

**PERTH AND KINROSS COUNCIL****Housing and Health Committee****28 May 2014****Garage Sites and Lock Ups Review - Progress Report****Report by Executive Director (Housing and Community Care)****PURPOSE OF REPORT**

The purpose of this report is to update members on the progress of the Garage Sites' and Lock Ups' Review and to seek approval on the proposal to harmonise garage site rents and to bring Rannoch Road, Letham and Provost Road, Blairgowrie into the Phase 1 programme of work.

**1. BACKGROUND / MAIN ISSUES**

- 1.1 In August 2013 Housing and Health Committee noted a report proposing a review of garage and lock sites (Ref 13/380).
- 1.2 The provision of lock ups and garage sites is not a statutory function and is not regulated by the Scottish Housing Regulator. They do not form part of the Scottish Housing Quality Standards.
- 1.3 In 2013 the Council began a review of the provision, given that 23% of lock-ups were void, with a rent loss of £112,000 in 2012/13 and a loss of £140,000 in 2013/14. North Muirton has the highest percentage of void lock-ups (121, or 38% of the total available in that area).
- 1.4 In addition, there are a number of issues around garage sites and lock ups, including inappropriate use of the garage structure, non-payment of rent, non-adherence to the tenancy agreement and health and safety concerns. The lack of investment in the sites over the years had resulted in a significant deterioration in the condition of many. This has resulted in a negative impact on the community with an overall appearance of gradual decline and neglect of the sites. The largest proportion of garage sites is in the Letham area of Perth.
- 1.5 A project team was established in 2013 to undertake the review of the sites and manage the consultation, option appraisal and programme of work within the following three phases:
  - **Phase 1:** North Muirton (lock-ups), Kinross (lock-ups), Letham (garage sites)
  - **Phase 2:** Letham (lock-ups) Hillyland (lock-ups) Blairgowrie/Rattray/Alyth (lock-ups)
  - **Phase 3:** All other lock-up and garage site locations

## **2. UPDATE ON PROGRESS**

### **2.1 Results of the postal survey**

During August to October 2013 all tenants of the garage sites and lock ups were invited to participate in a postal survey. Its aim was to establish satisfaction levels with the current provision, to determine if respondents wanted to continue to receive the service and establish if they would need help to remove contents in the event of decommissioning. 1,200 questionnaires were distributed and 82% of tenants responded to the survey. The results of the surveys are summarised as follows:

#### **Garage Sites**

- 469 questionnaires sent out – 376 returned (80%)
- Of the 376 returned – 365 (97%) wished to continue renting, with 11 (3%) not wanting to continue

#### **Lock Ups**

- 759 questionnaires sent out – 632 returned (83%)
- Of the 632 returned – 629 (99.5%) wished to continue renting and only 3 (0.5%) didn't wish to continue

### **Options Appraisal Process**

2.2 The project team carried out an options appraisal exercise for all 3 phases to determine the most suitable option for each site, each of which was assessed against the following criteria:

- Maximise the use of land
- Community sustainability
- Meet the Council's strategic and corporate objectives
- Demonstrated value for money

2.3 A range of information was used to inform the process, including the external surveyor's technical report, the Quality Panel's reports, the results of the tenants' postal survey, local site information, current demand and occupancy levels, recent photographs of the sites and the use of online satellite mapping tools. Indicative costs were prepared for each option. The options to be determined were:

- Status Quo
- Retain for continued use
- Demolish with an alternative
- Part retain and part demolish

## **Results**

- 2.4 There are 1,161 lock up units and 619 garage site plots. The results were that the majority of units/plots (67%) would remain, as illustrated below.

### Options Appraisal Results of Phases 1-3:

|          | Current estate                  | Future estate | Overall % reduction |
|----------|---------------------------------|---------------|---------------------|
| Lock Ups | 1,161 units<br>in 117 locations | 750 units     | 35%                 |
| Garages  | 619 plots<br>in 55 sites        | 439 plots     | 30%                 |

- 2.5 The results of the options appraisal are that the overall lock ups and garage site estate would reduce by 33% and reflects:
- The professional view and recommendations of the surveyor following his technical review and assessment of each of the sites.
  - Current levels of occupancy – it is projected that the majority of existing tenants will be able to retain their garage site or lock up or be offered a suitable nearby alternative.
  - Levels of demand – based on current information, it is anticipated that the levels of retention will meet current and future demand.
  - The assessment of some sites is that there is a lack of alternative options for them.
  - The demolition costs of these sites equates to the estimated costs of renovation, so on balance it is proposed that these sites are renovated.
  - In addition, retaining the above sites and generating rental income was assessed as more cost effective than the up-keep of unused areas of land.

In Phase 1 the reductions are summarised in the table below and detailed in Appendix 1.

### Results of Phase 1 of the review

|                  | Current Phase 1 | Proposed Phase 1 | % Reduction Phase 1 |
|------------------|-----------------|------------------|---------------------|
| Lock-ups (units) | 386             | 238              | 38%                 |
| Garages (plots)  | 331             | 211              | 36%                 |

## **Communication and engagement**

- 2.6 As well as contacting tenants through the postal survey, as indicated above, the project team appointed a Tenant Liaison Officer (TLO) in October 2013 to provide a single point of contact for tenants. The postholder has been successful in identifying tenants with whom we have lost contact and/or who have abandoned their garage or lock-up, as well as determining health and safety and legal issues for each site.

- 2.8 All tenants have been advised of the phasing of the review in relation to their own garage site or lock up. In addition, those in Phase 1 have now been informed of the outcome of the options appraisal affecting their garage site or lock up.
- 2.9 Tenants in Phase 1 whose garage sites are being decommissioned have recently been served with termination of lease agreements. This was needed in order to meet the deadlines required by the leases which need notice of 40 days prior to Whitsun (June 8<sup>th</sup>). Tenants of the lock ups which will be decommissioned in Phase 1 will receive termination notices 3 months prior to work beginning on their site, as their lease agreement timescales (one month's notice) differs from those of garage sites.
- 2.10 Tenants of the garage sites and lock ups that are to be decommissioned and who think they may experience difficulties in dismantling their structures have been asked to contact the TLO who will provide support and advice on a case-by-case basis. Tenants have been able to contact the TLO through a range of options, including usual office opening hours, community drop-ins and, where requested, home and site visits.
- 2.11 The TLO will keep all tenants informed of how and when the work will be progressed on their site and where tenants prefer, this will be done by text messaging and email. The Council's Tenants' Facebook Page and website will also be used to channel information to site tenants and the wider community.
- 2.12 Engagement will now take place with the local wider community to discuss options for the future use of the decommissioned sites. Although the options appraisal identified options for each site, further discussion with the community and elected members is required on a site-by-site basis.
- 2.13 Briefings have also been circulated to all elected members to keep them updated and briefing sessions were held recently for elected members whose wards are in the First Phase to share detailed information on the outcomes of the options appraisal and begin discussions on the future of the decommissioned sites.
- 2.14 To ensure effective management of the overall project, communication with tenants in Phases 2 and 3 about the outcome of the options appraisal will take place at the appropriate time, in line with overall the project plan.

### **3. NEXT STEPS**

- 3.1 The tendering process for Phase 1 is progressing and a programme of planned works will be developed. Tenants of each site will be contacted directly to provide detailed information of the work to be undertaken, timescales and practical arrangements while work is ongoing.

- 3.2 Feasibility studies will be progressed in areas identified for potential affordable housing.
- 3.3 From August 2014 new tenancy agreements will be sent out to all garage site tenants amending future termination dates. This will bring their agreements in line with lock up agreements and all agreements will have a 28 day notice period.
- 3.4 It is envisaged as a result of the wider community engagement activities in relation to decommissioned sites, a number of small community capacity building projects will be undertaken to support the future development of these areas and community members involved. This could result in some very innovative, imaginative developments within local communities.
- 3.5 The scale of work involved in this review could potentially support the development of an employability project, supporting learning and skills in relation to environment and construction. Currently feasibility activities are underway with Churches Action for the Homeless (CATH), the Salvation Army, the DWP (Department of Work and Pensions), Perth College and Council staff to develop a partnership employability model to offer opportunities for people experiencing long term unemployment, homelessness or to support recovery, to be piloted in 2014.
- 3.6 Work has also begun to develop new garage site and lock up policies and procedures and to continue the work with GIS (geographic information systems) to collate and analyse the garage site and lock up estate.

#### **4 PROPOSALS**

- 4.1 It is proposed to escalate the lock up sites in Rannoch Road, Letham and Provost Road, Blairgowrie into the Phase 1 programme of works. The reason for this is that all the lock ups in both sites have been void for a considerable time and both present health and safety issues which require attention. If approved, community engagement activities will be undertaken with the local community and elected members to explore alternative uses for both sites.
- 4.2 The costs of the proposals resulting from the options appraisal, based on the surveyor's assessment and technical advice, are estimated at £3.4m. Actual costs will not, however, be fully established until the procurement and tendering process has been concluded.
- 4.3 The capital and ongoing revenue costs associated with the provision of the garage sites and lock ups will be met through the Housing Revenue Account (HRA). This is due to the fact that the revenue has not been reinvested to maintain or upgrade the sites and the HRA has historically benefited.
- 4.4 It is, however, proposed that the existing rent levels for the garage sites are reviewed and harmonised to remove anomalies with the current rent structure where rent levels range from £25.08 to £83.94 per year, reflecting the type of surface on each site.

4.5 The table below presents 4 options for garage site rents to harmonise the rents across all sites bringing them in line with the lock ups. Benchmarking information from 10 other local authorities shows that 7 authorities have a higher rental charge than Perth and Kinross Council.

| Description                              | Option 1<br>(Status Quo) | Option 2 | Option 3 | Option 4                       |
|--|--------------------------|----------|----------|--------------------------------|
| Annual Rent                              | £25.08 - £83.94          | £61.33   | £84.00   | £96.00                         |
| Weekly Rent (48 weeks)                   | £0.52 - £1.75            | £1.28    | £1.75    | £2.00 (in line with other LAs) |
| Increase in Rent                         | Nil                      | 45%      | 45%      | 100%                           |
| Decrease in Rent                         | Nil                      | 55%      | Nil      | Nil                            |
| No Change                                | 100%                     | Nil      | 55%      | Nil                            |
| Annual Income generated (100% occupancy) | £26,925                  | £26,925  | £36,850  | £42,144                        |

- Option 1 – Current position - differential rents across each garage site is inequitable as the levels of service delivery and standards of provision are broadly similar.
- Option 2 – Will maintain the same level of income and achieve equity across all garage sites by the introduction of a single rate.
- Option 3 – Increase all rents to the current highest rent generating additional income to support ongoing maintenance.
- Option 4 – Introduce a flat rate charge of £2.00 per week, broadly in line with rent levels charged by other Local Authorities with additional income generated to fund ongoing annual maintenance programme.

4.6 It is recommended that the Council adopt Option 3– the introduction of a flat rate charge with effect from 6 April 2015. This proposal will:

- Remove the existing inequities in rent levels and provide a fairer more transparent service that is administratively easier to manage
- Bring Perth and Kinross Council in line with other local authorities, while maintaining relatively low rent levels and providing a value for money
- Generate additional income to support ongoing maintenance and a standard of quality provision across the areas
- Result in rent increases for some existing tenants.

## 5. CONCLUSION AND RECOMMENDATIONS

5.1 The scale of the Garage Site and Lock up project cannot be underestimated. Each site is unique and there are a wide range of legal, customer, site condition and demand issues that need to be taken into account. These issues alongside the fact that the actual number and location of sites is extensive means that this is a complex project that will continue to require to

be tightly managed in the forthcoming months. This report provides committee with an update on the progress that has been made since August 2013. It provides details of the outcome of the options appraisal exercise to determine their future use and makes recommendations for a change to the rent charges for garage sites.

5.2 Although most sites will remain, the results show that there are many opportunities to develop innovative and imaginative community led projects, as well some opportunities for much needed affordable housing.

5.3 The Housing and Health Committee is asked to:

- (i) Note the current position on the Review of Lock-Ups and Garage Sites
- (ii) Note the outcome of the Phase 1 Option Appraisal process
- (iii) Approve the acceleration of Rannoch Road, Perth and Provost Road, Blairgowrie into Phase 1.
- (iv) Approve the proposed harmonisation of garage site rent structure and option 3, setting the annual rent level at £84.00 from 6 April 2015
- (v) Request the Executive Director (Housing and Community Care) to submit a further report to Committee on progress.

#### Author

| Name          | Designation                                 | Contact Details                      |
|---------------|---|--------------------------------------|
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#### Approved

| Name        | Designation                                       | Date        |
|-------------|---|-------------|
| John Walker | Executive Director,<br>Housing and Community Care | 28 May 2014 |

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

| <b>Strategic Implications</b>                       | <b>Yes / None</b> |
|---|-------------------|
| Community Plan / Single Outcome Agreement           | <b>Yes</b>        |
| Corporate Plan                                      | <b>Yes</b>        |
| <b>Resource Implications</b>                        |                   |
| Financial   | <b>YES</b>        |
| Workforce   | <b>None</b>       |
| Asset Management (land, property, IST)              | <b>Yes</b>        |
| <b>Assessments</b>                                  |                   |
| Equality Impact Assessment                          | <b>Yes</b>        |
| Strategic Environmental Assessment                  | <b>Yes</b>        |
| Sustainability (community, economic, environmental) | <b>Yes</b>        |
| Legal and Governance                                | <b>Yes</b>        |
| Risk  | <b>Yes</b>        |
| <b>Consultation</b>                                 |                   |
| Internal  | <b>Yes</b>        |
| External  | <b>Yes</b>        |
| <b>Communication</b>                                |                   |
| Communications Plan                                 | <b>Yes</b>        |

### 1. Strategic Implications

#### 1.1 Community Plan / Single Outcome Agreement

The Perth and Kinross Community Plan/ Single Outcome Agreement 2013-2023 sets out five strategic objectives. This report relates to the following:

- Promoting a prosperous, inclusive and sustainable economy
- Creating a safe and sustainable place for future generations

#### Corporate Plan

1.2 The proposals relate to the Council's Corporate Plan Objectives as above.

### 2. Resource Implications

#### 2.1 Financial

The cost of progressing with Phase 1 of the project will be met by the HRA capital budget for Garage Sites and Lock ups approved by Housing and Health Committee on 29 January 2014.

#### 2.2 Asset Management (land, property, IT)

This will be determined following consultation.

### **3. Assessments**

#### Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

This will be considered as part of the review of the Garage Site and Lock Up Revised Policy.

#### Strategic Environmental Assessment

- 3.2 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.

*Option 2* no further action is required as it does not qualify as a PPS as defined by the Act and is therefore exempt.

#### Sustainability

- 3.3 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.

#### Legal and Governance

- 3.4 The Head of Legal Services has been consulted on this report and is happy with the context.

#### Risk

A risk profile has been developed and is managed through the Project Team.

### **4. Consultation**

#### Internal

- 4.1 The Heads of Legal and Finance have been consulted.

#### External

- 4.2 All tenants of garage sites and lock ups were invited to take part in a post card survey between August and October 2013. Findings from this survey informed the Option Appraisal process and subsequent outcomes.

- 4.3 The Quality Panel undertook site inspections across the estate from the tenant perspective and their findings informed the option appraisal process and subsequent outcomes.
- 4.4 The Tenant Committee Report Panel discussed the report at their meeting on 13 May and commented as follows:
- Much needed and most welcomed.
  - Good that the sites will be brought up to date and to a good standard.

## **5. Communication**

- 5.1 Information relating to Garage Sites and Lock Ups will be made available to tenants of these sites and any one who is currently on the waiting list for a lock up or a plot. The method of communication will include updates on the web site, article in On the House and leaflets. Further contact will be made with tenants and residents who are directly affected by the proposals by a dedicated TLO for the review programme.

## **2. BACKGROUND PAPERS**

None.

## **3. APPENDICES**

Appendix 1 – Summary of Phase 1 Options Appraisal Outcomes.

**Phase 1: Garage Sites and Lock Ups Option Appraisal Outcomes Summary  
April 2014**

**Option 1 – Status Quo (upkeep and maintenance as required)**

**Option 2 – Upgrade/Refurbish**

**Option 3 – Alternative use i.e. Affordable Housing, Car Parking, Community Asset Transfer i.e. Allotments, Sell land to private developer**

**Option 4 – Part Upgrade, Part Alternative Use**

[G R = green and red – green retaining, red decommissioning]

| Garage Site Location   | Number of Plots | Option 1 | Option 2 | Option 3 | Option 4 |
|------------------------|-----------------|----------|----------|----------|----------|
| Appin Terrace          | 13              |          |          | ○        |          |
| Balgowan Drive         | 18              |          |          | ○        |          |
| Campsie Road           | 4               | ○        |          |          |          |
| Castle View North      | 13(8G 5R)       |          |          |          | ○        |
| Castle View South      | 21              |          | ○        |          |          |
| Firbank Road           | 11(8G 3R)       |          |          |          | ○        |
| Fortingal Place (N.E.) | 17              |          | ○        |          |          |
| Fortingal Place (N.W.) | 17              |          |          | ○        |          |
| Fortingal Place (S.E.) | 41              |          | ○        |          |          |
| Hawarden Terrace       | 18              |          |          | ○        |          |
| Huntingtower Road      | 16              |          | ○        |          |          |
| Kenmore Terrace        | 10              |          | ○        |          |          |
| Kingswell Terrace      | 24              |          | ○        |          |          |
| Langside Road North    | 9               |          | ○        |          |          |
| Langside Road South    | 17              |          | ○        |          |          |
| Logie Crescent         | 20 (8G 12R)     |          |          |          | ○        |
| Moulin Crescent        | 2               |          | ○        |          |          |
| Newhouse Road          | 13              |          | ○        |          |          |
| Rannoch Road           | 9(6G 3R)        |          |          |          | ○        |
| Strathord Terrace      | 14              |          |          | ○        |          |
| Strathtay Road         | 7               |          | ○        |          |          |

| Lock Up Location       | Number of Lock Ups | Option 1 | Option 2 | Option 3 | Option 4 |
|------------------------|--------------------|----------|----------|----------|----------|
| Brora Court            | 9                  |          | ○        |          |          |
| Bute Drive (1-5)       | 5                  |          |          | ○        |          |
| Bute Drive (6-10)      | 5                  |          |          | ○        |          |
| Bute Drive (11-14)     | 4                  |          |          | ○        |          |
| Bute Drive (15-18)     | 4                  |          |          | ○        |          |
| Bute Drive (19-25)     | 7 (4G 3R)          |          |          |          | ○        |
| Coll Place (1-20)      | 20                 |          |          | ○        |          |
| Coll Place (21-28)     | 8                  |          | ○        |          |          |
| Coll Place (29-36)     | 8                  |          |          | ○        |          |
| Crammond Place (1-6)   | 6                  |          |          | ○        |          |
| Crammond Place (7-12)  | 6                  |          | ○        |          |          |
| Crammond Place (13-18) | 6                  |          | ○        |          |          |
| Crammond Place (19-22) | 4                  |          | ○        |          |          |
| Crammond Place (23-26) | 4                  |          |          | ○        |          |
| Crammond Place (27-33) | 7                  |          | ○        |          |          |
| Crammond Place (34-40) | 7                  |          |          | ○        |          |
| Crammond Place (41-46) | 6                  |          | ○        |          |          |
| Crammond Place (47-52) | 6                  |          | ○        |          |          |
| Cumbrae Place (1-6)    | 6                  | ○        |          |          |          |
| Cumbrae Place (7-10)   | 4                  | ○        |          |          |          |
| Cumbrae Place (11-16)  | 6                  | ○        |          |          |          |
| Iona Court (1-9)       | 9                  |          | ○        |          |          |
| Iona Court (10-15)     | 6                  |          |          | ○        |          |
| Iona Court (16-21)     | 6                  |          | ○        |          |          |
| Iona Court (22-27)     | 6                  |          |          | ○        |          |
| Iona Court (28-33)     | 6                  |          |          | ○        |          |
| Iona Court (34-35)     | 2                  |          |          | ○        |          |
| Lewis Place (1-8)      | 7                  |          | ○        |          |          |
| Lewis Place (7-15)     | 8                  |          | ○        |          |          |
| Lingay Court (1-10)    | 10                 |          | ○        |          |          |
| Lismore Court (1-11)   | 11                 |          | ○        |          |          |
| Lismore Court (12-22)  | 11                 |          |          | ○        |          |
| Lismore Court (23-33)  | 11                 |          |          | ○        |          |
| Lismore Court (34-44)  | 11                 |          | ○        |          |          |
| May Place (1-6)        | 6                  |          | ○        |          |          |

| Lock Up Location      | Number of Lock Ups | Option 1              | Option 2              | Option 3              | Option 4              |
|-----------------------|--------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| May Place (7-12)      | 6                  |                       | <input type="radio"/> |                       |                       |
| May Place (13-18)     | 6                  | <input type="radio"/> |                       |                       |                       |
| Mull Place (1-12)     | 12                 |                       | <input type="radio"/> |                       |                       |
| Shuna Court (1-7)     | 7                  |                       | <input type="radio"/> |                       |                       |
| Staffa Court (1-5)    | 5                  |                       |                       | <input type="radio"/> |                       |
| Staffa Court (6-11)   | 6                  |                       |                       | <input type="radio"/> |                       |
| Staffa Court (12-17)  | 6                  |                       | <input type="radio"/> |                       |                       |
| Stronsay Court(1-4)   | 4                  |                       | <input type="radio"/> |                       |                       |
| Stronsay Court(5-7)   | 3                  |                       | <input type="radio"/> |                       |                       |
| Tiree Place (1-17)    | 17 (10G 7R)        |                       |                       |                       | <input type="radio"/> |
| <b>Kinross</b>        |                    |                       |                       |                       |                       |
| Churchill Road (1-8)  | 8                  | <input type="radio"/> |                       |                       |                       |
| Green Park (1-10)     | 10                 |                       |                       | <input type="radio"/> |                       |
| Green Road (2x8units) | 16                 |                       | <input type="radio"/> |                       |                       |
| Green Road (2x7units) | 14                 |                       | <input type="radio"/> |                       |                       |
| Green Road (1x6units) | 6                  |                       | <input type="radio"/> |                       |                       |
| Montgomery Rd (2x6)   | 12                 |                       |                       | <input type="radio"/> |                       |

