

**Decision maker:** Cabinet Member for Housing

**Subject:** Re-Development of 415 – 425 Eastern Road

**Date of decision:**

**Report by:** OWEN BUCKWELL – HEAD OF HOUSING MANAGEMENT

**Wards affected:** Baffins

**Key decision:** Yes – Over £250,000

**Budget & policy framework decision:** No

## 1. Summary & Purpose of report

- 1.1 To seek permission for a Sustainable Homes code 3 scheme to be procured, designed and built on the site.
- 1.2 To seek permission to carry out hard and soft landscaping to the front and rear gardens of 367 – 425 Eastern Road.
- 1.3 The landscaping works will benefit all residents of the blocks it will improve the visual appearance of the blocks and will in turn help to improve the living environment for residents.
- 1.4 If approved it is anticipated that the works to demolish could commence in Autumn 2012. Works for the landscaping will commence following completion of the new build.

## 2. Background

- 2.1 415 – 425 Eastern Road are located in Baffins Ward. This block contains six, two bed flats,
- 2.2 The block has been vacant since September 2006 as substantial cracks appeared in the walls. Following this the residents were moved out and investigations showed subsidence due to trees adjusting the water table.
- 2.3 There was one leaseholder within the block and PCC bought this property back in January 2009 as the future of the block was still to be decided.
- 2.4 Currently there are 3 tenants who no longer have the choice to return to the properties, City South Housing office have commenced the process of contacting them to inform them of this and to arrange the Home Loss Payment of £4,700 to be paid to each tenant.
- 2.5 Permission has already been sought and granted for demolition of this block via an MIS in October 2011.

### **3. Recommendations:**

- i That approval is given to proceed with the scheme within the estimated sum of £1.18m.**
- ii That a scheme to build a new block of four, three bed maisonettes and landscape the surrounding blocks be approved.**
- iii That the financial appraisal be approved.**

### **4. Reasons for recommendations**

- 4.1 Following consultation with AMS Quantity surveyors new build would be the most beneficial, by demolishing and rebuilding Housing will be able to generate larger family homes meeting the requirements for those residents on the waiting list.**
- 4.2 The re development of the block will increase asset value for PCC.**
- 4.3 The works will improve the living environment for residents.**
- 4.4 The project will improve the visual appearance of the block, in turn improving the external environment for residents.**
- 4.5 The works will help to contribute to PCC Corporate Priority 6 – “Increase availability, affordability, and quality of housing”.**

### **5. Options considered and rejected.**

- 5.1 Demolish flats, grass the footprint, landscape to include surrounding blocks, this could lead to the original footprint being considered as green open space and therefore we may not be able to build on it at any point in the future.**
- 5.2 Demolish flats, hardstanding to footprint, landscape to include surrounding blocks, this option would then save the footprint for future development, it would not however meet the requirements for those families on the waiting list, it would also not be aesthetically pleasant for the existing residents.**

### **6 Duty to involve**

- 6.1 Every resident will be spoken to in person prior to the works starting to explain the scope of the works, give details of the duration of the works.**

### **7. Implications**

- 7.1 It is considered that the works will have positive implications by resolving the issue of a derelict block and at the same time improve the appearance of the blocks.**

- 7.2 The works should have positive implications by ensuring that PCC maintains good quality housing that is easily lettable.
- 7.3 There is the potential for negative implications due to potential disruption to residents during the works such as restricted access together with noise and dust etc. Measures will be undertaken to reduce these occurrences to a minimum.
- 7.4 There is also potential for a negative reaction from leaseholders due to the charges that they may receive, and PCC may receive challenges to the Section 20 notice.

## **8. Corporate priorities**

This report and the project it refers to contribute to the following Corporate Priorities:

- Increase availability and quality of housing
- Regenerate the city

## **9. Equality impact assessment (EIA)**

An EIA is not required for this project, however one has been completed and logged with the Equality and Diversity team.

## **10. Legal implications**

- 10.1 The procurement process for the works will need to have been undertaken in accordance with the Council's Contract Procedure Rules at Part 3A of the constitution. Legal Services should be involved in agreeing the form of contract prior to contract award.
- 10.2 The Council is designated as a local housing authority by the Housing Act 1985 (as amended), and by virtue of section 9 of that Act is empowered to provide housing accommodation by erecting, altering or improving houses. Section 21 and section 27 of the Act permit the Council to carry out the general management, regulation and control of such local authority housing
- 10.3 Under Part 2, Section 3, of the City Council's constitution the Portfolio holder for Housing has the authority to approve the recommendations

## **11. Head of Financial Services comments**

- 11.1 The addition of this capital scheme to the Housing Investment Programme has already been approved by Council on 14 February 2012. The scheme now seeks permission to proceed with a more detailed proposal for development. The proposal remains fully funded by HRA revenue contributions (£1.04m) and the earmarked receipt following the sale of the Fox Pub (£0.14m), as per MIS 23 September 2011.

Signed by: **Owen Buckwell – Head of Housing Management**

## Appendices:

## Financial Appraisal

## MIS for demolition

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the \_\_\_\_\_ on \_\_\_\_\_.

Signed by: **[Councillor Steven Wylie]**

**New build of HRA properties at Eastern Road - Financial Appraisal - SUMMARY**

	A	B	C	D
		Total capital cost for PCC - Housing Investment Programme	Total revenue effect over 30 years	Net Present Value
1	<b>SUMMARY OF OPTIONS - Figures in brackets are net incomes, all others are net costs</b>	£'000	£'000	£'000
2	Option 1.0 : - Demolish flats, grass footprint, landscape surroundings	£380.00	£30.00	£398.39
3	Option 2.0 : - Demolish flats, hardstanding to footprint, landscape surroundings	£390.00	£30.00	£408.39
4	Option 3.1 : - Demolish the existing building and build new block of 4 maisonettes	£1,179.78	(£1,071.59)	£657.22
5	Option 3.2 : - Demolish the existing building and build new block of 4 maisonettes - Right to Buy after 10 years	£1,179.78	(£325.75)	£927.43

## **Part 2 - Proposals from Managers for Implementation**

The following proposals have been brought forward. The Managers indicated will exercise their powers to approve the proposal unless a Councillor requests the item be referred for decision to the relevant Cabinet Member or Regulatory Committee. **Your request must be made to JOANNE WILDSMITH (Democratic Support Officer) and must be received by not later than 5 pm on Friday 14 October 2011.**  
An email or handwritten letter will suffice.

If you want to know more about a proposal, please contact the Officer indicated.

### **PORTFOLIO: HOUSING**

**FRIDAY 7 OCTOBER 2011**

	<b>WARD</b>	<b>SUBJECT AND PROPOSAL</b>	<b>OFFICER CONTACT</b>
2	Baffins	<p>Application to demolish 415-425 Eastern Road, Portsmouth and to generate a development plan for the land</p> <p><b>Proposals:</b> (1) to demolish this structurally unsafe block of flats (2) that a development programme is completed to re-provide affordable housing on the site.</p> <p>The demolition of the unsafe dwellings site will allow for approximately £30,000 reduction in the amount of debt needed to be paid to central government prior to self financing in 2012, as this is based on the number of dwellings in the HRA, as well as prepare the site for future development.</p> <p>The 6 flats currently on this site have been vacant for around 3 years, and a final decision on the future of the development following demolition is yet to be finalised.</p>	Jo Bennett Housing Service Tel: 9268 8606