

## **Mellishaw Traveller Site – Future Arrangements 29 January 2020**

### **Report of Director for Communities and the Environment**

#### **PURPOSE OF REPORT**

To consider whether to approve the transfer of Mellishaw Traveller site from Lancashire County Council to Lancaster City Council for a nominal fee.

**This report is public.**

#### **RECOMMENDATIONS**

- (1) That Council determines whether to approve the transfer of ownership and subsequent management of Mellishaw Traveller site from Lancashire County Council to the City Council for a nominal fee.**
- (2) That if the decision to transfer is approved, the transfer takes place as soon as possible.**
- (3) If approved, that delegation is given to the Director for Communities and the Environment in conjunction with the Cabinet Member for Housing to procure the necessary capital improvements provided they stay within the approved budget.**

#### **1.0 Introduction**

- 1.1 Mellishaw Traveller Site is a Gypsy and Traveller site with nineteen pitches. It is owned by Lancashire County Council and has been managed by Lancaster City Council since 1982. There are families who have lived on the site since it was developed, although it was originally designed as a transit site. It is fully occupied with either touring caravans or static caravans on the plots.
- 1.2 Following a consultation exercise, Lancashire County Council agreed to declare the Traveller site surplus to the County Council's needs as part of their budget saving proposals (together with their sites in Accrington & Preston). This decision was taken at their Cabinet meeting on 5<sup>th</sup> September 2019.
- 1.3 Lancashire County Council can provide such sites (under s.24 Caravan Sites & Control of Development Act 1960), but no longer have a statutory duty to do so.
- 1.4 Similarly, District Councils do not have any statutory duty to provide Traveller sites. However, we are required to consider the needs to people residing in or who wish to reside on sites where caravans can be stationed. As the Planning Authority, we need to consider Planning Policy for Traveller sites in conjunction with the National Planning Policy Framework and must assess the need for sites, identify land for sites and increase Traveller sites in appropriate locations.

- 1.5 During their consultation, the County Council confirmed that, if the sites were to be transferred, any sales would be subject to a condition that the sites could only be used as Traveller sites.
- 1.6 The general view from the consultation (particularly from residents) was that Lancashire County Council should retain the site, and that selling it could result in residents losing their homes, families being split up, and that a new landlord could have a negative impact. Those responding raised concerns that they may become homeless or forced to live on the road. The primary concerns were around the use of intimidation, threats, violence and bullying by new potential owners resulting in residents being forced to leave.
- 1.7 During the consultation stage, the City Council submitted a response saying "*Lancaster City Council is keen to explore possible solutions with County which will result in a positive outcome for the residents and both Councils as we recognise the potential distress and upset that major change and uncertainty could have on the residents of Mellishaw. Our officers have started a dialogue with Lancashire County Council officers and wish to continue this over the coming weeks and months with a view to investigating whether there is a way the City Council could look to take ownership and either manage directly or in partnership with a social housing provider.*"
- 1.8 During Lancashire County Council's Cabinet meeting, the Leader of County said he was aware of Lancaster City Council's wish to secure a positive outcome for the residents of Mellishaw and to engage with the County Council to potentially take on the ownership of the site. He said he welcomed this and wished to continue this dialogue as soon as possible. In addition, County have stated that the disposal is to save on revenue costs, not to seek a capital receipt for the site. As such, the sale of the site to the City Council would be for a nominal fee.
- 1.9 At Lancaster City Council's Cabinet meeting on 5<sup>th</sup> November 2019, Members considered a report detailing the situation with Mellishaw and improvement works required to bring it up to an acceptable standard along with associated running costs. It was resolved to support the transfer in principle and to refer to Full Council when greater detail regarding costings was forthcoming.

## **2.0 Proposal Details**

- 2.1 Since the Cabinet meeting, officers have sought further information/clarification about the potential running costs of the site by exploring the costs at two other comparable sites in Lancashire (Blackpool and Blackburn).
- 2.2 In the light of this, the financial estimates have been updated, particularly in relation to future years' ongoing repair and maintenance costs, electricity costs and to a lesser degree, staffing costs. In addition, future rental income estimates have been projected in line with the assumed percentage increase for council housing tenants.
- 2.3 The effect of these latest projections is shown in the financial implications but essentially means the annual revenue costs for the site in future years (after improvement works have been carried out) would be cost neutral.
- 2.4 The last major refurbishment of the site was in 2004/5 and the site is in need of major reinvestment to modernise it. Because the site was designed as a transit site initially, the sewerage and electricity infrastructure are not fit for purpose and are in need of renewal. Repairs have been carried out over the last few years, but no real improvement works.

- 2.5 Lancaster City Council commissioned an independent condition survey in July 2019 to provide an objective, professional opinion to indicate the types of works required to bring the site up to a suitable standard and the possible cost of the works.
- 2.6 In summary, the survey revealed that the site needs major works to the utility blocks (which have a constant issue of damp), site electrics (which need upgrading to increase the load), mains drainage connection and a number of other more minor repairs.
- 2.7 The utility blocks are in such a poor state that the only realistic options are either to demolish and rebuild the individual blocks to current standards or to demolish and provide one central amenity block for all residents. Although the latter is the cheaper option, officers would not recommend this option as we would want our residents to have modern, dignified, accessible facilities for their homes. This is in line with current best practice design guidance.
- 2.8 The works required would need to be included in a more detailed plan, with specifications and costings, and we would want the residents to be fully involved in the design and layout. Therefore, the costs at present are only a 'best estimate' and are in the region of a capital cost of £1.2m which is to be phased over a 4 year period and funded from the revenue reserves.
- 2.9 With regard to day to day revenue costs, the current arrangement is that the City Council manage the site and collect rent and service charges (circa £70k) on behalf of Lancashire County Council, who in turn subsidise the net cost of the account in full. If the City Council took ownership of the site, this arrangement would then cease and the management would be transferred to the City Council, together with the net cost of the operation. Again, based on best estimates of staffing requirements and maintenance costs, the annual future revenue costs are likely to be £36,700 in 2020/21, and cost neutral thereafter. However, these projections may need to be revisited if maintenance or staffing costs turn out to be higher than expected.
- 2.10 Although taking on the site would result in increased costs for the Council, if the site was sold to a private owner, it is possible that the Council would incur some costs in rehoming residents should they become homeless. Experience elsewhere in the country has shown this is a real possibility.
- 2.11 The Council could therefore be faced with the possibility of up to 19 families becoming homeless at about the same time with the consequential impact on Council resources in terms of temporary accommodation costs and rehousing to more permanent homes. The district has a shortage of affordable housing for those who require it and specifically has a lack of suitable available accommodation for Travellers. In addition, homelessness has financial impacts on other agencies such as NHS, Police, DWP and the voluntary sector. It is widely accepted that preventing homelessness is preferable to rehousing both in financial and health and wellbeing terms especially as many people threatened with homelessness are vulnerable. Although it is difficult to estimate what the financial cost to the Council would be if we were faced with assisting homeless Travellers from Mellishaw, the homeless charity, Shelter have estimated the general costs of homelessness to the economy. They report that evidence shows that people who experience homelessness for three months or longer cost on average £4,298 per person to NHS services, £2,099 per person for mental health services and £11,991 per person in contact with the criminal justice system. Council may wish to consider this in their decision making.

- 2.12 The site is currently managed within the Council Housing Service, but is a general fund function and is not covered by the Housing Revenue Account. The proposal would be to continue to manage the site within the Housing Service. However, it is recognised that there may be other organisations with more specialist skills relating to Traveller site management and, thus, officers are exploring the option of a Housing Association partner managing the site in the future.
- 2.13 Lancashire County Council have served 12 months' notice on the City Council to terminate the management agreement dated 10<sup>th</sup> December 1996. This agreement terminates on 31st March 2020.
- 2.14 However, the County Council have indicated that, if the City Council is minded to take on the site, they would welcome a transfer as soon as possible and in advance of 31<sup>st</sup> March 2020. This would provide them with the certainty of a new owner in place, which would mean they would not need to offer the site for sale on the open market. Therefore, the County Council's preference would be for a transfer date as soon as possible.
- 2.15 County have agreed to draw up the Heads of Terms for our agreement in due course.
- 2.16 There may be opportunities in the future to consider expansion of the site or reconfiguration to increase capacity and this may attract Homes England funding (although this cannot be guaranteed). This could be explored further as part of the improvements to the site if it was financially beneficial. Officers have made contact with Homes England recently to try and ascertain if there is any funding available now or in the near future for upgrading Traveller sites with poor existing facilities.

### **3.0 Details of Consultation**

- 3.1 Lancashire County Council consulted widely on the proposal for them to dispose of the site and the main concerns from residents are included earlier in this report. Officers have had some quite in-depth contact with Travellers as part of the Poverty and Truth Commission. Although only representing a couple of families, they have reported that there is strong support for the City Council to take ownership of the site
- 3.2 Since the Cabinet decision, officers have received feedback from some of the Travellers that they welcomed the in principle support from Cabinet and wish to feedback to Council that they very much want the City Council to take ownership of the site.

### **4.0 Conclusion**

- 4.1 Council is asked to consider the information contained in this report in order to make a decision as to whether to take over the ownership of Mellishaw Traveller site from Lancashire County Council.

#### **RELATIONSHIP TO POLICY FRAMEWORK**

There are links to Healthy and Happy Communities in relation to reducing health inequalities, preventing homelessness and providing access to quality housing.

Links to the Housing Strategy and Local Plan in relation to provision of pitches for Travellers.

The decision is to be made by Full Council as the funding requirement is currently not budgeted for and a decision is sought before the 20/21 budget is to be agreed.

**CONCLUSION OF IMPACT ASSESSMENT  
(including Health & Safety, Equality & Diversity, Human Rights, Community Safety, Human Resources, Sustainability and Rural Proofing)**

A decision to take on the ownership of the site will have a positive impact on meeting the housing needs of the Traveller community. Additional investment will provide modern, safe and welcoming facilities

**LEGAL IMPLICATIONS**

Legal Services will be instructed in relation to any transfer of land to the City Council. This should include conveyancing checks on acquisition to protect the Council in the usual way.

**FINANCIAL IMPLICATIONS**

As detailed in the report, initial estimates for the required capital works are in the region of £1.2M which would be phased over a 4 year period and funded from the revenue reserves.

With regard to day to day revenue costs the current arrangement is that the Council manage the site and collect rent on behalf of Lancashire County Council (LCC) who in turn subsidise the net cost of the account in full. This arrangement would then cease and the management transferred to the Council together including the net cost of the operation. The estimated future revenue costs are as follows:-

<b>GENERAL FUND REVENUE</b>	<b>20/21 Estimate</b>	<b>21/22 Estimate</b>	<b>22/23 Estimate</b>	<b>23/24 Estimate</b>
Employee Costs	28,500	23,000	23,600	24,200
Premises R&M	50,000	20,000	20,600	21,200
Utility Costs	26,400	27,100	27,900	28,700
Miscellaneous Costs	3,300	3,300	3,300	3,300
Rent & Service Charge Income	-71,500	-73,400	-75,400	-77,400
<b>Additional Revenue Requirement</b>	<b>36,700</b>	<b>0</b>	<b>0</b>	<b>0</b>

It should be noted that the repairs and maintenance figure included in the table above is purely speculative at this juncture and therefore the additional revenue requirement is subject to change.

The operation of Traveller sites is a general fund function and as such these amounts have not been included in any current future budget projections and therefore consequently place a further burden on local council taxpayers (growth).

As the timing is outside that of the budget and policy framework, the decision to proceed with this proposal would require referral to and approval of Full Council.

**OTHER RESOURCE IMPLICATIONS, such as Human Resources, Information Services, Property, Open Spaces:**

Property

Lancashire County Council have provided draft Heads of Terms but no negotiations have taken place. The draft Heads of Terms include the following clawback provision, 'should any additional planning consent be granted other than for the direct benefit to the development /

*enhancement of the site for use as a GRT site during a period of 999 years from completion of the sale then the County Council will be entitled to 75% of the enhanced land value attributed to the benefit of such consent*. Should the Council's position on the site change in the future such a provision would make a return on any investment made in the site unlikely. Another concern is the site boundary indicated in the draft Heads of Terms as it includes areas of adopted highway and incorporates a lease to Electricity North West and these issues will require further investigation.

#### Human Resources

The City Council employs a member of staff for the Traveller site. If the City Council takes ownership of the site, some additional staffing capacity would be required and this has been taken into account in the financial implications. If the City Council didn't take on the site, there may be human resource implications which would be covered by TUPE legislation.

#### **SECTION 151 OFFICER'S COMMENTS**

In considering the proposal, Members are advised to note that although local authorities have the power to provide such sites, as a non-statutory function there is no legal duty placed on this Council to do so.

Financial information from neighbouring Councils with experience in managing such sites has been used when considering the financial implications. However, these costs remain estimates and the true costs will only be known if the site falls under the Council's control and the relevant improvement works have been completed.

In this regard, Members should satisfy themselves that the proposal represents Value for Money in its use of the Council's resources, recognising initial capital investment to be funded from the Council's revenue reserves, as well as annual revenue costs and any future commitments when reflected against its stated outcomes and priorities.

#### **MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has no further comments on the report.

#### **BACKGROUND PAPERS**

Lancaster City Council Cabinet report – Mellishaw Traveller Site- Future Arrangements 5<sup>th</sup> November 2019.

Lancashire County Council Cabinet minutes 5<sup>th</sup> September 2019

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