

To: HOUSING AND SOCIAL WORK SERVICES COMMITTEE		Subject: MILLCROFT ROAD, CUMBERNAULD
From: HEAD OF HOUSING SOLUTIONS		
Date: 2 February 2017	Ref: EMcH/PH	

## 1. Purpose of Report/Introduction

The purpose of this report is to seek approval to undertake consultation and further explore the feasibility of re-provisioning of privately owned flats at 1 – 103 and 2–204B Millcroft Rd, Cumbernauld which are in very poor condition as a result of long term lack of maintenance.

## 2. Background

- 2.1. The council has a statutory duty to assess housing need and condition and develop appropriate strategies to address the housing issues identified within its area. The Local Housing Strategy 2016 – 2021 identifies the need to address poor quality housing in the private sector and support the regeneration and sustainability of local communities as key priorities. The requirement to develop a long term solution to address the problems of poor maintenance and management of the flats at Millcroft Road is identified as an early priority within the LHS
- 2.2. There are 169 properties in total within 3 blocks of flats at Millcroft Road, approximately 68% of which are owned by private landlords. There has been no factoring arrangement in place for many years resulting in the blocks falling into a state of disrepair as very little maintenance was carried out by the owners. The ability of owners to carry out works to these blocks is further complicated by the fact that liability for any common work undertaken is not split on a 'close by close' basis but split between 112 owners in the case of 2 – 204B Millcroft Rd, and 57 owners in the case of 1 – 103 Millcroft Rd.
- 2.3. In an attempt to encourage owners to maintain the properties, and to support the establishment of effective factoring arrangements, the council served Maintenance Orders in 2011 at 2-204B Millcroft Rd, and in 2012 at 1-103 Millcroft Rd. The council subsequently carried out some essential repair work in default at 2-204B Millcroft Rd, at a cost of £3,800 per flat, which was secured against the titles. Although the works carried out in default by the council did improve the condition of the blocks in the short-term, much of the work carried out was on a patch repair basis, and did not provide a long-term solution to improve the condition of the blocks. Moreover, much of the work carried out to door entries, glazing etc has subsequently been vandalised again, and, due to the lack of an effective factoring arrangement, the backlog of repairs continues to grow. The poor condition of these blocks, along with associated problems of anti social behaviour, also has an adverse impact on the surrounding environment and the Carbrain community in general.

- 2.4. There is also an on-going problem in the area regarding the dumping of rubbish, as a result of owners failing to use the up-lift services available. In addition to causing a potential public health hazard to both residents and council staff, the accumulation of rubbish also poses a serious fire risk.
- 2.5. The council's private sector housing team and environmental health team have been trying for a number of years to engage with owners to support them to maintain their properties, including offering grant assistance and potential use of 'missing share' powers. However, it is evident that the majority of owners are unwilling or unable to undertake the necessary repair work required and it has not been possible to put in place effective factoring arrangements.

### **3. Proposals/Considerations**

- 3.1. A number of options have been considered for the blocks at Millcroft Rd as summarised below:

#### *3.1.1. Do Nothing*

This is the lowest cost option in the short term but does nothing to improve living conditions for residents or address the adverse impact on the surrounding community. The blocks will continue to fall into more serious disrepair to the point where statutory action will be required on health and safety grounds.

#### *3.1.2. Council carries out essential repairs using enforcement powers*

This has already been tried, following the serving of the Maintenance Order. However it is very resource intensive and only provides a short term solution to address the most serious problems. Without an effective factoring arrangement to undertake on-going maintenance the blocks will continue to decline. It is also unlikely the council would recover all its costs given the relatively low equity in the flats.

#### *3.1.3. Council seeks to undertake comprehensive repair/ refurbishment of blocks using Housing Renewal Area enforcement powers*

As for option 3.1.2 above, this option is likely to be very resource intensive and expensive, with costs estimated at around £20,000 per flat, which exceeds the current value of many of the flats. There is also likely to be considerable opposition from owners as it could cause severe financial hardship. If the blocks were comprehensively refurbished then it should be easier to put a factoring arrangement in place to protect the investment, but this would only be sustainable if owners agreed to pay the on-going factoring charges.

#### *3.1.4. Re-provisioning – demolition of flats to be replaced by new build social housing by Sanctuary Scotland Housing Association.*

Although this is likely to be the most expensive option, it is considered to be the only option that provides a long term sustainable solution to address the problems at Millcroft Rd. If this option is pursued it could be progressed along similar lines to the Cumbernauld multi storey re-provisioning programme, ie, Sanctuary HA would buy out owners at current market value. The council would promote a Compulsory Purchase Order in case some owners do not agree to sell voluntarily. It is anticipated owner occupiers would be given the option of renting or becoming a shared equity owner of a new flat being built elsewhere in Cumbernauld by Sanctuary HA.

This re-provisioning option would require to be prioritised within the council's Strategic Housing Investment Plan (SHIP) and supported by the Scottish Government through the Affordable Housing Supply Programme in line with current guidance.

- 3.2. The funding to progress the re-provisioning could be phased over a number of years and should be capable of being accommodated within the council's overall Affordable Housing Supply Programme budget allocation over the next 2-4 years. Moreover, there is also an opportunity to re-house affected owner occupiers within new flats currently being built on the sites of the multi storey flats. Tenants of private landlords may be entitled to re-housing but this would be in accordance with the current allocation policy/ homeless legislation.
- 3.3. In order to finalise the preferred strategy for the Millcroft Road flats, it is proposed to further develop the potential re-provisioning option, including completing a feasibility study regarding the re-development of the site; undertaking consultation with owners and residents; finalising costs and availability of funding, and confirming grounds for any potential Compulsory Purchase Order.

#### **4. Financial / Personnel / Legal / Policy / Equalities Implications**

- 4.1. There are no direct financial implications associated with this report at this time. Should the re-provisioning option be pursued then this would be on the basis that the costs of acquiring the flats, demolition and new build would be met from the council's budget allocation from the Scottish Government's Affordable Housing Supply Programme, and Sanctuary Scotland Housing Association. The costs associated with the promotion of a CPO would require to be funded by the council from the non HRA private sector housing budget.

#### **5. Recommendations**

It is recommended that the Committee:

- (i) Notes the proposed development of a strategy to address the long term lack of maintenance and disrepair of the flats at Millcroft Rd, Cumbernauld
- (ii) Approves the proposal to further explore the re-provisioning option as the preferred way forward, as outlined in section 3 of this report.
- (iii) Notes that the proposed way forward will be the subject to a future report to this committee following consultation with owners and all relevant stakeholders



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*For further information please contact Pamela Humphries on tel 01698 274174*

# LOCATION PLAN - For Information Only

Title: Blocks C,D & E 1-103, 2-74 & 76 - 204B Millcroft Rd. Scale 1:N.T.S.



Town: Cumbernauld

Date: 05/01/2017

## INFRASTRUCTURE



For Information Only

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