

REPORT TO:	Executive Board
REPORT NO:	HHPP/56/13
DATE:	9 July 2013
LEAD MEMBER:	Councillor Mark Pritchard (Housing and Planning)
CONTACT OFFICER:	Fred Czulowski (Tel: 315401)
SUBJECT:	Future of Bungalows, Cross Keys Place, Cefn Mawr
WARD:	Cefn

1. PURPOSE OF THE REPORT

For Members to consider information on the options available for Cross Keys Place, Cefn Mawr and make a recommendation on the future of these bungalows.

2. EXECUTIVE SUMMARY

- 2.1 Bungalows in Cross Keys Place are experiencing a number of issues including restricted size, construction defects and general poor condition.
- 2.2 Options have been explored and indicative budget costs have been calculated for various options which include:-
 - do nothing ;
 - retain and refurbish;
 - retain/refurbishment with conversion works;
 - demolish.
- 2.3 Due to the issues associated with the site as a whole, the costs to refurbish are disproportionate when compared to the options of demolition and disposal.
- 2.4 Recent consultation undertaken has indicated that demolition would be a popular option amongst local stakeholders. The views of the residents coincide with the financial reality of the situation in that doing nothing is the least acceptable option from the point of view of the residents and the Council; funding is not available for repair or improvements and that even if full repair and improvement was undertaken, this would not guarantee an extended life for the bungalows.

3. RECOMMENDATIONS

- 3.1 The Bungalows at Cross Keys Place, Cefn Mawr be demolished.**
- 3.2 The permanent decanting of tenants should be commenced immediately and Management Move points awarded to give tenants priority over the general Waiting and Transfer Lists.**

REASONS FOR RECOMMENDATIONS

A survey of the properties has identified that major repairs and improvement works need to be carried out. The Council does not have the funding to carry out the necessary works required. Even full refurbishment does not guarantee an extended life for the bungalows. The views of the tenants and stakeholders coincide with the financial reality of the situation. Demolition of the bungalows is, therefore, recommended.

4. BACKGROUND INFORMATION

- 4.1 Cross Keys Place is located in Cefn Mawr; which is located in the south of the Wrexham Borough. The properties are a mix of terraced and semi-detached one bedroom bungalows constructed during the 1970's, there are eight properties in total.
- 4.2 Various inspections, surveys and site visits of the bungalows and the surrounding land have been carried out.
- 4.3 The purpose of these inspections and site visits was to formulate a site appraisal study that would assist in the planning of future work. Internal and external inspections of the buildings have also been undertaken.

Construction

- 4.4 The bungalows are single storey structures with masonry walls constructed from concrete blocks with a rendered roughcast finish.
- 4.5 Appendix 1 identifies the bungalows which are situated in a predominantly elevated position with a central walled area providing a clothes-drying area. The site increases in height to the north side. The curtilage to the properties includes concrete steps, concrete yards (drying area), assumed parking spaces and grassed areas to the perimeter. A stone retaining wall bounds the majority of the site and is in a poor state of repair and does not include any barriers/handrails to reduce persons falling.
- 4.6 A number of the properties (4) are currently empty and have been so for a substantial period of time.
- 4.7 There are two entrance/exit service roads to the site. This service road runs through the site and residential area and is in a particularly poor state of repair.

4.8 Funding options for the works is limited; maintenance of the bungalows is budgeted for within the Housing Revenue Account (HRA) which covers all the Council's housing stock. The HRA Capital Programme for 2013/14 is in the region of £23.5m. If demolition options are chosen, this work would be funded from the HRA capital budget.

Option Appraisal

4.9 Ongoing inspections and site visits have been completed and these have identified a number of property defects. These include penetrating damp, missing or inadequate lintels, lack of fire protection in kitchens, deleterious materials, faulty underground drainage systems, delaminated/failing render, inefficient heating systems, thermally inefficient walls, structural issues and differential movement/ settlement.

4.10 A number of options have been explored and costed, which are outlined below:

Option 1 – Do nothing

(Ongoing costs to responsive repairs to the structure)

- No works other than responsive repairs to be carried out.
- Structures and elements will deteriorate at an accelerated rate.
- Physical hazards will not be minimised or removed.
- Adverse effect on thermal efficiency and general living conditions – elemental degradation will increase poor living conditions and promote problematic external environments.
- Inability to re-let vacant units.
- Reputational risk to WCBC.

Option 2 – Retain and Refurbishment

(Cost estimate £608,000 plus VAT)

- Remedial works to major structure defects.
- Refurbish to WHQS Standard, inclusive of curtilage and communal areas.
- Unsatisfactory internal layout remains.
- Full refurbishment does not guarantee desirability.
- Significant implications for the Housing Capital Programme.

Option 3 – Retain and Refurbishment with Conversion

(Cost estimate £625,000 plus VAT)

- Remedial works to major structure defects.
- Combine bungalows and alter internal layout to provide four properties.
- Refurbish to WHQS Standard, inclusive of curtilage and communal areas.
- Significant implications for the Housing Capital Programme.

Option 4 – Demolish

(Cost estimate £113,000 plus VAT)

- No further work carried out.
- Tenants would need to be re-housed on a permanent basis.
- Demolish and clear the site.
- Consideration to be given to the future use of the site including retention or disposal.

Tenants in Residence

4.11 If the recommendation to demolish the site is supported, there will be a requirement to transfer four tenants permanently out of the current occupied properties. The Housing Service currently has procedures in place to manage this process, as and when required, including:-

- home visit to address concerns and assess preferences and individual needs (preliminary work has been undertaken as part of the survey of tenants);
- a commitment to try and source suitable and preferred accommodation in terms of size and location;
- supporting tenants to enable a smooth transition;
- arranging removals for tenants which also includes disconnection and reconnection of services at no cost to the tenant;
- continued consultation with the tenants will take place throughout the process;
- if demolition is recommended, there is a statutory duty to pay Home Loss Payment to secure tenants. This can be up to £4,700 per property;
- other discretionary allowances will also be considered and may be payable.

4.12 Consultation has been carried out with the four remaining tenants at Cross Keys Place and the results are as follows:-

- three tenants have said that they want the bungalows to be demolished;
- all 3 mentioned problems with damp in the properties, and the fact that they are expensive to keep warm in the winter. One tenant agreed that it would cost too much to bring them up to a decent standard;
- one tenant would like the properties to be refurbished. The reason given was that they had lived in Cefn all their life. The tenant was concerned that, due to the shortage of single-person accommodation, they would be re-housed out of the village.

4.13 The Housing Officer has explained the process to all the tenants and advised them that they will be kept informed on progress. Contact details have been left should they have any concerns.

4.14 It is advised that the process of decanting tenants should be commenced immediately so as to minimise the impact on tenants and not to delay future considerations of the use of the site.

Future Use of the Site

- 4.15 If demolition is chosen as the preferred option, further work will be undertaken on the opportunities available for the use of this site once cleared. This will include consideration of retention or disposal of the site for redevelopment, community amenity use or other uses.
- 4.16 In relation to development of the site, a number of meetings and site visits have been conducted and discussions have taken place with Housing Associations. Unfortunately, these Housing Associations have not expressed any real interest to proceed following these meetings.
- 4.17 The site does not easily lend itself well to redevelopment, due to its poor access, size, limitations and proximity to neighbouring privately owned properties.
- 4.18 A report will be presented to Members on the options available for the future use of this site.
- 4.19 **Policy Framework** – Addressing the issues with these bungalows would support the Council’s 2013-14 Priority PL1 to provide Homes that meet peoples needs and aspirations.
- 4.20 **Budget** – There will be financial implications which are discussed within the report. This will need to be funded from the Housing Revenue Account and the Housing (HRA) Capital Programme. The budget implications include: reduced rental income, Home Loss payments and disturbance payments and demolition costs.
- 4.21 **Legal** – There will be legal implications including tenancy matters and establishment of contracts.
- 4.22 **Staffing** – Existing Housing staff would manage the works from decanting existing tenants to subsequently managing the demolition and giving consideration to the options available for the future use of the site.
- 4.23 **Equalities/Diversity** – An Impact Assessment has been carried out (EASI Ref EIA/00792). As part of the initial consultation process a full tenant profiling exercise has already been carried out, with those tenants affected by the proposed redevelopment. The findings of this profiling will be used to identify any future needs arising from the decanting of tenants and removal process.
- 4.24 **Risks** – Risks mainly arise from not doing any work, the site will deteriorate and reputational risk will result to WCBC in relation to Housing Quality, Health and Safety and aesthetics of the properties/area.

5. CONSULTATION

- 5.1 Site meetings with the local Members have taken place and they have commented that the properties were of poor design, layout, are extremely cold and should be demolished as the cost to refurbish them would be an inefficient use of resources. The area is in a conservation and heritage village, which is trying to entice tourism and as these bungalows are next to a world heritage site, they are having a detrimental effect on the area.

5.2 The local Members have spoken with local residents who would like to see the properties demolished which would improve the area. The local Members have also requested that, if possible, due to the shortage of one and two bedroom properties in the area they are replaced as soon as practical.

5.3 Consultation has been carried out with tenants. This has been discussed in the report.

6. EVALUATION OF OPTIONS

6.1 A number of options have been explored which have been outlined in the report and are evaluated below:

6.2 **Option 1: Do Nothing** – the properties will deteriorate if no work is carried out and therefore this is not considered to be a viable option.

6.3 **Option 2: Retain and Refurbishment** - Refurbishment requires a disproportionate amount of capital investment to provide homes with a viable future. The properties and site is very restrictive, subsequently some aspects of the Welsh Housing Quality Standard would not be met regardless of the extent of proposed work. Extensive consultation with all parties concerned would need to be implemented before any works are formally agreed. This is, therefore, not considered to be a viable option.

6.4 **Option 3: Retain and Refurbishment with Conversion** – see Option 2 above.

6.5 **Option 4: Demolish** – This is the most viable option, due to the known estimated costs and experience of conducting demolition projects. Following demolition the site could then be used for alternative uses including redevelopment or community amenity use.

This is the preferred option.

7. SCRUTINY COMMITTEE COMMENTS

7.1 This report has not been considered by Scrutiny Committee.

BACKGROUND PAPERS	LOCATION	WEBSITE INFO
None.		