

CYNGOR SIR POWYS COUNTY COUNCIL

REPORT FOR DELEGATED DECISION

By

County Councillor Graham Brown

Portfolio Holder for Commissioning and Procurement

Date 4th September 2015

REPORT AUTHOR: Head of Housing

**SUBJECT: Closure and Refurbishment of Fairview, Temple Street,
Llandrindod Wells**

REPORT FOR: Decision

1. Summary

- 1.1. This report seeks the approval of the Portfolio Holder for Commissioning and Procurement to the closure of Fairview and the payment of relevant compensatory payments to existing secure tenant.

2. Proposal

- 2.1. Fairview is large late Victorian building, located on Temple Street, near the centre of Llandrindod Wells. Fairview contains nine large two and three bedroom flats over three floors with a large attic fourth floor that remains unused. The space standards in this property are very generous with large rooms. Fairview represents a considerable, if underutilised, HRA asset in the centre of town.
- 2.2. The exterior of the property is in need of extensive maintenance and repairs with work required to the large roof, windows, lintels and brickwork. The flats are served by an internal set of wide stairs but there is no lift or fire escape.
- 2.3. The interior of the flats are in reasonable condition, however, the communal areas are characterised by have a “tired” appearance and requiring refurbishment.
- 2.4. The flats have had two principal purposes in the last 10 years, they have been used as general needs accommodation and as a managed homeless unit. They are currently occupied by one secure tenant with a small number of homeless units also being let.
- 2.5. Neither purpose has proved satisfactory. The flats are so large they are suited to families. However, the lack of a lift, the lack of parking and the minimal garden provision make the block unsuitable for family accommodation and for older persons’ accommodation. This meant that the recent letting history of the block has been characterised by long void periods.
- 2.6. Around 8 years ago the block was turned into a managed homeless unit with Trothwy Cyf. Each flat was divided into separate lettable rooms with shared facilities. This proved successful at first, however, over time it became clear that the size and

location of the unit was attracting a large number of single homeless people with challenging behaviour. This led to increasing issues of anti-social behaviour and the scheme became less successful. In 2009 we opened a new homeless unit, Gwynfa, in Lant Avenue, Llandrindod Wells. This is a smaller and more manageable unit and this continues to be a success. Fairview remained for part use as a homeless unit but we restricted the number of vulnerable people we housed there.

- 2.7. Fairview is currently substantially empty and is an underutilised resource. There are broad plans to make use of the proximity of the block to the town centre facilities and the hospital to convert the block for a use related to older people. However, no definite plan has been agreed. What is agreed is that the block needs radical refurbishment and a complete remodelling to make better use of this asset. The recent exit from the Housing Revenue Account subsidy regime means that the Housing Service now have the capital resources to invest in the refurbishment of this block.
- 2.8. Before any such investment can be made, Portfolio Holder approval is required to close the block. Only flat 3 Fairview is occupied by a secure tenant whose tenancy start date 16th October 1995. Four households are currently accommodated as homeless in Fairview, awaiting the allocation of more permanent accommodation.
- 2.9. The secure tenant is happy in this property. Early discussions have taken place with her about a possible move and if we can find the right accommodation for her she is likely to move voluntarily.
- 2.10. In moving the secure tenant out of the block Powys County Council will be required to provide a compensation payment, as set out in the Land Compensation Act 1973. This compensation is made up of:
 - a statutory Home Loss payment of £4,700 per household.
 - a disturbance allowance to cover the cost of any expenses she may incur in the move from to their temporary accommodation.
- 2.11. The Housing Service is currently working with a range of internal (Adult Social Care) and external (Powys teaching Health Board) partners to develop a new use for this block. The exact details of this development are yet to be determined. We will undertake to offer one of the new flats to Miss W once the work is completed. The completion of any refurbishment and remodelling work is likely to be around 2017-18.
- 2.12. A capital budget provision of £1.1 million has been made for this work as part of the Housing Business Plan. Spending on the scheme will be held within this amount.
- 2.13. A recent valuation undertaken for the Council by the District Valuer suggests that the capital value of Fairview is currently in the region of £180,000 and would be in the region of £600,000 following the completion of works of refurbishment. This would suggest that the proposed investment by the HRA to improve the property would not obtain a suitable return. However, if one factors in the revenue stream from the refurbished property, less provision for voids and bad debts (4%) and expenditure on the maintenance of the block (10%), the net income to the Council would be in the region of £1,300,000 over a 30 year accounting period.

3. **One Powys Plan**

- 3.1. This initiative will help us to deliver Stronger Safer and Economically Viable Communities by ensuring the most is made of this valuable asset by building better quality new accommodation.
- 3.2. The works of improvement to Fairview, which is located in a conservation area in the centre of Llandrindod Wells, will do much to improve the quality of the local environment.

4. **Options Considered/Available**

- 4.1. Options available are:
- 4.2. **Decanting existing occupiers and undertaking works of improvement** - The size and location of this block are such that it would lend itself to a refurbishment scheme and provision has been made in the HRA business plan.
- 4.3. **Demolition** – The property forms part of the Llandrindod Wells conservation area and so there is likely to be opposition to demolition. Also, the property is a valuable resource and we are confident we can remodel accommodation within the existing envelope in a way that is cost effective and beneficial to the local community.
- 4.4. **Sale** – We could receive a one-off capital receipt from the sale of the property. However, given current property prices in Llandrindod Wells we do not feel we will achieve a high price for the sale. We will lose control over the future housing use of this block if it is sold and we will lose the valuable resource it represents.

5. **Preferred Choice and Reasons**

- 5.1 The size and location of this block are such that it would lend itself to an excellent refurbishment scheme. This is our preferred option and it is affordable in our current business plan.

6. **Sustainability and Environmental Issues/Equalities/Crime and Disorder,/Welsh Language/Other Policies etc**

- 6.1. The provision of better housing in Llandrindod Wells will support sustainability and environmental issues.

7. **Children and Young People's Impact Statement - Safeguarding and Wellbeing**

- 7.1. There are no issues in respect of safeguarding children in regards to this proposal.

8. Local Member(s)

- 8.1. The local member for Llandrindod Wells Councillor Keith Tampin has been fully briefed on our proposals, has assisted Officers engage successfully with the residents and is in full support of the proposed approach.

9. Other Front Line Services

- 9.1. The redesign of the block is being undertaken in consultation with Adult Social Care, to ensure that the accommodation developed meets the needs of clients of the service, which will reduce Adult Social Care expenditure in other areas.
- 9.2. This matter will not have an effect on other frontline Services

10. Support Services (Legal, Finance, HR, ICT, BPU)

- 10.1. Legal: the Professional Lead -Legal supports the recommendation in this report
- 10.2. Finance: The Capital and Financial Planning Accountant confirms that a budget of £1.1m has been allocated for the work at Fairview.

11. Local Service Board/Partnerships/Stakeholders etc

- 11.1 This is a specific Housing Management matter

12. Communications

- 12.1. The Housing Service has already consulted with the County Councillor for this area and consultation will commence with residents following portfolio approval. The consultation will be undertaken face to face and in letter form.

13. Statutory Officers

- 13.1 The solicitor to the Council (Monitoring Officer) has commented as follows: “ I note the legal comment and have nothing to add to the report.”
- 13.2 The Strategic Director, Finance & Infrastructure (Section 151 Officer) notes the comments made by Finance.

14. Members' Interests

- 14.1. The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If the Portfolio Holder has an interest he should declare it, complete the relevant notification form and refer the matter to the cabinet for decision.

Recommendation:	Reason for Recommendation:
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1. That approval is given to formally close Fairview.	1. The property requires large scale refurbishment.
2. That approval is given to compensate the one secure tenant who resides in the block.	2 We are required under statute to provide homeless and disturbance compensation to the existing secure tenant.

Relevant Policy (ies):			
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	All members
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Person(s) To Implement Decision:	Head of Housing
Date By When Decision To Be Implemented:	30th September 2015

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