

# **Somerset West and Taunton Council**

## **Scrutiny Committee 2<sup>nd</sup> December 2020**

### **Extension of Public Space at Belvedere Road**

**This matter is the responsibility of: Cllr Marcus Kravis**

**Report Author: Chris Hall – Assistant Director Climate Change, Regulatory Services and Asset Management**

#### **1. Executive Summary**

- 1.1 The Asset Management Team are reviewing ongoing liabilities for Council owned property as part of the 30 year maintenance plan. Flook House and the disused building nearby have been identified as adding limited value to the portfolio when compared with the on-going costs of maintenance, the capital investment needed, and the potential to improve the area that the current properties occupy.
- 1.2 Flook House and the disused building are General Fund assets, the former accommodates a number of tenants with an annual income of £14,810pa.
- 1.3 The disused building was once a public toilet, this was closed over 8 years ago. At that point there was no identified alternative use for the property and it has remained unused and deteriorating ever since. This and the rear of Flook House have become a magnet for anti-social behaviour.
- 1.4 The recent surveys on property compliance have identified an immediate expenditure of in the region £22,000 needed on Flook House. Added to that is a predicted spend of £220,000 to modernise the property and improve accommodation standards.
- 1.5 The recommendations of this report are to demolish both properties and remove the ongoing liabilities for Somerset West and Taunton Council. The area to then be utilised as an extension to the public space removing the opportunities for antisocial behaviour through activities no longer being shielded by the buildings.

#### **2. Recommendations**

It is recommended that Scrutiny committee support the following to the Executive committee:

- 2.1 A £20,000 capital budget for the demolition of the disused building at Station Road, Taunton using the land to extend the existing public space. This to be funded from unallocated capital receipts / general reserves.

- 2.2 A £90,000 capital budget for the demolition of Flook House Station Road, Taunton using the land to extend the existing public space. This to be funded from unallocated capital receipts / general reserves.
- 2.3 That the appropriate notice and support be provided to tenants within Flook House.
- 2.4 That the works to demolish the disused building at Station Road are added to the 2020/21 capital programme.
- 2.5 That the works to demolish Flook House are added to the capital programme for 2021/22.
- 2.6 That the Flook House property is written down to £0 in the fixed asset register.

Or

- 2.7 If the above recommendations cannot be supported a capital budget of £220,000 is requested to bring Flook House up to a modern standard of accommodation, inclusive of a 15% risk contingency. These are to be taken from unallocated capital receipts / general reserves.
- 2.8 Also to note that the compliance costs of £22,000 will be taken from the general Assets maintenance budget.

### **3. Risk Assessment**

- 3.1 Rising costs of property compliance mean that the Council need to invest significant sums to maintain the aging Flook House building with little in return by way of rent.
- 3.2 Tenants within Flook House will be served their notice but are unlikely to move to Deane House due to the costs of modernised office space, Assets officers will do what they can to support these tenants.
- 3.3 Costs estimates for ongoing works have not been put to market and therefore may be understated. A risk contingency of 15% has been included in the recommendation at 2.6 of the report, but the report notes that the list of improvement works could increase.
- 3.4 The Council need to invest significant sums of money to retain a property that has little value to its own operation. Tenants

### **4. Background and Full details of the Report**

- 4.1 The ex- toilet block has been largely untouched since the facilities were closed, the useful fittings have already been removed and it is now a shell. Its continued external deterioration attracts antisocial behaviour with groups able to hide from sight around

the building, out of public view. It is the view of the assets team that the building is unlikely to have an alternative use and should be demolished. The cost to demolish the building, cap off utilities, remove the demolition waste from site and turf is estimated to be £20,000.

4.2 Flook House has a number of users which includes additional meeting space for the council, provision of an office space for UNISON, and a number of paying tenants. The property is generally in poor condition and does not meet the standard of accommodation that the council wishes to promote either for its employees or for lettable office space. Following compliance surveys this year there are works in the region of £22,000 that are required in the coming months along with a range of longer term works to bring the building to a higher standard, these include but are not limited to:

- Refurbishment of the windows and external doors - estimated £35k
- Replacement of the kitchen and toilets – estimated £15k
- Insulation and heating works – estimated £20k - £40k
- Roof repairs and possible replacement – estimated £10k - £60k
- Floor resurfacing – estimated £10k
- Electrical and lighting works – estimated £10k
- Internal decoration – estimated £10k
- External decoration – estimated £10k
- External drainage – estimated £10k

4.3 It is considered that the council’s own uses, including the accommodation for UNISON, can be accommodated within the Deane House. If this report is approved further consideration will be given to contracting out the safe document storage requirements, initial estimate place this at around £1,000 pa.

4.4 There are exit opportunities for the current tenants, see table 1, within Flook House and we would look to support these with the appropriate notice and alternatives where they exist.

**Table 1**

Room	Tenant	Lease Expiry Date	Comments
R04	Tenant 1	Ongoing	Claims protected tenancy
R05/06/07	Tenant 2	Ongoing	Claims protected tenancy
E04/09/10/ E17	Tenant 3	13/05/2021	Cannot get possession before 13/05/2021.
E22/23/24	Tenant 4	Ongoing tenancy at will	

4.5 For those with a protected tenancy we may be required to give some compensation linked to the rateable value. A budget of £13k is required to settle the claims that may arise from this, this is included in the recommendation at 2.2.

- 4.6 There are a small number of parking spaces that are currently set aside for Flook House tenants, if the recommendation to demolish this property is supported these spaces would be available for use by the public.
- 4.7 The Flook House property is not listed but is old and deemed to have some historic value. Council could consider the protection of this property and undertake the works as set out, it is for this reason that an alternative recommendation is also included.
- 4.8 Council may face some opposition to the demolition of this property. Somerset West and Taunton officers are currently making an external bid for resources to help create a local list of important assets that are otherwise not captured in the listing process, it is possible that this may be one of those assets in the future should.

## **5. Links to Corporate Strategy**

- 5.1 A financially self-sufficient Council which has expanded its commercial activity in order to support service provision: The demolition would prevent a greater level of expenditure on the asset whilst not disposing of the land on which the properties sit leaving opportunities for site development at a later stage.

## **6. Finance / Resource Implications**

- 6.1 If the recommendations to demolish Flook House are accepted the council would lose the potential future income from rental, at £14,810 p.a. However the proposal also removes the risk of future void periods, and the need for capital investment.
- 6.2 The value of the property in the fixed asset register is £274,743 based on a 2019 valuation. Demolition would therefore remove the property within the asset register. There would however still be a value for the land which is £120,150. The land will remain in SWT ownership and could be used for wider regeneration in the future.
- 6.3 Based on the assumed need for safe document storage a new budget commitment of £1,000pa is required.
- 6.4 If Members wish to support the retention of this property a capital budget of £220,000 is needed. This exceeds any available budget within assets maintenance and would need to be taken from unallocated capital receipts / reserves.

## **7. Legal Implications**

- 7.1 The tenants will require notice to vacate the property, the longest notice provision is six months and as such all tenants will be given this length of time to aid their search for new premises.

- 7.2 The notice given will be specifically for the purposes of property demolition and as such overrides a tenant's protected status, compensation may be payable for some tenants.
- 7.3 Demolition must be undertaken in accordance with the appropriate legislation including the Construction Design Management Regulations 2015.

## **8. Climate and Sustainability Implications**

- 8.1 If the Flook House property is to remain in use it will require investment as set out in section 4 of the report. The financial ranges identified include improvement to the building within a standard refurbishment. With the council having declared a climate change emergency and needing to set the standard for others to follow greater consideration should be given to an enhanced standard of insulation and heating systems. This might include internal or external wall insulation, floor insulation, triple glazing, air source heat pump(s), solar PV, rainwater harvesting and so on. If the property is to be retained in accordance with recommendation 2.6 these costs estimates are likely to be insufficient for this enhanced standard and further money will need to be found, potentially from the climate change budget.

## **9. Safeguarding and/or Community Safety Implications**

- 9.1 There are community safety and antisocial behaviour issues that occur in and around the two properties identified. In demolishing these properties and opening up the area there will be less opportunity for these activities to be hidden from sight and it is considered that these activities once exposed will move from here.

## **10. Equality and Diversity Implications**

- 10.1 All tenants will be treated appropriately in law and there are not considered to be any equality and diversity implications as a result of this report.

## **11. Social Value Implications**

- 11.1 Social value may be a feature of the demolition contract once put to market.

## **12. Partnership Implications**

- 12.1 There are no identified implications of this report.

## **13. Health and Wellbeing Implications**

- 13.1 Officers will support tenants impacted by the notice and where possible offer alternative rental space for their consideration.

## **14. Asset Management Implications**

- 14.1 Officer time spent managing a multi-tenanted property will be reduced.
- 14.2 Potential remediation liabilities will be removed through demolition and Somerset West and Taunton Council will avoid the cost of pursuing any dilapidations against the outgoing tenants.
- 14.3 One off officer time will be necessary to give notice and support tenants, as well as prepare the information necessary prior to demolition.

**15. Data Protection Implications**

- 15.1 There are no identified implications.

**16. Consultation Implications**

- 16.1 There are no identified consultation implications of this report, but notice will need to be served on existing tenants.

**Democratic Path:**

- **SMT – 11<sup>th</sup> November 2020**
- **Scrutiny – 2<sup>nd</sup> December 2020**
- **Executive – 16<sup>th</sup> December 2020**
- **Full Council – No**

**Reporting Frequency: One off**

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