



## CAERPHILLY HOMES TASK GROUP – 15TH MAY 2018

**SUBJECT: FLAT ACCOMMODATION AT RIVER ROAD, PONTLOTTYN & THE GROVE, FOCHRIW**

**REPORT BY: CORPORATE DIRECTOR - SOCIAL SERVICES AND HOUSING**

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### 1. PURPOSE OF REPORT

- 1.1 This report seeks the views of members on proposals to demolish the block of flats known as 1 to 9, River Road, Pontlottyn and to take 3 to 6, The Grove, Fochriw, out of the Housing stock with a view to demolition of the block in future years, prior to the report being presented to the Policy and Resources Scrutiny Committee for information and thereafter to Cabinet for a decision.

### 2. SUMMARY

- 2.1 Issues associated with lack of demand are being experienced by all partner landlords with housing stock in the Upper Rhymney Valley. Whilst there is unmet need for single person accommodation throughout the County Borough, demand for two and three bed flats in the Upper Rhymney Valley is low with waiting lists regularly exhausted.
- 2.2 The block of Council owned flats known as 1 to 9 River Road comprises a mix of 1, 2 and 3 bed flats. The block known as 1 to 6, The Grove comprises two active shop units at ground floor, trading as a single business, with two 2 bed flats located on each of the upper floors.
- 2.3 Both blocks have been affected by high levels of antisocial behaviour, crime and substance misuse. In addition, the flats are very hard to let due to their location and property mix and in recent years have largely been home to transient households. All flats in both blocks are currently vacant and the blocks have been secured.
- 2.4 Surveys of the blocks have identified disrepair to the external and internal fabric and boundaries, and significant investment is necessary to bring them up to the Welsh Housing Quality Standard.
- 2.5 The report recommends that both blocks be demolished, however, in recognition of the presence of a successful business operating out of The Grove, it is recommended that the demolition of that block be deferred until such time as the current lease expires, alternative funding becomes available, a suitable alternative premises is identified for the business, or the ongoing liability incurred by the Council in maintaining the structure and exterior of the building whilst the flats are 'mothballed' is no longer considered financially viable.

### 3. LINKS TO STRATEGY

- 3.1 **Improving Lives and Communities; Homes in Wales** (WG 2010) sets out the national context on improving homes and communities.

- 3.2 The **Caerphilly Delivers -Single Integrated Plan 2013-2017** has a priority to “improve standards of housing and communities, giving appropriate access to services across the County Borough” and ensure people are supported to live in their own homes and communities in safety.
- 3.3 The **Community Strategy: Living Environment Objective 1:** Encourage the development and maintenance of high quality, well designed and efficient, sustainable homes and environments which can meet all needs.
- 3.4 Caerphilly County Borough Council **2013/17 Corporate Priorities** include: CP7 - Invest in our Council homes and their communities to transform lives.
- 3.5 Caerphilly County Borough Council’s **Well-being Objectives in 2017/18** include: WBO5 – Investment in Council homes to transform lives and communities.
- 3.6 The **Wellbeing of Future Generation (Wales) Act 2015** is about improving the social, economic, environmental and cultural wellbeing of Wales. It requires public bodies to think more about the long-term, working with people and communities, looking to prevent problems and take a more joined up approach. This will create a Wales that we all want to live in, now and in the future. The content of this report links to the following Act well-being goals:
- A prosperous Wales.
  - A resilient Wales.
  - A healthier Wales.
  - A more equal Wales.
  - A Wales of cohesive communities.
  - A globally responsible Wales.

## 4. THE REPORT

### River Road Flats

- 4.1 River Road is located within the Pontlottyn ward. The block of flats known as 1 to 9 River Road is a traditional brick built block comprising three floors, each containing one 1 bed, one 2 bed and one 3 bed flat. It is the only block in the Council’s stock with this configuration. The block is fully owned by the Authority.
- 4.2 Flat 1 had previously been sold in June 2000 under the Right to Buy, and later sold on several times by subsequent owners and in July 2017 it was put up for auction in poor condition. In light of officer and local residents’ concerns about the block’s detrimental impact on the local community and future viability for residential use it was determined that it would be appropriate for the Authority to try to regain full ownership and control of the block by purchasing the flat. It was subsequently bought by the Council for £17,000 at auction.
- 4.3 In recent years there have been instances of antisocial behaviour, crime and substance misuse in the vicinity of this block which has contributed to the flats becoming difficult to let. This block of flats has been very hard to let due to its location and property mix and is reported by local residents to be regarded locally as a ‘no go’ zone.
- 4.4 The mix of accommodation in this block is not conducive to sustainable and cohesive communities and results in households with very different lifestyles and priorities sharing a living environment. The stigma associated with these flats has led to potential tenants refusing offers of accommodation despite the accommodation lending itself to families, couples and single people who may have been affected by welfare reform. In the last five years the average void period for this block has been 155 days compared with 25 days for a neighbouring block in Broad Street. In recent months the number of let flats reduced to four, with one of those being investigated for non-occupation.

- 4.5 In addition there are wider issues of low demand being experienced by all partner landlords with stock in the Upper Rhymney Valley. Whilst there is unmet need for single person accommodation throughout the County Borough, demand for two and three bed flats in the Upper Rhymney Valley, including Pontlottyn, is low. Traditionally flats have always been lower demand than houses as they are not considered by all to be suitable family accommodation, particularly flats above ground floor. As a result, families willing to move into low demand flats tend to stay only a short time, as a stepping stone into a house, particularly if subjected to antisocial behaviour.
- 4.6 Between January 2016 and November 2017 the Police and the Tenancy Enforcement Section received 19 reports of anti-social behaviour related to River Road and 7 crime related reports, including criminal damage, theft, burglary and vehicle related crime. Despite a multi-agency approach to offending, the provision of security doors and the strict enforcement of tenancy conditions, Police officers were still required to regularly patrol the area as many of the flats remained unoccupied and the location was being used by youths to congregate. A decision was therefore taken in late 2017 to relocate the few remaining tenants of the block to alternative accommodation in order to secure the building and reduce the likelihood of incidents of crime and antisocial behaviour in the locality.
- 4.7 Surveys of the block have identified disrepair to the external fabric and boundaries and a significant investment is necessary to bring it up to the WHQS. Whilst a small number of the flats have benefitted from some investment most of them require significant internal repairs and improvements to meet the WHQS. This work will be required to be fully completed if the flats are to remain as part of the Council's stock, despite significant concerns about future demand and associated housing management implications of letting the flats.
- 4.8 Initial consideration has been given to redesigning the interior layout of the block to facilitate a better household mix and/or an alternative use but costs are considered prohibitive and options are limited, particularly in an area where demand is low for all property types.
- 4.9 If demolished a significant open space would be created that could be considered for sale or for a use that would enhance the quality of the local environment and complement improvements being made to other Council owned stock within the community. Local residents have already enquired as to the possibility providing additional car parking for the Boys and Girls Club situated directly opposite the block, thereby improving a local community facility and this would be given consideration if approval were to be given to proceed with demolition.
- 4.10 In November 2017 the local ward Member presented a petition at Council, signed by 341 local residents. They believed that the Authority may have been considering alternative uses for the block known as 1 to 9, River Road, and called for it to be demolished, highlighting the negative impact the block was having on the community. The petition contained allegations of anti-social behaviour, drug dealing and drug use within the flats, and associated concerns for child safety. The petition was accompanied by many letters and comments from local residents, detailing their personal experiences of the flats, fears and concerns and highlighted residents' perception that since many of the tenants had been moved out of the block the situation had improved.
- 4.11 Following a review of available information and discussions with Police and the local Ward Member, together with consideration of the expenditure required to bring this block up to the WHQS, officers have concluded that Members should give consideration to the demolition of this block of flats.

### **The Grove**

- 4.12 The Grove, Fochriw is a three storey block located within the Darran Valley ward. It comprises two shop units at ground floor with two 2 bed flats located on each of the upper floors. The block has a central internal stairway providing access to the flats via the front of the building between the two shop units. Two neighbouring three storey blocks of flats were

previously demolished by Rhymney Valley District Council due to problems with anti-social behaviour and low demand but this block was retained, due in part, to the presence of the shops.

- 4.13 The two shop units known as 1 and 2, The Grove are currently let on a single 25 year lease, running from 2015, to a local company who operate a thriving general store and Post Office out of the premises. This is the only such enterprise within the village, located centrally, and officers recognise that the shop is an important local amenity, supporting sustainability of the community.
- 4.14 In addition to these flats the Council have 12 two bed bungalows, 34 two bed and 104 three bed houses in Fochriw. As highlighted in paragraph 4.5 there is very little demand in the Upper Rhymney Valley, including Fochriw, for first or second floor two bed flats, from couples or families, with waiting lists for two bed houses in the area also regularly exhausted. The location of the flats at The Grove is a traditional and natural congregation point within the village and they have previously been a repeated focus of anti-social and nuisance behaviour, thereby impacting on both tenants and the wider community.
- 4.15 In the last five years of letting the 4 flats had 16 different tenants with 10 ending their tenancies within a year highlighting the ongoing transient nature of these tenancies. Due to the anti-social behaviour, together with lack of demand and the need for significant investment prior to them being re-let, the flats have now effectively been 'mothballed', having been void and secured since April 2015, to prevent illegal access and discourage anti-social behaviour in the area.
- 4.16 If it were to be re-let the block now requires significant investment in order to achieve WHQS, which is likely to include renewal of the roof and external render and removal of the chimney stacks. The interior of the flats themselves are now in poor condition having had no WHQS investment to date, low rates of repair reporting and having been void for a considerable period of time.
- 4.17 The local ward Member and leaseholders of the shop are supportive of the flats remaining mothballed and have indicated that there has been a significant reduction in antisocial behaviour experienced in the vicinity of the block since the flats have been secured, which has had a positive impact on the ground floor business. The leaseholders have also demonstrated a willingness to consider relocation if required, to facilitate refurbishment or demolition of the block were the Council able to provide suitable alternative premises within the local community, but to date no such suitable alternative has been identified.
- 4.18 The potential feasibility of retaining the ground floor of the building for the shop business, whilst removing the structure of the upper floors and associated ongoing liability has been considered. Whilst it has been established that it would be technically possible to demolish the upper two floors whilst retaining the shops it is not considered a cost viable option at present. The demolition would need to be slow and measured and the shops below would need to shut for the duration for safety reasons. It is recognised that it may be cheaper option to demolish the block in its entirety and build a new shop if a funding opportunity arises in the future and it is hoped that opportunities may present themselves for this latter option, perhaps as part of a wider regeneration initiative.
- 4.19 Officers consider that demolition of the whole block would be an appropriate course of action but recognise the importance of supporting, as far as possible, the successful business currently trading out of the premises to the benefit of the local community. It is therefore, requested that Members consider approving the principle of demolition of the block but that the flats remain mothballed for the time being and that this decision to demolish not be implemented at least until the current commercial lease expires, a suitable alternative premises is identified for the business, or the ongoing liability incurred by the Council in maintaining the structure and exterior of the building whilst the flats are mothballed is no longer considered financially viable. During this interim period officers would also continue to actively investigate funding opportunities that may become available to the Authority in relation to the block and/or the shop business that would enable the business to remain in the community whilst allowing for demolition of all or part of the block.

## **5. WELL-BEING OF FUTURE GENERATIONS**

5.1 This report contributes to the Well-being Goals as set out in Links to Strategy above. It is consistent with the five ways of working as defined within the sustainable development principle in the Act in that it is:

- Long Term – supports the sustainability of cohesive communities for tenants and residents.
- Prevention – recognises and addresses the impact of low demand properties and anti-social behaviour on the wider community.
- Integration – provides for balanced and sustainable communities where people want to live.
- Collaboration – Joined up working arrangements within the organisation and with outside agencies to provide sustainable, stable and cohesive communities in pursuit of shared objectives.
- Involvement – Engaging with tenants, residents and local stakeholders in determining the most appropriate course of action.

## **6. EQUALITIES IMPLICATIONS**

6.1 An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified, therefore a full EIA has not been carried out.

## **7. FINANCIAL IMPLICATIONS**

7.1 The anticipated cost of internal and external repairs and improvements to achieve WHQS at 1 to 9, River Road has been calculated at £150,000. This would be off-set by the demolition and clearance of the site which is broadly estimated at £100,000 inclusive of fees. There would therefore be a potential net saving of £50,000 however consideration will need to be given to possible future uses of the site. Landscaping of the site footprint has been estimated at £35,000.

7.2 The anticipated cost of internal and external repairs and improvements to achieve WHQS at 3 to 6, The Grove has been calculated at £135,000. This would be off-set by the demolition and clearance of the site which is broadly estimated at £50,000, inclusive of fees. There would therefore be a net saving of £85,000 however consideration will need to be given to possible future uses of the site.

7.3 The ongoing voids in River Road and The Grove have resulted in an ongoing loss of rental income. Anticipated rental loss for 2018/19 is £32,879 for River Road and £16,435 for the Grove. The reduction of thirteen flats would result in a minor adjustment to the housing stock which will have minimal impact in respect of rental income in view of the previous history of the areas.

## **8. PERSONNEL IMPLICATIONS**

8.1 Due to the specialist nature of the demolition work at River Road and The Grove an appropriate contractor would need to be appointed.

## **9. CONSULTATIONS**

9.1 The proposal to demolish the block of flats known as 1 to 9 River Road has been discussed with and actively supported by the local ward Member and Police. There are currently no tenants in the block with whom to consult, however, as mentioned previously, a petition has recently been received, signed by 341 local residents, calling for the demolition of the block.

- 9.2 Initial discussions have been held with the leaseholder of the shops and will continue at the relevant time should the property be demolished or refurbished.
- 9.3 Comments received from the Consultees listed below have been incorporated into this report.

## **10. RECOMMENDATIONS**

- 10.1 CHTG are asked to provide their views on the recommendations as set out below which will be provided to Policy and Resources Scrutiny Committee for information and presented to Cabinet together with the recommendations below:
- 10.1.1 That the block known as 1 to 9 River Road be demolished.
- 10.1.2 That the principle to proceed with demolition be agreed in respect of 1 to 6, The Grove, Fochriw, but that the demolition be deferred until the current lease of 1 and 2, The Grove expires, a suitable alternative premises is identified for the business currently operating out of the block or the ongoing liability incurred by the Council in maintaining the mothballed building is no longer considered financially viable.

## **11. REASONS FOR THE RECOMMENDATIONS**

- 11.1 Demolition is recommended due to a recognition of the ongoing lack of demand for such accommodation in the Upper Rhymney Valley, the level of investment required in order to achieve WHQS in these low demand blocks prior to them being re-let, and the significant impact of crime and antisocial behaviour associated with the letting and management of these blocks which is detrimental to the local communities.

## **12. STATUTORY POWER**

- 12.1 Housing Act 1985.

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David Street, Director of Social Services and Housing  
Councillor Lisa Phipps, Cabinet Member for Homes and Places  
Councillor Gaynor Oliver, Local Ward Member, Pontlottyn  
Councillor David Hardacre, Local Ward Member, Darran Valley  
Shaun Couzens, Chief Housing Officer  
Rachel Thornett, Tenancy Enforcement Manager  
Sandra Isaacs, Rents Manager  
Debbie Bishop, Area Housing Manager  
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