

APPENDIX G

WAVERLEY BOROUGH COUNCIL

EXECUTIVE – 29 SEPTEMBER 2009

Title:

ROWLAND HOUSE DEMOLITION

**Portfolio Holder: Keith Webster
Wards Affected: Cranleigh Wards]**

Note pursuant to Section 100B (5) of the Local Government Act 1972

An annexe to this report contains exempt information by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in Paragraph 3 of the revised Part 1 of Schedule 12A to the Local Government Act 1972, namely:-

Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Summary and purpose:

The purpose of this report is to recommend to the Executive that the Rowland House and Ivy Hall residential building be demolished by Thames Valley Housing Association (TVHA) at the earliest opportunity and that they be given an undertaking so that the Council pays the costs if the development does not happen.

How this report relates to the Council's Corporate Priorities:

The actions arising from this report will have implications for the Environment, Improving Lives and Affordable Housing.

Equality and Diversity Implications:

There are no obvious implications for equality and diversity

Resource/Value for Money implications:

The purpose of this report is to consider the value for money implications of the Demolition of Rowland House. If the development is not completed by TVHA it is suggested that Waverley would meet the costs. The costs would be met from the Affordable Housing capital programme. It is anticipated that should this happen, the use of resources would be temporary in nature, as the value of the site would increase thereby generating an increased capital receipt in the future, which could then be spent on the Affordable Homes capital programme.

Legal Implications:

There are legal resources required to draw up and finalise the necessary legal documentation.

Introduction

1. Rowland House is an elderly persons' sheltered housing scheme built in the 1960s, which is now redundant, and the building is empty awaiting redevelopment.
2. A project has been undertaken over the past 18 months to plan and design the new development of social rented units that will replace the existing buildings. Members will be aware of the process that has been undertaken, which has chosen Thames Valley Housing Association to design, build, and own the new accommodation.
3. In February of this year the Executive agreed the principle of layout, future ownership and management by TVHA

Current Position

4. TVHA is now currently in discussions with WBC on the procedure for submitting a planning application and subsequent legal transfer of the site. It is expected that the application will be made in November 2009. If successful, transfer will follow during the spring of 2010 with a potential start on the site in the summer of 2010.
5. In the meantime the existing building complex of Rowland House is empty and increasingly becoming a security risk. Although measures to minimise damage have been put in place, there have been sporadic break-ins and internal vandalism.
6. In a report to the Executive in April 2008, at the commencement of the current project, it was agreed that the existing decommissioned building be retained until its replacement was decided. It is now appropriate to revisit that recommendation given the progress made in appointing an RSL partner and designing and planning of the scheme.
7. Whilst there has been an initial six month exemption from Council tax, the regulations are such that despite removal of fixtures and fittings, it is due for all the flats (see [Exempt] Annexe 1). Advice has been taken on how this can be avoided and it is evident that only full-scale demolitions can offset this expenditure.
8. It was intended that TVHA would demolish the building immediately subsequent to transfer and as part of the new build process. However, it would be advantageous if the demolition were carried out as soon as possible.

9. TVHA have indicated their willingness to carry out the demolition at their cost prior to the transfer of the site, and preparations have been carried out to enable that to happen during the autumn season. However the condition is that WBC agrees to underwrite the costs of demolition (see Exempt Appendix 1) if for any reason the transfer does not go through.
10. The risks associated with that eventuality are set out below:
 - 1) Planning permission is refused:
The planning department has been fully involved with the discussion with TVHA on the options for the site and pre application meetings are held regularly as part of the preparation for this scheme.
 - 2) TVHA were to withdraw from the agreement for financial reasons:
TVHA has shown considerable commitment to the achievement of this scheme, and have stated in their submissions that if grant from the Homes and Community Agency was withdrawn from this scheme then TVHA would still look to fund the development.
11. TVHA and the Council are currently in the process of preparing documentation to exchange contracts for the transfer of the site, which sets out clearly the commitment on both sides to enter into the agreement
12. However, when the demolition is complete any costs associated with the work are likely to be recouped by the enhanced value of the site, if the Council needed to recommence negotiation with another developing organisation. Additionally an empty site would reduce the lead in time for any future redevelopment.

Conclusion

13. Rowland House is now empty and becoming a liability in terms of on site security and Council tax expenditure.
14. TVHA have agreed to demolish prior to transfer and at no cost to the Council providing that the Council can give an undertaking to TVHA to underwrite the costs of demolition if the development does not occur.

Ongoing expenditure to Rowland House

	£ per month
Council Tax charge on Rowland House	5,830
Security visits	513
Estimated maintenance costs	<u>400</u>
	6,743

If agreed it is expected that demolition would commence before the 1st December therefore the potential saving to the HRA would be between approximately £27,000 and £40,000 depending upon the actual date of transfer.

Recommendation

That the Executive agree:

- 1) to allow TVHA to demolish Rowland House, providing the necessary hoarding, security, and full protection and making good to the division with Rowley's day centre.
- 2) to recommend to Council that Waverley underwrites the costs of demolition in the event of a failed transfer of the Rowland House site to TVHA, noting that if required it would be funded from the Affordable Housing Capital Programme until the capital receipt for the site is received.
- 3) the Council entering into an appropriate agreement with TVHA to permit the demolition of Rowland House as soon as reasonably practicable.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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EXEMPT ANNEXE 1 TO
APPENDIX [...]

NOT FOR PUBLICATION

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Demolition budget costs

Surveys and tests	£10000
Asbestos removal	£50000
Service capping and removal	£20000
Hoardings	£15000
Demolition	£200000
Remedials to separation from Rowley's	£50000
Fees charges, licences	£5000
 Total potential underwrite	 £350000