

REPORT TO:	Cabinet 16 November 2022
SUBJECT:	Regina Road Estate, Norwood
LEAD OFFICER:	Susmita Sen, Corporate Director for Housing
CABINET MEMBER:	Councillor Lynne Hale, Deputy Executive Mayor and Cabinet Member for Homes
WARDS:	All

SUMMARY OF REPORT:

This report proposes action to begin the process of addressing the current and recurring unsatisfactory situation at the Regina Road estate where three ageing tower blocks require intervention to ensure modern social housing fit for the 21st Century. The unsatisfactory situation has developed over recent years because of the failure to resolve key maintenance issues and to respond in a timely way to the conditions highlighted at Regina Road.

The report includes a review of studies previously commissioned by the Council, a summary of the experiences of some other local authorities who have faced similar issues with their tower blocks and a review of research conducted by the Building Research Establishment on Large Panel Systems. These lead to a conclusion that the Council must either commit to significant refurbishment works or demolish and rebuild the tower blocks at Regina Road.

The report sets out for approval the Council's draft statutory arrangement for consulting with tenants on housing management matters; the proposal for consultation on the options to refurbish or demolish and redevelop Regina Road estate under these arrangements; the proposal for consultation on draft Resident Offers for tenants and leaseholders/freeholders on the estate. The residents will be consulted on these proposals during December/January and the outcome reported back to Mayor and Cabinet in early 2023.

FINANCIAL IMPACT:

The proposals sit within the Housing Revenue Account (HRA) and therefore will have no direct financial impact on the Borough's General Fund. Some of the recommendations implemented will have an attached financial cost to the HRA. This will be included in the costs of the overall Housing Business Plan being developed for the Council.

Any costs incurred in the future to deliver the plan will have gone through the Council's existing controls to ensure the expenditure is essential and represents good value for Croydon. Any costs in the current year will need to be contained within the existing approved budget for 2022/2023 to ensure Members are sighted.

KEY DECISION REFERENCE NO.: 5122EM

RECOMMENDATIONS:

The Executive Mayor in Cabinet is recommended to:

- i. Consider and approve the proposed arrangements for consulting with secure tenants and introductory tenants on matters of housing management for the purposes of sections 105 of the Housing Act 1985 and 137 of the Housing Act 1996 as set out in Appendix 1
- ii. Agree that residents be consulted in accordance with Section 105 of the Housing Act 1985 and, to the extent relevant, under section 137 of the Housing Act 1996 on the proposals to refurbish or demolish and redevelop those properties within the Regina Road estate, as defined on the plan attached as Appendix 2.
- iii. Note at Appendix 3 the comments arising from early engagement with tenants, leaseholders and freeholders in the Regina Road area at the resident engagement workshops held locally during October.
- iv. Agree that residents (including tenants, leaseholders and freeholders) be consulted on the proposed contents of the Tenant and Leaseholder/Freeholder Offers at Appendices 4 and 5 for those properties within the Regina Road estate, as defined on the plan attached as Appendix 2.
- v. The outcome of the consultations at recommendations ii) and iv be reported back to the Mayor and Cabinet in early 2023.
- vi. Subject to the outcome of the consultations, a report be brought back to the Mayor and Cabinet on a ballot of residents for the purpose of GLA funding.
- vii. Agree that no further tenancies, permanent or temporary, be granted at any of the properties within the Regina Road estate, as defined on the plan attached at Appendix 2, with the exception of properties - nos 89-123, 112,114, 116-126, & 128 Regina Road, & 1-4B & 5-8B Sunnybank - which can only be used for non-secure licensees when vacancies occur because these properties do not suffer from the same conditions and issues as the tower blocks.
- viii. Agree to the appointment of an Independent Tenant and Leaseholder advisor to provide independent support to tenants, leaseholders and freeholders throughout the consultation period and up to and including any ballot/s.
- ix. Approve all necessary expenditure, including architectural fees, surveys, option appraisals, and an Independent Tenant & Leaseholder Advisor, as detailed in paragraph 9.4.

1. LIST OF APPENDICES:

Appendix 1 – Proposed LB Croydon Arrangements for Statutory Consultation under Sections 105 of the Housing Acts 1985 and 107 of the Housing Act 1996

Appendix 2 - Plan No.1 showing location of the three tower blocks and surrounding medium and low-rise development within a boundary

Appendix 3 - Record detailing what residents of the Regina Road area (as defined within the boundary shown on Plan No. 1 in Appendix 2) have said to the Council at the resident engagement sessions held locally during October

Appendix 4 – Draft Tenant Offer for consultation

Appendix 5 – Draft Leaseholder/Freeholder Offer for consultation

Appendix 6 - EQIA

2. BACKGROUND

- 2.1 The Regina Road Estate was developed as social housing by the Borough in the mid-1960s. The estate includes three 11-storey tower blocks built using the Wates Large Panel System (LPS), each with 44 flats. The wider estate contains four medium-rise blocks close to the tower blocks, (with 42 flats) and additional low two-storey housing some of which are included in the scope of this report for consultation on redevelopment. Appendix 2 shows the extent to be considered for inclusion in a potential redevelopment area. This area includes some green space, a play area and a kindergarten.
- 2.2 The three tower blocks were retrofitted with insulated cladding c.1999 as part of a refurbishment project to improve living conditions. However, the flats in the tower blocks – particularly in nos 1-87 - have suffered in recent years from a variety of issues including water penetration, condensation and mould that have proved difficult to rectify. This unsatisfactory situation has developed over recent years because these key maintenance issues, highlighted by residents, were not addressed in a timely way. Major refurbishment works are needed if the blocks are to remain in use longer-term.
- 2.3 This report considers the options open to the Council in working with its residents towards a long-term solution to the difficulties currently being experienced by residents at Regina Road.
- 2.4 There are 39 other HRA owned residential tower blocks in Croydon. These are to be reviewed in the context of the Housing Investment Plan, currently in preparation but fall outside of the remit of this report.

3. REGINA ROAD LPS TOWER BLOCKS

- 3.1 The three tower blocks at Regina Road were built in the 1960s by Wates using a Large Panel System (LPS). LPS blocks were largely built using unskilled

labour and have proved problematic for many local authorities. Extensive research was conducted by the Building Research Establishment (BRE) following the 1968 partial collapse of Ronan Point (built using a different LPS) and resulted in two major reports in 1986 and 1987 which highlighted the need for regular monitoring and structural repair of LPS tower blocks. In the 1987 report BRE highlighted, in their opinion, the major issue of the environment within LPS flats and the need to limit condensation and mould growth at reasonable cost – an issue that flats at Regina Road continue to suffer.

- 3.2 The new Building Safety Regulator has been established within the Health & Safety Executive as a consequence of the 2017 Grenfell Tower fire. The Regulator requires registration of all residential buildings 18 metres and higher or seven storeys and above. Officers expect registration of relevant LBC buildings to be made in January 2023, with a subsequent requirement for each registered building to be licensed for residential use. The licensing process is expected to include a range of issues, but particularly structural stability and fire safety.
- 3.3 In 2012 BRE published its Handbook for the structural assessment of LPS dwelling blocks. This Handbook covers the impact on structural stability of accidental loading, either from explosions that might be caused by non-mains gas or by other reasons, or trauma such as from a refuse vehicle hitting the building. It is expected that the guidance in this Handbook will be used by the new Building Safety Regulator in its forthcoming structural assessments of LPS blocks which will form part of the licencing requirements.
- 3.4 In terms of structural safety, the three Regina Road LPS tower blocks will soon require detailed structural assessment, design and costing, alongside necessary refurbishment and longer-term fire safety works. Structural strengthening of LPS blocks is only likely to extend life for 25 years before further structural works and refurbishment would be needed in accordance with Building Safety legislation and BRE advice.
- 3.5 Regarding fire safety, the three blocks have B2 status EWS1 certificates which means that an adequate standard of safety has not been achieved and that LBC has been advised of the remedial and interim measures required. However, the Fire Engineer signing the EWS1 Forms does ‘...not consider the risk to life safety to be high, in the interim the risk is tolerable. The recommendations have been made to enhance the level of life safety to the occupants considering the occupancy type, building height and single stair core nature.’ Also ‘Based on our findings we consider that there is not an immediate risk to life safety, primarily on the basis of the non-combustible materials used for the main cladding system and sprinklers being present.’ The effect of this is that it is very difficult for funding to be obtained from mortgage lenders pending completion of the necessary works to obtain an A status EWS1 certificate. The recommended works of the greatest priority are currently being undertaken pending decisions on the future of these blocks.
- 3.6 Regarding health safety, BRE has stated that a major issue with LPS flats is that they are prone to condensation and mould growth. The three towers at Regina Road suffer persistently from mould growth. The Housing Ombudsman

Service has published a 'Spotlight on: Damp and Mould' which highlights, for example, that structural factors such as property age, design and modifications affect the risk profile, as does concrete construction, and that significant investment can be required to address the issues.

- 3.7 It would be very difficult to establish exactly why there is persistent mould growth at Regina Road. Most likely it is a combination of circumstances. It might be linked to modern living practices within a building that was built in an earlier era with low-cost energy when such buildings were more comprehensively ventilated. Or it might be related to the original 1960s design that has been adapted over the years to provide increased insulation and different heating systems. Interstitial condensation might be occurring unnoticed within the structure of the building and causing hidden mould growth which then spreads with air movement. There might even be local factors such as a particular microclimate around Regina Road involving, for example, differing air movement and temperature patterns arising from localised ground conditions and nearby buildings. An appropriate conclusion might be that the tower blocks are no longer fit for purpose and that the most effective remedy may be to demolish.
- 3.8 A desk top review was conducted on recent surveys commissioned by LBC for Regina Road, the above EWS1 Certificates, together with further discussions with structural engineers, BRE and four major Councils - three in London and one on the South Coast - relating to decisions on post-Ronan Point LPS blocks. This research indicates that there is sufficient technical information on which to base a decision on whether the three tower blocks at Regina Road have reached the end of their economic life.
- 3.9 It is not clear from records that remain with LBC as to the works carried out to the three towers as part of the refurbishment c. 1999, or post-Ronan Point. What is clear is that the recent issues at the Regina Road Tower Blocks now require longer-term addressing either through significant refurbishment (including structural works) and or through demolition and rebuild. Both options will require residents to move out whilst the work is being undertaken.
- 3.10 On decisions by other Councils, Council A chose to demolish some of its LPS blocks following structural surveys carried out in 2019. Their structural consultants pointed out the age of the buildings and the need for regular, invasive testing of LPS buildings. Council B and Council C also chose to demolish some, depending on wider considerations as well as remaining life while also noting that 'strengthening works to retain the blocks is practically difficult and financially unviable.' Council B estimated structural strengthening works at £74,721 per flat in January 2020 while Council C estimated £316,176 per flat in January 2019.

4. REFURBISHMENT OR REBUILD

- 4.1 LBC's consultant Ridge & Partners in 13/12/21 estimated the refurbishment costs at nos 1-87 Regina Road. Fire Risk Assessment associated works were costed, but did not include structural works pending further investigation nor any additional fire safety works that might be required by the Building Safety

Regulator. It is not known without major and invasive structural investigations what reasonable remaining life might be achievable on these tower blocks which are now nearly 60 years old. To rebuild as 44 x 1-bed flats were estimated by Ridge to cost £14,105,000. However, the new build would be to current standards and have a life of at least 60 years.

4.2 **Table 1 - Comparing potential Refurbishment with Rebuilding for a block of 44 flats on the same site at 2021 prices**

	Refurbish	Per unit	Rebuild	Per unit
Ridge	£8,733,000	£198,500*	£14,105,000**	£320,500**
Extra structural works	£3,600,000 – £13,912,000 (average £8,756,000)	£82,000 - £316,000 (average £199,000)	-	-
Total (with structural average)	£17,489,000	£397,500*	£14,105,000**	£320,500**
GLA grant possible	Unlikely	Unlikely	Yes	Yes
Expected life	25 years		60 years minimum	
EWS1 A Fire Safety	probably		Yes	
Modern space standards	no		Yes	
Outdoor space/balcony	no		Yes	
Pas2035 thermal comfort	no		Yes	
Wheel-chair friendly	no		Yes	
Family-sized homes	no		Dependent on housing need	

* potential leaseholder liability

**includes

demolition

Since December 2021 £370,000 (excluding on-costs - £8,410 per unit) basic refurbishment works have been carried out - not included in above totals.

Table 1 shows that, on current desk-top assessment, refurbishment is likely to cost more than like-for-like rebuild and that there will be substantial liabilities for leaseholders. When considering the options to refurbish vs rebuild it is worth noting that a key point arising from refurbishment is the potential charge to leaseholders. This charge would not arise with rebuilding, where leaseholders would be able to realise market value. Please note that the prices referred to are historic and future prices are likely to be higher.

Note : The only way to be more confident over costings over structural and service stack issues is to conduct invasive tests that will require residents to move out. This will cost significant sums in fees, building work and lost rent, as

well as disruption to tenants, while also adding many months to the decision-making process. This desk top review judges that there is sufficient evidence that the structural issues are such to demonstrate that the towers are at the end of their economic and structural lives. The impact of the persistent mould problems separately points to a similar conclusion that the towers are no longer fit-for-purpose.

4.3 On quality of outcome, refurbished flats would fall short on some current space standards, have lower ceilings, no outdoor balcony space, probably not meet the new Pas2035 retrofit standards for thermal comfort, and have limited life. The carbon cost of refurbishment, plus poorer insulation relative to new build, may also be higher – a detailed assessment is being progressed. There are no family-sized homes in the tower blocks, nor wheelchair adapted homes.

4.4 In moving forward, it is important to follow a proper process in resident consultation on the future of Regina Road. This is important for at least three reasons:

- Firstly, it is a legal requirement under Section 105 of the Housing Act 1985 and section 137 of the Housing Act 1996 for statutory arrangements regarding consultation with residents to be adopted and adhered to prior to the Council progressing with decisions on what the appropriate course of action ought to be.

- Secondly, one of the Council's priorities is to listen to residents to work out the outcome achievable together which will deliver the best quality and best value for money. This is reinforced by the Residents' Charter which gives a clear commitment and undertaking to 'Fully involving our residents in decisions which impact their housing or housing services.' The report to members reiterating the Charter contents stated that:

'The Council is therefore committing to fully involve residents in:

- * all major policy decisions impacting on residents

- * the monitoring of the Council and Housing Department's performance on services impacting on residents

- * any changes materially impacting residents either individually, in their block or their estate.'

- Thirdly, in obtaining the best value for money outcome, it becomes possible, depending on the outcome of the statutory consultation referenced above, to work with the GLA and Government to maximise the amount of financial support that might be forthcoming. Since July 2018 the GLA has required any landlord seeking GLA funding for estate regeneration projects which involve the demolition of any social homes (and the construction of 150 or more homes of any tenure) to show that residents have supported their proposals through a ballot. This is to make sure that GLA funding only supports estate regeneration projects if residents have a clear say in plans and support them going ahead.

- 4.5 The GLA has published good practice guidance and principles to achieve successful Estate Regeneration. This guide includes requirements for full and transparent consultation and involvement with those affected by the project from the outset. The GLA are aware of the position at Regina Road. Subject to the outcome of consultation on the option of refurbishment or demolition and redevelopment, it should be possible for LBC to apply for GLA funding from the GLA's 2021-2026 Programme, which would mean new homes must be completed during 2028 at the latest. Apart from funding for additional social housing, there may be the opportunity for a scheme like Regina Road to qualify for grant to assist replacement social housing (which adds to the cost effectiveness of rebuilding over refurbishment). There are likely to be further GLA funding programmes for completions after 2028, but as yet undetermined. Subject to the outcome of the consultation, an early ballot is feasible and would enable application for GLA funding towards rebuilding costs.
- 4.6 For successful resident engagement LBC will need to be up-to-date with best practice across London as well as national and regional guidance. Inner Circle were commissioned recently to update earlier work with regard to best practice on resident offers that can be applied at Regina Road. Subject to the outcome of consultation at Regina Road and its application, these policies might be capable of being applied across the Borough, subject to Borough-wide consultation.

5. RESIDENT ENGAGEMENT & CONSULTATION

- 5.1 The Regina Road tower blocks have lacked investment for several years. The Council has undertaken a series of actions since March 2021 to address the concerns of residents and try to start to re-build trust with the local community. The initial response included a team of housing officers who spoke to residents at the door to get an understanding of the issues residents were experiencing in their homes. Several meetings - to which all residents were invited - have taken place and a drop-in has been operational since September 2021. A regular newsletter and bulletin for Regina Road are produced for residents. These contain contact details for key housing officers for Regina Road, ways to get involved, and who to talk to if there are problems. Noticeboards are updated with new information and bulletins as they are published. It is worth noting that 23 flats are now empty due to the unsatisfactory conditions.
- 5.2 A reference group was also formed at the beginning of 2022 consisting of a small group of residents representing all three blocks on the estate. It was created to support and engage with residents about repairs, works and improvements taking place at Regina Road over the short, medium and looking ahead to the future.
- 5.3 A Walkabout was held with residents of the three tower blocks on the evening of Wednesday, 13 July 2022. The main issues raised were repair issues, some dating back several years and related to general whole block fabric/service failures which keep re-occurring despite repeated attempts to fix. Residents present understood the difficulties associated with blocks nearly 60 years old and emphasised they would appreciate new homes in preference to the

continuous process of patching old homes. Some residents said they would be happy to move away from Regina Road.

- 5.4 What has become very clear in recent months is that the tower blocks are in a poor state of general repair and this situation is causing frustration for residents. Recent engagement sessions have focused on hearing the views of residents and trying to establish channels for communication and consultation going forward on the future of Regina Road.

Three listening meetings with residents were held on 7, 13 & 17 October, including those of homes within the area of Plan No. 1. These meetings aligned with the objectives listed in the Residents' Charter agreed by the Council in June. The purpose of the meetings was to share with residents the findings of our research so far and to commence discussions on the future of Regina Road and to hear their initial views and concerns. The outcome of these listening meetings are detailed in Appendix 3 and cover areas such as:

- a preference for continuing to live in South Norwood, convenient & friendly
- disappointment with the past Housing service
- enjoy the view of the green space
- general support for rebuilding (although some prefer refurbishment)
- timescale
- many questions about the detail of what it means for them personally as a tenant/leaseholder/freeholder
- housing need questions
- issues about mould

A letter is being sent to all residents who attended thanking them for their time, summarising key points made and setting out next steps.

- 5.5 It is important that going forward we engage in additional sessions with residents of the estate to discuss the potential future options.
- 5.6 Subject to Mayor in Cabinet agreement, next steps include formal consultation on the future of the Regina Road estate with all the residents affected (as defined on Plan No. 1) in accordance with Housing Act obligations. This will involve approving the proposed arrangements for consulting with secure tenants and introductory tenants on matters of housing management at Appendix 1 under Section 105 of the Housing Act 1985 and Section 137 Housing Act 1996.
- 5.7 The next few months will see extensive work involving many meetings with residents. The first consultation is regarding residents' views on refurbishment as opposed to demolition and rebuilding. Table 1 in section 4 demonstrates that comprehensive refurbishment is likely, on the current costings, to cost more than rebuilding to modern standards and may not deliver the longevity and modern standards desired. In addition, there remain uncertainties over mould eradication, potential for falling short on key areas such as expected life, modern fire safety, space standards, balcony/outdoor space, thermal comfort, wheelchair-friendly and family sized homes. These shortcomings outlined in Table 1 will be explained to residents. Equally, residents will want to be assured about the potential benefits of having a new, well-built modern home, so a basic specification for a modern home will be shared during consultation alongside

some assessment of how rebuilding might be carried out. Regardless of whether residents favour refurbishment or demolition and redevelopment, they will wish to know how the options impact on them and their families.

5.8 The statutory consultation will be in parallel with the consultation on the draft Tenant and Leaseholder/Freeholder offers for the Regina Road estate, which are set out in Appendices 4 and 5 for Mayor in Cabinet to approve as drafts for consultation purposes.

5.9 Regardless of whether residents favour refurbishment or demolition and redevelopment, they will wish to know how the options impact on them and their families. It is common practice for schemes such as at Regina Road to set out separately defined and clear offers for tenants and homeowners, outlining what they can expect from the Council as their homes undergo refurbishment or redevelopment. These commitments (sometimes called a Resident offer or Key Guarantees/Commitments) will then guide the rehousing process but critically, if a ballot is appropriate at a later stage, it will also form the basis for the Resident Offer for any resident ballot that may take place. The forming of a Resident Offer is critical in any estate regeneration programme to:

- Give certainty to residents as to how the proposals will affect them.
- Reassure them that an appropriate housing option will be in place.
- Set out how they will be compensated for the disruption.
- Provide a basis for negotiation to achieve vacant possession.
- Provide the foundation to build support for a resident ballot (if required).
- Provide an evidence base for obtaining possession through CPO or Ground 10a action of the Housing Act 1985, if required.
- Ensure adequate resources are secured from the outset to deliver on the commitments.

5.10 The proposed key commitments for Regina Road residents are based on nine guiding principles:

1. Exemplar and inclusive engagement and involvement of residents from the start
2. High quality homes that meet or exceed minimum space standards
3. Resident involvement in design and a choice of fixtures and fittings
4. Keep the community together - one move where possible and Right to Return if required to move temporarily
5. A home for secure tenants that meets their need (or need +1 if over-occupying) and the same tenancy rights
6. A fair deal for leaseholders – including buying back at full market value and options for resident homeowners to purchase.
7. Compensation for the costs and disturbance for moving home
8. Access to free independent advice
9. Support residents with the move, with dedicated support for those with additional needs

- 5.11 The proposed commitments have been developed through an in-depth analysis of resident offers from estate regeneration schemes across London including Tower Hamlets, Hackney, and the following schemes in South London:
- Alton, Wistanley and York Road, Wandsworth
 - High Oath, Eastfields and Ravensbury, Merton
 - South Thamesmead Estate, Bexley
 - Achilles Street Estate, Lambeth
Pike Close, Bromley
 - Lambeth Estate, Lambeth
- 5.12 The review has ensured that the proposed Regina Road tenant and leaseholder commitments are in line with best practice and will provide a strong basis to ensure the proposals have a positive impact on existing residents. The commitments are either legally required or are the minimum standard offered by all the case studies reviewed.
- 5.13 An important point to highlight is that of assessed Housing Need. When the decanting of residents from the tower blocks proceeds, whether for refurbishment or demolition, tenants should be offered a replacement home, whether temporary or permanent, on the basis of their Housing Need at the point of decant.
- 5.14 The formal period for the consultations is recommended as 6 weeks with the intention to have the necessary documents available in late November/December; an extra 2 weeks have been included because of the Christmas holiday period. The intention is to have the outcome of the consultations reported back to Mayor in Cabinet to allow final Resident Offer documents agreed by Cabinet in February 2023.
- 5.15 Subject to the outcome of the consultations, the next stage could be an early ballot of residents, as recommended by the GLA, on whether to proceed with rebuilding. If rebuilding is supported, delivery might be by a range of partnership options involving the Council, Housing Associations and private developers. This will be further elaborated on should the outcome of the consultation suggest re-building is an appropriate option to pursue.
- 5.16 There will in addition be a significant amount of extra work falling on the Council itself. To date, the project has been progressed since July using a part-time senior officer who draws on existing resources across the Council. This needs supplementing going forward with all the additional work falling on the resident engagement team, the decanting of residents, the researching of rebuilding options, dealing with a range of different organisations and developing policies for wider application for what is a major project for the Council. There will need to be a budget for the costs involved, funded from HRA reserves and this is addressed further in the financial implications.
- 5.17 For projects of this nature, it is usual for the Council to appoint an Independent Tenant & Leaseholder Adviser (ITLA) who can give independent advice to residents. A recommendation is made to appoint one.

6. IMPACT ON HRA HOUSING STOCK

6.1 The three tower blocks have suffered for several years from a range of problems. There have been continuous repairs and refurbishments in attempts to tackle water penetration, damp and mould. This is a growing problem. As at 26 October 2022, 23 flats are being held vacant – nearly 18% of the total – as shown by Table 2:

Table 2 – Occupancy of the Three Tower Blocks, as at 26 October 2022

REGINA ROAD	TENANTS	LEASEHOLDERS	VOID	TOTALS
1-87 (1 bed flats)	31	1	12	44
2-56A (2 bed flats)	38	2	4	44
58-108A (2 bed flats)	37	0	7	44
TOTALS	106	3	23	132

Note that this table applies only to the three tower blocks. There are 51 further homes in the low and medium buildings within the area covered by the plan at Appendix 2, with additional tenants and additional leaseholder/freeholders.

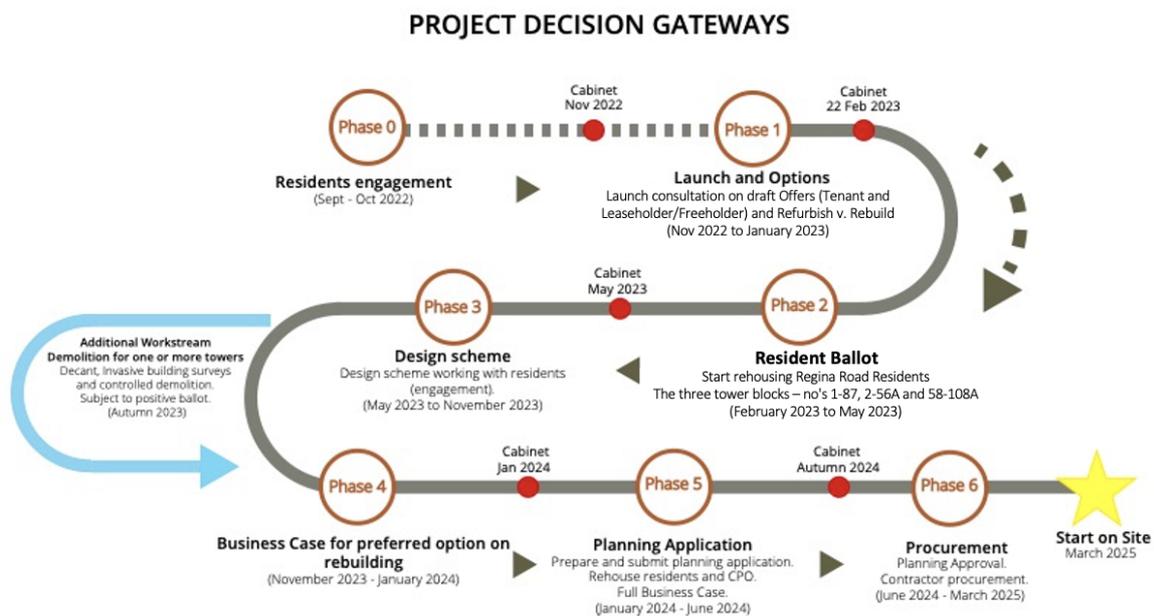
- 6.2 In the light of the growing structural and other issues now apparent, it makes sense not to let any homes that become available pending the outcome of the consultation on refurbishment or demolition and any subsequent decisions. The current 23 vacant flats will need to be secured and there will be a loss of rental income, but there will also be a significant saving on continuous reactive repairs.
- 6.3 There is also the issue of what to do should tenancies end in any of the low and medium rise surrounding properties within the area covered by Plan No.1. These properties - nos 89-123, 112, 114, 116-126, & 128 Regina Road, & 1-4B & 5-8B Sunnybank - do not have the same disrepair issues as the three tower blocks. It is recommended that any new lettings should be on a non-secure basis and therefore the homes would be available for the time being to those households requiring emergency accommodation.
- 6.4 The methodology of the consultation will be important. Apart from taking account of relevant legislation and GLA requirements, consultation will need to follow the principles in the Residents’ Charter agreed by the Council earlier this year. As the section on Equalities Impact makes clear, Regina Road is home to a wide range of residents, including families, all ages and a mix of backgrounds, needs and ethnicities. Greater emphasis on data collection in relation to protected characteristics to inform decision making will be developed in the imminent Housing Needs survey for Regina Road.

7. NEXT STEPS

- 7.1 The next step is formal statutory consultation, as detailed above, with tenants, leaseholders and freeholders within the area defined by the plan at Appendix 2 on the issue of refurbishment as opposed to demolition and redevelopment and on the draft documents at Appendices 4 and 5.
- 7.2 An EQIA is attached to this report as Appendix 6 which will be updated as the project progresses, especially through the Housing Needs survey to be conducted shortly. Collating data about the protected characteristics of residents living at Regina Road will take time as the information is likely to either not exist or exist in different places, relating to different services. Privacy statements will also need to be prepared to request information about protected characteristics and this will be built into the resident engagement plan as the project progresses.
- 7.3 Equally important is to manage the current situation better. The immediate focus is making sure that residents are experiencing better management than previously. Accordingly, an officer working party on Regina Road has been established to co-ordinate officer decisions and oversee rebuilding confidence.
- 7.4 A corporate working party is also being established to ensure this major project is supported corporately across the Council.
- 7.5 The Council will also need to be mindful of the costs of delivery at Regina Road relative to the needs of the housing stock generally throughout the Borough and the need for additional homes. Any decisions on building extra capacity beyond replacement homes will need to accord with the Local Development Plan and may need to involve a mix, which could potentially include the Council (to ensure all existing tenants are rehoused), a Housing Association (to increase housing options for local residents), and a private housebuilder (with options for leaseholders/freeholders).
- 7.6 Subject to the outcome of the consultation, should the Council agree in due course, after ballot, to demolish the three LPS blocks at Regina Road, it will be important for the Council to gain information relevant to its remaining LPS blocks which would be the subject of future reports as and when necessary. This could inform future decisions on whether to refurbish or rebuild these other blocks. Some Councils have done this by building into demolition specifications the ability of structural engineers to examine some of the key structural elements, normally hidden from sight without major intrusive building works. The focus would be on structural elements which are known to be potentially weak in LPS structures. While no two tower blocks are identical, this approach would give crucial information on how best to tackle the 13 remaining LPS blocks in Council ownership and what their remaining structural life might be. Residents of these tower blocks are receiving a letter drawing their attention to this Cabinet Report and assuring them that they will be kept informed of the information that the Council may be able to obtain from structural testing of any demolitions at Regina Road and the relevance, if any, to the block in which they live.

8. TIMESCALE

- 8.1 If Cabinet agrees to proceed, resident consultation required by the Housing Acts 1985 and 1996 will proceed immediately. The first stage will be formal consultation for six weeks on the option to demolish or refurbish, together with consulting on proposed tenant, leaseholder and freeholder offers at Appendices 4 and 5. The documents will inform residents on what the process will mean for them as they potentially move from one home to another. Subject to the outcome of the consultations and a report back to Members on the outcome, the second stage could involve a ballot of affected residents during early 2023. All this takes time and so it may be Summer 2023 before any final decision on refurbishment or rebuilding might be taken.
- 8.2 The roadmap below indicates the main phases and gateways for possible future stages of the project. There is the key date of Cabinet in February 2023 when the results of statutory consultation will be reviewed and decisions taken on any ballot. The potential timescale is also shown if decisions were to be taken to rebuild instead of refurbishing:



9. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

- 9.1 There are several options that can be considered in due course on how any scheme at Regina Road might be delivered. These range from refurbishment to a Council-led rebuild project which would replace and add to the Council's stock of social housing as well as partnership options with Housing Associations and/or private housebuilders with different cost profiles. Or a mix of options.
- 9.2 At this very early stage some very broad headline costing has been undertaken on a Council-led project, whether refurbishment or rebuilding. Because the Council would be the sole client, this should be the quickest way to achieve early delivery.

9.3 At current prices, for very broad costing purposes on what refurbishment or rebuilding might cost, a figure of £50 million has been assumed for funding a maximum of 140 Council homes (the number of homes expected to be needed at Regina Road if every existing secure tenant within the area defined on the plan attached as Appendix 2 wanted a new Council home at Regina Road). This figure is before any grants or capital receipts. A high-level review of the existing HRA Business Plan shows a project of £50m could be afforded by the HRA but would significantly increase the level of borrowing within the plan. This opinion is based on the below assumption:

- An additional £10m of expenditure/borrowed funding is added each year for 5 years to the current/existing property development programme
- Assuming the current development plans remain & this regeneration is in addition to it,
- The model has assumed borrowing requirement in future years to be able to meet the development requirements of the existing housing stock therefore this is an additional £50m of borrowing
- No changes to the number of properties has been assumed
- An average interest rate of 3% PA over the 30 year business plan life was assumed at the time of modelling. A higher interest rate now seems likely and will need to be scenario tested as part of feasibility work. Use of HRA reserves, Right to Buy receipts and GLA grant all to be considered as part of the funding mix alongside the borrowing required.
- The HRA CFR (Capital Financing Requirement) currently is £334m opening for 22/23 will be £334m
- The borrowing cap was lifted for the HRA but on a prudent basis most LA's would set a debt cap (to be agreed with the S151 officer) but if we assume the £500m per last year's plan then it is within the limit
- Business plan would remain viable as the revenue income continues to meet the borrowing requirement
- Plan assumes debt increases on the HRA with no planned repayment of the debt just maintenance of the debt (interest repayments).

9.4 There is currently no budget for progressing a solution to Regina Road. Estimated spend in 2022/23 is £300k and feasibility work can be expected to continue into 2023/24 at a similar pace. This will be part of the overall project capital cost although must remain funded by in-year revenue (which makes up around £10m of the capital funding each year). This spend can be included as part of the financial modelling work required to set a capital budget for the overall project.

9.5 The Council will be proceeding at risk in not granting new tenancies in the tower blocks pending a final decision on demolition/major refurbishment. While some of this expenditure will be necessary to demonstrate to residents what refurbishment or rebuilding would mean for them, there is the possibility that residents might not support redevelopment.

9.6 Other risks include:

- Economic uncertainty particularly around the possibility of a further rent freeze or cap restricting the financial flexibility within the HRA
- Viability as seen by any development partners such as Housing Associations or private developers, coupled with site attractiveness relative to other development opportunities in South London
- Residents might not support rebuilding of the three tower blocks
- Residents of medium and low-rise development within the plan at Appendix 2 might prefer refurbishment to address the obsolescence of their homes rather than rebuilding
- Critics might argue that refurbishment is more sustainable than redevelopment, so whole life carbon assessments will be needed alongside option development to refute any criticism
- Leasehold/freehold properties might in due course require Compulsory Purchase Orders which would delay progress
- Some tenants may need to move more than once, with a right-to-return

9.7 Approved by Orlagh Guarnori/Sarah Attwood, Head of Finance Housing

10. LEGAL CONSIDERATIONS

- 10.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Legal Services and Monitoring Officer that the Council is required, under Section 105 of the Housing Act 1985 to maintain such arrangements as it considers appropriate to enable those of its secure tenants who are likely to be substantially affected by a matter of housing management (a) to be informed of the authority's proposals in respect of the matter, and (b) to make their views known to the authority within a specified period; and the Council shall, before making any decision on the matter, consider any representations made to it in accordance with those arrangements.
- 10.2 For the purposes of section 105, a matter is one of housing management if, it relates to the management, maintenance, improvement or demolition of dwelling-houses let by the authority under secure tenancies, or the provision of services or amenities in connection with such dwelling-houses; but not so far as it relates to the rent payable under a secure tenancy or to charges for services or facilities provided by the authority. It applies to all matters of housing management which represent a new programme of maintenance, improvement or demolition, or a change in the practice or policy of the authority, and are likely substantially to affect either its secure tenants as a whole or a group of them who form a distinct social group or occupy dwelling-houses which constitute a distinct class (whether by reference to the kind of dwelling-house, the housing estate or other larger area in which they are situated).
- 10.3 The Council as landlord is required to publish details of the arrangements which it makes under section 105, and a copy of the documents published under this subsection shall be made available at the authority's principal office for inspection at all reasonable hours, without charge, by members of the public, and be given, on payment of a reasonable fee, to any member of the public who asks for one.

- 10.4 Section 137 of the Housing Act 1996 places the same duties on the Council as Section 105 referenced above except that these provisions relate to introductory tenancies and require arrangements to be adopted and published for that purpose prior to the Council adhering to those arrangements before making any decisions on a housing management issue covered by the section.
- 10.5 In undertaking consultation, the Council must adhere to the following principles: a) consultation must be at a time when proposals are still at a formative stage; b) proposer must give sufficient reasons for any proposal to permit of intelligent consideration and response; c) adequate time must be given for consideration and response; and d) the outcome of consultation must be conscientiously taken into account in finalising any statutory proposals.
- 10.6 In respect of the draft Tenant and Leaseholder/Freeholder Offers (“Offers”) which is proposed to be the subject of a consultation if consultation is agreed as part of the recommendations to this report: Where the Council is preparing an Offer for the purposes of complying with potential future GLA funding requirements (subject to the outcome of the statutory consultation for housing management matters referred to above and eligibility for GLA funding in respect of the project) the Offer document needs to comply with the following requirements which are specified by the GLA:

Offer documents must contain sufficient information for eligible residents to make an informed decision about the future of their estate. As a minimum, the Offer must include the following:

- The broad vision, priorities and objectives for the estate regeneration, including information on:
 - o Design principles of the proposed estate regeneration.
 - o Estimated overall number of new homes.
 - o Future tenure mix.
 - o Proposed associated social infrastructure.
- Details of the full right to return or remain for social tenants living in homes that are to be demolished.
- Details of the offer for leaseholders and freeholders of homes that are to be demolished.
- Commitments relating to ongoing open and transparent consultation and engagement.

- 10.7 The need to rehouse tenants arises because of the Council’s actions and not because of transfer applications made by them. Therefore, the provisions of Part 6 Housing Act 1996 do not apply to the transfers under these proposals by virtue of section 159(4A) Housing Act 1996. The duty on the local authority to rehouse the displaced person is separate from an authority's homelessness duties under the Housing Act 1996.
- 10.8 The Council’s Allocation scheme (“the Scheme”) provides that the scheme nonetheless accords secure tenants Band 1 priority where they are required to be decanted (moved from their current property) where it is necessary to allow the carrying out of major works to their block (refurbishment), or it is part of a regeneration scheme which requires demolition and redevelopment and the secure tenant cannot remain in occupation while the works are carried out. In

addition, the Allocations scheme provides that they will be offered temporary accommodation in suitable alternative accommodation while the refurbishment or demolition and redevelopment work is carried out. The Scheme also provides that in such circumstances the secure tenant will be given the choice to return.

- 10.9 Whether a decision is taken to demolish any of the blocks or to undertake refurbishment works, the Council is entitled to possession under Ground 10 Schedule 2 Housing Act 1985. When relying on Ground 10, it is required to secure that there is suitable alternative accommodation available to the tenant.
- 10.10 Any Local Lettings Plan which is proposed to be adopted by the Council as provided for in the Council's Allocation Scheme is governed by the provisions of section 166A(6)(b) Housing Act 1996 (as amended). Section 166A(6)(b) of the 1996 Act enables housing authorities to allocate particular accommodation to people of a particular description, whether or not they fall within the reasonable preference categories and the draft Local Lettings plan as part of the Offer documents sets out the principles and procedures proposed to be adopted, subject to consultation, by the Council for the allocation of housing to Council tenants who will be affected by the refurbishment or demolition and redevelopment at the Regina Road Estate.
- 10.11 The Land Compensation Act 1973, and regulations published thereunder makes provision for compensation including via homeloss payments, disturbance payments and basic loss payments which secure tenants, leaseholders and freeholders on the affected estate may be entitled to in certain circumstances and sets the statutory limits for some of these compensation entitlements.
- 10.12 Whilst the Building Safety Act 2022 will place requirements on the Council as Accountable Person under the Act in respect of "higher risk" buildings under that Act to develop and produce a "residents' engagement strategy" for promoting the participation of relevant persons in the making of building safety decisions, those provisions are not yet in force although their requirements may come into force during the lifetime of this proposed project and officers will need to be mindful of the potentially changing and/or additional obligations these requirements would place on the Council, including in terms of additional statutory consultation with affected residents.
- 10.13 Approved by Stephen Lawrence-Ormense, Director of Legal Services and Monitoring Officer

11. HUMAN RESOURCES IMPACT

- 11.1 The only immediate human resources impact in regard to this report is the recruitment of a small team to focus on Regina Road, the costs of which are included in the Financial implications. This will be managed under the Council's Recruitment Policy. If any other issues should arise these will be managed under the Council's policies and procedures.

11.2 Approved by Jennifer Sankar, Head of HR for Housing Directorate and Sustainable Communities, Regeneration and Economic Recovery, for and on behalf of Dean Shoesmith, Chief People Officer

12. EQUALITIES IMPACT

12.1 The Council has a statutory duty, when exercising its functions, to comply with the provisions set out in the Sec 149 Equality Act 2010. The Council must, in the performance of its functions, therefore have due regard to:

(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;

(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

12.2 Regina Road is home to a wide range of residents, including families, ageing residents, and a mix of backgrounds, needs and ethnicities. The location was placed in the public arena during 2021 when news of the poor housing conditions at the location were in the media. There were several allegations of racial discrimination from residents regarding how housing staff behaved towards them when they expressed their complaints. This had led to a lack of trust between residents and the Council. This is therefore relevant to the consultation and outlines the necessity for the Council to pay due regard to the Public Sector Equality Duties detailed in paragraph 12.1.

12.3 There is little data on the protected characteristics of the residents at the location held by the service. It is essential that data is collected in future to ensure due regard to the Public Sector duties.

12.4 The Council has undertaken a series of actions since March 2021 to address the concerns of residents and try to start to re-build trust and relationships with residents on the estate. Details of the engagement are in both the report and the EQIA.

12.5 During summer 2022, the service has undertaken a small engagement survey and collected data across some protected characteristics. The key findings were that both females and African/African Caribbean. Mixed heritage and other groups were less satisfied with the housing service provided in general. The consultation should take these factors into account and ensure that the service is accessible for residents that do not have English as a first language. Residents with mental health needs, neurodiverse conditions and those who may be less accessible due to employment should also be considered.

12.6 The service will be unable to ascertain the true equality impact of its improvement programme until it is able to understand the thoughts and lived experience of all protected characteristics in the homes that it manages. It will be primarily important to build trust to encourage residents to be comfortable

sharing their data with the Council. It is noted that some responses where residents were more dissatisfied, they had declined to share their protected characteristics. Future engagement should outline the positive intention behind sharing data and the positive outcomes that it may bring to the resident's experience. In view of the historical difficulties at Regina Road, equalities and residents voice should be at the forefront of improvement plans.

12.7 An EQIA is attached to this report at Appendix 6 which will be updated periodically when data gaps can be filled. It is also imperative that work continues in relation to the action plan outlined in the EQIA.

12.8 Approved by: Denise McCausland Equalities Programme

13. ENVIRONMENTAL IMPACT

13.1 Refurbishment or demolition of the ageing tower blocks and rebuilding in a way that includes neighbouring older housing in a sensitive way that includes green space would have a positive impact on the local environment.

13.2 Approved by Susmita Sen, Corporate Director Housing

14. CRIME AND DISORDER REDUCTION IMPACT

14.1 There is some minor-level anti-social behaviour on the estate, as reported by residents. Any modern well-planned refurbishment or redevelopment should reduce the incidence of such behaviour. By working with the specialist Police Design Out Crime officers we can look to build modern crime prevention techniques and designs into the state which will help prevent crime and ASB.

14.2 There are no crime prevention and reduction implications because of the recommendations in this report.

14.3 Approved by Kristian Aspinall, Director of Community Safety.

15. DATA PROTECTION IMPLICATIONS

15.1 The report contains no sensitive or personal data.

15.2 The recommendations will involve the processing of personal data or special category data. There will be the need to complete a Data Protection Impact Assessment for review by the Data Protection Officer in relation to the data to be collected.

15.3 Approved by Susmita Sen, Corporate Director of Housing

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APPENDICES TO THIS REPORT:

Appendix 1 – Proposed LB Croydon Arrangements for Statutory Consultation under Sections 105 of the Housing Acts 1985 and 107 of the Housing Act 1996

Appendix 2 - Plan No.1 showing location of the three tower blocks and surrounding medium and low-rise development within a boundary

Appendix 3 - Record detailing what residents of the Regina Road area (as defined within the boundary shown on Plan No. 1 in Appendix 2) have said to the Council at the resident engagement sessions held locally during October

Appendix 4 – Draft Tenant Offer for consultation

Appendix 5 – Draft Leaseholder/Freeholder Offer for consultation

Appendix 6 - EQIA

BACKGROUND DOCUMENTS – LOCAL GOVERNMENT ACT 1972

None other than referred to in this report. Documents from Councils A, B and C contain exempt and confidential information relevant to the Council concerned.