

## MUNICIPAL YEAR 2011/2012 REPORT NO. 78

### MEETING TITLE AND DATE:

Cabinet  
14 September 2011

### REPORT OF:

Director of Health, Housing and  
Adult Social Care

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Agenda – Part: 1

Item: 10

**Subject: SMALL HOUSING SITES  
(SHELTERED AND HOSTEL BLOCKS)  
STAGE ONE REPORT**

**Wards: Town, Chase, Turkey Street,  
Haselbury, Palmers Green, Upper  
Edmonton**

**Cabinet Member consulted: Cllr Oyken**

## 1. EXECUTIVE SUMMARY

- 1.1 This report represents Stage One of a two stage report sequence. The purpose of the Stage One report is to seek authority to commence the procurement of a demolition contractor to demolish two or more small housing sites. The Stage Two report (to be submitted to Cabinet for approval in March 2012) will describe how the small housing sites can deliver much needed new housing.

## 2. RECOMMENDATIONS

### It is recommended that the Cabinet:

- 2.1 Authorises the demolition of Jasper Close and Tudor Crescent as detailed in paragraph 4.4 of this report.
- 2.2 Notes that a competitive procurement process will be undertaken to select a demolition contractor.
- 2.3 Notes the intention to seek Cabinet authority to appoint a demolition contractor in March 2012.
- 2.4 Authorises the budgetary resources to finance the cost of technical advice to project manage the selection of a demolition contractor.
- 2.5 Authorises the implementation of improved site security measures in accordance with paragraph 3.9.
- 2.6 Notes the intention to undertake an options appraisal on sites 1-6 detailed in this report and to report to Cabinet in March 2012 with the outcome of the options appraisal and a future use strategy for each site.

### 3. BACKGROUND

- 3.1 Housing Strategic Services has identified ten former sheltered housing and hostel sites that can deliver new housing for the Council and generate capital receipts that can be invested in future housing projects.
- 3.2 This report follows on from a report approved by Cabinet in 5<sup>th</sup> March 2008 (Review of Sheltered Housing – Update) that recommended the disposal of the following former sheltered housing sites:

Sheltered Blocks	No. of Units	No. of Vacancies
9-85 Parsonage Lane	40	19
119-135 Lavender Hill	9	4
281-309 Hoe Lane	15	9
22-68 Forty Hill	24	9
41-63 Tudor Crescent	12	2
50-60 St Georges Road	6	1
<b>Total</b>	<b>106</b>	<b>44</b>

- 3.3 To date one of the sites, Hoe Lane, has been disposed of by the Council. The other sites have now all been fully decanted but a decision on how the sites are taken forward for redevelopment has not been taken.
- 3.4 Including the sites above (other than Hoe Lane), this report considers the future of the ten sites below.
- 1) 9-85 Parsonage Lane
  - 2) 22-68 Forty Hill
  - 3) 119-135 Lavender Hill
  - 4) 50-60 St George's Road
  - 5) 41-63 Tudor Crescent
  - 6) 1-18 Jasper Close
  - 7) Cornerways
  - 8) Oakthorpe Court
  - 9) 196-198 Green Lanes
  - 10) 23 Church Street
- 3.5 The report proposes the procurement of a demolition contractor to demolish Tudor Crescent and Jasper Close but with the option in the tender documents for sites 1-4 to also be included in the demolition contract.
- 3.6 The report notes that the two hostel sites at 7-10 have been recommended for disposal in a separate September 2011 Cabinet report.

- 3.7 The location of the ten sites is shown at **Appendix 1**. A description of each of the sites and an updated position statement is provided at **Appendix 2**.
- 3.8 A number of these sites are continuing to cause security concerns for local residents and are costing Enfield Homes time and money to secure. To address these problems it is proposed that the Council consults the community to determine how site security can be improved.

#### **4. FORMER SHELTERED SITES 1-6**

- 4.1 This report represents Stage One of a two stage Cabinet report sequence. The purpose of the Stage One report is to obtain a cabinet resolution to demolish two sites and to note the commencement of the procurement of a demolition contractor.
- 4.2 The Stage Two report will report back to Cabinet in March 2012 with a detailed strategy for sites 1-6 describing how the sites will be used to deliver new housing.
- 4.3 The authority is sought in two stages to enable the Council to commence preparation of the demolition works whilst a strategy for sites 1-6 is being prepared in consultation with the local communities.

##### The Procurement of a Demolition Contractor

- 4.4 It is recommended that the blocks on Jasper Close and Tudor Crescent are demolished to improve the net return to the Council's Housing Revenue Account.
- 4.5 A decision on whether to demolish sites 1-4 will be taken after the Council has undertaken an options appraisal. The outcome of the options appraisal may be that one or more of the sites should be demolished by the Council.
- 4.6 To ensure that opportunities to secure economies of scale savings are not lost, and in the interest of time, it is considered prudent that the scope of the procurement for a demolition contractor to demolish Jasper Close and Tudor Crescent also seeks prices to demolish sites 1-4.
- 4.7 The Stage Two Cabinet report will recommend the appointment of a preferred demolition contractor to demolish sites 5-6, and depending upon the outcome of the options appraisals, one or more of sites 1-4. The contract will include apprenticeship and training opportunities for local people.

- 4.8 The budgetary provision sought under this report is limited to the cost of the technical advice required to project manage the procurement of a demolition contractor. A budget for the demolition works will be sought in the Stage Two Cabinet Report once fixed prices have been received and the options appraisal for sites 1-4 has been completed.
- 4.9 The technical advice required to project manage the procurement of a demolition contractor will be procured via a competitive process that will include the seeking of quotations from the Council's in-house technical team and external suppliers to ensure that best value is achieved. The budget for this work is included in the Part 2 report.

#### The Options Appraisal

- 4.10 An options appraisal was prepared by consultancy Trimmer CS in November 2007 on behalf of Enfield Council. The report recommended a proposal for sites 1-6.
- 4.11 It is proposed that the work undertaken by Trimmer CS is reviewed, and as appropriate, incorporated into a updated options appraisal that takes account of the changes to the housing market since 2007 as well as considering the new opportunities presented to Local Authorities in the new HRA self financing regime.
- 4.12 The options appraisal will explore how sites 1-6 can be developed to deliver new housing in the Borough. The options considered will include the following:
- Disposal of individual sites
  - Sale of sites as a package or delivery vehicle
  - The Council leading on construction of new affordable homes
  - Packaging sites with adjacent land parcels
  - Non-housing uses
  - Self-build pilot
- 4.13 A number of these sites fall within Area Action Plan areas; therefore the options considered for these sites will need to take account of the strategic planning context.
- 4.14 Consultation will be held with local residents and ward Councillors prior to, and after, the options appraisal to ensure the community has a genuine opportunity to inform the recommended options.
- 4.15 Consideration will need to be given to the potential use of new affordable homes for estate renewal decants and therefore the rental levels, as well as how the proposals can support local employment.
- 4.16 The outcome of this work will be a regeneration strategy for each of the sites that will be recommended to Cabinet in March 2012.

## **5. HOSTEL SITES 7-10**

- 5.1 Sites 7-10 are hostel sites where tenants are still residing. The tenants of these sites have been consulted and the re-housing process is underway. The tenants are not secure tenants therefore compensation will not be payable. The Council will find alternative accommodation for every resident.
- 5.2 Sites 7-10 are recommended for disposal in the following September 2011 Cabinet report: *Asset Management – Potential disposal of Council owned properties by end of December 2013..* These sites are recommended for disposal to generate capital receipts for the Housing Revenue Account (“HRA”) that can be reinvested in the delivery of new affordable housing and estate renewal projects.
- 5.1 In accordance with the Property Procedure Rules the disposal of these sites will be managed by Property Services with the sales being planned for completion by 31 March 2012.

## **6. ALTERNATIVE OPTIONS CONSIDERED**

- 6.1 The alternative option to the recommendations within this report is to do nothing. This is not considered to be a feasible option because the sites are continuing to cost the Council money to maintain and secure; this expenditure is unsustainable and does not represent value for money. Doing nothing does not help the Council to address the shortage of houses in the Borough and there are opportunity costs to consider.

## **7. REASONS FOR RECOMMENDATIONS**

- 7.1 The main reasons for seeking to resolve the future of the small housing sites are:
- The blocks are in a poor condition;
  - The blocks no longer meet current building standards;
  - The blocks are costing the Council money to secure;
  - To improve the financial net position to the Council;
  - The blocks are attracting complaints from residents;
  - To provide additional affordable housing properties

## **8. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS**

### **8.1 Financial Implications**

- 8.1.1 A fully costed option appraisal will be completed to determine the viability of all the considered options.
- 8.1.2 Development proposals will need to be considered within the overall framework of the HRA self financing and the Council's wider regeneration strategy.

### **8.2 Legal Implications**

- 8.2.1 The Council must procure the contractor for the demolition works and the consultant for the option appraisal in accordance with the Council's constitution, in particular Contract Procedure Rules. In addition, the legal agreements will need to be in a form approved by the Assistant Director (Legal Services).
- 8.2.2 It should be noted that local authorities have a general fiduciary duty to Council taxpayers and must therefore take what is overall the most reasonable and cost effective course of action in order to deliver best value from these sites.
- 8.2.3 The Council has a general power to dispose of land under section 123 of the Local Government Act 1972, but where, as in the instance of these properties, a site is held for housing purposes the disposal will require consent from the Department of Communities and Local Government (DCLG) under section 32 of the Housing Act 1985. If the dwellings have not already been demolished the DCLG will require to be satisfied that any remaining occupiers have been provided with alternative accommodation, and it will need to be demonstrated how the disposal fits in with the Council's general housing strategy and aims.
- 8.2.4 If the properties are demolished the Council will still need to maintain site security to prevent access by trespassers and potential claims under the Occupiers Liability Acts 1957 and 1984.

### **8.3 Property Implications**

- 8.3.1 Although Cabinet approval to dispose of 6 sites was given on 5<sup>th</sup> March 2008, vacant possession of sites 1-5 was not achieved until last year.
- 8.3.2 Disposal of the sites approved for disposal was put on hold pending a review of alternative options.
- 8.3.3 Although further review works needs to be completed it is clear these sites could not readily be converted to residential family (C3) use

without obtaining planning consent. If planning consent is sought it is considered likely that Development Control would require the residential element to comply with space requirements as set out in the London Housing Design Guide. As a result it is considered that refurbishment of sites 1 to 6 is not a realistic option.

8.3.4 Therefore, demolition and redevelopment, whether led by the Council or undertaken by a private developer is likely to be the most viable option for sites 1 to 6, unless the review process identifies scope for sale with adjoining land or use for other corporate needs.

8.3.5 While it is accepted that alternatives to a simple sale of the sites should be considered it must be noted that any alternative method of disposal is likely to require the Council to complete a procurement process. This is likely to result in a significant delay to the Council in receiving the receipt and could involve significant cost in completing the procurement process.

8.3.6 Sale of sites 7 - 10 may be subject to vacant possession being provided by the Council. At present this would require 50 tenanted households to be re-housed.

## **9. KEY RISKS**

9.1 There are two main risks associated with lack of action on the small housing sites:

9.2 The longer the housing sites remain unused, the higher the chance that they will be used for squatting.

9.3 The opportunity cost of not taking action on the sites is two-fold. Firstly, by taking no action the Council is missing potential opportunities for investment in the local area; secondly, the cost of regenerating at a later date may also be higher.

## **10. IMPACT ON COUNCIL PRIORITIES**

### **10.1 Fairness for All**

10.2 A key aim of the Council is to tackle inequality. The redevelopment of the small housing sites will help to reduce inequality by improving the living standards of some of Enfield's least well off residents. The sites can be used to house facilities that can be used by young people, which will have a positive impact on their lives and on the Council's aim of tackling deprivation.

### **10.3 Growth and Sustainability**

10.4 As they stand, the sites make the local environment less safe, less clean and less green. Redevelopment of the sites will improve the local

environment and improve the quality of life for local residents. Work on the sites will increase local economic development by creating jobs in the local area. Depending on what happens to the sites, there may be further jobs created.

### **10.5 Strong Communities**

10.6 Through consultation, the Council will listen to the needs of local people and their views will inform decisions taken. As a result, the Council will be accountable to residents, which will help foster stronger ties with the community.

### **11. PERFORMANCE MANAGEMENT IMPLICATIONS**

11.1 There are no performance management implications.

### **12. HEALTH AND SAFETY IMPLICATIONS**

12.1 The appointed demolition contractor will be required to comply with current health and safety legislation when undertaking any demolition works.

### **Background Papers**

**Appendix One** – Small Housing Sites Map

**Appendix Two** – Small Housing Sites description