



CAERPHILLY HOMES TASK GROUP – 6TH DECEMBER 2012

SUBJECT: HRA GARAGES

REPORT BY: DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

1.1 To review the stock of HRA garages and consider proposals for repair and rationalisation.

2. LINKS TO STRATEGY

2.1 The Welsh Housing Quality Standard (WHQS) is intended to ensure that all local authority and housing association homes are improved and maintained to achieve specified standards.

2.2 The WHQS has a requirement that dwellings are located in attractive and safe environments, which includes parking and garaging requirements.

3. THE REPORT

3.1 Introduction

The Council has stock of 1263 garages within the Housing Revenue Account (HRA) located within garage courts or within the body of housing estates but outside individual dwelling curtilages. At March 2012 30% were void, and only 20% were rented by Council tenants with the remainder rented to private occupiers. Some of the garage sites are in poor condition and look uncared for. Some sites attract anti-social behaviour and empty garages may be broken into. Conversely there are some garages that are in very good condition and have been well maintained. Overall demand is low and less than the total number of voids. The Council is retaining the housing stock as a result of the ballot in February 2012 and consequently there is a need to review the future of the garages.

3.2 Despite the existence of numerous garage sites parking is often a problem on the Council's housing estates. Many estates were built when car ownership was low. Many households now have multiple car ownership especially when young adults reach driving age but continue to live with their parents. There is a preference to have cars parked on a drive or in front of the house rather than in an insecure isolated garage compound. Modern cars are wider and higher and most of the garages are very tight, not easy to get in and out.

3.3 The former Rhymney Valley District Council had a policy of selling individual garages on 25 year leases. This affects 60 garages. Fortunately the majority of leases expire during the course of 2012 leaving only 9 that have expiry dates at various times between 2013 and 2026. It appears a very small number were sold freehold.

3.4 While the garage sites are clearly fulfilling a purpose for the 70% that are rented not all may be used to store a vehicle (notwithstanding the terms of tenancy). Although 50% are rented to

persons who are not Council tenants the garages are still meeting a requirement for local residents and do help to take some parking off the roads. The portfolio generates an income to the HRA of around £440,000. But the high level of voids show a loss of around £130,000 income per annum.

3.5 There are 388 garages within the curtilage of the dwellings. These have been excluded from this review. They will need to be considered as part of the external works programme to dwellings.

3.6 It has been identified that there are 727 garage plots on HRA land. The garage plots have a similar level of occupancy as the HRA garages with 66% occupied. The garage plots are generally let on an annual lease although there are some on long-term leases. The garage plots are managed by the Property Division separately to the garages, which are managed as part of the Housing Service. The garage plot sites tend to have individual garages of varying age and condition, and generally detract from the overall environmental quality of the estates.

3.7 There are a number of management options for the garage portfolio.

(i) Sale of the whole garage portfolio

All the garages / garage sites could be sold to generate a capital receipt. The value of the sites would reflect the existing condition of the garage blocks, occupation, rent levels, and any alternative development value that the sites may have. A capital receipt could be reinvested in the improvement of homes and would benefit the business plan that has been approved for the delivery of the WHQS. Sale does not guarantee that the garages / garage sites would be improved or site management issues would be addressed. Loss of ownership control of these sites may make it more difficult to meet part 6 of the WHQS (attractive and safe environments).

(ii) Management Company

The day-to-day management of the garage sites could be outsourced to a property management company on a fee basis. There are various arrangements that could be considered. At the simplest it would replicate what is currently undertaken in house. However there could be performance incentives related to maximising occupation / rental returns, repair and maintenance. Third party involvement could increase overall management costs and resources would need to be redirected to overseeing the performance of the management company rather than managing the sites direct. It is likely that complaints would still be directed to the Council. There would be a need for capital expenditure to bring the stock to a reasonable standard prior to any management transfer.

(iii) Integrated management

The Property Services team currently manage garage plots on both HRA and non HRA Council land. There is the possibility that all the HRA garages and HRA garage plots are brought together and managed via one team in either Housing or Property Services.

Consolidating the management within the Housing service would be consistent with the objective of ensuring the HRA assets benefit the business plan and all the land and property assets are considered in the context of the environmental standards required by the WHQS.

Alternatively given that 50% of the HRA garages are privately rented there could be benefits in bringing together all the garages with the garage plots on both HRA and General Fund land which would enable an integrated approach through marketing, consistency in tenancy agreements and enforcement. However this may divorce one

integral aspect of the housing estate management and potentially detract from the WHQS programme and the ambitions to take a holistic approach to transforming the estates.

The pros and cons related to this issue need to be investigated to establish whether there is a case to change the current management arrangements.

(iv) Individual sales to current occupiers

This option would reinstate the RVDC policy of selling individual garages (long lease, not ground freehold). As most of the garage stock are in blocks this would fragment the ownership and maintenance responsibilities making future rationalisation impossible. There may be a few circumstances where individual sales might be possible but this should only be considered where this would not prejudice longer term aims for the management and improvement of the garages / garage sites.

(v) Retention within the HRA

Even with the current high level of voids the garage portfolio generates a reasonable annual income, and significantly more than is currently being spent on maintenance. The HRA operates with a ring fenced account and expenditure balanced against income. There should therefore be good reason to decide to forego the income by adopting any of the options outlined above. The Council has approved a business plan to deliver the WHQS by 2019-20. The WHQS part 6 has a requirement that dwellings are located in attractive and safe environments. The standard has a minimum requirement that the dwelling should have adequate and practically located car parking clearly visible to residents. Where communal car parking areas are necessary, they should be in small groups, close or adjacent to the residents' dwellings, preferably within the residents' view and well lit. Where garages are provided the entrances should be orientated towards the front of the dwellings where they can be easily observed. Retention of the garage sites would enable a planned programme of works integral to achieving WHQS. Subject to a rationalisation some sites may be suitable for alternative purposes. However the garage portfolio does need to be more effectively managed and general maintenance standards improved.

3.8 **Review Process**

The review has provided a complete picture of the garage sites and has formed the basis for site-specific proposals. This has involved:

- Site status report including occupancy / voids, complaints, anti-social behaviour
- Physical survey of all sites
- Collation of information into a standard format, supported by plans and photographs
- Discussions with estate officers
- Recommendations relating to repairs, occupation rationalisation, demolitions, site improvements, new build
- Cost estimates
- Works programming

3.9 **Preferred Option**

The garages form an integral part of the housing estates and do provide some off road parking provision. With the retention of the housing stock and the commitment made to achieving the WHQS by 2019-20 ownership should remain with the Council. There is however a need to rationalise the portfolio, reduce the size of the stock through selective demolition of poor condition garages on low demand sites, repair and improve the stock which

is to be retained, consider piloting the provision of some new garages built to a larger size more suited to a modern vehicle, and to effectively manage and market the garages as part of the HRA asset portfolio. The site specific proposals are set out in the appendix to the report.

4. EQUALITIES IMPLICATIONS

- 4.1 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 low level or minor negative impact have been identified, therefore a full EqIA has not been carried out.
- 4.2 Where it is necessary to terminate garage tenancies to implement site specific proposals occupiers will be offered alternative locations as close as possible to the original site.

5. FINANCIAL IMPLICATIONS

- 5.1 A summary of the budget estimates for the proposals set out in the appendix is shown below for the housing areas.

Eastern Valleys

Blackwood / Cefn Fforest	87,600
Markham	1,000
Penllwyn / Pontllanfraith	63,700
Pantside	11,500
Risca	759,250
Springfield	19,150
Trinant	900
Sub total	943,150

Lower Rhymney Valley

Bedwas	37,000
Caerphilly	125,000
Churchill Park	11,500
Machen	6,000
Trecenydd	7,700
Trethomas	36,500
Sub total	223,700

Upper Rhymney Valley

Aberbargoed	27,900
Abertysswg	4,800
Maesycwmmmer	67,200
Nelson	7,300
New Tredegar	6,000
Pontlottyn	35,900
Rhymney	158,750
Sub total	311,750

Eastern Valleys	943,150
Lower Rhymney Valley	223,700
Upper Rhymney Valley	311,750
Total	1,478,600

- 5.2 The WHQS Business Plan includes financial provision for dealing with “other assets” on HRA land. A significant part of the budget estimate (approximately £582,000) relates to demolition and clearance costs, which if implemented in full will reduce the stock by around 30%, which equates to the current overall level of voids. The high cost of demolition is largely due to the asbestos content, which is found in the roofing material used on some garages, and which requires appropriate methods of handling and disposal. In most cases the bases will be left following demolition so there will be no significant reduction in the availability of off street parking. The budget provision outlined deals specifically with the garages and has not looked at the enhancement of the garage sites. The later will form part of the wider review of HRA land linked to the development of the environmental programme.
- 5.3 The Caerphilly Homes Task Group / Cabinet Sub-Committee at the meeting held on 25th October 2012 agreed that the HRA Capital Programme for 2013/14 should include £500,000 to commence work on the HRA garages. This is with the Business Plan forecast.

6. PERSONNEL IMPLICATIONS

- 6.1 It is proposed that the programme of works to the HRA garages will be undertaken by the Councils in-house workforce supplemented where necessary with contractors (eg demolition, asbestos removal and disposal)
- 6.2 Works will need to be incorporated and planned in conjunction with the main WHQS programme. Detailed works scheduling will be undertaken within the WHQS Delivery Team.

7. CONSULTATIONS

- 7.1 Consultation responses have been included within the report where appropriate.

8. RECOMMENDATIONS

- 8.1 The Task Group recommend to the Cabinet Sub-Committee:
- (i) A comprehensive improvement programme for the HRA garages is approved and recommendations set out in the appendix for individual sites are adopted.
 - (ii) That a rolling programme commences in 2013/14 with priority being given to the garages in Risca as 30% of the stock is located here with a low occupancy level.

9. REASONS FOR THE RECOMMENDATIONS

- 9.1 The WHQS requires that parking / garaging is addressed and a complete makeover of the existing garage stock is required.

10. STATUTORY POWER

10.1 Local Government and Housing Acts. This is a Cabinet Sub-Committee function

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Graham North, Public Sector Housing Manger

Julie Reynolds, Neighbourhood Housing Manager

Debbie Bishop, Area Housing Manager

Karen James, Assistant Area Housing Manager

Tenants Repairs and Improvement Group

Land and Property Group

Ward Members (all those wards where HRA garages located):

Aberbargoed – Alan Higgs, Keith Reynolds

Abercarn – Ken James, Denver Preece

Argoed – Leon Gardiner

Bedwas, Trethomas and Machen – Elizabeth Aldworth, Ray Davies, June Gale,

Derek Havard

Blackwood – Pat Cook, Nigel Dix, Diana Ellis

Cefn Fforest – Chris Hawker, Tom Williams

Crumlin – Andrew Lewis, Keith Lloyd

Gilfach – Harry Andrews

Maesycwmmmer – Robin Woodyatt

Morgan Jones – Phil Bevan, Mike Prew, James Pritchard

Moriah – Gina Bevan, John Bevan

Nelson – Anne Blackman, Sean Morgan

New Tredegar – Eluned Stenner

Newbridge – Lyn Ackerman, Katherine Baker, Gary Johnston

Penyrheol – Anne Collins, Huw Davies, Margaret Sargent, Lindsay Whittle

Pontllanfraith – Mike Adams, Colin Gordon, Gez Kirby

Pontlottyn – Gaynor Oliver

Risca East – Nigel George, Stan Jenkins, Rhianon Passmore

Risca West – Phyllis Griffiths, Dave Rees

St James – Christine Forehead, Elaine Forehead, Barbara Jones

St Martins – Colin Elsbury, James Fussell, Steve Kent

Twyn Carno – Carl Cuss

Appendices:

Appendix 1 HRA Garages