

**Report of Director of Environment and Neighbourhoods**

To **Executive Board**

Date: **19<sup>th</sup> May 2010**

**Subject: CROSS GREEN GROUP REPAIR – PHASE 1**  
**Capital Scheme Number 16104/000/000**

<p><b>Electoral Wards Affected:</b></p> <p>Burmantofts and Richmond Hill</p>	<p><b>Specific Implications For:</b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Equality and Diversity</td> <td style="text-align: center; border: 1px solid black; width: 40px;">x</td> </tr> <tr> <td style="padding: 2px;">Community Cohesion</td> <td style="text-align: center; border: 1px solid black;">x</td> </tr> <tr> <td style="padding: 2px;">Narrowing the Gap</td> <td style="text-align: center; border: 1px solid black;">x</td> </tr> </table>	Equality and Diversity	x	Community Cohesion	x	Narrowing the Gap	x
Equality and Diversity	x						
Community Cohesion	x						
Narrowing the Gap	x						
<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 £18.37 million Single Regional Housing Pot funding has been approved from the Regional Housing Board to be spent during the financial years 2008-11. The proposals set out in this report will utilise £1.72m of this allocation on the 1<sup>st</sup> phase of Group Repair within the Cross Green area. Included within the £1.72m allocation is £0.63m which was originally allocated to the Holbeck phase 4 acquisition and demolition scheme and Executive Board are asked to transfer this amount into the group repair scheme. This will extend the life of 45 properties by 30 years and will also provide some training and apprenticeship opportunities for people within the area. Executive Board are also requested to inject £0.171m of private sector contributions into the capital programme and authorise scheme expenditure of £1.891m outlined within this report.

**1.0 Purpose of this Report**

1.1 The Housing Investment Programme 2008-11 presented to the Regional Assembly allocated £18.37m to Leeds to spend on housing related projects, including group repair. Group Repair is an external enveloping scheme whose purpose is to extend the life of approximately 45 properties in private ownership by 30 years. It is also anticipated that any miscellaneous ALMO property within the area will also be similarly improved and this is the subject of a separate report to Executive Board proposing to allocate East North East ALMO £670k to support this.

- 1.2 Originally a bid for £1.8m was submitted to WYHP as part of the Leeds 2008/11 bid for SRHP in respect of a Group Repair scheme in Cross Green. The project forms part of a long term programme of transformational change in the area and will complement earlier phases of acquisition and demolition which are ongoing.
- 1.3 As part of contingency arrangements put in place to deal with savings of £4m, other schemes within the East of the city have been slipped to future years but commitment to the Cross Green Group Repair scheme has been maintained as a priority within the programme. The contingency arrangements put in place per the December 2009 Executive Board report slipped the schemes start date to autumn 2010 with completion in summer 2011. The current spend profile allows for £1.1m in 2010/11. As the private sector renewal allocation for 2011/2014 has not yet been determined, a report was submitted to the Chief Housing Officer in March 2010 requesting that £630k of money allocated to phase 4 of the Holbeck acquisition for demolition programme be slipped to enable this money to be utilised by the Cross Green Group Repair programme to allow completion of phase 1 of this scheme.

## **2.0 Background Information**

- 2.1 Cross Green is located to the East/ South East of the City Centre and is bordered by the East Street Corridor, Aire Valley, the railway to the north and Neville Hill railway junction to the east. The area of Cross Green that this report focuses on is the Copperfields / St Hilda's area, shown in appendix 1. The area suffers from many of the features common to inner city deprivation (detailed below) and is especially characterised by the quality of its housing; much of the area comprises back to backs with no private garden space. The majority of properties are in Council Tax Band A (85%, Council Tax Records, 2006).
- 2.2 There are approximately 450 properties in the area, of which 78 are ALMO properties and approximately 23 are RSL. The vast majority are therefore private with a large proportion of these being private rented. In 2005, Renew did an analysis of ownership in the area. It was found that approximately 160 properties were owned by private landlords and 140 owner occupied, with the remainder being absentee owners, charitable organisations or unknown.
- 2.3 The Cross Green area has some of the lowest house prices in Leeds. These properties are often in poor condition and of low demand; the main demand coming from private landlords and speculative investors, with evidence indicating that the number of owner occupiers is shrinking with more private landlords buying up properties in the area. While property prices are comparatively low, investors are able to see the potential return from private lettings. A concentration of privately rented property can often lead to an over representation of vulnerable, mobile and anti-social residents. The target area for the proposed Group Repair scheme is within a larger area identified as an area for a Selective Licensing scheme, whereby all private landlords operating within the area are required to be licensed
- 2.4 The initial phases of Group Repair within this area will focus on the streets to the South of the area, surrounding the areas that have recently been acquired for demolition. Improving properties within these streets will help protect the Council's investment in the acquisition for demolition programme. The target area for this first phase of Group Repair is shown in appendix 1 but it should be noted that this target area may change slightly subject to the level of take up of the scheme by property owners within the proposed areas. On completion of this first phase it is intended to carry out a second phase of Group Repair targeted on the area shown in appendix 1.

### **3.0 Main Issues**

3.1 This Group Repair phase is proposed to include approximately 45 properties, the majority of these on this phase being back to back terraced properties. The target area for the scheme will be the properties shown within the light green shaded area on the attached map (appendix 1). 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 Leeds. This contract has provision for training and apprenticeship opportunities to be given to local people wherever possible and practicable. Previous schemes have, for example, included apprenticeship opportunities for bricklayers, joiners, roofers and scaffolders and employment opportunities for local labourers, joiners and Quantity Surveyors.

3.2 The Group Repair work will be similar to that done on previous phases in Beeston and the Burley Lodges 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 (where present) entrances as required. New rainwater goods and soil/vent pipes as required. New gates and railings to front boundaries (where present), including landscaping to front gardens. Repairs to rear boundary walls (where present) including new rear gates as required.

3.3 Individual properties are presently being surveyed and cost sheets are being drawn up. The overall construction costs of the first phase of this scheme has been estimated at £1.71m, giving an average total cost per property of around £38k for construction work. Fees of up to 10% have to be added to this giving a total cost for fees of up to £171k. These fees will be apportioned between Property Management Services and Health and Environmental Action Services and will be calculated in proportion to time spent by officers of each section on delivering the schemes. Additional fees will be incurred through asking ADMAS Ltd to carry out an asbestos survey on each participating property prior to work starting. Properties also have to be surveyed before work commences to ensure that there is no evidence of bat and bird nesting. The total costs for these surveys for the scheme is anticipated to be approximately £10k. The overall cost of construction plus fees for the scheme is therefore estimated to be £1.891m.

### **4.0 Consultations**

4.1 Consultations have taken place with Ward Members, Tenants, Owner Occupiers, and the Cross Green Steering Group and there is broad support for the scheme. Ward members have also been consulted on the specific issue of transferring £0.63m of money from the allocation for phase 4 of the Holbeck acquisition for demolition scheme and whilst there was some reluctance for this to be done, they are aware of the need for this transfer to take place in the wider interests of delivering the Capital Programme.

### **5.0 Community Safety**

5.1 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 Equality and Diversity**

- 6.1 The proposals contained in the report have implications for Equality and Diversity. All properties within the target area will be visited and all property owners within this area will be encouraged to participate.

## **7.0 Programme**

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

Start on Site	July 2010
Practical completion	April 2011

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

## **8.0 Scheme Costs**

- 8.1 This report seeks approval to provide sufficient funds for improvements to approximately 45 properties, at an average cost of approximately £38k per property, totalling £1.71m. As well as the cost of works, fees at the rate of 10% 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.
- 8.2 It is anticipated that work will also be carried out to improve any Council owned property within this area as part of this scheme but this is the subject of a separate report to the board of East North East Homes Leeds ALMO.
- 8.3 As the mix of properties in each of the phases is subject to the owner's 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 £38k 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.
- 8.4 The total estimated cost of the works to the 45 properties is £1.71m construction works, and £171.0k fees, totaling £1.881m. Each participating property will have to be surveyed prior to work commencing in order to determine the presence of any asbestos within the building and also to determine any bat or bird nesting activity; the total estimated cost for this is £10,000 for the scheme; giving a total estimated cost for fees of £181.0K and a total scheme cost of £1.891m.
- 8.5 This will be funded as follows; £171.0k is estimated to be received in contributions from Owner Occupiers towards works and fees, and a £1.72m contribution from SHRP.

- 8.6 Each grant is subject to a condition which requires full repayment of the grant in the event of sale, other than an exempt disposal, within a 5 year period, following completion of the works.

## 9.0 Capital Funding and Cash Flow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2009 £000's	FORECAST				
			2009/10 £000's	2010/11 £000's	2011/12 £000's	2012/13 £000's	2013 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						
<b>TOTALS</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2009 £000's	FORECAST				
			2009/10 £000's	2010/11 £000's	2011/12 £000's	2012/13 £000's	2013 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	1710.0			1710.0	0.0		
FURN & EQPT (5)	0.0						
DESIGN FEES (6)	181.0			181.0	0.0		
OTHER COSTS (7)	0.0						
<b>TOTALS</b>	<b>1891.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1891.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2009 £000's	FORECAST				
			2009/10 £000's	2010/11 £000's	2011/12 £000's	2012/13 £000's	2013 on £000's
Private Sector	171.0			171.0			
Government Grant- SRHP/HMR	1720.0			1720.0			
<b>Total Funding</b>	<b>1891.0</b>	<b>0.0</b>	<b>0.0</b>	<b>1891.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Balance / Shortfall =</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Funding transfer from Holbeck Ph4 A&D scheme 15557/000/000 - £630k  
to Cross green Group Repair Ph1 16104/000/000 +£630k

## 10.0 REVENUE EFFECTS

10.1 There are no revenue effects to the Council.

## 11.0 RISK ASSESSMENTS

11.1 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.

## 12.0 RECOMMENDATIONS

12.1 The Executive Board is requested to :

12.2 Authorise the injection into the Capital Programme of £171.0k from owner occupiers.

12.3 Rescind £630k of authority to spend from Holbeck Ph4 A&D scheme.

12.4 Authorise the transfer of £630k government grant from Holbeck Phase 4 to Cross Green Group Repair Ph1.

12.5 Authorise scheme expenditure to the amount of £1.891m on Cross Green Group Repair Phase 1.

**Background Papers :-**

Holbeck Ph4/ Cross Green GR PH1

Chief Housing Officer March 09

Regional Housing Board Programme 2008-11

Exec Board 9<sup>th</sup> Dec 09

Single Regional Housing Pot Programme 2008-11

- Director of Resources  
4<sup>th</sup> Sep 08. to inject the remaining  
2008/11 grant £13.9m into the  
programme.