



Derby City Council

**HOUSING AND ADVICE
CABINET MEMBER MEETING
21 December 2012**

ITEM 5

Report of the Strategic Director for Adults, Health and Housing

Proposals for Conversion of Community Rooms

SUMMARY

- 1.1 The report considers a proposal by Derby Homes to convert community rooms at Slindon Croft and Garsdale Court to let as affordable housing for older persons and/or disabled persons.

RECOMMENDATION

- 2.1 To agree that the community rooms outlined within the report be converted to residential accommodation to let as affordable housing at target rent levels to older and/or disabled persons in accordance with the Council's allocation policies prevailing at the time.

REASONS FOR RECOMMENDATION

- 3.1 This proposal makes better use of underused facilities, providing additional affordable housing and generating a revenue stream for the Housing Revenue Account (HRA).

SUPPORTING INFORMATION

- 4.1 Derby Homes manages 25 community rooms which are located within sheltered housing schemes and used predominantly by elderly and disabled people for activities such as coffee mornings, lunch clubs and bingo.
- 4.2 Community rooms are paid for in part by a contribution from the sheltered housing residents and in part through subsidy from Derby Homes. The rooms have a varied level of usage with a number experiencing very little use at all. Since April the Community Initiatives Team have attempted to address the lack of use of some community rooms.

- 4.3 The limited success of new initiatives prompted Derby Homes' Executive Team to recommend to the City Board of June 2011 that the top 10 most under-utilised rooms be considered for alternative use, namely for conversion to residential accommodation.
- 4.4 A review of these rooms was subsequently carried out involving the SHOUT (Supported Housing Offering Unity and Trust) Group and local residents. The SHOUT group created a questionnaire to gauge the views of all tenants who contributed to the cost of their respective schemes. Consultation events organised by Derby Homes were attended by SHOUT and DACP (Derby Association of Community Partners).
- 4.5 Following the results of the consultation exercise, it was recommended to the City Board of 13th October 2011 that the community rooms at Centurion Walk, Chester Green, and Churchside Walk, Parliament Street and 2 of the 3 rooms in Alvaston (Slindon Croft, Humber Close, Garsdale Court) be converted to residential accommodation. These conversions will not be subject to Right to Buy as they are within sheltered housing schemes. These proposals were approved by the Board.
- 4.6 Following further assessment Garsdale Court and Slindon Croft were proposed as the two community rooms that should be put forward for residential conversion. This proposal was recommended to and approved by the City Board of 21st June 2012 after further consultation with residents at Slindon Croft following their expressed concerns.
- 4.7 The results of the questionnaire and the consultations are contained within the City Board reports appended to this report. The table below summarises the results in relation to the community rooms recommended for conversion.

Community room	Summary of current usage and consultation.
Slindon Croft	Activities have reduced from three weekly activities to one weekly meeting. Three tenants and a relative attended the event. Six respondents to the questionnaire indicated they attended one of the weekly events.
Garsdale Court	There are two weekly activities. Two tenants and two other residents came to the event. They acknowledged there was little interest in using the room.

- 4.8 The conversion of these rooms will result in annual savings to both tenants and Derby Homes as follows:

Community room	Savings to tenants	Savings to Derby Homes
Slindon Croft	£979	£1,746
Garsdale Court	£1,110	£1,756
Total	£2,089	£3,502

4.9 The conversion of the rooms to residential dwellings will generate a surplus for the HRA from Year 1 with the investment costs programmed to be paid off over 10 years. This is illustrated as follows:

Community room	Conversion Costs	Annual repayment costs (over 10 years)¹	Future income @£80 pw²	Management / Maintenance costs³	Surplus at year 1
Slindon Croft	£9,000	(£1,350)	£3,840	(£1,600)	£890
Garsdale Court	£9,000	(£1,350)	£3,840	(£1,600)	£890
Total	£18,000	(£2,700)	£7,680	(£3,200)	£1,780

¹ borrowing costs assumed at 5% of original sum

² Assumed target rent

³ Management and maintenance costs assumed at £1,600 per annum

OTHER OPTIONS CONSIDERED

5.1 The only other option would be to leave the rooms as they are. This would continue to be a revenue drain for Derby Homes and a charge to tenants of the respective schemes, the majority of whom do not use the facilities.

This report has been approved by the following officers:

Legal officer	Olu Idowu
Financial officer	Toni Nash
Human Resources officer	n/a
Service Director(s)	Brian Frisby
Other(s)	Ian Fullagar

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Background papers:	None
List of appendices:	Appendix 1 – Implications Appendix 2 – Derby Homes City Board report

IMPLICATIONS

Financial and Value for Money

- 1.1 The proposal will save Derby Homes the £3,502 annual costs that it is currently incurring through maintaining these facilities.
- 1.2 Conversion to residential units will generate a surplus of just under £1,780 for the HRA in year 1. This surplus will increase as the refurbishment costs are paid off.

Legal

- 2.1 A full consultation exercise with affected stakeholder interest has been carried out in accordance with the Housing Act 1985. As the impact within the interest groups falls within two recognised equality strands, an equality impact assessment should be undertaken prior to a formal corporate decision being made.

Personnel

- 3.1 None arising from this report

Equalities Impact

- 4.1 An Equality Impact Assessment has been carried out by Derby Homes in consultation with the Council's Equalities team.

Health and Safety

- 5.1 None arising from this report

Environmental Sustainability

- 6.1 The refurbished scheme will be developed to the environmental standards for affordable housing prevailing at the time.

Asset Management

- 7.1 These dwellings will boost the Council's HRA assets and mitigate some of losses expected through the revamped Right to Buy scheme.

Risk Management

- 8.1 None arising from this report

Corporate objectives and priorities for change

- 9.1 A strong community

