

<b>21 November 2023</b>		<b>ITEM: 6</b>
<b>Housing Overview and Scrutiny Committee</b>		
<b>Blackshots Estate – Update on Demolition and Redevelopment</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> N/A	
<b>Report of:</b> Keith Andrews, Strategic Lead – Housing Development		
<b>Accountable Assistant Director:</b> Ewelina Sorbjan, Assistant Director of Housing		
<b>Accountable Director:</b> Ian Wake – Corporate Director of Adults, Housing and Health		
<b>This report is</b> Public		

### **Executive Summary**

This report seeks to update members on progress towards the demolition and proposed redevelopment of three tower blocks and adjoining land at the Blackshots Estate.

Progress with the development of the scheme is set out in the body of the report.

At the Scrutiny meeting Members will be brought up to date on further progress and development of the scheme.

### **Government Intervention & Section 114**

In July 2022, the Council was made aware of concerns around the valuation of specific investments. A review process commenced, and the initial findings highlighted significant concern with three investments and the position was shared informally with the Department of Levelling Up, Housing and Communities (DLUHC). On the 2 September 2022 DLUHC announced directions to implement an intervention package at the Council.

The Secretary of State exercised his powers under section 15(11) of the Local Government Act 1999 to give a Direction without complying with the requirement at section 15(9) to give Thurrock an opportunity to make representations about the Directions, as he considered the failures of the Council's compliance with its Best Value duty in respect of the functions specified in the Directions sufficiently urgent. This was because of the following:

- the scale of the financial and commercial risks potentially facing the Authority, which were compounded by the Authority's approach to financial management and the seriousness of the allegations that were made by third parties about the processes applied to the operation of the Authority's commercial strategy, and;
- the failure of the Authority to provide assurance to Ministers and the Department on the adequacy of the actions that they were taking to address the issues, taking account of the scale and pace of the response required.

The Secretary of State nominated Essex County Council to the role of Commissioner

On 19 December 2022, the Council's Acting Director of Finance & Section 151 Officer issued a report under Section 114 of the Local Government Finance Act 1988. This advises Councillors that the Council faces 'a financial situation of an extremely serious nature.'

Since that period the Council has continued to operate under the s114 Notice and is working alongside Commissioners to tighten its financial management procedures

## **1. Recommendation**

**Housing Overview and Scrutiny Committee are asked to:**

- ### **1.1 Note the progress of the development of the scheme for the proposed redevelopment of the Blackshots tower blocks and comment as appropriate**

## **2. Introduction and Background**

- 2.1 In March 2023, reports were presented to this committee and subsequently Cabinet on the demolition and proposed redevelopment of three tower blocks and adjoining land at the Blackshots estate. This report provides an update on the position at the time of drafting in August 2023 in accordance with the timing of the governance process. Further updates will be provided at the meeting.
- 2.2 At the meeting in March, members agreed inter alia, the commencement of moving residents from the blocks; negotiations with leaseholders on repurchase, payments of home loss and disturbance payments to tenants and that the blocks should not be relet. Cabinet also agreed the proposed site area for the development of the scheme.
- 2.3 Previously the principle of demolishing the blocks had been established and money set aside for multi-disciplinary advice to develop the business case and the design.
- 2.4 A report bringing the final business case for the redevelopment of these blocks was projected for Cabinet in December.

### **3. Progress**

#### **Resident and Stakeholder Engagement**

- 3.1 A programme of planned resident and stakeholder engagement commenced in July 2023 and will run over four months.
- 3.2 The programme consists of four separate onsite engagement events in July, August, September and October held either on the King Georges Field or the Blackshots Civic Hall. Each event has a specific theme from identifying residents' concerns and preferences, what might be possible, a presentation of early designs of homes and place, and a final exhibition of proposals.
- 3.3 Residents can respond to engagement events in person on the day, with council officers, on-line through the council's consultation portal, and through a dedicated phone line.
- 3.4 Key issues arising from the first two consultation events were:
  - a Concerns over loss of open space
  - b Improved Safety (ASB)
  - c Reduction of Fuel Bills
  - d Improved play spaces
- 3.5 Alongside the programme of planned events, a dedicated housing officer resource has been identified within the housing service to ensure all residents have individual discussions on their circumstances in relation to their move from the tower blocks.
- 3.6 In addition to the individual advice, support and engagement activity provided by the council an Independent Tenant and Leaseholder Advice (ITLA) service has been commissioned and a specialist consultancy appointed to provide this. Residents are able to engage directly with the consultancy who are establishing a temporary base alongside council officers in one of the tower blocks and are accessible by phone and email. Newman Francis the appointed ITLA operate independently and liaise with the Council on the residents behalf.
- 3.7 Newman Francis are also working with interested residents to establish a resident steering group to coordinate resident feedback around the decanting process and the future design.

#### **Emptying the blocks**

- 3.8 All council tenants have been contacted individually and their personal circumstances relating to the housing needs and preferences are being collected. At the time of writing, five occupants had been rehoused and a further 16 are under offer. There are 113 active rehousing applications and a

further 36 applications held pending the provision of relevant documentation. There are currently seven empty properties. It is anticipated that the vacation of dwellings will be concluded by March 2025.

- 3.9 Each qualifying tenant receives a package of financial and the offer of practical support including both a statutory home loss and disturbance payment. The Home Loss Payment is made under s30 Land and Compensation Act 1973 and is currently set at £7,800. Disturbance payments are in addition to reflect reasonable expenses. The creation of a budget for these costs was established at Cabinet in March 2023.
- 3.10 All of the 12 leaseholders have been contacted by the council's Housing Service with regard the need to purchase their property. Valuers have been appointed and offers to purchase will commence in September 2023. At present, there is no definite requirement to commence compulsory possession order (CPO) proceedings, although officers continue to monitor this. If it is not possible to resolve matters by negotiation a further Cabinet report will be required to commence CPO action.
- 3.11 Seven of the 12 leaseholders are non-resident and negotiations will be undertaken remotely. Where the leasehold properties have been let privately, it is the leaseholders responsibility to bring those tenancies to an end and so give the council full vacant possession on purchase. However, the Housing Service has made contact with each of those tenants and offered individual housing advice and support in recognition of the difficult circumstances they face and the fact that they too will be required to move home.
- 3.12 Regular officer project boards monitor progress of this work and these numbers.

### **Design**

- 3.13 Levitt Bernstein as the appointed architects has reviewed the previous sketch drawings and are developing options for redevelopment of the site. These will be available for initial consultation at the September consultation event and for discussion with ward members.
- 3.14 Exploratory discussions have been held with the planning department and a preplanning application agreement will be negotiated, and a case officer allocated.

### **Viability**

- 3.15 The consultancy appointed to develop the business case, Avison Young, has been building information on the costs and values of property in Thurrock, including market sale, private rented sector and affordable homes.

When the feasible design options are ready, the viability assessments will be completed and this will be included in the final business case report.

## Property Issues

- 3.16 The existing Blackshots tower blocks have commercial telecom masts located on the roof. Housing development staff are working with property colleagues and legal advisers to establish an approach to relocate these.
- 3.17 The March 2023, a Cabinet report identified that part of the playing fields included within the proposed site boundary was Fields in Trust land and referred to the need to replace this. At the time of drafting, discussions and site visits are in progress and ward members are being consulted on options. Meetings with Fields in Trust will be put in hand.

## Social value

- 3.18 Contracts for services and works including that with Avison Young and Levitt Bernstein incorporate social value measures to be delivered in line with the council's social value framework and supporting priorities for communities.

## Ward Member Consultation

- 3.19 A Ward member steering group has been established to provide oversight of the programme and work streams. The initial meeting was held in early July with further meetings programmed bi-monthly. A meeting has also been held to consider different land parcels than those identified at March 2023 Cabinet and a site walkabout will be undertaken as a follow up.

## Programme

3.20

Item	Programme 2023
Resident Engagement Events	July, August, September, October 2023
Final Design Stage for Business Case	September 2023
Financial Modelling for Business Case	To run alongside above items
Planning pre-application meeting	September/ October 2023
Business Case	October 2023
Housing Overview and Scrutiny and Cabinet	January 2024

- 3.21 Members will note that the projected dates for Housing O&S and Cabinet reporting on the Business Case has been moved from December 2023 to January 2024. This is solely because of the timetabling and governance requirements for Cabinet reports currently in place. Otherwise, at this stage the process for developing the redevelopment proposals is on time.
- 3.22 Housing Overview and Scrutiny Committee and Cabinet will be asked to consider the business case with the intention that authority will be sought to

commence procurement for a main contractor to develop and submit a planning application and construct the new homes.

#### **4. Reasons for Recommendation**

- 4.1 Housing Overview and Scrutiny Committee requested the opportunity to consider progress on the proposed Blackshots redevelopment.

#### **5. Consultation (including Overview and Scrutiny, if applicable)**

- 5.1 The details of the consultation and the results of it to date are set out in the report above.

#### **6. Impact on corporate policies, priorities, performance and community impact**

- 6.1 The development of housing aligns closely with the Council's vision and priorities adopted in 2018. In particular, it resonates with the "Place" theme which focuses on houses, places and environments in which residents can take pride.

#### **7. Implications**

##### **7.1 Financial**

Implications verified by: **Jonathan Wilson**  
**Assistant Director of Finance**

The report sets out a progress update and there are no specific financial implications arising from the detail of the specific areas covered.

Further consideration of the financial implications of the scheme will be provided to members in subsequent reports including detailed consideration of the full business case.

The progression of the project will also continue to be considered as part of the Council's HRA business plan and wider prudential borrowing strategy.

##### **7.2 Legal**

Implications verified by: **Jayne Middleton-Albooye**  
**Interim Head of Legal Services and Deputy Monitoring Officer**

There are no direct legal implications as it is an update report. Full legal implications will be given for reports relating to individual proposals outlined above. In accordance with the remit of the Housing Overview and Scrutiny Committee, Members are asked to review and scrutinise the updates outlined in this report.

### 7.3 **Diversity and Equality**

Implications verified by: **Rebecca Lee**  
**Team Manager, Community Development and Equalities**

There are no direct equality and diversity implications arising from this update report. A full Community Equalities Impact Assessment has been completed and will accompany the Business Case.

### 7.4 **Other implications** (where significant) – i.e., Staff, Health Inequalities, Sustainability, Crime and Disorder and Looked After Children

None

### 8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

7 March 2023 Housing Overview & Scrutiny Committee, Blackshots Estate Demolition and Redevelopment

15 March 2023 Cabinet, Blackshots Estate Demolition and Redevelopment

### 9. **Appendices to the report**

None

## **REPORT AUTHOR**

Keith Andrews

Strategic Lead – Housing Development