

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Housing, Environmental and Economic Development

Housing, Environment and Economic Development Committee: 2 September 2009

Subject: Overtoun House, Milton Brae, Milton, G82 2SH

1. Purpose

- 1.1** This report seeks Committee approval, by a variation in the terms of the current lease to Overtoun House Christian Centre (OHCC), to extend the completion date of the refurbishment and conversion works of Overtoun House by the tenants, Overtoun House Christian Centre, from 31 December 2009 to 31 December 2012.

2. Background

- 2.1** Overtoun House is let by West Dunbartonshire Council to Overtoun House Christian Centre on a 35 Year lease which terminates on 19 September 2036. The purpose of the lease is to facilitate works as noted in 1.1 above which on completion are to provide long term facilities for the benefit of unfortunate groups from within West Dunbartonshire. The proposed facilities are:

- (i) Residential care for single expectant mothers;
- (ii) Residential care for mothers in crisis;
- (iii) Youth sport life training;
- (iv) Training centre/ retreat centre;
- (v) Counselling Centre;
- (vi) Public access and tea room;
- (vii) Staff accommodation for Pastor Robert Hill and his wife Melissa Hill to provide on site direction and ministry;
- (viii) Public bed and breakfast accommodation;
- (ix) Provide enhanced walking trails and other recreational use of the surrounding grounds.

- 2.2** Overtoun House is entered on both the Non Domestic Rates and Council Tax property registers. Although the majority of the property is classified as non domestic, the two flats contained within the property are classified as domestic and liable for Council Tax.

- 2.3** It is acknowledged that the delivery of services from Overtoun House would play into the Council's wider strategy in relation to supporting vulnerable people and it has been confirmed by the Overtoun House Christian Centre that it is their intention to provide a place of refuge for young women in crisis. The Centre has also confirmed to the Executive Director that their plans include a commitment to provide a residential floor which meets all statutory requirements in partnership with Social Work colleagues and in line with social work advice at each stage of the project.

3. Main Issues

- 3.1** Under the terms of the original lease, and that of a further amendment, the refurbishment works were to be completed by 31 December 2009. However the project relies heavily on funding and voluntary labour from the United States of America. Both these factors have been badly affected by the natural events of Hurricane Ivan, Hurricane Katrina and the general economic downturn. Given this, the OHCC have indicated they will be unable to fulfil this commitment by 31 December 2009. During discussion with the Centre, they have been unable to provide a definitive date for completion of all renovation works involved in fulfilling their expected outcomes as listed in 2.1 above and the further 3 year extension proposed by officers is in an effort to target a reasonable completion date. The only expected outcome intimated by the Centre itself by December 2012 however is completion of the residential floor but with no estimate of completion of any further works which include the development of the basement floor, work to tower block and all ancillary works to the buildings listed areas.
- 3.2** Under the terms of the original lease, the Council is responsible for insuring Overtoun House and the OHCC responsible for the reimbursement of this cost, which is currently £5275 per annum. The OHCC have indicated they are unable to fulfil this commitment and have requested that consideration is given to providing some assistance to meet this cost as it diverts funds from the refurbishment programme.
- 3.3** The property receives full relief from Non Domestic Rates and as such no rates are payable.
- 3.4** In terms of the Council Tax liability, the Council does not have the discretion to waive a charge. The liability is determined by legislation and the Council has the power to award discounts, exemptions and benefit where circumstances merit. If the occupants do not qualify for any discount, exemption or benefit, the Council Tax liability is payable.
- 3.5.** With regard to the liability for payment of property insurance, the Council has agreed a prolonged payment arrangement with OHCC. However, in view of the prolonged repayment period and the recurring annual charge, the repayment arrangement will be reviewed by Corporate Finance Section.

4. Personnel Issues

4.1 There are no Personnel Issues

5. Financial Implications

5.1 There is no rates liability arising from OHCC's occupancy of Overtoun House. The Council is responsible for ensuring appropriate insurance is in place for Overtoun House and OHCC is liable for the reimbursement of this cost to the Council.

5.2 The Committee is asked to note that occupation of the building presently negates the need for Council to undertake building security measures, these costs estimated at circa £47,000 per annum. In addition, the Centre also undertakes grass cutting and some soft landscaping maintenance to the surrounding grounds of Overtoun House which the Council would otherwise be responsible for, this in the approximate amount of £5,000 per annum.

6. Risk Analysis

6.1 There is no risk associated with the proposed amendment to the lease

7. Conclusions & Officers' Recommendations

7.1 The variation in the terms of the lease will benefit the Council by eventually providing the facilities as outlined in 2.1 above.

7.2 It is recommended that the Executive Director of Housing, Environmental and Economic Development be authorised to vary the terms of the current lease to extend the date of completion of works from 31 December 2009 to 31 December 2012.

7.3 It is further recommended that the Head of Legal, Administrative and Regulatory Services be authorised to register the Minute of Variation of Lease as described in Paragraph 7.2.

Elaine Melrose

Executive Director of Housing, Environmental and Economic Development

Date: 31 July 2009

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Appendices: None

Background Papers: None

Wards Affected: Ward 3