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| REPORT TO: | Housing and Community Services Committee | AGENDA ITEM: | 12 |
| DATE OF MEETING: | 28 th August 2003 | CATEGORY: | |
| REPORT FROM: | Director Of Community Services Mark Alflat | DELEGATED | OPEN |
| MEMBERS' CONTACT POINT: | Bob Ledger (Ext: 5775) | DOC: | |
| SUBJECT: | Development options for former sheltered housing units at Bass's Crescent and Smallthorne Place | REF: | |
| WARD(S) AFFECTED: | Linton and Woodville | TERMS OF REFERENCE: | CS01 |

1.0 Recommendation

1.1 To approve a process for developing the former sheltered housing sites at Bass's Crescent, Castle Gresley and Smallthorne Place, Woodville namely:

- The existing properties at Bass's Crescent and Smallthorne Place be marketed on the open market until the end of the financial year. Any expressions of interest to be reported through the Committee process. The costs of marketing will be met from HRA balances.
- If no expressions of interest come forward that both properties be demolished and, subject to the approval of the Finance and Management Committee, costs be met from the Council's capital resources budget. Building works, resultant from the demolition, to an adjoining bungalow at Bass's Crescent also to be progressed on the same basis.
- That the redevelopment of the two areas be progressed and proposals to include new housing provision reflecting the housing needs of the District to be reported to the Committee asap.

2.0 Purpose of Report

2.1 The two units have been decommissioned and the Council needs to formally agree what to do with the existing buildings and sites.

3.0 Bass's Crescent, Castle Gresley

3.1 The Housing and Community Services Committee agreed at its meeting on 13th March;

- That the Chief Executive pursues a partnership scheme with the Derbyshire Constabulary to utilise the vacant premises at Bass's Crescent for a Police training initiative.
- That if the partnership scheme with the Derbyshire Constabulary does not proceed, or another suitable alternative use cannot be found for the premises, the Committee authorises the demolition of the properties at Bass's Crescent, Castle Gresley.

- That the demolition contract be awarded to Midway Demolition Services and that Financial Procedure Rules (Contract Rules) be suspended accordingly.
- 3.2 The current situation is that although the Police and Fire Services have made some use of the building it appears to be minimal with the building being left unoccupied and unattended for long periods of time. No offer of a formal contract has been forthcoming from either Service. The previous concerns highlighted in the report to the March meeting therefore still apply namely the poor impact on the environment and community of a large, unused and increasingly vandalised building.
 - 3.3 In terms of finding an alternative cost effective use for the building the property is being marketed with a closing date of the end of the calendar year which, on the advice of the Council's agents, is the minimum period that will reasonably allow any expressions of interest to come forward (marketing costs, not expected to exceed £2,500, are proposed to be met from HRA balances). Three RSLs were invited last autumn to express an interest in either redeveloping the building or developing a new project on the site. All were of an initial view that the existing property could not be cost effectively altered and refurbished for a modern housing use.
 - 3.4 If there are no cost effective expressions of interest in the building by the 31st December it is proposed that the previous Committee decision be adhered to asap and the property be demolished. It should be noted that as one of the gable walls is shared with an adjacent bungalow a contract will also need to be progressed to complete necessary building works to ensure the structural stability and appropriate external appearance of the bungalow.
 - 3.5 Although the previous decision was to award the demolition contract to a specific contractor the proposal to give an appropriate time for marketing means there is an opportunity to enter a tendering process and thereby comply with standing orders.
 - 3.6 If there are cost effective expressions of interest in the building and/or site prior to demolition these will be reported to the Committee for consideration. If not and demolition proceeds it is proposed that development options for new housing be progressed including asking RSL's to submit competitive detailed proposals for social housing development on the site. The options resulting from such a process being reported through Committee for approval.

4.0 Smallthorne Place, Woodville

- 4.1 The future development of the former Smallthorne Place sheltered housing property is not the subject of any recent Committee decisions. By the time of the Committee meeting the property will have been completely empty for over two months.
- 4.2 The same development issues applying at Bass's also apply at Smallthorne in that as custodians of public resources we are under an obligation in development terms to ensure that we receive the Best Value for the building and/or site, taking account of both price and intended future use.

- 4.3 Three RSLs were also invited last autumn to take an initial look at the development potential of the building and/or a cleared site. All were of the view that the existing building had limited potential in terms of future housing provision and that demolition and redevelopment was the more cost-effective option. Indeed as there is large piece of grassed land, also on the HRA account, adjacent to the Smallthorne Place building the total land available extends to one and half acres which, subject to Planning and Committee approval, could allow the development of over 20 social housing properties.
- 4.4 The adjacent land was the subject of a Housing and Environment Committee report to the 10th August 2000 meeting which resolved to lease it to the Parish Council for the purpose of them building a sports pavilion with associated car parking subject to the Parish Council obtaining lottery funding and planning consents and gaining the support of local residents for the proposal. As there has been no material progress on this matter to date it is not proposed that the 10th August 2000 decision should hold up the demolition works but the issue should be incorporated into the redevelopment considerations.
- 4.5 In terms of future development it is proposed that we first ensure that there is no other cost-effective use for the building and therefore it be marketed in its current form (costs of marketing not expected to exceed £2,500). However as the property is distanced, to a degree, from other buildings and has many windows and accesses into it, there is a high risk of vandalism and resultant costs to the HRA of re-securing after break-in as well as the risks associated with the consequences of any more serious activity. Therefore the marketing period is proposed to be three months: a period long enough to allow interest to come forward but not too long where the costs and risks become excessive.
- 4.6 The re-development options would be progressed taking into consideration housing demand generally as well both specific social housing demand and any aspirations the Parish Council may have for part of the site.

5.0 Financial implications

- 5.1 Both properties appear to be structurally sound, have good heating systems and good doors and windows i.e. it is the internal layout of the properties that are not adequate in modern housing terms. To re-develop the existing properties for a housing use would entail altering the layouts substantially, relocating internal walls and fixtures. The cost of refurbishment will therefore be extremely high as evidenced by the fact that all three RSLs invited last year to have an initial look and gauge how the properties could be re-developed all proposed demolition as the favoured option.
- 5.2 As proposed above both properties should be marketed in their current form to ensure that the Council can make an assessment of the most viable way forward. If the buildings remain it should be on the basis that they would generate a market income for the HRA or a market capital receipt if they are proposed to be demolished by a developer. If these marketing exercises prove unsuccessful then demolition by the Council is the proposed way forward. Redevelopment options could then be progressed over a more considered timescale.

- 5.3 The costs of demolition of both properties are likely to be in the region of £150,000. If the Council gets to the stage of carrying out the works itself it is proposed that the costs be met from the Council's general capital resources, rather than the HRA, on the basis that receipts from the sale of HRA assets currently go into that general capital resources account. However the £150,000 expenditure would need the approval of the Finance and Management Committee.
- 5.4 In addition the current three-year projection on the HRA account shows that balances will be below the recommended level of £500,000 by March 2006 and therefore the account cannot readily take a reduction of £150,000. It had previously been reported to the March 13th meeting that the £90,000 generated from the week 53 rent charge at the turn of the financial year be utilised to offset the demolition costs, but a further report to this meeting identifies that we are £75,000 short of an adequate budget for gas servicing and maintenance in 2003/4. It is therefore proposed to leave the £90,000 in the HRA.
- 5.5 The Council currently 'pools' the usable portion of housing capital receipts into the general capital resources budget with the remaining income going to "set aside" to assist with debt repayment. Members will be interested to know that the Government is currently proposing to alter the way that receipts from Right to Buy Sales are treated from April 2004. Effectively, the current set-aside rule will be abolished and 75% of the proceeds from every house sale will be paid direct to the Government. Some greater flexibility will be allowed on other Housing Receipts (land and other property) in that all sale proceeds can be used locally if subsequent expenditure meets criteria of "providing affordable housing" and/or "regeneration."

6.0 Corporate Implications

- 6.1 None.

7.0 Community Implications

- 7.1 The properties and land will eventually be developed for other purposes which would though be the subject of the normal planning consultations and requirements.

8.0 Background Papers

- 8.1 Agenda and minute of Housing and Community Services Committee 13th March 2003.
- 8.2 RSLs submissions on proposed re-development of Bass's Crescent and Smallthorne Place, October 2002