

REPORT TO: HOUSING, DUNDEE CONTRACT SERVICES AND ENVIRONMENT SERVICES COMMITTEE - 9TH MAY 2011

REPORT ON: ORMISTON CRESCENT, WHITFIELD

REPORT BY: DIRECTOR OF HOUSING

REPORT NO: 232-2011

1. PURPOSE OF REPORT

- 1.1. To request Committee approval to declare surplus and demolish the block 37-52 Ormiston Crescent. To seek approval for the Director of Housing to develop proposals in partnership with Angus Housing Association for further consultation with tenants on transferring properties at 53-64 Ormiston Crescent and 65-76 Ormiston Crescent to Angus Housing Association.

2. RECOMMENDATIONS

- 2.1. It is recommended that Committee:

- Approves no further lets be made within the blocks, vacant properties be held pending redevelopment and agree to declare surplus and demolish 16 flats in the block 37-52 Ormiston Crescent.
- Remit the Director of Housing to award priority re-housing status to tenants in the block 37-52 Ormiston Crescent, together with the statutory Home Loss payment of £1,500 and facilitate the re-housing process outlined at paragraph 4.4. below.
- Remit the Director of City Development to prepare a tender for demolition and post demolition treatment at the appropriate time.
- Remit the Director of Housing to develop proposals for further consultation with tenants on transferring properties at 53-64 Ormiston Crescent and 65-76 Ormiston Crescent to Angus Housing Association.

3. FINANCIAL IMPLICATIONS

- 3.1. Demolition costs for 37-52 Ormiston Crescent are estimated at £65,000 and Home Loss payments are estimated to be £19,500. These costs will be met from an allowance in the 2011/12 HRA Capital Budget.
- 3.2. Details of any additional financial implications will be reported to Committee following development of the proposal by Angus Housing Association and appraisal of financial models.

4. **MAIN TEXT**

- 4.1. As part of the Whitfield Regeneration Proposals Committee has approved demolition of properties in Whitfield Avenue, Small Meadow Court and Tranent Walk - Committee Report 311-2010, and Murrayfield Walk - Committee Report 584-2010.
- 4.2. The Skarne blocks at in Ormiston Crescent require upgrading in order to meet the Scottish Housing Quality Standard (SHQS). Maisonettes within the blocks are all accessed from common stairs and access ways at first floor level which means that the flats have unusual internal lay outs which are unpopular with tenants. The block at 37-52 Ormiston Crescent differs in that there are 4 one bedroom flats with individual access on the ground floor. The 3 blocks are sited adjacent to Angus Housing Association's office in Whitfield and on the opposite side of Ormiston Crescent from similar skarne blocks previously transferred by Dundee City Council to Ormiston Peoples Co-operative in 1988. The properties then transferred on to Angus Housing Association when it took over the Co-operative. A site plan is attached in Appendix 1.
- 4.3. The blocks consist of the following 40 one, two and three bedroom properties.
 - Block 1: 37-52 Ormiston Crescent - 16 units
(4 X 1 Bedroom, 6 X 2 Bedroom / 6 X 3 Bedroom)
 - Block 2: 53-64 Ormiston Crescent - 12 units
(6 X 2 Bedroom / 6 X 3 Bedroom)
 - Block 3: 65-76 Ormiston Crescent - 12 units
(6 X 2 Bedroom / 6 X 3 Bedroom).
- 4.4. Angus Housing Association has indicated its interest in taking over the properties in blocks 2 and 3 and carry out integration and refurbishment. Re-housing of existing tenants in 37-52 Ormiston Crescent and where required within blocks 53-64 Ormiston Crescent and 65-76 Ormiston Crescent must be achieved in a practical manner and therefore a combined approach with both the Council awarding priority re-housing status for tenants along with appropriate Home Loss payments and Angus Housing Association awarding priority status to existing tenants within their stock to facilitate the regeneration would be deployed.
- 4.5. Angus Housing Association has converted similar Skarne blocks on the opposite side of Ormiston Crescent. To deal with the access problems and unpopular internal layout Angus Housing Association has converted the Skarne blocks in their ownership so that ground floor 2 bedroom maisonettes benefit from individual access at ground floor level and private garden ground. The upper 3 bedroom maisonettes are accessed from secure entry stairways reducing the numbers of maisonettes on a landing to three. Angus Housing Association could apply this solution to blocks 2 and 3 however due to the different layout and design of block 1 this would not be possible. Demolition of this block could permit re-development of the site with family housing.
- 4.6. Given the pressure on Dundee City Council's Housing Revenue Account to meet SHQS by 2015 the City Council does not have sufficient resources to modernise the blocks in the way which Angus Housing Association is considering as outlined above.

- 4.7. Consultation has been undertaken with the existing tenants to gauge interest in the potential transfer of the blocks to Angus Housing Association with subsequent modernisation and there has been a favourable reaction. The majority of tenants have a commitment to remaining within the area.
- 4.8. The resources from the Scottish Government for the affordable housing investment programme within Dundee reduced to £5M in 2010/11. There are currently no proposals for new build by registered social landlords (RSLs) in Whitfield but there is a need to provide 3 bedroom family houses with gardens.
- 4.9. The Scottish Government has announced reforms to the affordable housing investment programme in 2011/12. The Innovation and Investment Fund has now been introduced. This funding will be allocated on a challenge funding basis with bids being made by RSLs, Councils and developers. £20M will be made available for RSLs, £20M for Councils and £10M for developers for other innovative proposals. Bids will be assessed by COSLA and the Scottish Government. Bids must be made by May 2011 and developments must start on site by 31st March 2012.
- 4.10. Bids to the Fund for 2011/12 are:
- Mill o Mains regeneration phase 2 - HOME (as part of DOMUS). This is continuing to deliver the approved Masterplan agreed with the community.
 - Ardler Phase 6 - Sanctuary.
 - Angus Housing Association is developing a bid for submission for the redevelopment of the Skarne blocks at 53-64 Ormiston Crescent and 65-76 Ormiston Crescent subject to the Council's approval of Committee Report 232-2011.

The bids to the Innovation and Investment Fund will be prioritised in accordance with the approved SHIP.

- 4.11. Angus Housing Association is prepared to develop proposals for options to modernise blocks 2 and 3, for the redevelopment of the site following demolition of block 1 and providing new access roads and car parking facilities subject to agreement in principle for the Council to consider their proposal.
- 4.12. Angus Housing Association would raise private finance for part funding of the project and submit a bid to the Innovation and Investment Fund for funding towards the redevelopment proposals. As described bids to the Innovation and Investment Fund will be evaluated by COSLA and the Scottish Government, bids are made on a competitive basis and there is no certainty that a bid made for this project would receive approval. Therefore Angus Housing Association has also agreed to investigate alternative proposals which could be delivered at lower cost minimising the requirement for subsidy. Investment of between £600 K. and up to £1.8 M. (including 8 new build units) would potentially be made within the project.
- 4.13. Subject to Committee approving this report and the submission of proposals by Angus Housing Association the Council would then appraise the proposals and undertake further tenant consultation. Ultimately, disposal of Council assets to another landlord would require the consent of Scottish Ministers.

5. **POLICY IMPLICATIONS**

- 5.1. This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues.

6. **CONSULTATION**

- 6.1. The Chief Executive, Depute Chief Executive (Support Services), Director of Finance and all other Chief Officers have been consulted on this report. No concerns have been expressed.

7. **BACKGROUND PAPERS**

- 7.1. None.

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DIRECTOR OF HOUSING

APRIL 2011

APPENDIX 1

