

TITLE	Gorse Ride South
FOR CONSIDERATION BY	The Executive on 28 May 2015
WARD	Finchampstead South
STRATEGIC DIRECTOR	Stuart Rowbotham, Director of Health and Wellbeing
LEAD MEMBER	John Kaiser, Executive Member for Planning and Highways

OUTCOME

To proceed with a development options appraisal of Gorse Ride South.

RECOMMENDATION

The Executive is requested to approve:

- 1) the serving of demolition notices to the tenants living in council owned homes in Gorse Ride South in order to suspend any further Right to Buy, excluding those living in sheltered accommodation and designated bungalows as these are exempt from the Right to Buy; and
- 2) the formation of a project group to undertake feasibility work and carry out a public consultation around options for the future of Gorse Ride South, to include Cockayne Court.

SUMMARY OF REPORT

Gorse Ride South is an estate in the Finchampstead ward of Wokingham Borough. Wokingham Borough Council owns 177 homes on the estate, made up of 133 of non-traditional construction, made up of Guildway, Ministry of Housing & Local Government (MOHLG) and an unknown construction type, 46 homes are of traditional construction. A breakdown of units can be found in table 1.

The Asset and Maintenance team within Tenant Services have raised concerns on the construction type at Gorse Ride South and have commissioned reports relating to stock condition by specialist contractors and our in house team relating to drainage on the estate.

There are a number of maintenance issues relating to the non-traditional homes including poor thermal insulation, some structural defects, and above and below ground drainage issues which lead to high maintenance liabilities compared with other homes in council ownership.

The serving of demolition notices will halt any further Right to Buys on the estate for seven years. This will give Wokingham Borough Council the opportunity to engage with the wider community and stakeholders, and determine the long term future for the assets on the estate.

A plan Detailing Gorse Ride South, Cockayne Court and associated bungalows can be found in appendix 1 and 2.

Background

Gorse Road South is a residential area of Finchampstead, Wokingham. The council owns and manages 177 homes including;

- 72 traditional and non-traditional bungalows for the elderly
- 23 homes at Cockayne Court, a low rise flatted enhanced sheltered facility
- 82 non-traditional houses

The majority of homes on the estate remain in Council ownership while 55 have been sold under the Right to Buy. Over time Housing Associations have also acquired a few homes on the estate.

Property Composition

The council homes consists of 131 non-traditional timber framed system build known as MOHLG. The MOHLG homes were designed by The Ministry of Housing and Local Government Development Group and were constructed during the period of 1970-1971. The properties have a distinctive non-traditional appearance with shallow pitched roofs and walls clad directly with timber tongue and grooved boarding. A total of 180 properties were believed to have been built on the estate.

The Guildway form of construction, alternatively Cedar Homes, was built by Guildway Limited during the 1960s and 70s. A total of 3200 were thought to have been constructed nationally. The homes owned by Wokingham Borough Council were believed to be built in 1970's. The homes consist of semi and terraced houses, bungalows and low-rise 2-storey flats. External walls are constructed from platform frame construction storey height timber frame panels overlaid with fibreboard and building paper, the Gable ends are separately clad with brick.

The traditional construction homes are Cockayne Court which consists of 23 one bedroom flats and 23 bungalows.

The remainder of the homes on the estate are owned privately (55) and by Housing Associations (5). Any consultation on the future of the estate will require input from other landlords and the 55 owner occupiers.

PROPERTY TYPE	TRADITIONAL	NON-TRADITIONAL	TOTAL
1 BED BUNGALOW		23	23
1 BED FLAT	23		23
2 BED BUNGALOW	23	26	49
2 BED HOUSE		12	12
3 BED HOUSE		66	66
4 BED HOUSE		3	3
5 BED HOUSE		1	1
TOTAL	46	131	177

Community Involvement

The Gorse Ride South area of Finchampstead is a longstanding area of social deprivation within the borough (according to indices defined by the Department for Communities and Local Government). It has a high number of non-traditional build council properties. To help build capacity and support residents a Community House has been allocated from the council stock, a Community Development Worker is based in this facility. .

Community development work was established in Gorse Ride around 7 years ago. A Community Development programme aims to improve the lives of people living with an area through firstly building trust and secondly facilitating key activities and services which support a community to help itself and will normally take a number of years to achieve sustained change and improvement. Since the inception of the programme, the Gorse Ride South area has seen a substantial improvement in a number of key factors such as anti-social behaviour. To further strengthen the resilience of the local community, a project was initiated in 2014 to embed the Council's restorative practice approach developed within its Family First programme within the local community.

During this work, it has been clear that residents are very concerned about the Council's plans for its housing stock in Gorse Ride South.

Analysis of Issues

Current Responsive Repair Issues

Gorse Ride South like many other council owned estates has suffered under investment over time under the previous housing finance regime. In the case of Gorse Ride South an options appraisal is required to determine the future of the council owned homes and the wider estate.

Gorse Ride South takes up a disproportionate amount of time and resources for the relatively few homes we own on the estate. In financial year 2014/15 Wokingham Borough Council Tenant Services undertook 1041 responsive and void jobs to the estate. This amounted to spend in excess of £216,000. Of this £36,000 was spent on 15 homes to bring them back into use after becoming void. The day to day responsive budget for the service is £1.3M.

The current spend for responsive repairs are higher than the estimates in the stock condition report, given the condition of the properties £2Million maybe a more realistic figure against an estimate of £740,000.

An investigation by WPS highlighted failures in above ground and below ground drainage. It is estimated that drainage works to the estate could be as high as £220,000. The above ground drainage and below ground drainage works would require assistance from freeholders on the estate.

Table 2	
Above ground	£50,000
Below ground	£90,000
Prelims	£30,000
Contingency	£20,000
Consult, design & specification	£30,000
Total	£220,000

Stock Condition Report and Repair Costs

The non-traditional stock condition report carried out by Rand Associates in 2011, details the repair cost requirements for the 30 year period to 2041. The report identified the Gorse Ride South as requiring £6,945,270 of repairs over the 30 years. The table below details the forecasted 30 years repair costs for the non-traditional units but does not include Cockayne Court.

The report shows that £3 million capital repairs in the first five years, dealing with drainage and immediate issues.

A halt on capital and decent homes investment was put in place in 2014/15; however 43 boilers were replaced at a cost of £145,000 after they failed.

Table 3					
Period	Forecast Capital	Reactive costs	Garage Block repairs	Drainage Upgrade	Total
Year 1 - 5	£2,461,000	£370,000	£80,000	£220,000	£3,131,000
Year 5 - 10	£437,000	£370,000	£9,385		£816,385
Year 10 - 30	£1,456,000	£1,480,000	£61,885		£2,997,885
Totals	£4,354,000	£2,220,000	£151,720	£220,000	£6,945,270

Options Available

The following basic options are considered:

- To continue with the current level of repair spending and carry out the required repairs as per costs identified within the stock condition survey
- To consult with the community about the future of Gorse Ride South.

Considerations

Having considered the current income forecasts against the investigation reports, it is clear that in financial terms alone, the Gorse Ride South Estate is expensive to maintain and that the ongoing costs of managing and maintaining the Gorse Ride South do not represent a good use of resources. Further, given that the majority of the stock is non-traditional, the long term viability of the homes is questionable.

A decision is required to determine the future of these council assets as to whether they should be improved to meet the decent homes standard or a different option is taken.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£75K	Yes	HRA Capital
Next Financial Year (Year 2)	N/A		
Following Financial Year (Year 3)	N/A		

Other financial information relevant to the Recommendation/Decision

HRA business plan

Cross-Council Implications

There will be an impact on community development colleagues who will work closely with housing to progress community consultation.

A decision on the future on the homes and garages on the estate could lead to removal of homes that do not meet the decent homes standard.

List of Background Papers

Estate Layout

Non Traditional Stock Condition Survey

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Date 18 May 2015	Version No. V2

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