

FUTURE OF BROCKHILL

Executive Summary

Following consultation with residents, the Council approved the closure of Brockhill Extra Care Housing scheme at its meeting of 8 February 2024. Brockhill requires significant capital expenditure on fire safety remedial works and a full heating system replacement. The anticipated total capital expenditure required on Brockhill over the next 10 years is forecast to be circa £5.8 million. This level of capital investment was considered unviable for a building of this age and size.

Since the decision to close in February 2024, good progress has been made in finding new homes for affected residents. The occupancy rate has reduced from 50% in February to 19% in May 2024. The Council understands that it continues to be a difficult and upsetting time for remaining residents living at Brockhill and that they are seeking clarity over the timescales for closure.

Given the building safety issues identified at Brockhill, the Council cannot keep Brockhill open indefinitely. Therefore, it is proposed that the Council aims to have fully closed Brockhill by 30 September 2024. Regrettably, this may require some residents to move twice to secure their ideal long-term home. If agreed, officers would commence discussions with remaining residents to explore different short-term accommodation options that may be suitable.

This report seeks authority for the commencement of the sales process of the Council's freehold interest in the Brockhill site for redevelopment purposes. The site will be disposed of on the open market for best consideration and the receipt ringfenced for reinvestment in the Council's housing stock (this is after any appropriate decanting and demolition costs incurred by the Council have been recovered).

The site is currently utilised for sheltered/extra care housing and under the local plan designation the authority's clear preference is to comply with Policy CS13 and retain the specialist residential uses (e.g. sheltered accommodation/ retirement homes/ specialist residential).

The Council will also seek to demolish the building expediently after all residents have been re-housed if required to reduce the risks associated with a large building being empty for any extended period. The cost of demolition would be transferred to the successful purchaser.

Recommendations

The Executive is requested to:

RESOLVE That

- (i) a target date for the full closure of Brockhill be set at 30 September 2024;
- (ii) authority be delegated to the Strategic Director - Communities, in consultation with the Portfolio Holder for Housing and the Director of Democratic and Legal Services, to seek possession (under the Housing Act 1985) of homes at Brockhill where negotiation with tenants proves unsuccessful;

- (iii) following vacant possession being achieved, the Brockhill building is demolished and the site redeveloped;
- (iv) officers be authorised to engage agents and commence marketing of the Brockhill site for redevelopment purposes; and
- (v) authority be delegated to the Strategic Director - Communities, in consultation with the Portfolio Holder for Housing, to make any further decisions required in respect of the decommissioning (including demolition) of the building once vacant possession has been secured.

Reasons for Decision

Reason: To provide residents with a clear plan around the closure of Brockhill Extra Care scheme and the long-term future for the site.

The Executive has the authority to determine the recommendation(s) set out above.

Background Papers: None.

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Date Published: 5 June 2024

1.0 Introduction

- 1.1 Brockhill Extra Care Housing is a purpose-built two-storey scheme, constructed during the late 1980s. The scheme provides 48 extra care apartments over 2 floors, along with a communal lounge, dining room, kitchen, and reception/staff/office areas.
- 1.2 At its meeting of 14 December 2023, the Executive agreed to commence consultation with residents, their families, and other stakeholders on the proposed closure of Brockhill extra care housing scheme. Brockhill requires significant capital expenditure on fire safety remedial works and a full heating system replacement. The anticipated total capital expenditure required on Brockhill over the next 10 years is forecast to be circa £5.8 million. In addition, whilst Brockhill is a much valued and loved facility by residents, the design and layout of the building does not meet the current expectations for extra care housing as set out in Surrey County Council's Accommodation with Care and Support Strategy and national best practice. This level of capital investment is considered unviable for a building of this age and size.
- 1.3 Following the consultation, the Council approved the closure of Brockhill at its meeting of 8 February 2024. Furthermore, it was agreed that the residents of Brockhill be offered suitable alternative accommodation which best meets their needs and preferences and be paid Statutory Home Loss and Disturbance payments, where eligible.
- 1.4 This report provides an update on the rehousing of residents and seeks approval to proceed with the marketing of the site for redevelopment.

2.0 Rehousing Update

- 2.1 Determining a way forward for Brockhill continues to be a very sensitive issue. Throughout the process, the Council has sought to be open and transparent and acknowledged that this a complex issue, which does not necessarily have neat or ideal solutions. However, the future of Brockhill does need to be clarified and this is a regular issue raised by the remaining residents and their advocates.
- 2.2 The Council understands that this is a difficult and upsetting time for people living and working in Brockhill, as well as their families. The Council is fully committed to supporting residents with identifying and moving to alternative accommodation based on their individual assessed needs and their preferences. This will continue to be done in close dialogue with colleagues in Surrey County Council (SCC) Adult Social Care. The Council has already commissioned additional advocacy support (Citizens Advice Woking) and mental health support (Catalyst) to assist residents through this difficult period of change.
- 2.3 Since the decision to close in February 2024, more residents have been rehoused, including 5 households to the new-build sheltered housing scheme in Sheerwater (New Woodlands). As of 24 May 2024, there were 9 tenants living at Brockhill (of which four have agreed moves). The occupancy rate has reduced from 50% in February to 19% in May 2024. Given the low occupancy and speed by which residents are moving out, it is considered in the best interests of the remaining residents that the Council aims to progress the rehousing and closure process swiftly. Experience elsewhere highlights how quickly sheltered housing schemes can become lonely and isolating places for the last remaining residents as occupancy reduces. In addition, a number of services and activities at Brockhill have now ceased due to lack of demand. For example, the dining room has now closed, so tenants receive Community Meals in their flats or make their own arrangements. It is unclear how long Surrey County Council will continue to fund an on-site care team at Brockhill due to the low occupancy levels.
- 2.4 The majority of remaining residents have expressed a desire to move to the Council's other extra care housing scheme, Hale End Court, in Old Woking. However, there are no vacancies currently at Hale End Court and flats do not become available very often.

- 2.5 Last year, the Council received an updated Fire Risk Assessment for the building that identified that significant improvements were needed, including replacing fire doors and frames and compartmentation works. A number of mitigation actions were implemented to manage the fire safety risks at Brockhill, including the introduction of a team of evacuation officers at a cost to the Housing Revenue Account (HRA) of circa £24,000 per week.
- 2.6 Given the building safety issues identified at Brockhill and ongoing cost of the risk mitigation measures, the Council cannot keep Brockhill open indefinitely. It therefore seems reasonable to identify a target date for full closure. Wherever possible, tenants will only move once to a new permanent home. However, due to the pressing need to close the building and the limited vacancies at Hale End Court, some residents may have to move twice to secure their ideal long-term home. If agreed, officers would commence discussions with remaining residents to explore different short-term accommodation options that may be suitable. It is recognised that this is not ideal, but there is a need to balance resident safety and meeting residents' long-term accommodation choices. The Council will cover any additional costs incurred as a result of two moves. It is proposed that the Council aims to have fully closed Brockhill by 30 September 2024.
- 2.7 The Council intends to continue to work collaboratively with residents, their families, and advocates to agree a suitable temporary and/or permanent move and to support them with settling into their new home. However, to ensure the successful and timely closure, Notices of Seeking Possession (NOSPs) will need to be served on remaining tenants at Brockhill who have not accepted offers of alternative housing solution soon after this decision. Tenants will not need to move immediately, but this is a safeguard to ensure that the closure target can be achieved.
- 2.8 Where a negotiated solution cannot be reached, the Council reserves the right to seek possession through the legal process as a last resort. The Council has powers under the Housing Act 1985 to seek possession of a property that is earmarked for redevelopment. Schedule 2 of the Housing Act 1985 contains a number of grounds on which the Council may seek possession of a secure tenancy. These include where the Council intends to demolish a property within a reasonable time and suitable alternative accommodation is available (Ground 10). This means that the Court will have to decide that, in its opinion, there will be other accommodation which is reasonably suitable for the needs of the tenant, taking into account various factors such as its size, proximity to family and the sort of housing that other people with similar needs are offered. The new home will have to be let on a tenancy offering similar security of tenure. The Council is required to serve a notice for at least 4 weeks, before an application can be made to the court.

3.0 Proposal for the Brockhill Site

- 3.1 As set out in previous reports, Brockhill needs major capital works over the next 2 years and beyond. In the short-term, Brockhill would require a full heating upgrade and Fire Safety Works at a combined cost of circa £2.75 million if it were to be reused for any other residential purposes (for example, general needs housing or temporary accommodation). The building is expected to require other planned works over the next 5 years, forecast at a further circa £600,000.
- 3.2 Longer-term, other building elements are original and are deteriorating consistent with their anticipated lifecycle expectancy. Over the next 5 -10 years, building components, such as, rainwater fittings, roofing, external joinery, paths/hardstanding, common electrical elements, and floor coverings, are expected to need investment. The anticipated total capital expenditure required on Brockhill over the next 10 years is forecast to be circa £5.8 million, including design and professional fees, inflation, preliminaries, and contingency.

- 3.3 Last year, the Council initiated discussions with officers at Surrey County Council regarding the future of Brockhill, which included a site inspection. The engagement was productive and positive, including validating the extent of the capital works required at Brockhill. All the discussions and investigations have concluded that the building is becoming obsolete. The level of capital expenditure is unlikely to be viable for any reuse of the building for residential purposes by the Council or any social landlord.
- 3.4 It is envisaged that leaving the building vacant for any period of time could result in unlawful occupation by squatters or vandalism. It is therefore proposed that the disposal process commence as soon as possible for redevelopment purposes and in advance of full vacant possession being obtained. The Council will also seek to demolish the building at the successful purchasers cost expediently after all residents have been re-housed to reduce the risks associated with a large building being empty for any extended period of time.
- 3.5 Therefore, this report seeks authority for the commencement of the sales process of the Council's freehold interest in the Brockhill site. The site will be disposed of on the open market for best consideration and the receipt ringfenced for reinvestment in the Council's housing stock (this is after any appropriate decanting and demolition costs incurred by the Council have been recovered).
- 3.6 Executive approval is requested to commence marketing of the site. It is proposed that the disposal method will be by an Informal Tender. In a sale via an Informal Tender, the site will be widely advertised to the open market and expressions of interest sought by a pre-determined date. An agent has been procured to undertake the marketing exercise (if approved).
- 3.7 Given Brockhill's location, the site is expected to attract strong market interest. The site is in a largely residential area with excellent access to services. As a brownfield site, the principle of redevelopment is likely to be acceptable providing it is in keeping with the character of the area. In line with Policy CS13 of the Core Strategy, some form of specialist accommodation (e.g. sheltered accommodation/ retirement homes/ specialist residential) is likely to be the favoured redevelopment option from a planning perspective.

4.0 Corporate Strategy

- 4.1 The Council's Housing Strategy 2021 – 2026 includes the following priorities "to provide well-designed, high-quality homes that are affordable and meet local needs", "to help people to achieve independence and wellbeing" and "to deliver an improved housing service to our tenants and leaseholders".
- 4.2 Whilst Brockhill is a much valued and loved facility by residents, its design and layout does not meet the current expectations for extra care housing and does not meet latest fire safety standards. The Council invested in a new build Extra Care Housing Scheme at Hale End Court, which opened in 2021, which better meets the Council's strategic objectives for housing.
- 4.3 The disposal of the site will allow the Council to raise a capital receipt, which will support investment in the remainder of its housing stock.

5.0 Implications

Finance and Risk

- 5.1 The closure of Brockhill removes the necessity for the Council to undertake a significant amount of capital work over the next 2 years to improve fire safety and upgrade the heating system, along with longer-term works that will be required. The anticipated total capital expenditure required on Brockhill over the next 10 years if it were to stay open is forecast to

be circa £5.8 million, including design and professional fees, inflation, preliminaries, and contingency.

- 5.2 The current fire safety risks at Brockhill are currently being mitigated by a team of evacuation officers who are present on site, 24 hours a day, 7 days a week. This comes at a significant cost to the Housing Revenue Account (HRA) of circa £24,000 per week. This is not affordable or viable. The ongoing need to fund this risk mitigation will severely impact the overall viability of the Housing Revenue Account (HRA) and the Council's ability to provide services to all its tenants.
- 5.3 The Brockhill site is proposed to be disposed of on the open market for best consideration and the receipt ringfenced for reinvestment in the Council's housing stock (this is after any appropriate decanting and demolition costs incurred by the Council have been recovered).
- 5.4 Commercially sensitive information around the disposal, including the anticipated capital receipt, are included in the separate Part 2 report.
- 5.5 There is the risk of unlawful occupation by squatters should the schemes be left vacant for an extended period of time until a purchaser is found, hence the requirement to demolish swiftly. Alternative security measures, such as property guardians, may also be considered.

Equalities and Human Resources

- 5.6 An Equalities Impact Assessment was undertaken earlier in the year when the Council resolved to proceed with the closure of Brockhill. There are no new impacts as a result of the decision to commence marketing the site.
- 5.7 There are currently 3 members of staff working at Brockhill. Two staff members have found alternative employment outside the Council. As there is a job vacancy at Hale End Court, the decision to close will not result in any redundancies. Limited temporary staffing cover will need to be put in place to cover Brockhill until the scheme closes fully.

Legal

- 5.8 Local authorities have the freedom to dispose of their land in any manner that they wish subject to certain provisos prescribed within the following major Acts, other Acts and General Consents:
 - s123 (Disposal of land by principal councils) of the Local Government Act 1972;
 - s32 of the Housing Act 1985 (as amended); and
 - s25 of the Local Government Act 1988.
- 5.9 Under s123 of the Local Government Act 1972, the Council has wide powers for the disposal of its property assets. The overriding requirement is to obtain the best consideration that can be reasonably obtained for the land.
- 5.10 Under s32 of the Housing Act 1985 (as amended), the local authority has the power to dispose of land and dwellings held for housing purposes. Secretary of State consent will be required unless the disposal is covered by the General Housing Consents 2013.
- 5.11 The proposal to dispose of vacant housing land for a consideration equal to its market value is permitted under General Consent A without Secretary of State consent.

6.0 Engagement and Consultation

- 6.1 The Council has complied with the consultation requirements in s105 of the Housing Act 1985.
- 6.2 A resident consultation on the proposed closure of Brockhill ran from 20 December 2023 to 22 January 2024 and the results and feedback considered when resolving to go ahead with the closure in February 2024.
- 6.3 Officers will continue to engage with residents, their families and advocates to agree a suitable temporary and/or permanent move and to support them with settling into their new home.

REPORT ENDS