

ASSET DISPOSAL

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 was 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, all but four of the residents have been rehoused. Those remaining four residents all have alternative accommodation identified, of which three are due to move this month.

The Executive gave authority for the commencement of the sales process of the Council's freehold interest in the Brockhill site for redevelopment purposes on 13 June 2024 on the basis that the site would be sold on the open market for best consideration and the receipt ringfenced for re-investment in the Council's housing stock (this is after any appropriate decanting and potential demolition costs incurred by the Council have been recovered). Following an open market sales process a suitable purchaser has been identified and this additional paper seeks authority to complete the sale to the selected party following vacant possession.

Recommendations

The Executive is requested to:

RESOLVE That

- (i) following a competitive open market disposal process and subject to vacant possession being achieved, the site should be sold freehold to the successful selected bidder;
- (ii) authority be delegated to the Strategic Director - Communities, in consultation with the Portfolio Holder for Housing and the Director of Legal and Democratic Services, to complete the sale on the basis of the agreed Heads of Terms; and
- (iii) 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 final decommissioning of the building in order to achieve vacant possession which is a condition of the sale.

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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1.0 Introduction

- 1.1 Brockhill Extra Care Housing is a purpose-built two-storey scheme, constructed during the late 1980s. The scheme provided 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 over the next 10 years was forecast to be circa £5.8 million. In addition 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 was 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 on 8 February 2024. Furthermore, it was agreed that the residents of Brockhill would 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 seeks approval to proceed with the sale of the site for redevelopment.

2.0 Update

- 2.1 In June 2024, approval was granted to commence marketing of the site to identify a suitable development purchaser. Following a competitive tender, Hartnell Taylor Cooke were instructed to market the site on the basis of offers for a freehold purchase with full vacant possession. As a condition of the sale, the Council requires the demolition of the site as set out in the previous June Executive paper.
- 2.2 The Council acknowledges that this is a difficult time for people living in Brockhill, as well as their families. The Council has been committed to supporting residents with identifying and moving to alternative accommodation based on their individual assessed needs and their preferences.
- 2.3 Since the decision to close in February 2024, the majority of residents have been rehoused, save for four remaining residents for whom suitable alternative accommodation has been identified. Three of the remaining tenants are due to move this month.

3.0 Disposal of the Brockhill site

- 3.1 Following a detailed marketing exercise, seven bids were received for the site. Following advice from the marketing agents, two parties were shortlisted and interviewed.
- 3.2 Those two parties were invited to submit best and final offers resulting in a best bid from the selected purchaser for redevelopment as a new care home facility.
- 3.3 The financial terms and details of the successful bidder are contained within the Part 2 report as they are commercially sensitive.

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 The design and layout of Brockhill 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 sale of Brockhill removes the necessity for the Council to undertake a significant level of capital works over the next 2 years to improve fire safety and upgrade the heating system, along with longer-term works that would have been 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 Brockhill receipt will be 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).
- 5.3 Commercially sensitive information around the disposal, including the anticipated capital receipt, are included in the separate Part 2 report.
- 5.4 There is a risk of unlawful occupation by squatters should the scheme be left vacant and hence the requirement to demolish swiftly. The purchaser will be responsible for security of the site on completion.

Equalities and Human Resources

- 5.5 An Equalities Impact Assessment was undertaken earlier in the year when the Council resolved to proceed with the closure of Brockhill.

Legal

- 5.6 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.
- 5.7 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.

- 5.8 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.
- 5.9 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.

Environment and Climate Change

- 5.10 No environmental or climate change impacts arising from this report.

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 proceed with closure in February 2024.
- 6.3 Officers will continue to engage with the remaining residents, their families and advocates to agree a suitable temporary and/or permanent move within the suggested timescales.

REPORT ENDS