

CABINET

22 MAY 2012

Title: Housing Garage Sites	
Report of the Cabinet Member for Housing	
Open Report	For Decision
Wards Affected: All	Key Decision: Yes
Report Author: Andrew Walkinshaw, Income Initiatives Officer	Contact Details: Tel: 020 8724 8254 E-mail: andrew.walkinshaw@lbbd.gov.uk
Accountable Divisional Director: Maureen McEleney, Divisional Director of Housing and Neighbourhoods	
Accountable Director: Darren Henaghan, Corporate Director of Housing and Environment	
Summary: This report sets out proposals for improving garage management and enhancing the parking facilities available to residents of and visitors to the Borough. The proposals aim to improve the income generated to the Housing Revenue Account (HRA) and also improve the condition of Housing garage sites. The key proposals in this report include targeting dilapidated garage sites to either refurbish; fully convert into a car park; or part convert to create a car parking and garage site. The proposed strategy for tackling each garage site will differ on a site by site basis and will be confirmed in consultation with Ward Councillors and local residents. It is also proposed to introduce a pricing structure for garage and car parking that is fairer and lower than current charges for local residents, ensuring local residents receive parking priority with options for any surplus places to be made available to other Borough residents and out-of-borough users at higher rates.	
Recommendation(s) The Cabinet is recommended to: (i) Approve the proposed strategy for improving garage management and enhancing the parking facilities available to Borough residents and visitors, as outlined in the report; and authorise the Corporate Director of Housing and Environment, in consultation with the Cabinet Member for Housing, to agree the detailed arrangements; (ii) Agree that the £500,000 provision made within the Housing Capital Programme 2012/13 be used to implement the first phase of works at the nine garage sites listed in paragraph 2.4 of the report;	

- (iii) Agree to the implementation of a garage and car park pricing structure for Borough residents in the immediate vicinity of the site, other Borough residents and non-Borough residents, as set out in paragraph 2.15 of the report;
- (iv) Note that the day-to-day management of the service will be undertaken within the Housing Area offices.

Reason(s)

The main objective of this report is to set out proposals to improve existing garage sites and income collection to the HRA. The proposals outlined in this report set out to achieve the following objectives and local community priorities:

1. To support the corporate Customer Services Strategy to provide excellent, value for money, front line/customer focused services, engaging with partners, the community, services and staff across the Council to put customers at the heart of services and deliver service improvement.
2. Making Barking and Dagenham cleaner, greener and safer.

1. Introduction and Background

1.1 This report sets out proposals for improving garage management and enhancing the parking facilities available to residents and users of B&D to improve the income generated for the HRA, and improve the condition of housing garage sites in order to:

- Provide a safer environment for residents and out of borough users to park;
- Drive the regeneration of garage sites by developing solutions that benefit the local community;
- Improve the customer experience of the garage letting process;
- Increase the percentage of garages let;
- Reduce annual garage maintenance costs.

1.2 Business analysis has been used to evaluate the potential income from each garage site and to prioritise garage sites for revenue maximisation. There are 2,929 housing garages owned by Barking and Dagenham and many of these are void/empty. Key issues identified from the analysis include:

- 45% of all garages in the borough are empty/void;
- This represents an income of approximately £700,000;
- System data is not 100% accurate;
- Garage users are not always known.

1.3 In February 2006, 77.6% of all garages were let. This figure has reduced considerably since that time, and now stands at 45%. There are likely to be a range of reasons for this, however, it is considered that responsibility for garage waiting list management may be a factor in this decline.

- 1.4 A business process review has been undertaken with key stakeholders including B&D Direct and Estate Service Officers (ESO) to redesign the garage management process to improve current service delivery. A number of key areas for process improvement have been identified through this exercise.
- 1.5 A site visit to a number of garage sites was carried out with the Housing Portfolio Holder Councillor Philip Waker and Councillor James McDermott. The garage sites visited were determined by the outcomes of the analysis undertaken and knowledge provided by ESO's, Housing Managers and ward councillors to identify the worst affected garage sites and those providing opportunities for development which could result in capital receipts being generated.

2. Proposal and Issues

Garage Site Improvement Proposal

- 2.1 There are a number of reasons why there is a high level of un-let garages. It is recognised that many existing Council garages are not large enough for modern vehicles. Residents and staff are not always aware that garages are available, or can be used for personal storage purposes. Visibility is also an issue, as residents want to park their car where they can see it and know that their vehicle is safe and secure from potential ASB.
- 2.2 Strategies for improvement include refurbishing garage sites utilising community payback teams and/or converting targeted garage sites (i.e. those near tube stations, those with known parking issues in the area) into car parks or part car park/garage site schemes. Planned improvements include:
 - Fob key or pay and display system.
 - Consistent high quality security fencing.
 - Demolition of a number of dilapidated garage sites and environmental improvements
- 2.3 A capital budget of £500,000 has been provided within the Housing Capital Programme for 2012/13 to deliver a programme of improvements to targeted garage sites. The proposed strategy for tackling each garage site will be determined by consultation and analysis and will aim to pro-actively tackle ASB issues such as fly tipping and improve the parking environment for local residents.
- 2.4 The first proposed phase of works includes nine garage sites, all of which are a mix of let and empty garages. Other sites will be targeted in the future subject to further consultation being carried out. Targeted income in the below table assumes a 75% garage and/or parking occupancy rate with the exception of two sites that currently exceed this target:

Garage Site	Ward	Total Garages	No. Let	No. Void	Current Annual Income	Target Income	Strategy
Grantham Court	Whalebone	11	5	6	£3,120	£5,148	Environmental Improvements
Hollidge Way	Village	46	40	6	£24,960	£27,269	Environmental Improvements
Curzon Crescent	Thames	10	0	10	£0	£7,020	Car Park Scheme
Kingston Close	Chadwell Heath	14	3	11	£1,872	£6,552	Car Park Scheme
Shafter and Dewey Road	Village	29	3	26	£1,872	£13,572	Car Park Scheme
John Burns Drive	Eastbury	76	62	14	£38,688	£45,053	Car Park Scheme
Margaret Bondfield Ave	Eastbury	42	15	27	£9,360	£19,656	Car Park Scheme
Wythenshawe Road	Heath	31	5	26	£3,120	£14,508	Car Park Scheme
Woodward Road	Goresbrook	41	10	31	£6,240	£19,188	Car Park Scheme
TOTALS		300	143	157	£89,232	£157,966	

2.5 A detailed breakdown of the estimated capital cost can be summarised as follows:

Garage Site	Ward	Total Garages	Demolition	Fob Entry Gate and system	Fob Entry R&M (3years)	Power supply	Fencing	Surfacing	Line Bay Marking	Community Pay Back Team	Planning & Legal	Estimated Total Cost
Grantham Court	Whalebone	11	NA	£25,000	£5,000	£2,000	NA	£2,500	£2,000	£1,500	£1,000	£39,000
Hollidge Way	Village	46	NA	£25,000	£5,000	£2,000	NA	£5,000	£2,000	£1,500	£1,000	£41,500
Curzon Crescent	Thames	10	£8,750	NA	NA	NA	NA	£2,000	£2,000	£1,500	£1,000	£15,250
Kingston Close	Chadwell Heath	14	£12,250	£25,000	£5,000	£2,000	NA	£2,500	£2,000	£1,500	£1,000	£51,250
Shafter and Dewey Road	Village	29	£25,375	£25,000	£5,000	£2,000	£12,000	£3,000	£2,000	£1,500	£1,000	£76,875
John Burns Drive	Eastbury	76	£33,250	£25,000	£5,000	£2,000	£24,000	£6,000	£2,000	£1,500	£1,000	£99,750
Margaret Bondfield Ave	Eastbury	42	£18,375	£25,000	£5,000	£2,000	£12,000	£4,000	£2,000	£1,500	£1,000	£70,875
Wythenshawe Road	Heath	31	£27,125	NA	NA	NA	£12,000	£3,500	£2,000	£1,500	£1,000	£47,125
Woodward Road	Goresbrook	41	£35,875	£25,000	£5,000	£2,000	£10,000	£5,000	£2,000	£1,500	£1,000	£87,375
TOTALS		243	£161,000	£175,000	£35,000	£14,000	£70,000	£33,500	£18,000	£13,500	£9,000	£529,000

2.6 When considering the target to increase garage lettings by 10% (£175,000 per annum) and target income detailed in the above tables, it will take approximately three years to recover the estimated capital spend.

Garage Service Improvement Proposal

2.7 The garage letting service is currently provided by a number of Customer Service Officers in the One Stop Shops (OSS), who do not have the visual knowledge of garages or direct contact with the officers responsible for enabling a wanted garage to be let.

2.8 In light of the issues identified from the workshops and analysis undertaken, it is proposed for the administration teams in both area offices to take responsibility for the day to day management of the garage processes. Improvements anticipated

include the ability to pro-actively market garage lettings and also provide residents with one point of contact for garage and housing parking enquiries.

- 2.9 B&D Direct support this change in service delivery, and the business outcomes to be achieved will include improving the customer experience and increasing garage letting performance and revenue for the HRA. Other planned improvements include offering a self service appointment system for garage applications which will be available at the OSS.

Differing Price Structure Proposal

- 2.10 It is proposed to introduce a differing pricing structure for garage and car parking that is ultimately fairer and lower than current charges for local residents and is also in line with the corporate car parking strategy for staff, business users and residents.
- 2.11 Garage revenue can be increased by enabling non borough residents to access parking opportunities available in the borough. Benchmarking and comparative research has been carried out with a number of local authorities and private sector organisations to compare garage and car parking costs. The garage and car parking charging proposal has been developed in consultation with the Portfolio Holder for Housing.
- 2.12 There is also the option to reduce capital spend by implementing pay and display rather than fob entry systems. This could increase revenue as the public would be able to buy a ticket as and when they need to and may be an appropriate option for the sites near to tube stations. Enforcement of the car park would be carried out by Civil Enforcement Officer's (CEO) who would issue penalty charge notices as appropriate.
- 2.13 It is also recognised that a Traffic Management Order will be needed where it is proposed to adopt the garage sites as a car park in the borough. Statutory consultation will need to be undertaken as required by the Road Traffic Act (1984) to support the introduction of the pay and display payments described in this section of the report.
- 2.14 The 2012/13 garage weekly rental price for Council tenants is £11.02 per week, and private residents have to be charged VAT on this amount as it is a non landlord service.
- 2.15 The proposed pricing structure for garage rental and car parking and garage sites with a fob entry system is as follows:

Proposed Pricing Structure			
	Garage Site Charges	Fob Entry Car Park Charges	Fob Entry Garage Site Charges
Local resident	£10 p/w	£7 p/w	£12 p/w
Borough resident (non local)	£12 p/w	£10 p/w	£14 p/w
Non-Borough user	£22 p/w	£20 p/w	£30 p/w

* VAT is applicable on charges to non council residents.

- 2.16 For garage sites nearer to tube stations, a pay and display option is recommended to maximise the number of potential users (subject to formal consultation). It is recognised that there are number of different options for fees and charges and it is proposed that the charges will follow the pricing structure of the Heathway Multi-storey car park which is as follows:

Time Length	Price
Up to 1 hour	£0.30
Up to 2 hours	£0.75
Up to 4 hours	£1.50
Up to 6 hours	£3.00
Over 6 hours	£5.00
Business / Resident contract annual permit	£350.00

- 2.17 For business users and existing residents of the estate using the car park on a frequent basis, an annual permit is likely to be the preferred option as this works out cheaper than paying on a daily basis.
- 2.18 It is proposed that existing garage tenants will be charged the local resident rental charge and a 4 weeks' notice consultation letter will be sent to all tenants affected.

3. Options Appraisal

- 3.1 This section of the report provides details of all options considered and rejected and the reasons why they were rejected, but ultimately the Council has two main options of either to "Do Nothing" or to "Do Something".

Option 1 - Do Nothing

The option of doing nothing was rejected because to do so, would mean the Council continuing to lose garage revenue and increase the likelihood of further complaints being received about poor repair conditions and garage rental charges.

Option 2 – Differing Price Structure Only

This proposal recognises the role of local communities as the suggested price structure is lower than the current garage rental charges and responds to comments made by residents through corporate complaints. The proposal to allow non borough users to park in the borough at a higher rate is intended to offset any reduced charges and generate additional income.

Option 3 – Garage Site Improvement Programme Only

This will improve the environment of the targeted garage sites and increase garage revenue for the garage sites refurbished. However, this would not secure improvements in garage and void property performance as the management and marketing of garages would not be carried out pro-actively and it would reduce the potential to increase and sustain garage income in the long term.

Option 4 – Garage Service Improvement Proposal only

This option will provide a central focus for the management of the key garage processes such as key holder responsibility and speed in turning around a garage

letting. It will also help improve performance on key void processes such as the sign up process being completed in a more consistent manner.

It will also assist to support the business case for reducing annual expenditure on B&D Direct Services as the garage sign up processes can be delivered by officers with better service knowledge expertise and administration capacity and improve customer experience.

Option 5 – Options 2, 3 & 4

The preferred option is to drive forward garage lettings and improve service delivery and to introduce a fairer pricing structure. The proposals will also support the delivery and implementation of improvement plans to enable housing services to achieve excellence in garage management.

4. Consultation

- 4.1 The proposals within this report have been developed in response to issues raised by local residents and Members regarding the poor state of a number of garage sites across the Borough.
- 4.2 The proposed strategy for tackling each garage site will differ on a site by site basis and will be confirmed in consultation with existing users, ward councillors and local residents.

5. Financial Implications

Implications completed by: Jo Moore, Finance Group Manager

- 5.1 The income and expenditure budget for HRA garages is incorporated in the HRA Budget & Rent Setting report for 2012/13. In the same way as Tenant Service Charges, the costs incurred in managing and maintaining garages and car parks should, where possible, be recoverable from HRA tenants and other users (Leaseholders and Private Tenants).
- 5.2 Analysis has shown that 45% of garages in this borough are empty/void, equating to an annual loss of income of approximately £700,000. However it is also recognised that there is an oversupply of garages and therefore not all of this income is realisable. Across the borough it is evident that many existing garage sites are in a dilapidated state. A 10% increase in garage lettings is seen as a realistic target for improvement and would equate to approximately £175,000 additional revenue per annum.
- 5.3 The annual garage gross income for the year 2011/12 was £926,643. The garage maintenance costs and other associated costs for the Housing service of managing, maintaining, securing and clearing garages will need to be further assessed. This will enable the Council to determine the extent to which the proposals in this report are likely to mitigate existing operational and maintenance costs.
- 5.4 A £500,000 capital budget has been made available to enable enhancements such as security fencing and repairs needed to garage doors. The capital budget will also finance the use of approved contractors to demolish and/or convert targeted garage sites into car parks as well as provide environmental improvements. The

estimated cost as per the table in paragraph 2.5 amounts to £529,000. The difference of £29,000 will have to be met by finding efficiencies within the scheme or by means of revenue contribution.

- 5.5 Cost efficient measures such as the use of the Community Pay Back team, overseen by the Probation Service, will be utilised to paint dilapidated garage sites such as garage doors to make the sites more attractive for letting. For demolition works, garage doors will be recycled wherever possible.

6. Legal Implications

Implications completed by: Paul Field, Senior Lawyer

- 6.1 An appraisal will need to be carried out regarding the legal status of the sites which are held within the HRA. The garages are let under licences which can be brought to an end by notice. There is a responsibility under the Local Government and Housing Act 1989 to ensure that the HRA is balanced and the steps outlined in this report are consistent with this duty.
- 6.2 As observed in the main body of this report positive action to demolish sites in a state of disrepair would make a significant contribution to the duty to reduce Crime and Disorder and prevent the sites becoming derelict and sources of public health concern with regard to public nuisances and harbourage for pests. Sites in a dilapidated state do present a risk as the Council would be responsible if there were for example, collapsing of fragile roofs and persons or property were injured or damaged.

7. Other Implications

7.1 Risk Management

Ref	Risk Description	Action/Solution	Likelihood	Impact	Priority	Date Updated	Responsibility
1	Failure to increase garage lettings	This risk will be reduced by transferring the day to day management to the administration teams in each area office who's role will be to increase awareness of garages and parking available	2	3	6	02-Mar-12	Andrew Walkinshaw
2	Capital expenditure overspend	Detailed analysis to be completed and lessons learned review to be carried out on each site.	2	3	6	02-Mar-12	Andrew Walkinshaw
3	Income is not delivered	Prime for development land has been identified and could realise additional income and fund capital expenditure.	2	3	6	02-Mar-12	Andrew Walkinshaw
4	No market or demand for garages and car parking	Sites are targeted based on business analysis and geographical location (i.e. near tube stations)	2	3	6	02-Mar-12	Andrew Walkinshaw
5	Increased vandalism costs	Cost of maintaining fob systems to be factored into capital spend and higher fencing to be procured to reduce risk of vandalism.	2	2	4	02-Mar-12	Andrew Walkinshaw
6	High management costs	Introduction of fob entry system would minimise management costs as would not require enforcement activity as required with permit and pay and display system.	2	3	6	02-Mar-12	Andrew Walkinshaw
7	Failure to comply with HSA guidelines on demolitions	Meeting with Roy Carden (Capital Works Surveyor) on 05/03/2012 to ensure demolition plans are delivered correctly and consistently	3	4	12	02-Mar-12	Andrew Walkinshaw

7.2 **Contractual Issues** - The procurement of services to improve the environment of the garage sites will need to follow Council procurement rules and timelines. The key business requirements to be considered by the Council and any approved contractor are:

- The design will provide a solution that is sustainable and easy to maintain and clean;
- The design of the security fencing needs to be consistent with borough wide designs;
- The design will address health and safety concerns and achieve a high level of security.

To reduce capital spend it is proposed to use the community payback teams through the probation service to paint dilapidated garage sites such as garage doors and carry out weed and litter picking activities to make the garage sites more attractive for letting.

7.3 **Customer Impact** - The customer strategy intended for the garage improvements detailed in this report will impact on current services and processes. It is proposed that the location for sign up for garages and housing properties will continue to take place in the One Stop Shop environment for accessibility purposes.

The proposal to transfer aspects of the garage management process to each area office to drive forward the service improvements will provide a central focus on garages and voids management and will support targets for community cohesion, as the strategy for each garage site will be determined by local consultation. Targeted marketing is also essential to maximise impact and will ensure that all groups in the community have access to the garages available in the borough.

7.4 **Safeguarding Children** - The proposals set out in this report will promote the wellbeing of children in the borough by providing prospective parents the opportunity to park their vehicles or personal belongings in a safer and more secure environment.

For security purposes, the car parks will be secured by 4m high fencing because it is recognised that the Council has made use of palisade fencing in the past which is less attractive and can be less secure.

7.5 **Health Issues** - The proposals set out in this report will have a positive effect on the local community as one of the main objectives is to provide a safer and more secure place for users to park. However, during construction there could be negative effects on the local community in terms of nuisance. Consultation with local residents will be carried out to reduce any potential adverse affects and to also understand the preferred strategy for each garage site's development.

7.6 **Crime and Disorder Issues** - Anti-social behaviour is a key concern of local residents. A survey carried out to inform the development of this strategy highlighted that issues such as verbal abuse, rubbish lying around and graffiti, contribute to feelings of lack of safety for residents when walking alone in the Borough both during the day and after dark.

Garage sites also attract activities such as fly tipping and having a safe place to store personal belongings and park a car can be an important aspect of daily life. The proposals detailed in this report aim to reduce crime and disorder and will support the crime and disorder reduction priorities in line with the Crime, Disorder and Drugs Strategy.

- 7.7 **Property / Asset Issues** - The proposals set out this report will have a positive impact on the Council's assets in terms of reducing repairs and maintenance spend and improve income for the long term. Any future plans to lease or sell any garage sites will be subject to consultation with members and residents.

Following a recent court of appeal judgment the demolition of buildings such as garage compounds would require an application to the planning authority for 'prior approval'. The planning department is not at liberty to refuse to allow the demolition but can control the method of demolition and the means of securing the site following demolition.

The use of garage compounds for car parking purposes could possibly constitute a 'material' change of use requiring planning permission although this would depend upon circumstances. If, for example, the use of the car park was noticeably more intensive than the garage compound use (involving many more spaces and potentially vehicular movements) planning permission may be required. This will be reviewed on a case by case basis to ensure permission is sought and granted as necessary.

To promote more secure parking it is planned to implement higher fencing which is comparable to secure fencing installed by TfL. Normally permission is required for fences above 1 metre where they are adjacent to a highway. However, development by local authorities is subject to separate regulations and it is possible to erect fences under Part 12 of the General Permitted Development Order subject to a height limitation of 4 metres.

Background Papers Used in the Preparation of the Report:

- Business Analysis documentation
- Garage Management Policies and Procedures
- Garage service improvement action plan

List of appendices: None