

Report for: **Cabinet 26<sup>th</sup> June 2018**

Title: **Tangmere and Northolt blocks on the Broadwater Farm Estate**

Report

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Lead Officer: **Dan Hawthorn, Director of Housing and Growth**

Ward(s) affected: **West Green**

Report for Key/

Non Key Decision: **Key Decision**

## **1. DESCRIBE THE ISSUE UNDER CONSIDERATION**

- 1.1. Following the Grenfell Tower tragedy, Councils across the country have been reviewing the safety of their buildings. As a result of such a review carried out by Homes for Haringey, decisions must now be taken in light of structural issues identified with a number of blocks on the Broadwater Farm estate.
- 1.2. The Haringey review took the form of surveys commissioned by Homes for Haringey in a number of empty properties in the different blocks on Broadwater Farm, which involved in-depth works to understand how the blocks were constructed. The survey reports identified structural issues in the estate's medium-rise blocks, which means they do not meet the required standards to use piped gas. The reports also identified that two blocks – Tangmere (a ziggurat construction) and Northolt (a high rise block) – have failed a lower test which means that there is a risk from a lower impact event such as a vehicle strike or bottled gas explosion. This means that Tangmere and Northolt do not meet required standards even without piped gas. The other block on the estate – Kenley – has passed the required tests.
- 1.3. The Council has put in place a number of mitigations to reduce these risks, which means that there has not been a need to rehouse residents to date. However, because they have failed the lower test, neither Tangmere nor Northolt can remain occupied long-term as they are in their current structural state. In order to ensure that the homes in these two blocks are safe, they would require significant strengthening works. The degree of structural work needed to achieve the required level of safety standards is extremely costly, and this would significantly impact on the funding available to do other necessary works to other Council estates. Residents would also need to be rehoused temporarily to allow the strengthening works to take place. The Council is therefore proposing to consult residents on options for resolving this situation. For the reasons outlined in this report, the Council's preferred option is to demolish the blocks and replace them with high quality, new council homes built on the estate.
- 1.4. The estimated cost of strengthening Tangmere is £13m, with a total estimated cost of £19m or £164,000 per flat when other immediate investment needs are taken into account. The estimated cost of strengthening Northolt is £12m, with a total

estimated cost of £14.6m or £145,000 per flat when other immediate investment needs are taken into account. Rebuilding the homes in both blocks would also come at a significant cost (for illustration, in the range of £32m to £54m to rebuild the homes in both blocks based on industry standard build cost estimates), but would represent an investment in high quality, new homes with a longer life and lower maintenance costs. Further, whilst the cost of strengthening would have to be met entirely from the Housing Revenue Account (HRA), new build homes would likely be eligible for external grant which would reduce the cost to the Council, and there is a broader range of delivery options through both the HRA and General Fund which would need to be evaluated. For these reasons, the strengthening option would have a much more significant and immediate impact on the HRA and the Council's ability to carry out improvements in the rest of its homes. The potential impact on the Housing Revenue Account and the other financial implications are set out in more detail in section eight.

- 1.5. The presence of piped gas in Tangmere continues to pose a health and safety risk to residents. The gas supplier (Cadent - the trading name of National Grid Gas Distribution Ltd) have informed Homes for Haringey that they will switch off the gas supply to all the blocks that have failed the appropriate structural test for buildings with piped gas by the end of October. After this date, heat and hot water will be supplied to the medium-rise blocks initially through temporary boilers installed at the foot of each block. These blocks will then be connected to a renewed estate-wide district heating system.
- 1.6. Tangmere also has piped gas, and as a decision will not be made about whether to strengthen Tangmere until after the resident consultation, this report recommends that the process to temporarily rehouse residents of Tangmere starts now, so that there is sufficient time to rehouse residents before the end of October deadline. This does not affect the future decision on whether to strengthen or rebuild the Council homes on Tangmere, as in either case residents would need to be rehoused. Northolt does not have piped gas and so there is not the same urgency to rehouse the residents of Northolt at this time, but this position will be kept under review. The position regarding Northolt is set out in more detail in section six of this report.
- 1.7. This report also presents a proposed rehousing policy which would apply to residents following Cabinet's decisions to either strengthen the blocks or rehouse residents and rebuild the homes on the estate. Residents will be consulted on this policy over the summer, and approval for the final version will be sought from Cabinet later this year. The proposed policy makes clear residents' Right to Return to Broadwater Farm if they have to be rehoused as a result of the structural issues identified. Because the rehousing of Tangmere residents needs to be done more urgently, for health and safety reasons, a specific rehousing priority scheme to apply in this circumstance is also attached for Cabinet to approve.
- 1.8. Since the issues described in this report came to light, the Council and Homes for Haringey have carried out an intensive programme of resident engagement to inform residents of the issues identified and provide reassurance. As this report sets out, this commitment to resident engagement will continue throughout the next stage of work on Broadwater Farm, and will include support for residents who need to be rehoused.

- 1.9. The rest of this report sets out the background to the recent safety tests carried out on Broadwater Farm, the current position regarding each block on the estate and the proposed next steps for each block in light of the results of the tests.

## **2. CABINET MEMBER INTRODUCTION**

- 2.1. This administration was elected on a commitment of providing a safe, decent and affordable home for everyone. It is now clear that two blocks at Broadwater Farm cannot fulfil this promise for the long-term. Having now properly understood the condition of Northolt and Tangmere, we are determined to take whatever action is necessary to guarantee the long-term safety of the residents. For any landlord, the safety of tenants must always be the number one priority.
- 2.2. As set out in this report, it is possible to strengthen these two blocks to bring them up to a habitable standard. However, the cost of that strengthening work is very high indeed. Only strengthening the blocks would not offer our residents the decent council homes we are committed to ensuring all our tenants live in. We don't like the idea of demolishing homes, and would always want to minimise disruption to an estate which many people have called home for decades. However we have been elected to deliver on a promise of safe and decent homes for all our tenants. Disrupting the lives of our tenants for so long to only deliver habitable homes at such a high cost falls far below the aspirations we have for those residents. As a Council we also have a duty to maintain the long-term health of the Council's finances, and to consider the direct impact such a cost would have on our ability both to maintain the rest of our existing homes, many of which are in desperate need of investment. We are also determined to deliver the new homes which Haringey so desperately needs. That's why we have come to view that the most appropriate thing to do is demolish these blocks and rebuild new council homes on the estate which will ensure that the residents who choose to return, will return to council homes that are built to the highest standards, and most importantly meet the housing needs of the residents of Tangmere and Northolt.
- 2.3. However whilst it's our current view that the option to rebuild the homes provides the best long term outcomes for our tenants a decision of this scale – to demolish people's homes – is not one that can be taken lightly. The decision on the future of these blocks will not be taken now. We are committing to consult residents in Northolt and Tangmere, not only on the decision about the future of the blocks but also on the promises which underpin our approach to rehousing the people who live in them. Residents will be central to this process throughout: we will fully take their views into account before taking any final decision either to demolish the blocks or to strengthen, and on our approach to rehousing. Building trust must be at the heart of our approach to engaging with residents. Trust will not be achieved if we do not rehouse affected residents in manner that places paramount importance on their needs and desires.
- 2.4. In this complex situation, we cannot delay the decisions that need to be taken – however difficult they are. But nor can we move so quickly that we don't properly consider all the factors – including residents' views – that must be taken into account for decisions as serious and significant as this. That's why we are taking the decisions that have to be taken now – to rehouse residents in Tangmere for their safety, and to start consultation on the long-term future of the blocks – and after a proper period of consultation will take a decision later this year on that long-

term future. If that decision is to demolish and rebuild the blocks, then of course we will also move as quickly as we can with plans to replace them with new Council homes, again making sure that Broadwater Farm residents – including those currently living in Tangmere and Northolt – are fully involved in shaping those plans.

### **3. RECOMMENDATIONS**

It is recommended that Cabinet:

- 3.1. Agrees to commence temporarily rehousing residents from Tangmere immediately, because:

(a) Tangmere has failed both the 34 kN/m<sup>2</sup> and the 17 kN/m<sup>2</sup> structural tests which means there is a risk of progressive collapse from an explosion caused by piped gas or from an explosion from a lower impact event such as a vehicle strike or bottled gas explosion, and

(b) Piped gas will be removed from the block at the end of October 2018 and as such there will be no supply of heating and hot water to the block after this date, and

(c) It is necessary to rehouse residents temporarily even if a decision is made to strengthen Tangmere.

- 3.2. (a) Agrees that officers should consult with the residents of Tangmere and Northolt as set out in paragraphs 6.42 and 6.43 on whether to carry out the required strengthening works or whether to demolish the blocks and rebuild the Council homes on the estate.

(b) Agrees that the Council's preferred option in the consultation will be to demolish the blocks due to the significant cost of the works needed to address the health and safety issues identified.

- 3.3. Delegates authority to the Director of Housing, Regeneration and Planning to buy back leasehold properties in Tangmere on a voluntary basis.

- 3.4. Approves the Tangmere Leasehold Offer set out in section 6.67 – 6.73, including (i) the offer of equity loans to Tangmere leaseholders from the date this decision comes in to force, and (ii) the offer of temporary accommodation to leaseholders to assist them in moving out of Tangmere by agreement before they find their own, longer-term accommodation, and (iii) paying the cost of such temporary accommodation where appropriate depending on the circumstances of each case.

- 3.5. Approves the Tangmere Rehousing Priority Scheme for secure tenants attached at Appendix 1, which will apply to the rehousing recommended in 3.1 and approves (i) paying all or part of the cost of temporary accommodation for secure tenants where it is not possible for the Council to offer a Council or Housing Association property at the point where they need to move for health and safety reasons, as appropriate depending on the circumstances of each case and (ii) paying all or part of the difference between the tenant's current Council rent and the rent of the alternative accommodation they are offered, as appropriate depending on the circumstances of each case.

- 3.6. Delegates authority to the Director of Housing, Regeneration and Planning to commence the rehousing of residents in Northolt on health and safety grounds if the position regarding the safety of the block changes before Cabinet makes a decision about the future of the block. In the event that the Director takes such a decision the references to Tangmere in recommendations 3.3-3.5 above shall also apply to Northolt.
- 3.7. (a) Agrees that officers should consult with residents on the proposed Broadwater Farm Rehousing and Payments Policy, attached at Appendix 2 and detailed at paragraph 6.74 – 6.97.
- (b) Notes that the proposed policy is drafted so that it could apply in all the scenarios being consulted on i.e. whether to strengthen either or both blocks or whether to demolish either or both blocks and rebuild the homes on the estate.
- (c) Agrees that officers should consult with residents of Tangmere and Northolt on the proposed Broadwater Local Lettings Plan, attached at Appendix 2 and detailed at paragraph 6.98-6.99.
- 3.8. Agrees that a report should be brought to Cabinet after the summer following the consultations, recommending a decision on the futures of Tangmere and Northolt, and to approve a Rehousing and Payments Policy.
- 3.9. Notes that any residents who are temporarily rehoused before final decisions are made on the future of Tangmere and Northolt will benefit from the Rehousing and Payments Policy that is approved by Cabinet later this year. The proposed Rehousing and Payments Policy includes a Right to Return to Broadwater Farm for any tenant who needs to move as a result of the structural issues identified; either to their own flat (if their block is to be strengthened) or (for tenants) elsewhere on the estate or to newly built homes on the estate, if a decision is made to demolish the blocks and rebuild.
- 3.10. To note that the HRA capital costs associated with the above recommendations will be funded from the existing £11.5m capital provision, and that the revenue implications to both the HRA and General Fund associated with the above recommendations will be subject to further reporting in the budget monitoring report.

#### **4. REASONS FOR DECISION**

- 4.1. The Council has identified risks in a number of blocks on Broadwater Farm. Surveys have identified structural issues in the estate's medium-rise blocks, which means they do not meet the required standards to use piped gas and there is a risk of progressive collapse in the event of a gas explosion. The reports also identified that two blocks – Tangmere and Northolt – have failed a lower test which means that there is a risk of progressive collapse from a lower impact event such as a vehicle strike or bottled gas explosion. These risks have been mitigated through the introduction of measures set out in section six of this report, including:
- In the blocks with piped gas, the replacement of gas cookers with electric cookers and the installation of gas interrupter valves, which will switch off the gas if a leak is detected

- In the blocks which have also failed the lower test, a 24 hour concierge and a programme of home visits to reduce the risk that items such as bottled gas are taken into the building.
- 4.2. In the case of Tangmere and Northolt, which have failed the lower test, significant strengthening works are required to address the problems identified and make the buildings safe for long-term habitation. Based on estimates received by Homes for Haringey, the costs of strengthening works would have a significant impact on the Housing Revenue Account's position. The Council is therefore proposing to consult residents on whether it should strengthen or demolish the blocks, with its preferred option being to rehouse residents, demolish the blocks and rebuild the Council homes on the estate. The results of the consultation will be presented to Cabinet later this year to inform a decision on the future of both blocks.

### **Tangmere Rehousing**

- 4.3. A decision is required now regarding the occupation of Tangmere, as the piped gas supply to Tangmere is – in common with all blocks on the estate which currently have piped gas – due to be switched off by the end of October 2018. This date has been set by the gas supplier, Cadent, who have indicated that this date for switching the gas off cannot be moved. This report recommends that Cabinet approves the Tangmere Rehousing Priority Scheme, which will apply pending a decision being made by Cabinet later this year on the future of both blocks. This scheme will give Tangmere tenants priority for Council homes which become vacant. The urgent nature of the rehousing means that the Council may need to issue notices seeking possession under Ground 10, Schedule 2 of the Housing Act 1985 in order to regain possession of the homes. When relying on Ground 10, the Council is required to provide suitable alternative accommodation to the tenant.

### **Northolt**

- 4.4. As Northolt does not have piped gas, the October deadline does not apply and there is no need to rehouse residents at this point, but if strengthening works are carried out to the block residents would need to be rehoused temporarily to allow the works to take place. Recommendation 3.5 seeks delegated authority to the Director of Housing, Regeneration and Planning to commence the rehousing of residents in Northolt if the position regarding the safety of the block changes before Cabinet makes a decision about the future of the block. For the reasons set out in section six of this report, the Council's preferred option in the consultation with Northolt residents will be to demolish Northolt and rebuild the Council homes on the estate.

### **Rehousing Approach**

- 4.5. The Council does not have a rehousing policy which applies in scenarios such as this one – where residents urgently need to be rehoused due to a building requiring major structural repairs, or possible demolition due to the expense of repairs. Therefore a proposed policy will be consulted on over the summer, and presented to Cabinet later this year for approval.

## **5. ALTERNATIVE OPTIONS CONSIDERED**

## **Tangmere Rehousing**

- 5.1. The option of leaving residents living in Tangmere beyond October was discounted due to the October 2018 deadline for the gas to be switched off, which means that by this date residents must either be rehoused, or an alternative source of heat and hot water provided. If the rehousing process is not started imminently, there would be insufficient time to rehouse residents from Tangmere before the end of October. Homes for Haringey, who have been liaising with the gas provider Cadent, asked whether the October deadline could be extended, but Cadent have indicated that they are not willing to move the deadline because of the increased demand for gas in the winter months which increases the risk of a gas explosion.
- 5.2. The Council considered but discounted the option of providing temporary heating to Tangmere, as it plans to with the medium-rise blocks before they are connected to the renewed district heating system. This is because, unlike the medium-rise blocks, an alternative source of heating and hot water alone would not resolve the problem as Tangmere would still need to be strengthened to make it safe in the long-term. The cost of providing heat and hot water to Tangmere through temporary boilers would be approximately £1.3m, as new pipework, heat interface units and temporary boilers would need to be installed to the block. If a Cabinet decision was made later this year to carry out strengthening works to Tangmere, some of this new infrastructure would need to be removed to allow the strengthening works to take place.
- 5.3. Furthermore, if Cabinet decides later this year that strengthening works should be carried out to Tangmere, residents of Tangmere would still need to be temporarily rehoused to allow these works to take place.

### **Consultation on preferred option**

- 5.4. The Council could consult residents on a preferred option to carry out the strengthening works, or consult without expressing a preferred option. However the impact of the costs of the strengthening works as set out in this report would have a major impact on the position of the Housing Revenue Account. This would mean that investment in other Council homes and estates would need to be re-profiled. The Council's preferred option for both blocks is therefore to demolish the blocks and rebuild the homes on the estate

## **6. BACKGROUND INFORMATION**

- 6.1. The Broadwater Farm estate comprises 12 blocks. Construction on the blocks began in 1969 and completed in the early 1970s using a Large Panel System (LPS) method of construction. The estate comprises:
  - Two tall high-rise blocks of 18 storeys
    - Northolt
    - Kenley
  - One 6 storey block of ziggurat construction
    - Tangmere
  - And nine medium rise blocks of 4-6 storeys above a concrete podium
    - Croydon
    - Lympe
    - Debden

- Hornchurch
- Hawking
- Manston
- Martlesham
- Rochford
- Stapleford

Tangmere and the nine medium-rise blocks currently have piped gas. The two high-rise blocks do not.

- 6.2. The blocks on Broadwater Farm are amongst a number of buildings in the country which were constructed using a Large Panel System (LPS) method of construction. This is the same method of construction as that used for Ronan Point in the London Borough of Newham, where a gas explosion in 1968 from a gas hob caused progressive collapse of one corner of the block. Following the Ronan Point disaster, regulations were introduced which state that LPS systems with a piped gas supply should be able to withstand an explosive force measuring 34 kN/m<sup>2</sup>, which is the equivalent of a piped gas explosion. The requirement for LPS blocks without a gas supply is that they should be able to withstand an explosive force of 17 kN/m<sup>2</sup>, which is the equivalent of the force of a vehicular strike to the building or from a bottled gas explosion.
- 6.3. Following the fire at Grenfell Tower in June 2017, Homes for Haringey commenced a review of the safety of buildings they manage on behalf of the Council. The then Department for Communities and Local Government also wrote to local authorities following Grenfell asking them to review building safety. Around the same time, in August 2017, Southwark Council published a report by consultants it had appointed to investigate four tower blocks on the Ledbury estate. These towers are of a similar construction type to Broadwater Farm (Large Panel System), and the report commissioned by Southwark raised concerns around the gas supply to the LPS blocks, and neither Southwark nor their structural engineers were able to locate records of the blocks' construction or any remedial works. In August and September 2017, the then Department for Communities and Local Government wrote to building owners who have LPS blocks to alert them to the position regarding the Ledbury estate and asking them to review the records pertaining to strengthening work and structural design of their LPS buildings.
- 6.4. The problems identified at Broadwater Farm only became apparent following surveys to 'open up' a sample of properties on the estate to understand the construction of the blocks in line with government regulations and guidance on LPS blocks issued by the Building Research Establishment (BRE). There are no original drawings from when the estate was built and only partial archive evidence about the works undertaken on the estate since. The partial evidence shows that a programme of structural works and fire stopping was undertaken between 1984 and 1992, but archive evidence on the exact nature of this work is limited.
- 6.5. Due to the limited archive evidence available, in August 2017 Homes for Haringey first engaged construction consultants Ridge, and from October 2017 surveys were carried out in a sample of properties on the estate which had been kept empty when they became vacant. The remit of Ridge's appointment is to carry out structural investigations to determine the robustness of the 12 blocks on Broadwater Farm, advise on next steps and prepare subsequent structural cost estimates. Ridge are employed to provide specialist advice to Homes for Haringey/the Council and are not the organisation who would be procured to carry out any of the works resulting from their investigations. The work undertaken by Ridge has also been peer-reviewed by Curtins to ensure the findings are robust. Over the course of this work,

structural issues were discovered in eleven of the twelve blocks on Broadwater Farm.

- 6.6. The decisions recommended in this report relate to Tangmere and Northolt blocks, as these are the two blocks which have failed the lower test and require the most significant remedial works to make them safe. The section below also summarises the findings for the nine medium-rise blocks as well as the other tower on the estate, Kenley.

### **Medium-Rise Blocks**

- 6.7. Homes for Haringey received the results of the tests relating to the nine medium-rise blocks of four to six storeys in December 2017. These are Croydon, Hawkinge, Hornchurch, Lympne, Manston, Martlesham, Rochford, Debden and Stapleford – all of which have piped gas. The surveys showed that these blocks had failed the 34 kN/m<sup>2</sup> test. As a result, the Council and Homes for Haringey decided to put in place a first phase of mitigating measures. There were:
- The replacement of gas cookers with electric cookers in all the 725 flats in nine medium-rise blocks
  - The installation of gas interrupter valves in all the 725 flats in nine medium-rise blocks which will switch off the gas if a leak is detected
- 6.8. As set out in section 6.35 – 6.38 below, these works were accompanied by a significant programme of resident engagement.
- 6.9. The mitigation measures reduced the risk of an explosion from the piped gas in the buildings, and mean that it is not necessary for residents to be rehoused from these blocks. In order to mitigate the risk of a gas explosion more comprehensively, piped gas needs to be removed from the blocks completely. The gas supplier, Cadent, has indicated that the gas supply to these blocks will be switched off completely by the end of October 2018. The Council and Homes for Haringey considered the option of either replacing the gas supply to the blocks with electricity, or whether to provide heat and hot water through a renewed estate-wide district heating system. Technical advice received indicated that the electricity option would likely take at least 18 months as it would require the upgrade of the local substation. Additionally there would be significant disruption for residents due to the need to strip out and replace redundant radiators, whilst tenants' energy bills would likely be higher. The district heating system was therefore the preferred option of Homes for Haringey, the Council and the Broadwater Farm Residents' Association.
- 6.10. On 20 April 2018 the then Cabinet Member for Housing approved the appointment of contractors to carry out design and enabling works for a new district heating system. This work is underway, and after October 2018 heat and hot water will be supplied to the nine low rise blocks initially through temporary boilers installed at the foot of each block. These blocks will then be connected to a renewed estate-wide district heating system.
- 6.11. The surveys identified some strengthening works required to the medium-rise blocks, at the points where the four storey parts of the blocks meet the six storey sections. A Cabinet decision will be required later in 2018 on the contract to carry

out these works – which will require some residents to be rehoused temporarily for the works to take place.

### **Kenley**

- 6.12. Kenley – one of the 18 storey towers which does not have piped gas – has passed the 17 kN/m<sup>2</sup> test and is therefore structurally secure. No significant strengthening works or risk mitigating measures are required on Kenley. Some investment works were identified as being required by the survey, which will be delivered through Homes for Haringey's existing investment programme. As set out in 6.39 below, throughout the time the surveys were taking place, Homes for Haringey and the Council provided updates to the residents of Kenley to inform them about the works taking place on the estate and – in mid-February – to let them know that Kenley meets the safety requirements for Large Panel System blocks.

### **Tangmere**

- 6.13. Tangmere is a ziggurat construction of 6 storeys over a concrete frame. Tangmere is of a different design to the other blocks on the estate, and as such was considered separately. It comprises 116 flats of which 89 are tenanted, 25 are leasehold and two are currently empty. 12 of the leasehold properties are leased to Newlon Housing Association, and the Council has been in negotiations with Newlon for some time about acquiring these properties. A report will be submitted to the June 2018 Cabinet to buy back of these properties with vacant possession. Tangmere is currently served by piped gas.
- 6.14. Homes for Haringey carries out a programme of stock condition surveys on the Council's housing stock which includes an assessment of a building's structural condition. A stock condition survey had been carried out on Tangmere in 2011, and in 2014 two further reports were commissioned. Keegans carried out a further survey to determine the extent of the structural defects which had led to extensive water penetration to many individual flats and common parts. Carter Clack also carried out a structural survey and investigations on the condition of the concrete. These were all visual surveys of the structural condition of the blocks, and did not identify any significant structural issues.
- 6.15. In February 2018, Homes for Haringey received the result of the first of the Ridge tests relating to Tangmere. This identified that Tangmere, as with the medium-rise blocks, had failed the 34 kN/m<sup>2</sup> test. From February the same mitigation measures were applied to Tangmere as the medium-rise blocks – the replacement of gas cookers and the installation of interrupter valves. As with the previous programme to put in place these mitigation measures, Homes for Haringey staff visited residents to explain the safety measures, and a dedicated phone-line was made available.
- 6.16. In April the Council received results of the surveys which showed that Tangmere had also failed the lower, 17 kN/m<sup>2</sup> test. As such, it was decided to introduce the following additional safety measures:
- Homes for Haringey are undertaking home visits to every property to check for the presence of both bottled gas and oxygen cylinders
  - A 24 hour concierge has been implemented to prevent residents bringing any such items into the building.

- 6.17. The risk of vehicle strike is considered to be low for Tangmere. It is constructed upon a concrete frame and so any vehicle strike would impact upon the frame and not the panels.
- 6.18. With these mitigations in place, it was not necessary for Tangmere residents to leave their homes whilst further work was carried out to assess the options to mitigate the risks for the long-term. The only way to do this would be to carry out significant strengthening works to Tangmere, and to remove piped gas from the block completely by connecting it to the new district heating system.
- 6.19. Homes for Haringey commissioned a feasibility study and cost estimate for retrospectively strengthening Tangmere to ensure it is fully compliant with building regulations, which was received on 18 May 2018. Strengthening Tangmere would require the following works to be undertaken to the 116 units:
- Structural steel works to elevations and roof areas.
  - Structural steel plates and straps fixed internally and connecting to the existing structural floors and new external steels.
  - Allowance for fire proofing to all new steelwork.
  - Removal and reinstatement of roof coverings where steel fixing required.
  - Internal reinstatement works including electrical, full re-decoration and new floor coverings.
- 6.20. The cost of strengthening Tangmere is estimated at £13.1m (equivalent to £112,000 per flat). In addition to the cost of the strengthening works, other works are needed to bring Tangmere up to Decent Homes standard. As Tangmere currently has piped gas, it would also need to be connected to the renewed district heating system. The total cost of the works required on Tangmere to make it safe for long-term habitation and meet the Decent Homes Standard is therefore approximately £19m in total (a total cost of £164,000 per flat) as shown in the table below:

<b>Tangmere</b>	<b>£m</b>
Structural repairs & assoc works to Tangmere	13.100
Gas removal and DHS installation	1.250
Decent Homes works	1.320
Other Health and Safety works including enabling works	3.470
<b>Total Capital Expenditure</b>	<b>19.140</b>

- 6.21. The wider potential impact of these works on the Housing Revenue Account is set out in section eight below. This report recommends that the Council consults with the residents of Tangmere on whether to carry out these works, or whether residents are rehoused and new Council homes built to replace the homes in Tangmere. The Council's preferred option will be to demolish Tangmere due to the significant cost of the works needed to address the health and safety issues identified, and to build new Council homes on the Broadwater Farm estate to replace those in Tangmere. The proposed format of the consultation is set out in section 6.45 below.

- 6.22. Officers have also considered the potential cost of rebuilding the homes currently in Tangmere. These figures are purely illustrative, based on industry standard costs of between £150,000 and £250,000 per unit. These suggest that the overall cost of rebuilding the homes could be in the range of £17m to £29m. These are standard build costs, and further work would be needed to identify any associated costs in this specific area.
- 6.23. If a decision is made to strengthen Tangmere, the estimated £19m cost of strengthening and other urgent works would have to be met entirely from the Housing Revenue Account (HRA). The urgency of the work means that planned works to other Council homes and estates would need to be reprogrammed and the strengthening works to Tangmere prioritised. The cost of new build homes would likely be eligible for external grant, which would significantly reduce the direct cost to the Council and there is a broader range of delivery options through both the HRA and General Fund which would need to be evaluated. The consequences of the two options for the HRA and the stock investment programme are therefore very different. For these reasons, it is not straightforward to directly compare the cost of strengthening with the cost of rebuilding the homes.
- 6.24. As explained above, the gas supplier Cadent has said the gas must be switched off from Tangmere by the end of October 2018, in common with the other blocks on the estate. This report therefore recommends that the process to temporarily rehouse residents in Tangmere starts immediately, so that residents can be rehoused before the end of October when the gas is switched off. This report seeks approval for a Tangmere Rehousing Priority Scheme, which is set out in 6.60 – 6.66 below.

## **Northolt**

- 6.25. Northolt is an 18 storey tower block built above a concrete podium. It comprises 101 flats of which 85 are tenanted, 14 are leasehold and 2 are currently empty. Northolt is not served by piped gas and is served by the existing District Heating Network. The 34 kN/m<sup>2</sup> test is therefore not applicable to Northolt as it does not have piped gas.
- 6.26. In April the Council received results of the surveys which showed that Northolt had failed the 17 kN/m<sup>2</sup> test. As such, it was decided to introduce the same additional safety measures as Tangmere:
- Homes for Haringey are undertaking home visits to every property to check for the presence of both bottled gas and oxygen cylinders,
  - A 24 hour concierge has been implemented to prevent residents bringing any such items into the building.
- 6.27. The risk of vehicle strike is considered to be low for Northolt. The base of the block is currently protected by bollards and accidental vehicle strike is very unlikely.
- 6.28. As with Tangmere, with these mitigations in place it was not necessary for Northolt residents to leave their homes whilst further work was carried out to assess the options to mitigate the risks for the long-term. The only way to do this would be to carry out significant strengthening works to Northolt. The feasibility study for Northolt was received on 25 May 2018 and showed that the following strengthening works would be required to the properties in Northolt:

- Structural steel works to elevations and roof areas.
- Structural steel plates and straps fixed internally and connecting to the existing structural floors and new external steels.
- Allowance for fire proofing to all new steelwork.
- Removal and reinstatement of roof coverings where steel fixing required.
- Full internal reinstatement works including mechanical and electrical, new bathrooms, kitchens, full re-decoration and new floor coverings.
- Making good works externally including complete overcladding.

6.29. The report estimates that the cost of the strengthening works would be approximately £12.5m. Whilst Northolt is connected to the existing District Heating System, it would be recommended that works are carried out at the same time to connect Northolt to the renewed district network. With these costs included, the works required to Northolt are £14.6m in total or a cost of approximately £145,000 per property. The total costs of work needed to Northolt is shown below:

<b>Northolt</b>	<b>£m</b>
Structural Works and Repairs	12.1
Connection to renewed District Heating network	1.4
Other Costs	1.15
<b>Total Capital Expenditure</b>	<b>14.6</b>

6.30. The wider potential impact of these works on the Housing Revenue Account is set out in section eight below. This report recommends that the Council consults with the residents of Northolt on whether to carry out these works, or whether residents are rehoused and new Council homes built to replace the homes in Northolt. The Council's preferred option will be to demolish Northolt due to the significant cost of the works required, and to build new Council homes on the Broadwater Farm estate to replace those in Northolt. The proposed format of the consultation is set out in section 6.45 below.

6.31. Officers have also considered the potential cost of rebuilding the homes currently in Northolt. These figures are purely illustrative, based on industry standard costs of between £150,000 and £250,000 per unit. These suggest that the overall cost of rebuilding the homes could be in the range of £15m to £25m. These are standard build costs further work would be needed to identify any associated costs in this specific area.

6.32. As with Tangmere, if a decision is made to strengthen Northolt, the estimated £12.5m cost of strengthening would have to be met entirely from the Housing Revenue Account (HRA). The urgency of the work to Northolt would also mean that planned works to other Council homes and estates would need to be reprogrammed and the strengthening works to Tangmere prioritised. The cost of new build homes would likely be eligible for external grant, and there is a broader range of delivery options through both the HRA and General Fund which would need to be evaluated. The consequences of the two options for the HRA and the stock investment programme are therefore very different. For these reasons, it is not straightforward to directly compare the cost of strengthening with the cost of rebuilding the homes.

6.33. As Northolt does not have piped gas, the October deadline does not apply and there is no need to rehouse residents in Northolt at this stage, with the mitigations described in 6.26 in place. This report seeks delegated authority to the Director of Housing, Regeneration and Planning to commence the rehousing of residents in Northolt if the position regarding the safety of the block changes before Cabinet makes a decision about the future of the block.

### Summary table

6.34. The table below shows the position for each block on the estate regarding the 17 kN/m<sup>2</sup> and 34 kN/m<sup>2</sup> tests.

<b>Block</b>	<b>17 kN/m<sup>2</sup> test</b>	<b>34 kN/m<sup>2</sup> test</b>	<b>Piped gas supply</b>
Northolt	Fail	n/a	No
Kenley	Pass	n/a	No
Tangmere	Fail	Fail	Yes
Croydon	Pass	Fail	Yes
Lympne	Pass	Fail	Yes
Debden	Pass	Fail	Yes
Hornchurch	Pass	Fail	Yes
Hawking	Pass	Fail	Yes
Manston	Pass	Fail	Yes
Martlesham	Pass	Fail	Yes
Rochford	Pass	Fail	Yes
Stapleford	Pass	Fail	Yes
Croydon	Pass	Fail	Yes

## Resident Engagement and Consultation

### Engagement to date

6.35. Since the issues with the blocks first came to light in December 2017, the Council and Homes for Haringey have carried out an intensive programme of resident engagement on the estate. The engagement approach recognised that the discovery of health and safety related problems with the blocks would worry residents and it was important to reassure residents and inform them of the steps the Council and Homes for Haringey were urgently taking to reduce the risks and ensure their safety.

6.36. The engagement has taken the form of two over-lapping programmes relating to different categories of blocks on the estate, as set out below:

### Medium-rise blocks

6.37. The first programme related to the nine low rise blocks on the estate (Croydon, Debden, Hawkinge, Hornchurch, Lympne, Manston, Martlesham, Rochford, and Stapleton). The engagement with residents and community leaders commenced in mid-December 2017 to explain the issue and how Homes for Haringey intended to mitigate the risk by removing gas cookers and installing sensors and disruptor valves.

6.38. 725 households live in these blocks and between engagement commencing on 14<sup>th</sup> December and by 20<sup>th</sup> December 626 of these households and been engaged with. Over 50 Homes for Haringey staff were deployed on the estate to visit properties, reassure residents and answer their concerns. A dedicated phone-line was set up and drop-in sessions held, including sessions in the evening and at the weekend. The programme of engagement activities relating to these blocks included:

11<sup>th</sup> December:

- Meeting held with the Broadwater Farm Residents' Association
- Meeting held with ward Councillors, the head teacher of the local school and other community leads together with members of the Broadwater Farm Residents' Association
- Door knocking was carried out in the affected blocks. Written information was left with every resident or posted through the letterbox where no one was home.

11<sup>th</sup>-16<sup>th</sup> December:

- Daily drop in sessions held at Broadwater Farm Community Centre
- Dedicated phone line open with freephone number

12<sup>th</sup> December:

- Met with 13 parents from Broadwater Farm at the school's special parent meeting

### **Tangmere, Northolt and Kenley**

6.39. The second programme focused on Tangmere and Northolt blocks following the reports received from February 2018 indicating the structural risks in these buildings. The key mitigations were as described above: gas safety work in Tangmere due to the piped gas supply to Tangmere, and a programme of home safety visits and the introduction of a 24-hour concierge at each access point to each building. This programme also included providing information to residents in Kenley to inform them of the works to the other blocks and letting them know that their block met the required safety standards. Engagement activities included:

12<sup>th</sup> February:

- Meeting held with a representatives of Broadwater Farm Residents' Association
- Meeting held with community leaders
- Door knocking at Tangmere was carried out. Written information was left with every resident or posted through the letterbox where no one was home.
- Drop-in centre was set up at 108 Gloucester Road office
- Dedicated phone line set up with freephone number

19<sup>th</sup> February:

- Homes for Haringey staff attended Broadwater Farm Residents' Association meeting to provide an update
- Letters delivered to residents of Northolt to update on progress
- Letters delivered to residents of Kenley stating that the building met the required standard and no further work was needed

### **Next steps on engagement**

- 6.40. The approach described above will continue throughout the next stage of engagement on the estate. This stage will involve supporting Tangmere residents who need to be rehoused, and also consultations on the future of both blocks, the Rehousing and Payments Policy and the Local Lettings Plan. Homes for Haringey staff will also continue to provide information and reassurance to residents in other blocks on the estate. Households in Tangmere will each have a member of staff who is the key liaison person for that household, and will receive rehousing support in the manner set out in section 6.55.
- 6.41. Staff will continue to meet key groups, including the Residents' Association, the head teacher of the local school and attend events such as parent meetings. This will be complemented by a programme of door-to-door visits throughout June and beyond as well as direct contact with residents in Tangmere. This will be accompanied by letters and FAQs. Engagement will also highlight the consultations which will be taking place, as described below.

### **Consultations**

- 6.42. Subject to Cabinet approval, consultation will be carried out with residents (which includes non-resident leaseholders) of Tangmere and Northolt on the future of these blocks, which will explain why the Council's preferred option is demolition. A consultation will also be carried out with those residents on the proposed Rehousing and Payments Policy and Local Lettings Plan.
- 6.43. The consultation on whether the Council should strengthen or demolish Tangmere or Northolt – with its preferred option being to rehouse residents and demolish the blocks and rebuild the Council homes on the estate – is (in the case of tenants) a statutory consultation under section 105 of the Housing Act 1985. This places a legal obligation of local housing authorities to consult with secure tenants on “matters of housing management” which are likely to significantly affect them, such as changes to the management, maintenance, improvement or demolition of properties let by them or the provision of services in connection with those properties.
- 6.44. The consultation on the Broadwater Farm Rehousing and Payments Policy requires consultation because it is a proposed new policy which will have a long-term impact on the residents of Tangmere and Northolt. It is important that these residents therefore feed in to the development of this policy before a final version is put before Cabinet for approval. The proposed Local Lettings Policy also requires a separate consultation: the Allocations Policy states that “All Local Lettings Policies will be subject to consultation with affected parties”. However, officers are satisfied that the short-term, temporary Tangmere Rehousing Priority Scheme does not require consultation.
- 6.45. In order to ensure that all affected residents are able to access the consultations, the following methods will be used:
- A letter/information pack will be sent to all residents in Tangmere and Northolt, and will be made available in other languages, large print and Braille on request (unless the Council is already aware that a resident needs it in one of these formats).

- The information will be provided on a dedicated page on the Council's website
  - At least one meeting/drop-in event will be held
- 6.46. In order to ensure that tenants can make their views known on the proposal, the following feedback methods will be used:
- A feedback form and a freepost envelope with which to return it
  - A dedicated email address
  - A telephone number
- 6.47. As set out above, in the section 105 consultation the Council will set out its preferred option to demolish Tangmere and Northolt and rebuild the homes on the estate. The consultation materials will explain why this is the preferred option, i.e.
- Significant health and safety issues have been identified in Northolt and Tangmere, which need to be addressed to make the blocks safe in the long-term
  - The costs of the works required to both blocks to address the health and safety issues are significant and would have a major impact on the position of the Housing Revenue Account.
  - This would mean that investment in other Council homes and estates would need to be re-profiled
  - The Council's preferred option for both blocks is therefore to rehouse residents - in line with the rehousing policy also be consulted on – and demolish the blocks
- 6.48. The proposed period for each consultation will be four weeks (28 days). Officers have considered whether a longer period should be allowed for consultation, but have decided that the health and safety concerns mean that a decision will need to be made as soon as possible after the summer. Officers are satisfied that this is sufficient time for a fair and proper consultation, particularly bearing in mind the relatively small number of potential consultees in each case. Furthermore, the Council and Homes for Haringey have already carried out significant engagement with the residents of the blocks to date. Residents will also be informed at the earliest opportunity about the forthcoming consultation, before it formally commences following Cabinet approval.

### **Impacts of Rehousing**

- 6.49. The issues identified with Tangmere and Northolt as set out in this report mean that residents will need to be rehoused from these blocks, either to allow the strengthening works to take place or because of a decision to demolish and rebuild the blocks.
- 6.50. The Council recognises that this rehousing will have a significant impact on residents affected. This is particularly the case here, where the issues with Northolt and Tangmere only came to light between February and April this year. For this reason, Homes for Haringey and the Council have carried out an intensive programme of resident engagement across the whole estate since December 2017, when the issues with the medium-rise blocks first became known. This engagement is set out in more detail in section 6.35 – 6.39 above.

- 6.51. In order to manage the impact of rehousing, this report recommends that Cabinet approves the Tangmere Rehousing Priority Scheme, and agrees that officers consult residents on a Broadwater Farm Rehousing and Payments Policy and Local Lettings Plan.
- 6.52. The Tangmere Rehousing Priority Scheme, which is described in more detail in 6.60 – 6.66 below, will apply to the immediate rehousing of Tangmere residents. The aim of this scheme is to allow all tenants to be rehoused from Tangmere before the end of October. To minimise the impact of rehousing on residents, the scheme gives priority to the following households:
- Households who contain a vulnerable household member
  - Households who have children attending a local school
  - Households with other local connections, such as to local support services
  - Households who have lived on the estate the longest
- 6.53. This will be supported by a further programme of engagement with residents, as set out in section 6.40. In terms of rehousing, all households will have an initial interview to support them in the rehousing process, understand their preferences and establish the size of property they need.
- 6.54. In anticipation of the need to rehouse the residents of Tangmere – and to rehouse residents in the local area as far as it is possible – the Council has already identified a number of properties that can be offered to Tangmere residents. Combined with the lettings priorities set out in 6.52 above, this will reduce the impact on schools and other services, as this existing supply of homes means that more households can stay in the local area.
- 6.55. Homes for Haringey staff will work with households to understand and take account of personal circumstances and provide support. Where there is a need for a household to move to a different part of the borough, staff will support the household to help them maintain their links to existing schools and services as much as is possible, for example by helping with travel planning. Financial assistance will also be provided to cover the costs of moving home.
- 6.56. To mitigate the longer-term impact of rehousing, the Rehousing and Payments Policy proposes that tenants will have the Right to Return to the estate, if they wish to. The ways in which tenants could return to the estate are set out in 6.88 below. Equally, if tenants would prefer to stay in the home they have moved to, they will be able to do so.
- 6.57. As explained in the Tangmere Rehousing Priority Scheme, there may be a need for some households to move in to temporary accommodation if it is not possible to offer them a Council or Housing Association home at the point where they need to move for health and safety reasons. The Council will seek to minimise the time that households need to spend in other forms of accommodation before more suitable accommodation is made available.
- 6.58. The increased demand for housing created by the recommendations in this report will have a knock-on effect on other groups given priority in the Allocations Policy. In particular, there will be fewer homes offered to homeless households currently in

temporary accommodation and this means that a number of these households will likely stay in temporary accommodation for longer as a result.

- 6.59. The rehousing policies set out in this report do not apply to tenants of non-resident leaseholders. However, if their landlord is unable to assist them with alternative accommodation they will receive advice and support from Homes for Haringey to find a new private rented home, and will be eligible to approach the Council as homeless if they are unable to do so.

### **Tangmere Rehousing Priority Scheme**

- 6.60. This report recommends that the rehousing of Tangmere starts immediately, and asks Cabinet to approve a scheme under which tenants of this block will be rehoused, which is attached at Appendix 1. This scheme sets out the priorities for the temporary rehousing of Tangmere tenants and the property sizes they will be offered. This scheme will apply until it is replaced by the Rehousing Policy and Payments described in 6.74 – 6.97 below, which the Council is consulting on over the summer.
- 6.61. Generally, households who are required to move from Tangmere will be given highest priority for any vacant homes available over and above those of other groups on the Housing Register. However, the Council has discretion to make offers to other households where circumstances mean these households have a pressing need to be housed quickly, or where a move may free up a property for use for a Tangmere resident.
- 6.62. Under the Tangmere Rehousing Priority Scheme, tenants will be offered accommodation based on their housing need, as set out in section eight of the Council's Housing Allocations Policy.
- 6.63. Offers will be made following an interview with the household, which will establish the tenants' preferences and provide support and advice. As much as possible, offers of accommodation will be made to match the household's preferences, based on the accommodation available. Because of the urgency of the situation, the Council may need to serve notices seeking possession and will thereafter seek possession where necessary under Ground 10 and provide suitable Council or Housing Association accommodation.
- 6.64. Whilst this scheme is designed to achieve the urgent temporary rehousing of Tangmere, any household who wishes to be rehoused permanently will be able to do so if they wish to remain in the property they have moved to. If a decision is taken to demolish and rebuild the homes in Tangmere, tenants will stay in their new homes – though the Broadwater Farm Rehousing and Payments Policy proposes that they are given a Right to Return to the estate. Any resident who moves under the Tangmere Rehousing Priority Scheme will benefit from any policy commitments made by the Council in the main Rehousing Policy and Payments if and when it is approved by Cabinet.
- 6.65. If there is a need for a household to move in to temporary accommodation because it is not possible to offer them a Council or Housing Association home at the point where they need to move for health and safety reasons, the Council may pay all or

part of the rent for this accommodation, as appropriate depending on the circumstances of each case.

- 6.66. If there is a difference between the rent of the accommodation offered to the household and their current rent, the Council may pay all or part of the rent for this accommodation, as appropriate depending on the circumstances of each case.

### **Tangmere Leaseholders**

- 6.67. Prior to a decision on the future of Tangmere later this year following the consultation, it is recognised that it may be difficult for the leaseholders to sell their property on the open market. As the gas will be switched off by the end of October, the Council wants to ensure that there are options for leaseholders who wish to move off Tangmere. These options will also be available to Northolt leaseholders in the event that a delegated decision is taken to rehouse residents in that block before a decision on demolition or repair is made.
- 6.68. The Council will therefore enter into negotiations with any leaseholder who wishes to sell their home. This report seeks delegation to the Director of Housing, Regeneration and Planning to buy leasehold properties on this basis.
- 6.69. It is also recommended that Cabinet agrees that payments largely equivalent to those set out in the existing Estate Renewal Rehousing and Payments Policy be made to resident leaseholders in Tangmere immediately. These payments are:
- The full market value for their current property
  - A further payment equal to a Home Loss payment, 10% of the market value currently with a minimum of £6,100 and a maximum of £61,000
  - A disturbance payment to cover the costs of moving
- 6.70. Tangmere's resident leaseholders will also be given access to a portable equity loan to enable them to buy a home in the borough if they cannot afford to purchase a new property outright as set out in that policy.
- 6.71. The Council may make offers of temporary accommodation to leaseholders by their agreement to assist them to move out of Tangmere, before they find their own, longer-term accommodation. The Council may also pay the cost of such temporary accommodation where appropriate, depending on the circumstances in each case.
- 6.72. Non-resident leaseholders will be offered the full market value for their current property plus the Basic Loss payment of 7.5%.
- 6.73. For the purpose of this policy, a resident leaseholder is defined as a leaseholder who resides in one of the blocks, as 26 June 2018.

### **Proposed Broadwater Farm Rehousing and Payments Policy for consultation**

- 6.74. Whether Cabinet decides to carry out strengthening works or decides to demolish and rebuild the homes in either Tangmere or Northolt, residents will need to be rehoused. There needs to be a policy, therefore, that will apply to either the rehousing of residents to allow the strengthening works to take place, or the

rehousing of residents from the blocks prior to demolition. A proposed policy is presented with this report, which will form the basis of consultation with residents. The rest of this section outlines the proposed policy, which is set out more fully in the attached draft policy.

- 6.75. This report recommends that the Council consult on this proposed policy with the residents of Tangmere and Northolt, and a final policy considered by Cabinet for approval later this year following consultation.

### **Policy background**

- 6.76. The rules around rehousing tenants and applicants on the Housing Register are governed by the Council's Housing Allocations Policy 2015 which was last amended on 14 March 2018. The Allocations Policy sets out how properties are allocated and the priority given to particular housing groups.
- 6.77. The policy contains specific guidance on rehousing tenants in the case of Emergency Management Transfers (15.13), Decant Moves for essential repairs (15.14) and Decant Moves for redevelopment/regeneration (15.15). However, the policy does not specifically address cases where residents of a block need to be rehoused quickly with no approved plans for replacement homes.
- 6.78. The Council does not currently have a rehousing policy for these exact circumstances, however there are provisions in both the existing Allocations Policy and the Estate Renewal Rehousing and Payments Policy which provide a policy framework. The Housing Allocation Policy is not concerned with any payments to tenants and leaseholders to cover the costs of moving, nor ways to enable leaseholders to purchase a new home. However, there is an existing policy, the Estate Renewal Rehousing and Payments Policy (ERRPP), which addresses these issues for those having to move due to estate renewal and sets a baseline for individual estate renewal rehousing schemes. The proposed policy uses the ERRPP as a basis for the purchase of leaseholder properties, and payments to cover moving costs.
- 6.79. The proposed policy has four main aims for those who are required to move because of significant structural repairs and/or future demolition of their home:
- To set out the rehousing priorities for those required to move under the policy
  - To set out the type and size of housing tenants will be offered
  - To set out the tenants and leaseholder's right to return to the estate when a suitable property becomes available
  - To set out payments available to tenants and leaseholders should they be required to move, or if they have already been rehoused on a temporary basis due to significant structural repairs and a decision is then made to demolish their original home.

### **Proposed Policy: Rehousing Priority**

- 6.80. Amongst tenants who need to move, it is proposed that particular priority will be given to vulnerable households, those with children in local schools and residents who have lived on the estate the longest.

- 6.81. The highest priority is proposed for households who are vulnerable, or who have specialist needs such as mobility requirements.
- 6.82. The second proposed priority will be given to those who have a member of the household with a local connection in N17 or N15 i.e. households with children attending a local school and those having support services only available in the local area (N17 or N15).
- 6.83. Thirdly, it is proposed that priority is given to those who have lived on the estate the longest, as defined by those with the longest tenancy in their current property. Those tenants who succeeded to a tenancy will be given the date the original tenancy in their current home began.

#### **Proposed Policy: Type and size of new home**

- 6.84. Tenants who are required to move will be interviewed to establish both their housing needs and their preferences for a new home and in particular, the area and landlord.
- 6.85. Once the housing need and preferences have been established, Homes for Haringey will then seek to find a new home which meets their housing need and, where possible, the household's preferences. However there will be occasions where a household's preferences cannot be met, or are unlikely to be met, in the timescale required by the health and safety led rehousing process. The Council therefore reserves discretion on the offer of a new home. The policy proposes, however, that all tenants will have a right to return to the estate in the manner set out below.
- 6.86. Although the Council will seek to rehouse households according to their needs, larger households who require 4 bedrooms or larger may need to temporarily move into 3-bedroom properties if larger properties do not become available within the required timescales. These families will be given the highest priority to move to an appropriate size home when a suitable home becomes available which is not needed to rehouse other households from the affected blocks.
- 6.87. Those who are currently under-occupying their home will be able to move under the Under-Occupation scheme which will allow those with two spare rooms to retain one in their next home. Under-occupation payments will also be made for any bedrooms relinquished if a tenant decides to remain in their new home, or following a decision to demolish their original home.

#### **Proposed Policy: Right to Return**

- 6.88. The policy proposes that tenants required to move from Broadwater Farm will have a right to return to the estate. Tenants who do wish to return to Broadwater Farm Estate may need to wait for a suitable property to become vacant (through the proposed Local Lettings Plan described below), or for a property to become available in a newly built block if and when those are approved and built. It is proposed that those wishing to return will receive one offer of a home suitable to their housing need at that time, and unreasonable refusal of this will be deemed to

end their Right to Return. Residents can return to their original home if the Council decides to undertake strengthening works.

### **Disturbance Payments**

- 6.89. Where households are required to move because of repairs, the Council will meet reasonable moving costs including for the move back to their original home.

### **Home Loss and basic loss payments**

- 6.90. Where an estate is being renewed, there is a duty to make Home Loss payments to tenants and leaseholders. These payments will be paid if and when a decision is made to demolish the tenant/leaseholders' original home. They will also be paid to leaseholders who agree to sell their flat back to the Council before any demolition decision is made.
- 6.91. These payments have been summarised in the proposed policy.

### **Resident Leaseholders and Portable Equity Loans**

- 6.92. In addition to the Home Loss and Disturbance payments, the Estate Renewal Rehousing and Payments Policy also offers resident leaseholders a Portable Equity Loan. It is proposed that this offer is extended to resident leaseholders in the affected blocks if a decision is made to demolish their property.
- 6.93. This loan is available to fund up to 40% of the leaseholder's new home in the borough where they invest the sale price of their home on Broadwater Farm, and their Home Loss payments. The maximum Equity Loan will be as set out in the Estate Renewal Rehousing and Payments Policy.
- 6.94. No interest is payable on this loan, and the loan is only repayable when the property is either sold or transferred to another person (other than to a partner on the death of the leaseholder). The value of the repayment will be the percentage of the final sale price which the Council invested originally, less any repayments previously made.
- 6.95. Where the leaseholder is purchasing a home in the private sector with the assistance of an Equity Loan, the Council will have to purchase and then, back-to-back, sell on to the leaseholder as the Council does not have power to make a mortgage loan on residential property it is not selling.
- 6.96. If Cabinet decides, following the section 105 consultations described in this report, to demolish either or both of the blocks then the Council will need to acquire all the leasehold interests in either or both blocks. The Council will endeavour to acquire all such interests by negotiation, through the offers set out in the proposed Rehousing and Payment Policy when and if it is approved following consultation. Should that fail in any case, the Council has a number of compulsory purchase powers available to it which would allow it to acquire those interests compulsorily. These would only be pursued as a last resort.

### **Local Lettings Plan**

- 6.97. In order to meet the Right to Return prior to new homes being built, a Local Lettings Plan is proposed to ensure that, where practical, all future lets on Broadwater Farm are offered to tenants of Tangmere and Northolt who have moved off the estate and who wish to return.
- 6.98. The proposed Lettings Plan (for consultation) states that each vacant property on the estate will be offered to households in the following order of priority:
- a. Tenants from these blocks who are vulnerable
  - b. Tenants from these blocks with a local connection
  - c. All other tenants from these blocks – with priority given to those who have lived on the estate the longest

In the event of tenants otherwise having equal priority the property will be offered to the tenant with the earliest start date to their tenancy on the estate. In the event of there being no such tenant, then:

- d. Households as determined by the Housing Allocations Policy

### **Possible future use of the Tangmere and Northolt sites**

- 6.99. If Cabinet decides that Tangmere and Northolt should be demolished later this year, the Council's intention would be to replace the Council homes on the site.
- 6.100. Whilst the Council has commissioned some work to consider the number of new homes which could be provided, and indicative timescales for redevelopment, this work is in its early stages and more detailed options will be progressed if Cabinet agrees that the homes should be rebuilt on the estate. Crucially, engagement with the residents of Broadwater Farm will be central to developing options for the future of the Tangmere and Northolt sites. This will include those residents who have been rehoused from the Tangmere and Northolt blocks (though this will not include leaseholders who have bought a replacement property elsewhere).
- 6.101. Section 8 sets out some purely illustrative costs of rebuilding the Council homes on the estate. These figures are based on industry standard costs per unit, and suggest a cost in the region of £32m to £54m to rebuild the homes in both blocks. This would represent a significant investment, and the Council would need to consider in depth the range of potential funding options. The Council would also look at sources of grant funding available at the time to help fund new Council homes. For these reasons, it is not straightforward to directly compare the cost of strengthening with the cost of rebuilding the homes.

## **7. CONTRIBUTION TO STRATEGIC OUTCOMES**

- 7.1. Priority 5 of the Council's Corporate Plan is to "Create homes and communities where people choose to live and are able to thrive" and within this says that the Council "will effectively manage existing housing and provide excellent services to residents".
- 7.2. Objective 4 of the Haringey Housing Strategy 2017-2022 identifies that a key priority is to "Provide stable, safe well-managed homes in decent environments". Ensuring that all residents live in safe homes is essential to delivering this priority.

## 8. **STATUTORY OFFICER COMMENTS**

### **Finance**

- 8.1. This report contains a number of recommendations that will adversely impact the Council's Housing Revenue Account and general fund to varying degrees.
- 8.2. The funding of strengthening works would have to be met from the HRA Capital programme. The existing approved HRA capital programme is based upon the forecast future HRA capital resources including available borrowing headroom and capital receipts. The addition of substantial strengthening would therefore require the re-profiling of other planned major repairs programmes.
- 8.3. With regard to new provision, there are a broader range of delivery options which would need to be further evaluated, both through the HRA and General Fund. This means that new build may not have the same impact on HRA capital resources. As set out below, there is also grant funding available for the building of new Council homes.
- 8.4. The rehousing of these tenants will result in an unbudgeted loss of rental income to the HRA. This will create a pressure in the HRA.
- 8.5. Once rehoused the Tangmere block will need to be made safe from trespass through physical measures such as hoarding and the maintenance of a guarding presence. These costs are unbudgeted and will create a pressure in the HRA.
- 8.6. The recommendations also include the buying back of the leaseholder properties in the block. Currently there are 25 leaseholders flats in Tangmere. Of these, 12 are owned by Newlon Housing Association and their acquisition is the subject of a separate report on this agenda. The other 13 leaseholder flats will also need to be purchased.
- 8.7. Howsoever housed, the effect of this is to increase the number of households in temporary accommodation as the residents of Tangmere will be placed at the head of the rehousing list and be rehoused first. This will be a pressure on the general fund (GF).
- 8.8. The estimated financial effects of the decision to decant tenants of Tangmere are set out below:

Issue	HRA 2018/19 Effect	HRA Full Year	GF 2018/19 Effect	GF Full Year
	£000's	£000's	£000's	£000's
HRA Revenue:				
Loss of rental income (full year effect)	117	473		
HRA Capital:				
Physically securing the site (hoarding)	100			

Guarding costs	125	250		
Leaseholder buy back (inc. estimated SDLT liability and fees)	3,354			
Relocation costs	178			
Equity loan (maximum)	1,868			
Equity Loan SDLT	93			
General Fund Revenue				
Increased temporary accommodation costs			203	406
Total cost	5,835	723	203	406

- 8.9. Of the costs identified above for 2018/19 the loss of rental income is not a capital programme item. This can be met from within the revenue account of the HRA from 18/19 onwards. The implications of this will be further described in the Quarter 1 Corporate Revenue Monitoring report.
- 8.10. The effect on the GF revenue account is also acute and officers will address this as a matter of urgency, once the full implications of the temporary housing arrangements are more fully evaluated. The 18/19 GF costs will be met through existing GF resources. Again these will be further described in the Quarter 1 Corporate Revenue Monitoring report.
- 8.11. Within the current HRA capital programme there is a scheme for Broadwater Farm estate with a budget of £11.5m. Currently £2m of that budget has been committed leaving £9.5m uncommitted. This budget should be used to contain the overall 18/19 capital expenditure on Tangmere, £5.718m, and the balance retained to fund any of the capital costs associated with Broadwater Farm .
- 8.12. Should the future decision be made to decant Northolt then very high level estimates indicate the following:

	HRA	HRA	GF	GF
	2018/19 Effect	Full Year	2018/19 Effect	Full Year
	£000's	£000's	£000's	£000's
Total cost	5,080	630	177	354

- 8.13. When the report on the outcome of the consultation is considered more detailed estimates will be provided.
- 8.14. The report recommends that consultation is undertaken on whether to undertake the strengthening works to ensure that the blocks are compliant or to demolish both blocks and rebuild.
- 8.15. The capital and consequent revenue costs for strengthening Tangmere and Northolt are as illustrated in the table below:

	Northolt	Tangmere	Total
	£m	£m	£m

<b>Total Capital Cost to HRA</b>	14.600	19.142	33.742
Approx. annual cost of borrowing @ 3% - Interest p.a. reducing with repayment of Capital	0.219	0.287	0.506
Cost of borrowing over 30 years	6.570	8.610	15.184
Capital Repayment	14.600	19.142	33.742
<b>Total Revenue Cost to HRA</b>	<b>21.170</b>	<b>27.752</b>	<b>48.926</b>

8.16. Whilst difficult to estimate in detail, costs have been assumed on a per unit basis for the re-provision of an equivalent number of units should the decision be that the blocks be demolished and rebuilt.

8.17. The table below provides high level, illustrative costs for the rebuild option based on industry standard figures.

	Northolt	Tangmere	Total
	£m	£m	£m
Capital Expenditure	<b>20,200</b>	<b>23,200</b>	<b>43,400</b>
Approx. annual cost of borrowing @ 3% - Interest p.a. reducing with repayment of Capital	0.303	0.348	0.651
Cost of borrowing over 30 years	9.090	10.440	19.530
Capital Repayment	20.200	23.200	43.400
<b>Total Revenue Cost</b>	<b>29.290</b>	<b>33.640</b>	<b>62.930</b>

8.18. Should the Council be successful in applying for external grant, this cost to the council would significantly reduce. By way of illustration, the recently published GLA funding prospectus for Council Homes programme offers grant of £100k per unit for new Council homes.

8.19. The difference between the strengthening option and the rebuild option is £14.004m over thirty years or £0.467m per annum. What is not factored into the new build solution is the financial benefit of the warranties that would be provided for major components of the buildings, the reduction in carbon that an efficient building would bring about, and the generally lower running costs associated with a new build solution.

8.20. There are also opportunities to attract grant funding for the building of new homes. The Council would explore all funding options if a decision is made to rebuild the Council Homes. Any grant funding would reduce the above net costs associated with new provision

## Legal

- 8.21. The Assistant Director, Corporate Governance has been consulted in the preparation of this report.
- 8.22. The Council will be carrying out consultation with residents as set out in the report. Under Section 105 of the Housing Act 1985 the Council must maintain and publish such arrangements as it considers appropriate to consult with its secure tenants (including demoted ones) who are likely to be substantially affected by a matter of housing management and consult in accordance with those arrangements. The arrangements must enable the secure tenants who are likely to be affected to be informed of the Council's proposals and to make their views known to the Council within a specified period of time. While s105 only requires consultation with secure tenants, as a matter of good management practice the Council will also engage with leaseholders and with non-resident leaseholders' subtenants.
- 8.23. Paragraph 6.44 of this Report details the requirement for consultations on the Local Lettings Policy and Broadwater Farm Rehousing and Payments Policy.
- 8.24. In carrying out its consultations the Council must comply with its consultation policy and adhere to the 'Sedley principles'. These are :
- (1) That consultation must be at a time when proposals are still at a formative stage;
  - (2) That the proposer must give sufficient reasons for any proposal to permit of intelligent consideration and response;
  - (3) That adequate time must be given for consideration and response; and
  - (4) That the product of consultation must be conscientiously taken into account in finalising any statutory proposals.
- 8.25. At some stage of the process the Council may be required to acquire third party interests. The Council should endeavour to acquire those interest by private treaty. Should that failed the Council has a number of compulsory purchase powers available to it which would allow it to acquire those interests compulsorily. Further legal advice will be required at the relevant time as to the requisite power to use.
- 8.26. Ground 10 (Schedule 2 of the Housing Act 1985) is available to enable the Council to regain possession from secure tenants if required, as set out in the body of this report.
- 8.27. Other legal comments are contained in the body of the report.
- 8.28. The Assistant Director Corporate Governance sees no legal reason preventing Cabinet from approving the recommendations in the report.

### **Procurement**

- 8.29. N/A

### **Equalities**

- 8.30. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

8.31. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

8.32. An Equalities Impact Assessment has been undertaken on the potential impacts of the decisions on those with protected characteristics. This document will be developed further. Following the outcomes of the consultation on the future of the homes at Tangmere and Northolt, and on the draft Broadwater Farm Rehousing and Payments Policy and Broadwater Farm Local Lettings Plan.

8.33. The assessment has identified two main impacts which will affect residents with protected characteristics – firstly, that the impact of moving residents will be greater for those who depend on local support and services including elderly residents, those with high support needs and those with children in local schools.

8.34. This impact is mitigated by priority for re-housing in the local area being given to vulnerable residents, and then to those with local connections including those with children attending a local school.

8.35. A second impact will be on under-occupying households, who generally are older, and who will be required to downsize to a smaller home. This impact will be mitigated by allowing these tenants to retain a spare bedroom if they currently have two spare rooms, and allowing tenants to return to their original home if their block is repaired. Payments will also be made for bedrooms they are giving up if and when a move becomes permanent either by the tenant choosing this option, or if a decision is made to demolish their original home.

8.36. The Equality Impact Assessment (EqIA) is attached as Appendix 4.

## **9 USE OF APPENDICES**

Appendix 1: Tangmere Rehousing Priority Scheme

Appendix 2: Broadwater Farm Rehousing and Payments Policy

Appendix 3: draft Broadwater Farm Local Lettings Plan

Appendix 4: Equality Impact Assessment

## **10. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

Housing Allocations Policy 2015 as amended 1 May 2017 & 14 March 2018

[http://www.haringey.gov.uk/sites/haringeygovuk/files/haringeys\\_housing\\_allocations\\_policy\\_2015\\_amended\\_14\\_march\\_2018.pdf](http://www.haringey.gov.uk/sites/haringeygovuk/files/haringeys_housing_allocations_policy_2015_amended_14_march_2018.pdf)

Estate Renewal Rehousing and Payments Policy

[http://www.haringey.gov.uk/sites/haringeygovuk/files/estate\\_renewal\\_rehousing\\_and\\_payments\\_policy\\_2017.pdf](http://www.haringey.gov.uk/sites/haringeygovuk/files/estate_renewal_rehousing_and_payments_policy_2017.pdf)

Award of contract for design and enabling works for Broadwater Farm Estate district heating system, Cabinet Member Signing 20 April 2018:

<https://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=435&MId=8795>

Under-Occupation Incentives

<http://www.haringey.gov.uk/housing/housing-options/under-occupation>