

Report of:	Head of Housing and Waste Management
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Portfolio Leader:	Housing
Key Decision:	Yes
Report Track:	Cabinet: 17/07/14

**CABINET
17 JULY 2014
MOSS ROAD ESTATE REEMA FLATS REDEVELOPMENT SCHEME**

1 Purpose of Report

- 1.1 To seek scheme approval and permission to spend for the Moss Road Estate Reema Flats Redevelopment Scheme.

2 Recommendations

- 2.1 That scheme approval and permission to spend for the Moss Road Estate Reema Flats Redevelopment Scheme is agreed.
- 2.2 That the provision of a community centre is not progressed as part of the agreed Scheme.

3 Key Issues and Reasons for Recommendation

- 3.1 Scheme approval and permission to spend is sought in respect of the Moss Road Estate Reema Flats Redevelopment Scheme.
- 3.2 The proposed scheme will be undertaken in partnership with Keepmoat Homes Limited and would result in the demolition of 170 defective Reema flats and their replacement with a mixed tenure scheme of 141 houses for rent; this includes 65 Council rented dwellings. A plan of the proposed layout will be displayed at the Cabinet meeting.
- 3.3 Details of the scheme are set out in section 5 of the report and is in accordance with the agreed development brief. However, 20 houses for shared ownership and 15 houses for outright sale have been substituted with 35 houses for shared

equity. A small variation has also been made to the size mix of the 65 Council houses, with the two 4/5 bedroom (8 person) houses being substituted with two further 3 bedroom (5 person) houses. The reasons for these changes are also set out in section 5.

- 3.4 A request has also been received from the Spectrum Residents Association for the provision of a community centre within the scheme. This did not form part of the agreed development brief and would have a significant impact on the proposed scheme, necessitating the loss of at least four houses and an additional estimated cost of £580,000. There are also concerns regarding the running costs and the long-term sustainability of any community centre which was provided.
- 3.5 In view of these factors it is considered that the provision of a community centre should not be progressed as part of the scheme.

4 Relationship to Corporate Priorities

- 4.1 The progression of the Moss Road Estate Reema Flats Redevelopment Scheme is a specific action within the Housing Portfolio section of the agreed 2014-15 "Place" Priority Delivery Plan.

5 Report Detail

- 5.1 Cabinet on 20 March 2014 were informed that Keepmoat Homes Limited had been selected as the Council's partner for the redevelopment of the Reema Flats on the Moss Road Estate, Chadsmoor.
- 5.2 In accordance with the Council's agreed Capital Expenditure Control Procedures it is now necessary to seek scheme approval and permission to spend in relation to the scheme.
- 5.3 A development brief for the proposed scheme was previously agreed by Cabinet on 20 March 2013.

The Proposed Redevelopment Scheme

- 5.4 The proposed scheme would result in the demolition of the 170 defective Reema Flats and their replacement with a mixed tenure scheme of 141 houses. These comprise 65 Council houses for rent, 41 houses for outright sale and 35 houses for shared equity.
- 5.5 The provision of the houses for shared equity represents a change from the agreed development brief which required 20 houses for shared ownership. Shared ownership has, however, become less attractive to low income purchasers following the introduction of "help to buy", which enables shared equity purchasers to obtain mortgages at a lower interest rate. After taking into

account shared ownership rental payments, the “monthly outgoings” are now similar for the two tenures. However, shared equity offers the purchaser an initial 75% “stake” in the property, whilst for shared ownership the initial stake is usually 50%.

- 5.6 As a result, Housing Plus (who were to provide the 20 shared ownership houses) consider there would be difficulties in attracting prospective purchasers and have decided to withdraw from the scheme. Other housing associations are facing similar difficulties and in view of this it is proposed that the 20 shared ownership houses, together with 15 houses for outright sale, are replaced with 35 houses for shared equity.
- 5.7 A small variation is also proposed in relation to the size mix of the 65 Council houses. The agreed development brief required the provision of two 4/5 bedroom (8 person) houses. However, there is concern that these large properties may prove to be difficult to let and it is therefore proposed that they are substituted with two further 3 bedroom houses. The dwelling mix of the 65 Council houses would therefore be:-
- 30 x 2 bedroom (4 person) houses;
 - 27 x 3 bedroom (5 person) houses, including 2 wheelchair adapted;
 - 8 x 4 bedroom (6 person) houses.
- 5.8 All of the properties (including those for outright sale and shared equity) would be built in accordance with Code for Sustainable Homes Level 3 (or equivalent pending further guidance from DCLG on the Housing Standards Review and the recommendation to consolidate the requirements of the Code for Sustainable Homes into Building Regulations).
- 5.9 A plan of the proposed layout will be displayed at your meeting. This seeks to “create a new identity for the estate, whilst maintaining form and scale in line with the surrounding houses”. Development is centred in two areas, separated by an enhanced area of public open space. There is a mix of houses in terms of both size and tenure throughout the development.
- 5.10 Significant improvements are proposed to public open space. These include the provision of a new “Neighbourhood Equipped Area for Play” and a “Multi-User Games Area”, located on the open space between the two development areas and a small toddlers play area at the end of Kelvin Drive.
- 5.11 Environmental improvements would also be undertaken around the Council’s traditional flat blocks to enhance the external works and communal entrance hall improvements which have already been undertaken. Three defective retaining walls adjacent to the parking areas off Moss Street also require reconstruction and it is proposed that this work is undertaken as part of the redevelopment scheme. The cost of this can be accommodated within the agreed budget.
- 5.12 Employment and training opportunities would be provided as part of the proposed redevelopment scheme. This includes continued employment for 8 existing apprenticeships, the creation of 4 new apprenticeships and short-term

work experience opportunities to encourage individuals to consider working in the construction industry.

Request for a Community Centre

- 5.13 A request has also been received from the Spectrum Residents Association for the provision of a community centre as part of the redevelopment scheme. Details of their request are attached as Appendix 1.
- 5.14 The requested centre would have a gross floor area of 237 m² and would be used for a variety of proposed activities. These include a “coffee bar and lounge” for teenagers, a “mother and toddler group” and a range of classes for the elderly. It is also envisaged that the centre would be used as a local Police base and provide a “parcel drop off point” for estate residents.
- 5.15 The Association consider that there are “two halves” to the estate (separated by the eastern part of Curlew Hill) and that the requested community centre would provide a focal point to bring residents from what the Residents Association term the “Kingsway” and the Moss Road Estate together.
- 5.16 The Association have also provided details of an estate survey which they have undertaken to support their request. Contact has been made with 107 households (one third of those currently living on the estate) and of these 104 support the community centre request.
- 5.17 The provision of a community centre was not a requirement of the agreed development brief and would therefore have a significant impact on the proposed scheme. Its incorporation would necessitate the “loss” of at least four houses and additional capital resources (provisionally estimated at £580,000) would be required to construct and furnish the community centre.
- 5.18 Spectrum suggest that the running costs would be self-financing primarily from income generated from the use of the community centre. No information has, however, been provided to support this and it is considered extremely unlikely that this could be achieved. Any revenue funding shortfall would therefore need to be met by the Council to ensure continued use. In accordance with the “HRA ring-fence” this would need to be proportioned between the HRA (51%) and the General Fund (49%).
- 5.19 There are also concerns regarding the long-term sustainability of the requested community centre as this would be dependent on the continued existence and commitment of the Spectrum Residents Association. If the Association were to disband or if its members lose interest, the community centre would be at best underused and at worst empty.
- 5.20 The proposed community centre would also impact on the viability of Coniston Hall which is situated in close proximity to the Moss Road Estate. Whilst the hall has the capacity to accommodate a number of the activities proposed by Spectrum, the Association consider that it is unsuitable due to a lack of storage for equipment and not providing a suitable environment in relation to the proposed “coffee bar and lounge” for teenagers.

- 5.21 In view of these factors the provision of a community centre has not been progressed within the proposed scheme.

Implementation of the Redevelopment Scheme

- 5.22 Keepmoat are currently progressing a number of activities to secure a start on site. A planning application is expected to be submitted this month, whilst discussions are already in progress with Severn Trent and Staffordshire County Council to secure consents for sewer diversions and highway “stopping up” orders. Additional surveys are also underway to enhance information already provided by the Council.

- 5.23 Re-housing of the 167 Council tenants living in the Reema Flats is nearing completion and 163 flats are now vacant. It is envisaged that the remaining four households will be re-housed during the next two months. Keepmoat have (through their valuers) commenced negotiations to purchase the three leasehold flats and following the agreement of terms, the existing occupants will be re-housed by the Council.

- 5.24 The following key milestones for implementation are therefore currently envisaged:-

- Planning Approval - December 2014
- Site “set up” - January 2015
- Commence demolition - February 2015
- Commence construction - March 2015
- Opening of sales centre - May 2015
- Completion of the initial rented house - July 2015
- Completion of the 30th rented house - August 2016
- Completion of the 65th rented house - December 2017
- Scheme completion - February 2018

6 Implications

6.1 Financial

The agreed HRA Capital Programmes for 2014-15 to 2016-17 includes budgetary provision of £7,800,000 for the Moss Road Estate Redevelopment Scheme. This forms part of the approved budgets for the “Provision of Additional Council Dwellings” which total £8,900,000 for the three year period.

The tender price from Keepmoat Homes Limited together with fees and a contingency sum total £6,224,000 and budget savings of £1,576,000 are therefore estimated.

The revised budget of £6,224,000 will need to be re-profiled within the three year HRA Capital Programme, once the implementation programme has been finalised. This will be reported to Cabinet as part of the Second Quarter Review of the 2014-15 HRA Capital Programme.

There is no agreed capital scheme budget to meet the £580,000 cost of providing a community centre, although this could be met from the £1,576,000 of estimated budget savings in respect of the redevelopment scheme.

It would also be necessary for the Council to meet any revenue deficit for running the community centre. This is difficult to estimate but could be in the region of £15,000 per annum. In accordance with the "HRA ring-fence" this would need to be proportioned between the HRA (51%) and the General Fund (49%).

6.2 Legal

The proposed changes to the scheme fall within the parameters of the original procurement exercise.

6.3 Human Resources

None

6.4 Section 17 (Crime Prevention)

The proposed scheme is "secure by design".

6.5 Human Rights Act

Article 8 provides that:-

1. Everyone has the right to respect for his private and family life, his home and his correspondence.
2. There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic wellbeing of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.

At present 163 of the 167 flats are vacant but a further four households will have to leave their existing homes. Keepmoat have commenced negotiations to purchase the three leasehold flats and the existing occupants will also need to leave their homes.

The flats, however, have been designated as defective and the Council needs to take action as a landlord and in the interests of the Cannock Chase community.

Residents affected by the scheme are being compensated by Home Loss and Disturbance Payments and where necessary the provision of alternative accommodation.

The Council is complying with the legislation which empowers it to undertake the redevelopment of the area and at the same time is considering the needs of existing residents.

For these reasons the Council's actions are considered to be compatible with the Human Rights Act.

6.6 Data Protection

None

6.7 Risk Management

There are a number of risks associated with the Reema Flats Redevelopment Scheme. However, the Council has appointed an experienced development partner in respect of Keepmoat Homes who have considerable experience in undertaking this type of project.

Risks are being identified as part of the project plan with actions being identified to mitigate these where appropriate. The Council will also engage independent "Quantity Surveying" and "Clerk of Works" services to ensure value for money and adherence to the agreed scheme.

There are substantial risks in relation to the long-term sustainability of the requested community centre, which is dependent on the continued existence and commitment of the Spectrum Residents Association. If the Association were to disband or if its members lose interest there is a risk that the community centre would be underused or closed.

6.8 Equality & Diversity

Equality Impact Assessments (EIA's) have been undertaken in respect of the proposed redevelopment scheme and the provision of a community centre.

The outcome of the redevelopment scheme EIA is that it would have benefits for certain of the protected characteristic (particularly as a result of Lifetime Homes for all the Council houses and the provision of two wheelchair adapted properties) with no negative implications.

The outcome of the community centre EIA is that it would again have benefits for certain of the protected characteristics with no negative implications. However, this needs to be "balanced" against the potential loss of four houses and the alternative use of the £580,000 of resources which would be required for its construction.

6.9 Best Value

Keepmoat Homes Limited were selected following a competitive procurement process on the basis of MEAT (Most Economically Advantageous Tender).

7 Appendices to the Report

Appendix 1: Spectrum Residents Association: Proposed
Community Centre Request

Previous Consideration

Moss Road Estate Reema Flats Redevelopment Scheme	Cabinet	20 February 2013
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Moss Road Estate Reema Flats Redevelopment Scheme – Portfolio Leader Update	Council	20 March 2014
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Background Papers

Circular 8/95 (Department of the Environment): The Housing Revenue Account

APPENDIX 1

SPECTRUM RESIDENTS ASSOCIATION: PROPOSED COMMUNITY CENTRE REQUEST

SPECTRUM

Residents Association

(Covering Kingsway & Moss Road Estates)

Chairperson: Tom Dawson
5 Cleveland Drive
Cannock
Staffs
WS11 6EL
Tel: 07790560617

12th March 2014

Mr Ian Tennant (Head of Housing)
Cannock Chase Council
Civic Centre
Beecroft Road
Cannock
Staffs
WS11 1JN

Dear Ian,

Proposed Community Centre Details

As requested, I am enclosing a brief plan for a Community Centre on the Kingsway and Moss Road Estate Areas and have also put more detail below to outline what we would like to see this project achieve:-

The ideal size of 50ft x 50ft as plan, would allow for a small catering 'standard' kitchen, male, female and disabled toilets with a baby changing area, small office plus a store room. The store room is a must as the Centre would be multi function with different permanent groups needing storage. Windows and doors to be of a high security design. Under floor heating would be a huge advantage, floor itself would be of a very durable type, plus security lights, solar panels and grey water devices would help with the green issue and help reduce service bills.

The Centre would comprise of a Coffee Bar/Lounge run by teenagers off our estate, after training. This would include running it, dealing with stock rotation, stock-taking and the financial side, similar to any other business. An adult would oversee it but mainly as an Adviser, this set up would give credibility to the teenagers, plus building their self-esteem and giving them a sense of assertiveness. All profits would be ploughed back into the Centre, which would also give the teenagers a sense of worth.

Centre would be Wi-Fi and computer enabled. Additional uses would include an area for Police presence with the use of the Centre and offices etc, lounge area, cake making courses, cookery classes, classes for local history, exercise class for the elderly, young mums, new mums classes, Mother and Toddler drop in club, film nights, clubs for young people and teenagers, elderly persons meeting place, coffee mornings and afternoons as requested, gardening clubs for young and old which could include adopting parts of the estate to enhance, also arts and crafts classes. Included in the build would need to be a toddlers

outdoor play area. With the estate being so far away from the Post Office main building, parcel drop off stations could be set up for those people who are working and need somewhere for the parcels to be dropped off.

The scope for additional schemes is endless but the above are some of the things that are requested and are lacking in our area.

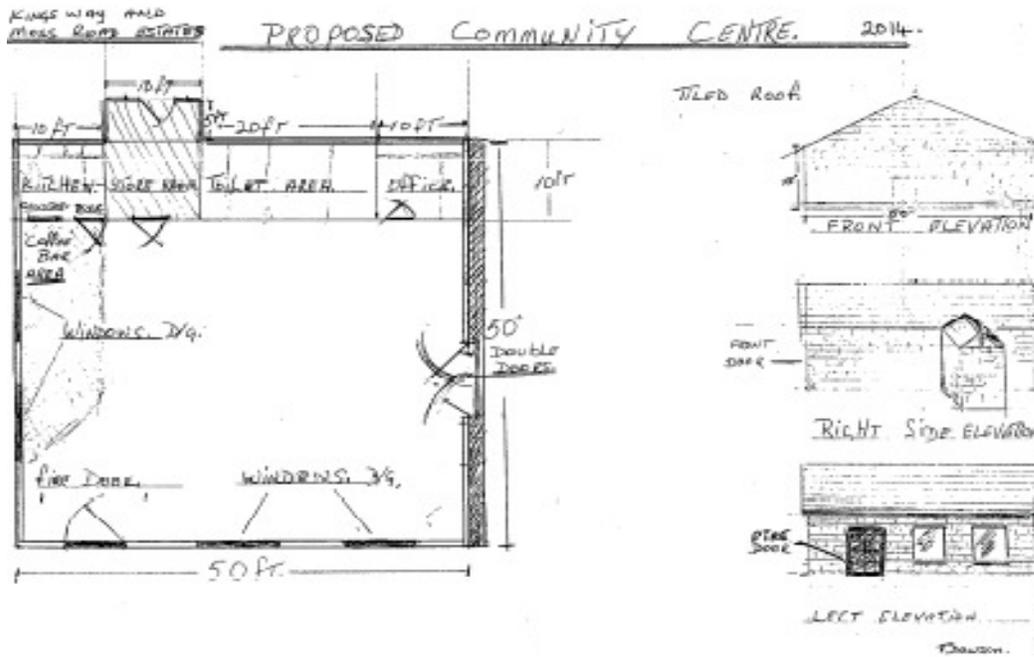
Yours sincerely,

Tom Dawson
Chairperson

Enc.

A handwritten signature in black ink that reads "Tom Dawson". The signature is written in a cursive style with a long horizontal flourish extending to the right.

**SPECTRUM RESIDENTS ASSOCIATION: PROPOSED COMMUNITY CENTRE
SKETCH PLAN**



SPECTRUM RESIDENTS ASSOCIATION: PROPOSAL FOR A COMMUNITY CENTRE (SPECIFICATION)

SPECTRUM
Residents Association
(Covering Kingsway & Moss Road Estates)

Chairperson: Tom Dawson
5 Cleveland Drive
Cannock
Staffs
WS11 6LL
Tel 07790960617

Proposal for Community Centre 2014

- Building approximately 50ft x 50ft x 15ft high with tiled roof to reduce risk of vandalism.
- Catering standard kitchen
- Multi-function store room with outside door
- Male/Female/Disabled Toilets and Baby Changing Facilities
- Secure office area
- Double doors to front of building
- Ceiling to be open plan with main beams showing
- Solar panels and grey water system would help environment with the solar panels also helping to reduce energy bills
- Under floor heating would get rid of radiators and most of the pipe work
- Floor would need to be very durable
- A security system would be required
- A sound system with noise control
- White board and projector for use with educational programmes and film nights
- A perimeter fence in order to have an outdoor toddlers outdoor area

Main thing is for the Centre to be Multi-functional, sound proofed and secure and available to everyone.