

1. Estate Profiles and Phase 1 Identification (£23m Programme)

- 1.1. The purpose of this Appendix is to summarise salient details of the three Estates details, the rationale behind identifying those areas to be addressed in the first phase of a £23m Programme.
- 1.2. The rationale for the selection of the first areas of activity takes into consideration a number of contributing factors including:
 - cost of achieving Decent Homes Standard
 - issues with the general estate layout and environment that cannot be addressed by Decent Homes alone
 - ability to create sites of sufficient size for development
 - site access issues during construction
 - number of leaseholders in each block
 - inconvenience to residents living in adjacent areas
 - regeneration impact
 - maximising the value from these cleared estate renewal sites by packaging them with other development sites across the borough in order to make them marketable and development viable.
 - Member and resident concerns about housing conditions

2. Goresbrook Village Renewal

2.1 Background

- 2.2. Goresbrook Village occupies a 2.82 hectare site, a 15 minute walk from Becontree Underground Station. It is bounded by Goresbrook Road to the north and the A13 to the south. To the north and west lie 2 storey semi-detached suburban houses, with open space of Castle Green to the east. The area to the south of the A1306 is in predominantly industrial use.
- 2.3. The existing estate consists of three council owned high-rise blocks – Dunmow House, Ingrave House and Bassett House - with a total of 283 units. The estate has a self-contained, introverted layout with the site segregated from the low rise council housing surrounding it. The buildings are arranged around a dispersed poorly overlooked public space including a car park. The high-rise blocks are in a poor state of repair both internally and externally. There are no shopping facilities within the estate, with a local shop adjacent to the site.
- 2.4. Having suffered from a long-term lack of maintenance and investment, Goresbrook Village has been earmarked for a much needed improvement package. Due to the adverse economic climate there are insufficient resources to fund the housing capital programme. Consequently, the Decent Homes Investment Programme across the whole borough had been reviewed in line with available resources and this has affected programming of the proposed refurbishment works for Goresbrook Village. Not proceeding with the planned refurbishment works has left the high-rise blocks to deteriorate further.

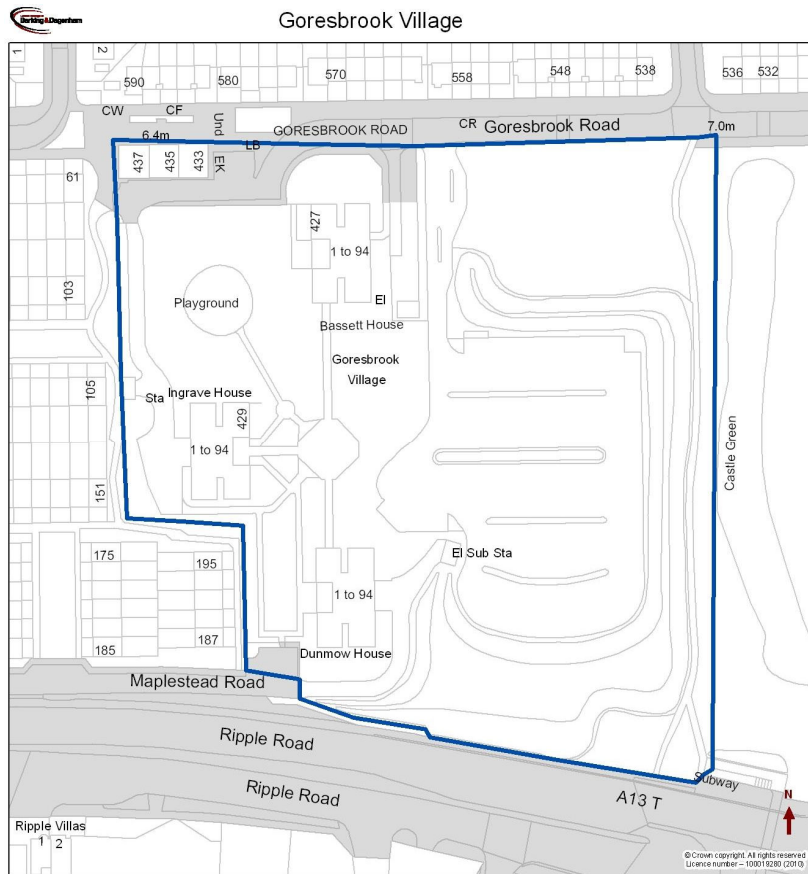
2.5. Goresbrook Village Renewal – Proposed Phase 1 Rationale

2.6. The cost of clearing and demolishing all three tower blocks would be £5.3m. Demolition of all three blocks at Goresbrook Village would create a development site of the optimum size, configuration and maximise regeneration impact for the wider area. It would also help to deal with the poor housing conditions for Goresbrook Village residents.

Blocks	Bassett House	Ingrave House	Dunmow House	All blocks
Dwellings	94	94	94	282
Tenants	94	91	90	275
Leaseholders (L/H)	0	3	4	7
Decant Costs	£441,800	£427,700	£423,000	£1,292,500
L/H Buy backs	0	£450,000	£565,000	£1,015,000
L/H Disturbance (+10% Market Value)	0	£54,000	£68,500	£122,500
Masterplan & Consultation *	135,000			£135,000
Staff resources	125,000	75,000	£75,000	£275,000
Demolition and Estate Management	£800,000	£800,000	£800,000	£2,400,000
Partner procurement *	110,000			£110,000
Total	£1,611,800	£1,806,700	£1,931,500	£5,350,000
Notes: (*) one off cost for the whole estate				

2.7. Located in adjacent to the A13, Goresbrook Village is a prominent, gateway site with a high development profile. The site's proximity to a large open space and its green outlook makes it suitable for a high-quality family housing scheme. Due to the high visibility of the three existing tower blocks, their redevelopment would enable a shift in the current perception of the estate as undesirable place to live.

2.8. The impact on the HRA is covered in **Table 5, Section 3.1.**



Map 1 Goresbrook Village Estate Site Boundary

2.10. Decent Homes Position - Goresbrook

2.11. The three blocks on Goresbrook Village were previously excluded from the decent homes programme to date. As a result of this, the level of investment required to bring the blocks to decent homes standard including structural repairs and relevant current planning and legislation requirements is £14.4m.

3. Leys Estate Renewal

3.1 Background

3.2. Having suffered from a long-term lack of maintenance, the Wellington Drive and Birdbrook Close flatted developments have been earmarked for a much needed improvement package.

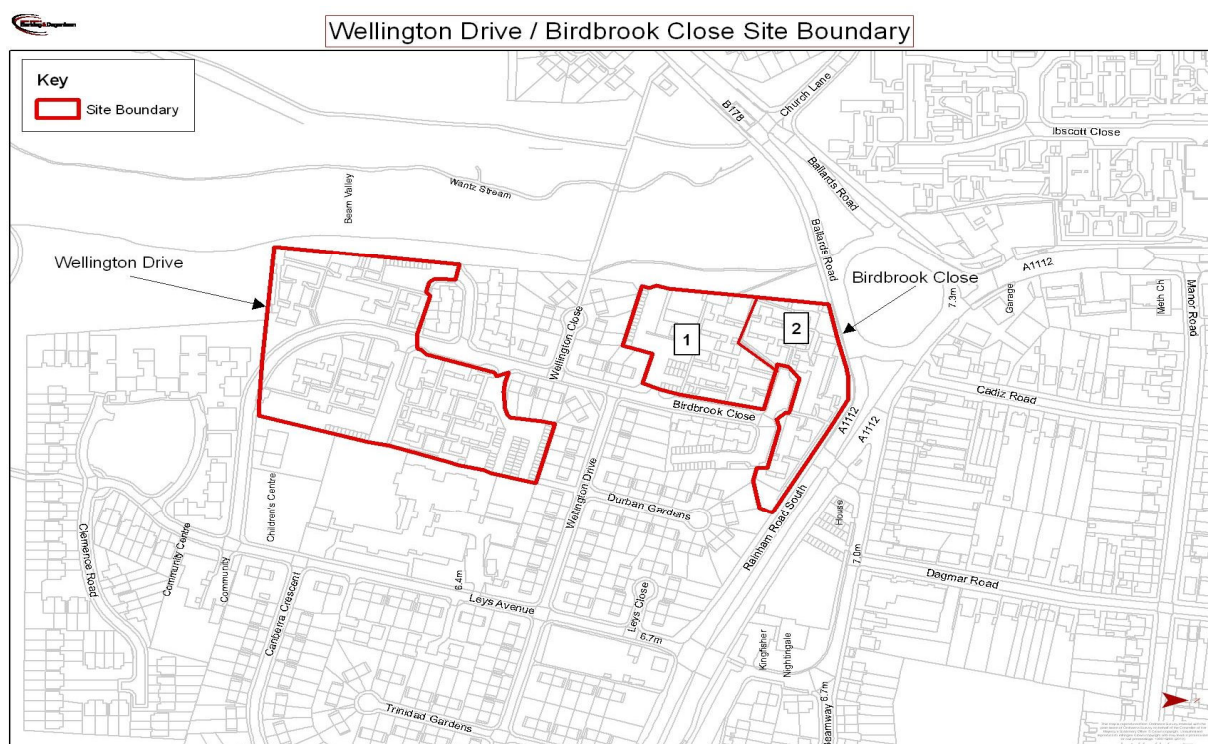
3.3. The estate consists mainly of two storey semi-detached and terraced family houses with gardens arranged in a mixture of cul-de-sacs and streets constructed in the late 1960s. The only flatted developments on the Estate are 3-4 storey blocks located in Wellington Drive and Birdbrook Close incorporating 215 residential units arranged in 15 low rise blocks.

3.4. Leys Estate Renewal – Proposed Phase 1 Rationale

3.5. The internal and member consultation undertaken during 2009 resulted in a proposed high-level phased implementation strategy for Wellington Drive and Birdbrook Close as a whole. Five phases have been developed taking into consideration buyback and decant costs as well as the site access. The proposed phases could be further

subdivided into smaller development areas that have flexibility to respond to speed of decants, buybacks and resource availability.

- 3.6. While all blocks in Wellington Drive and Birdbrook Close are in a poor state of repair, the conditions of the block Nos 42-50 Birdbrook Close have deteriorated to such an extent that it was necessary to rehouse the most affected residents. As 42-50 Birdbrook has been partly vacated, this would assist with the speed of decants making this area of the estate suitable for inclusion in the initial phase. Birdbrook Close redevelopment could be split into two phases .
- 3.8. The order of subsequent phases is flexible but it is likely that it would depend on available funding and resources with the phases containing higher numbers of leaseholders redeveloped at later stages. Buyback costs for all proposed phases are shown in **Table D**. These costs are high level estimates that will be continuously refined as the project progresses and more detailed cost information become available.
- 3.9. The redevelopment of Birdbrook Close and Wellington Drive would bring a marked and much needed improvement in the housing conditions for the residents of the low-rise flatted developments. However, as the site is surrounded by green open space of Beam Parklands and busy main roads, any regeneration benefits would remain limited to the Leys Estate. Furthermore, the Leys Estate has a large number of leaseholders and this, combined with low land and market values, makes it particularly challenging to redevelop.



Map 2 Leys Estate – Wellington Drive/ Birdbrook Close Site Boundary

- 3.10 The combination of a high redevelopment cost coupled with localised regeneration benefits makes this programme less viable in comparison with the other two estates where a ratio of regeneration benefits versus cost is more favourable. However, given the highlighted issues with property condition and no ability to fund the entire improvement works, it is vital that some regeneration activity commences on the Leys estate.

Table B Leys Estate – Overall Estate Renewal Programme Costs Estimate								
	Initial Phase - Birdbrook Close			Subsequent phases - Wellington Drive				
Area	1	2	Sub	1	2	3	Sub	Total
Dwellings	43	55	98	48	28	41	117	215
Tenants	36	39	75	27	20	28	75	150
Leasehold ers (L/H)	7	16	23	21	8	13	42	65
Decant Costs(tena nt home loss) (£)	169,200	183,300	352,500	126,900	94,000	131,600	352,500	705,000
L/H Buy backs (£)	710,000	1,660,000	2,370,000	2,470,000	920,000	1,430,000	4,820,000	7,190,000
L/H Disturb. (+10% Market Value) (£)	92,000	214,000	306,000	322,000	116,000	187,000	625,000	931,000
Masterpla n & Consultati on (£) *	80,000		80,000				0	80,000
Staff resources (£)	50,000	50,000	100,000	40,000	40,000	40,000	120,000	220,000
Demolition and estate managem ent (£)	85,000	85,000	170,000	85,000	85,000	85,000	255,000	425,000
Partner procureme nt	40,000		40,000	30000			30,000	70,000
Total (£)	1,226,200	2,192,300	3,418,500	3,073,900	1,255,000	1,873,600	6,202,500	9,621,000

Notes:

(*) one off cost for the entire estate
Area 1 Birdbrook Close Nos 5-13, 1-4 & 21-27, 14-20 & 28-34, 42-50
Area 2 Birdbrook Close Nos 35-41 & 51-64, 65-82, 83-98
Area 3 Wellington Drive Nos 111-127 (Odd), 89-109 (Odd), 129-155 (Odd), 61-87(Odd)
Area 4 Wellington Drive Nos 185-211 (Odd), 157-183 (Odd)
Area 5 Wellington Drive Nos 120- 153 (Even), 98-110 (Even), 62-96 (Even)

3.11. Decent Homes Position – Leys Estate

3.12. In May 2008 Capital Works Group sought tenders for Decent Homes Works to 215 flats and 5 houses in Wellington Drive and Birdbrook Close from six contractors on the basis of design and build package, with options to either carry out Decent Homes works of Decent Homes Plus.

3.13. The tender returns for Decent Homes averaged £5.5 million and £7.1 million for Decent Homes Plus. However, due to the adverse economic climate there are insufficient resources to fund the housing capital programme. Consequently, the borough's decent homes investment programme across the whole borough has had to be reviewed in line with available resources and this has affected to programming of the proposed refurbishment works for Leys estate.

4. Gascoigne Estate Renewal

4.1 Background

4.2 The Gascoigne estate has 2,436 dwellings, predominantly Council owned flats, comprising a mix of high rise and three story blocks. Approximately 400 units have been purchased under right to buy. The Estate is divided by Gascoigne Road which runs on a north south axis between St Paul's Road and the A13. Gascoigne Rd effectively makes a physical division between the two halves of the Estate which have distinct characteristics in terms of housing, occupancy and layout.

4.3 The area to the east of Gascoigne Road is approximately 24 hectares. The area contains most of the Estate's high rise blocks. It consists of 1,775 low, medium and high rise properties. Approximately 200 units have been purchased leasehold, under right to buy.

4.4 The Gascoigne Development Framework, completed in December 2008, recommended a high level three phase implementation strategy for the Estate as a whole. The estimated duration of the whole programme was 15 years with each phase being approximately five years. The strategy envisaged a start of Phase 1 at the northern end of the Estate with Phases 2 and 3 progressing south towards A13 as the programme develops. The phasing plan for the estate was approved by the Executive in March 2009. However, viability work undertaken on the proposed comprehensive redevelopment scheme showed the requirement for public sector funding to achieve this was unlikely to be realised in the current economic climate and the incremental approach to redevelopment focusing on the 13 high-rise blocks and some adjacent low-rise was approved in the report presented to the Cabinet on 6th July 2010.

4.5 Along with the physical regeneration of the estate, the Council wishes to build a mixed community, with a variety of tenures living in high quality homes of different sizes and types, supporting high quality local services and providing long term social and economic change. Key to the Council's vision is that the perception of Gascoigne as an Estate should disappear, with the area becoming simply integrated, as a largely residential area, within the overall regeneration of the Town Centre

4.6 Gascoigne Estate Renewal – Proposed Phase 1 Rationale

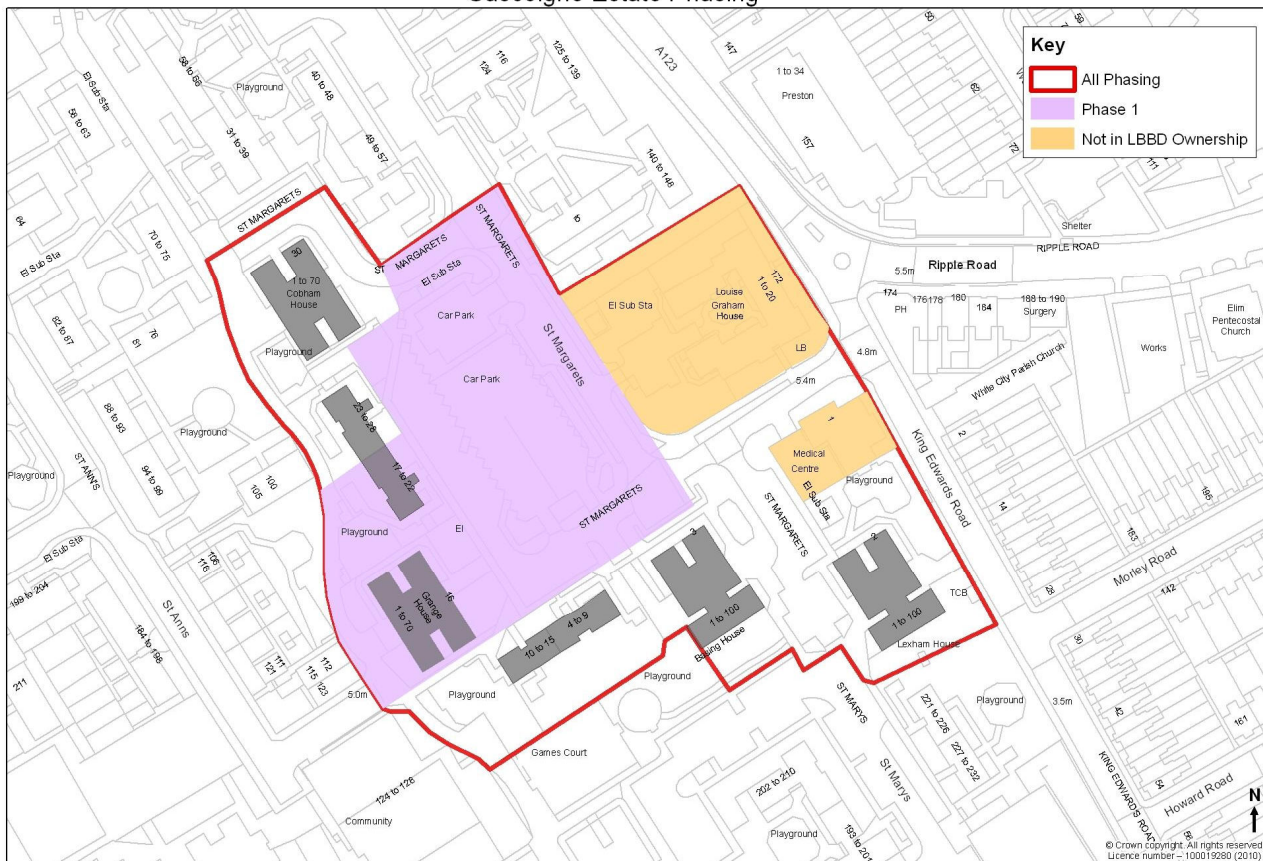
4.7 There is no significant physical difference in the condition of the high-rise blocks on the estate. All are in need of significant investment to achieve Decent Homes standard. However, redevelopment of the high-rise blocks alone would not provide developable sites of any sufficient size to deliver economically viable development sites and is unlikely to work financially. The issue becomes what would make a viable proposal.

4.8 The location of Grange House next to a parking area, a low-rise blocks of flats and the London and Quadrant Housing (L&Q) owned Louise Graham House (built as accommodation for adults with learning disabilities) enables the start of the creation of an accessible and developable site (see **Map 3**). Louise Graham House is coming to

the end of its useful life and the care contract will be withdrawn by the end of the financial year. L&Q have expressed interest in a site swap for the vacant Kingsbridge site in the south of the Estate. Grange House facilitates a connection to be created through the estate linking Gascoigne Road and King Edward Road and this would enable the start of creating a separation from the remainder of the Estate, changing people's perception of the area, creating a substantial new frontage on King Edward's Rd and improving pedestrian permeability in line with the Gascoigne Development Framework. However, officers have recently carried out some soft market testing with developers and the developers suggested that a larger site would be a more viable option and go further towards meeting the Council's aspirations for the area.

- 4.9. In order to create a more viable site, it is recommended that we aim to remove 4 high rise blocks. This is estimated to cost £8.6 million (shown in **Table C**) and would form part of the wider four year borough wide estate renewal programme estimated at £23 million.
- 4.10. It would create a development site of the optimum size, configuration and maximise the regeneration impact at the estate. However, in the current economic climate, it is difficult to see where additional funding would come from without utilising other Council land resources as a lever to create value to assist in the regeneration process. A way forward could be packaging the Gascoigne Estate and King William Street Quarter sites in order to increase the sites' marketability and incentivise developers thereby enabling more decanting at Gascoigne Estate. The site packaging options, together with the proposed delivery methods, will be presented to the Cabinet in more detail later this year.
- 4.11 The proposed Phase 1 of Gascoigne Estate redevelopment is shown on **Map 3**.

Gascoigne Estate Phasing



Map 3. Gascoigne Estate – Estate Renewal Site Boundary

Table C Gascoigne Estate – Estate Renewal Costs Estimate					
High-Rise Block and Adjacent Low-Rise	INITIAL PHASE - Grange House + Nos 17-22 St Margarets	Cobham House + Nos 23-26 St Margarets	Lexham House	Basing House + Nos 4-15 St Margarets	Total
Dwellings	70+6	70+6	100	100+12	340 + 24
Tenants	67+5	66+2	97	96+7	340
Leaseholders (L/H)	3+1	4+4	3	4+5	24
Decant Costs	£338,400	£319,600	£455,900	£484,100	£1,598,000
L/H Buybacks	£546,000	£828,000	£396,000	£1,278,000	£3,048,000
L/H Disturbance(+10% Market Value)	£66,600	£100,800	£48,600	£154,800	£370,800
Masterplan & Consultation *	£150,000				£150,000
Staff resources	£105,000	£45,000	£45,000	£45,000	£240,000
Demolition And Estate Management	£800,000	£800,000	£740,000	£800,000	£3,140,000
Partner procurement *	£65,000				£65,000
Total	£2,071,000	£2,093,400	£1,685,500	£2,761,900	£8,611,800
Note: (*) one off project cost for the whole estate renewal					

4.12. Decent Homes Position – Gascoigne

4.13. The blocks identified within Gascoigne Estate have not been included in the decent homes programme to date. It has been identified that a total of £17.4m will be required to bring the blocks up to decent homes standard, including structural repairs to the blocks and other works to meet legislative and planning requirements.

5. Summary Costs of £23m Programme

5.1. The estimated costs of a programme amounting to £23m are summarised in **Table D** below.

Table D Projected Costs for the £23 million Estate Renewal Programme

	GASCOIGNE ESTATE	LEYS ESTATE	GORESBROOK ESTATE	TOTAL
	Grange House, Cobham House Lexham House Basing House + Nos 4-15, 17-22, 23-26 St Margarets	Birdbrook Close Wellington Drive	Bassett House, Dunmow House Ingrave House	
Dwellings	340 + 24	215	282	861
Tenants	326 + 14	150	275	765
Leaseholders (L/H)	14 + 10	65	7	96
Decant Costs	£1,598,000	£705,000	£1,292,500	£3,595,500
L/H Buy backs	£3,048,000	£7,190,000	£1,015,000	£11,253,000
L/H Disturbance (+10% Market Value)	£370,800	£931,000	£122,500	£1,424,300
Masterplan & Consultation	£150,000	£80,000	£135,000	£365,000
Staff resources	£240,000	£220,000	£275,000	£735,000
Demolition and Estate Management	£3,140,000	£425,000	£2,400,000	£5,965,000
Partner procurement	£65,000	£70,000	£110,000	£245,000
Total	£8,611,800	£9,621,000	£5,350,000	£23,582,800

6. Financial Issues

Impact of the Estate Renewal Programme on the Housing Revenue Account

6.1. **Table E** below shows the impact of the full programme of works across the three estates (as set out in point 2.5) on the HRA including the net loss of income and the necessary pro rata savings for the repairs and management budgets that will have to be met to mitigate this net loss. The necessary savings may require a further review of structures and available resources to deliver housing management services.

Table E Impact on HRA – Full Estate Renewal Programme (£23 million)

	Goresbrook all blocks	Leys (whole estate)	Gascoigne (4 blocks + low rise)	Total
Tenanted	275	150	340	765
Leasehold	7	71	24	102
Annual Rent Loss	868,893	509,446	1,0741,603	2,452,942
Annual SC Loss	428,185	133,307	365,485	926,977
Leasehold Charge loss	4,938	50,543	14,238	69,764
Subtotal	1,302,061	693,296	1,454,326	3,449,683
Subsidy				
Guideline Rent	(1,057,752)	(581,183)	(1,332,845)	(2,971,780)
M & M Allowance	569,361	312,836	717,436	1,599,632
	(488,392)	(268,347)	(615,409)	(1,372,148)
Net Loss of Income	813,670	424,949	838,916	2,077,535
Required Operational cost reductions				
Repairs Budget	23,831,000	23,831,000	23,831,000	23,831,000
Pro rata for the properties affected	337,459	185,417	425,222	948,098
S & M Budget	29,435,000	29,435,000	29,435,000	29,435,000
Pro rata for the properties affected	476,211	239,532	413,694	1,129,437
Total	813,670	424,949	838,916	2,077,535