



SHEFFIELD CITY COUNCIL

Neighbourhoods & Community Care Directorate

REPORT TO CABINET		DATE:	10 September 2008
REPORT OF:	Executive Director, Neighbourhoods and Community Care	ITEM:	
SUBJECT:	Redevelopment of The Fosters, High Green.		
SUMMARY:	<p>The report recommends the demolition of The Fosters tower block and replacement with new affordable housing, in partnership with South Yorkshire Housing Association (SYHA), rescinding the previous resolution of Cabinet (27 September 2006) to refurbish the block.</p> <p>It is recommended that the existing residents of The Fosters be given priority for rehousing within the new development or elsewhere in the City.</p> <p>Authority is sought to negotiate terms for redevelopment with SYHA and the leaseholders of retail units at The Fosters, with the intention to return to Cabinet with a further report once terms have been agreed.</p>		
RECOMMENDATIONS			
R1	That the resolution with respect to the Fosters made at meeting of Cabinet on 27 September 2006 be rescinded and the Fosters be redeveloped in partnership with South Yorkshire Housing Association.		
R2	That from the date on which a resolution of the Board of Management of South Yorkshire Housing Association is made to begin rehousing lawful occupiers of The Fosters, such lawful occupiers be awarded "Demolition/Clearance Priority" in accordance with Paragraph 18 of Section I of the Lettings Policy as though they were Council tenants and in all other respects in accordance with the Lettings Policy.		
R3	That the Director of Housing, in consultation with the Acting Head of Corporate Property, be authorised to negotiate terms with South Yorkshire Housing Association and the current leaseholders of retail units at The Fosters, for the redevelopment of The Fosters, in line with proposals outlined in Section 4 of this report		
R4	That the Acting Head of Corporate Property be authorised to (1) negotiate the surrender of any commercial leases including electrical substations, telecommunications and other service equipment as required; and (2) to instruct the Assistant Chief Executive, Legal and Governance to complete the necessary legal documentation.		
R5	That the Acting Head of Corporate Property be authorised to negotiate alternative sites for electrical substations, telecommunications and other service equipment as required		

RELEVANT SCRUTINY BOARD IF DECISION CALLED IN:		Successful Neighbourhoods	
FINANCIAL IMPLICATIONS:	Yes	PARAGRAPH(S)	7 (Part 1) 14 (Part 2)
CLEARED BY:	Liz Orme		
EQUALITY IMPACT ASSESSMENT CARRIED OUT?		Yes	
CLEARED BY:	Howard Middleton		
BACKGROUND PAPERS	Report to Cabinet 27 September 2006: "Future of The Fosters Tower Block"		
CONTACT POINT FOR ACCESS:	Dave Mason	TEL NO.	273 4617
AREA(S) AFFECTED	North	CATEGORY OF REPORT: Part 1 (Open) Part 2 (Closed)	

Statutory and Council Policy Checklist

Category of Report
Part 1: Open; Part 2: Closed.
Financial Implications
Yes
Legal Implications
Yes
Human Rights Implications
Yes
Equal Opportunities Implications
Yes
Environmental Sustainability
Yes
Economic Impact
No
Community Safety Implications
Yes
Human Resources Implications
No
Property Implications
Yes
Area Panel(s) Affected
North
Relevant Scrutiny Board if decision called in
Successful Neighbourhoods
Press Release
Yes

Redevelopment of The Fosters, High Green

Part 1 (Open)

1 Outcome and Sustainability

- 1.1** The Fosters is a residential tower block situated in a prominent position, overlooking High Green, and in its current physical state is an eyesore for the local community. The flats themselves are in poor condition; some are uninhabitable due to lack of weatherproofing, and those that are in lettable condition provide a relatively poor standard of accommodation for the current tenants. In addition, whilst security issues arising from the block's previously inadequate door entry system have been addressed, and the shop at its foot has benefitted from recent investment, the block still attracts anti-social behaviour.
- 1.2** Implementing the recommendations of this report would result in the development of approximately 25 new, affordable, high quality, energy efficient homes and a new shop on the site where The Fosters tower block currently stands. The new development would provide replacement homes for current tenants who wish to stay, plus additional affordable homes in an area where the supply and turnover of social housing is limited.
- 1.3** The new homes would meet Level 3 of the Code for Sustainable Homes, meaning they will be 25% more energy efficient than standard building regulations, with a number of sustainable features.
- 1.4** The proposals would improve the quality of life of both existing Fosters tenants and local residents, and the sustainability of the neighbourhood, by removing an existing eyesore and security issue, and providing attractive new homes and a new shopping facility in its place.

2 Summary

- 2.1** The Fosters is a Council owned ten-storey block of 35 two bedroom flats with retail units on the ground floor. The Council leases the block to South Yorkshire Housing Association (SYHA) who manage it as part of their portfolio.
- 2.2** The block would need significant investment to achieve the Decent Homes Standard, including the replacement of the 40 year old original bathroom suites, timber windows and balcony doors.
- 2.3** Until recently, there had been little investment in the retail units, which became a magnet for anti-social behaviour, contributing to a relatively poor reputation for the block as a whole.

2.4 A previous report to Cabinet (27 September 2006) explained the aspirations to give the block a long life, improve it beyond the requirements of the Decent Homes Standard, address its reputational issues, and thus meet the needs of residents and local people. Cabinet resolved to approve a joint investment approach between the Council and SYHA, which would allow a high-quality refurbishment of the block, including external cladding and the creation of attractive and well-maintained grounds.

2.5 However, following that report, circumstances have changed, leading to the options for the block being re-appraised. The most significant change is that the actual cost of refurbishment is now confirmed to be considerably above that of the initial estimate obtained in 2006. This subsequent report reconsiders the available options in the current circumstances and recommends the replacement of The Fosters with a new affordable housing scheme.

3 Option Appraisal

3.1 The full option appraisal from September 2006 can be found in the previous report. The following table summarises how and why circumstances have changed between then and now.

3.2 Key Changes since previous Cabinet Report

Issue	Position in September 2006	Current Position
<p>Cost of refurbishment to desired aspirational standard</p>	<p>SYHA's estimated cost £2.4 million (prior to detailed costings). This could have been raised through a combination of Council and SYHA investment.</p>	<p>Estimated cost £4.1 million. This follows several examinations of different technical options and specifications and is the confirmed estimate of the Council's own tower block contractor. The Fosters is a different design to other Council tower blocks, being shorter and broader, with larger flats, and is far more expensive to refurbish as a result, with reduced economies of scale. Delivering all of the residents' priorities, including full external cladding, two new lifts, and improved security, together with general increases in construction costs, means costs are far higher than SYHA's initial estimate. It is not viable for either the Council or SYHA to meet this increased cost; neither the Council's Decent Homes budget nor SYHA's future rental income could support it.</p>
<p>Availability of Housing Corporation funding for new social rented housing</p>	<p>The limited Housing Corporation funding available was earmarked for priority schemes including Extra Care and Housing Market Renewal.</p>	<p>Significant additional resources allocated to the Housing Corporation in the 2007 Comprehensive Spending Review. The Council has been encouraged to bring additional schemes forward.</p>
<p>Needs of Fosters residents</p>	<p>30 households were resident at The Fosters, mostly requiring social rented housing within the local area. There was a lack of social housing in High Green and it turned over slowly.</p>	<p>Only 19 households are now permanently resident at The Fosters, still mostly requiring social rented housing in the local area. There is still a lack of social housing in High Green and it still turns over slowly.</p>

4 Proposal

4.1 The following proposal would meet the original aspirations to change the quality and the image of The Fosters whilst maintaining the supply of social housing in High Green. It would also provide those existing residents who wish to remain with a “one-move solution”, without the need to enter temporary accommodation. The proposal is in three phases.

4.2 Phase 1a: new flats for current residents

4.2.1 SYHA would construct a new block of social rented 2 bedroom flats for those existing residents who wish to stay. A new retail unit would also be constructed to replace the current shop at the foot of The Fosters.

4.2.1 It is envisaged that both the flats and the shop would be constructed next to the existing block, in an L-shape around the corner of Foster Way & Cottam Road (see Appendix A). The final number and dimensions of the flats would depend on both the number of residents who wish to stay and further discussions with Planning Officers, who have indicated that such a development is acceptable in principle.

4.2.2 The aim would be to start on site in the Spring of 2009, and complete construction of Phase 1 in the Autumn of 2009, to avoid residents spending two further winters in the block.

4.3 Phase 1b: new shop

4.3.1 The existing shop is a convenience store selling a wide range of goods, having been significantly improved by the current leaseholders. It is the only such shop on the western side of High Green and is an important amenity within walking distance for the local community. The reprovision of an improved shop unit is a key feature of the proposal.

4.3.2 It is not yet clear how a replacement shop would be best constructed, owned and managed. This report seeks authority to officers to consider this matter further, enter negotiations with the current leaseholders, and return to Cabinet with a recommended way forward.

4.4 Phase 2: demolition of existing block

4.4.1 Residents would move out of The Fosters, either into the new flats or alternative accommodation of their choice. The demolition of the block would then begin. SYHA have taken the advice of experienced demolition contractors who have confirmed that it is possible to construct the new flats and then demolish the old block in this relatively close proximity.

4.4.2 There will inevitably be some disturbance and disruption to residents during the demolition, although SYHA would work with their contractors to keep this to a minimum. The method used would be mechanical “long-reach” equipment rather than an explosive “blowdown”. Demolition would take a few months to complete using either method but the blowdown is more expensive and would cause more disturbance to residents because of the drilling involved in preparing the block for demolition.

4.4.3 Demolition would also necessitate the removal of the two telecommunications aerials on the roof of the block, currently the subject of Licence Agreements with Orange PCS Ltd and T-Mobile (UK) Ltd respectively. A minimum of six months notice is required to end the Agreements, but this report seeks authority to serve notice immediately, giving over a year in which to identify alternative sites before demolition. The Council would work with the operators to identify possible alternatives.

4.4 Phase 3: development of remainder of the site

4.4.1 Following demolition, SYHA would develop the rest of the site (see Appendix A), constructing a number of affordable family houses. Further discussions are necessary with Planning Officers to determine the extent and nature of development, although residential provision is acceptable in principle. The aim would be to complete construction by during 2010.

5 Rehousing

5.1 It is not clear at this stage how many existing residents would wish to remain living on a redeveloped site, and how many would prefer to move away. There are a maximum of 19 permanent households who might require rehousing elsewhere, as SYHA have ceased letting the other flats, although several tenants have informally expressed a preference to move to a redeveloped scheme. Sheffield Homes managers have been consulted over the potential impact this scheme might have on rehousing pressures across the city and confirm the impact is likely to be manageable.

5.2 The Board of Management of SYHA will make a resolution to begin re-housing lawful occupiers of the flats involved in the redevelopment proposals from a certain date. It is recommended that from this date, such lawful occupiers be awarded "Demolition/Clearance Priority" in accordance with Paragraph 18 of Section I of the Lettings Policy as though they were Council tenants and in all other respects in accordance with the Lettings Policy.

5.3 The new flats would be prioritised by SYHA for existing Fosters tenants. Following their rehousing, any remaining and subsequent

lettings would be made in the normal way, in accordance with the existing nominations agreement between SYHA and the City Council.

6 Consultation

- 6.1** Officers and SYHA staff met with residents of the block and local Members at Angram Bank Junior School on 16 July 2008. The new proposals found support, although it was noted and accepted by officers and SYHA that residents had been made to wait a long time to find out what would happen to their homes. An undertaking was made to contact residents at least once a month to update them on progress with the scheme.

7 Financial Implications

- 7.1** The full financial implications, as far as they are known at this stage, are detailed in Part 2 of this report.
- 7.2** The majority of the costs associated with the project would be borne by SYHA, including the costs of construction, and the payment of homeloss and disturbance costs to the residents. They would seek the assistance of a grant from the Housing Corporation to help cover these costs, allowing SYHA to keep the properties affordable. The Housing Corporation have indicated their support for the scheme in principle, subject to SYHA submitting a bid which is considered to be value for money.
- 7.3** The Council would need to contribute towards the cost of demolition, which would not be covered by any Housing Corporation grant, and would need to dispose of the site at less than market value to facilitate the development of affordable housing.
- 7.4** This report seeks authority to negotiate terms with SYHA for the sale and redevelopment of the site, which would then be the subject of a further report to Cabinet.
- 7.5** This report seeks a further authority to negotiate terms with SYHA and the leaseholder of the existing retail units for the re-provision of shopping facilities. This again would be the subject of that further report to Cabinet.

8 Legal Implications

- 8.1** The legal implications arising from the disposal of The Fosters, and its disposal at less than market value for affordable housing will depend on the terms negotiated with SYHA and cannot be addressed at present. The further report to be submitted when the terms of the disposal and redevelopment are known will give any advice which is necessary.

9 Human Resources

- 9.1** There are no HR implications arising from the recommendations of this report.

10 Environmental implications

- 10.1** All the new properties would be built to meet Level 3 of the Code for Sustainable Homes. In addition, SYHA would work with officers from the Council's Sustainable Housing and Affordable Warmth team to assess the potential for the employment of renewable energy technologies on the site.

11 Human Rights Implications

- 11.1** By Article 8 of the European Convention on Human Rights, everyone has a right to respect for their private and family life, his home and his correspondence. The right may be interfered with only in specific circumstances.
- 11.2** By Article 1 of the First Protocol to the Convention, every natural person is entitled to the peaceful enjoyment of his possessions, and is not to be deprived of them except in the public interest and subject to conditions provided by law. The provision does not impair the right of the State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest.
- 11.3** Although SYHA will undertake vacation and demolition of the block, these rights will be engaged by the demolition of the Fosters. The decision must be proportionate to the desired outcome and when making its decision, Cabinet must balance the rights and interests of the owner against the wider public interest in the redevelopment of the area.

12 Equality of Opportunity Implications

- 12.1** An Equality Impact Assessment (EIA) was carried out for the report to Cabinet (27 September 2006). This has been fully reviewed and updated, to reflect the recommendations of this report. No negative equality implications have been found and the project will have a particularly positive impact on older people as the majority of existing Fosters tenants are aged 40-60.
- 12.2** The initial EIA (27 September 2006) showed that a partnership approach to redeveloping the Fosters would enable the maximum number of affordable houses to be made available, which would have a positive impact for those groups that have been identified as being most in need of more affordable housing (including BME people, disabled people, women and older people). The new proposals for the Fosters will still provide the maximum number of affordable units,

as compared to other alternatives, so this positive impact remains.

12.3 The Housing Corporation Regulatory Code requires that all Housing Associations must demonstrate their commitment to equal opportunity when carrying out their functions. For example, the new housing will be developed to the Housing Corporation Design and Quality Standards as a minimum and communal areas will be designed to maximise security and safety.

12.4 To ensure that the redevelopment has a positive impact across all equality groups, all Fosters tenants will have a re-housing interview. Any issues (e.g. relating to disability, age, faith, ethnicity, gender, or sexual orientation) in respect of householders re-housing needs will be taken into account on an individual basis. The Project team will also ensure that consultation/information is accessible.

13 Recommendations

R1 That the resolution with respect to the Fosters made at meeting of Cabinet on 27 September 2006 be rescinded and the Fosters be redeveloped in partnership with South Yorkshire Housing Association.

R2 That from the date on which a resolution of the Board of Management of South Yorkshire Housing Association is made to begin re-housing lawful occupiers of The Fosters, such lawful occupiers be awarded "Demolition/Clearance Priority" in accordance with Paragraph 18 of Section I of the Lettings Policy as though they were Council tenants and in all other respects in accordance with the Lettings Policy.

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Appendix A

Aerial View of The Fosters

(Site development boundaries to be determined)

