

## Agenda Item 5

<b>Executive Member</b>	Councillor Corinna Osborne-Patterson – Executive Member for Communities, Services and Housing		
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<b>Date</b>	18 April 2017		
<b>Ward (s) affected</b>	All	<b>Key Decision</b>	Yes
<b>Subject</b>	Refurbishment of Church Gardens, Dorking		
<b>RECOMMENDATION</b>			
That the Executive approve capital expenditure of £260,000 to refurbish the six emergency accommodation flats at Church Gardens, Dorking.			
<b>EXECUTIVE SUMMARY</b>			
<b>Church Gardens, Dorking</b>			
<p>The block of 24 flats at Church Gardens, Dorking was originally owned by the Council and on completion of the Large Scale Voluntary Transfer in October 2007, the freehold was sold to Mole Valley Housing Association. At that time the Council retained six flats within the block on a 199 year lease, which are used as emergency accommodation for homeless households.</p> <p>The properties have been in constant use with a regular turnover of tenants since 2007. While the units have been maintained they are now in need of major refurbishment. The cost of the refurbishment to include new kitchens and bathrooms, boilers and rewiring is £260,000.</p>			
<b>COMMUNITY WELLBEING</b>			
<b>Active communities and support for those who need it</b>			
<ul style="list-style-type: none"> <li>• Support individuals and families who find themselves unintentionally homeless so that education and employment are not put at risk.</li> </ul> <p>The proposal is in accordance with the Council's Homelessness Strategy 2015-20 and corporate commitment to tackle homelessness. Refurbishment of these emergency accommodation units will also directly assist in achieving the above corporate priority. While it is important that the Council improve its property assets it is equally important, in the interests of the ongoing health and wellbeing of homeless households, that the Council provides a good standard of emergency accommodation. In support of this approach the Council has also funded an acquisition programme to acquire additional emergency accommodation units, which was commended by the National Practitioner Service for Homelessness when the 2015 peer review was undertaken of the housing options and homelessness service.</p>			

**The Executive has the authority to determine the recommendations.**

## **1.0 Church Gardens, Dorking**

- 1.1** The block of 24 flats at Church Gardens, Dorking was originally owned by the Council and on completion of the Large Scale Voluntary transfer in October 2007, the freehold was sold to Mole Valley Housing Association, now known as Clarion Housing. At that time the Council retained six flats within the block on a 199 year lease, which are used as emergency accommodation for homeless households.
- 1.2** Since 2007 the six flats have been in constant use. While day to day and essential maintenance has been undertaken the flats are now in need of major refurbishment. The electrical wiring, kitchens and bathrooms are dated and there are condensation problems. This is compounded by the wear and tear brought by a regular turnover of tenants. Under the lease the Council is responsible for the interior of the flats and Clarion Housing for the exterior.
- 1.3** A full survey was commissioned and the works required are:
- replacement kitchens and installation of fire proof partitions between the kitchens and lounges;
  - replacement bathrooms;
  - rewiring;
  - new front doors;
  - replacement gas boilers and radiators;
  - wired in smoke and carbon monoxide detectors;
  - removal of asbestos and other flammable materials;
  - installation of heat recovery units to prevent condensation; and
  - new flooring and carpets.
- 1.4** Landlord's consent from Clarion will be needed to carry out the works and they have indicated that this will be forthcoming. Clarion has also confirmed that they will replace the windows of all the flats at Church Gardens, as part of their planned capital programme.
- 1.5** It is proposed to carry out the works over a 12 month period so that one flat at a time can be refurbished. This will enable the five other flats to continue to be occupied and ensure that there is no impact on other emergency accommodation units or require the need to use bed and bed breakfast as an alternative.
- 1.6** A costed specification was commissioned and the works are estimated at £260,000 to refurbish the six flats inclusive of design, tendering and contract management costs.

## **2.0 Financial Implications**

- 2.1** MVDC's Medium Term Financial Strategy allows for capital expenditure to be incurred for one of three reasons:
- a) to meet a statutory duty, (including Health and Safety);
  - b) when a business case demonstrates an acceptable financial return to the Council; or
  - c) in order to maintain the condition and balance sheet value of existing assets.

- 2.2** The proposal to refurbish Church Gardens meets potentially all of the above reasons.
- 2.3** If these flats are not refurbished they will become uninhabitable. The Council has a statutory duty to temporarily accommodate homeless people, and without the Church Gardens flats, the equivalent number of people will need to be accommodated in bed and breakfast accommodation, which is not only less appropriate, it is also significantly more expensive. As such, the refurbishment will assist MVDC in meeting a statutory duty and at a lower cost than the only feasible alternative. Additionally this refurbishment will protect the value of a Council owned asset.
- 2.4** So, overall this proposal is clearly compliant with MVDC's capital spending criteria.
- 2.5** In terms of funding, the Capital Programme includes a sum of £700,000 per annum specifically for the repair and maintenance of Council assets, in order to protect their value. This is known as the Minor Works budget. This proposal, to spend £260,000 on the refurbishment of Church Gardens can be accommodated within the 2016/17 Minor Works allocation. An additional budget allocation is therefore not required.

### **3.0 Legal Implications**

- 3.1** Under the homelessness legislation the Council must provide suitable emergency accommodation and if these flats are not refurbished in the long term they will be neither fit nor suitable for homeless households to live in. The refurbishment works will, if approved, be subject to the Council's procurement policy and principles.

### **4.0 Options**

- 4.1** The Executive has two options to consider:

#### **Option 1**

The recommendation is approved for the capital expenditure for the refurbishment of Church Gardens, Dorking and so that work can commence. **(Recommended)**

#### **Option 2**

The recommendation is not approved.

### **5.0 Corporate Implications**

#### **5.1 Monitoring Officer Commentary**

The Monitoring Officer is satisfied that all relevant legal implications have been taken into account.

#### **5.2 S151 Officer Commentary**

The s151 Officer confirms that all relevant financial risks and implications have been taken into account in this report.

#### **5.3 Risk Implications**

The risk of not carrying out the work is further deterioration of the flats leading to higher costs and that ultimately the flats will not be fit to be used for emergency accommodation.

#### **5.4 Equalities Implications**

There are no equalities issues relating to this report.

#### **5.5 Employment Issues**

There are no employment implications relating to this report.

## **5.6 Sustainability Issues**

There are no sustainability implications relating to this report.

## **5.7 Consultation**

The Scrutiny Committee was also consulted on this report on 18 April 2017.

## **5.8 Communications**

A press release will be prepared for this report.

## **6.0 Background Papers**

Commissioned survey and costed specification