

STROUD DISTRICT COUNCIL

HOUSING COMMITTEE

TUESDAY, 6 FEBRUARY 2024

Report Title	Swedish Timber Houses - Review			
Purpose of Report	To update the Committee on the review of the council's Swedish Timber Houses and seek approval to the preferred options for each site.			
Decision(s)	The Committee RESOLVES to approve the preferred option of redeveloping the Swedish Timber Sites at Stinchcombe, Uley and Wotton-Under-Edge, subject to a further report to Committee setting out details on the proposed schemes, the financial implications and feedback from further consultation.			
Consultation and Feedback	Consultation has taken place with the Strategic Leadership Team, Chair and Vice Chair of Housing Committee, Ward Councillors, Town and Parish Councils, tenants and private residents. [The feedback so far is set out in Appendix B]. Any feedback received after the drafting of this report will be reported to Committee at its meeting on the 6 th February.			
Report Author	Alison Fisk, Head of Property Services Tel: 01453 766321 Email: alison.fisk@stroud.gov.uk			
Options	The options considered for each site are summarised in Appendix A and in the body of the report . Committee could consider alternative options for the site, other than the option that is being recommended.			
Background Papers	None			
Appendices	Appendix A – Swedish Timber Houses: Wards, Current Status and options Appendix B – Report Consultation Appendix Bi – Covering Letter Appendix Bii – Feedback Appendix Ci, Cii & Ciii - Location plans			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	No	Yes

1. Introduction / Background

- 1.1 The Council owns 21 Swedish Timber properties, located in Uley, Stinchcombe, Wotton-under-Edge, Bisley, Miserden, North Nibley and Painswick. Swedish Timber style properties are a non-traditional type of construction. Any property that is not built out of brick or stone with a slate or tiled roof is considered a “non-traditional” build.
- 1.2 A member/officer report was produced for this Committee in December 2023 providing background on these houses and the review that is being undertaken by a project team of

officers from Tenant Services, Contract Services and Property Services . Appendix A sets out the options being considered for each site again for ease of reference.

- 1.3 Work has continued on the business cases for these options and consultation has begun with Ward Councillors, Town and Parish Councils and most importantly, the tenants and private owners of the houses under review. The initial feedback from these conversations, meetings and correspondence are summarised in Appendix B to this report.

2. Options

- 2.1 The options considered for the sites were to refurbish, sell or redevelop (where this is possible).
- 2.2 Sell: Market values have been assessed for all the properties on a desktop basis and incorporated into the options appraisals. Whilst the council does sometimes have to sell poorly performing or unusual stock, this is the least favoured of the options as it reduces social housing stock, some of which are in small hamlets/villages and will not address the poor thermal efficiency of the properties, effectively leaving this to the potential private owners to address if they can.
- 2.3 Refurbish: This option has already been implemented on 2 houses at Stancombe further to the council's previously approved non-traditional home strategy (March 2018) and work is currently taking place at Parkfield Cottages, Painswick , providing up to date costs for comparison. External Wall Insulation (EWI) is installed (subject to planning permission) which, with other measures, can bring these properties up to an EPC 'C' in line with EC3.1 of the council plan 2021-26; which is to invest in Council homes to realise optimum emission reductions and achieve an EPC C rating or above across all Council homes by 2030. The option is also in line with CW2.2 – Invest £30m over the next 5 years to repair, maintain and invest in current council housing stock and bring empty council homes back into use as soon as possible.
- 2.4 Costs have been profiled over 60 years to provide a direct comparison with the costs for new build. The properties are still assumed to have a limited life span and the EWI will have to be replaced again in 30 years' time.
- 2.5 Redevelop: 3 of the sites have been identified as having redevelopment potential as council new build sites, continuing the regeneration of the council's non-traditional stock that started in Minchinhampton at the beginning of the programme with the Woolaway houses. These sites are; The Knoll, Uley, The Avenue, Stinchcombe and Mount Pleasant, Wotton-Under-Edge.
- 2.6 There is considerable potential at these 3 sites to increase the density of houses and to deliver new, high quality, energy efficient (EPC 'A') affordable homes, subject to planning. Initial layout plans have been drawn up as a basis for undertaking the financial appraisals for the sites. The redevelopment of these sites will require moving tenants and purchasing back some properties originally sold through the Right to Buy. This option will support the delivery of CW.2.1 of the Council Plan: *Deliver new affordable homes across the District, through planning policy and work with partners including community-led housing groups, housing associations and via our own New Homes Programme, which will deliver EPC-A rated properties in line with our Strategy for New Council Homes 2020-2024.*
- 2.7 The viability of these sites for new build have become increasingly challenging because of both the current climate of high building and labour costs which is compounded by higher interest rates and the additional acquisition costs for buying back the RTB properties. Officers are undertaking further work to understand what levels of subsidy are required to

support delivery of these sites and exploring possible funding routes. Officers have had informal discussions with Homes England who have advised that discussions are already underway with central Government about the scope for a further Affordable Homes Programme from March 2026. Subject to Committee's decision these discussions can be advanced further .

3. The Sites and Preferred Options

- 3.1 Bushy Beeches, The Camp and Barrs Lane, North Nibley. The options considered for these locations were to sell or refurbish as there is no option to redevelop these sites. The operational decision has been made by officers to refurbish and this is supported by Miserden Parish Council and Ward Councillors. The average cost is expected to be in the region of £83k per property.
- 3.2 The plans showing the location of the sites below are in Appendix C.
- 3.3 The Avenue, Stinchcombe; The Knoll, Uley; Mount Pleasant, Wotton-Under-Edge . All three options of sell/ refurbish/ redevelop have been considered for these sites. Because of the large plots that these houses sit in, there is potential to significantly increase the numbers of units at each site, making redevelopment (subject to planning) a realistic option. However, all 3 sites are likely to involve buying private houses and contact has only recently been made with some of these owners. More work also needs to be done to explore funding options and in particular testing different layouts at the Knoll, Uley. Further consultation with ward councillors and the respective Town and Parish Councils is also needed.
- 3.4 A comparison of the 2 options is set out in the following table:

Table 1:

Criteria	Redevelop (estimated)	Refurbish
Number of properties	Up to 42	13
Average EPC rating	A	C
Estimated lifespan	100+ years	60 years maximum (with additional EWI works in 30 years)
Average cost per property (estimated)	£312k	£105k
Number of tenants/residents' households needing to be moved	Up to 8 5 tenants and 3 owner occupiers	0 (unless more extensive work becomes apparent/required or property condition deteriorates)
Other Benefits	<ul style="list-style-type: none"> • Built to Part M4(2) Building Regs (Accessible and Adaptable dwellings) • EV Charging Points included • Lowest running costs for tenants 	Slightly improved running costs for tenants

	• Lower Maintenance costs	
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4. Recommendation

- 4.1 It is important to maintain the momentum of this review and provide certainty for all the stakeholders that are impacted as soon as possible. Before further work is undertaken it is recommended that the committee approves the preferred options as set out in this report . It is expected that a further report recommending options for the potential redevelopment sites will be brought back to Committee in March.

5. Implications

5.1 Financial Implications

- 5.1.1 A budget allowance for refurbishing the existing dwellings is included within the HRA Medium Term Financial Plan and 30 year financial position, however given the substantial cost of the refurbishment it is likely that additional resource would be required.
- 5.1.2 Where a redevelopment option exists, further work will be undertaken as part of the review in order to establish estimated costs and funding options. This would include investigating subsidy options (for example through Right to Buy receipts, other capital receipts, or Homes England funding) to contribute towards the cost of redevelopment.
- 5.1.3 As with all development schemes an assessment would need to be undertaken to establish affordability of the scheme against future rental incomes (which could support borrowing repayments) and upfront subsidy to ensure that there is not a negative impact on resourcing of maintenance and management of the existing HRA housing stock.

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5.2 Legal Implications

If the Council needs to purchase some of the existing houses for redevelopment, then subject to the agreement of the property owner, such purchase will be under the powers contained in section 17 of the Housing Act 1985, which allows the Council to purchase houses or other land for housing purposes.

Any future sale or lease (excluding to owner/occupiers) of the property will have to comply with the restrictions contained in that Act. It will not be possible to dispose of the property (including by a lease for a term of 21 years or more) without first obtaining the consent of the Secretary of State. This may prevent the Council from being able, for example to grant a long lease of the premises to a management company and other options would need to be considered for the management of the sites.

Specialist tax advice may need to be obtained in respect of SDLT liability if any of the properties need to be purchased. Such figures will vary according to the price paid for the property. SDLT payable may also be subject to change if there is a budget prior to the completion of a purchase.

In the event that the Council decides to proceed with redevelopment of the sites where this option is proposed and the current owner occupiers are not agreeable, then compulsory

purchase may be considered. In order for the Council to be able to use compulsory purchase powers, it must:

- be able to make a compelling case and consider what enabling powers may be used;
- know that planning permission would be granted (although it does not need to be in place);
- demonstrate that it has attempted to negotiate acquisition and made a formal offer; and
- If using housing powers (s17 Housing Act 1985), demonstrate a benefit in terms of housing provision.

Any redevelopment of the sites will need planning permission, as may also any refurbishment of the properties. In both cases the Council will also need to ensure that it adheres to its Decant Policy (April 2022).

If the Council needs to appoint external contractors to carry out the redevelopment, the appointments will need to be undertaken in compliance with the Council's Contract and Procurement Procedures Rules set out in the constitution.

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5.3 Equality Implications

There are not any specific changes to service delivery proposed within this decision. Tenants and any private residents that require support are being offered this.

5.4 Environmental Implications

The decision to refurbish properties at Bushy Beeches and Barrs Lane will result in an improvement to those properties EPC ratings.