

**REPORT TO: HOUSING COMMITTEE - 22 AUGUST 2011**

**REPORT ON: DEMOLITION OF 1-56 RUSSELL PLACE, HILLTOWN**

**REPORT BY: DIRECTOR OF HOUSING**

**REPORT NO.: 387-2011**

**1. PURPOSE OF REPORT**

To seek approval for the demolition of the 57 properties at 1-56 Russell Place, Hilltown, Dundee

**2. RECOMMENDATIONS**

It is recommended that Committee:-

- 2.1. Agree to declare surplus and demolish 54 flats, complex and residents lounge at 1, 2a and 3-56 Russell Place, Hilltown, Dundee.
- 2.2. Remit the Director of Housing to award priority re-housing status to the remaining tenants together with the statutory Home Loss Payment of £1,500 and to manage the re-housing process in accordance with the details of paragraph 4.8 of this report.
- 2.3. Remit the Director of Housing to enter into discussions with the sheltered housing wardens regarding the redeployment process at the appropriate time.
- 2.4. Remit the Director of City Development to prepare tenders and seek offers for demolition and past demolition treatment at the appropriate time.

**3. FINANCIAL IMPLICATIONS**

- 3.1. Demolition and past demolition costs are estimated at £327,500. These costs will be met from an allowance in the 2011/2012 HRA Capital Budget.
- 3.2. Home Loss Payments for the remaining 48 tenants are estimated at £72,000. These costs will be met from an allowance in the 2011/2012 HRA Capital Budget.
- 3.3. Should full re-housing not be achieved during 2011/2012, allowances will be made in future HRA Capital Budgets.

**4. MAIN TEXT**

- 4.1. Reference is made to Housing Committee Report 489-2004 which specified the criteria for declaring properties "at risk" of demolition.

These criteria included:

- No sustainable demand.
- Void levels greater than 5% for 6 months.
- Unpopular house type.
- Consideration of development opportunities.
- Capital investment is economically unjustified.
- SHQS requirements.
- Financial Viability Study.
- Demand and supply of Council houses.
- Tenants and staff views.
- Last rents and management costs of properties.

4.2. There is no express demand for these properties from applicants on the Council's waiting list.

4.3. The present management performance of the properties above are:

1-56 Russell Place

Voids 8

Turnover 10.91%

Offers/Let

R&M Cost/house/year £637.47

Void Loss £17,756.36

Possible Total Income £212,232.96

4.4. The present investment requirement for 1-56 Russell Place to achieve the SHQS are:

Heating and rewire	£459,000
Kitchens and bathrooms	£253,800
Controlled entry/warden call	£80,000
Insulation/windows replacement	<u>£432,000</u>
SHQS costs	£1,224,800

In addition to the SHQS costs, the lifts that service the blocks require to be replaced.

The City Engineer has reported that the garage, which is directly below Russell Place requires substantial investment to address structural weakening in its concrete, this garage structurally supports 1-56 Russell Place.

SHQS costs (from above)	£1,224,800
Lift replacement	£100,000
Concrete strengthening	<u>£560,000</u>
	£1,884,800

Investment per house	£34,904
Citywide investment/house	£4,491

The above works would require tenants to decant to alternative properties 3 times to allow work to proceed.

4.5. The properties above have poor management performance, extremely high investment requirements and it is therefore recommended these properties are declared surplus and demolished.

#### 4.6. Consultation

A Tenants Meeting was held on 13 June 2011 where an explanation of the condition of the property was made and an outline of the potential options was discussed. (47 tenants attended, some with members of their family). Thereafter, individual tenants were visited to explain this again and gain tenants views. Of the 36 tenants who gave an opinion, 35 tenants wanted to move once to a new house.

#### 4.7. The demolition of these properties will provide the City Council an opportunity to develop this site, in line with the Hilltown Physical Regeneration Framework 2008, which promotes the Hilltown as a sustainable community embracing objectives designed.

- to create a "climate of confidence" for future investment in the Hilltown area of Dundee City.
- to review unpopular housing.
- to ensure that new development increases housing choice across a range of sectors and tenures.
- to create a masterplan of physical regeneration and renewal to guide change for the future of the Hilltown.
- to enhance the area as an attractive place to live.

#### 4.8. Subject to the recommendations of this report being approved, the Director of Housing will:-

- enter negotiations with staff and Trade Unions regarding redeployment of personnel to other appropriate locations.
- enter discussions with local housing associations, who have sheltered complexes/properties in the Hilltown area, to increase allocation opportunities, thus enabling demolition as soon as practically possible.
- implement the policy of assisting sheltered tenants by utilising the Housing Support Team to support and assist tenants on an individual basis, to help them through the transitional period.

#### 4.9. It is perceived that redevelopment of the land at 1-56 Russell Place will generate a small receipt for the HRA for the delivery of the SHQS citywide.

### 5. **POLICY IMPLICATIONS**

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 issues to report.

### 6. **CONSULTATIONS**

The Chief Executive, Deputy Chief Executive (Support Services), Director of Finance and all other Chief Officers have been consulted in the preparation of this report. No concerns were expressed.

7. **BACKGROUND PAPERS**

- Housing Committee 21 June 2004 (Report No. 489-2004)  
Building Stronger Communities - Physical Regeneration in the Council Sector.
- Planning & Transport Committee - 14 January 2008 (Report No. 661-2007)  
The Consultation Programme of the Draft Hilltown Physical Regeneration Framework.

**ELAINE ZWIRLEIN**  
**DIRECTOR OF HOUSING**

**JULY 2011**