

Leicester  
City Council

**WARDS AFFECTED**  
**Coleman**

**Report to Housing Scrutiny:**  
**Report to Cabinet:**

**9<sup>th</sup> February 2006**  
**13<sup>th</sup> March 2006**

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**Proposal for the Residential Redevelopment of Rowlatts Hill Bungalows.**

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**Report of the Corporate Director of Housing:**

**1. Purpose of Report and Summary:**

**Financial Information relating to this report is included on the Private agenda.**

Problems of damp and cracks in the walls were found in 33 Council owned 1 bed bungalows at Godstow Walk (Site A) and officers arranged for a full structural surveys to be carried out.

Following this survey, cracks were also identified on 27 other near by bungalows and a full structural survey was carried out at:

- 10 Council owned 1bed bungalows at Littlemore Close (Site B)
- 12 Council owned 1bed bungalows at Garsington Walk. (Site C)
- 5 Council owned 1bed bungalows at Chalgrove Walk, (Site D)

(See Attached Site Plan)

This report considers options for the future of all 60 bungalows on sites A, B, C, and D.

The recommended option is to rehouse tenants, demolish the bungalows and market at Site A (Godstow Walk) to provide a mix of new housing. Tenants have been consulted, and in general, accept the need to move due to the condition of their homes.

Sites B, C and D are not considered to be in as poor a state of structural disrepair and should be retained and improved to meet Decent Homes Standard.

On the 9<sup>th</sup> February 2006 Scrutiny committee expressed their sympathy with those disrupted by the demolitions, and requested that sensitivity to the wishes of those people is given.

## **2. Recommendations:**

### **2.1 RECOMMENDATION TO CABINET:**

Members are asked to:

- i) Approve the proposal to seek on the Council's behalf the demolition/clearance of Site A (Godstow Walk), by a selected developer, working under contract to and under licence from the Council and to a specification determined by the Council.
- ii) Approve the re-housing of any affected tenants, awarding them priority status through Compulsory Home Loss points in the allocation system, including, if required, exercising powers to obtain vacant possession and the payment of homeloss and associated compensation packages at Site A.
- iii) Approve keeping council-owned properties within Site A empty until they can be demolished.
- vi) Delegate to the Corporate Director of Housing in consultation with Cabinet Link for Housing, authority to arrange a selection process to appoint a developer or RSL to demolish the bungalows and develop a mix of new housing on Site A, and bring a further report to Cabinet on the outcome.
- v). Approve the retention of Sites B, C and D.

## **3. Financial Implications: (information updated by Graham Troup, ext. 7425)**

There are 2 main options identified in the report, with associated estimated costs and income.

### Option 1 – Retention of the stock

The retention option would, in all cases, produce an annual ongoing revenue account surplus on the assumption there are no marginal management costs from retaining the properties.

### Option 2 – Redevelopment of the Godstow Walk site (Site A)

As the structural problems at the properties in Site A are relatively much greater than those at the other sites, the redevelopment option has been costed for this site.

Under this option the capital expenditure over the next three years is avoided, although the ongoing net revenue would be lost to the Housing Revenue Account.

#### **4. Legal Implications: (Information provided by John McIvor ext. 6450)**

In the event that the option to retain ownership of the properties and carry out the necessary repairs is preferred, issues concerning the temporary relocation of the existing tenants and the requirements to obtain temporary possession of the dwellings for the works to be carried out, will need to be agreed in consultation with the Service Director (Legal Services).

In the event that the recommendation in 2.4. (i) is approved, members should have regard to the following matters: -

The specification (and therefore the price) for demolition should take into account specific requirements for security and on-site vigilance as well as the safe securing of utility outlets.

It may be necessary to obtain orders for the closure and diversion of any footpaths situated on the property. The development timetable should allow sufficient time to obtain the necessary orders. It may be possible to obtain orders through the magistrate's court, otherwise closure would be dependent upon the grant of planning permission and an application to the ODPM.

Members will be aware that on any disposal, the Council must have regard to the statutory duty imposed by section 123 of the Local Government Act 1972 in that it must obtain the best consideration reasonably obtainable for the property or, failing that, obtain the Secretary of State's consent. ODPM guidance further states that the Council will also need to have regard to its general fiduciary duty to obtain the best value for its taxpayers when dealing with the disposal of land and property.

In considering a disposal by way of developer selection, the Council will need to ensure that there is a clear and unambiguous selection procedure and associated matrix in place against which to test any potential developers, and that the criteria for selection is clear and robust against the possibility of any potential challenge. Regard will also have to be given to the relevant rules and procedures relating to the disposals of land and property by developer selection.

The Council should require that any potential developer provide a full and sufficient indemnity to protect the Council in respect of any claims that may arise as a consequence of the demolition works. The Council should also have regard to the possibility of obtaining a guarantee or indemnity to cover the completion of the demolition or redevelopment of the site (as the case may be) in the event that the developer is unable to complete the redevelopment. Consideration should also be given to the terms any conditions of the proposed disposal together with any VAT implications.

In the event that the existing tenants decided to remain in the properties, the Council will need to obtain vacant possession of these properties under Ground 10 of the Housing Act 1985 (possession required to facilitate the carrying out of work). The Council would be required to provide suitable alternative accommodation in these circumstances. The Council would also be obliged to pay compulsory home loss payments to the tenants. In addition, the Council would also be required to pay Additional Loss Payments, of a minimum of £7,500.00 up to a maximum of £75,000.00 (though this is only payable in the event of properties worth in excess of £1m).

Article 8 of the Human Rights Act may be engaged as some of the tenants are elderly and have been settled at this accommodation for many years. This will need handling with sensitivity, although it should be remembered the purpose of the project is to secure accommodation at a higher standard and maintain, long term, affordable housing stock. The Council will need to take into consideration the possibility of carrying out assessments of the implications of interference with the current tenancy/settled way of life of the existing tenants and their needs and requirements, given the age of a number of them. The Council should approach this issue with care.

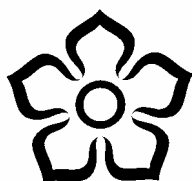
**Authors of this report are: -**

Ann Branson, Service Director  
 Julia Keeling, Head of Development, Housing Development Team, ext. 8713  
 Varsha Saundh, Development Officer, 6971

and

Legal implications: John McIvor, Legal Services  
 Financial implications: Graham Troup, Housing Financial Planning

<b>Key Decision</b>	No
<b>Reason</b>	N/A
<b>Appeared in Forward Plan</b>	No
<b>Executive or Council Decision</b>	Executive (Cabinet)



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**Report of the Corporate Director of Housing: Supporting Information**

**5. BACKGROUND INFORMATION:**

**5.1 DESCRIPTION OF SITE:**

The Rowlatts Hill bungalows are located to the East of the City Centre in the Coleman Ward and falls within the Beatty Avenue/Coleman Road/Evington/Goodwood/Rowlatts Hill allocation area 52.

The bungalows are in close proximity to the popular development by Wimpeys on Oxon Way. That was developed as market housing in an attempt to diversify the tenure within the estate following the demolition of Merton and Oriel House tower blocks.

Site A: Of the 33 Council owned 1 bed bungalows, 27 are currently tenanted and many tenants are elderly.

Sites B, C, and D: Of the 27 Council owned 1 bed bungalows, 23 are currently tenanted and many tenants are elderly.

**5.2. OPTIONS FOR THE FUTURE OF BUNGALOWS AT ROWLATTS HILL:**

Following concerns expressed by tenants about the increasing cracks and dampness within the properties at Godstow Walk (Site A), the Housing Department arranged to carry out a structural survey of all the properties at Godstow Walk

The survey identified that the bungalows at Godstow Walk were suffering from structural problems due to the shallow foundations. (Reported in a survey received from the Property Services Special Projects Team dated April and June 2004).

Demolition is being considered for Site A due to the poor structural condition of the properties caused by very shallow foundations on highly shrinkable clay soil and once the concrete superstructure has become cracked it is difficult to effect a permanent repair.

The Local Neighbourhood Housing Office identified similar cracks in bungalows at Littlemore Close (Site B), Garsington Walk (Site C) and Chalgrove Walk (Site D) and another structural survey was carried out at these properties in December 2005.

The survey indicated that whilst these bungalows were constructed by the same method (i.e. Laing Easiform,) as Godstow Walk they are in better condition than the Godstow Walk bungalows.

The structural report recommends that by carrying out remedial works will prolong the life of the bungalows at Littlemore Close, Garsington Walk and Chalgrove Walk.

(See attached Plan Appendix 1)

It has therefore become necessary to consider the future of these properties.

Housing Directorate considered the options for the future of the bungalows at Rowlatts Hill on 18<sup>th</sup> January 2006.

Retention Option:

SITE	NOS OF BUNGALOWS	TOTAL COST OF ACHIEVING DECENT HOME STANDARD	AVERAGE COST PER PROPERTY
A	29 (4 meet Decent Homes)	£496,000	£17,103
B	10 Bungalows	£ 88,500	£8,850
C	12 bungalows	£128,500	£10,708
D	5 bungalows	£43,500	£8,700

Demolition Option: Relocate tenants and seek a partner to demolish and build a mix of houses at an overall no net cost to the Department, possibly a net receipt.

Therefore demolition is being considered for Site A due to the poor structural condition of the properties caused by very shallow foundations on highly shrinkable clay soil and once the concrete superstructure has become cracked it is difficult to effect a permanent repair.

## ISSUES ABOUT DEMOLITION

### The Properties & Constraints to Demolition

The properties at Rowlatts Hill are built in the 'Laings Easiform' system of construction, with common concrete walls. This type of construction immediately puts a number of constraints on the options for demolition. The main constraint is that the one cannot demolish any row of bungalows partially i.e. the bungalows on all the rows share a concrete wall tied into walls at right angles to it. Demolition of the front and rear wall of any one bungalow will certainly damage the wall of the adjacent bungalow, the repair of which would be additional to the demolition cost.

### Phased Demolition

To conduct the demolition in phases must take into account the above constraint i.e. One complete row of bungalows must be demolished in any phase. Although this is feasible Structures Section advise that it would be a far more expensive exercise as the demolition contractor requires to 'gear up' each time for the next phase. The 'gear up' cost can be a fair portion of the total budget, which makes this option not very cost effective. Site security for extended periods would also be required resulting in increased costs of phasing the demolition.

The Structural Engineering Team in Resources Access & Diversity recommend that all the bungalows be demolished as part of a single contract and that all bungalows be demolished together.

On this basis the demolition of Site A appears better value. Detailed financial information is included in the 'B' agenda report.

Officers recommend:

The Demolition Option for Site A Godstow Walk be approved because it offers best value for money and will achieve a good opportunity to diversify tenure and improve the built environment on the estate.

The Retention Option for Sites B, C, and D as the properties are in satisfactory condition and can be repaired to prolong their life.

## **5.3 DECISION TO CONSULT**

The Corporate Director Housing agreed in consultation with Cabinet Link for Housing to consult Ward Councillor and tenants on the proposal.

## **5.4 WARD COUNCILLORS VIEWS**

Ward Councillors accept the need for demolition of Site A and expressed concerns about the welfare of the tenants and asked that the consultation be carried out in a sensitive, supportive way with face-to-face discussions wherever possible.

## **5.5 TENANTS VIEWS**

All tenants at Site A were visited during week beginning 21<sup>st</sup> November 2005. Out of the 27 tenancies affected (6 void), 3 tenants were not in and received a letter outlining the need for formal consultation. A total of 24 tenants were consulted on a one to one basis. Many of the tenants were well informed about the structural problems and pleased that the City Council was going to address the problem.

It is inevitable that some tenants would prefer to remain in the current property and avoid the inconvenience of moving. However 3 tenants have specifically expressed a preference to transfer to alternative accommodation due to the structural problems.

If all the tenants consulted had to choose to transfer to alternative homes their choice would be as follows;

4 tenants were unconcerned about where they were transferred.

1 tenant requested to move outside Leicester.

2 tenants expressed a preference to move to a Housing Association.

17 tenants expressed a preference to remain in the Rowlatts Hill area.

Letters have been sent by the local Neighbourhood Housing Office to tenants of Site B, C, D to keep them informed.

The Housing Department Accommodation guide (October 2005) shows that in the period 1<sup>st</sup> January 2005 – 30<sup>th</sup> September 2005 the following became available for letting in Rowlatts Hill:

3 x 1 one-bed bungalows.

And

2 x Sheltered Flats /Studio flats.

Over the same period but in the wider area of Thurnby Lodge, Coleman Road and Evington the following became available for letting:

30 x 1 bed bungalows.

And

7 x Sheltered Flats /Studio Flats.

## **5.6 FUTURE OF SITE**



## **Site A :(Godstow Walk).**

The site area in total is 1.66 acres. The adjoining open space provides an excellent facility for small children to play on and creates a pleasant environment for the community (See Appendix 1). The trees within the open space have Tree Preservation Orders.

The proposal is to seek the sale of the Godstow Walk bungalows on the open market to achieve demolition and redevelopment. Either a private developer or Registered Social Landlord (RSL) should be appointed to build a mixed residential redevelopment.

The minimum requirement will be for 30% affordable housing to reflect housing need in the City. This will therefore include some large family housing and wheelchair housing.

Property Services suggest that 20 Homes can be provided at Godstow Walk in the following mix. This is an indicative proposal and would be open to negotiation with developers and RSLs.

- 8 x 2b/4p homes
- 9 x 4b/7p homes
- 1 x 2b/4p wheelchair bungalow
- 1 x 3b/5p wheelchair bungalow
- 1 x 4bed/7p wheelchair house

The demolition, sale-on and redevelopment of Godstow Walk, would appear to offer the Housing Authority a good opportunity to tackle some of its stock which is expensive to keep in good repair.

In addition the demolition of 33 bungalows accommodating 66 person will provide 20 new homes for 111 people.

## **Site at Littlemore Close (Site B), Garsington Walk (Site C) and Chalgrove Walk (Site D)**

The properties to be retained and necessary remedial works, essential repairs to be carried out to meet Decent Homes Standard

### **5.7 PROCUREMENT METHOD For Godstow Walk**

The first stage will be an invitation to Developers/RSLs to submit an expression of interest. Stage two will require a shortlist of developers/RSLs to submit full details of their scheme proposals together with financial data to include the level of capital receipt offered. Stage three will be presentation of proposals, which fully meet the development brief criteria by those developers/RSLs selected from the shortlist.

RSLs and developers will be asked to show a range of options which give different mixes of houses for rent, sale and shared ownership. They will be asked to indicate the level of any of Housing Corporation finance required and the receipt to the Council for each option. The Housing Corporation will require some discounting of the value of the land if they are to offer grant aid.

The RSLs and developers will be asked to explore involving Homecome in the development.

## 6. OTHER IMPLICATIONS

Other Implications	Yes/ No	Paragraph & References within Supporting Information
Policy Implications	Y	Paragraph: 5.2 Decent Homes Standards.
Equal Opportunity Implications	N	
Elderly people/People on low incomes	Y	Para: 5.5
Financial/Legal Implications	Y	Paragraphs 4: Financial Paragraph 5: Legal
Sustainable and Environmental Implications	Y	Paragraph: 5.2,5.6 Diversification of Tenure/tackling stock disrepair
Crime and Disorder Implications	N	

In addition, in accordance with Leicester's Housing Investment Programme 2001 - 2006, it remains Council policy to consider selective redevelopment of housing stock where the level of repairs may be unfeasible in relation to the level of resources available.

Human Rights Act Implications;

Article 8 of the Human Rights Act may be engaged as some of the tenants are elderly and have been settled at this accommodation for many years. This will need handling with care although the purpose of the project is to secure accommodation at a higher standard and maintain, long term, affordable housing stock.

## 7. HOUSING DEPARTMENT AIMS AND OBJECTIVES

The aim of the Housing Department is 'A decent home within the reach of every Citizen of Leicester'.

The key objective is: To improve the condition of Leicester's housing stock and resolve unfitness in all sectors

Other key objectives are: To encourage provision of new housing to meet the needs of Leicester's citizens and to enable all citizens to have access to affordable warmth and a healthy living environment.

## **8. DETAILS OF CONSULTATION FOR THIS REPORT**

Legal Services - Joanna Bunting, Assistant Head of Legal Services  
Housing Finance – Graham Troup  
Housing Management – Suki Supria, Land Lord Services Manager

## **9. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

Papers to Housing Directorate and files held by the Housing Development Team on behalf of the Director of Housing.

### **Authors of this report are: -**

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