

MUNICIPAL YEAR 2011/2012 REPORT NO. 84

MEETING TITLE AND DATE:

Cabinet
- 14th September 2011

JOINT REPORT OF:

Director of Health, Housing and Adult
Social Care and Director for
Regeneration, Leisure and Culture

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Agenda - Part: 1

Item: 15

Subject:

Coverack Close Regeneration: Initiation
report

Wards: Cockfosters

Cabinet Member consulted:

Cllr Oykenner
Cllr Goddard

1. EXECUTIVE SUMMARY

- 1.1 Phase 1 of the Council's estate renewal programme has both Ladderswood and Highmead regeneration projects at an advanced stage; with a development partner procured for Ladderswood and planning consent in place for Highmead.
- 1.2 Whilst an Estate Renewal Plan is being produced to provide an objective prioritisation system that determines which subsequent housing sites are brought forward for redevelopment; this report sets out in detail the justification for prioritising an estate renewal programme on Coverack Close in advance of the Estate Renewal Plan being finalised.
- 1.3 The site area consists of the high-rise block Shepcot House, the six low-rise Coverack Close blocks and the low-rise properties on Beardow Grove. The site also includes Hood Avenue open space, adjacent to Coverack Close. These blocks total 163 properties in total (128 secure tenants and 35 leaseholders).
- 1.4 The report details the findings of an initial consultation exercise with the residents as well as highlighting stock condition issues which have led to the project being prioritised and recommended to Cabinet.

2. RECOMMENDATIONS

- 2.1 Cabinet to note the justification for prioritising an estate renewal scheme for Coverack Close.
- 2.2 Cabinet to note the outcome of the initial consultation exercise.
- 2.3 Cabinet agree to make a resolution to demolish Shepcot House (118-89) and the six low-rise blocks at Coverack Close (1-72). Further consultation and exploration of options is required on the future of Beardow Grove.
- 2.3 Cabinet to agree that further consultation on development options is carried out with residents and key local stakeholders and that a preferred development option is brought back to Cabinet for decision.

3. BACKGROUND

- 3.1 Phase 1 of the Council's estate renewal programme has both Ladderswood and Highmead projects at an advanced stage; with a development partner procured for Ladderswood and planning consent in place for Highmead.
- 3.2 A Phase 2a Initiation report was prepared in Spring 2010 and taken to the Corporate Management Board. The report set out the next phase of projects to be taken forward by Strategic Housing which included Coverack Close and the Sheltered Housing project comprising Parsonage Lane, Forty Hill, Oakthorpe Court, Lavender Hill, St Georges Road and Tudor Crescent.
- 3.3 This report focuses on the first of these two renewal schemes; Coverack Close, which includes Coverack Close, Shepcot House and Beardow Way. Two strands of work have been initiated to explore the possibility of delivering an estate renewal scheme on the site; an initial consultation exercise has been carried out as well as an appraisal of the stock condition information.
- 3.4 Coverack Close, Shepcot House and Beardow Grove are three housing estates located in the Cockfosters ward. The estates, whilst located in a relatively affluent part of the borough, suffer from high levels of deprivation.

Site Area



JUSTIFICATION FOR PRIORITISING THE COVERACK CLOSE REGENERATION

3.5 Shepcot House is a 10 storey tower block built of Large Panel System (LPS) Construction. Coverack Close is made up of six low-rise blocks, also, of Large Panel System (LPS) construction. The low-rise blocks provide two and three bed maisonettes. Beardow Grove is another low-rise block but of brick construction and recently having had capital improvement works such as new windows. The site also includes Hood Avenue open space, adjacent to Coverack Close. The total area of the site is 3.44 hectares.

	Shepcot House	Coverack Close	Beardow Grove
Secure Tenants	58	60	10
Resident Leaseholders	9	5	6
Non-resident Leaseholders	5	7	3
TOTAL	72	72	19

3.6 The site area has been identified in previous estate renewal studies commissioned by the Council. Both Donaldson's 'Housing Estate Review' (2007) report and the Navigant 'Estate Management Investment Strategy' (2010) report flagged the area up as an area for potential redevelopment.

3.7 The Donaldson's (2007) report recommended a total demolition and rebuild approach as being the most viable solution for the estate. The Navigant 2010 report identified the estate as being one of those estates in the Borough most in need of a total demolition and new build approach;

- 3.8 The justification for prioritising Coverack Close is two-fold; firstly initial consultation indicates that there is local support for an estate renewal scheme and secondly the condition of the stock is poor. This report goes on to describe these in more detail.
- 3.9 The Large Panel System construction of Shepcot House and Coverack Close is similar to that of the Ladderswood Way estate, and in particular, Curtis House. The high rise Shepcot House suffers from concrete spalling and localised cracking. An independent review of the condition of the LPS blocks highlighted a number of structural issues which the council would need to address on health and safety grounds should there be no short to medium term plan (5 to 10 years) to redevelop the estate. To implement the design safety works as required by the external review, to address the structural issues, would cost approximately £2.8m.
- 3.10 The estates suffer from high levels of deprivation with 94 out of the current 128 secure tenants claiming Housing Benefit as of 18.07.2011 and 19 out of the 35 leaseholders claiming Housing Benefit or Council Tax Benefit. There are also 16 known cases of overcrowding, the majority of which are in Shepcot House.

CONSULTATION

- 3.11 The council has carried out an initial consultation exercise to listen to the views of residents and local stakeholders to determine what are the council's choices for regenerating the estates and the local area.
- 3.12 The primary scope of the consultation strategy was to consult the residents of the three estates and neighbouring properties on regenerating the area. The red line drawing shows the area which was consulted; this includes approximately 650 addresses.



- 3.13 The exercise used a variety of consultation engagement techniques; these included an initial letter to every address within the red line which explained the purpose of the consultation as well as a timetable. A questionnaire was then also sent out and this could be completed and returned either using a stamped addressed envelope or online. Two road shows were held on site where residents could talk directly to Council Officers and door knocking took place.
- 3.14 Residents were asked what they most liked about the area in terms of the buildings, the open spaces, community safety, access to services and facilities; as well as what most needs improving. Residents were then asked whether they preferred the option of partial redevelopment or the option of a full redevelopment.
- 3.15 Key findings of the consultation:**
- 3.16 In total there were 124 responses to the consultation exercise. Out of the 163 properties within the site area, there were 87 responses. Taking into account the one void unit in Shepcot House, the consultation engaged 50% of the residents currently living in Shepcot House, Coverack Close and Beardow Grove.
- 3.17 Out of this representative sample of 124 responses; 87 respondents were in favour of a full redevelopment option (70%); 19 respondents were in favour of a partial redevelopment (16%), 11 respondents did not answer the question (9%) and 3 respondents did not want any development (2%). 4 respondents were unsure (3%).
- 3.18 The consultation also identified 20 residents who would be keen to join a local resident panel which would meet regularly with council officers to explore future design options for the area.

- Shepcot House (72 properties – 36 respondents)

Out of the 36 respondents living in Shepcot House, 29 were in favour of a full redevelopment option which would see the existing blocks demolished and new homes provided. 4 respondents were in favour of a partial redevelopment whereby Beardow Grove would be retained and 3 respondents did not answer the question.

Amongst the key concerns raised by residents, was the condition of the properties and in particular the lifts, windows, kitchens and bathrooms. Considerable investment is needed to bring the block up to decent homes standard. Residents living on the higher floors also complained of damage to their properties resulting from water leaks. Many residents were also concerned about anti-social behaviour from gangs who congregate on the stairwells and on Hood Avenue open space.

Neighbouring residents also expressed support for a redevelopment which would see Shepcot House replaced by new homes.

- Coverack Close 72 (properties – 42 responses)

Out of the 41 respondents living in Coverack Close, 25 were in favour of a full redevelopment option which would see the blocks demolished and new homes provided. 9 respondents were in favour of a partial redevelopment, 2 were unsure and 1 was against. 4 respondents did not answer the question.

The residents in Coverack Close had a strong sense of community and many indicated they would look to remain in the event that a redevelopment took place. A frequent response was that people would wish to remain in the area due to their children attending schools nearby.

- Beardow Grove (19 properties – 9 responses)

Out of the 9 respondents living in Beardow Grove, 3 were in favour of a full redevelopment option which would see the blocks demolished and new homes provided. 3 respondents were in favour of a partial redevelopment whereby Beardow Grove would be retained and 2 were against any redevelopment. 1 respondent did not answer the question.

STOCK CONDITION

- 3.19 The pre-fabricated panel method of construction that has been used in Shepcot House and Coverack Close has resulted in very high maintenance costs without any real improvement in the condition of the building. The council does not have the funds to continue to maintain this method of construction and to bring the properties up to Decent Homes and to make further improvements that might be required by residents.
- 3.20 The estate is similar in nature to the Ladderswood Way estate, with blocks built using a large panel system (LPS). These systems may require

strengthening works in accordance with the Moorehead report (July 1995) and more substantially for the heating system to be replaced.

RECOMMENDATION OF WAY FORWARD

- 3.21 The consultation demonstrated a strong desire by the residents to see significant improvements to the buildings and open spaces within the site area. With a significant number supporting full redevelopment of Shepcot House and Coverack Close.
- 3.22 Further consultation is required with the residents of Beardow Grove to ascertain whether there is support for these two blocks to be included in any estate renewal scheme. It is therefore recommended that further consultation and exploration of options through detailed design work is carried out before a decision on Beardow Grove is brought before Cabinet.
- 3.23 The level of investment required to maintain the stock to a safe and appropriate standard is financially prohibitive.
- 3.24 Therefore demolition of some of the existing stock and the re-provision of new housing is the preferred approach subject to detailed design and viability studies.

FULL REDEVELOPMENT OF SHEPCOT HOUSE AND COVERACK CLOSE

- 3.25 A full redevelopment of Shepcot House and Coverack Close option would resolve the stock condition concerns and improve the quality of life for residents by redeveloping the existing buildings and delivering new homes that meet the needs of the existing population. The option would see the demolition of Shepcot House and the six low-rise Coverack Close blocks with the properties in Beardow Grove being retained.
- 3.26 The council retains the option to bring Beardow Grove into the estate renewal programme however this would be subject to further resident consultation as well as detailed design and viability studies.
- 3.27 Discussions are underway with Planning Policy to agree the planning parameters for any potential development. This would provide a steer on core issues such as acceptable densities, building heights, unit numbers and any potential improvements to open space.
- 3.28 The initial consultation and engagement exercise has opened a dialogue with residents and stakeholders on potential estate renewal options. The dialogue would continue with a resident body established to discuss options with the Council through a series of meetings.
- 3.29 A number of development options for the site area would be produced taking into account the views of the residents and key stakeholders; each development option would be supported by a financial appraisal to

demonstrate viability along with information on phasing and the proposed re-housing programme.

- 3.30 Following further consultation, and subject to detailed design and viability studies, a preferred development option would be presented to Cabinet in early 2012 along with a procurement strategy for delivering the project. The procurement strategy is yet to be finalised however at this moment in time the most likely approach would be to procure a development partner via the OJEU Competitive Dialogue procedure.

- 3.31 The table below sets out a time scale for agreeing and delivering a development strategy for the estate.

Milestone	Purpose	Date
Cabinet Coverack Close Initiation report	To put in place appropriate measures to mitigate the stock condition issues whilst a development strategy for the estate including a timetable is agreed and taken forward.	14 th Sept 2011
Planning parameters agreed	To provide a steer on core planning issues such as density, building heights, mix and unit numbers.	October 2011
Consultation and Engagement exercise to feed into the development of options	To continue the dialogue with residents, Members and key stakeholders on potential options for the site area such as refurbishment and or redevelopment	October / November 2011
Cabinet report on preferred development option and procurement and development strategy	To approve the preferred development option subject to design and financial viability studies and the procurement strategy as well as agree a budget.	March 2012

3.32 Prior to the demolition of the blocks a re-housing offer would be produced for the residents. The re-housing offer would look to maximise the choice for residents; supporting them in finding suitable alternative accommodation, whether that be in the new build units to be built on the site or elsewhere in the borough.

3.33 The focus for any development would be to enable a single decant for residents whereby they only have to move once from their existing home into their new home. Below is an indicative timetable for the re-housing of residents and demolition of existing properties.

- Cabinet agree procurement and development strategy – March 2012
- Re-housing offer document produced – October 2012
- Development partner procured – January 2013
- Re-housing programme starts – January 2013
- Planning submitted – April 2013
- Start on site – June 2013
- First units completed – August 2014
- Coverack Close blocks demolished – August 2014
- Second phase completed – December 2015
- Shepcot House demolished – February 2016.

- 3.34 Detailed project costs will be worked up for each development option with the council looking to capitalise these costs against the project; thereby getting any future scheme / development partner to reimburse the council for those costs. Initial project management costs would be met from existing budgets.
- 3.35 The OJEU Competitive Dialogue procedure costs would be significantly reduced from the Ladderswood Competitive Dialogue process due to increased capacity within the council to deliver such procurements. External legal advice would still be sought however significant pieces of work such as the preparation of the tender documents could be handled in-house.
- 3.36 There may be need for some initial survey work such as a ground investigation study as consultation with residents and discussions with LBE Environment have highlighted some instances of flooding.
- 3.37 Whilst an approach to decant and re-housing is yet to be agreed, indicative costs of £1m for re-housing the 118 secure tenants in Shepcot House and Coverack Close and £5m for buying back the 26 leaseholders would be reasonable. The council would explore shared ownership and shared equity products to reduce the buyback costs.
- 3.38 The proposal would be to structure the scheme so that the cost of buying back the leaseholders would be met by the scheme.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 To continue to maintain the stock and include in the Decent Homes programme.
- 4.2 Much of the stock within Shepcot House and Coverack Close is classed as non-decent. Many of the flats require new kitchens and bathrooms as well new windows to Shepcot House.
- 4.3 Structural works are also required with Architectural Services identifying concrete spoiling as well as potential strengthening works to the Large Panel System blocks.
- 4.4 Government funding to the Decent Homes programme has been cut and therefore the funds are not available to bring all of the council's stock up to decent homes standard. Tough decisions are required to prioritise which estates benefit from the limited financial resources available.

5. REASONS FOR RECOMMENDATIONS

- 5.1 A full redevelopment option for Shepcot House and Coverack Close would address the stock condition concerns and improve the quality of life for

residents by redeveloping the existing buildings and delivering new homes that meet the needs of the existing population.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Financial Implications

6.1.1 A fully costed financial options appraisal will be carried out once the consultation with tenants is completed.

6.1.2 If the option of comprehensive remediation works is taken rather than a redevelopment programme, it would cost the Council approximately £2.8m.

6.1.3 The development of Coverack close will need to be considered within the overall framework of the HRA self financing and the wider regeneration strategy.

6.2 Legal Implications

6.2.1 The tenancy agreements in place at Coverack Close contain the usual contractual provisions requiring the Council to repair and maintain the properties. Such provisions do not usually require the landlord to remedy an inherent design defect.

6.2.2 The risk of the Council not doing anything with properties at Coverack, especially in view of the current knowledge of the physical condition of the buildings, may expose the Council to liability under the relevant legislation and/or criminal sanctions under the 2007 Act, if it can be proven that the Council was guilty of the offence.

6.2.3 The proposed mitigation measures identified in this report would potentially minimise and/or eliminate the risk of the Council's liability to the tenants.

6.3 Property Implications

6.3.1 The initial work completed on development viability show that a new scheme of approximately 465 units would be needed to replace the existing development. Further work on density and the effects this will have on viability needs to be completed. Further work also needs to be undertaken to test the effect of extending the red-line boundary of the proposed development scheme.

6.3.2 The viability work completed to date is based on a number of assumptions including current market prices and a decant strategy that requires a single decant.

6.3.3 Any development scheme that comes forward will need to be supported with Compulsory Purchase Powers to ensure that obtaining vacant possession can be ensured.

6.3.4 A dedicated resource will be required within Property Services to assist with bringing forward the development strategy and if agreed the subsequent implementation of that strategy.

7. KEY RISKS

Please refer to the part 2 report.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The Coverack Close Regeneration contributes to this aim by tackling inequality and access to social housing by providing new homes, a mix of tenure and employment opportunities in the Cockfosters area.

8.2 Growth and Sustainability

The Coverack Close Regeneration contributes to this priority by building strong and sustainable futures for our residents. The scheme attracts investment from the private sector and empowers the voluntary and community sector.

8.3 Strong Communities

The regeneration has residents at the heart of the development. Extensive resident consultation will be carried out at the start of the regeneration with a resident body established to represent the views and aspirations of people living on the estate.

9. PERFORMANCE MANAGEMENT IMPLICATIONS

Not applicable.

10. HEALTH AND SAFETY IMPLICATIONS

None.

Background Papers

Consultation Initiation Letter
Questionnaire
Schedule of properties
Draft Project Plan