



Item

Report on Hanover and Princess Courts and Kingsway Flats

To:

Councillor Mike Todd-Jones, Executive Councillor for Housing
Housing Scrutiny Committee 20/01/2022

Report by:

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Wards affected:

Arbury, Market

1. Executive Summary

- 1.1. At Housing Scrutiny Committee on 23rd September 2021 it was noted that the programme of review of estates will be carried forward including survey work and consultation with residents to include Hanover and Princess Courts and Kingsway.
- 1.2. In November 2021 outdoor consultation events were held at Hanover and Princess Courts and Kingsway. There was a good level of response to the survey at Hanover and Princess Courts (39 responses) but less so from Kingsway (14 responses).
- 1.3. In the case of both Hanover and Princess Courts and Kingsway the buildings are potentially beyond economic viability when set against current standards. Refurbishment options and redevelopment options have been considered in outline. Both options have limitations. Redevelopment would produce an increase in the number of dwellings but due to the existing density and site constraints are unlikely to be able to deliver significantly more homes. Outline consideration of refurbishment

options indicate that because they were not constructed using a steel or concrete frame and because ceiling heights are below current standards there would be limits to the scope for refurbishment.

1.4. These options can be considered in more detail with residents. The initial response to the survey indicated that a majority of respondents at Hanover and Princess Courts favoured regeneration. Most understood this to mean redevelopment but a significant minority wanted to see refurbishment. A much smaller group being unsure or wanting a maintenance only approach. The much smaller set of responses at Kingsway favoured redevelopment.

1.5. A frequent response in the consultation was a request for certainty and timescales. Redevelopment will require residents to move. Major refurbishment would be facilitated by residents moving; whether this is absolutely required would depend upon the nature and extent of the works.

1.6. The Council has a considerable amount of stock in the north of the city to create options for tenants to move but very limited housing stock close to the city centre. There is a unique opportunity for Council tenants at Hanover and Princess Courts to move into homes currently being constructed by the Cambridge Investment Partnership on two sites off Mill Road and Cromwell Road. 212 homes will be available in the course of 2022 and early 2023. Half of the homes will be handed over in the first six months of 2022 and most of the rest by the autumn.

1.7. If this unique opportunity is to be taken it is necessary to facilitate the offer to move immediately. Residents will be advised that a final decision on regeneration has not been taken; moves will not be made other than by agreement of residents prior to a decision. The recommendations include specific provisions to enable this approach.

1.8. This approach would indicate a faster timeline to determine the future of Hanover and Princess Courts than Kingsway. Adjustments to the HRA business plan to reflect this are set out in the Budget Setting Report. A programme for Kingsway will also be considered.

2. Recommendations: The Executive Councillor is recommended to:

2.1. Note the progress made to date towards identifying the most favourable improvement route for the Hanover and Princess Courts and Kingsway flats and the outcome of the initial consultation exercises

- 2.2. Approve commencement of a consultation process for Hanover and Princess Court residents including redevelopment and refurbishment options.
- 2.3. Approve a decant process with immediate effect in advance of a decision on the future of Hanover and Princess Courts including deviation from the Lettings Policy position that those decanting are given emergency housing status when the required vacant possession date is within 12 months.
- 2.4. Delegate authority to the Head of Housing to amend the Local Lettings Plans for the Mill Road and Cromwell Road developments to allow for direct lets for residents interested in moving from Hanover and Princess Courts.
- 2.5. Approve with immediate effect the purchase of the leasehold interest of flats in Hanover and Princess Courts and the issue of Home Loss and Disturbance payments to qualifying Council tenants and Basic Loss and Disturbance payments to qualifying leaseholders affected by the potential redevelopment
- 2.6. Approve the development of a project plan for appraisal work on Hanover and Princess Courts and a management plan for Kingsway including the development of plans for communication and engagement with residents and owners and associated.
- 2.7. Note the required adjustments to the HRA Business Plan, adjustments to the works budgets and recognition of the phased rent loss that would be anticipated due to vacating flats at Hanover and Princess Courts.
- 2.8. Approve the amendment to the Lettings Policy detailed at 6.13 and Appendix C

3. Background to estate regeneration

- 3.1. At the Housing Scrutiny Committee on 23rd September 2020 Cambridge City Council committed to a new delivery programme with a target of 1000 new Council homes, building on the success of the 500 homes programme funded by the Ministry of Housing, Communities and Local Government.
- 3.2. Given the constrained geography of the City as a local government unit and the limited availability of development sites, a large proportion of the new

homes will need to be built on existing council housing land. At the same time the Council holds older stock which does not meet modern standards, particularly in relation to sustainability. and falls short of the Council's aspirations. A substantial difference is emerging between the new housing supply being delivered and the older stock.

- 3.2.1. The Council is actively working on a programme of retrofitting improvements. This will be a solution in some cases but in others remodelling estates to provide additional high-quality homes is a better response. A primary target of the programme is to manage ongoing maintenance expenditure, especially urgent interventions, against the limited remaining life of housing blocks and to identify the most suitable regeneration route per estate.

4. Refurbishment Options

- 4.1. In the case of both Kingsway and Hanover & Princess Courts the buildings are obsolete in many ways. Detailed surveys have revealed significant failings in relation to the physical structure, fire protection, presence of asbestos and potential for structural collapse in the event of explosion. Proposals are being developed to address the structural issues that have been identified. Urgent action has been taken in relation to the last point to address the presence of gas supplies in the buildings.
- 4.2. While retrofitting and remodelling might be possible for multi storey blocks such as these if they were constructed using a steel or concrete frame, the advice of external experts confirms that the design of these blocks without a frame and with low ceiling heights militates against this. In terms of sustainability the Council commissioned a report from Fielden and Mawson which was based on typologies. The report did not consider Hanover and Princess Courts or Kingsway which have a design that is unlike any other Council estate.
- 4.3. While there has been a programme of ongoing investment, (particularly at Hanover and Princess Courts, where structural failings were identified as far back as 2010) the limitations of the design and original construction mean that it will be impossible to match the standard of new homes in the city without full redevelopment. Assessment of the refurbishment option involves consideration of the standards that could be achieved and the life of the building that would result.

5. Redevelopment options

- 5.1. In accordance with the policy to establish the redevelopment potential of older stock and sites owned by the Council, architects have been commissioned to undertake initial capacity studies.
- 5.2. Initial pre-application discussions with the Local Planning Authority have been held and some early surveys carried out. The sites present different opportunities and constraints in relation to neighbouring buildings, trees and open space. Preliminary studies have produced options which do provide a significant increase in the number of dwellings although falling short of the doubling of the number of units which has been achieved on other sites in the current development programme. Specific redevelopment proposals have not been subject to public consultation at this stage.
- 5.3. The Council has a commitment to the provision of affordable housing with Council rented housing being the priority. It also has a commitment to building to a Passivhaus/net zero carbon level and to new buildings being at least zero-carbon ready. A redevelopment scheme would be mixed tenure. There are options between open market sale and Council rented housing which an options appraisal would need to explore.

6. Decant

- 6.1. Redevelopment will require decant. An extensive programme of refurbishment works is also likely to require decant. Limited works programmes could potentially be carried out with residents *in situ* but this would raise issues of disruption for residents, safety, timescales and scope.
- 6.2. The Council adopted a revised policy at the HSC in September 2021 based on the Gunning Principles. The policy sets a clear framework for priority for letting to tenants required to decant, the right of return and compensation.
- 6.3. The Council has a considerable amount of stock in the north of the city but very limited housing stock close to the city centre. There could be a short window of opportunity to decant residents into homes currently being constructed by the Cambridge Investment Partnership on two sites off Mill Road and Cromwell Road.

The forecast delivery of the sites is as below:

	Q4-21/2	Q1-22/3	Q2-22/3	Q3-22/3	Q4-22/23
Mill Road	15	30	53	0	0
Cromwell Road	26	36	23	0	29

- 6.4. Mill Road site is forecast to deliver some 98 Council rented homes between February 2022 and October 2022. Cromwell Road is forecast to deliver 114 Council rented homes between February 2022 and February 2023.
- 6.5. This is not only an opportunity to offer new homes close to the city centre, but it also may enable tenants who value their community connections to move together. 75% of tenants at Hanover and Princess Courts have lived in their homes for over 10 years. Feedback from both the surveys and the outdoor event suggest that informal support networks are strong and valued by those with additional needs.
- 6.6. Approximately 13 families are resident at Hanover and Princess Court. Mill Road is within the same secondary school catchment area and a reasonable walking distance (15 minutes) for residents with children attending St Paul's C of E Primary School. This offers a minimal change to daily routines and does not impact existing opportunities in the transition from primary to secondary school.
- 6.7. The Council has a considerable amount of stock in the north of the city to create options for Council tenants to move but very limited housing stock close to the city centre. There is a unique opportunity for Council tenants at Hanover and Princess Courts to move to homes currently being constructed by the Cambridge Investment Partnership on two sites off Mill Road and Cromwell Road. 212 homes will be available in the course of 2022 and early 2023. Half of the homes will be handed over in the first six months of 2022 and most of the rest by the autumn.
- 6.8. If this unique opportunity is to be taken it is necessary to facilitate the offer to move immediately. Residents will be advised that a final decision on regeneration has not been taken; moves will not be made other than by agreement of residents prior to a decision. The recommendations include specific provisions to enable this approach.

- 6.9. It should also be noted that some survey respondents expressed a preference for an early decision and would prefer to move earlier.
- 6.10. Tenants decanting would retain a right to return even if decanted early. However, both leaseholders and tenants would need to understand that the completion of the decision-making process may result in the existing estate being retained.
- 6.11. This approach will require approval to commence a formal 12 week consultation process for Hanover and Princess Court residents. It will also require approval to deviate from the Lettings Policy position that those decanting are given emergency housing status at when the vacant possession date is within 12 months as outlined in the report. (Lettings Policy 5.17.4) and delegated authority to the Head of Housing to amend the Local Lettings Plans for the Mill Road and Cromwell Road developments to allow for direct lets for residents interested in moving from Hanover and Princess Court. The policy approved in September 2021 also identifies the Council's approach to leaseholders, including the compensation they are entitled to. Redevelopment is likely to include a range of tenures and the right of return could possibly be an option. Affordability will be an issue for many leaseholders and for some equity sharing may be considered. This will require approval to purchase the leasehold interest of flats in Hanover and Princess Courts and to issue Home Loss, Disturbance Payments and Basic Loss payments at risk to leaseholders affected by the potential redevelopment.
- 6.12. This approach carries some risks. These are considered below.
- Some residents will move when no redevelopment takes place. This risk can be mitigated by ensuring that none are moved against their will prior to a decision and that residents who move are fully aware of the possibility that the buildings will be retained.
 - There may be a perception that this is prejudging the issue but a higher levels of vacancy would enable a refurbishment programme to proceed much more easily and fully if that were the preferred option. This would also address the position of those survey respondents who wanted certainty and to move early.
 - Voids would be created which would need to be properly secured or managed as temporary accommodation. There will be a rent loss to the Council and costs incurred through Home Loss, Basic Loss and Disturbance Payments. This loss has to be set against the benefits of securing greater control over the building whichever option is pursued.

- The longer-term options appraisal and management plan for Kingsway will need to take account of the issues identified in that estate including fire safety considerations and this could require more extensive action than currently proposed. This risk can be mitigated by careful management of the issues that have been identified.

6.13. As noted above the Council adopted a revised policy at the HSC in September 2021. Experience on other estates has indicated a need for a revision to the section 5.17 of Cambridge City Council's Lettings Policy to clarify the position on 'like for like' offers of accommodation. An additional clause has been inserted into the section of the policy which deals with households whose homes are due to be demolished under one of the Council's redevelopment schemes. This newly proposed clause is detailed in italics at 5.17.4 at Appendix C.

7. Hanover & Princess Courts



7.1. Hanover and Princess Courts are located just off Hills Road, within a mile of the city centre, and comprise two apartment blocks constructed in 1968. There is also an interconnected block of garages and the three buildings partially enclose a courtyard. The number of homes and garages and the current tenure breakdown are shown in the tables below.

Hanover Court	Homes
Rent	51
Leasehold	27
Total	78

Princess Court	Homes
Rent	31
Leasehold	16
Temporary Accommodation (following buyback)	2
Total	49

Hanover & Princess Courts	Garages
Void	17
Council tenant	12
Private external	68
Commuter/business	29
Total	126

7.2. Problems with the structure at Hanover and Princess were identified well over 10 years ago and there has been an ongoing programme of works to address some of them, alongside routine planned maintenance. The tables at Appendix B show that £2.5m has been invested in Hanover and Princess Courts over a ten year period.

7.3. A report from Structural Engineers MLTS Limited dated 28th February 2020 commented

“The buildings built in 1968 are moving towards the end of their design life whatever that was originally. Arguably the buildings had design issues and construction issues compared to modern standards and will need a large financial investment to bring them up to standard or simply to slow the deterioration of the buildings by cycles of annual monitoring and

maintenance..... A cost benefit analysis should be undertaken on the buildings bearing in mind their age and year of construction”

7.4. Further work has been carried out since this report to identify repairs to structural defects.

7.5. In January 2021, Housing Scrutiny Committee approved a further programme of works (referred to as Phase 3) at Hanover and Princess Courts:

- Masonry repairs
- Completion of concrete repairs to balcony beams
- Replacement of metal screens to balconies
- Re-routing of downpipes and alterations to drainage
- Upgrade of handrails and roof protection
- Safety upgrades to communal staircases and landing balustrades
- Drainage repairs
- Minor roofing works and bin chute alterations

7.6. The masonry and concrete repairs are additional to the repairs which were started in 2018/19. The Structural Engineers, Millwards have said:

“Following the proposed remedial works identified on Millwards spreadsheets, drawings, and photographic records all of the known defects to the buildings will have been addressed and the building can continue to provide accommodation for the residents for many years subject to the usual inspections and maintenance that would be expected of any property.”

7.7. Approval was also given for the following works, subject to further investigation:

- Fire compartment improvements between flats and service risers
- Landlord electrical supply replacement

7.8. Since that time further surveys and preparatory work to develop specifications has been carried out. S20 letters were issued to leaseholders on 5th October 2021 notifying them of the proposed works. It should be noted that leaseholders only have to contribute to repairs, not to improvements; that even where there is a clear legal liability collection of monies owed can encounter difficulties and that the co-operation of all leaseholders in achieving access to their dwellings is required.

7.9. In January 2021 the HSC was advised of the following cost estimates for this phase of the works:

	Estimated cost of work	Fees	Contingency	Total
Hanover Court 1-78	£810,000	£160,000	£80,000	£1,050,000
Princess Court 1-49	£550,000	£110,000	£50,000	£710,000
	£1,360,000	£270,000	£130,000	£1,760,000

7.10. Indications from the consultants are that costs are likely to be somewhat higher than this. These are estimates as the works have not been tendered at this stage.

7.11. Some urgent work had to be carried out. Notably the risk associated with gas supplies in the buildings was identified as part of the ongoing investigations and an urgent programme to manage the risk and remove gas from the premises was put in hand.

7.12. An inevitable challenge as buildings age and move towards the end of their design life is to balance continued expenditure on maintenance to maintain quality and safety against the limited life of the buildings and the potential for redevelopment. The buildings at Hanover and Princess Courts have required a high level of expenditure and substantial further expenditure will be required. A key element is the cumulative nature of the issues: structure, fire safety, sustainability etc. All of these need to be assessed individually but an overall approach needs to be considered.

7.13. One reason that redevelopment is a real and strong option is that the limitations of the structure will prevent significant amendments to unit layouts, as most vertical walls will be structural. At around 2.5m the current floor to ceiling heights are well below the current standard of 3m and there is physically no room for additional thermal or sound insulation.

7.14. The assessment needs to be considered in the light of the issues of standards and sustainability noted above.

8. Kingsway



8.1. Construction of Kingsway flats was completed in 1966. The estate is comprised of connected blocks of 4 and 5 storeys plus a small number of garages. The tables below show the number of homes and garages, plus a breakdown of tenure:

Kingsway	Homes
Rent (inc 8 voids)	100
Leasehold (inc 1 pending RTB)	30
Total	130

Kingsway	Garages
Council tenant	31
Private resident	24
Void	15
Total	70

8.2. Repairs to date have been mainly confined to routine planned maintenance and a total of £2m has been expended on the estate in the last five years.

8.3. A fire at one of the Kingsway flats in May 2020 resulted in damage to 8 flats and a detailed inspection of the remaining fire risks. Fire risk assessments revealed the need for an extensive programme of works to

improve protection. An important requirement is to consider means of escape to parts of the building which currently have a single access. A trial of two different approaches is taking place to establish the best solution and the estimated cost of fire stopping work at Kingsway

8.4. Additional risks associated with unknown levels of asbestos, defective landlord's electricity supplies and the potentially severe repercussions in the event of a gas explosion also came to light as at Hanover and Princess Courts. There has been no detailed analysis as yet of the Kingsway blocks' structure. Work to improve external wall insulation is currently being undertaken.

9. Consultation

9.1. In November 2021 outdoor consultation events were held at Hanover and Princess Courts and Kingsway. There was a good level of response to the survey at Hanover and Princess Courts (39 responses) but less so from Kingsway (14 responses).

9.2. There was an element of uncertainty about whether regeneration meant redevelopment and new build) or refurbishment (remodelling and improving the existing buildings). Analysing responses beyond the headline question in the survey half of the respondents at Hanover and Princess Courts favoured redevelopment but a significant minority wanted to see refurbishment – a smaller group being unsure or wanting a maintenance only approach. The much smaller set of responses at Kingsway favoured redevelopment.

9.3. The consultation exercises are described together with the results of the surveys carried out at Appendix B.

9.4. Council officers are continuing to engage with residents through e-mail, letters, phone-calls. Face to face contacts are currently restricted.

10. Options:

A. Discontinue options appraisals and carry out ongoing repairs

This would still require significant works over an extended period to address structural issues, fire safety issues and sustainability. This is in addition to the regular decent homes maintenance programme. While a very small number of

residents favoured this option at Hanover and Princess courts the great majority did not and none did at Kingsway.

B. Carry out options appraisals now and progress schemes at both Hanover and Princess Courts and Kingsway

This has been ruled out due to funding and decant constraints.

C. Carry out an options appraisal at Hanover and Princess Courts considering full scale refurbishment and redevelopment and develop a longer-term programme for Kingsway

C(1) With immediate decant

This has the benefit of taking advantage of the decant opportunity at Mill Road and Cromwell Road which will be significant for tenants at Hanover and Princess Courts and of limiting works that will otherwise be required in the near future.

C(2) Without immediate decant

This would lose much of the benefit of the Mill Road and Cromwell Road decant opportunity. It would avoid early moves and the rent loss and costs identified above. If this opportunity were not to be taken up the case for focussing on Kingsway first would have to be reconsidered.

D. Carry out refurbishment as far as possible without requiring decant

This option could be considered within an options appraisal which considered refurbishment and redevelopment options which do require decanting

E. Carry out the options appraisal at Kingsway and develop a longer-term programme for Hanover and Princess Courts

There is a case for focussing on Kingsway to address the issues identified there. It is not as strong as the case for focussing on Hanover and Princess Courts given the historic and planned expenditure but the availability of decant for Hanover and Princess Courts is important. This should be reconsidered if the decant of Hanover and Princess Courts is delayed.

11. Finance

11.1. In line with the review of options and the resident consultation process a number of adjustments need to be made to the HRA business plan.

11.1.1. The assumptions for the delivery of the 1,000 homes programme included sufficient funding to buy back leasehold dwellings and re-locate all tenants in both Princess Court and Hanover Court. This funding could be required over a two-year period, 2022/23 and 2023/24.

11.1.2. As part of the HRA Medium Term Financial Strategy, £5,000,000 was ear-marked in 2022/23 to undertake fire compartmentalisation, and other fire safety works to these large flat blocks, should the works be required. On the basis that the potential redevelopment of Princess and Hanover Court moves forward but Kingsway is retained for the medium term £1,200,000 will be required in 2022/23 to undertake the required fire compartmentalisation works at Kingsway, with £650,000 re-phased into 2025/26 for further fire safety works there if required. The balance of funding has been removed from the programme at this stage.

11.1.3. If due to the consultation process or for some other reason the prioritisation is reversed the funding pots would be reviewed.

12. Other Implications

(a) Staffing Implications

Development work continues to be managed by the Housing Development Agency, which will also provide the Council's staffing contribution to the development of specific schemes.

Given the scale of redevelopment and associated rehousing need which would accompany the regeneration of these estates it is proposed that the HDA increase staffing capacity to ensure successful management of this undertaking. Provision has been made in the budget forecast proposed in the Budget Setting Report.

(b) Equality and Poverty Implications

Scheme specific EQIAs accompany specific schemes as they progress to Committee for approval. Such scheme specific EQIA's will accompany further reporting to this committee as firm scheme proposals come forward for decision.

(c) Net Zero Carbon, Climate Change and Environmental Implications

The high level work carried out by Fielden and Mawson is noted in the body of the report. Net zero carbon, climate change and environmental implications will be a significant element in the assessment of options.

Work toward designing new development schemes for these estates will be conducted in line with the Sustainable Housing Design Guide (SHDG).

Council Climate Change Rating assessments will be completed for all schemes coming forward to this committee for approval.

(d) Procurement Implications

A Housing Scrutiny Committee in January 2021 set out the proposed approach to delivery of the new housing programme and identified the Cambridge Investment Partnership (CIP) as the primary delivery route.

It is envisioned that any proposed schemes at Hanover Court, Princess Court and Kingsway will be delivered by the CIP, subject to an independent Value for Money assessment by the Employers Agent on the Council's behalf. The Council is working through CIP to develop redevelopment options and to contribute to the consideration of the range of options under review. Consultants required outside the CIP process will be procured in accordance with Council policy as required. Specific procurement considerations related to any proposed development will be included in scheme-specific reporting as these progress for Committee Approval.

(e) Community Safety Implications

All schemes under the new housing programme will be built in accordance to Secure by Design guidelines as set out within the City Councils Design Brief.

In line with the proposed regeneration approach, activities are aimed toward updating council stock to meet such Secure by Design Guidelines.

13. Background Papers

19/42/HSC Approval for CIP scheme delivery routes

21/9/HSC Cambridgeshire Home Improvement Agency – Works Contract procurement

21/48/HSC Report on progress toward HRA Estate Regeneration programme including a report on a proposed scheme at Aylesborough Close

14. Appendices

Appendix A: Expenditure on Hanover and Princess Courts 2011/12

Appendix B: Consultation events November 2021

Appendix C: Proposed Lettings Policy amendment

15. Inspection of papers

To inspect the background papers or if you have a query on the report please contact Claire Flowers, Housing Development Agency,

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