

To: Housing Panel
Date: 26th April 2017
Report of: Head of Housing
Title of Report: Garage Asset Management Strategy

Summary and recommendations

Purpose of report:	To provide members with an overview of the activities being carried out under the Garage Asset Management Strategy
Key Decision	No
Executive Lead Member	Councillor Mike Rowley, Board Member for Housing
Corporate Priority	An effective and Efficient Council
Report Author	Ann Phillips, Tenancy Management Manager

Recommendation(s):

1. **The Housing Panel is asked to note the contents of this report**

Appendices

Appendix 1	Garage Data
Appendix 2	Garages – NPV by block - CONFIDENTIAL
Appendix 3	Garage Site Proposals - CONFIDENTIAL
Appendix 4	Garage Marketing Plan 2017 - CONFIDENTIAL

Introduction and background

1. The Council's garage stock is held within the General Fund Budget and passed into the management of the Tenancy Management team in December 2015. There are 2001 garages of which 593 are situated on Blackbird Leys estate. In May 2016 21% of the garage stock was void and during the course of the project the voids have reduced to 16%. The budgeted rental income of the garage stock for 2016/17 was £1,090,000 and the annual void loss £290,000.
2. The condition of the garages varies significantly and historically many of the void garages were boarded up awaiting major repair. The Garage Asset Management Strategic Board was set up in May 2016 to produce and implement a long term plan for the Oxford City Council garage sites.

Options Appraisal

3. The board has gathered and considered information from various sources and specifically considered in each area:
 - The percentage of lettings and any waiting list (demand)
 - Stock condition
 - Cost of repair to bring up to a letting standard
 - Cost of on-going planned maintenance
 - Identification of garages that cannot be let due to condition or popularity
 - The distribution of garages across the city
 - Identification of alternative uses for the land where letting is not an option

Stock condition, responsive repairs, planned maintenance and improvements

4. A survey has been carried out of all the garage sites in the city and minor repairs carried out to bring the garage back into use where there is evidence that there is a demand for the garages.
5. Some major repairs have been carried out including four new roofs to garage blocks in Northway, a new roof, doors and frames to a block in Normandy Crescent and repairs to an asbestos roof in the Grates. Six other block roofs have been prioritised in the maintenance plan for 2017/18. This has resulted in 177 garages being brought back into use.
6. **Appendix 1 – Garage Data** shows occupancy and void rates while **Appendix 2 - NPV by Block (CONFIDENTIAL)** shows an analysis of the (NPV) Net Present Value, based on current rent and void rates and the estimated maintenance cost over thirty years at a discount rate of 3%. This has identified specific garage blocks that have a negative NPV and are therefore uneconomical as they represent a loss in income to the council as repair and management costs exceed projected income. No work will be carried out on these blocks until there has been a full assessment as to the best use for these sites

The data also provides information on the most profitable garage sites and where the limited maintenance income should be directed.

Lettings and marketing strategy

7. As repaired garages have returned to the available stock the Tenancy Management team have contacted those applicants on the waiting list to let the garages. It was found that many applications were historical and the applicant details out of date and this adversely affected the number of lettings anticipated.
8. A new marketing strategy has been created and an early working draft is attached at **Appendix 4 - Garage Marketing Plan 2017 (CONFIDENTIAL)**. This will be implemented in the coming year to attract potential customers. The demand for parking space is continuing to increase in the city and provided the rent is maintained at an appropriate level there is a market for secure parking.

Alternative site uses

9. Each garage site has been considered by the board with reference to current lettings figures, demand, NPV, maintenance costs and development potential.

As a result a number of sites have been identified for development; other sites with no development potential are being considered for additional off street parking provision or landscaping and environmental Improvements. The outcomes of the Board's discussions are shown in **Appendix 3 - Garage Site Proposals (CONFIDENTIAL)**.

Finance

10. A budget provision has been made for 2017/18 of £150,000 for day to day maintenance and repairs of the garages and an additional £77,000 per year for the next four years has been made available from the General Fund budget to carry out improvements to the garage blocks. This will include an initial marketing budget of £4500 to bring the garage properties back into the public eye.

ICT

11. Garage lettings have been handled manually for many years. A new void pathway in the housing management system has been created to automate the lettings process and to provide rigorous monitoring of performance.

Financial implications

12. The work carried out by the board has enabled us to bring valuable garages back into use and identify those sites where alternative use is the best option.
13. The prioritisation of works through the stock condition survey and popularity has enabled us to target the limited funding to best affect and to maximise the income stream from garages into the future

Legal issues

14. None

Conclusion

The vast majority of garages owned by Oxford City Council can be let and will continue to contribute to the General Fund.

15. A number of unpopular garages sites have been identified for development of new housing schemes.
16. Works to garages have been aligned with other works to estates including the provision of off street parking and other schemes falling under the Great Estates programme of works.
17. Work is continuing to identify alternative options where unpopular garage sites are not suitable for redevelopment or the provision of off street parking.

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