

# **Somerset West and Taunton Council**

## **Report to Community Scrutiny – 23<sup>rd</sup> February 2022**

### **Wordsworth Drive and Coleridge Crescent Flats Regeneration, Taunton**

**This matter is the responsibility of Executive Councillor Member  
Councillor Francesca Smith**

**Report Author: Chris Brown, Assistant Director Development & Regeneration, Ian Shoemark, Project Manager**

#### **1. Executive Summary / Purpose of the Report**

- 1.1 Wordsworth Drive and Coleridge Crescent Flats Regeneration includes two SWT blocks of flats and an SWT owned garage site. Wordworth Drive Flats contains a shop, 11x2 bed SWT apartments and a private leasehold apartment. Coleridge Crescent contains 4x2 bed SWT apartments. There are 13 garages on the site. A map of the regeneration can be found at Appendix A.
- 1.2 The report proposes that the Wordsworth Drive and Coleridge Crescent Flats no longer provides the quality of accommodation, in terms of decency and thermal efficiency, which SWT tenants should expect and which the Council strive to provide.
- 1.3 SWT considered four investment options before concluding that the two blocks have reached the end of their life and costs to the Council's Housing Revenue Account (HRA) to bring the two blocks to an appropriate standard for the next sixty years does not provide reasonable value to the Council and to the HRA Business plan.
- 1.4 The report recommends the decanting of the Wordsworth Drive Flats should commence in April 2022 with the award of Homefinder Gold band status to the ten tenants. The awarding of Gold band status to tenants will maximise the rehousing opportunities available to the tenants through Homefinder and maximise the opportunities open to the tenants through SWTs Decant Policy. In addition, the negotiation and purchase of one leasehold property will progress and agreement will be reached with the shop for its closure.
- 1.5 The report recommends the decanting of Coleridge Crescent Flats commences in April 2023 with the awarding of Homefinder Gold band to the four tenants.
- 1.6 The report proposes that the properties/blocks are secured and then demolished to minimise any blight or nuisance to residents. The Housing Directorate currently believe that the garages can remain and continue to be let until an alternative use for the site is agreed.

#### **2. Recommendations**

2.1 The is asked to consider the following recommendations:

- (a) To approve the decanting of tenants from Wordsworth Drive Flats with the awarding of Gold band status in April 2022 to support tenants secure alternative suitable accommodation.
- (b) To approve the decanting of tenants from Coleridge Crescent Flats with the awarding of Gold band status at a time to be determined by the Director of Homes and Communities in conjunction with the portfolio holder for Housing.
- (c) To approve the purchase through mutual consent one leasehold property at Wordsworth Drive flats and compensate the owner in line with statutory compensation requirements.
- (d) To note officers will agree the closure date and compensation with the shop lease to ensure Wordsworth block is available for demolition.
- (e) To approve the demolition of Wordsworth Drive and Coleridge Crescent Flats at a time to be determined by the Director of Homes and Communities in conjunction with the portfolio holder for Housing.
- (f) Officers to return to the Council with options for the future use of the site.

### 3. Risk Assessment

3.1 Below are the main risks relating to the proposal:

| Risk  | Score out of 25 based on probability x impact | Mitigation   |
|---|---|--|
| Poor consultation may result in resistance and disconnection from tenants | 10  | Careful planning is required and consultation with all parties simultaneously (tenants, leaseholders, shop leasee). Keep residents and stakeholder informed  |
| Limited alternative accommodation for tenants                             | 10  | Officers have analysed the availability of alternative accommodation to support the decanting of tenants. 2 bed properties are in high demand however there is thought to be sufficient turnover of homes to allow for decanting customers within 12 months of them being awarded gold band. Officers are conducting Housing needs assessments to understand the needs of customers and to explore any preferences or opportunities for downsizing or alternative accommodation for example sheltered housing. |
| The structural quality of the block deteriorates faster than anticipated. | 6   | An agreed monitoring regime has been agreed with specialist engineers to ensure the structure of the block is considered and any changes identified. A number of additional surveys are taking place and investment in barriers and garage access are taking place. A third-party fire safety assessment has been commissioned.  |

| Risk   | Score out of 25 based on probability x impact | Mitigation   |
|--|---|--|
| Tenants experience on going poor property quality of homes and thermal efficiency as they await to be decanted | 10  | Tenants' will continue to benefit from SWTs comprehensive compliance, repair and maintenance service as they await a new home. It is recognised that that the properties thermal efficiency combined with electric heating means some customers are in fuel poverty. It is proposed that the directorate introduce a winter payment for tenants to reduce the impact of heating costs as they await decanting. A contract for damp and mould cleaning will be let to help manage any problems which arise.   |
| Loss of rent revenue for SWT   | 15  | The decanting of the two blocks will reduce the income from rent to the HRA. The HRA business plan has calculated and reflected the loss of rent and the cost of decant and demolition within its December 2021 review. It is assumed the garages will remain let until a new purpose for the site is agreed. The decanting of the two blocks will be phased to manage rent loss. The site will provide an opportunity for income through sale or new rental income.   |
| Inability to purchase the leasehold unit   | 6   | The Council is experienced at negotiating the purchase of owner occupier properties in regeneration schemes. Should purchase through mutual consent not be possible officers will return to the Council with proposals requesting the commencement of a compulsory purchase order (CPO). Officers do not currently believe a CPO will be required and currently enjoy a positive dialogue with the leaseholder.  |
| Inability to resolve the shop lease  | 8   | SWT is in dialogue with the shop leasee and are progressing through the corporate asset management team the ending of the lease and the compensation due. It is assumed that the shop closure will increase the vulnerability of the building and the security plan will reflect the challenge.  |
| Site security before, during or after decanting  | 15  | A number of mitigation measures will need to be agreed to ensure the site is secured and the community remain safe. Regular inspections of the site will need to be maintained and good communication with tenants and the community to help them report any concerns will be important. The demolition of the flats at the earliest opportunity is seen as important to reduce blight and limit any potential anti-social behaviour. Following demolition, a management regime will be put in place to maintain the space prior to sale or redevelopment. |

| Risk                              | Score out of 25 based on probability x impact | Mitigation  |
|-----------------------------------|---|---|
| Covid, Brexit, market uncertainty | 10  | There are a number of external factors which continue to create difficulties when delivering projects in a timely way. SWT and other landlords has experienced challenges in securing contractors and materials to delivery projects in the most timely and economic way. This scheme requires a significant amount of resources from within the authority and therefore is reliant on internal capacity being available. |

#### 4.0 Background and full details of the report

- 4.1 The properties have been recognised as poor for a number of years and this has led to a series of reports being commissioned to understand the most appropriate investment option.
- 4.2 Kendal Kingscott completed a report in March 2021 following an initial stock condition survey report from Curtin's. The report was inconclusive about the quality of the structure and unable to make a recommendation as to the best way forward.
- 4.3 The Kendal Kingscott report suggested commissioning a detailed appraisal of the condition and life expectancy of the concrete frame and associated elements, including testing the concrete condition.
- 4.4 The Curtin's concrete analysis report was received November 2021. The report has highlighted a number of concerns relating to the quality of the concrete and the condition and limited volume of steel reinforcement. As a result of the Curtin's report the building is deemed safe however as the engineers were unable to confirm a 20-year life for the building it is considered that the building is close to the end of its expected life. SWT has put in place a number of actions to monitor the building until demolition is undertaken.
- 4.5 Prior to receiving the most recent engineer's report officers had hoped that an investment option may be possible, and these properties were place in the Wave 1 Social Housing Decarbonisation Fund (SHDF) bid to attract subsidy for the investment. However, as the properties will not be retained Officers are working to prepare alternative properties to substitute in the wave on programme should the council be awarded the fund.
- 4.6 Options considered for the blocks
- 4.7 Following Curtin's concrete report in November 2021 Officers carried out an option appraising which included the following alternative options:
- Do Nothing
  - Retention and investment (7 -60 years)
  - Phased decant of the blocks over two years without capital investment.
  - Phased decant of the blocks over seven years with capital investment.

- 4.8 Officers concluded that a phased decant of the blocks over two years without capital investment is the preferred option of officers both on economic and safety grounds.
- 4.9 The phase decant of the blocks over two years will require resources to:
- Carry out a limited amount of additional surveying and remediation work plus an inspection regime.
  - Decant 15 tenants (total circa £165k)
  - Support boarding up/security, disconnections, additional cleaning regime and additional tenancy support.
  - The purchased one leasehold property.
  - Provide compensation to the shop lease for being unable to extend the shops lease
  - Support a limited winter fuel payment for SWT customers due to inadequate thermal efficiencies, electric heating systems and the lack of an investment solution to create an affordable solution.
  - Demolition costs
- 4.10 The HRA business plan has also recognised the loss of rental income within its December 2021 review.
- 4.11 The housing service is working on the understanding that the garages can continue to be let until an alternative proposal for the sites use is brought forward.

## **5 Links to Corporate Strategy**

- 5.1 In 2019, the Council declared a climate emergency and committed to working towards achieving carbon neutrality and climate resilience by 2030.
- 5.2 Wordsworth Drive and Coleridge Crescent flats cannot achieve low or zero carbon standards without excessive pressures being placed on the HRA Business Plan. The additional investment in the structure of the homes means that demolition is a more effective means to support the Council's strategic objective.
- 5.3 In 2023 the District will be adsorbed into one Unitary Somerset Authority. The Council and the Housing Service remains responsible for its statutory duties and therefore the decisions of this report are within the responsibilities of the Council, Portfolio Holder for Housing and Director of Homes and Communities.

## **6 Finance / Resource Implications**

- 6.1 Members are being asked to approve a capital budget to fund the Wordsworth Drive and Coleridge Crescent Flats Regeneration. This scheme will support the Council's aspiration to provide thermally efficient and decent affordable homes by ending the life of these substandard assets.

- 6.2 A thorough investment appraisal of this project has been undertaken and the costs associated with the decanting and demolition of these two blocks has been reflected in the HRA Business Plan review December 2021.
- 6.3 The December 2021 Business Plan review has received independent professional advice to provide further assurance that the regeneration project is deliverable within the overall 30-year business plan.

## **7 Legal Implications**

- 7.1 No legal issues to report.

## **8 Climate and Sustainability Implications**

- 8.1 Wordsworth Drive and Coleridge Crescent flats cannot achieve low or zero carbon standards without excessive financial pressures being placed on the HRA Business Plan. The additional investment in the structure of the homes means that demolition is a more effective means to support the Council's strategic climate change objective.
- 8.2 The properties were assessed as EPC E and therefore in the 10% worst performing SWT council homes as measured against SAP/EPC criteria.

## **9. Safeguarding and/or Community Safety Implications (if any)**

- 9.1 There are no safeguarding or community implications.

## **10. Equality and Diversity Implications**

- 10.1 An Equality Impact assessment can be found at appendix B (To Follow).

## **11 Social Value Implications**

- 11.1 The procurement process will consider the benefit contractors can contribute in terms of social value in particular local labour, use of local contractors and supply chain.

## **12. Partnership Implications**

- 12.1 No partnership implications identified.

## **13. Health and Wellbeing Implications**

- 13.1 Very low carbon homes which are well insulated, have good levels of airtightness and use ventilation systems are considered healthy homes. The properties at

Wordsworth Drive and Coleridge Crescent do not possess low carbon qualities and the construction techniques continue to encourage cold bridging which is a significant contributory factor for damp and mould in homes.

#### **14. Asset Management Implications**

- 14.1 The regeneration through demolition of the flats is seen as the best value for the Council's assets. The creation of a development site provides the council with an opportunity to improve its assets or receive a capital receipt.

#### **15. Data Protection Implications (if any)**

- 15.1 No data protection considerations.

#### **16. Consultation Implications (if any)**

- 16.1 Consultation has begun with the tenants, leaseholder, shop leasee and the Ward Member. There has been some support and very little concern raised from tenants to the loss of their current accommodation and tenants have welcomed the chance to consider alternative affordable housing through Homefinder. Currently the Council enjoy a good relationship with the leaseholder and both parties are keen to pursue purchase by mutual consent. The shop leasee has been surprised by the Council's position and discussions continue to take place over the date and timing of the lease end.
- 16.2 Communication with tenants and all other parties will continue to be critical as the regeneration proposals are progressed.

#### **17.1 Scrutiny/Executive Comments / Recommendation(s) (if any)**

*Scrutiny will consider this report 23<sup>rd</sup> February 2022*

Democratic Path:

- Tenants Strategic Group – 24<sup>th</sup> January 2022
- Scrutiny / Corporate Governance or Audit Committees – 23<sup>rd</sup> February 2022
- Cabinet/Executive – 16<sup>th</sup> March 2020
- Full Council – Not Required

Reporting Frequency:  Once only     Ad-hoc     Quarterly  
 Twice-yearly     Annually

#### **List of Appendices**

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| Appendix A | Map of the Regeneration Area           |
| Appendix B | Equality Impact Assessment (To follow) |

**Contact Officers**

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Appendix A

Map of the Wordsworth Drive and Coleridge Crescent Flats Regeneration Area, Taunton.





