

Title of paper:	DECOMMISSIONING OF BRAIDWOOD COURT, BURROWS COURT AND CANNING TERRACE	Key decision NO
Chief Officer(s)	Lynne Pennington Corporate Director of Housing	
Contact officer(s)	Margaret Coward Head of Landlord Operations (South) Tel:- 0115 915 7259 Email :- Margaret.coward@notttinghamcity.gov.uk	
Summary issues raised: Burrows Court and Braidwood Court are two multi-storey tower blocks considered to be unsustainable due to low demand, high investment needs and poor design. They have a negative impact on the surrounding neighbourhood and their removal is essential to the regeneration of the area. Canning Terrace is a listed row of properties in poor state of repair. Their investment needs cannot be immediately met from the current capital programme and disposal is recommended.		
	<u>Recommendations:</u>	<u>Summary of Implications:</u>
1.	That the 246 properties comprising Braidwood Court, Burrows Court and Canning Terrace be decommissioned.	<u>Financial</u> There are revenue implications in respect of rent/service charge income and subsidy loss. These are in part offset by savings in repairs and staffing costs. Disposal of the sites would result in a capital receipt to the City Council.
2.	That remaining tenants are rehoused and that home loss and disturbance payments are made to those eligible.	<u>Legal</u> Disposal of land held for housing purposes are governed by the Housing Act 1985; the City Council has powers to make statutory and discretionary payments of home loss and disturbance payments to occupiers under the Land Compensation Act 1973; the City Council has powers to compulsory purchase leasehold interests under s.17 of the Housing Act 1985.
3.	That the Head of Property Services is instructed to negotiate and agree the purchase of land and leasehold interests not in the ownership of the City Council on the sites and to terminate the licences held for the siting of telecommunications equipment on the roofs of the blocks.	<u>Strategic</u> The loss of units of accommodation will impact on our ability to meet housing need. However, their disposal will impact positively on the quality and sustainability of their neighbourhoods, providing sites for the provision of new mixed tenure housing or facilities lacking in the area.
4.	That the disposal of the sites are subject to a market testing exercise and discussions take place with potential developer partners regarding the possible future use of the sites. The outcomes of both to be reported back to a future meeting of the Executive Board as a matter of urgency.	
Impact on corporate objectives: <u>Neighbourhood focus</u> - the actions outlined will contribute towards decent homes in decent neighbourhoods. <u>Developing the City</u> - the sites will be available for development which will take place within the Local Plan framework.		Benefits to customers/service users: The disposal of unsustainable properties will enable sites to be developed in order to provide real assets that will improve the quality of life for residents by making the neighbourhoods attractive and safe places in which to live, work and play.

WARDS AFFECTED:
Arboretum
Berridge
Dales

ITEM No

EXECUTIVE BOARD
22nd March 2005

REPORT OF THE CORPORATE DIRECTOR OF HOUSING

1 KEY DECISION

1.1 This matter is not the subject of a Key Decision.

2 RECOMMENDATIONS

IT IS RECOMMENDED:

- 2.1 That the 246 properties comprising Braidwood Court, Burrows Court and Canning Terrace be decommissioned.
- 2.2 That remaining tenants are rehoused and that home loss and disturbance payments are made to those eligible, in accordance with the relevant statutory provisions.
- 2.3 That the Head of Property Services is instructed to negotiate and agree the purchase of land and leasehold interests not in the ownership of the City Council on the sites and to terminate the licences held for the siting of telecommunications equipment on the roofs of the blocks.
- 2.4 That the disposal of the sites are subject to a market testing exercise and discussions take place with potential developer partners regarding the possible future use of the sites. The outcomes of both to be reported back to a future meeting of the Executive Board as a matter of urgency..

3 REASONS

- 3.1 To tackle the problems caused by unsustainable housing in neighbourhoods and to enable investment to be effectively targeted to deliver high quality management services and to achieve Decent Homes in council-owned stock by 2010.

4 BACKGROUND

- 4.1 The need to decommission blocks and groups of unsustainable properties has been recognized by the City Council and is documented in previous reports to the Executive Board in April 2003 and December 2003 and June 2004. The City Council has already agreed to the decommissioning of 140 flats at Cheverton Court and Marple Square. 134 flats at Bakewell Drive and five sheltered schemes as set out in these reports. This programme is now complete.
- 4.2 An investment planning framework is being developed which will enable the approach to dealing with unsustainable housing to be

placed within a strategic context. Using Area Profile information, existing local action plans and asset management plans, decisions about decommissioning can be made in the context of demand and supply for housing as a whole and total neighbourhood based resource availability. A traffic lighting system based on data collected around a series of indicators will help inform the assessment of sustainability. Elected members and local communities will make recommendations to the City Council who would take the final decision in the context of the Citywide picture.

4.3 Whilst it is envisaged that this will be the route for future decisions there is a pressing need to take action on 3 blocks where problems are particularly acute and where the quality of life for remaining residents is becoming unacceptable. These are Braidwood Court in Hyson Green, Burrows Court in Sneinton and Canning Terrace in Radford. In all these properties high repair costs have resulted in vacant properties being unlettable without significant investment. All vacancies are currently being held pending a decision on the future of the blocks.

4.4 A brief description of the issues surrounding each block together with the consultation which has taken place is shown below. More details are contained in Appendices A, B and C.

4.5. Braidwood Court, Hyson Green

No. of properties	104 flats built in 1960's
Percentage void	57%
Condition	Unimproved block – total repair and refurbishment costs around £4 million. Investment in new water systems is required, totalling £340,000 to meet minimum health and safety standards.
Management problems	Low demand, high anti social behaviour incidences, security issues (internal and external), access issues for high number of residents with mobility problems
Options for future use	Feasibility report attached (Appendix A). 1. Total refurbishment – not viable due to high unit costs and the need for immediate investment in water supply services. 2. Rehousing of existing tenants and disposal of vacant building to a third party for refurbishment or redevelopment - generates a positive capital receipt, may address gap in provision and improves area. 3. Rehousing of existing tenants, demolition and disposal of vacant site – generates lower capital receipt, may address gap in provision and improves area
Other factors	In New Deal for Communities area – action required to prevent further blight of regeneration area.
Consultation	Discussions with Portfolio holder and local

	members support decommissioning. New Deal for Communities consultation with local people highlighted overwhelming demand for action on this block. A Public Meeting was held on 22 nd November attended by 30 tenants. No objections raised to decommissioning – their focus was on compensation packages, where they would go. Officers have carried out home visits to each household to gain a fuller picture of individual reactions and circumstances.
--	--

4.6 Burrows Court, Sneinton

No. of properties	128 flats built in 1967 includes 1 leasehold.
Percentage void	45%
Condition	Unimproved except for window replacement programme in 1995. Total refurbishment costs around £4 million. Immediate extensive electrical upgrade and asbestos removal required to make flats lettable.
Management problems	42% turnover, low demand due to inaccessible location and poor reputation for drug dealing in and around block, sensitive lettings area.
Consultation	Discussions with Portfolio holder and local members supports decommissioning. A Public Meeting was held on 12 th November attended by 21 residents plus elected members. The meeting considered whether the block should be retained or emptied and sold; the majority of people were interested in being rehoused into better accommodation. Individual home visits are underway. Tenants raised concerns about the security of the block, repairs and ASB issues.
Options for future use	Feasibility report attached (Appendix B). 1. Total refurbishment – unviable due to high unit costs 2. Rehousing of existing tenants and disposal of vacant building to a third party for refurbishment or redevelopment - generates a positive capital receipt, may address gap in provision and improves area 3. Rehousing of existing tenants, demolition and disposal of vacant site – generates lower capital receipt, may address gap in provision and improves area

4.7 Canning Terrace, Radford

No. of properties	14 (13 one bed houses and 1 two bed house)
Percentage void	28%
Repairs issues	Severe damp. To remedy and bring up to Decent Homes standards = £23,000 per unit.
Management problems	Many of remaining tenants are elderly and frail. Traffic noise due to location.
Options for future use	Feasibility study attached at Appendix C. Listed

	status makes demolition undesirable and difficult. 1. Total refurbishment. 2. Re-housing of existing tenants and disposal of building to a third party for refurbishment and sale – generates positive capital receipt and improves area.
Consultation	Discussions with Portfolio holder supports decommissioning and sale. A Public meeting was held on 25 th November, attended by 3 of the 10 tenants affected. They did not raise objections to being asked to move. Individual home visits have been carried out to ascertain individual reactions and circumstances.
Other factors	Grade Two listed building. There are comprehensive planning proposals to improve the layout and condition of the area. Member concerns about preserving rights of way e.g. to War graves will be addressed in any Planning decision.

5. FUTURE USE OF SITES

5.1 This report does not seek a decision on the future use of the sites. It is proposed to explore options for each site in full consultation with the local communities and other stakeholders in the area. Such options will include, but not be limited to, both demolition of the tower blocks and redevelopment of the sites, and retention and refurbishment of the tower blocks and conversion to alternative uses. In respect of Canning Terrace, demolition of the properties will not be examined as an option due to their listed status. Proposals will be examined in the light of the investment planning framework and how they would best meet the strategic goals of the City Council and complement other regeneration activity in the neighbourhood.

5.2 The City Council will seek best consideration for the 3 sites having regard to the agreed future use

6. TIMESCALE FOR IMPLEMENTATION

6.1 It is expected that the rehousing of remaining residents in the blocks would take up to 12 months. Negotiations to purchase the one leasehold property in Burrows Court will begin immediately but should compulsory purchase action be required this could take up to 18 months.

6.2 Proposals for the future use of the sites would be developed in parallel with the rehousing process so that a swift handover of the site can be achieved once the blocks are fully empty.

7. OTHER OPTIONS

7.1 The blocks could be retained and relet as general needs housing. The investment needs of the block exceed £9 million and a decision would have to be made as to the scale and timing

of any refurbishment work in the context of work needed to the remaining housing stock.

- 7.2 Intensive housing management would be required to stabilize tenancies and maintain standards of security and quality of environment to ensure the blocks remain lettable.
- 7.3 The option of disposal of the sites through auction is not discounted and will be addressed in full in the subsequent report to the Executive Board regarding the future use of the sites.

8. FINANCIAL IMPLICATIONS

8.1 Revenue Implications

8.1.1 Revenue implications include rent and service charge income loss and housing subsidy loss. These are partially offset by savings in repairs and staffing costs.

8.1.2 The revenue implications of decommissioning Burrows Court, Braidwood Court and Canning Terrace are set out below

	Canning Terrace £	Braidwood Court £	Burrows Court £	Total £
Rent Income	30,630	185,100	237,700	453,430
Service Charges	630	80,180	103,940	184,750
Garage rent	0	0	5,400	5,400
Radio masts	0	14,500	15,750	30,250
Less: Voids	-8,930	-135,200	-101,420	-245,550
REDUCTION IN INCOME	22,330	144,580	261,370	428,280
Repairs Costs	9,700	11,600	54,960	76,260
Lift maintenance	0	6,700	8,600	15,300
Service Charge Costs	630	80,180	103,940	184,750
Repairs to Garages	0	0	3,800	3,800
Management Costs	0	26,450	26,450	52,900
Change in Subsidy	11,620	86,280	106,200	204,100
REDUCTION IN EXPENDITURE	21,950	211,210	303,950	537,110
NET SAVINGS	-380	66,630	42,580	108,830

8.1.3 Decommissioning of the three sites will produce a net saving to the Housing Revenue Account of £108,830 in a full year. The costs shown above are based upon the full year effect, and will apply from 2006 / 2007 and future years

8.1.4 The Housing Revenue Account Budget considered by Executive Board on 22 February 2005 makes allowance for the decommissioning of these sites on a phased basis during the year and therefore takes into account the part year effect. These revenue costs and will be accommodated in the budget for 2006/07

8.2 Capital implications

8.2.1 Capital implications include costs of home loss and disturbance payments, the repurchase of leasehold interests (including the one flat purchased under the Right to buy) and a provision for additional security measures whilst the blocks are being emptied and the site remains in the ownership of the City Council. The expenditure is broken down as follows :

Site	£
Braidwood Court	265,000
Burrows Court	290,000
Canning Terrace	43,000
TOTAL	600,000

8.2.2 There is a provision in the 2005 / 2006 draft capital programme of £600,000 for the costs of decommissioning the properties identified in this report. Costs may also need to be taken into account, and offset against the capital receipt, for the relocation of radio masts on Burrows and Braidwood Court. Equally it may be possible to sell the site subject to the existing agreement.

8.3 The sites have been estimated as having a significant sale value, although this is subject to any reassessment in the light of current market conditions. Provided that the proceeds are used for the purpose of affordable social housing then the full amount may be retained as additional capital resources. Alternatively, if used for other purposes then a proportion will need to be paid over to the government under the arrangements for pooling housing capital receipts.

8.4 It is recommended that the sites are disposed of with properties in situ so that the cost of any demolition is then borne by the developer. Clearly this will have an impact on the value of the land and the ensuing capital receipt.

9. LEGAL IMPLICATIONS

- 9.1 The Council has a general power under s.32 of the Housing Act 1985 to dispose of land held for housing purposes, with either the general or specific consent of the Secretary of State. Similarly there is a power under s.17 of the Housing Act 1985 to acquire land for housing purposes. This includes the power to acquire land to dispose of it to a person who intends to provide housing accommodation on it.
- 9.2 It is understood that the existing residents will be fully consulted and where rehousing is required this will be carried out in accordance with the City Council's statutory duties and responsibilities.
- 9.3 The City Council has power under the Land Compensation Act 1973 to make home loss and disturbance payments to occupiers displaced from their home, who are eligible under the relevant provisions of that Act
- 9.4 If decanting cannot be achieved by agreement then possession proceedings will need to be pursued. In order for any Housing Association or developer other than the City Council to redevelop a site then proceedings can be brought under the Housing Act 1985, ground 10A of Schedule 2 which requires the approval of the Secretary of State to the creation of an appropriate redevelopment scheme.
- 9.5 The one property which has been bought under the Right to Buy will need to be acquired before any disposal proceeds. If it cannot be purchased by negotiation then the Council will need to consider a Compulsory Purchase Order, which will generally only proceed to an Inquiry if there is an objection.
- 9.6 Legal issues surrounding the effect of decommissioning on licence agreements for Telecommunication equipment are highlighted in the Appendices A and B (paragraphs 2).

10 EQUAL OPPORTUNITIES IMPLICATIONS

The current state of these blocks is adversely affecting the quality of life of existing tenants, many of whom are disadvantaged. The proposed actions will help to deliver a safer, healthier and more attractive environment to existing tenants and residents in the neighbourhood

11 TRADES UNION OBSERVATIONS

Unison is conscious that the decommissioning of property has an impact on residents, staff and the potential loss of revenue income. Additionally we are concerned of the health and safety implications as residents are decanted from the properties leaving the blocks open to vandalism etc. The caretaking staff may also become more and more vulnerable as this process proceeds. We note the statement that any staff displaced by these decommissions will be placed on the

redeployment register, however we would ask that such staff be considered favourably should a vacancy become available before invoking this process.

12 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

None

13 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

None

LYNNE PENNINGTON, CORPORATE DIRECTOR OF HOUSING.

14, Hounds Gate
Nottingham NG1 7BA

Contact Officer: -

Margaret Coward
Head of Landlord Operations
Telephone number: 0115 915 7259
E mail: Margaret.coward@nottinghamcity.gov.uk

Contact Officer (Financial Observations) :-

Bev Angell
Head of Finance
Telephone number: 0115 915 7369
Email: bev.angell@nottinghamcity.gov.uk

Contact Officer (Legal Implications) :-

Sarah Ricketts
Legal Services Manager
Telephone number: 0115 915 54544
Email: sarah.ricketts@nottinghamcity.gov.uk

APPENDIX A

Summary Feasibility Report Braidwood Court

1. Introduction

The purpose of this report is to outline the options available in respect of the future usage of Braidwood Court.

2. Physical condition

Braidwood Court is a 17-storey block of flats containing 104 single bed accommodation units. It is clad in grooved grey-brown concrete panels, with single glazed metal-framed windows.

It is located adjacent to the Hyson Green Community Centre whilst on the other side is the service area for the ASDA supermarket. Between the Community Centre and Braidwood Court is a secluded car park, which appears to be seldom used, especially during the night. There are a further two car parks close by, one at the rear of Braidwood Court which is also unused and is generally strewn with litter and broken glass, and one on the opposite side. These car parks are in the ownership of the Housing Revenue Account.

Street lighting around the vicinity of Braidwood Court and the adjacent streets is of poor quality.

The main entrance to the building is of nondescript appearance. An automatic sliding door gives access to a reception area with a small office. Access to the stairwell and lifts is via a door entry system. The stairwells appear to be in reasonable physical condition although the landings do suffer from urine and excrement fouling.

Internal lighting in the block is generally satisfactory although parts of the internal corridors are quite dark. There are CCTV cameras monitoring the ground floor communal areas, but these are monitored remotely from the CCTV monitoring station at The Woodlands site.

Braidwood Court has a frontage onto Noel Street along which part of the Nottingham Express Transit (NET) line one travels along and is close to the NET stop at Hyson Green. On the opposite side of Noel Street is a row of two storey terrace type houses.

Braidwood Court has never undergone a major improvement programme, although it has received work on an ad hoc basis mainly in response to specific problems i.e. legionella in 2002, block lifts renewed in the late 1990's.

Situated on the roof of Braidwood Court is telecommunication equipment belonging to two mobile telecommunication service providers. The equipment is covered by a licensing agreement. In respect of one service provider the licence was entered into in August 1998 on a 15 year term, which expires in 2013.

This generates an annual rental of £7,500. This licence has a 'break' clause that can be invoked in 2007. The other licence was entered into in November 1995 on a 12 year term that expires in 2007, at an annual rental of £7,000. Both licences are subject to 5 yearly rental reviews and the usual uplift is in line with the Retail Price Index. If these licences are terminated before the licence expires or before a suitable

at the juncture in the licence term, there will be obligations placed on the City Council to compensate the providers. The onus will be on the City Council to identify a suitable alternative site, meet the costs of relocating the equipment to this site, and potential claims for compensation. The cost of this obligation is difficult to quantify, but would be significant. There would also be the loss of income to the City Council that could be about £103,000 at current rental levels over the term of the licences.

3. Management Information

	02/03	03/04	04/05
Number of flats	104	104	104
Number of current tenancies			45
% of current tenancies			43%
Average current tenancy length (weeks)			718
Average current tenancy length (months)			166
Average current tenancy length (years)			14
Number of current tenancies over 5 years			30
% of current tenancies over 5 years			67%
Number of current tenancies aged 40+			27
% of current tenancies aged 40+			60%
Number of current tenancies aged 60+			16
% of current tenancies aged 60+			36%

Voids Information

	02/03	03/04	04/05
Number of current voids			59
% of current voids			57%
Weeks void for current voids			4330
Average weeks voids for current voids			73.4
Number of voids void for over 6 months			48
% of voids void for over 6 months			81%
Number of properties void between 3 and 6 months			7
Number of tenancies terminated in last 2 years			59
Total weeks void in last 2 years			4330
Rent lost from voids in last 2 years			£259,800

Repairs Information

	02/03	03/04	04/05
Repairs spend on flats		£22,762	£ 10,668
Repairs spend on garages		£ -	£ -
Total spend		£22,762	£ 10,668
Average spend per flat		£218.87	£ 102.58
Number of repairs orders		252	113
Ave cost per order		£ 90.33	£ 94.41

Council Tax

	02/03	03/04	04/05
Council Tax cost per flat			£ 837.78
Number of flats void over 6 months			48
Cost of council tax for voids over 6 months			£ 40,213
Number of flats between 3 and 6 months			7
Additional cost of council tax for 2005/06			£ 6,040
Total council tax estimate for 2005/06			£ 47,460

4. Summary of management issues

- A lack of security both internally and externally, especially at night.
- Cleanliness both inside and outside.
- Experience of and/or fear of crime (Source: Safe Neighbourhoods Unit report (January 2002) 55% of respondents worried a great deal about crime, 20% of respondent households had experienced a break-in or attempted break-in).
- The block, and the area generally, has a poor reputation.
- Residents feel that the City Council has forgotten them.
- Anti social behaviour i.e. noisy neighbours, activities associated with criminal activity.
- Continued management action is necessary to secure doors to the block and to ensure fire safety is not breached

5. Investment in Comprehensive Improvement

As stated in section 2 of this report Braidwood Court has never undergone a major improvement programme.

There are a number of physical problems with Braidwood Court. These cover a range of issues: roof refurbishment, window replacement, internal works, electrical work and Decent Homes Standard elements i.e. kitchens and bathrooms.

Surveys carried out in June 2002 have indicated the presence of Asbestos within the flats. A survey and report by the Design Division, Design and Property Services, recommended amongst other things the provision of a new insulated roof, external wall insulation, new windows and the rewire of the block. There have also been various internal Departmental reports regarding improvement and maintenance issues.

Without a comprehensive internal and structural survey inclusive of a financial costing exercise it is difficult to accurately predict the level of investment needed to bring Braidwood Court up to standard but this is likely to be in the region of £3 million plus.

The breakdown of costs is likely to be split over various elements, for indicative purposes some are shown in the table below:

Element:	Amount £'000
Electric rewiring	(400)
New insulated roof	(200)
Replace windows	(500)
Communal heating and boiler house replacement	(400)
External insulated cladding	(600)

5. Investment in Comprehensive Improvement

Water Hygiene measures	(340)
Decent Home Standard Internal work to individual accommodation units (total = 104 equates to £3,894 per unit)	(405)
Estimated total expenditure/investment	(2,845)

It should be noted that:

- These estimates do not include any allowance for the removal of asbestos, contingencies, relocation costs for residents, professional fees or inflation.
- The investment estimate above does not reflect the income stream from the telecommunication equipment located on the roof of Braidwood Court.
- They have not been subject to any procurement process.
- Based on experience with the regeneration of The Woodlands site (highrise accommodation) in the mid 1990's the above estimates are conservative.

6. OPTIONS

Option 1 Disposal of Vacated Building to a Third Party

Nottingham Property Plus has estimated that a disposal could potentially realise £2 million. It appears that during late 2002/early 2003, tentative approaches had been made to third parties in respect of disposal of Braidwood Court for the purpose of student accommodation or shared ownership/market rented accommodation targeted at key workers. During these discussions, concerns had been raised as to the suitability of the location for these target segments and that the level of investment required by the prospective purchaser to convert/renovate the accommodation, internally and externally. Markets are nothing if not variable and equally a successful outcome might be achieved, either by working with a development partner or at auction.

Option 2 Demolition and disposal of vacant site

Nottingham Property Plus provided the following indicative costs:

Based on an area of 2970 square metres, the estimated value of the cleared land is £500,000. The estimated cost of demolition and site clearance of Braidwood Court would be in the region of £1.5 million. As an option this proposal would cost the Council and not provide a capital receipt.

7. CONCLUSIONS

1. A full and comprehensive structural survey would be beneficial to identify and determine all physical issues within the building if the City were serious about meeting the decent homes target for this block. However this would be a cost to the City. A prospective purchaser would undertake their own exercise at no cost to the Housing Revenue Account.
2. Option 1 has a financial benefit to the City Council, assuming an appropriate third party investor is secured and the market value of the site realised
3. The other option has a negative financial impact.
4. Braidwood Court is in a good location close to the City Centre and will enjoy good transport links. Investment and proactive housing management could potentially restore the building to full occupancy, and dispel its poor reputation. However the housing management costs for the client group which will accept accommodation results in high tenancy management and void turnover costs. Equally however it is considered that the location could also attract a great deal

of interest from the Private Sector if it was marketed appropriately.

5. That any decision about Braidwood Court needs to be put in context within the overall Housing investment needs of the City.

APPENDIX B

Summary Feasibility report Burrows Court

1. Introduction

The purpose of this report is to outline the options available in respect of the future usage of Burrows Court.

2. Physical condition

Burrows Court is a 19-storey tower block of concrete construction built in 1967, about 1 mile to the east of the City Centre in the Sneinton area. It contains 130 flats: 54 x 1 bedroom and 76 x 2 bedroom accommodation units. It was externally refurbished a number of years ago. The site also has a block of garages on two levels.

The site has an area of approximately 2.95 acres and because of its elevated location it has views to the south and north. The upper floors of the flats also have views to the east and west that encompass the City Centre. To the east of the site is a large area of open land whose main use is as school playing fields. Beyond the south - western boundary there are Council built houses. A small distance from the north - eastern boundary there is a small old industrial area.

Vehicular access is via Windmill Lane which links onto Sneinton Dale and Carlton Road. There is also pedestrian access from Rossington Road that provides a more direct route to Sneinton Dale.

There are external CCTV cameras monitoring the outside communal areas, but these are monitored remotely from the CCTV monitoring station at The Woodlands site.

A recent internal Departmental feasibility study carried out by Housing Direct Technical Services staff has highlighted a number of problems both within the individual accommodation units and generally for the building as a whole. A copy of this report is included with this report as an appendix.

Situated on the roof of Burrows Court is telecommunication equipment belonging to two mobile telecommunication service providers and the Nottinghamshire Police Authority. The equipment is covered by a licensing agreement. In respect of both mobile telephone service providers the licence was entered into in 1999 on 10 year term, which expires in 2009. They currently generate an annual rental of £5,500 each. The Police Authority holds a 21 year licence that commenced in 1989, this is due to expire in 2010. This currently generates a fee of £4750 and is subject to imminent review. None of these licences have a 'break' clause. If these licences are terminated before they expire there will be obligations placed

on the City Council to compensate the providers. The onus will be on the City Council to identify a suitable alternative site, meet the costs of relocating the equipment to this site, and potential claims for compensation. The cost of this obligation is difficult to quantify, but would be significant. There would also be the loss of income to the City Council that could be about £83,500 at current rental levels over the term of the licences.

In the site area there is a gas governor located immediately to the rear of 24 Anstey Rise. Associated with this is an easement for the gas pipes connecting this both to Windmill Lane and Rossington Road. It is believed that this easement should not prejudice the redevelopment potential of the site.

The Local Plan shows the majority of the site as a primarily residential area but the area between the tower block and the southeast boundary is shown as part of the open space network. It would require detailed discussions with City Development to establish whether the entire site could be developed.

Within Burrows Court one flat, number 125, has been sold under the Right to Buy (RTB) scheme. This was sold on a 125 year lease commencing in March 1987. Depending on which option is chosen there would be a need to compensate this leaseholder, the cost of this obligation is difficult to quantify but would be significant. Also there will be a requirement to factor in any time constraints applying to the process specified in the Common Hold and Leasehold Reform Act 2002, this could conservatively be in the region of 4 months.

3. Management Information

Burrows Court is presently managed from the St Anns Housing Office located on Robin Hood Chase, Off St Anns Well Road a distance of 1 Kilometre in a straight line from Burrows Court.

	02/03	03/04	04/05
Number of flats	128	128	128
Number of current tenancies			71
% of current tenancies			55%
Average current tenancy length (weeks)			631
Average current tenancy length (months)			146
Average current tenancy length (years)			12
Number of current tenancies over 5 years			38
% of current tenancies over 5 years			54%
Number of current tenancies aged 40+			26
% of current tenancies aged 40+			37%
Number of current tenancies aged 60+			11
% of current tenancies aged 60+			15%

Voids Information

	02/03	03/04	04/05
Number of current voids			58
% of current voids			45%
Weeks void for current voids			2489
Average weeks voids for current voids			42.9
Number of voids void for over 6 months			51
% of voids void for over 6 months			88%
Number of properties void between 3 and 6 months			2
Number of tenancies terminated in last 2 years			89
Total weeks void in last 2 years			2,721
Rent lost from voids in last 2 years			£163,260

Repairs Information

	02/03	03/04	04/05
Repairs spend on flats			£ 21,895
Repairs spend on garages			£ 2,304
Total spend		£ 67,920	£ 24,199
Average spend per flat		£ 530.63	£ 189.05
Number of repairs orders		867	358
Ave cost per order		£ 78.34	£ 67.59

Council Tax

	02/03	03/04	04/05
Council Tax cost per flat			£ 837.78
Number of flats void over 6 months			51
Cost of council tax for voids over 6 months			£ 42,727
Number of flats between 3 and 6 months			2
Additional cost of council tax for 2005/06			£ 1,726
Total council tax estimate for 2005/06			£ 45,734

Despite the above data that indicates that tenancy turnover within Burrows Court is down. Discussions have elicited a view that this situation is not due to stabilisation of the buildings tenant and leaseholder population, but rather due to an increase in the rate of terminations that are not being replaced by new tenancies and the accommodation units are remaining as voids.

4. Summary of management issues

- Burrows Court has a very bad reputation, reinforced by open drug activity, gangs of youths, high crime . NCBW staff have been attacked on call.
- Extensive anti social behaviour
- Continued management attention needed to ensure unauthorised entry and vandalism has not endangered fire safety
- Cleanliness inside and out
- Was in the past popular, with its location considered a good one.

5. Investment in Comprehensive Improvement

Burrows Court has recently been the subject of a feasibility report carried out by Housing Direct Technical Services Section. This report highlighted a number of physical problems at Burrows Court both within the individual accommodation units and generally for the building as a whole. These cover a range of issues, for example: heating system replacement, roof fans and steel ducting replacement/refurbishment, window replacement, replacement of lighting protection system, internal works, electrical work and Decent Homes Standard elements i.e. kitchens and bathrooms.

Surveys carried out of the communal areas in the block have indicated the presence of Asbestos. Although, to date, no surveys of the individual accommodation units have been undertaken it is a valid assumption to make that because of the date of construction that Asbestos will be present within the flats.

Without a comprehensive internal and structural survey inclusive of a financial costing exercise it is difficult to accurately predict the level of investment needed to bring Burrows Court up to standard but this is likely to be in the region of £3 million plus.

The breakdown of costs is likely to be split over various elements, for indicative purposes some are shown in the table below:

Element:	Amount £'000
Electric rewiring	(390)
Roof work	(100)
Replace windows	(150)
Heating system replacement	(400)
External insulated cladding	(600)
Communal Mechanical Services i.e. fire detection, door entry system, emergency lighting, lightning protection, lifts	(350)
Decent Home Standard Internal work to individual accommodation units (total = 130 equates to £3,500 per unit)	(455)
Estimated total expenditure/investment	(2,445)

It should be noted that:

- These estimates do not include any allowance for the removal of asbestos, contingencies, relocation costs for residents, professional fees or inflation.
- These estimates are indicative only and do not purport to identify all potential work within the block.

- The investment estimate above does not reflect the income stream from the telecommunication equipment located on the roof of Burrows Court.
- They have not been subject to any procurement process.
- Based on experience with the regeneration of The Woodlands site in Radford (high-rise accommodation) in the mid 1990's the costs of the investment requirement for the block could be well in excess of £4 million.

6. **OPTIONS**

Option 1: Disposal of Vacated Building to a Third Party

Nottingham Property Plus has estimated that a disposal could potentially realise £2.25 million.

It is a view that the demand for apartments in and immediately adjacent to the City Centre is still unfilled. Although the building has a typical Local Authority appearance, the site has panoramic views from some flats and has the additional benefit of being able to accommodate ample vehicular parking. There is also the potential scope, subject to usual planning regulation, for additional low rise housing development fronting onto or close to Windmill Lane. These factors may make the site attractive to the private sector.

Because of its location Burrows Court maybe an attractive proposition for third parties in respect of student accommodation or shared ownership/market rented accommodation targeted at key workers. However, concerns maybe raised as to the suitability of the location for these target segments and that the level of investment required by the prospective purchaser to convert/renovate the accommodation, internally and externally, could make the scheme commercially unviable.

Option 2 Demolition and disposal of vacant site

Nottingham Property Plus provided the following indicative costs: Although the site has an area of 2.95 hectares, it is considered that the net developable area would be in the region of 2.0 acres. On this basis the estimated value of the cleared land is £1.8m. The estimated cost of demolition and site clearance would be circa £1.5m providing a capital receipt to the City Council of £300,000.

7. **CONCLUSIONS**

1. A full and comprehensive structural survey would be beneficial to identify and determine all physical issues within the building and to ensure that the Department takes Best Value action as to the future. However, the majority of issues impacting on this block are obvious

from a visual inspection and therefore it may not be appropriate for the Council to incur costs unnecessarily on a block it may want to dispose of.

2. Option 1 is the most financially beneficial to the City Council, if an appropriate third party investor could be found and the market value of the site was realised.
3. Burrows Court is in a good location close to the City Centre and has access to transport links a short distance away. Investment and proactive housing management could potentially restore the building to full occupancy, and dispel its poor reputation. Equally however it is considered that the location could also attract a great deal of interest from the Private Sector if it was marketed appropriately.
5. That any decision about Burrows Court needs to be put in context within the overall Housing investment needs of the City.

APPENDIX C

Summary feasibility report Canning Terrace March 2004

1 Background

- 1.1 This study has been commissioned in response to several service referral requests for surveys to be undertaken on void properties contained within this terrace of 14 properties (1 two-bedroom and 13 one-bedroom houses) following reports of serious dampness problems making the properties difficult to let.

Canning Terrace, including the cemetery gateway, is grade II listed.

The dampness appears to have had a serious detrimental affect to the external render and paint system, fetching large areas off and also allowing salts to form, thereby accelerating the delamination of the render.

Prior repairs executed to the roofs have failed to cure associated problems.

2 Extent of Feasibility Study

a. Existing Condition of Canning Terrace Properties

To date 4 out of 14 properties have been referred to Technical Services. The surveys have highlighted several defects common to all properties:

- Dampness via roof and gutter leaks.
- Rising damp.
- Penetrating damp via defective render.
- Condensation damp.
- The properties require additional improvement work in order for the decent homes standard to be met.

b. Extent of Proposed Work

- New roof coverings
- Make good and paint the external rendering / walls
- Window replacement
- Eliminate rising damp problems
- New floors to ground floor.
- Kitchen & bathroom replacement
- Electrical rewiring.
- New / replacement central heating systems

Estimated Programme

From authorisation to proceed, it is estimated that the works to completion would take 40 weeks, excluding time associated with decanting existing tenants beyond 12 weeks, and any additional time beyond 8 weeks associated with gaining listed building consent via English Heritage.

Tenant Consultation

No consultation has yet been undertaken.

If and when consultation is undertaken, note that particular attention will be required as to the needs of the elderly and frail tenants who currently occupy some of these properties.

2.1 Options

- Full internal refurbishment to achieve the decent homes standard, plus sympathetic renovation externally to suit these historically important listed buildings.
- Sale
- The usual third option, demolition, is not relevant in this instance.

3. Areas of Investigation

<u>Area</u>	£	£ cum
3.1 Construction Costs		
3.1.1 Building	210,000	
3.1.2 Mechanical & Electrical	98,000	
3.1.3 Structural Survey	N/a	
3.1.4 Hazardous Materials Survey	5,600	
Sub-Total		285,600
3.2 Statutory Notifications & Consents		
3.2.1 Building Regulations	1700	
3.2.2 Planning		
3.2.2.1 Consent	220	
3.2.2.2 Conservation Areas	N/a	
3.2.2.3 Listed Building Consent	110	
3.2.2.4 Tree Preservation Orders	N/a	
3.2.3 Build Over Agreements	N/a	
3.2.4 Fire Certificate	N/a	
3.2.5 CDM Regulations	N/a	
3.2.6 Highways	N/a	
3.2.7 Party Wall Act	N/a	
Sub-Total		2030

3.3 City Council Notifications & Consents				
3.3.1	Guarantee Bond		2,352	
3.3.2	Fire Insurance		99	
3.3.3	City Wide Construction		N/a	
3.3.4	Residents/Tenant Compacts		N/a	
Sub-Total				2451
3.4 Public Services				
3.4.1	Telecommunications		N/a	
3.4.2	Electricity		N/a	
3.4.3	Gas		N/a	
3.4.4	Highways		N/a	
3.4.5	Cable TV		N/a	
3.4.6	Water		N/a	
3.4.7	District Heating		N/a	
3.4.8	Mains Drainage		N/a	
Sub-Total				
3.5 Other				
3.5.1	Home Loss Disturbance (estimate including cost of removals)		5,000	
3.5.2	Maintenance			
3.5.3	Contingency (max. 10% of construction costs)		28,000	33,000
Sub-Total				
Grand Total				£323,081

4. Summary

These properties are historically important and as such have been granted Grade II listed status.

However, the properties are part of Housing Direct's stock, and as such require refurbishment in order that they meet both the fitness standard and the decent homes standard. The costs outlined in this report are based on surveys undertaken to the void properties *only*, with additional guidance from the local housing office staff, who have knowledge of some of the occupied properties.

Average renovation costs of £23,000 per property plus cost of borrowing, plus future ongoing maintenance costs should be balanced against potential annual rental income in order to reach a commercial decision.

Photographs

Gateway – rear elevation



Gateway – upper rear elevation



Portico



Typical Kitchen



Typical Window



Typical Front Door

