



CABINET – 16 DECEMBER 2015

**SUBJECT: ROWAN PLACE, RHYMNEY – PROPOSED DEMOLITION OF FLATS –
BLOCK 69-72**

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To seek Cabinet approval to demolish one 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. 48 of the properties are 2 bedroom flats comprising 12 blocks. This is a large concentration in a very small area. One of the blocks currently has no occupiers and an opportunity has therefore arisen to demolish this block creating a more open area in the centre of the estate. Grant funding has been secured from Welsh Government under the Vibrant and Viable Places (VVP) for environmental enhancement works in Rowan Place and the funding will enable works to be undertaken to the site of the demolished block of flats, together with an adjacent site occupied by vacant garages.

3. LINKS TO STRATEGY

- 3.1 The Welsh Housing Quality Standard is intended to ensure that all local authority and housing association homes are improved and maintained to achieve specified standards. It is a Welsh Government requirement that the WHQS is achieved by 2020.
- 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.

- 4.2 Rowan Place consists of 72 Council owned properties, 4 leasehold flats and 6 owner occupied houses/bungalows. Surveys of the Council 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 pointed out that if all the properties are 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.
- 4.3 The report also floated the option of some selective demolition. 48 of the properties are 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. Cabinet approved all the recommendations in respect of the necessary works and the additional funding implications but made no decision about demolishing any of the blocks of flats.
- 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 arisen to reconsider reducing the stock of 2 bedroom flats, albeit marginally. Block 69-72 currently has no occupiers. It is located in the centre of the estate and its removal linked to the demolition of adjacent vacant garages would create a significant open space at the heart of the estate. The site could be utilised to create a central feature that would enhance the environmental quality and complement the face lift that has been given to the properties.
- 4.5 Although the block is empty no.70 is a leaseholder flat. Communication has been difficult, over a protracted period, but contact has been made and the leaseholder has informally accepted a proposal to move from no.70 to a newly refurbished flat at No.29. The Legal Department has been instructed in the matter and the intention is that the existing lease will be terminated and a new lease issued on the property at No.29. This will result in the Council having full control over block 69-72.
- 4.6 Members will recall that £1m VVP grant was received for Rhymney over 3 years which has been directed to support the refurbishment of Hafod Deg and to provide funding that would supplement the WHQS works in Rowan Place. It is anticipated that this would provide the means to fund works on the site of the demolished flats together with the site of the adjoining garages. At this stage no firm proposals have been agreed but there is the potential to create a central community feature with landscaping, parking and play facilities which will create a different environmental feel to the estate. The proposals will need to be developed in consultation with residents.
- 4.7 The demolition of the block of flats 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.
- 4.8 Officers consider there are merits in pursuing the demolition of the one block.

5. EQUALITIES IMPLICATIONS

- 5.1 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 in excess of 20 voids. The Upper Rhymney Valley is generally a low demand area.

6. FINANCIAL IMPLICATIONS

- 6.1 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.
- 6.2 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.
- 6.3 The average cost of repairs and improvements per property was calculated as £58,800. However if the improvement had progressed to block 69-72 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, clearance and leaving the site tidy which is estimated at £80,000. There would therefore be a net saving of £100,000. (Note these are broad estimates).
- 6.4 There have been long term voids in Rowan Place and therefore historically there has been the ongoing loss of rental income. The reduction of 3, 2 bed flats (& 1 leasehold) 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.

7. PERSONNEL IMPLICATIONS

- 7.1 The in house work force is the main contractor for Rowan Place and will be on site well into the middle of 2016. It is envisaged that a demolition contract could be arranged as a sub-contract to the main contractor.

8. CONSULTATIONS

- 8.1 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 but felt that the residents should be consulted with particular consideration being given to the after use of the site.

9. RECOMMENDATIONS

- 9.1 The Cabinet determine whether to proceed with the demolition of 69-72 Rowan Place and make a formal application to Welsh Government.
- 9.2 Subject to recommendation 1, and having regard to the views of the local ward member, consultation should take place with the residents of Rowan Place in respect of the after use of the cleared site.
- 9.3 Subject to recommendation 1 a report be requested from the District Valuer on the open market value of the property as required by Welsh Government.

10. REASON FOR RECOMMENDATIONS

- 10.1 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.

11. STATUTORY POWER

- 11.1 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
Shaun Couzens	-	Chief Housing Officer
Gail Williams	-	Interim Head of Legal Services & Monitoring Officer
Alan Edmunds	-	WHQS Project Manager
Jane Roberts-Waite	-	Strategic Co-ordination Manager
Marcus Lloyd	-	Deputy Head of Programmes
Lesley Allen	-	Principal Accountant