

Report of Director of Neighbourhood and Housing

To Executive Board

Date: 14th November 2007

Subject: BEESTON GROUP REPAIR – PHASE 4
Capital Scheme Number 14114/000/000

<p>Electoral Wards Affected:</p> <p>Beeston & Holbeck</p>	<p>Specific Implications For:</p> <p>Equality and Diversity <input type="checkbox"/></p> <p>Community Cohesion <input type="checkbox"/></p> <p>Narrowing the Gap <input type="checkbox"/></p>
<p>Eligible for Call In <input checked="" type="checkbox"/></p>	<p>Not Eligible for Call In (Details contained in the report) <input type="checkbox"/></p>

Executive Summary

In line with the objectives of the Vision for Leeds 2004-2020 and the Leeds Housing Strategy an allocation of circa £15 million Single Regional Housing Pot funding is subject to approval from the Regional Housing Board to be spent during the financial years 2008-11. The proposals set out in this report will utilise £2.1m of this allocation and will extend the life of approximately 60 properties in the Beeston area by 30 years. To assist in maximizing grant approved in 2006-08 phase 4 will be brought forward to January 2008. Executive board are requested to inject £2.333m into the capital programme and authorise scheme expenditure of £2.333 m outlined within this report.

1.0 Purpose of this Report

1.1 The draft Housing Investment Programme 2008-11 presented to the Regional Assembly proposes an allocation to Leeds of £15m to spend on housing related regeneration projects. The final allocation to Leeds will be subject to the Comprehensive Spending Review results expected in the autumn 2007. Beeston Group Repair is an external enveloping scheme whose purpose is to extend the life of approximately 60 properties by 30 years. It is also anticipated that 1 miscellaneous ALMO property within the area will also be similarly improved and this will be subject to a separate report to Aire Valley Homes Ltd Board.

2.0 Background Information

- 2.1 The Beeston Hill Renewal Area was declared by Leeds City Council on 25th November 2002. The Renewal area comprises in total some 2,800 through terrace and back to back houses. A Neighbourhood Renewal Assessment carried out prior to the renewal area declaration identified 81% of properties as unfit or potentially unfit for human habitation. The area is of mixed tenure, with approximately one third being owner occupied, one third being privately rented and one third being owned by Social Landlords, the majority of these belonging to Leeds Federated Housing Association.
- 2.2 As part of the regeneration of the area a rolling programme of Group Repair Schemes have taken place since 2004. To date approximately 160 properties of all tenures have been improved under such schemes.
- 2.3 This scheme represents the fourth such phase of Group Repair work that has been carried out within the Beeston Hill Statutory Renewal Area: phase 1, in which 68 houses had full scheme works, was completed in April 2004: phase 2 was completed in March 2007 with 62 properties having full scheme works. The total costs of the first two phases being approximately £5m.
- 2.4 Work is currently still ongoing on phase 3 of the Beeston Group Repair scheme. To date a total of 33 houses have been improved and it is anticipated that by December 2007 approximately 50 houses in total will have been improved under this phase at a total scheme cost of just over £2m.

3.0 Main Issues

- 3.1 The next stage of Group Repair is proposed to include approximately a further sixty properties, the majority of these being substantial 4 bedroom properties. The Construction work on the scheme is to be carried out by Frank Haslam Milan, under the provisions of contract number 503968/3454 under which they were appointed to carry out Group Repair work in Burley Lodge and Beeston.
- 3.2 The Group Repair work will be similar to that done on previous phases and will include:

The re-roofing of the main roof and bay roofs to the front façade (including provision of thermal insulation). Re-roofing the rear "extension" and/or additional roofs where required. Renewal of chimney pots as required. Gas safety checks on gas fires. Brick cleaning to the front facades and redecoration. Repairs/reinforcement to brickwork as necessary. Replacement of windows to suit the style of the premises. Replacement of dormers and /or roof windows as required. New high security doors to the front and rear entrances as required. New rainwater goods and soil/vent pipes as required. New gates and railings are to be provided to rear boundaries, including new rear gates as required.
- 3.3 Individual properties have been surveyed and cost sheets have been drawn up. The overall cost of the scheme has been estimated at £2,037,436 giving an average works cost per property of just under 34 £k. Fees set at 14.5% have to be added to this giving a total cost for fees of £295,428.22. On previous schemes these fees have been apportioned between Property Services (10.2%) and Environmental Health Services (4.3%) although discussions are currently underway to examine a possible change in these apportion ratios.

4.0 Consultations

Consultations have taken place with Ward Members, Tenants, Owner Occupiers, and the Acting Chief Officer of Leeds South Homes and there is broad support for the scheme.

5.0 Community Safety

The proposals contained in the report have implications under Section 17 of the Crime and Disorder Act 1998. The properties receiving improvements will be made more secure, with an aim of reducing burglary within the area.

6.0 Programme

The programme of works will be carried out over the following period:

Start on Site	January 2008
Practical completion	November 2008

It is anticipated that further phases of Group Repair will then be done within the area subject to additional funding being made available.

7.0 Scheme Costs

- 7.1 This report seeks approval to provide sufficient funds for improvements to 60 properties, at an average cost of approximately £34,000 works per property, totalling £2.03m. As well as the cost of works, fees will be charged pro rata to all parties involved. The majority of the properties are in private ownership and this report assumes that, on the basis of experience of Group Repair initiatives elsewhere in the city, that these private owners will pay between 10-20% towards the costs of improvements to their properties. The remaining 80-90% represents the cost to the Council.
- 7.2 It is anticipated that work will also be carried out to improve 1 Council owned property within this area as part of this scheme but this will be the subject of a separate report to the board of Aire Valley Homes Leeds ALMO.
- 7.3 As the mix of properties in each of the phases is subject to the occupiers agreement, there may be different numbers of Council or Privately owned properties included for improvements. Nevertheless, the cost to the Council will be maintained within budget by ensuring that if the price per property is higher than the £32k estimate, then proportionately less properties will be improved. Also, if the owner occupier contributions are less than the 10-20% assumed, then again less properties will be improved. If savings are made either by a lower level of cost per property or a higher level of owner occupier contributions, there would be an opportunity for additional properties to be included. In the event that scheme costs allow for a significant change in the number of properties to be included in the scheme, a further report will be submitted to Executive Board for approval.
- 7.4 The total estimated cost of the works to the 60 properties is £2,037,436 construction works, and £295,428.22 fees, totaling £2,332,864.20
- 7.5 This will be funded as follows; £233,286.42 is estimated to be received in contributions from Owner Occupiers towards works and fees, and a £2,099,577.80 contribution from SHRP.
- 7.6 Each grant is subject to a condition which requires full repayment of the grant in the event of sale within a 5 year period, following completion of the works.

8.0 Capital Funding and Cash Flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2008 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2010/11 £000's	2011 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2008 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2010/11 £000's	2011 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	2037.4		200.0	1787.4	50.0		
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	295.4		100.0	195.4			
OTHER COSTS (7)	0.0						
TOTALS	2332.9	0.0	300.0	1982.9	50.0	0.0	0.0

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2008 £000's	FORECAST				
			2007/08 £000's	2008/09 £000's	2009/10 £000's	2010/11 £000's	2011 on £000's
Private Sector	233.3			183.3	50.0		
Government Grant- SRHP/HMR	2099.6		300.0	1799.6			
Total Funding	2332.9	0.0	300.0	1982.9	50.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

9.0 REVENUE EFFECTS

As the work approved by this report is in respect of non-Council properties, there are no revenue effects to the Council.

10.0 RISK ASSESSMENTS

There are Health & Safety implications, but these will be dealt with under Health & Safety Plan. In addition all residents and stakeholders have been consulted prior to instigating the project and there is an existing network of communication and dialogue with residents and owners.

11.0 RECOMMENDATIONS

The Executive Board is requested to :

1. Approve the injection into the Capital Programme of £2.099m of Regional Housing Board money and £233.3k from owner occupiers.
2. Authorise Scheme Expenditure to the amount of £2.333m
3. Instruct officers to report back in future on the progress of the scheme