



DERBY CITY COUNCIL

COUNCIL CABINET
17 March 2009

ITEM 18

**Corporate Director for Corporate and
Adult Services**

Exeter House

SUMMARY

- 1.1 In January 2005, Derby Cityscape published its first Masterplan outlining its vision for the future of Derby city centre. In February 2005, Cabinet resolved to approve this Masterplan as a guide to the City Council's regeneration plans for the City Centre and as a material consideration in relation to planning applications.
- 1.2 In October 2006 Derby Cityscape published, for consultation, revised proposals, which took account of changing circumstances. The revised Masterplan proposals were approved by Cabinet at its 3 July 2007 meeting.
- 1.3 The Cityscape proposals for the North Riverside area at that time contained proposals that would have involved the redevelopment of the land currently occupied by Exeter House and its replacement with a scheme comprising residential, office, leisure and complementary retail uses.
- 1.4 At its 31 July 2007 meeting, Council Cabinet resolved to authorise the issue of an Initial Demolition Notice to enable the decanting of tenants and residents from the block in preparation for its demolition and the redevelopment of the site. The Initial Demolition Notice was issued on 20 September 2007. Some 16 households have vacated Exeter House since the Initial Demolition Notice was issued.
- 1.5 Since September 2007, there have been some significant developments that impact upon Exeter House. The Environment Agency has in recent months revealed its draft strategy in relation to flooding issues within the City. These proposals will require a re-appraisal of the Cityscape North Riverside Masterplan proposals. This need for a re-appraisal, combined with the current economic downturn, has significantly reduced the likelihood of a redevelopment scheme being secured on this site, at least in the short to medium term.
- 1.6 At the same time, housing need within the city particularly for one bed flats remains high and the Cabinet Member for Housing and Public Protection has requested that previous plans to demolish Exeter House be reviewed.
- 1.7 As part of this review, refurbishment proposals have been developed that would enable all the 16 vacant units to be brought back into use and other general improvements throughout the scheme to be undertaken. These proposals would also provide the block with a basic level of defence against flooding.

RECOMMENDATION

- 2.1 To authorise the revocation of the Initial Demolition Notice dated 20/09/07.
- 2.2 To authorise the refurbishment of Exeter House as outlined in paragraph 4.11.
- 2.3 To refer the report to the Community Commission and to report any comments to the April Cabinet meeting.

REASON FOR RECOMMENDATIONS

- 3.1 To provide tenants and residents with certainty relating to the future of their homes.
- 3.2 To enable those units currently vacant in Exeter House to be brought back into use, to ensure all of the Council's rented flats within the block meet the Decent Homes standard.
- 3.3 To enable the Community Commission to consider the report and to enable any subsequent comments to be reported back to Cabinet.

SUPPORTING INFORMATION

- 4.1 The original Cityscape Masterplan was published in January 2005. It set out Cityscape's broad vision for the future of the city centre for implementation over the next 15 Years. The North Riverside area was proposed to accommodate a Performing Arts Centre.
- 4.2 In October 2006, proposed revisions to the Masterplan were published and public consultation on these continued until February 2007. A number of amendments to the original proposals were proposed as a result of updated economic analysis and having regard to progress on schemes, changing economic circumstances and comments from the public. These revisions showed proposals for the North Riverside area now involving residential, office and leisure developments in place of the original Performing Arts Centre. These amendments were approved by Council Cabinet on 3 July 2007.
- 4.3 At its 31 July 2007 meeting, Council Cabinet resolved to authorise the issue of an Initial Demolition Notice to enable the decanting of tenants and residents from the block in preparation for its demolition and the redevelopment of the site. The Initial Demolition Notice was issued on 20 September 2007. Within the block, tenants from 16 of the flats have moved out. Three of these units are currently being used as temporary accommodation whilst the others are now vacant. The majority of these vacant flats have been 'stripped out' by the Council in order to reduce the likelihood of them being broken into and becoming the consequent focus of other anti-social behaviour.
- 4.4 Members will be aware that, at its last meeting, Cabinet resolved to support the principle of a new flood defence strategy being drawn up by the Environment Agency along the Derwent. This strategy includes the building of new flood defences set back further from the river than the existing ones. This will in effect create a wider river corridor known as the 'Blue Corridor'. The precise boundaries of

this area have not yet been defined, but on current information, it is likely that Exeter House will be included within it. Land within the Blue Corridor will mostly become part of the functional flood plain of the river.

- 4.5 The Lower Derwent Flood Risk Management Strategy, including the 'Blue Corridor' approach, has not yet been approved by the Environment Agency. If it is, detailed design work will start this summer and construction could begin in 2011/12. Works are likely to take between 3 to 7 years to complete depending on the final design, but should be complete by 2019. The Environment Agency has indicated that it will maintain existing defences for about ten years after completion of the new defences, but after that, land within the Blue corridor will become more at risk from flooding. However, that would mean defences would be maintained until 2025 at the earliest and 2029 at the latest.
- 4.6 These proposals will require a re-appraisal of the Cityscape North Riverside master plan. The need for this re-appraisal, combined with the current economic downturn, has significantly reduced the likelihood of a redevelopment scheme being secured on this site in the short to medium term. The best case scenario is that the re-appraisal process will be completed within the next two years. It is possible that this process could take significantly longer.
- 4.7 At the same time, the City continues to experience high levels of unmet need for affordable housing. There are currently some 8,978 households actively seeking accommodation on the Council's housing waiting list. The city centre area is no exception. There are some 2962 households on the Council's waiting list who have expressed a need for the city centre area, 1711 of these are specifically seeking 1 bed accommodation.
- 4.8 In view of the uncertainty relating to redevelopment proposals for this site and the timescales involved in a review of the Cityscape North Riverside Masterplan, I believe the Council should authorise the issue of a Revocation Order rescinding the previous demolition order. This would allow the block to be refurbished for an interim period whilst the details of the new flood defences are drawn up and implemented. To retain 37 refurbished units of affordable housing at a cost of £350,000 for occupation for at least 15 years is sensible. Further discussion with the Environment Agency is needed as part of the detailed design work to draw up a longer term strategy. It may, for instance, be possible to design a Blue Corridor that excludes Exeter House, thus giving it more protection than at present. It may also be possible to extend the life and/or improve existing defences. It may also be possible to rebuild Exeter House at some point in the future in such a way that complements the Blue Corridor and excludes any new building from it.
- 4.9 Members should note that Exeter House already lies within Flood Zone 3, which the Government considers to be at high risk of flooding. As a result, it would seem appropriate to improve existing resilience against flooding wherever possible, either through internal alterations within the block and/or through an interim approach as part of the wider flood risk strategy.
- 4.10 Should Members agree to the Revocation Order, a scheme involving the refurbishment of Exeter House has been developed and costed for Members' consideration. The proposed refurbishment will secure improved flood risk resilience measures and I would hope to work with the Environment Agency to achieve this.
- 4.11 These refurbishment proposals would involve the following works;
 - The refurbishment of all previously vacated flats

- The installation of new kitchens to all of the Council flats to ensure that the continue to meet the decent homes standard
- General redecorating to Communal areas
- The installation of flood defence barriers to the Car Park
- The installation of Individual slot barriers to the ground floor flat entrances.

OTHER OPTIONS CONSIDERED

- 5.1 The Council could continue with the decanting process and demolish Exeter House. In view of the Environment Agency proposals however, and the increased risk of flooding in the longer term, it is not clear whether redevelopment proposals would be approved on this site. Also, in view of the current economic downturn, even if a redevelopment scheme were to be approved, it is unclear whether a development partner would choose to develop such a scheme within the current economic climate. Either way, the Council could be left to manage a cleared site in a prominent position and the City would lose 37 affordable units at a time when unmet housing need within the City is extremely high.
- 5.2 The Council could continue to manage the scheme with 13 vacant units whilst it awaits the outcome of a review of the North Riverside proposals. It is anticipated that in the best case scenario, this review could be completed within the next two years although at this stage it is not possible to plan a definitive timeframe. Given this protracted and uncertain timescale and indeed the slim likelihood that this site will be considered suitable for redevelopment at the end of this process, this option is not considered appropriate. The 13 Vacant units, will from past experience, almost inevitably become a focus of anti social behaviour and have already raised the concern of some remaining tenants and leaseholders. The 13 vacant units would also accrue significant rent losses over a 2 year period.

For more information contact: Ian Fullagar Tel 255185
Background papers: 20 July 2007 Council Cabinet report.
List of appendices: Appendix 1 – Implications.

IMPLICATIONS

Financial

- 1.1 The 16 Households that have already left Exeter House since the issue of the demolition notice have been entitled to Home Loss payments of £4,700 each.
- 1.2 The Capital costs of £350,000 for the refurbishment of Exeter House and the elementary flood defence works would be funded from the HRA reserve.

Legal

- 2.1 Under Section 138A and Schedule 5A of the Housing Act 1985 as inserted by Section 182 of the Housing Act 2004 the Council served notice of its intention to demolish Exeter House on the 20 September 2007. This notice is valid until 19 September 2012 unless it is revoked or terminated. If the notice is revoked or terminated a further notice cannot be served until the expiration of 5 years.

Personnel

3. None directly arising from this report.

Equalities impact

4. It is proposed that the 16 households that have already vacated Exeter House in the expectation that it would be demolished, be offered the opportunity to move back into the block once refurbished if they wish. Previous experience would suggest that few if any tenants will wish to return. The remaining flats will be let through the Council's choice based lettings process.

Corporate priorities

- 5.1 The proposal promotes the Council's objectives of **making us proud of our neighbourhoods and Creating a 21st Century City centre.**