

THE CHARITY KNOWN AS COBTREE MANOR ESTATE

COBTREE MANOR ESTATE CHARITY COMMITTEE

15 JANUARY 2010

REPORT OF THE COBTREE OFFICER

Report Prepared by: Brian Latimer – Cobtree Officer

1. GARDEN COTTAGE - SUBSIDENCE

1.1 Issue for Decision

1.1.1 To consider the costs associated with repairs found to be necessary on Garden Cottage.

1.2 Recommendation of the Cobtree Officer

1.3 It is recommended that Members authorise officers to seek competitive tenders for the required repairs to, and reinstatement of, Garden Cottage, and other associated costs.

1.4 Reasons for Recommendation

1.4.1 At the last meeting of the Committee it was noted in the draft Asset Management Plan that a preliminary sum of £21,400 had been included for anticipated repairs to Garden Cottage.

1.4.2 At the time of writing that report the Council had not received a report from its appointed consultant. That report has now been received and it shows that extensive works are required to underpin the whole of the cottage to prevent further movement rather than the localised underpinning as initially thought; the works are now broadly estimated to cost in the region of £50 – 60,000.

1.4.3 Your officers have had subsequent discussions to consider all possible alternatives to resolve the problem of movement, which is essentially at one end of the building. The conclusion is that the recommendation of the consultant to underpin the whole of the building and to replace the ground floor slab is the most appropriate solution to extend the life of the building.

1.4.4 A detailed quotation has been sought and this confirms the broad estimate; showing basic works to underpin the property in

the order of £46,000. It is anticipated that further costs and reinstatement works will bring the final total to the estimated £60,000.

- 1.4.5 It has been confirmed that subsidence is not covered by the Council's insurance policies, nor any costs arising from such an event. The Charity will be required to meet all the costs involved in carrying the out the necessary works and any additional costs resulting there from.
- 1.4.6 It is anticipated that the extent of the works will necessitate the temporary relocation of the tenant and their belongings. It would appear that the Council is unable to use a Housing Trust property, even for a short period. The cost of temporary accommodation and other costs will also have to be met by the Charity. It is estimated that a minimum period of approximately three months will be required to carryout the proposed works and complete the reinstatement.
- 1.4.7 The matter of relocation is yet to be discussed with the occupant, although obviously he is aware of the extent of the problem, and will most likely anticipate the level of disruption which will result. There appears to be no suitable alternative accommodation available within the council's ownership; thus it seems likely that a private, rented property will need to be acquired. The likely cost is being explored and will be reported to your meeting.
- 1.4.8 It would be right for Members to question whether or not the cost of repairs of Garden Cottage represents value for money in the overall context of the value of the property. It is estimated that if the property was offered freehold on the open market following repair and with vacant possession it would be worth approximately £100,000; £80,000 without repair and vacant possession; and as little as £50-60,000 without repair and including a sitting tenant. The Charity currently receives a rental income of £5,250 per annum.
- 1.4.9 However, the value of the property may be somewhat academic as it is leased to the tenant for a further eleven years, and for so long as the tenant continues to pay the rent there is an obligation on the Charity to maintain the property in good and tenantable order. Only the tenant has the right to terminate the lease.
- 1.4.10 Thus, the "do nothing" option is only available to the Charity if the tenant were to agree to surrender the lease. Should that arise, the Charity would still need to seek consent of the Cobtree

Charity Trust Limited to either dispose of the property or demolish it.

1.4.11 The report of the Council's consultant (70 pages) can be made available for those Members who wish it; along with the detailed quotation received from a specialist contractor.

1.5 Alternative Action and why not Recommended

1.5.1 The alternative course of action is to seek to negotiate the possible disposal or demolition of the property. This is not recommended as the property may have the potential to bring a greater income to the Charity at the completion of the current lease agreement. Albeit, also possible, that the Charity might be obliged under current legislation to grant a further lease to the occupant.

1.6 Impact on Charity Objects

1.6.1 The use of the required funding may have an impact on the Charity's ability to enhance the facilities available at the Cobtree Manor Park.

1.7 Risk Management

1.7.1 The risk is that the value of the property will fall even once the repairs have been completed and it is made available with vacant possession, or a further lease will have to be granted to the occupant.

1.8 Other Implications

1.8.1

Financial	<input checked="" type="checkbox"/>
Staffing	<input type="checkbox"/>
Legal	<input checked="" type="checkbox"/>
Social Inclusion	<input type="checkbox"/>
Considerations for Disabled Persons	<input type="checkbox"/>
Environmental/Sustainable Development	<input type="checkbox"/>
Community Safety	<input type="checkbox"/>
Human Rights Act	<input type="checkbox"/>
Procurement	<input type="checkbox"/>

- 1.8.2 The costs of the required works will further delay the repayment of the debt to the Council. The final costs of the works will only be determined after competitive tenders have been received.
- 1.8.3 Unless the tenant agrees to the contrary, the Charity has an obligation to keep the property in good and tenable order, or find comparable alternative accommodation.

Background Documents

NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED

Is this a Key Decision? Yes No

If yes, when did it appear in the Forward Plan? _____

Is this an Urgent Key Decision? Yes No

Reason for Urgency