

ROTHERHAM BOROUGH COUNCIL – REPORT TO DLT

1.	Meeting	Cabinet Member Safe and Attractive Neighbourhoods
2.	Date	28 May 2012
3.	Title	Future use of Former Safer Neighbourhood Team Accommodation at 1 Hampstead Green, Kimberworth Park and 1 and 2 Holywell Place, St Anns
4.	Directorate	Resources Neighbourhoods & Adult Services

5. Summary

The Rotherham North and Rotherham South Safer Neighbourhood Teams (SNT) have now re-located from the council owned locality bases at Hampstead Green and Holywell Place to Rotherham Central Police Station.

This report proposes that the vacant units are transferred from the HRA miscellaneous portfolio to the HRA general housing portfolio to facilitate conversion works. The properties can then be re-let as secure housing tenancies, to meet local affordable housing need.

Sufficient capital resources to meet the costs of conversion have been identified within the current approved One Off Properties Budget within the Housing Investment Programme.

6. Recommendations

That Cabinet Member agrees:

- **Option 1 as identified in section 7.**
- **That a Local Lettings Policy be developed for the re-letting of 1 Hampstead Green.**

7. Proposals and Details

Safer Neighbourhood Teams were established within Rotherham in 2006. It was agreed that the teams would be located within a Police Station within their relevant SNT area where possible. There were, however, no South Yorkshire Police (SYP) office bases within the Rotherham North and South SNT areas. Accordingly, the Council initially agreed to provide these assets to SYP on a subsidised rent basis.

Further to this initial agreement on 8 December 2010 (Minute number 120) Cabinet resolved that SYP would pay a full market rent for their occupation of these assets and be responsible for its repair. Since this date, the Council have worked with SYP to finalise the lease and implement these changes. Recently, SYP relocated both teams to Rotherham Central Police Station to implement its own potential cost savings. Consequently, the Council's assets are now vacant pending a decision on their future use. Appendix 1 details the options that have been considered.

7.1 Rotherham North SNT- Hampstead Green, Kimberworth Park

1, Hampstead Green is a three bedroom traditionally constructed house connected to the adjacent Hampstead Green aged persons housing complex. The property was previously utilised as sheltered warden accommodation and is shown edged in red on the plan at Appendix 2. The house consists of a dining kitchen, lounge area, three bedrooms and a bathroom.

7.2 Rotherham South SNT – 1 & 2, Holywell Place, St Anns

1 & 2, Holywell Place are both located within and are integral to the Wharncliffe Flats complex at St Ann's in the centre of Rotherham.

1, Holywell Place is a one storey traditionally constructed flat which was previously utilised by Wharncliffe Tenants and Residents Association (TARA) as a community room. This asset is shown edged in red on the plan at Appendix 3. The flat consists of communal lounge, dining kitchen, store room and WC.

2, Holywell Place is a one storey traditionally constructed flat unit which was previously utilised as office accommodation for the asylum team. This asset is shown edged red on the plan at Appendix 3. The unit consists of a large room, five small office areas, 2 x WC's and a small kitchen area.

7.3 Future Operation of Rotherham North and South SNT's

The Rotherham North and South SNTs are now operating from Rotherham Central Police Station, Main Street, Rotherham. SYP has been offered use of Greasbrough and Kimberworth Park neighbourhood offices for drop in purposes only on an interim basis. The Department of Housing and Neighbourhood Services are

currently discussing opportunities for joint Housing Champion, Ward Member and SNT surgery provision within local community centres.

7.4 Recommendation

The options for the future use of the properties are detailed in Appendix 1.

Option 1 is recommended as it will enable three affordable units in areas of high demand to be re-let to support identified local housing need.

It is noted that the property at Hampstead Green is attached to an aged persons housing complex. It is therefore recommended that a local lettings policy is adopted in line with the previous approval for the re-letting of former sheltered warden accommodation which states that properties will be allocated to people on a decreasing age range with no history of anti social behaviour.

7.5 Affordable Housing Need

Conversion will contribute towards the delivery of new affordable housing in the Borough.

There is a high demand and low turnover of the property types identified which is evidenced as follows from previous letting results:

- Three Bedroom House in Kimberworth Park- Advertised in July 2011 received 177 bids. The successful applicant had received a priority plus status on the 15/06/2011.
- One Bedroom Flats at St Anns- Advertised in August 2011 received 42 bids. The successful applicant had been on the priority waiting list since 02/11/08.
- Two Bedroom Flats at St Anns- Advertised in July 2011 received 103 bids. The successful applicant had been on the general waiting list since June 2006.

7.6 Value for Money Comparison

In value for money terms, investing £37k to deliver three affordable units compares well with the cost of other options for delivering affordable housing.

For example, the cost to the council of delivering new build homes, assuming a grant rate of 50% from the HCA to support the build cost is detailed below:

- 3 bedroom house- approximately £64,298 per unit
- 2 bedroom apartment- approximately £39,913 per unit

7.7 Ward Member Consultation

The relevant Ward Members have been consulted about the proposed options.

Hampstead Green is located within Ward 21, Wingfield. Councillor Goult is supportive of the proposed option.

Holywell Place is located within Ward 2, Boston Castle. Councillors Hussain and Wootton are supportive of the proposed option.

8. Finance

The properties were previously occupied by the Police on a nil rent, nil repairs and insuring liability however SYP assumed responsibility for utility costs. The conversion of the units will reduce repairs and maintenance costs currently being charged to the HRA estimated at £2.5k per annum.

Subject to approval to convert the units, approximately £37k would be required to undertake conversion and improvement works. This money is currently available from within the 2012/13 HIP One Off Properties budget. Currently there are sufficient uncommitted resources within the programme to support this expenditure. Of the £300k budget allocation, currently no money has been committed however the following properties are recommended for investment and will be submitted to a future meeting for approval:

- 1 Holywell Place- £15k
- 2 Holywell Place- £15k
- 1 Hampstead Green- £7k
- 62 Woodland Drive- £17k
- 51 Middle Avenue- £53k
- Total amount properties awaiting approval: £107k
- Total amount remaining in 2012/13 One Off Properties Budget subject to approval of above proposals: £193k

As the properties are not currently within the HRA general housing portfolio, the properties would be subject to an additional annual management and maintenance cost.

The properties would generate an approximate £9,537 per annum combined rental income.

9. Risks and uncertainties

Delays in investment decision making will negatively impact upon performance indicators measuring empty homes relet times, rent loss on empty homes and Decent Homes targets.

Empty homes produce a negative perception of neighbourhoods and a negative reaction from customers, particularly at a time of increasing demand for affordable homes.

10. Policy and Performance Agenda Implications

The recommendation contributes to NI 155- delivery of affordable homes.

Timely decision making with regard to investment in empty homes will contribute towards improved empty homes relet and void rent loss performance.

This proposal will support our vision for Rotherham by helping to create safe and healthy communities through the provision of decent affordable housing to meet need, choice and demand.

11. Background Papers and Consultation

Detailed investment costs for each property are held by the Land and Property Team.

- The investment threshold for individual properties was confirmed at £20k by the Cabinet Member for Housing and Neighbourhoods on 15th February 2009, Minute J138 refers.
- On 27th November 2006, minute number 152 refers. The Cabinet Member for Neighbourhoods approved the use of 1 Hampstead Green as a Rotherham North SNT base with an agreement that the associated rental income would be subsidised from the Housing Revenue Account (HRA).
- On 17th July 2006, minute number 61 refers. The Cabinet Member for Neighbourhoods approved the use of 2 Holywell Place as a Rotherham South SNT base with an agreement that the associated rental income would be subsidised from the Housing Revenue Account (HRA).
- Cabinet Member for Housing and Neighbourhoods- 30th November 2009. Minute number 92. Sheltered Housing Warden Accommodation.

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Appendix 1- Option Appraisal

The following options have been considered

Option 1- Transfer the properties to the general housing portfolio and undertake conversion works to facilitate re-letting

RMBC would retain the buildings, transfer them into the housing stock portfolio and make funding available to convert the properties into residential units.

The Council would benefit from the asset value and annual rental income generated. It would also provide much needed affordable housing units to address the increasing housing demand within the borough.

A Feasibility Study has been undertaken to determine whether the centres can be converted, what works would need to be undertaken and the type of units that can be achieved.

1 Hampstead Green, Kimberworth Park

The SNT have not undertaken any major works within the building, accordingly only minor improvement works are required to facilitate the re-letting of the property within the general housing portfolio.

The property was previously utilised as sheltered housing warden accommodation therefore a door from the property provides direct access to the centre which would need to be sealed appropriately to prevent access from future occupants of the property.

The condition survey identified costs of approximately £7k including rewiring, new kitchen, new bathroom and minor works.

This property type will generate approximately £3556 gross rental income per annum, based upon existing rent levels. Therefore, it would take less than three years to recover the investment from the estimated rental income.

1 Holywell Place, St Anns

The property has not previously been utilised as residential accommodation, accordingly it will require conversion and adaptation works to facilitate re-letting as a one bedroom flat, the condition survey identified associated costs estimated at £15k.

This property type will generate approximately £2848 gross rental per annum, based upon existing rent levels. Therefore, it would take less than nine years to recover the investment from the estimated rental income.

2 Holywell Place, St Anns

The property has not previously been utilised as residential accommodation, accordingly it will require conversion and adaptation works to facilitate re-letting as a two bedroom flat, the condition survey identified associated costs estimated at £15k.

This property type will generate approximately £3133 gross rental per annum, based upon existing rent levels. Therefore, it would take less than eight years to recover the investment from the estimated rental income.

Option 2- Retention as office accommodation

The Council would retain the buildings as office accommodation. However, they are surplus to the Councils requirements therefore we would need to investigate whether there is demand from partner or external organisations for use.

Currently, we are not aware of demand due to their location within the centre of housing estates.

Option 3- Sale to Registered Provider (RP) and Conversion to residential units

This option would transfer the properties to a RP with the properties being renovated and re-let as affordable units at the RP's cost. The Council would retain nomination rights for the properties. However, the RP would benefit from the property asset value and the future net rental stream. However, at a time of asset rationalisation and affordable housing funding constraints, it is unlikely that an RP would see this as an attractive proposition.

Option 4- Open Market Sale and Conversion to a residential unit

We would sell the properties on the open market with a condition that they are converted to residential units.

This option would generate a capital receipt to the Council and transfer liabilities for improvement to the new owner. However, in view of the location of the properties it is likely that this would be on the basis of a reduced valuation.

Option 5- Demolition

Demolition has not been considered as the properties are attached to other units. Whilst technically feasible at Hampstead Green, the resultant risks and costs of demolition works and the costs of creating new gables to the retained properties was not considered to be good value for money.

Appendix 2- 1 Hampstead Green, Kimberworth Park



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Appendix 3- 1 and 2 Holywell Place, St Anns



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