

**REPORT TO: HOUSING, DUNDEE CONTRACT SERVICES AND ENVIRONMENT SERVICES COMMITTEE - 13 SEPTEMBER 2010**

**REPORT ON: DEMOLITION OF 1-78 MURRAYFIELD WALK, WHITFIELD**

**REPORT BY: DIRECTOR OF HOUSING**

**REPORT NO: 584-2010**

**1. PURPOSE OF REPORT**

To seek approval for the demolition of the 78 properties at 1-78 Murrayfield Walk, Dundee.

**2. RECOMMENDATIONS**

It is recommended that Committee:

- 2.1. Agree to declare surplus and demolish 78 flats at 1-78 Murrayfield Walk.
- 2.2. Remit the Director of Housing to award priority rehousing status to the remaining tenants, together with the statutory Home Loss payment of £1,500 and to manage the rehousing process in accordance with the details of paragraph 4.9 of this report.
- 2.3. Remit the Director of City Development to prepare tenders and seek offers for demolition and post demolition treatment at the appropriate time.
- 2.4. Remit the Director of Housing to bring forward proposals for redevelopment at the appropriate time, with a potential estimated receipt of £160,000 to support delivery of the SHQS.

**3. FINANCIAL IMPLICATIONS**

- 3.1. Demolition and post demolition costs are estimated at £280,000. These costs will be met from an allowance in the 2010/2011 HRA Capital Budget.
- 3.2. Home Loss Payments for the remaining 45 tenants is estimated at £67,500. These costs will be met from an allowance in the 2010/2011 HRA Capital Budget.
- 3.3. Should full rehousing not be achieved during 2010/2011, 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.
- Lost rents and management costs and properties.

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

Due to extensive redevelopment of their immediate environs, these blocks are now surrounded by low density, quality, social rent and owner occupied houses. Their austere image and reputation somewhat blights the blocks and has a negative effect on the immediate neighbourhood.

It is considered that these blocks are unsustainable in the long term and are incongruous to the components of achieving successful regeneration in Whitfield.

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

##### **1-78 Murrayfield Walk (78 properties) (six 5 storey high blocks)**

Voids	33
Turnover	7.69%
Offer per let	3.33
R&M cost/house/year	£438.31
Void loss/year	£70,571

4.4. Consultation was carried out with the residents regarding the future of the properties. The outcome of the consultation was as follows.

4.4.1. A public meeting was held where 12 tenants attended. 10 of the tenants in attendance supported demolition.

4.4.2. A series of consultation events were held at the blocks. There are 45 tenants remaining in these properties. 25 took part in the consultation all were in favour of demolition. This consultation met with tenants on a "one-to-one" basis and identified reasons for not retaining them (poor insulation, high heating costs, dampness, anti-social behaviour) and preferred areas of rehousing (eg Whitfield, near to Whitfield, Douglas, etc).

- 4.5. The options available to the Housing Department are:
- 4.5.1. **Retain and invest all blocks**  
The estimated cost of bringing 1-78 Murrayfield Walk up to the SHQS standard is c. £1.9 million (£24,000 per flat). This cost is seen as excessive and not Best Value considering the lack of demand and void loss.
- 4.5.2. **Retain 4 blocks and demolish 2 blocks**  
The estimated cost of retaining 52 flats and demolishing 26 flats is c. £1.36 million. This can be discounted for reasons given in 4.5.1.
- 4.5.3. **Demolish all properties**  
The estimated demolition cost is £280,000 for all 78 properties. This would see the Housing Department not requiring to bring these properties up to the SHQS standard, remove a financial burden from the HRA and a capital receipt being obtained in the future.
- 4.6. The properties above have poor management performance, extremely high investment requirements and in consultation the residents are in favour of demolition. It is therefore recommended these properties are declared surplus and demolished.
- 4.7. The demolition of these properties provides the City Council an opportunity to develop these sites, in line with the Whitfield Planning Framework 2010 which promotes Whitfield as a sustainable community embracing principles designed to make it:
- a popular place to live;
  - an area with a positive identity;
  - an area with recognisable communities created within it;
  - an area with a mix of tenures;
  - a safe place to live in.
- 4.8. It is perceived that redevelopment of the land at 1-78 Murrayfield Walk will generate a small receipt to the HRA for the delivery of the SHQS citywide.
- 4.9. Subject to the recommendations of this report being approved, the Director of Housing will carry out the following:
- There are 6 blocks at 1-78 Murrayfield Walk. In order to empty out whole blocks at a time and ease the process for residents, rehousing will be managed on a block by block basis with residents being awarded redevelopment priority points at the appropriate stage. Due consideration will be given to the individual needs and aspirations of all residents throughout this process, especially those with particular needs, eg medical recommendations, but the focus will be to demolish a block then to arrange for its demolition as soon as practically possible.
- 4.10. Steps have been taken to increase the proportion of relets for redevelopment to find attractive relets for tenants as quickly as possible and to enable demolition of the empty blocks as soon as possible.

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 major issues.

6. **CONSULTATIONS**

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

7. **BACKGROUND PAPERS**

Whitfield Planning Framework 2010 - City Development Committee - 8 March 2010.

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**DIRECTOR OF HOUSING**

**SEPTEMBER 2010**