Interim Garage Management Report

1. Aims and Objectives

Nottingham City Homes has recently conducted an interim review of the garage stock managed by them on behalf of Nottingham City Council. The aims of the Garage Management Review are to:

- ensure that garage sites on housing land meet the needs of existing and future generations;
- contribute to the sustainability of neighbourhoods';
- maximise income;
- provide value for money;
- contribute to the reduction in crime and anti-social behaviour;
- assist to meet the Local Area Agreement perception targets ;
- develop Asset Management Strategy for garages;
- reduce expenditure dealing with vandalism and anti-social behaviour;
- identify options for garage sites including re-development, renting at a market rent to commuters.

2. Introduction

Demand for garages has declined steadily since the early 1990's for a variety of reasons. Customer requirement has changed since garage sites were built,

- customers prefer to park their vehicles within sight of their home;
- many customers now have hard standings on their properties;
- modern cars have got larger and many garages are too small;
- some garage sites are secluded and customers do not feel safe using them;
- some sites have significant investment requirements to make them attractive to customers;
- insurance premiums for vehicles are determined by security arrangements

As occupancy rates have dropped some garage sites on Nottingham housing estates have become the focal point for problems, many are subject to vandalism, fly tipping and anti-social behaviour which in turn has led to a low take up of garages. This all has a negative impact as well as a high cost in trying to improve the estates NCH manage.

3. Background

Nottingham City Homes manages garages on behalf of Nottingham City Council as part of its Tenancy and Estate Management Service. There are 408 garage sites which range from sites containing single garages to multi-garage sites with an overall total of 4369 garages.

Void rates continue to increase by approximately 10% per annum resulting in a total overall void rate of 41% as at 31st March 2009, which equates to 1780 void garages. However, the void rate varies from site to site dependent upon demand. It is anticipated that the void rate on some sites will further increase without some intervention.

It should be noted that a number of garage sites have been cleared in the past and the land they were built upon is unused. There are approximately 20 such sites across the city. An assessment needs to be undertaken to identify all of the cleared sites which have the potential for redevelopment. For the remaining sites options such as community gardens/allotments needs to be explored.

4. Supply and Demand

There are currently 1780 void garages. The table below illustrates the accumulative effect of terminations and lettings of garages. The number of voids has increased year on year, highlighting need for action to be taken.

Garage void and relets

	07/08	**08/09**	**09/10**
Voids	480	431	318
Lets	242	342	92
Cumulative increase in voids	238	89	226

Appendix 1 shows the number of people waiting for each specific garage site.. In some instances there are sites with voids showing waiting lists. The reasons for this are varied and include;

- Tenants in arrears who are ineligible
- Extensive repairs required to a garage site or individual garages
- Requests for specific garages on a site e.g. access is easier for larger cars
- Some sites are earmarked for decommissioning.

In some areas e.g. Sneinton demand for garages is much greater than supply.

Supplying overall figures for the number of people on the waiting list for garages is meaningless as quite often people are registered for more than one garage site, and the demand for garages is very site specific.

During 2008, an option appraisal was conducted for each of the sites. This has been subject to ongoing review and the interim results of this appraisal are shown in the report at Appendix 1 and are summarised in the table below.

Sites identified for retention

Location	Total Number of sites to be retained	Total Number of garages	Sites with 70%+ void rate, low demand	Sites with medium demand	Sites with high demand
Aspley	57	532	5 (24)	9 (81)	43 (427)
Bestwood	82	1007	13 (32)	20 (300)	49 (675)
Bulwell	45	512	0 (0)	3 (68)	42 (424)
Clifton	96	887	24 (240)	28 (291)	44 (356)
Radford	18	255	1 (9)	1 (24)	16 (222)
St Anns	54	432	13 (58)	6 (53)	35 (321)
Total	352	3625	56*	67	229

Figs in brackets are number of garages.
*This includes 21 locations where there is a single garage which is void.

Of 35 which have low demand and high voids the reasons why retention is recommended are outlined in Appendix 2 but include issues such as

- Potential alternative use e.g. Soutchurch Court void storage
- Potential demand on waiting list
- Sites in close proximity to sites identified for decommissioning, so demand should increase
- Local initiatives to increase site desirability

Sites identified for decommissioning

Location	Total Number of sites to be decommissioned	Total Number of garages	Sites with 70%+ void rate, low demand	Sites with medium demand	Sites with high demand
Aspley	16	141	11 (100)	3 (17)	2 (24)
Bestwood	5	107	4 (101)	1 (6)	0 (0)
Bulwell	8	68	2 (7)	2 (32)	4 (29)
Clifton	16	278	12 (228)	4 (50)	0 (0)
Radford	3	30	1 (8)	1 (13)	1 (9)
St Anns	8*	120	3 (12)	3 (85)	2 (23)
Total	56	744	33 (456)	14 (203)	9 (85)

*Includes Stonebridge

There are 9 sites with high demand recommended for decommissioning the reasons for this are again outlined at Appendix 1, however include

- Sites identified by NCC for sale
- High investment needs

5. Decommissioning and Re-development

The interim review has so far identified a number of individual garages and sites that could be considered for decommission and re-development. A detailed appraisal of each of these sites needs to be undertaken in order that recommendations for future use can be made to the NCC. For some of the sites there are potential re-development opportunities through community and partnership working, for example, funding has been secured by the Aspley Partnership and a recommendation put forward to re-develop a former garage site in the Aspley area into a Community Educational Garden and Allotment. This option could be replicated in other areas of Nottingham. For other sites they present potential development opportunities for new housing and could be cleared to ensure site availability and immediate access if funding becomes available.

Some work has already commenced on a number of garage sites throughout the City. See Appendix 1

Appendix 1 also highlights in green those garage sites which have the potential to be used as building land for housing. The majority of these sites are currently on the retained list as they are in high/medium demand. It is intended to carry out further site appraisal to identify the true development potential of these sites.

6. Sites identified for Retention

Of the sites identified as having the potential to be retained, further analysis is required to ensure that the sites are sustainable; that any investment and on-going revenue costs represent value for money; that they are free of ASB; demand can be maximised; and that they are well maintained and managed.

NCH are looking to establish a dedicated garage team for a temporary period of 6 to 12 months. It is envisaged that this team would survey each garage site to pro-actively market and re-let the void garages through the development of a comprehensive marketing strategy. Garage standards would be developed with proactive quality assurance mechanisms in place, and allocation procedures would also be reviewed. This will help to maximise the overall garage rental income which in turn will assist to fund the team and some of the essential repairs and maintenance which are required to the garage sites. In addition, the team would undertake a review of the performance management framework to ensure effective monitoring of garage repairs, allocations, rental payments, rent loss and void turnover.

7. Investment in Repairs and Maintenance

During 2006/7 £155,500 was spent from the day to day repairs budget on garages, in 2007/08, the day to day repairs budget spend increased to £168,800. The table below breaks down the expenditure for 2008/09 and 2009 to date by area.

	Cost of repairs	
Area Office	**2008/09**	**01/04/09 - 09/09/09**
Aspley	£4,800	£2,600
Bestwood	£74,100	£32,100
Bilborough	£19,000	£14,300
Bulwell	£34,200	£27,300
Clifton	£23,800	£11,000
Hyson Green	£6,000	£2,000
Lenton	£8,900	£12,000
Southglade	£5,000	£1,700
St. Anns	£14,800	£10,700
Total	**£190,600**	**£113,700**

From the interim review many of the garage sites need investment to increase their desirability and lettability. There is no additional available funding at this present time to invest in a repairs and maintenance programme of the remaining garage sites. However more let garages would lead to increased income which could be utilised to fund the investment needs.

The condition and maintenance issues vary on garage sites and include:

- Roof panels that are constructed of asbestos and could consequently in the long term pose a health and safety risk if the asbestos becomes damaged;
- Wooden door frames and facia boards which have aged and have become subject to rot over the years;
- Guttering and down pipes which have been vandalised and guttering in need of maintenance;
- Sites in need of painting and clear numbering of garages;
- Sites where the ground surfaces have become weathered and as a consequence are in a poor condition.

A programme of environmental works totalling £70,150 is planned during 2009/10 across a number of the retained garage sites, the environmental works have been itemised in Appendix 3.

In addition to the repair issue are the on going costs of maintaining the sites, including ground maintenance and caretaking resources. An assessment of these costs needs to be undertaken so they can be factored in when looking at the sustainability and value for money of each site.

8. Maximisation of Rental Income

Below are comparisons of garage rents charged by other housing organisations in 2009/10. There is little scope to increase the rental charge for garages for tenants and residents and any rental increase may have a negative impact by increasing the number of voids. There maybe some sites however which are on commuter routes which have the potential to be let to commuters at a market rate. These would need to be considered sensitively to ensure they did not cause problems on estates.

Organisation	**Weekly charge to tenant (or average) £**	**Weekly charge to non-tenant £**
Nottingham	6.81	7.83 Incl VAT
Derby	6.57	7.55
Leicester *	7.00 – 9.00	+15% VAT
Mansfield	5.55	6.38
Ashfield	4.72, 5.28, 5.83	+15% VAT
Newark	6.67	7.67
Rushcliffe	6.52	7.50
Broxtowe **	16 pcm average	16 pcm average
Chesterfield	4.25	4.89
Sheffield *	6.00 – 7.50	+15% VAT

* Leicester CC and Sheffield Homes charges vary, based on size of garage.

** Broxtowe BC charges vary according to location of garage complex and number of garages in that area

The potential income and actual collection of garage rents is detailed below:

	2006/07	**2007/08**	**2008/09**
Potential income of all garages (pre-decommissioning)	£1,403,000	£1,463,000	£1,485,000
Income received	£927,000	£938,000	£910,000
Income loss	£476,000	£525,000	£575,000

There is further potential to increase the overall garage rental income by pro-actively re-letting void garages. Realistically it will be a considerable challenge to increase garage take up in some areas. If we are to achieve increased take up, and therefore generate more income, we will need to be more innovative in our approach. This will require us to consider site specific issues and local circumstances. This may mean developing local letting plans and even varying rents in order to attract customers. This might mean for less popular sites reducing the rents or offering take up incentives. Such approaches would require clear guidelines for staff and a clear audit trail to avoid misuse. The requirement of a £40 deposit also needs o be reviewed as this maybe a disincentive for some potential customers.

9. Private Sector

The private sector market does not appear to be very developed in Nottingham, the majority of garages or parking spaces are let by private individuals. There was one organisation, Park Let Ltd, who act as an agency for individuals with garages or parking spaces. The monthly charge for parking spaces ranged between £60 to £85 and garages ranged between £40 and £99.

City centre car parking spaces can be purchased from between £930 (Curzon St / Brook St) to £1987 (Mount St) per annum.

There maybe scope to re-develop some of the garage sites into parking provision to attract new businesses with employment opportunities which would meet the worklessness agenda. At present a number of commuters park their vehicles on NCH estates to avoid high private sector parking charges, this has a negative impact on crime with high levels of ‘theft from vehicles’ and vandalism. There maybe opportunities to utilise suitable low demand sites for parking provision for commuters, which in turn may have a positive impact on community safety.

10. Long Term Investment in Repairs and Maintenance

An Asset Management Strategy for garages needs to be developed to determine investment needs. A critical ingredient of this will be a site by site risk assessment, to identify the ongoing costs associated with vandalism, fly tipping, and security, as well as on-going maintenance such as caretaking and grounds maintenance.

There is a need to develop a fit for purpose garage site standard, which would be monitored through estate inspections and the use of star ratings from tenant inspectors.

If there are on-going environmental improvement funds, consideration could be given to further investing in garage sites where there is existing demand for the garages and to stimulate further demand. A long term investment programme should be developed in order to use this funding effectively.

By redeveloping a garage site, a safer environment can be created by providing natural surveillance of public areas and generate a sense of ownership. This may not be appropriate for all sites, but may be the solution for others. The result should be an attractive and self-policing environment. It is important not to look at redevelopment in isolation as we may only displace the problems to a nearby area.

There are a number of ways security can be improved, subject to available funding:

- By making sure all garages are secure, there are garage doors available that cannot be "peeled" open
- Gating sites where appropriate
- Ensuring sites are well maintained both in terms of structures and the environment. This may involve replacing some garage blocks with new prefabricated units.
- Delivering robust housing management action in liaison with partners. Including regular inspections of sites and prompt action in relation to fly-tipping, vandalism and repairs
- Improving lighting, although this can have can have a negative impact by encouraging, for example, night time football or gathering of groups. This is often most effective with gated sites.
- Where appropriate, encouraging mixed tenure of garages by selling garages to neighbouring properties, although this will need careful consideration as could impact upon any future redevelopment needs.

11. Tenant and Resident Consultation

Critical to the development of this review is the involvement of tenant's and residents. Local people and garage tenants will be consulted on sites that affect them, either for redevelopment or investment. Area Panels will also be involved in the discussions about options, as well as the approval of environmental improvement bids within their locality, which include garage site environmental schemes.

Tenant Inspectors will be utilised to carry out mystery shopping and star ratings of sites. Vision Management will also be used to survey current garage site users to encourage service suggestions and improvements. Other tenants who do not rent garages will be surveyed to improve our knowledge of demand.

12. Marketing

In order to stimulate demand for our garages, we must proactively market them. Marketing our garages, if successful, will increase demand and raise customer expectations.

A communication and marketing strategy is being developed to improve uptake. The marketing strategy will look at;

- Introductory offers
- Poster and leaflet campaigns
- Adverts in NCH news
- Development of a website linked to Homelink site
- Work with RSL partners
- Commuter route options

Summary of Actions to be Undertaken in Next 6 Months

1. Establish a temporary team to focus on garage issues. This will include an initial re-assessment of all sites.

2. Review Allocations policy for garages and waiting list.

3. Establish local lettings plans which may include short term reduced rental charges for difficult to let garage sites to maximise take up and income, subject to clear guidelines and audit trail being developed.

4. Explore the possibility of having a different lease and charging a commercial rent for commuters.

5. Potential to reduce rents or offer introductory incentives where demand is low and garages are difficult to let.

6. Explore options for those sites no longer considered viable, including review of garages which are predominantly surrounded by houses which are owner occupied.

7. Explore options for sites which have already been cleared and remain unused.

8. Review the performance management framework for garage management including;

   - Introduce Vision Management surveys for garage tenants
   - Benchmark the rental income and loss for garages annually
   - Mystery shopping and star ratings by Tenant Inspectors

9. Consider a planned maintenance programme for garages.

10. Produce a garage site standard.

11. Develop an Asset Management Strategy for garages.

12. Production of a marketing and communication plan for garages.

13. Develop a consultation strategy with tenants.

14. Develop options to use environmental improvement funding to bring garage sites back into full use.

15. Review requirement to pay £40 deposit.

Appendix 2 Garage Sites where Options already being considered.

Stoneycroft Road, Basford Work has commenced to clear the site in preparation for sale to Leicester Housing Association for redevelopment. Current occupants will be offered decants to alternative garage sites in the locality
Prospect Street, Radford This was a site originally identified to be retained. However, Nottingham City Council was subsequently approached by the Radford Care Group in September 2008, with a proposal to purchase this site and redevelop it to expand the services they provide to the local community. This proposal has been given outline permission and negotiations are currently ongoing.
Stonebridge, St Anns There are 6 sites in St Anns which are to be included in the Stonebridge redevelopment area as follows: Dennett Close; Fairholme Court; Jersey Gardens; Leighton Street; Limmen Gardens; and Melville Gardens.
Widecombe Lane, Clifton Confirmation has been received from NCC that the site between 122 & 124 Widecombe Lane, Clifton, has been identified for redevelopment. Discussions have been held with NCH with a view to redeveloping the site for housing. There are 72 garages on this site, only 3 of which are currently let.

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Appendix 3

Proposed garages site Environmental Works 2009/10

Aspley	Kildonan Close	2 sets of garages after No 14	Knock down existing garages and turn into parking for residents garages no longer in use	£45,000
Bestwood	Barent Walk	Metal fencing around site & gating. Install palisade fencing to 3 sides of the site and a gate to the entrance (similar to garage site on Ellsworth Rise).	Need to reduce ASB, vandalism and flytipping	£8,000
Bestwood	Harkstead Gardens	Metal fencing around the top of the garages	Youths climbing on the roof of the garages	£8,000
Clifton	Garage Site Colley More Leys lane	no 108 - 110	Supply and fit security gates to garage block.	£1,200
Clifton	Colesbourne Road	No 28 - 30	Supply and fit metal fence and gate to secure access to garage site	£1,200
Clifton	Wheatacre Road	Garage 6-8	Supply & fit security gates to garage block	£1,500
Clifton	Summerwood Lane	Garage Site	Complete section of metal fencing to garage block adjacent 23 Summerwood Lane	£250
Clifton	Langstrath Road	Garage Site	Supply and fit security lighting to site and fit security gate	£5,000
			Total	**£70,150**