

AGENDA ITEM: 11

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Meeting	Cabinet Resources Committee
Date	31 October 2007
Subject	Estate Improvement Scheme, Granville Road, NW2
Report of	Cabinet Member for Community Services Cabinet Member for Regeneration and Development
Summary	To consider the outcome of a condition survey of the blocks of flats on the Granville Road estate and the estimated costs of bringing them up to Decent Homes Standards; and to approve a procedure for disposing of surplus lands to finance the estate improvement works.

Officer Contributors	Dave Stephens, Strategic Property Advisor Nicola Bird, Housing Development Manager
Status (public or exempt)	Public – with a separate exempt report
Wards affected	Childs Hill
Enclosures	Plan No.23796
For decision by	The Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not Applicable

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1 RECOMMENDATIONS

1.1 That it be agreed in principle to meet the cost of works to the tower blocks of flats at the Granville Road Estate through the sale of surplus estate lands for residential development and that approval be given to:

i. the opportunity for the sale and residential development of the lands referred to in the report being the subject of marketing and a tender invitation, with the results being reported to a future meeting of this committee; and

ii. the appointment of external consultants, in accordance with the Councils contract procurement procedures, to undertake the marketing and tender invitation.

2. RELEVANT PREVIOUS DECISIONS

2.1 None.

3 CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

3.1 The Corporate Plan 2007/08-2010/11:

A successful suburb – protecting and enhancing the best of Barnet while growing through successful regeneration and sustainable development.

Delivering housing growth in a sustainable way.

Meeting the Decent Home standards by 2010.

4 RISK MANAGEMENT ISSUES

4.1 At this stage, the figures given for capital receipts and expenditure on works are estimates based upon the information available. The numbers may change as more information is gathered and tender bids received. Additionally, the estimated sums recoverable from lessees will be subject to consultation and discussions with the lessees about the works to be undertaken and methods of payment. However, there will be opportunities throughout the proposed process for the committee to consider the financial position and to decide whether or not to commit further to this project.

5. EQUALITIES AND DIVERSITY ISSUES

5.1 If approved, the improvements to the tower blocks of flats, together with the development of the surplus lands with new housing, will create a sustainable community by transforming this mainly mono-tenure estate into a mixed tenure community. It is anticipated that this estate improvement scheme will support the Council in meeting its public duty of promoting equality. Residential developments

providing mixed tenures are considered to enhance and promote social cohesion and this can further support Barnet's aspiration to be a successful suburb.

6. FINANCIAL, STAFFING, ICT AND PROPERTY IMPLICATIONS

- 6.1 There is no capacity within the existing capital programme to undertake the necessary works to the tower blocks. The housing capital programme is supported through Decent Homes – supported borrowing, Major Repairs Allowance and also Housing Revenue Account (HRA) capital receipts, which are achieved through sale of HRA land and tenants acting on the right to buy. The supported borrowing is for very specific programmes mainly decent homes. The number of right to buy sales has reduced significantly since the government introduced changes to the discounts tenants can receive when buying their home. Under the current arrangements tenants can only receive a maximum discount of £16,000. In addition national pooling arrangements mean the Council has to give back to the Communities and Local Government a proportion of any receipts received. This has effected the amount of capital receipts available to support the capital programme. In addition we have other commitments for the capital available e.g. Stonegrove regeneration.
- 6.2 The estimated costs of the works to the tower blocks are set out in the exempt report, together with the estimated total capital receipt to be realised from the potential land sales.
- 6.3 There will be costs associated with the running of the tender process, principally those of the consultants appointed to carry out the task. Initially these will be met from the HRA. However, tenderers will be asked to make allowance for payment of the Council's fees and costs as part of their bids for the land sales and, if the scheme proceeds, any costs incurred will be set against this part of any receipt.
- 6.4 Unlike the position with the other housing estates regeneration schemes, with this estate improvement scheme it is not proposed to seek partner organisations who will undertake a significant amount of master planning and scheme appraisal at risk. In this instance, it is proposed that tender bids be sought for the acquisition of the surplus lands, subject only to planning, with the Council subsequently controlling the receipts and their expenditure on the works to the towers blocks. Thus, it is not expected that the question of an underwriting agreement will arise.
- 6.5 There are no staffing nor ICT issues associated with this transaction. The property implications are set out in section 9 below.

7. LEGAL ISSUES

- 7.1 None.

8. CONSTITUTIONAL POWERS

- 8.1 Constitution – Part 3 Responsibility for Functions – Section 3.6 Functions delegated to the Cabinet Resources Committee – All matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council.

9. BACKGROUND INFORMATION

GRANVILLE ROAD ESTATE

9.1 Shown edged by a black line on attached Plan No.23796 is the Granville Road housing estate. This comprises the three, 15-storey tower blocks of flats (Harpenmead Point, Templewood Point and Granville Point), three low rise blocks of flats (Mountfield, Beech Court and Nant Court), a sheltered housing block (Garth House), and a community centre. There are various blocks of garages and storage sheds, a former children's playground and large areas of grass.

9.2 The current accommodation provided in the blocks is as follows:

Granville Road Estate – Current Accommodation						
	Units	Bdsit/stu	1 bed	2 bed	3 bed	
Granville Point	60		2	58		
Harpenmead Point	59			59		
Templewood Point	60		2	58		
Beech Court	21		21			
Nant Court	41		15		26	
Mountfield	15	5			10	
Garth House	33	14	18	1		
TOTAL	289	18	58	176	36	

The tower blocks on this estate are the last multi-storey estate blocks owned by the Council (outside of the key regeneration estates) which have not been improved.

9.3 Towards the centre of the estate, on its eastern side, there is a privately owned site. This was originally a commercial building plus yard. Recently, planning permission was granted to convert the building to residential use and to develop a block of flats to the rear. This development is now nearing completion.

ESTATE IMPROVEMENTS

9.4 In response to the Governments Decent Homes programme, in 2001 an initial condition survey was carried out which revealed the tower blocks were in need of works not covered by the Decent Homes Programme. The initial investigation confirmed the need for significant capital investment on upgrading the fabric of the buildings, including window replacement and over-cladding to improve thermal performance and the life expectancy of the structure and external fabric. In addition there are other physical and environmental issues that need to be addressed in order to improve the quality of life for the residents on the estate, such as security, parking and anti-social behaviour.

9.5 In January 2002 architects PRP were appointed to consider possible options for the part redevelopment and part refurbishment of the estate. The options

considered by the consultants were similar to the solutions put forward for the key regeneration estates, but none were financially viable and nor could they be practicably implemented.

- 9.6 Recently, United House, acting on the instructions of Barnet Homes, has updated the schedule of works needed to be carried out to the tower blocks and provided revised cost estimates. These costs are set out in the exempt report.
- 9.7 Comprehensive redevelopment involving the demolition of all or most of the existing blocks of flats and replacement with a denser mix of private and affordable housing does not produce a deliverable solution. Working with an architectural consultant, Council officers have considered an alternative approach to securing the improvements to the estate. The estate encompasses large areas of under-utilised land which have the potential to be developed for new housing. Taking into account the requirements of the Unitary Development Plan in relation to housing mix, density and sustainability, various outline options for releasing estate lands for disposal for residential development were considered and the two most practicable and financially advantageous options are set out in more detail in Appendix A to the exempt report.

PLANNING ASPECTS

- 9.8 The options in Appendix A to the exempt report present two possible opportunities to comprehensively enhance the physical and environmental condition of the estate and provide new housing to create a mixed tenure community. In preparing these proposals careful consideration has been given to the possible location, scale and bulk of any new development having regard to the nature and amenity of the surrounding residential area. The proposed layouts have attempted to maximise land currently underutilized whilst retaining the green and open character of the estate. The densities indicated would accord with local planning policies and, subject to good design and use of materials, a high quality suburban development can be achieved.
- 9.9 The options in Appendix A to the exempt report may not be the only viable solutions. It may be that residential development companies could present alternative acceptable schemes. Because the residential development of these lands is the only practical option and must show a clear linkage to the remainder of the estate and its general improvement, planning colleagues have advised that the most appropriate way forward will be to prepare a planning brief for the area. This is currently being prepared and will need to be the subject of both public consultation and Cabinet approval.
- 9.10 Preliminary discussions have taken place with Highways. A full assessment of parking provision and access arrangements will need to be undertaken and considered alongside residents views. The outcome of the assessment may influence the options and would need to be done as part of preparing more detailed plans.

THE WAY FORWARD

- 9.11 Having considered other possible options, officers are of the opinion that the most effective and certain way of raising the capital to carry out the works to the Granville Road tower blocks, is to sell the surplus lands for residential development. The figures set out in the exempt report indicate that the land sales proposed in the two options put forward by officers could generate significant capital receipts which could be used to fund the capital investment required for the improvements to the three tower blocks. This is an opportunity to improve the external environment through maximising the use of unused land, reconfigure the car parking for the existing residents and promote a mixed tenure balanced community of homes for social rent, sale and shared ownership.
- 9.12 With Planning officers preparing a planning brief for the area, and consultation being undertaken with tenants and residents, it is considered appropriate to take the opportunity of the potential residential land sales to the market.
- 9.13 The scheme proposals as prepared by the consultant architect, whilst having regard to the character of the area and the requirements of the Unitary Development Plan, do not necessarily match with how house builders would approach the matter. It is suggested therefore that consultants be appointed to market the land sale and redevelopment opportunity, inviting tender offers and scheme proposals. The tender invitation pack will include the Planning Brief and the essential development criteria, and invite tenderers to demonstrate how they could maximise land values for a reasonable density scheme. It is proposed that tenderers be asked to submit at least two scheme suggestions – one with a replacement sheltered housing block and one without. The results of the tender invitation will be reported to a future meeting of the committee for further consideration.
- 9.14 It is not intended that the bids should include the carrying out the works to the tower blocks. These will be the Council's responsibility if it accepts a tender offer and the scheme proceeds. Thus, the complication of tender offers being subject to detailed surveys of the tower blocks and cost analysis is avoided and the decision making process is simpler. Because development of the surplus sites is clearly linked to the improvements to the housing estate, any planning application to be made by the successful tenderer will have to include the Council's works. This will be set out in more detail in a future report when tender offers have been received.

10. LIST OF BACKGROUND PAPERS

- 10.1 None.

Legal: SS

Chief Finance Officer: CM

