

## THE EXECUTIVE

27 JANUARY 2004

### REPORT OF THE DIRECTOR OF HOUSING AND HEALTH

<b>THE FUTURE MANAGEMENT OF GARAGES</b>	<b>FOR DECISION</b>
<i>This report seeks Members agreement to a range of proposals to bring about more efficient management Council owned garages.</i>	
<b><u>Summary</u></b>	
<p>This report suggests proposals to change the current policy on the letting and management of Council owned garages following the report to the Scrutiny Management Board on 25 June 2003.</p>	
<b><u>Recommendation</u></b>	
<p>The Executive is asked to agree:</p>	
<ol style="list-style-type: none"><li>1. To introduce a reduced rental for new garage tenants for a six-month period as an incentive in areas where garages are difficult to let. If this is agreed in principle, then it is recommended that decisions on the rent setting of garages for this exercise could be delegated to The Director of Housing and Health in consultation with The Director of Finance;</li><li>2. To relax the policy around garage usage and delegate the decisions around this to the Director of Housing and Health in consultation with the Community Housing Partnership Boards;</li><li>3. To the continuation of garage rental income being ring fenced and being used for:<ol style="list-style-type: none"><li>a) The provision of additional security to garage sites.</li><li>b) The demolition of sites where it is considered this to be the only option or where there is a development opportunity.</li><li>c) The continuation of a refurbishment programme. It is proposed that decisions around these matters be delegated to The Director of Housing and Health in consultation with The Community Housing Partnership Boards.</li></ol></li><li>4. To increase rents in line with inflation i.e. 19p per week net. This is in line with the Charging Policy Commission recommendations;</li><li>5. To set up a cleaning team to carry out cyclical cleaning of garage sites. The funding of this team to be met from the ring fenced garage income; and</li><li>6. To the targets set for the reduction of void garages in the next financial year.</li></ol>	

<b><u>Reason</u></b>		
These proposals aim to increase the uptake of garages and reduce the void level by 10% in the next financial year. This will ensure that rental income is maximised and the repair and cleanliness of garages can be enhanced.		
<b>Contact:</b> Jim Ripley	Head of Landlord Services	Tel: 020 8227 3738 Fax: 020 8227 5705 Minicom: 020 8227 5755 E-mail: <a href="mailto:jim.ripley@lbbd.gov.uk">jim.ripley@lbbd.gov.uk</a>

**1. Background**

- 1.1 Following the report to the scrutiny Management Board, individual reports were submitted to each of the 6 Community Housing Partnership Board meetings. An example of the report submitted to the Heath, Alibon, and, Eastbrook Board is attached at appendix A.
  
- 1.2 When the original report was considered by the Scrutiny Management Board, there were 1049 empty garages across the 6 Community Partnership Housing Areas. It was decided that in the short term some reduction in the void level might be achieved by better advertising until a strategic approach could be agreed. As a result of this, leaflets advertising garages to let in the less popular sites were delivered in each Partnership area. In 2 of the Partnership areas “Garages to Let” signs were fixed on some of the sites. This has been quite effective and in one of the areas voids have decreased by 2.95%. This method of advertising will be carried out over the remaining Partnership areas. Despite the advertising, voids have increased overall by 8 during the period from June until November and therefore a range of measures in addition to publicity will be needed to increase take up.
  
- 1.3. There was a lot of discussion at the Partnership Board meetings and options 1,2,3,4 and 6 all received Members support. Other comments were also raised, and can be summarised as follows:
  - a) Garages should be for local people, not for those living outside of the Borough
  - b) Garages should not be let for commercial use
  - c) Rent income should be spent on the maintenance of garage sites
  - d) Better publicity is essential
  - e) Regular weeding and cleaning of garage sites should be carried out

Generally all of these points have been included in the recommendations of this report

## **2. Proposals**

2.1 There is an on street parking problem in the Borough and whilst there is a strategy to manage on street parking there is currently no strategy to reduce it. However if the wheel clamping pilot schemes being introduced by this Department are successful and are extended to other housing estates it could result in an increase in the number of residents applying for garages. In the meantime the following action could help to ease these problems.

### **2.2 Garage Rentals**

This suggestion was detailed in option 6 of the report to the Boards but it would be difficult to operate from the accounting point of view. It is therefore suggested that any new tenant signing up for a garage in an area which is considered as being difficult to let be offered a reduced rental of say £5.00 per week for a period of six months as an incentive. In terms of accounting this would be easier to operate.

The current rental for existing garage users is £6.84. In accordance with the Charging Policy Commission recommendations, an increase in line with inflation from 5<sup>th</sup> April 2004 is suggested. This would increase the weekly rental by 19p to £7.03 and based on current occupancy levels, generate an additional £23,500.00 per annum. This sum would continue to be ring fenced and go towards the initiatives set out in the recommendations of this report.

### **2.3 Publicity**

This was felt to be the key to the present problems by some Board Members and as previously mentioned some steps have already been taken to improve this. A web page is presently under construction specifically relating to the availability of Council owned garages.

### **2.4 Garage Use**

At present, the use of a Council garage is restricted to the storage of a private motor vehicle. Many tenants do not keep to this condition, but store household items such as decorating equipment, etc. In some cases, it has been found that garages are being used for storing building materials and car parts. When this information comes to our attention, action is taken to repossess the garage. This course of action is acceptable if the garage is in an area where there is a high demand, although, if this is not the case, then the garage becomes another void with the subsequent loss of income and a target for vandalism.

Some of the restrictions on the use of garages could be eased particularly in areas of low demand. These are detailed in option 2 of the report to the Partnership Boards but taking into account that Board Members are not in favour of garages being used for commercial purposes

## 2.5 Garage Security

In some of the areas where locking gates/fencing have been provided, there has been an increase in the take up of vacant garages and certainly vandalism has decreased. These sites cease to be a dumping ground for abandoned vehicles and money spent on refurbishment and improvements such as lighting represent good value for money.

Whilst this will not make some of the unpopular sites lettable, it is felt that this type of improvement selectively carried out is very worthwhile.

## 2.6 Demolition

Some sites have deteriorated to the point where demolition or partial demolition is the only viable option. Demolition costs for one-off sites are high, and it is felt that it is better to identify several suitable sites and let the demolition work as one contract. It is suggested that this type of work is funded from the garage rental income

## 2.7 Disposal

This option will need further investigation if Members wish. It is fair to say that private companies appear to have no difficulty letting garages at considerably higher rents than those charged by the Council. However they do not have the same restrictions of use as those imposed by the Council and readily let garages for storage purposes with very few questions being asked.

## 3. The Community Priorities

How do the proposals fit in with the Community Priorities?

### Making Barking & Dagenham Cleaner, Greener, and Safer

- 1) The proposal to increase the security of garage sites will make them less vulnerable to dumping of abandoned vehicles and fly tipping generally.
- 2) It will also ensure that children are unable to access the sites, which can be very dangerous areas for play.
- 3) A demolition programme for the non-viable sites will again remove the potential for injury to children

### Creating better opportunities for all

- 1) By relaxing the "1 private motor vehicle " clause opportunities are created for better usage of the garage stock

### Developing rights & responsibilities

- 1) There is evidence to show in the sites that have already been “gated” garage users take more responsibility when security is increased. Increased consultation around the use and management of sites is likely to receive a greater and more meaningful response

### Raising general pride in the Borough and projecting a positive image

- 1) Increased security, better maintained sites and clearance of non-viable sites all lead the projection of a better image of the Borough.

### Regenerating the local economy

- 1) Variable garage rentals may lead to more money in the pockets of people on lower incomes allowing them more choice when spending on other items

## **4. Conclusions**

- 4.1 Garages are valuable assets when they are provided and managed as part of an overall strategy to reduce on street parking. If at some time in the future it is decided to reduce on-street parking, then many residents may come back to this Department for a garage. If large scale demolition were followed through, then the garage resource would be lost for the future. It may be sensible that, before a demolition programme is agreed, the chosen sites should be secured until such time as the Council considers the overall policy of on street parking.
- 4.2 It should also be noted that, whilst some of the sites where garages have been demolished are quite large, very few represent development opportunities, and, had they not been secured, they would have become areas where rubbish and abandoned vehicles were dumped.
- 4.3 It is anticipated that by implementing a range of improvements and alterations to the way in which garages are presently managed it should be possible to improve occupancy by at least 10% in the next financial year. Examples of what this would mean in the individual CHP areas is set out below based on the void levels at the end of November

	Void at 30 November 2003	estimated reduction
Area 1	239	24
Area 2	257	26
Area 3	171	17
Area 4	208	21
Area 5	19	N/A
Area 6	160	16
Total	1057	104