

Subject:	Review of Housing Revenue Account garages portfolio		
Date of Meeting:	15 March 2017		
Report of:	Executive Director of Neighbourhoods, Communities & Housing		
Contact Officer:	Name:	Simon Pickles	Tel: 29-2083
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Ward(s) affected:	Hollingdean and Stanmer; Hangleton		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report proposes the demolition of thirteen low demand and unviable garages, which are uneconomical to bring up to modern standards. The demolition of Housing Revenue Account (HRA) owned buildings requires Housing & New Homes Committee approval.
- 1.2 It is proposed to convert the land the garages occupy into off street HRA parking spaces, to ease demand for parking in the locality and generate income, while at the same time reducing ongoing expenditure on these unviable assets.

2. RECOMMENDATIONS:

That the Housing and New Homes Committee:

- 2.1 Agrees to the demolition of twelve garages in Dunster Close, Hollingdean, and one garage in Knoll Close, Hangleton, on grounds of their low demand, structural safety and negative financial impact on the HRA.
- 2.2 Agrees to replace the garages with off road parking spaces, where possible for rent, generating income for the HRA.
- 2.3 Notes that an overall strategy for HRA carparks and garages will come to a future committee, including development options.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 Further to a comprehensive review of all sites in 2016, an HRA garages and carparks strategy will be brought to committee later in the year, seeking consent to consult licensees and residents on the draft strategy. Consultation on the strategy will be via Area Panels and the Business & Value for Money Service Improvement Group before proposals are presented to the Housing and New Homes Committee.
- 3.2 The HRA Asset Management Strategy ensures that we align our assets with the current and future needs of residents. As such, it aligns directly with the city's Housing Strategy 2015, which was also developed in collaboration with residents and stakeholders, and sets out the detailed housing challenges affecting the city.
- 3.3 The forthcoming strategy will continue to positively support the delivery of the wider Housing Asset Strategy, and support the efficient and effective management of these assets. The strategy will span a four-year period, and set out the scope and aims of the annually reviewed Garages and Carparks Plan, which will set out asset information, investment programmes, action plans, targets and monitoring arrangements in more detail.
- 3.4 In the meantime, this report seeks permission to demolish identified low demand and unviable garages. This will save the HRA the ongoing expenditure relating to the misuse of the sites, including fly-tipping. The Dunster Close site (12 garages) has been securely fenced off. The single garage in Knoll Close has been secured. There will be ongoing expenditure in keeping the sites secure.
- 3.5 There has been low demand for garages at these two sites and existing licencees have accepted transfers to other sites. At Dunster Close (prior to emptying) the rent loss owing to voids over the last 5 years was 55% (£25,000 loss approximately).
- 3.6 See Appendices 1 and 2 for site maps of Dunster Close and Knoll Close. See Appendices 3 and 4 for photographs of both sites.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

Table 1: Options table:

	Options	Consideration
4.1	Short to medium term: Demolish the thirteen garages and use the land for off-street parking, for rent where possible.	It is estimated the cost of demolition, lining the spaces, putting up new fencing, and party wall surveyor fees will cost approx. £45,000 (see below for more detail).
	a. Dunster Close (12):	Demolition, asbestos survey and works, replacement fencing and retaining wall, access road improvement, resurfacing and lining of spaces: £39,500.

	b. Knoll Close (1):	Asbestos removal, demolition, fencing, resurfacing and lining of space: £4,100.
	Both sites:	Party Wall Surveyor fees: £1000.
		It is estimated the rent from the spaces, over 5 years, could approach £5,000.
4.2	Medium to long term: Review the Dunster Close site's role in meeting future housing needs.	Despite the small size of this site and the tight and steep access, future options include: <ul style="list-style-type: none"> • BHCC modular housing • Disposal of site (by sale or long lease) for self-build or co-operative housing • Disposal of site for storage. All such proposals would be subject to a feasibility study, a consultation exercise, Planning consent and Housing and New Homes Committee approval.
4.3	'Do nothing' option	This is not tenable given the negative financial impact of the garages upon the HRA.

5. COMMUNITY ENGAGEMENT & CONSULTATION

5.1 Communication with licensees has taken place prior to making the sites secure.

5.2 Ward members have been notified of the proposed demolition.

5.3 The Area Panels have been briefed in writing. The views received include the following comments:

North Panel: *'I think it is an excellent idea to demolish these garages. It is a real shame that this land cannot be used for any sort of housing.'*

'I am all for improvement in the overall look of an area and these garages look as if they are making the area look scruffy and a waste of useful space. Any scheme that brings money back in has my approval'.

Central Panel: *'The Knoll Close Garage is an eyesore, attracts fly-tipping and rats and should be demolished and the site made more attractive for residents, particularly those in the adjacent block of studio flats'.*

'The Dunster Close site, if it truly cannot be developed for social housing should be sold as is for a premium and the funds lodged with the HRA'.

6. CONCLUSION

- 6.1 From asset and business management perspectives, demolition is the only short term course of action open to the council.

7. FINANCIAL & OTHER IMPLICATIONS:

7.1 Financial Implications:

The garages are vacant and are not generating any income for the HRA. Therefore it is not good value for money to continue to maintain these garages.

The cost to demolish, estimated at £0.045m, can be met from the minor capital works budget within the capital programme 2017/18. The report proposes to make car parking spaces in this area instead which will reduce the cost of maintenance required significantly. The car parking spaces could generate a small amount of income estimated at £1,000 per year.

Finance Officer Consulted:

Monica Brooks

Date: 17/2/17

7.2 Legal Implications:

Under the council's constitution, the Housing & New Homes Committee is empowered to discharge the council's functions as a housing landlord, including the management and demolition of properties within the HRA. The committee is therefore entitled to approve the demolition of garages.

The council will comply with Party Wall legislation where required. Planning Permission is not required for the demolition of the garages.

Lawyer Consulted:

Liz Woodley

Date: 15.02.2017

7.3 Equalities Implications:

There are none.

7.4 Sustainability Implications:

The demolished garages' components will be recycled where possible.

SUPPORTING DOCUMENTATION

Appendices 1 and 2: Site maps.

Appendices 3 and 4: External photographs.