

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

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| 1. | Meeting: | Cabinet Member for Safe and Attractive Neighbourhoods |
| 2. | Date: | 18th April 2011 |
| 3. | Title: | Moorgate Cemetery Lodge, Workshops and Garages |
| 4. | Directorate: | Environment and Development Services Neighbourhoods and Adult Services |

5. Summary

22 Boston Castle Grove is a vacant three bedroom cemetery lodge located in the Moorgate area.

The property was previously utilised as tied tenancy accommodation for the cemetery caretaker and was vacated in September 2009 upon the externalisation of the Cemetery and Crematorium service to Dignity Funerals Limited.

Dignity have confirmed that they do not require accommodation for an on site caretaker therefore options are currently being explored for its future use.

The cemetery workshops and garages are located to the rear of the property and are under utilised.

This report proposes the sale of the lodge, workshops and garages to enable a significant capital receipt to be generated and cost savings in relation to the ongoing maintenance and running costs.

6. Recommendations

That the Cabinet Member:

- **Approves Option 4- Open Market Sale of 22 Boston Castle Grove, Moorgate Cemetery Workshops and Garages**

7. Proposals and Details

22 Boston Castle Grove is situated within a grade two conservation area in the affluent area of Moorgate. All houses within the area are privately owned with the exception of the property identified within the report. A location map is attached as Appendix 1.

The building is a two storey stone built detached house constructed in the 1840's with a number of architectural features.

The general condition of the property is good however if the Council were to retain the property, it would require decent homes works including kitchen, bathroom, windows and doors.

Retention of the property would also present a management issue as the Council do not own any other houses within the Moorgate area. Its dispersed nature presents a comparatively higher management cost.

The property has a very small courtyard with no garden area and is therefore limited in terms of its amenity space. However there are underused Council owned workshops to the rear of the property which could be included in the sale. They are of a poor visual appearance and add very little aesthetically to the wider conservation area. The buildings consist of workshops with a communal area, kitchen and toilets and two garages accessed from Boston Castle Grove.

They are in a poor condition and require investment to repair a damaged external wall and flat roof which present a potential health and safety issue.

The Council are responsible for the maintenance and running costs of the workshops.

They are currently utilised for four hours during one day per week by the Community Payback Scheme to enable ad-hoc jobs to be undertaken within the cemetery.

The Community Payback Scheme would not be able to operate within the cemetery if they are unable to access the workshops as they require access to welfare facilities.

However, the Council do not benefit from any cost savings from the work undertaken by the scheme as Dignity are responsible for the maintenance of the cemetery. Therefore, Dignity are saving money whilst the Council are paying for the ongoing costs relating to the building.

It is recommended that the workshops and adjoining garages are included in the sale of the property to enable the potential purchaser to demolish the buildings and extend their garden area.

This would make it a more appealing asset with an increased value that would enhance the character of the wider conservation area. Furthermore, the garages accessed off Boston Castle Grove could be retained by the property owner and used as off-street parking in an area where there is no alternative provision.

Sale of the buildings would also relieve the Council from the ongoing running and maintenance costs.

Photos of the lodge, workshops and garages are attached as Appendix 2.

7.1 Option Appraisal

A number of options have been considered for the future use of the property as detailed below:

7.1.1 Option 1- Retain and re-let as a Council property

The property would be transferred to the HRA General Housing Portfolio and works would be undertaken to the decent homes standard to enable it to be re-let. The Council would continue to benefit from the asset value and the annual rental income generated.

However, the Council do not own any other properties within the Moorgate area therefore it would create a higher management cost.

An assessment has been undertaken of repair needs to bring the properties to the Decent Homes standard which totals £13,750 approximately.

The cost of investment falls below the investment threshold for individual properties which is currently set at £20,000.

A report itemising the full repair needs and cost breakdown is attached as Appendix 3.

The workshops would also be retained and continue to function with poor usage as a base for the community pay back scheme. We would need to identify funding to undertake repairs within the building and support the ongoing running costs. The Council would retain full liability for the workshops as the community pay back scheme are not willing to lease them.

We would also undertake repairs to the garages to enable them to be let to residents within the area. We would need to replace damaged garage doors and external walls prior to letting them. It is anticipated that the garages would generate approximately £485 per annum income. However, the garages would also present a management issue as the Council do not own any other garages within the Moorgate area.

This option is not recommended.

7.1.2 Option 2- Sale to a Registered Provider

This option would transfer the property, workshops and garages to a Registered Provider (Registered Provider is the new name for Registered Social Landlord's). The property would be sold on the basis that it is renovated and re-let as an affordable home, with the cost being borne by the Registered Provider. The Council would also retain nomination rights for the properties.

However the RP would benefit from the property asset value and the future net rental income stream. In addition, it is anticipated that a sale to a RP would be at less than market value. The value of any sale discount would probably not compare favourably with the cost of retention and investment detailed in Option 1.

This option is not recommended.

7.1.3 Option 3 - Open Market Sale of 22 Boston Castle Grove and retention of garages and workshops

Disposal on the open market would generate a much needed capital receipt to the Council and transfer liabilities for improvement to the new owner. We are confident that it would be sold quickly as the Land and Property Team have received a number of enquiries regarding its future sale.

The property has been valued at £150,000.

This option would relieve the Council from the ongoing maintenance and management costs in relation to the lodge. However, we would still be responsible for the workshops and garages which are in need of repair.

The Community Payback Scheme would continue to utilise the workshops and we would let the adjoining garages to residents within the area.

This option is not recommended.

7.1.4 Option 4- Open Market Sale of 22 Boston Castle Grove, Cemetery Workshops and Garages

Disposal on the open market would generate a much needed capital receipt to the Council and transfer liabilities for improvement to the new owner. We are confident that it would be sold quickly as the Land and Property Team have received a number of enquiries regarding its future sale.

The Cemetery Lodge would be sold together with the adjacent workshops and garages to increase the value of the property and marketability of the asset.

The property and adjacent workshops and garages have been valued at approximately £190,000.

This option would relieve the Council from the ongoing running, maintenance and management costs in relation to the lodge, workshops and garages.

This option is recommended.

7.2 Consultation

7.2.1 Ward Members

The properties are situated within Ward 2 Boston Castle. The Ward Members have been consulted about the options.

Councillor Wootton is supportive of the sale of the Lodge and garages however he strongly objects to the sale of the workshops due to the impact on the Community payback scheme within the cemetery.

Councillor Hussain has no objections to the sale of the workshops, lodge and garages.

No response has been received from Councillor McNeely.

7.2.2 Friends of Boston Castle and Moorgate Cemetery

The Friends of Boston Castle and Moorgate Cemetery have also been consulted and they are supportive of the sale of the Lodge and garages.

However they strongly object to the sale of the workshops due to the loss of the community payback scheme within the cemetery.

We have also investigated other alternative premises within the area to enable the Community payback scheme to continue operation.

Renovation works to Boston Castle will commence shortly however due to the proposed use of the building as a museum and the scheduled completion in April 2013 it is not considered suitable for use for the community payback scheme.

The group have also been offered use of the cemetery chapel however it is in a poor state of repair and would require major investment to enable it to be utilised. Therefore they were not willing to consider this option.

A formal objection letter is attached as Appendix 4.

7.2.3 Rotherham Family History Society

The Rotherham Family History Society have objected to the sale of the cemetery workshops, again due to the impact that this will have on the work of the Community Payback Service. An objection letter is attached as Appendix 5.

7.3 Recommendation

It is recommended that the lodge, workshops and garages are sold together on the open market as detailed in Option 4. This option would generate a significant capital receipt to support the corporate programme and relieve the Council from ongoing maintenance and running costs. It would also increase the marketability and value of the lodge.

8. Finance

If the property is retained, we would need to identify funding to undertake works to enable it to be re-let. The property is not currently accounted for within the Decent Homes programme and the budget is fully committed. The £13,750 funding requirement to support Decent Homes investment in this property is not available within the One Off Properties Budget 2010/11. Therefore, we would have to wait until 2011/12 for funding to become available to undertake works.

As the property is not currently within the HRA housing portfolio managed by 2010 Ltd, it would be subject to an additional annual management fee and maintenance cost.

As the properties are classified as general fund, the sale would generate an approximate £190,000 capital receipt to support the corporate capital programme.

If the workshops are retained then we would need to identify funding from the cemeteries budget to enable significant repairs to be undertaken. Currently, there is no money within the budget to support this work.

9. Risks and Uncertainties

At a time of fiscal constraint and growing pressures upon capital investment budgets, the effective management of empty homes is paramount, in both financial and service delivery terms.

The presence of empty homes produce a negative perception of neighbourhoods and a negative reaction from customers.

The recovery in the housing market is still fragile and there is no guarantee of a successful sale, should properties be presented to the market for disposal. However, the recent successful disposal of similar properties by the Council, such as 28 Nelson Street, Clifton, suggest an active market interest in acquiring such properties for investment and the property is in an exclusive well sought after area.

If the properties are retained then we would need to identify funding to undertake urgent works to prevent health and safety risks.

There is no funding within the cemeteries budget to support approximately £10,000 repairs which are required within the workshops and garages if they are retained.

10. Policy and Performance Agenda Implications

Timely decision making with regard to investment in empty homes will contribute towards empty homes performance indicators, void rent loss performance and support increasing demand.

This proposal is making effective use of assets and managing them to best effect. It contributes to the sustainable neighbourhood's agenda by addressing identified housing issues.

The proposal contributes towards our key corporate strategic themes of:-

- Rotherham Proud
- Rotherham Safe
- Rotherham Alive
- Fairness
- Sustainable Development

These key themes are reflected within the Individual Well-being and Healthy Communities outcome framework, as follows:

- Improved Quality of Life – by creating opportunities for an improved quality of life, by dealing with empty homes and stimulating investment in the built environment (Objective 6)
- Economic well-being – providing affordable high quality housing options, to meet identified needs and create sustainable neighbourhoods
- Safe – by creating neighbourhoods that are safe, clean, green and well maintained with well-designed, good quality homes and access to local facilities.

The key investment themes within the LIP are:-

- New homes – supporting delivery of housing opportunities in the Borough to meet current and future needs and aspirations.
- Economic recovery – delivering investment activity which supports the recovery and stimulates local economic growth, sustaining businesses and jobs and training opportunities.
- Renewal – continuing the transformation of the Borough.
- Sustainable communities – ensuring that our communities are safe and healthy and benefit from the range of essential services and provision that they need.

These key investment themes align with the Councils Corporate Priorities of:-

- Making sure that no community is left behind.
- Helping to create safe and healthy communities.
- Ensuring care and protection are available for those people who need it most.
- Providing quality education, ensuring people have the opportunity to improve their skills, learn and get a job.
- Improving the environment.

11. Background Papers and Consultation

Valuation advice has been received from the Land and Property Team, Asset Management.

- Cabinet Member for Housing and Neighbourhoods, 15.2.10, Minute No: J138.

Contact Name: Lynsey Skidmore, Property Investment Officer, Facilities Management, Asset Management, Environment and Development Services.
Email: lynsey.skidmore@rotherham.gov.uk or Telephone: ext 34950

Alan Pogorzelec, Business Regulation Manager, Housing and Neighbourhood Services, Neighbourhood and Adult Services.
Email: alan.pogorzelec@rotherham.gov.uk or Telephone: ext 54955