

17TH JUNE 2021

REPORT OF THE PORTFOLIO HOLDER FOR ENVIRONMENT AND LEISURE

COUNCIL HOUSING GARAGE SITES PROGRAMME

EXEMPT INFORMATION

Not Exempt

PURPOSE

This report sets out a series of proposals relating to the various council housing garages sites dispersed around the housing estate areas of Tamworth. This report builds on a proposed programme set out by the Portfolio Holder for Assets & Finance and the Portfolio Holder for Communities. The report identifies each site and provides costed proposals for consideration of the future of the site.

The report seeks to inform and guide Elected Members of the options available, and to devise a programme for delivery of the preferred options.

RECOMMENDATIONS

It is recommended that Cabinet approves:-

1. The programme for refurbishment of retained garages sites as set out in the table at Appendix 1 using capital budgets approved for 2021/22 – 2022/23 (£1.5m in total)
2. The entering into negotiations with an EV charging point company to explore and if possible, implement the installation of EV charging points
3. The development of a programme during 2021/22 to further explore those sites identified for purposes other than retained garages/parking
4. The creation of an additional temporary post to manage the decant, consultation and re-letting of garages included within the programme with costs being capitalised against the project in 21/22 and 22/23, subject to approval through the Appointments and Staffing process.
5. Reviewing the lettings policy for garages to allow more flexible use with the implementation of the final policy being delegated to the Portfolio Holder for Communities.

EXECUTIVE SUMMARY

The Council owns a number of garages sites within the Housing Revenue Account [HRA] property portfolio. Garages fall into two categories, those that are attached to a house, flat or maisonette and those that are part of a standalone garage block or court. This report relates only to those standalone garage blocks.

The garage blocks around Tamworth are in varying states of repair and disrepair, most need some investment to bring them up to a standard where they will remain fit for let into the future; some sites have had to be demolished as they were beyond economical repair, some sites could be made fit with limited investment, others are beyond repair and need further

consideration. In general occupancy rates across all estates is low, there are several reasons for this including cost, (in)convenience, not being suitable for larger modern vehicles and easy access to free on-road parking.

The Portfolio Holder for Assets & Finance along with the Portfolio Holder for Communities in consultation with Elected Members forming the controlling group completed a review of each garage site identifying their preferred option for the future treatment of that site. It was agreed that some sites should be retained for parking and that other sites should be considered for a wider options appraisal. The Portfolio Holder for Assets & Finance has discussed the proposals with the majority of Ward Members not part of the controlling group in impacted wards and has continued to make efforts to discuss with all remaining Members.

The services of external surveyors were commissioned resulting in two reports.

The first report sets out the proposals for the sites identified for retention as parking. Within this report the options considered are for repair, reinstatement and removal for open-plan parking. The recommendations reflect what is considered to be the most cost effective and viable solution for each site.

The second report relates to those sites where it was felt that something other than retention for parking would be preferred. Whilst a variety of options are available for these sites key considerations were disposal, provision of housing, commercial use. Some of these sites present very limited options due to layout, access and established rights of way.

Appendix 01 – retained garage sites costed options

Appendix 02 – sites identified for aspirational uses

Appendix 03 – Indicative programme and communications plan

Whilst EV Charging Points should be considered for outdoor parking areas it should be noted that the installation and operation of such charging points will largely be reliant on external operators who will most likely want to consider demand on an area-by-area basis. This means that the installation of EV charging points will largely be outside the direct control or influence of the Council. Work has commenced to identify potential EV charge point providers and this will continue with the aim of providing access to charging points where it is deemed to be viable.

It is recognised that there will need to be some degree of marketing of garage sites once refurbishment works have been completed. Typically, garages are advertised through the Garage Finder site but this is passive marketing as opposed to active. Previously when undertaking works of this nature we have used sign boards to advertise the fact that newly refurbished garages will be available and this has resulted in some additional interest in sites. Actively advertising sites through the website is a no-cost advertising opportunity as is informing residents of the availability through the use of Social Media. Further engagement with the communications team will be required to determine other potential routes for advertising however it should be recognised that some of the older methods such as print and radio media are probably less effective than they used to be and may not cost effective, they will however be explored and may be considered where it is felt that they would yield results.

Once complete additional management resource will be needed to co-ordinate the advertising, letting and ongoing management of the garages in order to ensure that they remain in a fit for let standard, that rental income is maximised and that void garages are turned around quickly for relet.

Whilst reviewing garage sites it has become obvious that many people have no need for a garage in which to park a vehicle, many garages simply aren't large enough for larger modern vehicles and modern vehicles are more secure and less prone to the effects of weather than older vehicles. Historically the Council has required that garage tenants primarily use their garage for the parking of a motor vehicle; in order to encourage demand for garages and make better use of garage sites the policy relating to garages will be

changed to allow uses other than the parking of a vehicle although consideration will need to be given to limiting the type of materials that may be stored so as limit risks. Consideration will also need to be given to introducing variable pricing for garages where rental prices could reflect demand and be used to drive up demand. This would be subject to a further Cabinet report once evidence on take up has been collected.

It is recognised that communications are essential to the successful delivery of this programme. Once agreed details of the proposals for the various sites will be made available through the Council's website and all Ward Members will be informed. Resource will be built in to the project to engage the services of a Resident Liaison Officer [RLO], the RLO will ensure that detailed communications are issued on a site by site basis in advance of any works commencing. Information relating to the proposals, programme timescales and interim parking arrangements will be communicated to all existing garage tenants personally with a wider 'letter drop' being done to residents in the immediate catchment area for the garages. Signage will also be erected at each site to provide additional information both of the programme and to where new garages are being built to commence the marketing process.

It is anticipated that the retained garage sites programme will commence in the summer of 2021 and will run through until March 2023. The previously appointed consultant will in consultation with the contractor develop a programme that addresses sites in order of condition, the main purpose for this is to limit any ongoing expenditure on keeping sites safe before they are improved. The detailed project plan will be shared with Elected Members once finalised.

In addition to the retained garage sites there are a number of garage sites that have been identified for alternative aspirational uses. At this stage the potential uses for these sites are outline only and will need further development to properly assess all matters that may affect their viability for the identified uses. During the course of 2021/22 we will work with internal and external partners to undertake more detailed options appraisals of these sites with a view to bringing forward a further report in 2022 confirming the proposals and setting out a more detailed project plan for delivery of these sites. It should be noted at this stage that ultimately more of these sites may have to revert to retention for parking if issues are identified that severely limit alternate uses. The programme for delivery of these aspirational sites could span a number of years depending on the complexity and costs associated with bringing them forward.

A formal Project Board is being established to deliver this project in line with corporate project delivery methods. The Project Board will manage the delivery of the project from the point at which it is approved and sites are having to be cleared through to the letting of new garages on completed sites. It is expected that ongoing management of lettings and the wider estate will be conducted through the existing teams. At present the Project Board consists of the following members: -

- Paul Weston, Assistant Director (Assets) – Project Sponsor
- Trevor Wylie, Leasehold & Estates Manager – Project Lead
- Lee Birch, Head of Housing Management & Neighbourhoods – Tenancy Matters
- Joanne Mallaband, Homes Manager, Neighbourhoods – Void Process
- Sarah Finnegan, Head of Homelessness & Housing Solutions – Void Process
- Lisa Hall, Neighbourhood Resilience Manager – Estate Based Matters
- Lind Ram, Public Relations Manager – General Communications
- Trueman Change – Project Management Support
- External Partners - Construction Project Management and Construction Works

A detailed communications plan will be developed by the Project Board, this plan will be multi-faceted and will take into account general communications to ensure that residents and Members are aware of the proposals and project timetable, location based communications

to ensure that local residents are aware of what is taking place in their area, individual consultation and communication with garage tenants and those immediately impacted by the works to ensure that tenants and those adjoining sites understand what is happening and aren't unnecessarily inconvenienced or disadvantaged by the works, and ongoing communications to promote take-up on the new garage sites and to ensure that open parking areas are properly managed.

OPTIONS CONSIDERED

The Appendices provide a detailed breakdown of the various options considered on a site by site basis.

Appendix 01 provides a summary of the findings from the site surveys and investigation works, it sets out the basic proposals with indicative costs. These costs will need to be confirmed through a formal procurement process and as such are subject to change.

Appendix 02 sets out the various options considered for those sites identified for retention as parking. This is based on the most cost-effective solution when taking into account current condition, expenditure requirements and occupancy rates. No other options were considered for these sites beyond parking in some form.

Appendix 02 also sets out the various options considered for those sites identified for alternative uses. In all cases there would be an option to market the land and allow the market to decide potential future uses. Given the location, size, layout and various complexities of the sites most have limited potential for development. Where the decision is made to sell land the Council will need to consider whether to sell without conditions or to sell with conditions limiting future potential use.

The various options available were discussed in more detail with Elected Members resulting in the preferred options for all sites at Appendix 01. This report includes outline costings for each site, these will be subject to further procurement and will go on to form part of the Housing Revenue Account capital works programme.

The proposals set out in Appendix 01 represent what has been assessed to be the most cost effective solution based on current condition and occupancy levels. There is however an assumption that bringing the garages up to a good state of repair will attract new tenants and it should be noted that this may not actually occur.

There will be some additional costs associated with the development of more detailed plans for those sites identified for alternative uses and it is likely that future capital bids will be needed once firm delivery options have been identified for these sites.

RESOURCE IMPLICATIONS

Retained Garage Sites – capital programme bids have been put forward for the sum of £1,500,000 over the next two years. This is based on the cost estimates provided by the consultants. The procurement of the consultant included a fee for procurement and management of physical works on site and is included within the capital bid. The cost of the programme at Appendix 01 is c.£1,505,000, excluding the optional costs of c.£150,000. Additional funding will be required in year 2 to take account of the sites that have been identified in Appendix 02 as only being viable for parking and no other alternative uses. These sites will need to be costed and an amendment made to the capital bids for 2022/23. It is expected that additional resource will be required to manage the decant, communications and re-letting processes, these costs will be capitalised against the project budget. Additional capital bids may be required if more sites are added into the programme once the options appraisal works have been completed.

Alternative uses – where it has been identified that parking is the most viable option due to restrictions and limitation of the site those sites will need to be added to the retained site programme and costed accordingly. Other sites have been identified for use as a play area, use for commercial parking and an extension to a sheltered development. Each of these options will need to be further developed into fully costed schemes for approval outside of the garage project. There is the potential that disposal of one or more of these sites will result in a capital receipt, this will be addressed in a further report once the options appraisal process has been completed.

Where garage sites are retained there will be an ongoing maintenance requirement; this will need to be met from the existing Housing Revenue Account housing repairs budget, there should be no additional impact as there will be fewer garages upon completion of the project and repair costs are currently met from this budget

Rental income is difficult to predict as it will be based entirely on the level of demand for garages which we know has historically been poor. The rental income for 2020/21 was circa. £345k; there is likely to be a reduction in rental income whilst the programme is being delivered as existing tenants will have to be displaced. It is hoped that most tenants will return to their garages once refurbishment work is complete however it is likely that a number of tenants will choose not to return which may result in a reduced rental income from garages in future years.

Free to use open parking areas are likely to be well used which result in ongoing maintenance costs but without income to support those costs.

Resource will be required to advertise completed garage sites for rent once complete and to manage the decant process that will allow the project to proceed. It is anticipated that external marketing will be dealt with by the communications team supported by the estates management team. It is anticipated that an additional 1xFTE post may be required to deal with the ongoing management of the garages and parking areas if the garages are to remain in good order and if we are to achieve continue high levels of lettings. If required this is likely to be a Grade E post and would be funded from the Housing Revenue Account revenue budgets. This role will be subject to review upon completion of the project; should the post be required a business case will be produced for consideration in the normal manner. A temporary post will be required to deal with tenancy management issues whilst the programme is ongoing, this is also likely to be a Grade E post and will be funded through capitalising the salary against the project budget.

Where disposal of a site is deemed to be the most appropriate outcome the Council will need to appoint an agent to advise on and manage the disposal process; this service will need to be procured in line with procurement policy. Fees will be deducted from the sale value of any site.

It is anticipated that upon completion of this programme there will be an adjustments to the Housing Revenue Account stock valuation that will take into account the fact that a number of sites have been cleared with garage assets no longer existing. The exact impact is unknown at this stage as the new garages and sites will need to be formally revalued upon completion.

LEGAL/RISK IMPLICATIONS BACKGROUND

Lack of demand – There is no guarantee that there will be a sustainable level of demand for refurbished garage sites. This poses both a reputational risk and financial risk as there will be no return on investment.

Loss of rental income – we know that many garages are being used for storage rather than for the parking of a vehicle. It is likely that there will be a number of tenants who see this project as an opportunity to dispose of unwanted stored belongings and will not return to their

garage. There is also a chance that the new garages may not be as conveniently located for tenants and this may also result in tenancies being given up.

Lack of interest in disposal sites – the limited nature and complexities of those sites identified for disposal and/or alternative uses may make those sites and/or uses undesirable. Where disposal and/or alternative uses fail there may be a need to bring those sites back into the retained site programme which will have cost implications.

The EV charging point providers may not be interested in installing and operating charging points on car parking areas located on housing estates. There will need to be further engagement with the market to determine the viability of this element of the project.

With garages being used for purposes other than the parking of vehicles there is the risk that the Council will be left with increased costs associated with items left in vacated garages. The lettings policy will need to be written so as to limit the risk associated with the storage of hazardous materials.

At least one of the alternate use sites has been identified for commercial/light industrial self-storage units. Further investigations will need to be carried out to determine whether or not this type of use can sit within the Housing Revenue Account.

Planning matters may present a risk to bringing forward some of the alternate use sites so there will need to be ongoing discussions with the planning team as the proposals for these sites are developed further.

Additional legal advice will be taken in relation to the termination of existing garage tenancies to ensure that notices are correctly served and enacted.

EQUALITIES IMPLICATIONS

There should be no equalities implications associated with those elements of the programme that relate solely to the maintenance of existing sites.

The communications process with individual garage tenants will seek to address any potential issues arising from matters such as tenants with disabilities or specific needs around the location of a garage.

Where sites are to be converted or considered for alternative uses there will be a programme of local focussed consultation. Feedback from this consultation will be used to inform the final programme.

SUSTAINABILITY IMPLICATIONS

The key purpose of this programme is to maintain the Council's built assets and to sustain an income stream from those assets.

There are no guarantees that there will be an ongoing demand for garages in the future which means these sites may not be sustainable in the long term.

Consideration will be given to the provision of electric vehicle charging points on retained garage sites although the success of this will largely be dependent upon market demand.

BACKGROUND INFORMATION

REPORT AUTHOR

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LIST OF BACKGROUND PAPERS

APPENDICES

- Appendix 01 – report on garage sites identified for retention
- Appendix 02 – report of garage sites identified for aspirational uses
- Appendix 03 - Indicative programme and communications plan

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