

Cabinet Meeting	
Meeting Date	11 July 2018
Report Title	17/17A Station Street, Sittingbourne – options for future use
Cabinet Members	Cllr Duncan Dewar-Whalley, Cabinet Member for Finance and Performance and Cllr Alan Horton, Cabinet Member for Housing and Safer Communities
SMT Leads	Nick Vickers, Chief Financial Officer and Emma Wiggins, Director of Regeneration
Head of Service	Anne Adams, Head of Property Services
Lead Officers	Anne Adams, Head of Property Services and Roxanne Sheppard, Housing Options Manager
Key Decision	No
Classification	Open
Recommendation	That Cabinet approves a proposal to take forward the option to convert 17/17A Station Street, Sittingbourne to temporary homeless accommodation with a further report to Cabinet prior to the allocation of funding and award of contract.

1 Purpose of Report and Executive Summary

- 1.1 The purpose of this report is to set out the options for the future of 17/17A Station Street and to recommend that Cabinet agrees to take forward a proposal to convert the building to temporary homeless accommodation. Any decision to allocate funds for the conversion of the building and the award of the contract will be the subject of a separate report in due course.

2 Background

- 2.1 17/17A Station Street is owned by the Council and was previously occupied by Citizens Advice Swale. When CAS transferred their operations to Swale House in January 2018 the building became vacant.
- 2.2 Since then, various options for the building have been explored and a feasibility study was commissioned to provide layout plans and budget costs for a conversion to residential use.
- 2.3 The building was originally constructed as a dwelling and then converted to office use. As demand for office use in that location is low, the building ideally lends itself to conversion back to residential.

3 Proposals

- 3.1 The feasibility report concluded that residential conversion would be the most viable future use for the building. A planning application for change of use from office to residential will be required and given the lack of demand for such offices in this location and the residential nature of the surrounding buildings, it is likely that such an application will be favourably considered by officers. It is also possible that the change of use could fall within Class M of the General Permitted Development Order 2015 – this means that residential use could be permitted subject to certain conditions.
- 3.2 The report also explored the opportunity to construct a new building in the rear car park of the premises. It is not recommended that the new build is taken forward immediately but by retaining ownership of the building, the opportunity to carry this out at a later date is retained together with any uplift in the value of the premises.
- 3.3 There is a limited supply of emergency temporary accommodation in Swale and the Housing team currently use bed and breakfast accommodation, mostly in Medway. Station Street could offer self-contained emergency accommodation, which, due to the location could be managed within existing resources in the Housing team.
- 3.4 The accommodation can potentially provide two 1-bedroom flats and one 3-bedroom maisonette. Depending on the size and circumstances of individual families, it is expected that up to 15 people could be accommodated at any one time.
- 3.5 The next steps will be to obtain planning permission for change of use to residential accommodation and to prepare the drawings and specification for seeking competitive tenders for the project.
- 3.6 It is proposed that external consultants will be appointed to project manage the work due to a lack of internal resources. Based on the feasibility work carried out to date, the anticipated total budget for the work is expected to be between £250,000 – £350,000. Once firm tenders have been received and a contractor selected, a further report will be presented to Cabinet to seek authority to allocate the capital funding and award the contract.
- 3.7 The alternative options for the site are set out below, together with the reasons why they are not being recommended. Cabinet is therefore recommended to agree that a conversion to temporary homeless accommodation should be explored.

4 Alternative Options

The options that have been considered for the building are:

- 4.1 *Sell the freehold of the building in its current condition.* This is not recommended as the opportunity to address the shortage of temporary homeless accommodation would not be realised.

- 4.2 *Convert the building to residential accommodation and then sell the freehold.* This is not recommended as there is a risk that sale price of the converted building may not have increased sufficiently to cover the full costs of conversion and capital funding would be put at risk. It also would not address the shortage of temporary homeless accommodation.
- 4.3 *Convert the existing building to residential use and construct the new building in the rear car park.* This is not recommended as it would involve a very large capital investment. By retaining the ownership of the site, the opportunity to develop the rear car park at a later date will be retained.
- 4.4 *Retain the building as an office and seek to re-let it.* This is not recommended as demand for office use in that location is low and the rent achievable would be lower than that achievable from residential use.
- 4.5 *Convert the building into self-contained accommodation to be used for move on from temporary accommodation.* This is not recommended as it would offer move on for limited households only.
- 4.6 *Convert the building and use it for move on from Temporary Accommodation into Assured shorthold tenancies at affordable rent levels.* This would require setting up a management company to avoid setting up a Council secure tenancy which offers the right to buy. This is not recommended as it would offer move on to a limited number of households.
- 4.7 *Convert the building into self-contained accommodation and let the properties at market rent.* This may be hard to achieve as the flats would overlook the cinema. This option would also involve the setting up of a management company.

5 Consultation Undertaken or Proposed

- 5.1 Consultation will be carried out as part of the planning application process.

6 Implications

Issue	Implications
Corporate Plan	This proposal meets the Corporate Priority of “A Community to be Proud of” by supporting homeless people and the priority of “A Council to be Proud to” by ensuring that the best use is made of a Council owned asset.
Financial, Resource and Property	The conversion would require capital funds and these would come from capital receipts generated by recent previous disposals. There will be revenue budget savings from a reduced need for external bed and breakfast accommodation.

Legal and Statutory	None identified at this stage. Ensure full compliance with the suitability of homeless accommodation order
Crime and Disorder	None identified at this stage.
Environmental Sustainability	Environmental sustainability will be addressed as part of the detailed design of the conversion.
Health and Wellbeing	This would improve health and wellbeing by enabling more homeless Swale residents to remain in Swale, accessing health services, education, work and support networks
Risk Management and Health and Safety	None identified at this stage.
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.

7 Appendices

7.1 None

8 Background Papers

None