

SLOUGH BOROUGH COUNCIL

REPORT TO: Neighbourhood and Community Services Scrutiny Panel

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PART I

FOR COMMENT & CONSIDERATION

NEIGHBOURHOOD SERVICES GARAGE LICENCES & REPAIR OF GARAGES

1. **Purpose of Report**

This report informs the Panel about the new licence being issued to customers who rent garages from the Council. The report highlights the rights and responsibilities of the Council in relation to repair, refurbishment or redevelopment of garages.

2. **Recommendations**

- a) That the Panel endorses the renewed licence.
- b) That the Panel endorses the repair responsibilities of the Council in relation to garages.
- c) That the Panel requests Cabinet to support the development and rolling out of community based parking schemes for parking areas on Housing land.

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

3a. **Slough Joint Wellbeing Strategy Priorities**

The adopted Garage Strategy includes an overview of how the licence arrangements for letting garages will be refreshed. In general the strategy requires the council to provide a popular and well-managed community facility.

The strategy therefore contributes towards the Slough Joint Wellbeing Strategy priorities in the following areas:

- Safer communities – by implementing inspection and management processes that inspects garage sites on a regular basis and delivers prompt responses to incidents of anti-social, fly-tipping and other behaviours affecting residents' perception of safety and security. This includes reviewing details of people who rent garages from us and ensuring that we have robust licence agreements in place.

3b. **Five Year Plan Outcomes**

- Slough will be one of the safest places in the Thames Valley by the reduction of anti-social behaviour and enviro-crime and improving the perception of retained garage sites and decommissioning sites with no long-term viability. The licence review will allow us to identify garages that may have been sub-let and being used without our permission.
- The Council's income and the value of its assets will be maximised by the decommissioning of loss-making assets, returning sites into more productive community use and ensuring correct charges are made for the rental of garages.

4. **Other Implications**

(a) **Financial**

There are no financial implications of proposed action. The licence review does not include increasing rental charges, however, if the review identifies that a customer has been charged an incorrect VAT amount this will be rectified.

(b) **Risk Management**

Recommendation	Risk	Mitigations
Review and update licence agreements for garage rental.	Not carrying out this action creates a risk that we do not have a clear, robust and common legal agreement with all customers who use these facilities.	To terminate and reissue all parking facility licence agreements to harmonise various agreement types and ensure they are all covered by the same terms and conditions. The new licences will be issued by April 2017.
	Not carrying out the review creates a risk that customers continue to be charged the incorrect rate of VAT.	To audit usage of garages will allow us to identify garages being used illegally and we can then take appropriate action to reduce any associated crime and disorder.
	Not carrying out the review creates a risk that we do not identify garages that are being used illegally.	The audit will be complete by February 2017.

(c) **Human Rights Act and Other Legal Implications**

None.

(d) Equalities Impact Assessment

There are no changes to customer-facing aspects of the garage management service so new Equalities Impact Assessments are not required.

5. **Supporting Information**

Garage licences

- 5.1 In September 2015 Neighbourhood and Community Services Scrutiny Panel endorsed the Council's new Garage Strategy. A further information report was presented to the Panel in September 2016 that described in more detail the process for terminating current licence agreements and reissuing new licences (as per Section 2 of the Garage Strategy).
- 5.2 At the September 2016 meeting the Panel resolved to scrutinise a model license and discuss which party is liable for the upkeep (management, maintenance and repair) of the garages.
- 5.3 The new licence agreement is included at Appendix A of this report. This licence has been prepared with advice from the Council's Legal Services. The new licence does not commit the council to keep garages at a standard level of repair.
- 5.4 Section 5 of the new licence deals with repairs of the garage. Although the licence does not explicitly state what repairs the council will carry out, Section 5.1 requires that licensee reports all repair issues to the council. Neighbourhood Services are committed to ensuring that garages are in a safe condition.

Garage repairs and refurbishment

- 5.5 Because there is so much variety in condition across the stock each site has been inspected by Neighbourhood Services and costs of repair, refurbishment or redevelopment of the whole garage compound are being sought from our technical advisors (Property Services). Our value for money evaluation will include costs to repair/refurbish garages plus work to ensure the wider compound satisfies secure by design standards (for example, gating entrances and upgrading lighting) to reduce anti-social behaviour around the compounds – including fly tipping and groups congregating. Some sites (green on our “Red Amber Green” assessment) will be redeveloped as housing so carrying out short-term repairs may not represent good value for money to the Housing Revenue Account (HRA). In assessing the cost effectiveness of carrying repairs or refurbishments we take into account:
 - a. The current occupancy of the garage/garage block
 - b. The income generated from the garage
 - c. The cost of repairing the garage
 - d. The cost of demolition of garages and conversion of site to parking bays
 - e. The likelihood of the site being redeveloped to provide new housing
 - f. Design of garages (i.e. can an average sized modern car be parked and allow driver and passenger to open car doors)
 - g. Level of anti-social behaviour and it's impact on the local community

- 5.6 If the garage site does not have redevelopment potential we may carry out repairs depending on the cost of the repair and whether this offers value for money when considering the income generated and the competing demands on the HRA.
- 5.7 Wherever possible Neighbourhood Services pay for repairs that reduce the risks to health and safety of garage users and/or are repairs to existing locks and doors. For example, in some instances it has been cost effective to patch repair garage roofs, but we generally have not replaced whole garage roof runs. We also consider other costs required to make the garage compound secure and not vulnerable to attracting anti-social behaviour.
- 5.8 If it is not cost effective to use the HRA to repair a garage the licensee is offered the option to terminate their agreement on the damaged garage and rent another garage from us (or rent another facility from another provider). In these instances we will consider offering licensees a short rent free period to help them move their goods from one garage to another.
- 5.9 In all cases Neighbourhood Services are working towards providing well managed parking facilities in garage blocks, car parks or on housing estates.
- 5.10 One of the issues Neighbourhood Services will consider when deciding whether to repair garages is the likelihood of the site being redeveloped to provide new housing. Savills have been appointed by Neighbourhood Services to assess all the garage sites that have been highlighted as possibly having housing development potential ("amber" sites). At the end of this project Neighbourhood Services will be able to add the likelihood of redevelopment into the general site assessment.

Community based parking facilities

- 5.11 Neighbourhood Services are aware of the pressure residents face finding parking spaces. Residents have requested that the Service looks at introducing community parking facilities that would be available for the exclusive use of tenants.
- 5.12 Neighbourhood Services are proposing to work in conjunction with Transport and Highways to identify how both services can co-ordinate the provision and management of on-street and off-street parking on council housing land.

Costs to HRA of repairing garages

- 5.13 Each standard garage has a rental charge of £10.30 per week, council tenants do not pay any VAT in addition to this charge, but non-council tenants pay 20% VAT. New large garages have a rental charge of £13.81 per week.
- 5.14 If 100% of all the garages available were let this would generate income to HRA of £21,161 per week. However, as of week 29 (week ending 21 October 2016) only 933 are let (42.4% of total available).
- 5.15 On current occupancy levels, HRA is actually receiving approximately £10,183 per week from garage rental.

5.16 Neighbourhood Services take the rental income for each garage block into account when deciding the level of repair or refurbishment to be carried out. The table below outlines the value for money appraisal that would typically be carried out to assist with the decision about refurbishment or repair.

Garage block of 14 standard garages (4 occupied/28% occupied)	
Income generated from block (current occupancy)	<p>£41.20 per week / £2,142 per annum (14 standard garages)</p> <p>£41.43 per week / £2,155 per annum (10 large garages)</p>
Income generated from block (100% occupancy)	<p>£144.20 per week / £7,450 per annum (14 standard garages)</p> <p>£138.10 per week / £7,181 per annum (10 large garages)</p>
Option A: repair doors/locks/roofs/guttering	<p>Cost £18,000</p> <ul style="list-style-type: none"> On the current occupancy levels of 28% it would take just over 8 years for this garage block to generate enough income to recoup the cost of repair. If 100% occupancy it would take 2 ½ years for this garage block to generate enough income to recoup the cost of repair.
Option B: demolish and replace with 10 large garages (£13.81 rent per week)	<p>Cost £30,000</p> <ul style="list-style-type: none"> On the current occupancy levels of 28% it would take 15 years for this garage block (10 large garages) to generate enough income to recoup the cost of the redevelopment. If 100% occupancy it would take 4 years for this garage block (10 large garages) to generate enough income to recoup the cost of repair.
Prevent ASB: for both options above to gate (vehicle & pedestrian gates) entrance to garage compound to prevent ASB.	<p>Cost £60,000</p> <ul style="list-style-type: none"> On current occupancy levels of 28% it would take approximately 28 years to generate enough income to recoup the cost of the gating. If 100% occupancy it would take approx. 8 years to generate enough income to recoup the cost of the gating.

Garage waiting list

- 5.17 As of week 29 there are 136 people waiting to rent a garage from the council. Langley and Kedermister have the highest waiting list with 63 people waiting. 72 (53%) people on the waiting list are waiting for garages in specific blocks to become available.
- 5.18 Neighbourhood Services are currently auditing the waiting list to ensure we have up to date information about where people want to rent garages and whether they still want to rent a garage from us.

6. **Comments of Other Committees**

This report is not required by other committees.

7. **Conclusion**

- 7.1 Work has begun with Savills to assess the redevelopment potential of all amber garage sites and provide guidance to Neighbourhood Services about the likely cost of repairing or redeveloping them.
- 7.2 Neighbourhood Services will continue to work with people who rent garages, residents, ward councillors and Highways and Transport to facilitate the creation of well managed community parking facilities for residents and tenants. By the end of 2016/17 at least 2 community parking facilities in each Neighbourhood will have been identified.
- 7.3 Work will continue to identify garages that require repair and assess the value for money of carrying out these repairs. Our contractor has provided outline costs of repair for each garage site. Within the next 3 months Neighbourhood Services will be able to present ward councillors with assessments of each garage block.

8. **Background Papers**

Garages Strategy 2015 – 2020

9. **Appendices attached**

‘A’ – New garage licence template