estimated the property would realise around £150k to £160k.
- It could be rented out as office space as it has temporary planning permission for this use. It is estimated this would realise in the region of £6,500 per annum.
- It could be rented out at below market rent. The difference between the lower rent and the market rent would be lost income to the HRA.

### 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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Martin Bromley, Head of Renewal & Grants Service  
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<b>Key Decision</b>	Yes
<b>Reason</b>	Is significant in terms of its effect on communities living or working in an area comprising more than one ward.
<b>Appeared in Forward Plan</b>	Yes
<b>Executive or Council Decision</b>	Executive (Cabinet)



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**REPORT OF THE CORPORATE DIRECTOR OF ADULTS AND 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 have been withdrawn from area offices at 99 Melbourne Road (Spinney Hills Ward) and at 166 Evington Road (Stoneygate Ward). Notice has been given to determine the lease on 166 Evington Road at its anniversary in February 2007 as agreed by Cabinet in July 2006.
- 1.2 Following concerns raised by Ward Councillors the Corporate Director of Housing agreed with the Leader of the Council that the usual advice sessions would continue to run at these two offices in the short term. 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 made on the capital programme for 2006-07 of £38,000.
- 1.3 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.
- 1.4 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 9<sup>th</sup> January 2006 after considering a report entitled "Decent Homes in the Private Sector/ Review of Policy".

- 1.5 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.
- 1.6 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.
- 1.7 The annual number of visitors to this Renewal Office varies but has generally been about 950 equating to some 18 visitors per week. This weekly average has been decreasing over the past twelve months. The cost of continuing to provide advice sessions at Melbourne Road will be considerable since staff relocated to Ross Walk. Following a risk assessment exercise we have determined that the advice surgeries need to be resourced by two members of staff. This entails them travelling from Belgrave for each session.

## **2 THE OFFICE**

- 2.1 99 Melbourne Road 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 was obtained to continue the use as an office up to 31<sup>st</sup> March 2011.
- 2.2 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.
- 2.3 The cost of running this office, including rent, is currently 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.

- 2.4 The Head of Renewal & Grants Services has identified that a Renewal Surgery could 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 until March 2007. This would be run by staff from Ross Walk.

### **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 renewal 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 Office very useful because of its location but their advice and information needs can be met through other existing provision.

### **4 ALTERNATIVE USES**

- 4.1 *If this property is to be retained and let as an office the market rent would be some £6,500pa, which is nearly three times the rent charged for social housing. However letting at a reduced rent would result in lost income to the HRA (see financial implications).*
- 4.2 *A general meeting is to be held on 6<sup>th</sup> December to set up a St Peters Tenants and Residents Association (TARA). This office would provide suitable accommodation for their purpose. However, they have a limited budget and could not afford to take on the whole property. They would therefore need to share with some other compatible user.*
- 4.3 *In the July report mention was made that discussions had been held with BUILD who are a voluntary group funded by the Youth Offending Team, who are looking for premises in East Leicester. That report commented that, "At this stage, it is unlikely the group could get sufficient funding to take on the premises".*
- 4.4 *Ward Councillors have been very active in seeking alternative uses. They have been speaking with the Federation of Muslim Organisations (FMO) and arranged viewing of the property. FMO have confirmed that they are very interested in using this office.*
- 4.5 *Paresh Chanderana has informed me that Cllr Karim will be contacting Roger Blackmore of their interest today (20/11). I have also received this email from Cllr Karim this morning (20/11):*

Dear Martin,

*Just to let you and other parties involved, that we had a chance to view the above property in the presence of Paresh, Housing Managing Officer last Sunday. FMO committee members showed positive interest and are happy to share the property with BUILD.*

*BUILD could not make the visit but they showed interest on telecon. with Cllr. Mussa.*

*Please let me know what other information you require from these two groups to back it up with your report which is going to the Committee.*

*We have yet to sort out about TARA premises and we are still discussing with Cllr. Paul. A suggestion was made for a Repossessed butcher shop in St. Peters Estate but we have yet to hear from the housing and property services regarding the availability not forgetting that we are having a public meeting on the 6th December, 2006 after which we shall require a definite place to operate from.*

*I will keep posted as soon as I hear about this property.*

*Regards*

*Mustafa KARIM  
Cllr. Spinney Hills Ward*

## **5 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, 9<sup>th</sup> 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
- "Renewal Efficiency Savings - Future of Renewal Offices". Report to Cabinet, 24<sup>th</sup> July 2006
- Background Files held by the Corporate Director of Housing.

## **7 CONSULTATIONS**

Cabinet Link for Housing - Councillor Paul Smith and Spinney Hills 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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