

AGENDA ITEM NO. 3

WARWICK DISTRICT COUNCIL

TO: HOUSING COMMITTEE - 13TH MARCH, 2000

SUBJECT: REVIEW OF MULTI-STOREY MANAGEMENT & INVESTMENT - FIRST APPROACH TO BUSINESS PLANNING

FROM: HOUSING, PROPERTY & COMMISSIONING

1. Purpose of Report

- 1.1 As part of the Council's initial approach to the DETR's requirements for Business Planning, to consider the appointment of consultants to assist the Council to consider the future options for the Crest Estate - in particular the 3 multi-storey blocks of Eden, Southorn and Ashton Courts.

2. Background

- 2.1 Within the recently received Consultation paper on the proposed Business Planning framework, some 239 pages long, there is a clear requirement to promote more efficient use of housing assets. The Government accepts that it will take a number of years for "complex" plans to evolve but what is clear is the requirement for such Business Plans to fit within a corporate strategy and be based on a clear understanding of the housing environment i.e. housing needs/aspirations; stock condition; investment opportunities and optimum timing; asset valuation; and, most importantly, tenant/user consultation.
- 2.2 The requirements on the Council will be quite excessive - involving not only Housing but Property and Finance as well. Already your officers are considering a fresh approach to the Fundamental Review process and it is felt that an examination of the "Business Case" for multi-storey dwellings would be a useful start to our Business Plan approach. This is within the context of the Council already working with KPMG on the wider issues of Business Planning.

3. Work up to Now

- 3.1 Housing Spokespersons have, in the past, expressed the wish for a radical approach to the Crest Estate that could involve the demolition of one or more of the multi-storey blocks as part of a wholesale improvement to the area. On the other hand, Officers have expressed a preference for "enhanced management" and an innovative lettings policy (including possible re-designation of Units) rather than any demolition of physically sound accommodation.
- 3.2 When this matter was last discussed at the Spokespersons briefing, three possibilities emerged for further examination i.e.
- a) Enhanced Management
 - b) Demolish one block plus enhanced management to remainder.
 - c) Sale to private sector for different form of affordable housing
 - d) Re-designation of one or more blocks eg. 50+ (Mature), or singles (young).
- 3.3 Staff resources, and possibly skills, do not exist in house to consider these options in the detail required - especially if demolition were to become the chosen strategy. Information has already been made available to Spokespersons to assist their deliberations e.g.

- Occupancy of the 3 blocks
- Turnover of property
- Repairs expenditure on multi-storeys
- Major works completed.
- Housing Needs Survey
- Press articles regarding multi-storey approaches
- Subsidy implications of demolition

but it is clear that a detailed analysis of all this is required in a more structured way.

4. **Consultants**

- 4.1 It is the view of the Head of Housing, Commissioning Director and Head of Property Services that to consider this matter in the appropriate way, consultants need to be appointed. A draft brief for the consultants is attached at Appendix 1 whilst Appendix 2 lists the consultants your officers would propose to approach.
- 4.2 The proposal is to seek tenders for the work - the successful tenderer would be chosen not on price alone but on the detail of their submission.
- 4.3 It is estimated that the cost of such an exercise would be £10,000. When compared with the costs of demolition and the impact this could have on the Capital Programme and operational issues it is felt the cost is justified and can be found from within existing resources. Further, the work completed on the blocks at the Crest would have considerable benefit on our overall approach to multi-storey living within the Business Plan.

5. **The Tenants/Residents Perspective**

- 5.1 In all things we do, the tenants/residents perspective is all important.
- 5.2 In earlier consultation with tenants/residents at the Crest, mainly revolving around the issue of establishing a Tenants/Residents Association, there was little response for tenants to become involved. The issues identified at the time mainly related to the environment e.g. grass cutting and rubbish, as well as the Council's allocation policy.
- 5.3 However, on an infrequent basis, press articles appear, and enquiries are made regarding the potential to demolish any one of the blocks at the Crest. These reports may stem from an aesthetic desire to remove, what some may regard as an eyesore and a management "problem". Consequently, this alleged popular support for demolition has to be considered within a very detailed investment appraisal and option study.
- 5.4 Once this study has been completed, if possible in conjunction with any tenant/resident representatives from the area, the Council can then consult more widely on the options available and their impact on the Housing Strategy as a whole. It will be important to stress, at this stage, the impact of any new approach on individual opportunities to move to alternative accommodation, and the future chances of a home for those on the Common Register.

6. **Recommendation**

- 6.1 That the consultants identified in Appendix 2 be approached to undertake a review of the options for the Crest Estate - Multi-Storey Blocks in accordance with the Brief attached at Appendix 1.

Derrick S. Dyas	John Whittle	Jeanette McGarry
Head of Housing.	Head of Property Services	Commissioning Director

Background Papers

1. Business Planning for Local Authority Housing with Resource Accounting in Place - DETR Dec.99

2. Head of Housing's "Crest" file

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Areas in District Affected: Lillington

Appendix 1

Consultants Brief

Housing Option Study for Eden, Southorn & Ashton Courts, The Crest, Lillington, Leamington Spa.

Background to the Study

Warwick District Council own and manage c6,400 properties - all of which are managed and maintained to a high standard.

The "Crest" area of Lillington is an area of the District with a high concentration of Council housing. The estate does not enjoy a particularly good reputation within the district, with an image of relatively high crime and vandalism. However, when compared to neighbouring authority areas the local reputation is hardly justified although there is a clear need to do something about it through positive and proactive action.

The three multi-storey blocks - Eden, Southorn and Ashton Courts - are viewed as having a particularly adverse effect on Lillington as a whole. As "silhouettes in the sky" there are easily targeted for criticism as they are not particularly popular and, are typical of property available i.e. multi-storey blocks comprise less than 5% of the housing stock. Many of the problems of Lillington appear to be targeted on these three blocks.

Purpose of the Study

The purpose of the Options Study, is to investigate the current issues facing the three multi-storey blocks in particular and possibly the neighbouring maisonettes in Winston Crescent and identify/recommend future options for action that could include

- Enhanced Management
- Demolish one block plus enhanced management to remainder.
- Sale to private sector for different form of affordable housing
- Re-designation of one or more blocks eg. 50+ (Mature), or singles (young).

these being potential options already identified by members.

The Consultants appointed to undertake the study will be given access to various information currently available e.g.

- Latest Housing Needs Study undertaken by Richard Fordham
- Expenditure levels - repairs/improvements on the 3 blocks
- Occupation profile of the 3 blocks (as at Feb.98)
- Data regarding property turnover.

The Council when considering the future options for the three blocks, are particularly concerned about the impact any of the options identified will have on

- Future Capital Programme
- Subsidy to the Housing Revenue Account
- Future allocations - particularly single people/couples
- Void losses
- Future demands for neighbourhood management
- Future benefits to private sector if blocks sold to either an RSL or Private Sector

Data relating to the 3 blocks:-

All three blocks are covered by CCTV

None of the blocks are regarded as particularly

“difficult to let” but can be problematic.

A Plan of “The Crest” is attached.

	Properties	Sold
Ashton Court	46	1
Eden Court	89	
Southorn Court	46	1

The Council’s Housing Business Plan

The Council is conscious of the requirements placed upon it to create a Business Plan to effect the efficient use of its Housing assets.

This study, therefore, must be undertaken within the context of recently issued guidance from the DETR and would enable the Council to develop its general approach to Business Planning.

Instructions to Tenderers

Consultants who are requested to submit proposals for the option review should submit them in the attached envelope which should bear no other means of identification. The proposals should be returned to by

Consultants are requested to submit a Fixed Price Tender scheduling the fully inclusive costs for the study, including costs for the study, including overheads such as travel, accommodation etc. and note that is tranche payments are required, the final tranche will not be paid by the Council until the final report has been agreed and received by the Council. The costs should also include for one evening presentation to members, which may be made after final payment plus the provision of an original single sided copy of the report plus 10 further copies.

The proposal should also contain:

- Name and CV of all personnel to be involved in the project and identity of lead person/manager
- Names and addresses of 3 referees for whom a similar project has been undertaken.
- Details of any quality assurance scheme to be applied.
- The date by which the project can be completed

Selection of the successful tenderer will not be done by price/tender alone. The quality of the bid and proposal will also be a major factor, as will the extent of the work proposed and made clear within the proposal.

Enquiries regarding this exercise should be made to:

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Head of Housing
Warwick District Council,
Marlborough House, Holly Walk,
Royal Leamington Spa. CV32 4WA.
email: ddyas@warwickdc.gov.uk

Housing Option Study for
The Crest,
Lillington, Leamington Spa.

Proposed Schedule of Consultants

Chapman Hendy Associates

Albourne Associates

Anthony Collins Solicitors

Austin Mayhead & Company

John Herrington Associates

Rodney Dykes Housing Services Ltd.

K.P.M.G.