

**Bolsover District Council**

**Meeting of the Executive on 4<sup>th</sup> March 2024**

**Briar Close, Shirebrook - demolition of Council owned bungalows**

**Report of the Portfolio Holder for Housing**

<b>Classification</b>	This report is Public.
<b>Contact Officer</b>	Victoria Dawson, Assistant Director Housing Management and Enforcement

**PURPOSE/SUMMARY OF REPORT**

- To seek approval to award the contract for demolition of the Council-owned bungalows and ancillary buildings on Briar Close, Shirebrook to Dragonfly Development Limited.

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**REPORT DETAILS**

**1. Background**

- 1.1 The Council owns 49 bungalows on Briar Close, Shirebrook, which due to their condition are beyond their habitual economic lives and need to be demolished.
- 1.2 The site has been considered for redevelopment by the Council and as such the bungalows have been vacated in readiness for the demolition, with affected tenants awarded with an agreed home loss payment.
- 1.3 Planning permission has been obtained for the demolition and an indicative costing for demolition, removal of services and meters has been obtained from Dragonfly Developments Limited.

**2. Details of Proposal or Information**

- 2.1 The main considerations for recommending demolition are:
  - The access is unsuitable for the tenant group with excessive stepped approaches.
  - The bungalows are chalet style buildings with no thermally efficient façade to front and rear elevations, resulting in significant heat loss and damp / mould issues.
  - There is a lack of private garden/amenity areas.
  - Major elements (roofs, heating systems, kitchens and bathrooms) are approaching or exceeding the remaining lifespan and will result in Decent Homes failures.
- 2.2 It is not considered financially viable to undertake any extensive repair and maintenance programme to bring the bungalows up to the necessary decent

home standard. As such, a decision was taken to stop all allocations to these properties and priority was given to remaining tenants to be rehoused as well as a discretionary home loss payment to tenants.

- 2.3 The site is now vacant and the next step to avoid the HRA having to cover the cost of the empty property council tax liability, as well as avoiding any anti-social behaviour and vandalism, is to demolish the buildings.
- 2.4 Planning permission for demolition has been obtained.
- 2.5 An indicative quote to clear the site in full, including removal of asbestos, service disconnection and gas/electric meters removal, has been obtained. Therefore, we are seeking an approved budget of up to £265,000 for the required demolition and clearance.
- 2.6 Officers continue to explore redevelopment opportunities or sale of this site. Until an alternative use for the site is decided, the cost of clearing the work is classed as revenue expenditure for the HRA.

### **3. Reasons for Recommendation**

- 3.1 There are no compelling reasons to retain the existing buildings, but there is potential for re-development of the site that would enhance amenity value of the local area and better serve the local community.
- 3.2 However, leaving the buildings empty is likely to attract additional anti-social behaviour as well as incur costs to the Council in terms of council tax payments for the vacant bungalows.
- 3.3 It is therefore recommended that Dragonfly Development Limited be appointed to demolish the Council-owned bungalows and ancillary buildings.

### **4 Alternative Options and Reasons for Rejection**

- 4.1 The option to retain the bungalows was rejected due to their condition and the significant amount of investment needed to get these to a decent home's standard.
- 4.2 Were they not to be demolished, the Council would continue to incur cost liability for Council Tax (£1,200 per week) and this would also further obscure void property performance. It is therefore in the interest of the Council to arrange demolition of the properties.

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## **RECOMMENDATION(S)**

To delegate the decision to award the contract for demolition of the Council-owned bungalows and ancillary buildings on Briar Close, Shirebrook to Dragonfly Development Limited to the Assistant Director Housing Management and Enforcement.

Approved by Councillor Sandra Peake Portfolio Holder for Housing

**IMPLICATIONS.**

**Finance and Risk:**            Yes             No

**Details:** There continues to be a loss of rental income and council tax liability while ever the properties remain vacant. Demolishing the bungalows would remove the council tax liability. The rent loss cannot be mitigated unless new properties are built/purchased but demolishing the properties gives certainty around the voids figure used to estimate the HRA rental income budgets.

The demolition costs can be achieved within existing revenue budgets by careful reprofiling of the capital and revenue HRA budgets.

On behalf of the Section 151 Officer

**Legal (including Data Protection):**            Yes             No

**Details:** Dragonfly Development Limited is also a company wholly owned by the Council. Council on 6<sup>th</sup> March 2024 are to consider changes to the Council's procurement rules to allow for a direct award to Dragonfly Development Limited where the contract amount is below the public works contract threshold of £5,327,609. This decision is subject will be subject to Council agreeing to those changes.

On behalf of the Solicitor to the Council

**Environment:**            Yes             No

Please identify (if applicable) how this proposal/report will help the Authority meet its carbon neutral target or enhance the environment.

**Details:** Demolition increases the biodiversity of the site initially. Any future development of the site would need to take account of improving net zero carbon emissions over the lifetime of the development helping the district to transition to net zero by 2050 through decarbonisation of its housing stock.

**Staffing:**            Yes             No

**Details:**

On behalf of the Head of Paid Service

**DECISION INFORMATION**

<p><b>Is the decision a Key Decision?</b> A Key Decision is an executive decision which has a significant impact on two or more District wards, or which results in income or expenditure to the Council above the following thresholds:</p> <p><b>Revenue - £75,000</b> <input type="checkbox"/> <b>Capital - £150,000</b> <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies.</i></p>	Yes
<p><b>Is the decision subject to Call-In?</b> <i>(Only Key Decisions are subject to Call-In)</i></p>	Yes

<b>District Wards Significantly Affected</b>	(Please state which wards or state All if all wards are affected)
<b>Consultation:</b> Leader / Deputy Leader <input type="checkbox"/> Executive <input type="checkbox"/> SLT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Details:

<b>Links to Council Ambition: Customers, Economy and Environment.</b>

<b>DOCUMENT INFORMATION</b>	
<b>Appendix No</b>	<b>Title</b>
1	Plan of Briar Close

<b>Background Papers</b>
<i>(These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Executive, you must provide copies of the background papers).</i>