

PORTFOLIO HOLDER DECISION RECORD SHEET

Name of decision maker:	Cllr Margaret Griffiths Portfolio Holder for Housing
Portfolio:	Housing
Date of Portfolio Holder Decision:	

Title of Decision: (Part 1)	To approve the acquisition of 51 Woolmer Drive from Hertfordshire County Council.
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If Part II, reason:	
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Decision made and reasons:	
To approve the acquisition of 51 Woolmer Drive, Hemel Hempstead from Hertfordshire County Council for £370,000 as per the most up to date RICS Red Book Valuation, undertaken by Allied Surveyors on the 30 th April 2013.	
Reports considered: Valuation of 51 Woolmer Drive, Allied Surveyors, 30th April 2013 Building Survey for 51 Woolmer Driver, Allied Surveyors	
Officers/Councillors/Ward Councillors/Stakeholders Consulted: Corporate Director for Housing and Regeneration Assistant Director Housing Group Manager Strategic Housing	
Deputy Monitoring Officer comments:	Due diligence must be carried out in terms of land title, planning and environmental checks before the purchase is complete to ensure that there are no restrictions/potential liabilities which would prevent the Council's use of the building.
Deputy S151 Officer comments:	The currently approved capital budget for Affordable Housing is sufficient to fund this project.
Implications:	This property is owned by Hertfordshire County Council and has previously been operated as a Children's Home. Dacorum BC will operate this building as accommodation for households who are homeless, or at risk of homelessness. This will increase the current level of temporary accommodation in the borough from 29 units to 41 units. This acquisition will reduce the Council's dependency on bed and breakfast accommodation, where many homeless households are currently being housed.
Risk:	

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Value for Money:	<p>This property has repair costs of circa £100,000. These costs have been factored into the valuation, and contractors have provided some quotations to refurbish the building.</p> <p>This property has been valued by Allied Surveyors on the 1st March 2013, who have confirmed that the value of this property is over £370,000. This provides evidence of the open market value of the property.</p>
Options Considered and reasons for rejection:	
<p>If the Council does not acquire this property, households would continue to be housed in bed & breakfast accommodation at cost to the Council until other suitable permanent or temporary accommodation can be found. This is not considered to be a prudent use of resources.</p>	

Portfolio Holders Signature:
Date:
Details of any interests declared and any dispensations given by the Standards Committee:

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Date Decision Record Sheet received from portfolio holder:	09 July 2013
Date Decision Published:	10-07-13
Date of Expiry of Call-In Period:	16-07-13
Date any Call-In received or decision implemented:	Decision No:030

BACKGROUND

51 Woolmer Drive is a former Hertfordshire County Council children's home in Leverstock Green. Hertfordshire County Council has closed the care home and is now looking to sell the property. Dacorum BC has been offered the opportunity to acquire this unit before it goes to the open market.



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Hertfordshire County Council has appointed Atchison Rafferty to dispose of this property acting on their behalf. As part of the negotiations to acquire this property, Dacorum BC has commissioned and received a full building survey, valuation and obtained a quotation for the repair work to the building. The repair costs and contingency were deducted from the valuation. Council Officers negotiated a price of £370,000 with Hertfordshire County Council, which is within the acceptable range of the RICS valuation.

Demand

There are currently just over 7,000 households on the Council's housing register, with homeless applications and enquiries rising dramatically over the previous financial year. This has led to an increase in demand and use of bed and breakfast accommodation. It is proposed that this property is acquired for use as temporary accommodation for those at risk of homelessness.

Repair Costs

Council Officers commissioned Allied Surveyors to undertake a full building survey at 51 Woolmer Drive to assess any repair costs before the Council acquires the unit. The report stated that there is evidence of some subsidence in the property, and that there are a substantial amount of more minor repairs that the Council will need to undertake.

The Building Surveyor in Housing Property & Place has obtained a quote for repairing this property which estimates repair costs will be £100,000. This includes an upgrade of the boiler system, installation of a new fire alarm, and will cover all the elements highlighted in the building survey.

Surplus Revenue

The funding for the acquisition of this unit will come from the Affordable Housing Development Fund, which currently has an uncommitted balance of £2,670,000. 51 Woolmer Drive has 12 rooms, each of which would be let out initially at a minimum of £21 per night, which is the Council's current charge for other similar temporary accommodation (Leys Road), and recoverable from Housing Benefit. (90% of Local Housing Allowance + £60 per week temporary accommodation management allowance)

Households would remain in 51 Woolmer Drive whilst their homeless applications are assessed. If households are found to be homeless, they will be moved on to permanent accommodation elsewhere. Households would not generally remain in 51 Woolmer Drive for more than 60 days.

If occupied for 365 days per annum, each of the 12 rooms at 51 Woolmer Drive would generate £7,665 per annum in revenue for the Council. Allowing 25% for repairs and voids, this would result in a net revenue surplus of £68,985 per annum, paying back the initial capital outlay (£370k + £100k repairs) in less than 7 years.

It is therefore recommended that the Council acquires this unit from Hertfordshire County Council for £370,000 for use as temporary accommodation.