

FALKIRK COUNCIL

Subject: PROPOSALS FOR PROPERTIES AT CARRON ROAD, MILLFLATS STREET, HAUGH STREET, FALKIRK
Meeting: HOUSING AND SOCIAL CARE COMMITTEE
Date: 2 February 2010
Author: DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES

1. INTRODUCTION

- 1.1 This report provides Members with an update on the option appraisal in respect of proposals for the development of new Council housing on the site at Carron Road/Millflats Street/Haugh Street, Falkirk (see attached location plan).

2. BACKGROUND

- 2.1 Members will recall that at Council on 13th January 2010 it was agreed that officers would revisit the option appraisal process and survey information previously carried out on Carron Road to ensure that the value for money arguments are robust.
- 2.2 In addition, Members will appreciate the allocation pressures on the existing housing stock and the consequent need to ensure that the number of properties to be developed on each site is maximised and that the approach the Council takes is the most appropriate to help meet housing need.

3. CURRENT POSITION

- 3.1 Housing and Social Services Committee on 6th February 2007 recommended that the properties be declared surplus to operational requirements with a view to demolition and that purchase arrangements for the 4 owner occupied properties and the 5 shops be pursued on the basis of market value, as determined by the District Valuer, or as subsequently negotiated, which is the same basis as previous projects of this nature.
- 3.2 The site itself forms two distinct sections and demolition arrangements for Site A have been progressed. In respect of Site B, however, the demolition process was put on hold pending the outcome of further feasibility studies.
- 3.3 During 1981 to 1983 modernisation work was undertaken and subsequent window and heating replacement took place in 1990s along with an element of structural work and environmental work. In 2002 an Option Appraisal report was prepared by Housing and Social Work Services, with technical input from Development Services, setting out options that could be considered by the Council when preparing development proposals. This option appraisal proposed that a mix of refurbishment and demolition be

investigated in more detail with the cleared proportion of site being sold for private development. Essentially the Appraisal confirmed that from a structural perspective both refurbishment and new build options were available to the Council. Additional options at the time included the possibility of the Council disposing of the properties / land for either private housing or development by a housing association. Having regard to the state of current housing market and the fact that the earliest opportunity to bid for funding through the Council's Strategic Housing Investment Plan for subsidy will be 2010/11, for funding in 2011/12, these are not now considered to be realistic short term solutions. A summary of the development options covered in the 2002 option appraisal are noted below:

• Direct Investment by the Council (£30,000 per unit x 70 units)	£2,100,000
• Disposal for Refurbishment by a Private Developer * **	£410,000
• Demolition & Disposal for Private Development *	£490,500
• Demolition and Disposal for Joint Venture Development *	£490,500
• Demolition and Disposal for Development by a Housing Association *	£490,500

* Costs would be offset by a receipt for the value of the land of around £310,000.

** Initial consideration was also given to the feasibility of re-introducing shops as part of private sector proposals, through planning agreements.

- 3.4 Following approval from Housing and Social Care Committee on 10th November 2009, Development Services were requested to provide costs for the refurbishment of the existing flatted tenement blocks at Carron Road as an alternative option to demolition and new build.

4 OPTION APPRAISAL

- 4.1 The appraisal considered two options:

- Option 1 – demolition and site development of new Council housing
- Option 2 – upgrading the existing accommodation including a number of improvements to the external area such as the provision of car parking and reconfiguration of the entrances to all the properties.

The costs, benefits and disadvantages of each option are noted below:

Option 1 – Demolition and Development of New Council Housing

- 4.2 As Members may be aware from previous reports, taking account of a reduction in housing density, approximately 34 new one and two bedroom properties in two and three storey blocks could be built on the site. Single people represent 47% of the housing register and bringing these properties back into use for this group will help in meeting current housing needs. Using a benchmark of £100,000 per unit plus demolition expenses this would cost the Council close to £3.6m to complete the project – at a time of economic recession and increasing financial constraints on the Council. The introduction of 34 new properties into the letting pool would generate annual income to the Housing Revenue Account of approximately £90,200.

- 4.3 The main advantages of a new build project is that it would provide the opportunity to diversify the mix of housing, retain a mix of residents and, attract new residents into the area. In addition the demolition and new build would help to address social stigma in the area.
- 4.4 The main disadvantage of new build is the funding level required to develop the site at a time of increasing financial constraints. Having regard to development timescales typical for projects of this scale it would be expected to take in the region of 2 years from the development of design proposals to practical completion.
- 4.5 The redevelopment of Carron Road by an RSL partner is not included within our current 5 year Strategic Housing Investment Plan (SHIP). The earliest this project proposal could be added would be to our next SHIP which is due to be submitted to the Scottish Government in November 2010. It is well documented that we are entering a challenging time in terms of available grant funding and our 2010-11 allocation which, although at this time is unknown, is expected to be fully committed based on our target 2009-10 project approvals and our existing project carry forward. The earliest Carron Road could be brought forward for Scottish Government approval would be 2010-11 with possible funding in 2011-12 but to allow this other committed projects within our 2009 SHIP would require to be reprogrammed which in some cases may not be appropriate given the position of ongoing negotiations between our RSL partners and developers/land owners. It is therefore more realistic that a project approval for Carron Road could be achieved in 2011-12 with possible development in 2012-13, subject to available grant funding being made available by the Scottish Government.

Option 2 – Upgrading the Existing Accommodation

- 4.6 If the existing properties are upgraded, around 49 one and two bedroom properties will be provided. Single people represent 47% of the housing register and bringing these properties back into use for this group will help in meeting current housing needs. In addition, there is scope to develop barrier-free accommodation on the ground floor so that people with disabilities can also be accommodated at this location.
- 4.7 The upgrading of existing accommodation, which at present has 53 units, would bring all available units in line with the Scottish Housing Quality Standard. Proposals would also radically change the rear external layouts from the existing configuration by removing the rear stair enclosures of the main building which houses an array of access doors to both main stairs and various storage rooms. These stair enclosures also serve to create dark, enclosed voids which are not conducive to ‘serve by design’ methodology and limit the available daylight to many of the rear-facing windows.
- 4.8 External refurbishment works would include:-
- Part demolition of the Millflats Street to create an open vehicle and pedestrian access to the rear court area, and to allow more daylight into the rear court
 - Reconfiguration of the rear court area to create vehicle parking, service and emergency vehicle access, open pedestrian access, and good quality soft and hard landscaping.
 - Reconfiguration of the entrances to all properties to create access only from the rear court, retaining the imposing street facades to the surrounding main

thoroughfares, but creating a more welcoming community environment to the rear court.

- Removal and replacement of the existing large common stair/store enclosures with smaller more efficient structures, lessening the dark enclosed spaces between the stairs, maximising the available daylight to the rear-facing windows, and providing a simplified, cleaner elevational treatment to the rear facades.
- Rear off-road car parking would be provided where it is not available at present

4.9 Internal refurbishment will be to the Scottish Housing Quality Standards 2015 and will consist of:-

- New Kitchens
- New Bathrooms
- New Heating Systems and plumbing installations
- New electrical installations
- Redecoration
- Enhanced wall and roof installation
- Replacement windows (assumed at present – existing condition to verify)
- New external doors (assumed at present – existing condition to verify)

4.10 In addition the following general condition matters would require to be addressed:-

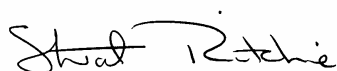
- Structural wall, floor and ceiling/roof repairs
- Treatment of timber decay
- Repointing of external stonework
- Chimney stack repairs/rebuilds
- Replacement slate roof recoverings where required.
- Replacement gutters and downpipes where required

4.11 Carrying out all of the above works would provide in the region of 49 units, depending on the final designs, at an average unit price of £47,500 per property, costing the Council around £2.33m. It must be acknowledged that there were previously housing management issues in these blocks with litter, vandalism, graffiti and anti-social behaviour from the tenants living there, therefore if a refurbishment option were to proceed the Council's investment would need to be protected through the introduction of a local letting initiative, the introduction of a service charge for stair cleaning and grass cutting and intensive estate and neighbourhood management of the area. It is estimated that refurbishment would extend the life of the external structure of the buildings by at least 20 years. The return of 49 properties to the letting pool would generate annual income to the Housing Revenue Account of approximately £130,000.

5 RECOMMENDATIONS

Members are asked to:

- 5.1 Consider the results of the option appraisal as outlined above and recommend their preferred option for the Carron Road site.
- 5.2 Refer the recommendation to Falkirk Council for consideration as part of the 2010/11 – 2012/13 HRA Capital Programme.



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DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES

Date: 26th January 2010.

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LIST OF BACKGROUND PAPERS

Nil