

Cabinet

5 SEPTEMBER 2011

**CABINET MEMBER
FOR HOUSING**

*Councillor Andrew
Johnson*

**DISPOSAL OF EDITH SUMMERSKILL HOUSE
CLEM ATLEE ESTATE**

**Wards:
Fulham
Broadway**

Recommending the disposal of a vacant Council owned tower block at Edith Summerskill House on the Clem Attlee estate, with the proceeds from the sale being utilised to fund future housing and regeneration activity in the borough.

A separate report on the exempt part of the Cabinet agenda provides exempt information on the options appraisals for Edith Summerskill House and decant costs.

CONTRIBUTORS

DFCS
ADLDS
HBPM

**HAS A EIA BEEN
COMPLETED?
YES**

**HAS THE REPORT
CONTENT BEEN
RISK ASSESSED?
YES**

Recommendations:

- 1. That Edith Summerskill House be declared surplus to Housing and Regeneration Department requirements (subject to consultation with secure tenants and leaseholders, to achieving vacant possession).**
- 2. That tenants (and any leaseholders the Council will have a duty to rehouse) of Edith Summerskill House be awarded decant status with immediate effect and that decant costs be paid**
- 3. That officers be authorised to serve (when they consider appropriate) interim and final demolition notices on secure tenants of Edith Summerskill House to inhibit any future Right to Buy applications.**
- 4. That at the appropriate time officers are authorised to seek Secretary of State approval for a redevelopment scheme in respect of Edith Summerskill House for the purposes of Ground 10A of Schedule 2 Housing Act 1985 and do all things incidental, in order to recover**

possession; the Director of Housing and Regeneration to consider any representations received in any consultation connected with the approval of a redevelopment scheme for Ground 10A purposes or otherwise and to report back only if he considers it necessary

- 5. To authorise the Director of Housing and Regeneration (with the approval of the Director of Finance and Corporate Services) and in conjunction with the Head of Valuation and Property Services to acquire or terminate by negotiation or otherwise all interests in Edith Summerskill House and to authorise the making and implementation of any requisite compulsory purchase order and to do all things consequential or incidental to any of the foregoing.**
- 6. That officers be authorised to procure from potential developers a bid or bids to purchase and refurbish or redevelop Edith Summerskill House (where appropriate) via any applicable EU procurement route; the development brief to be approved by the Cabinet Members for Housing and for Environment and Asset Management and the final selection of purchaser/developer to be made or approved by Cabinet.**
- 7. That 100% of the capital receipt (after the deduction of appropriate costs) is used for future affordable housing and regeneration purposes.**

1. BACKGROUND

Edith Summerskill House

- 1.1 Edith Summerskill is situated on the Clem Attlee estate, North Fulham and is a 17 storey tower block containing 68 dwellings; 4x1 bedroom properties on the 17th floor, with the remaining floors containing 3x2 bedroom properties and 1x3 bedroom properties per floor. Floors 1 to 16 contain the same basic structural footprint with the 4 flats per floor based around the two lift and 1 stair cores and central communal areas. The structure alters on the 17th floor; there is no lift access to this floor and the flats are smaller in footprint than the floors below.

Number of dwellings	= 68
Number of tenants	= 62
Number of leaseholders	= 6
Number of 1 bed flats	= 4
Number of 2 bed flats	= 48
Number of 3 bed flats	= 16

- 1.2. The tower block was built in the late 1960's of reinforced concrete frame construction with Autoclaved Aerated Concrete (AAC) blockwork inner walls throughout and an asphalt covered flat roof. The floors of the balconies are an extension of the floor slab with reinforced concrete walls or glazed and non-glazed steel frames. The windows are single glazed metal frame units.

It is not possible to undertake decent homes works with the residents remaining in situ, due to the extensive scope of the works and health & safety precautions which includes asbestos removal.

- 1.3 The Tower block has been gradually decanted over the past few years in preparation for decent homes work and is now fully decanted. All the tenants, with one exception, have been decanted permanently on secure tenancies into alternative Council accommodation. One tenant has been decanted under licence to alternative Council accommodation. The six leaseholders have been decanted to alternative Council accommodation, currently on a temporary basis.

2. OPTIONS FOR THE FUTURE OF EDITH SUMMERSKILL HOUSE

2.1 Decent Homes Works

- 2.1.1 The estimated cost of the decent homes works is £6m equivalent to £88,235 per dwelling. This high cost is due to major structural deficiencies and dampness identified by specialist investigations. The floor slab of each floor extends beyond the internal AAC block work within the flats, with "no evidence of any joint detail and as such the floor slab connection could be considered a "cold bridge" connection

directly to the external wall". There is excessive dampness and moisture within the flats resulting from design issues and water ingress through the balcony detail, a lack of insulation, condensation and a lack of ventilation.

This compares to an average cost of decent homes works for a tower block of between £12,000 and £ 40,000 per dwelling. The costs to leaseholders are estimated to be between £ 87,000 and £ 96,000. There is no identified budget in the capital programme to undertake these works.

- 2.1.2 It is estimated that after the completion of decent homes works the major works capital costs over the subsequent 30 years would be £5.9m. Calculations show that the retention of the property in the Housing Revenue Account (HRA) would result in a net loss before interest over a 30 year period.
- 2.1.3 Due to the high cost associated with completing decent homes works at Edith Summerskill House and the long term loss incurred by the HRA, officers determined that further options appraisal should be carried out prior to initiating the works. Options explored were:
- Disposal to a developer for redevelopment or refurbishment
 - Redevelopment by the Council via a Local Housing Company (LHC)
 - Refurbishment by the Council via a LHC

2.2 Option Appraisal

- 2.2.1 These are in a separate report on the exempt part of the Cabinet agenda.

3. PREFERRED OPTION

- 3.1 It is officers' view that it is not in the economic or financial interests of the Council, in either the short or long term, to undertake decent home works to the tower block given the very high costs of the project and the significant costs to leaseholders that would be generated.
- 3.2 Whilst the transfer of the asset to a Local Housing Company could derive additional profit to the Council in the long term, officers do not consider the value of the notional additional profit justifies the risk to which the Council would be exposed, given that the Local Housing Company is in its emerging stage of development.
- 3.3 The disposal of the site will give the opportunity to create high quality 21st century living accommodation that will provide a mixed tenure scheme delivering a range of accommodation types that will provide

much needed opportunities for residents of the borough to access a range of housing opportunities. It will create funds that can be reinvested in Housing and Regeneration in the Borough.

- 3.4 It is therefore recommended that the Council should dispose of Edith Summerskill through a straight land disposal on the open market and the decanted leaseholders either bought out by the Council or offered the opportunity to buy or part buy their temporary decant dwelling.

4. IMPLEMENTATION

- 4.1 These aspects are in a separate report on the exempt part of the Cabinet agenda.

5. RISK MANAGEMENT

- 5.1. The property disposal is on the Housing and Regeneration department's risk register. There is a risk that the Secretary of State, should such powers be required, does not confirm compulsory purchase orders. To mitigate this risk officers will explore every opportunity to find a negotiated settlement with the leaseholders, but in the event CPO powers were required will ensure all procedures and necessary justification to the Secretary of State is robust and appropriately evidenced.

6. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES

- 6.1 The financial argument is set out in the report above.
- 6.2 The block, which current projections show makes a net loss over the next 30 years in the HRA, can be sold to create a large capital receipt.
- 6.3 The capital receipt is caught by the pooling regulations but as, after the deduction of appropriate costs, it is going to be fully invested in Housing and Regeneration purposes via the Decent neighbourhoods fund it is possible to retain the receipt. Appropriate costs, including the cost of decanting the residents, will also be charged to the Decent neighbourhood's fund, offsetting the receipt.
- 6.4 The property is currently empty, the residents having been decanted by H&F homes as the intention at the time of decant was to undertake decent home works. All the tenants have already received a home loss payment there should be no further payment to tenants.

7. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)

- 7.1 Currently, the Council holds Edith Summerskill House under part 11 of the Housing Act 1985. It has the power to dispose of such land under section 32 of the Act with the consent of the Secretary of State. Under consent E of the General Housing Consents 2005, the Secretary of State allows disposal for the best consideration reasonably obtainable provided the houses or flats concerned are vacant and will be demolished without being used again as housing accommodation.
- 7.2 The report envisages any tenants who have been temporarily moved be offered secure tenancies at their new accommodation. However, any occupiers who are secure tenants cannot be decanted against their will without a court order made under the Housing Act 1985. The most relevant ground for obtaining such an order is Ground 10A in schedule 2 of the Act which requires that the Council must first consult with the tenants, then consider any representations made and then apply to the Secretary of State for approval of the redevelopment scheme pursuant to which the Council intends to dispose within a reasonable time of obtaining possession. Where such approval is given, a court will make an order for possession subject to the Council offering suitable alternative accommodation.
- 7.3 The interests of the six remaining leaseholders will need to be acquired. This can be done under section 17, Housing Act 1985 by virtue of a compulsory purchase order which would need to be confirmed by the Secretary of State. The leaseholders would be entitled to the market value of their flat together possibly with a home loss payment if the leaseholder has occupied the flat as their main residence for at least a year (up to a maximum of £47,000 currently) plus compensation for disturbance plus legal fees.
- 7.4 It is essential that the Council receives the best consideration reasonably obtainable for its land in accordance with the Consent E of the General Housing Consents 2005. The sale by open market tender would ensure this.

8. EQUALITY IMPLICATIONS

- 8.1 There remains one tenant and six leaseholders to work with, in order to find permanent solutions to their rehousing, and officers will work with them to find solutions, as stated. Officers will be working within Council policy and legal boundaries to do this but cannot detail individual cases as this would not be appropriate or respectful of those individuals' rights to privacy.
- 8.2 There are impacts arising from the development of affordable housing with the capital receipt, and overall the EIA shows that these would be

positive. Some aspects are positive for disabled people, and some not and men appear to be more likely to benefit from proposals than women, as examples. These issues are set out in the accompanying EIA

LOCAL GOVERNMENT ACT 2000
LIST OF BACKGROUND PAPERS

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1.	Edith Summerskill Property File	Ian Ruegg/Ext 1722	Housing Strategy & Regeneration Unit/ 3 rd Floor, Hammersmith Town Hall Extension
2	Edith Summerskill Equality Impact Assessment	Ian Ruegg/Ext 1722	Housing Strategy & Regeneration Unit/ 3 rd Floor, Hammersmith Town Hall Extension
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