

RECORD OF DECISION TAKEN UNDER SCHEME OF DELEGATION BY MEMBER OF SENIOR MANAGEMENT TEAM IN CONSULTATION WITH PORTFOLIO HOLDER/COMMITTEE CHAIRMAN



SMT Member: Jonathan Noad
Service Group: Property and Assets
Portfolio Holder: Cllr Clark
Portfolio: Assets

Subject: Carry out feasibility work on a project to convert damaged and empty offices into residential units in Bamber Bridge

Decision: Spend £6,000 on design works to develop a business case to convert an under-performing office building to residential. This work will give a detailed costing plan to finalise the business case to do the works.

Details and Reasoning:

The Council own an office block in Bamber Bridge. It has been empty for a while and difficult to let. Recently it was damaged by a flood and subject to an insurance scheme.

The property in question is within the commercial estate. However, it has been void for some time and not generating income. This is an idea to convert the poor performing asset into one that meets wider Council objectives and generate sustainable income in the future. This difficult to let building could be converted to residential units that meet the Council's wider housing needs. An outline business proposal is attached.

The renovated property could generate income of up to £40,000 per annum. Conversion would cost c £250k but we need a detailed feasibility and costing plan to verify this. The £6,000 would allow this to proceed.

Wider Implications (including Financial, Legal, Equality and Risk):


At this stage there are no wider implications. The decision is to release £6,000 from the property by virement to carry out the feasibility study.

↓
budget

Once completed a formal business case will be put forward to seek approval to do the works and change the asset. Alternatives could be to dispose of it but that would need to be evaluated against this potential to meet Council wider objectives.

The risk of not doing this work is that the asset deteriorates further and increase the costs of any renovation.

Report attached?


 CONVERSION OF FORMER CIVIC BUILDING

Exempt from publication? Yes.


If exempt, give reason(s):

This is a commercial property and the potential commercial details are shown in this note. Publishing could jeopardise the future commercial position of the Council.


Signed:

J. Blondell
Date: 9/5/18

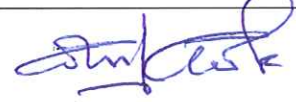
Financial Management


Date: 9/5/2018

Legal Services


Date: 3/5/2018

SMT Member


Date: 14/05/18

Portfolio Holder/
Chairman

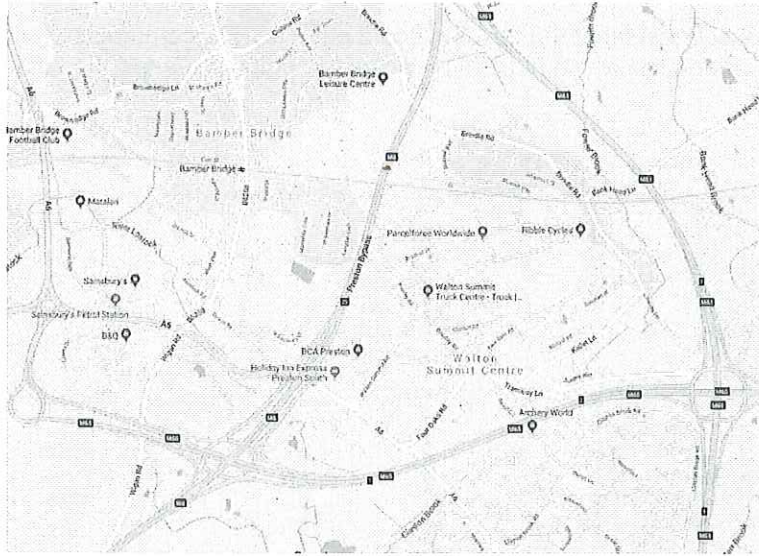
Publication Date (DST use):

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Decision template revised June 2013

THIS DECISION WILL COME INTO FORCE AND MAY BE IMPLEMENTED FIVE WORKING DAYS AFTER ITS PUBLICATION DATE, SUBJECT TO BEING CALLED IN IN ACCORDANCE WITH THE COUNCIL'S CONSTITUTION

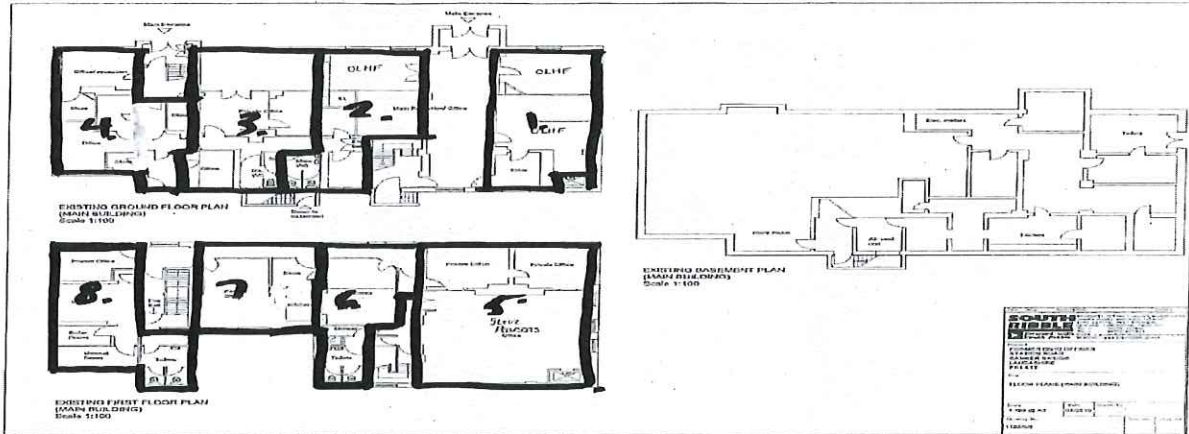
CONVERSION OF FORMER CIVIC BUILDING STATION ROAD, BAMBER BRIDGE TO AFFORDABLE HOUSING



PROPOSALS

The building is two storeys high, together with a basement area which is not useable or suitable for residential use and therefore will not form part of a future scheme. The main block of the building is covered with a slate pitched roof, with some areas to the rear of the building which are single storey 'lean-to' structures.

A rough sketch layout suggests that the building could potentially accommodate 8 flats. This is subject to the housing need in the area which at the time of this proposal is 1 and 2 bed affordable accommodation.



This gives a reasonable guide though to the typical potential for reusing the building for residential use. In summary the suggestion is for:

3 x 2 beds on the ground floor

5 x 1 beds on the ground and first floors

The above is based on initial survey, upon full survey there may be scope to raise the number of flats in the building.

This would allow reuse of the two existing stairs and the existing entrances, either to the front or the rear

It is also proposed by the council to demolish some of the outbuildings to the rear of the site to create a larger car park.

Estimated Income for the Council

3 x 2 bed @ 109.36pw = £5686.72 per flat, Total for 3 flats £17060.16

5 x 1 bed @ 89.46 pw = £4651.92 per flat, Total for 5 flats £23259.60

Management charges 25% - £10,106.00 Per Year
17% - £6872.00 per Year

Total Income over a 7 year lease with guaranteed income - £ 282,238.32

Total charge for management for 7 years - £70742.00 @25%

£48104.00 @17%

The Total Income after any management costs will for £211,496.32 @ 25% or

£234,134.32 @ 17%

If the flats were to be leased to Methodist Action at the 17% Management charge option the council would need to address the risk of the total rental income as Voids & non-payment are costly to the charity, particularly with UC being rolled-out

COSTINGS

The following costings for budgeting purposes as part of the business proposal are based upon a site visit to the building and the potential sketch layout. It is not always easy to fully assess the input required, particularly at technical drawing stage, but this estimate takes into account the information production which it appears reasonable to be required to achieve a suitable tender package to obtain a price from a contractor.

Design Drawings

(Includes liaison with the local authority officers in regards to scheme and layouts)

Measured Building Survey & existing plans

Scheme Development sketch layouts

Proposed drawings suitable for planning submission

Planning submission information

Building Regulations & Tender Drawings: GA floor layouts (BR and construction drawing) – ground and first floors

Demolition layouts

Partition setting out

Floor finishes & finishes schedule

Acoustic layouts

Heating and electrical layouts

Fire strategy

Structural coordination

Specifications included on drawings and provided separately

Building regulations submission information

Coordination of window, door, ironmongery & lintel schedules (by others specialist manufacturers)

Coordination of drainage layouts (by others)

TOTAL: £6000.00

Assumptions:

At this stage, it is envisaged that there may be a need for some additional input from other specialists or sub-contractors:

Structural engineer (underground drainage layouts & structural alterations)

Quantity surveyor (only if a Bill of Quantities is required for the tender)

Site/Topographical Survey (only if required for external works or if full elevation drawings required)

Health & Safety (it is assumed that this is carried out by the Local Authority)

Mechanical & Electrical (it is assumed that based on the layouts, final designs will be provided and warranted by the main contractor)

Costs for some of the additional consultants above can be obtained at working drawing stage, so it is possible that the scheme stage appointment can be split into two phases with a final confirmation of costs for the second stage at an agreed time.

