



CABINET – 18TH JANUARY 2017

**SUBJECT: ROWAN PLACE, RHYMNEY – PROPOSED DEMOLITION OF FLATS –
BLOCK 65-68**

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet approval to demolish an additional block of flats in Rowan Place, Rhymney in conjunction with the improvement of the physical condition of the estate.

2. SUMMARY

- 2.1 Following the identification of severe damp and external defects to the external fabric of the properties in Rowan Place a major investment programme is currently being undertaken to bring the properties up to the WHQS. Following the demolition of one block of four flats of the remaining 68 Council owned stock, 44 of the properties are 2 bedroom flats comprising 11 blocks. This is a large concentration in a very small area.
- 2.2 Following Cabinet approval to demolish one block of flats to reduce the density of the estate and in recognition that there remain a large number of two bedroom flats, this report seeks approval to demolish a further block due to ongoing low demand in the area, to enhance the environmental aspect of this estate and to achieve financial savings.

3. LINKS TO STRATEGY

- 3.1 The delivery of the WHQS environmental programme is coterminous with the aims of the Wellbeing of Future Generations (Wales) Act 2015 which requires public bodies to work towards a shared vision comprising 7 goals and adopt the 5 “Ways of Working”. The goals and the 5 Ways of Working will underpin the delivery of the programme and include planning and acting for the long term, integration, involvement, collaboration and prevention. The WHQS investment in Council homes to transform lives and communities is a Well Being Objective.
- 3.2 The Single Integrated Plan 2013-2017 has a priority to “improve standards of housing and communities, giving appropriate access to services across the County Borough”.
- 3.3 The Council’s Local Housing Strategy “People, Property, and Places” has the following aims:

“To provide good quality, well managed houses in communities where people want to live, and offer people housing choices which meet their needs and aspirations.”

4. THE REPORT

- 4.1 A report was presented to Cabinet in July 2014 outlining the significant problems that had been identified in Rowan Place. The report had been the subject of consultation with the Caerphilly Homes Task Group in May 2014 and with Policy and Resources Scrutiny Committee in June 2014. The report also floated the option of some selective demolition. 48 of the properties were 2 bedroom flats resulting in a very high concentration of flats in a very constrained location. In addition, due to reputational issues, Rowan Place had become a low demand area. There were mixed views during the consultation process about demolition and at the time this was not pursued.
- 4.2 A further report was submitted to Cabinet on the 16th December 2015, seeking approval to demolish a block of flats comprising units 69-72 with the recommendation to demolish being accepted. In addition the recommendation in respect of the necessary works and the additional funding implications were approved.
- 4.3 Rowan Place now consists of 68 Council owned properties, including 3 leasehold flats and a further 6 owner occupied houses/bungalows. Surveys of the Council owned properties had identified severe damp and extensive defects to the external fabric and major works were necessary to bring the stock up to WHQS. The original report in 2014 pointed out that if all the properties were to remain as part of the housing stock there would be no option but to incur the expenditure to address defects. It is a pre-requisite of WHQS that dwellings must be free from damp and disrepair.
- 4.4 Very significant costs are being incurred in refurbishing the blocks of flats and concerns remain about long term lettings. As works have progressed on site an opportunity has now arisen to consider reducing the stock of 2 bedroom flats by demolishing a further block 65-68. It is located in the centre of the estate and its removal linked to the demolition of the adjacent block of flats would create a significant open space at the heart of the estate. The site could be utilised to create a central feature that would further enhance the environmental quality and complement the face lift that has been given to the properties.
- 4.5 Despite the investment made in Rowan Place to date and following the introduction of a sensitive lettings policy, there remain 12 improved void properties with no interest being shown from those qualifying tenants on the housing waiting list and despite increased marketing of properties that are available. There is therefore an ongoing risk that further investment in this block would fail to result in the properties being let.
- 4.6 The block is currently occupied by two leaseholders and one tenant who have informally accepted a proposal to move to a newly refurbished flat in an alternative block. In relation to the leaseholders, the Legal Department has been instructed in the matter and the intention is that the existing leases will be surrendered and new leases granted for alternative flats which are being retained by the Council. The tenant will be offered a new tenancy for an alternative property. This will result in the Council having full control over block 65-68 as the other property in this block is currently void.
- 4.7 Members will recall that £1m VVP (Vibrant and Viable Places) grant was received for Rhymney over 3 years which has been directed to support the refurbishment of Hafod Deg and to provide environmental funding that would supplement the WHQS works in Rowan Place. It is anticipated that this proposal would provide the means to extend the environmental works on the site of the demolished flats to further enhance the appearance and facilities available for the community.
- 4.8 The grant of the new leases referred to in paragraph 4.6 above will require the consent of the Welsh Ministers and a formal application for consent will have to be made to Welsh Government. This will need to be accompanied by a statement setting out the purpose of the disposal, a District Valuer's report on the open market value of the property, the financial implications in respect of reduced rent, the Cabinet approval to the disposal/demolition, and the Cabinet report.

- 4.9 Officers consider there are merits in pursuing the demolition of the one additional block. However, if Members support this proposal then the procurement process will need to be fast-tracked to aim for the demolition to take place prior to the end of March 2017, in order to avoid the migration pattern of bats in the area. This could be achieved by a direct award or the issuing of a variation to the ongoing environmental scheme.

5. WELLBEING OF FUTURE GENERATIONS

- 5.1 The delivery of the WHQS improvement and environmental programme is coterminous with the aims of the wellbeing of Future Generations (Wales) act 2015, in particular:-
- **Long Term:** the report includes a recommendation to demolish a further block of flats in order to deliver long term benefits for residents in Rowan Place, the community and the Council by providing an estate which better meets demand for the area.
 - **Integration:** The proposed demolition will result in wider environmental works which will improve facilities and open the area up in order to better integrate with neighbouring communities.
 - **Involvement:** Local residents have been consulted on the proposed environmental works.
 - **Collaboration:** A multi-agency approach has been adopted with the aim of improving the appearance and reputation of the estate in conjunction with the Policy, Communities First, Aneurin Bevan Health Board and Housing.
 - **Prevention:** The proposed demolition of an additional block of flats will reduce the density of the estate, prevent increased numbers of void properties and reduce incidences of anti-social behaviour, thereby improving the mental and physical wellbeing of residents.

6. EQUALITIES IMPLICATIONS

- 6.1 An EqIA screening has been completed in accordance with the Council's Equalities Consultation and Monitoring Guidance and no potential for unlawful discrimination and for lower level or minor negative impact have been identified, therefore a full EqIA has not been carried out. The proposal will result in the loss of 4 housing units but this is a location where currently there are 8 no. two bedroom flats, which despite being fully improved, they have not been let. The Upper Rhymney Valley is generally a low demand area.

7. FINANCIAL IMPLICATIONS

- 7.1 The cost plan estimate for the internal improvements to the 72 Council owned properties based on the Savills stock condition survey was £563,000 and for the external works £55,900.
- 7.2 Arising from the report presented to Cabinet in July 2014 a revised budget of £4.2m was approved with the additional costs to be funded within the Business Plan flexibilities.
- 7.3 The average cost of repairs and improvements per property was calculated as £58,800. However if the improvement had progressed to block 65-68 the internal work would not have been undertaken to the leasehold flat. The cost saving of not having to undertake improvement works will be of the order of £180,000. This will be offset by the demolition and clearance of the site and the leaseholder contribution which is estimated at £70,000. There would therefore be a net saving of £110,000, excluding legal fees. (Note these are broad estimates).
- 7.4 If we proceed to undertake the improvement work to this block, the leaseholders would be liable to contribute to the costs. A move to an alternative block of flats which has already been improved would therefore be of financial benefit to both leaseholders and the Council.

The detailed terms of the transfer of the leases will be dealt with by officers under delegated powers in consultation with the Cabinet Member for Housing.

- 7.5 There have been long term voids in Rowan Place and therefore historically there has been the ongoing loss of rental income. The reduction of 2, 2 bed flats (& 2 leasehold flats) would result in a minor adjustment to the housing stock which will have minimal impact in terms of rental income in view of the previous history of the area.

8. PERSONNEL IMPLICATIONS

- 8.1 The in house work force is the main contractor for Rowan Place, however, due to the specialist nature of the demolition work, alternative procurement arrangements will need to be made to appoint an appropriate contractor.

9. CONSULTATIONS

- 9.1 The proposal to demolish the one block of flats has been discussed with the local ward member. He has indicated he would not oppose the demolition. Consultation is also ongoing with the leaseholders and tenant with the aim of relocating them to alternative flats within Rowan Place.
- 9.2 Comments received from the Consultees listed below, have been incorporated into this report.

10. RECOMMENDATIONS

- 10.1 The Cabinet endorse the proposed demolition of 65-68 Rowan Place and the making of a formal application to Welsh Government for consent to transfer two new leases as outlined in paragraph 4.8 of this report.
- 10.2 Subject to recommendation 10.1, above, officers pursue options for undertaking the work prior to the end of March 2017 to avoid further delays as a consequence of migratory bats.
- 10.3 Subject to recommendation 10.1, above, being approved, a report be requested from the District Valuer on the open market value of the two leasehold flats as required by Welsh Government.

11. REASON FOR RECOMMENDATIONS

- 11.1 To consider the opportunity of reducing the number of flats in Rowan Place as part of an overall strategy to transform the quality of Rowan Place.

12. STATUTORY POWER

- 12.1 Housing and Local Government Acts. This is a Cabinet function.

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Consultees: Cllr Dave V Poole - Deputy Leader and Executive Member for Housing
Cllr Carl Cuss - Local Ward Member
Chris Burns - Interim Chief Executive
Christina Harry - Corporate Director Communities
Nicole Scammell - Acting Director of Corporate Services and S151 Officer

Fiona Wilkins	-	Public Sector Housing Manager
Gail Williams	-	Interim Head of Legal Services & Monitoring Officer
Alan Edmunds	-	WHQS Project Manager
Jane Roberts-Waite	-	Strategic Co-ordination Manager
Marcus Lloyd	-	WHQS and Infrastructure Strategy Manager
Lesley Allen	-	Principal Accountant
Colin Jones	-	Head of Performance & Property Services
Mandy Betts	-	Tenant and Community Involvement Manager
Debbie Bishop	-	Area Housing Manager