



## CAERPHILLY HOMES TASK GROUP – 2ND APRIL 2015

**SUBJECT: HRA GARAGES UPDATE**

**REPORT BY: INTERIM CHIEF EXECUTIVE**

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### **1. PURPOSE OF REPORT**

- 1.1 The Policy and Resources Committee has requested a report on the letting of Council owned garages and is presented to the CHTG for consultation.

### **2. SUMMARY**

- 2.1 A major review of the stock of HRA garages was considered by the Caerphilly Homes Task Group and the Cabinet Sub Committee in December 2012. A strategy was agreed 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, and to manage and market the garages as part of the HRA assets. Specific proposals were made for every HRA garage block in the County Borough and all relevant ward Members were consulted. A budget of £1.5m was agreed as part of the WHQS Programme to implement the proposals. Since that time commitments have been made within the Eastern Valleys which was agreed as the priority area and contracts are at various stages. In due course the programme will extend to implement the approved strategy for the garages in the Upper Rhymney Valley and the Lower Rhymney Valley.

### **3. LINKS TO STRATEGY**

- 3.1 The Welsh Housing Quality Standard (WHQS) is intended to ensure that all local authority and housing association home are improved and maintained to achieve specified standards.
- 3.2 The WHQS has a requirement that dwellings are located in attractive and safe environments, which includes parking and garaging requirements.

### **4. THE REPORT**

- 4.1 At the time of the review in 2012 30% of the stock of garages were void. Although a small number have been demolished since the overall stock is largely unchanged (circa 1260) but the number of voids has increased to 40%. Of the garages which are occupied 72% are let to private individuals and only 28% to Council tenants. The garage sites exhibit a wide variety of conditions. Some of the garage sites are in poor condition with a complete lack of maintenance. 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. More than 50% of the garages are located in the Eastern Valleys. The garage portfolio generates an income to the HRA of around £465,000 but the high level of voids show a loss of £184,000.

- 4.2 The review presented a comprehensive picture of all the garage sites and site specific proposals. The Caerphilly Homes Task Group and Cabinet Sub Committee accepted there was 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 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.
- 4.3 The Area Housing Offices deal with the letting of the garages. The more popular sites may generate a limited waiting list but the number of voids far out weighs the number of potential tenants. All the housing offices have reported a very low demand with a limited number of re lets. The garages are advertised via the housing offices, the website and by site notices.
- 4.4 It is has been suggested that the rents are a deterrent to potential occupiers. The current weekly rent is £7.65 and the rent is due to increase to £7.80 per week from April 2015 (48 week). A comparative exercise with five other local housing authorities and two adjacent RSLs has been undertaken which shows Caerphilly as having one of the highest garage rents. The combined average rent would be £6.22 per week (over 52 weeks) compared with Caerphilly of £7-06 (52 week equivalent). The garage income is contributing to the WHQS Business Plan and any reduction in this income would need to be met from elsewhere in the HRA.
- 4.5 The impact of any reduction in the weekly rent is considered to be marginal in terms of demand. There are other factors that are a disincentive such as the remote location of some sites, poor lighting, anti social behaviour and disrepair. There is a preference to have cars parked on a drive or in front of the house rather than an insecure isolated garage compound. In addition most of the garages were constructed at a time when cars were smaller. Modern cars are wider and higher and some of the garages are very tight, not easy to get in and out. There are congestion issues on many of the Council's estates due to parked vehicles despite the existence of over 500 empty garages, but this has not led to an uptake on the empty garages.
- 4.6 The strategy for the HRA garages was approved just over 2 years ago and is in the process of implementation as part of the WHQS Programme. There is no significant change in the circumstances to those prevailing at the time of the review. Officers see no reason to depart from the agreed strategy that was subject to wide consultation prior to being agreed.

## **5. EQUALITIES IMPLICATIONS**

- 5.1 The report is for information and there is no requirement for an EqIA.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 A budget of £1.5m has been agreed to implement the recommendations in the approved strategy. The garage rents are reviewed annually as part of the HRA charges. The HRA income supports the WHQS programme. The rent increase (2%) for 2015/16 has recently been approved by the Council. Higher percentage rent increases are proposed by the local housing authorities and RSLs which provided comparative costs. A general reduction in the rent may increase demand marginally given there are very few people on the waiting list but it may also have the effect of reducing overall income with an adverse effect on the WHQS business plan. A big percentage of the garages are privately rented.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 There are no personnel implications that arise from this report.

## **8. CONSULTATIONS**

8.1 No comments have been received from consultees.

## **9. RECOMMENDATIONS**

9.1 The report is for information. (A rationalisation and repair strategy for the HRA garages was approved in December 2012 and is being implemented as part of the WHQS Programme).

## **10. REASONS FOR THE RECOMMENDATIONS**

10.1 To meet a request from the Policy and Resources Scrutiny Committee for a report on the HRA garages.

## **11. STATUTORY POWER**

11.1 Local Government and Housing Acts.

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