

Title: Strategic Direction Christine Ledger Square
Lead Officer: Lisa Barker
Portfolio Holder: Councillor Jan Matecki
Wards of the District directly affected: * Brunswick

Approvals required	Date	Name
Portfolio Holder	23.01.2023	Cllr Jan Matecki
Finance	31.01.2023	Victoria Bamber
Legal Services	13.01.2023	Kathryn Tebbey
Chief Executive	13.01.2023	Chris Elliott
Head of Service(s)	Author	Lisa Barker
Section 151 Officer	17.01.2023	Andrew Rollins
Monitoring Officer	13.01.2023	Andrew Jones
Leadership Co-ordination Group	23.01.2023	
Final decision by this Committee or rec to another Cttee / Council?	No Recommendation to: Council	
Contrary to Policy / Budget framework?	No	
Does this report contain exempt info/Confidential? If so, which paragraph(s)?	No	
Does this report relate to a key decision (referred to in the Cabinet Forward Plan)?	No/Yes, Forward Plan item – scheduled for (date)	
Accessibility Checked?	Yes/	

Summary

This report updates Cabinet following the decision made to temporarily rehouse residents from Christine Ledger Square (CLS) into alternative accommodation, in response to serious concerns about fire safety.

This report also sets out a series of recommendations that will allow for the next steps in the decision-making process on the future of the building to be expedited to alleviate concerns and anxiety of displaced residents.

Recommendation(s)

- (1) That Cabinet notes the urgent response and actions taken to temporarily rehouse residents of CLS in response to fire safety concerns.
- (2) That Cabinet notes the previous decision taken by the Chief Executive using his emergency powers in consultation with Group Leaders approving the urgent need for consultation with the residents of CLS on the future options for the building.
- (3) That Cabinet approve the delegation of authority to the Head of Housing in consultation with Group Leaders and Portfolio Holders for Housing and Finance to make a final decision on future of the building following the period of consultation, taking into consideration the views of residents and all other relevant factors.
- (4) That Cabinet recommends to Council a total maximum budget of £13,681,000 is made available which includes for the following:
 - (a) £2,289,000 to execute and arrange temporary and/or permanent housing options, provide interim building security and safety, obtain further advice such as technical and legal advice.
 - (b) Either:
 - i. £10,092,000 for refurbishment of the block; or,
 - ii. £1,500,000 to cover demolition costs.
 - (c) A contingency of £1,300,000 for estimated costs associated with the above

1 Reasons for the Recommendation

1.1 Overview

- 1.1.1 CLS is an 11 Storey High-Rise Wimpey No-Fines building constructed in 1967 containing 54 flats. Of the 54 flats, 12 are 1 bedroomed and 42 are 2 bedroomed, 5 are leasehold with the rest being tenants.
- 1.1.2 Members will be aware there have been concerns for all our high-rise buildings following the tragedy at Grenfell and subsequently extensive fire safety works at the Council's high-rise blocks were carried out. Due to locating asbestos containing material at CLS in 2019 more intrusive works were placed on hold whilst further investigative works were undertaken, and advice was sought. There were obvious delays in obtaining information as a result of the pandemic. In December 2021 in response to heightening concerns about fire risk, a walking wakening watch was commissioned on a 365/24/7 basis to offer early

warning and to assist those who required assistance to leave the building if required, was introduced.

1.1.3 Most significantly at the end of October 2022, a fire occurred in a high rise building in Bristol where, it is said, the insulating cladding was seen to encourage the spread of fire. We are still awaiting the full findings of the investigation into the fire; however, we have been advised that the insulating cladding at CLS is materially the same as that at the building in Bristol. The recent External Wall Survey report received in October has detailed concerns regarding the external wall insulation, in this case a Structerm system. Concerns have been highlighted following the Bristol fire regarding the flammability of the internal expanded polystyrene insulation, whilst an apparent omission of vertical cavity barriers within the system has been highlighted. Within the report submitted in October, the nature of installation around window openings has also been questioned. These findings, over and above the position regarding fire safety measures and structural issues, could only draw officers to one conclusion which was in order to immediately protect the health and safety of residents, that they must be temporarily rehoused until a decision can be made on the future of CLS.

1.2 **Recommendation (1) – the urgent response and actions taken to temporarily rehouse residents**

1.2.1 Cabinet members and Group Leaders have been made aware of the need and urgency with which residents were required to be temporarily rehoused from CLS. Members will recall this was not a decision taken lightly particularly as it was so close to Christmas but given the concerns with the safety of the building the situation could not be ignored. The Housing team responded quickly and effectively to communicate with residents and support them, identifying and securing alternative accommodation and assisting them financially. All residents were temporarily rehoused from the building by 23rd December 2022.

1.2.2 Tenants and other residents have been accommodated as follows:

- Accepted a permanent move to another property
- Accepted a move under Decant arrangements
- Stayed with family or friends

1.2.3 Officers continue to work closely with residents ensuring contact twice a week to check on their situation and provide any update. In accordance with the Council's Decant Policy measures have been put in place to meet the needs of individual households and also the costs of this undertaking.

1.3 **Recommendation (2) – The Chief Executive employing his emergency powers approving the urgent need for consultation with the residents of CLS on the future options for the building.**

1.3.1 The Council is under a statutory duty to consult secure tenants on matters of housing management under the Housing Act 1985. The Council has wide discretion as to how it runs the consultation process. However, the overriding concern is that the consultation is carried out in a fair, timely, appropriate, and effective manner.

- 1.3.2 The urgency to start the consultation process was to minimise the levels of concerns and anxieties of displaced residents about having to live in temporary accommodation for a long period of time and not knowing what the future of the building would be and whether they would be moving back. The views and feedback of residents as to the future of the building are to be taken account of when the decision on the future of the block is to be made; however, they will only be one of the relevant factors which the Council will ultimately consider in making a decision.
- 1.3.3 The consultation is involving a formal letter being sent to all households remaining at CLS (in the sense of not having agreed to being permanently rehoused elsewhere; some have already elected to move permanently from CLS and have no remaining interest in the block). There follows two in person sessions with residents to enable discussion and for residents to ask questions. Officers will also offer to meet individually with residents who may wish to discuss their options privately.
- 1.3.4 The consultation results will be collated and carefully considered in by the Head of Service in deciding the Council's preferred option, together with all other relevant factors, which may include the degree of certainty that a given option will be deliverable; the practicality of each option; the ability of an option to deliver a safe, cost-effective long term solution to the issues that have been identified; their likely timescales and costs; and the level of disruption they are likely to cause to residents and others. This is a non-exhaustive list.

1.4 **Recommendation (3) – Final decision on the future of the building**

- 1.4.1 Even with expediting the start of the consultation process, given administrative timelines, it is likely that May 23 would be the earliest that a report could be presented to Cabinet. Members will be aware that this is an election year, meaning that there is no Cabinet meeting in May and, given the process requirements of establishing a new administration, it is most likely that the matter would not be before Cabinet until July 2023 some 5/6 months away. For residents of CLS, this would mean an extending period of considerable uncertainty, anxiety and disturbance with no knowledge of when they would possibly be able to return to a safe and modern building or secure alternative permanent accommodation.
- 1.4.2 It is therefore proposed that Cabinet delegate authority to the Head of Housing in consultation with Group Leaders and Portfolio Holders having considered the available information including the views of the residents of CLS and other relevant factors identified to decide on the most viable option for the Council.
- 1.4.3 Because of the developing and emerging concerns for the block the conclusion is that there are only two realistic and viable options, which is either to (a) fully refurbish the building or (b) to demolish the block. These are the two options on which we are consulting residents.
- 1.4.4 The current thinking is that both the options appear to be viable on the information currently available, however:
- The refurbishment option has a great degree of uncertainty in design and cost from the beginning and has very limited scope for change during the refurbishment programme and hence will be more expensive and potentially may not be deliverable cost-effectively or at all if further investigations reveal additional barriers.

- There is also concern that this option will not be compliant with the climate emergency and decarbonisation targets and aspirations and may never meet standards which are considered modern good practice.
- The option of retaining and refurbishing the existing building, given the age and characteristics of the building, along with the choice of building material used when constructed, which now pose a risk not only to the buildings but also to the occupants and the landlord, gives rise to significant risks and reduced cost, programme and quality certainty.
- The investment needed in order to remedy current fire safety deficiencies and remove deleterious materials is significant and such investment could be undermined by the age and remaining life expectancy of the original concrete structure and the age and condition of services infrastructure that may need to be retained as part of a pragmatically designed refurbishment.
- Demolition would provide more cost certainty and less risk uncertainty.
- CLS is home to a people who have invested in their space and within the local community, and five currently own homes in the block as long leaseholders. There are many financial and emotional ties with the building and the location.
- Demolition would provide the opportunity to provide new homes on the cleared site albeit a potentially reduced number. If taken forward this would be the subject of a separate report to Cabinet.

1.4.5 Residents are being consulted on these two viable options and following consideration of the feedback and consideration of any further structural or feasibility reports needed the most viable option will be considered through the delegated authority process.

1.5 **Recommendation (4) - Budget requirements.**

1.5.1 The costs of the two options are £10,092,000 for refurbishment and £1,500,000 for demolition. The costs of executing and arranging temporary and/or permanent housing options, provide interim building security and safety, resident consultation and project management costs, obtain further advice such as technical and legal advice are £2,289,000. These costs will be incurred whichever option is taken forward.

1.5.2 The maximum budget requirement is therefore:

Refurbishment	£10,092,000
Project costs	£2,289,000
Contingency	£1,300,000
Total	£13,681,000

1.5.3 The implications of the two options on residents is as follows

Refurbishment

Residents would continue to be displaced (with costs of accommodation, utilities etc paid for by the Council) for an estimated period of c18 months/2 years before returning to their current homes.

Demolition

Tenants: will be provided with a new tenancy of a new home by the Council.
Costs of removals, reconnections etc will also be met by the Council

Leaseholders: The Council will have to enter into negotiations with leaseholders within the block to buy out their legal interests. Potentially, leaseholders could be offered the opportunity to become a secure tenant of a new property. In parallel with this, the Council will be likely to need to run a Compulsory Purchase Order exercise in case negotiations are unsuccessful. Leaseholders would be responsible for finding new properties for themselves.

- 1.5.4 Should the Refurbishment option be taken forward, it is intended that costs will be met primarily from borrowing from Public Works Loans Board (PWLB) with contributions from the Housing Investment Programme (HIP), Major Repairs Reserve and Housing Revenue Account (HRA) revenue budgets. Should the demolition option be chosen, costs will be met from Housing Revenue Account Reserves and possibly PWLB borrowing if new homes are to be built on the cleared land.

2 Alternative Options

- 2.1 Two options are put forward for residents to be consulted on.

3 Legal Implications

- 3.1 The recommendations in this report will have ramifications for the residents at CLS. Their rights will be as set out within their relevant tenancy agreements and leases, and we will look to ensure that the Council operates within the terms of such, acknowledging that this may mean ending such agreements and leases, which we will endeavor to do amicably and voluntarily through negotiation and offers of alternative housing for secure tenants. The carrying out of a consultation before a final decision is made will contribute to this. However, we may also need to consider gaining possession under one of the grounds for possession in relation to any tenants who are unwilling to move, and the use of additional powers beyond those contained within the tenancies and leases in order to achieve vacant possession. This may include complex negotiations and powers of compulsory purchase for leaseholders, but these should not in themselves infringe the human rights of the occupants of CLS.

4 Financial

- 4.1 As per recommendation 4, the two options being considered would have the budgetary impacts identified below, with option 1 of Refurbishment costing £13,681,000 and option 2 of Demolition costing £5,089,000:

Budgetary Impacts	£	Option 1 Refurbishment	Option 2 Demolition
Demolition	1,500,000		1,500,000
Cost of refurbishment of building	10,092,000	10,092,000	
Costs to execute temporary and/or permanent housing options/Building Security & Legal Advice	2,289,000	2,289,000	2,289,000
Contingency	1,300,000	1,300,000	1,300,000
Totals		13,681,000	5,089,000

- 4.2 In both options the £2,289,000 budget for temporary/permanent accommodation housing and the Contingency budget will be required.
- 4.3 These Budgets are a mix of capital and revenue Costs which would be funded from the HRA Budgets. The £2,289,000 budget is split with £1,389,000 attributable to revenue and £900,000 to capital. The £1,300,000 contingency

Budget is a revenue cost with the refurbishment cost of £10,092,000 or Demolition costs of £1,500,000 being mainly capital expenditure.

- 4.4 The £2,289,000 and £1,300,000 budgets can be funded from the HRA Capital Investment Reserve (CIR). There is currently a £29,206m Balance in the HRA CIR but there are commitments against this reserve, and in the HIP being presented to February Cabinet as part of the Councils Budget Setting Report, the current commitments against this reserve show that, should there be no further changes either to income or expenditure, by 31st March 2030 there will be a smaller balance of £2.538m remaining. In line with this report being presented to Cabinet at the same time as the HRA HIP in the Budget Setting Report, the £2.289m and £1.300m have been factored into the HRA CIR Balances to ensure that both reports represent the same financial position, and these initial costs are accounted for.
- 4.5 The demolition costs of £1,500m and £10,092m refurbishment costs have not been factored into the HRA HIP accompanying the Budget Setting Report to February Cabinet. Once a decision is made on the options available a full financial viability appraisal will need to be completed for both options to assess how these could be funded.
- 4.6 It is not expected that the HRA CIR would be able to carry the cost of £10,092m refurbishment at the moment due to the large amount of existing committed costs and other budgetary considerations which are being presented to Cabinet on the 9th February 2023 in the HRA Budget 2023/24 and Housing Rents Setting Report. Therefore, alternative financing options will be considered including sourcing Grant Funding or PWLB borrowing, in line with assessing the financial viability and likely payback times for completing these works to ensure best value is achieved for the HRA.
- 4.7 The HRA Business Plan is due to be fully revised and presented to Cabinet on the 8th March 2023, this revision will include the £2,289,000 Accommodation and £1,300,000 contingency budgets but the inclusions of the larger Demolition or Refurbishment budgets will need to be assessed depending on the outcome of the options appraisal.

5 Business Strategy

- 5.1 Health, Homes, Communities - The proposals support residents living in safe and secure homes and environments.
- 5.2 Green, Clean, Safe – Refurbishment would enable the energy efficiencies of the building to be improved and provide a safe environment for residents. Demolition would afford the potential to provide a new energy efficient building that enables energy costs to be lowered.
- 5.3 Infrastructure, Enterprise, Employment – There are no direct impacts for this aspect of the strategy
- 5.4 Effective Staff - There are no direct service impacts by these proposals.
- 5.5 Maintain or Improve Services – the proposals provide an option to decommission a building that may be considered to be end of life.
- 5.6 Firm Financial Footing over the Longer Term. The proposals provide an option to deliver a safe, cost-effective long-term solution to the issues that have been identified and a decision made on the building's future life expectancy and value as an asset.

6 Environmental/Climate Change Implications

6.1 The proposals support the potential for Carbon reductions when the final decision is made on the future for the building. Refurbishment would enable the energy efficiencies (and therefore carbon efficiencies) of the building to be improved and provide a safe environment for residents. Demolition would afford the potential to recycle materials that contain substantial amounts of embodied carbon and provide a new energy efficient building that enables energy costs to be lowered.

7 Analysis of the effects on Equality

7.1 An Equality Impact assessment has been produced and will continue to be monitored and updated during the consultation phase.

7.2 Officers are aware that the decanting of Christine Ledger Square and consideration of the future option of the building will have a fundamental impact on residents and are working sensitively with each resident.

7.3 Information has been gathered setting out all the required household information to be able to complete the consultation with residents effectively and take account of equality requirements

8 Data Protection

8.1 There are no specific data protection implications associated with the proposals in this report.

9 Health and Wellbeing

9.1 The proposals impact positively on the health and wellbeing of residents by reducing the extended period of uncertainty, anxiety and disturbance.

10 Risk Assessment

10.1 The risks have been identified and are currently being managed during the temporary rehousing process. Additional risks have been added for the proposed consultation process. The risks specific to this report and recommendations are set out in the table below.

Risk ID	RISK DESCRIPTION	EXISTING CONTROL MEASURES	PROBABILITY (1-5)	IMPACT (1-5)	RAG (Red 13-25, Amber 8-12, Green 1-7)	RESPONSE OR ACTION
1.	Failure to take action or excessive delay in taking action resulting in legal liabilities and reputational damage	<ul style="list-style-type: none"> Executive briefed Fire Service appraised Resources identified Project group formed Actions to resolve concerns and 	1	4	4	None required

		<p>issues being implemented.</p> <ul style="list-style-type: none"> All residents have been temporarily rehoused 				
2.	Poor communication with staff Resulting in inconsistent information being passed on to residents	<p>Communication objectives established .</p> <ul style="list-style-type: none"> Project board established, regular communication with residents, shared folders, use of team chats. 	1	3	3	None required
3.	Poor communication with residents. Not using customer friendly wording or using plain language. Or explaining well the concerns issues and responses	<ul style="list-style-type: none"> Communication plans in place. Letters in plain English to residents. Produced FAQ's. Residents' meetings held. Weekly contact with residents by assigned officers. 	1	4	4	Monitor and respond
4.	Inadequate Household information and data. Insufficient to understand the needs of the residents	<ul style="list-style-type: none"> Detailed Household information spreadsheet produced Operational and monitoring spreadsheet produced. Additional data collected and stored during decanting process. 	2	2	4	Monitor
5.	Not taking into account Equality and Diversity	<ul style="list-style-type: none"> Equality Impact Assessment produced. Additional data collected, stored and used to effectively communicate with residents and take 	1	5	5	

		account of specific needs.				
6.	Tenants refusing to decant not have contingency arrangements in place	<ul style="list-style-type: none"> Decant Policy in place Further legal advice sought Ongoing dialogue with residents not yet moved to decant or alternative settled 	2	5	10	Monitor
7.	Leaseholders refusing to decant. Not understanding the different requirements and not having effective contingencies in place.	<ul style="list-style-type: none"> Decant Policy in place Further legal advice sought Ongoing dialogue. All leaseholder residents in CLS have been temporarily or permanently rehoused 	2	5	10	Monitor
8.	Tenants of leaseholders refusing to decant	<ul style="list-style-type: none"> Decant Policy in place Further legal advice sought Tenants of leaseholders have temporarily rehoused and there housing requirements are being considered. 	1	5	5	Monitor
9.	Residents feeling insecure and vulnerable to crime and ASB during the 'emptying' of the building	<ul style="list-style-type: none"> Discussed need for security in and around the building Concierge facility set up to support residents and provide security for the building Fobs deactivated 	1	4	4	Monitor
10.	Insecurity of the building during the decant project	<ul style="list-style-type: none"> Concierge facility established 	2	4	8	Security to be maintained until such time as the building is empty and then

						physically secured.
11.	Ineffective consultation resident's views not considered or represented accurately	<ul style="list-style-type: none"> Legal advice received on how the consultation should be implemented. Comprehensive arrangements in place to effectively consult with residents on the future options for the building 	1	4	4	Monitor and review
12.	Residents' views not considered by the Council when making the final decision on the future of the building	<ul style="list-style-type: none"> Cabinet report setting out legal requirement to consult. Parameters for decision making set out in the report 	1	4	4	Implement

11 Consultation

11.1 Ward members are aware of the situation and are kept abreast of changes. They are aware of the options and there is an open invitation to attend the resident consultation events.

The Council, as Landlord, has a duty to consult with Tenants in respect of the future of the building

The matter is to be discussed at Housing and Assets PAB on 2.2.2023.

Background papers:

Appendix 1 - Decant Policy

Supporting documents:

Appendix 2 - Equality Impact Assessment