

**Meeting** CABINET  
**Portfolio Area** RESOURCES AND TRANSFORMATION  
and ENVIRONMENT AND  
PERFORMANCE  
**Date** 15 January 2025



## **GARAGE ASSET MANAGEMENT PLAN**

### **KEY DECISION**

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### **1. PURPOSE**

- 1.1 To seek approval of a new Garage Asset Management Plan for the period 2025 to 2035, which will ensure that garage assets are well maintained, and promote a sense of pride in the local place and neighbourhoods. Maintaining and improving the garage assets will help to protect the garage income stream.
- 1.2 To seek approval to the proposed procurement of two new contracts; the first to enable day to day repairs, and the second for the replacement of the asbestos roofs, as part of a planned preventative maintenance (PPM) approach, through a specialist asbestos contractor.

### **2. RECOMMENDATIONS**

- 2.1 To approve the Council's new Garage Asset Management Plan 2025 to 2035, which can be found in Appendix A.
- 2.2 That Cabinet agrees the financial plan as set out in paragraph 4.20 to 4.30 to help support the delivery of the plan.

- 2.3 To recommend to Council a £4.5Million budget for planned preventive maintenance (PPM) asbestos roof replacements over 7 years.
- 2.4 To recommend to Council a budget of £250K per annum for the life of the plan (ten years) for reactive capital repairs, and that will be built into the Capital Strategy 2025/26.
- 2.5 To note an increase in garage income of £179K as identified in paragraph 4.28, to be incorporated in the final General Fund (GF) Budget 2025/26 report that will be presented to the February 2025 Cabinet to fund:
  - i. An increase in the reactive revenue repairs budget of £29k to £120k per annum.
  - ii. The remaining £150K to support the cost of borrowing.
- 2.6 To approve the proposed procurement route for a new repair works contract as outlined in paragraphs 4.4 to 4.7 of this report.
- 2.6 That a specialist asbestos contractor be appointed to undertake the replacement of asbestos roofs, as outlined in paragraphs 4.8 to 4.13.
- 2.7 That the Strategic Director (RP), after consultation with the Portfolio Holder for Resources and Transformation, be given delegated authority, to award and finalise the terms of both contracts.
- 2.8 That disposal of garage sites will come back to Members on a case-by-case basis for decision.

### **3. BACKGROUND**

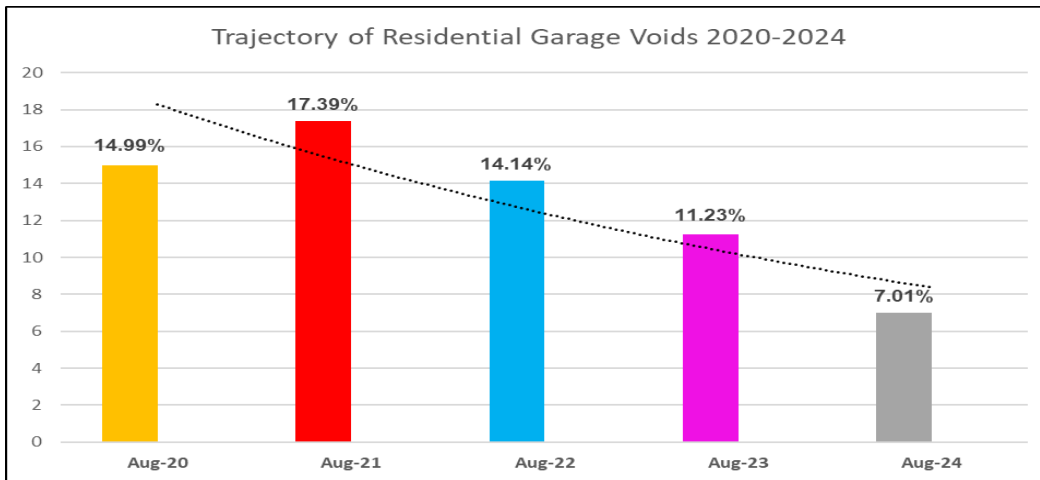
- 3.1 Garages form a significant part of the Council's asset base and are located across the Town, often in sizable blocks that can influence the character and appearance of a neighbourhood.
- 3.2 The Council has a residential and commercial garage stock of 6,093 garages across 664 blocks. The Council's garage portfolio is one of its three primary income streams, alongside parking and the commercial investment portfolio. It generates a significant annual gross income of £3.8Million, equating to 8.5% of the General Fund.
- 3.3 This income helps fund not only the management and maintenance of the garages but also critical discretionary services, including community development, environmental initiatives, and cultural activities, which might otherwise be at risk due to financial constraints.
- 3.4 Over time, the garages have become a cornerstone of financial sustainability for the Council, directly supporting the delivery of its Corporate Plan priorities.
- 3.5 Ensuring the portfolio's continued performance is therefore a top priority, to maintain financial stability and safeguard discretionary services that enhance residents' quality of life.
- 3.6 Recognising the strategic importance of the garage portfolio, the Council launched the Garage Improvement Programme (GIP) in 2016, with an initial budget of £10.12Million. The GIP aimed to restore the aging garage estate to

a fit-for-purpose condition, ensuring its financial and operational viability in the long term.

3.7 Investment through the GIP was strategically prioritised to sites with high void rates and in areas of high demand. With a focus on refurbishing or rebuilding garages to bring them back into a lettable condition.

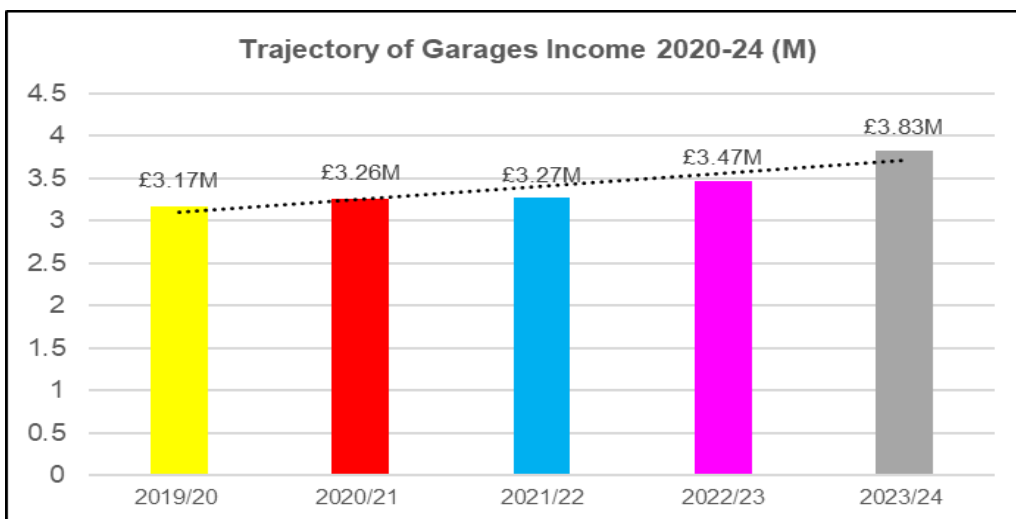
3.8 When the GIP commenced, it was soon evident that there were wider needs than just the garage structures, such as adjacent hardstanding repairs/replacements, boundary walls, fencing, localised tree work and in some cases lighting, to ensure holistic improvements were achieved.

3.9 The graph below shows the reduction in voids over time, which is due to a combination of the GIP, a refocused garages team, digital lettings, and improved marketing.



3.10 The void rate on Stevenage garages compares favourably with other authorities in Hertfordshire. For example, the void rate in Dacorum in 2022 was around 30% and was around 51% in St Albans in 2023.

3.11 The graph below highlights the upward trajectory of income since 2019 and the benefit of bringing long term void garages back into a lettable condition.



- 3.12 Beyond financial returns, the GIP has also contributed to transformative changes across Stevenage neighbourhoods, including:
- A reduction in antisocial behaviour, such as fly-tipping and vandalism, due to improved site conditions and upgraded lighting.
  - Cleaner neighbourhoods, creating a safer and more attractive environment for residents.
  - Increased demand for refurbished garages, demonstrating the program's success in meeting local needs.
- 3.13 This is also supported by an ongoing programme of weed suppression and garage compound cleaning; details of which can be found here: <https://www.stevenage.gov.uk/garages/garage-block-maintenance>

#### Rudd Close - Refurbishment



#### Scarborough Avenue – New Build



- 3.14 While 20% of the Council's garages have been refurbished, there are others in varying states of disrepair, with significant challenges in roofing, structural components and general maintenance. Asbestos is present in a significant portion of the garage stock and requires ongoing management and careful planning.
- 3.15 The Council's post-GIP Asset Management Plan will balance targeted investment with prudent financial management, ensuring that the garage portfolio remains a key driver of financial stability for the Council, while continuing to meet the needs of its residents.

**4. REASONS FOR THE RECOMMENDED COURSE OF ACTION AND OTHER OPTIONS**

4.1 The new approach to managing the garage stock is moving from a ‘whole place’ approach to a more targeted approach that will tackle specific garage issues.

4.2 The new Asset Management Plan 2025 to 2035 has four key objectives, which are set out below:

<b>1. Protect and Maximise the Garage Income</b>
<ul style="list-style-type: none"> <li>• Prioritise planned capital works over reactive repairs to reduce long-term costs and increase efficiency.</li> <li>• Develop and enforce a financial protocol for garage repairs, ensuring that every decision delivers value for money.</li> </ul>
<b>2. Improve Neighbourhoods</b>
<ul style="list-style-type: none"> <li>• Enhance the condition of garages through periodic capital works to prevent dilapidation and deter antisocial behaviour, such as fly-tipping, graffiti, and drug activity, which are more prevalent in sites with high vacancy rates.</li> </ul>
<b>3. Deliver Development Sites for Housing</b>
<ul style="list-style-type: none"> <li>• Redevelop underutilised garage sites for social housing or affordable housing in collaboration with SBC’s Housing Team, the Wholly Owned Company, or private developers. This supports Stevenage’s broader housing development goals while generating capital receipts.</li> </ul>
<b>4. Explore Alternative Uses for Garage Sites</b>
<ul style="list-style-type: none"> <li>• Where garages or housing development are not viable, consider alternative uses such as:             <ul style="list-style-type: none"> <li>- Surface parking or electric vehicle (EV) charging stations.</li> <li>- Storage solutions for local businesses or residents.</li> <li>- Commercial uses compatible with residential neighbourhoods.</li> </ul> </li> </ul>

**Asset Management Approach**

4.3 The Garage Asset Management Plan will prioritise two key investment areas to ensure the continued operation of the garage portfolio.

- This preferred approach will help ensure good stock condition, reduce void rates and maintain and/or grow income levels.

- To support this, a rolling programme of inspections will be undertaken by the Estates team to ensure the Council holds accurate stock condition data to help inform future investment priorities.

#### **Day to Day Repairs and Planned Maintenance**

- 4.4 A more targeted approach will be employed, aiming to prolong the life of garage assets and identify issues prior to their life expiry. Moving away from the fix-after-fail approach.
- 4.5 It is recommended that the Council appoints a suitable contractor who can undertake the scope of day-to-day repairs and planned maintenance works that will include for example, door replacement, fascia, lock replacements, guttering, hard standings, brickwork / block work repairs etc.
- 4.6 It is anticipated that this contract will commence in April 2025 with spend commencing shortly afterwards. The contract will be an open tender 'measured term contract' for a 3 year period, with the option to extend for a further 2 years if required.
- 4.7 It is recommended that delegated authority is given to the Strategic Director (RP) to award and finalise the terms of the contract, after consultation with the Portfolio Holder for Resources and Transformation.

#### **Asbestos Roof Replacement (Planned Preventative Maintenance)**

- 4.8 A ten-year programme has been developed to address the aging, life expired asbestos roofs. However, depending on when capital receipts become available, there may be an opportunity to shorten this period to 7 years.
- 4.9 Whilst some roofs have been replaced over recent years, there are circa 1,000 original asbestos roofs in-situ that are approximately 60 years old. The lifespan of an asbestos roofs is approximately 35 years, meaning they are beyond their intended life span. Asbestos deteriorates with age, and it is important it is replaced before it starts to delaminate.
- 4.10 There is also a risk that some garages could become unlettable if left to deteriorate for longer, thus reducing income.
- 4.11 The duty to manage asbestos is part of the Control of Asbestos Regulations 2012, and the duty holder must protect residents and employees from the risks of exposure to asbestos.
- 4.12 It is intended that a separate contract will be let for this programme of works to achieve best value for these more specialised works, via a suitable licenced asbestos contractor. The aim is to let this contract over the coming weeks with spend likely to commence in Q1 of 2025. The contract will be an open tender 'measured term contract' for a 3 year period, with the option to extend for a further 2 years if required.
- 4.13 It is recommended that delegated authority be granted to the Strategic Director (RP) to award and finalise the terms of the contract, after consultation with the Portfolio Holder for Resources and Transformation.
- 4.14 A breakdown of the anticipated scope of works to replace the asbestos roofs is detailed below in figure 1.

Figure 1. Estimated breakdown of works costs

Items	Cost per unit (inc removal of old material)	12% TA	Total cost Per garage	No of Garages	Total Cost
<b>ASBESTOS ROOF TO</b>					
Door overhauls	£ 107.94	£ 120.89	£4,091.37	1000	£ 4,091,370.00
Facia/soffit	£ 280.00	£ 313.60			
Door locks	£ 107.25	£ 120.12			
Metal door and frame	£ 1,200.00	£ 1,344.00			
Hardstanding, entrance	£ 760.40	£ 851.65			
Rooves	£ 1,400.00	£ 1,568.00			
Floor, walls, brickwork	£ 93.72	£ 104.97			
Rafter replacement	£ 250.00	£ 280.00			
Gutter/rainwater goods	£ 60.00	£ 67.20			
Signage	£ 12.80	£ 14.34			
Scaffold	£ 200.00	£ 224.00			

4.15 The anticipated cost for replacement over ten years, is circa. £4.5Million. A ten-year programme would require circa £450K per annum to address the life expired roofs (unadjusted for inflation).

4.16 The funding will be provided through a combination of disposals of housing development schemes led by the Stevenage Housing Development Team and borrowing.

#### **Asbestos Affected Garage Stock**

4.17 Members will also recall that there are circa 400 garages affected by historic residual sprayed asbestos, which are unlettable on health and safety grounds.

4.18 Officers from the Council's Estates and Housing Development teams will be bringing forward business cases on a site-by-site basis for addressing these. Options for these sites will include but are not limited to; the demolition and rebuild of garages, demolition and alternative asset development and disposal (see also para. 4.26).

#### **Reactive Capital Repairs**

4.19 There are some repairs that are required outside of the Planned Preventative Maintenance Programme (PPM), which are reported to the Council by garage tenants. Some of these repairs would be deemed capital costs and could include a single replacement roof, a new door, or damage to brickwork. These repairs are required to keep the garage in a lettable condition, maintain the income and reduce the potential of a termination, and a budget of £250K per annum has been identified for this.

#### **Financial Plan**

4.20 The impact of not implementing the revised Garages Asset Management Plan has been modelled for projected income loss from currently let garages due to the deterioration of the asbestos roofs. This model is predicated on the following assumptions:

- That there will be no planned investment into the asbestos roof to replace them.
- That due to the deteriorating condition, the following number of garages, as indicated in the 2<sup>nd</sup> column, represents the assumed number of garages that could be returned and become void if there isn't adequate investment into the stock.

4.21 The table below demonstrates the income at risk if investment into asbestos roof replacement doesn't take place, with an increase in unlettable voids over time.

Figure 2. potential loss from returned stock if no investment over 5 years

Garage Type	Garages returned per year due to condition	year 1	year 2	year 3	year 4	year 5
Commercial Large 1 Road Facing (GCL1F)	1	£1,300	£2,600	£3,900	£3,900	£3,900
Commercial Large 1 (GCL1)	1	£1,274	£1,274	£1,274	£1,274	£1,274
Commercial Large 2 Road Facing (GCL2F)	1	£1,105	£2,210	£2,210	£2,210	£2,210
Commercial Large 2 (GCL2)	2	£2,132	£4,264	£6,396	£8,528	£9,594
Commercial Standard (GCSTD)	1	£910	£910	£910	£910	£910
Road Facing	10	£8,268	£16,536	£24,804	£33,072	£41,340
Large Wide	1	£754	£754	£754	£754	£754
High	20	£14,456	£28,912	£43,368	£57,824	£72,280
Medium	5	£3,406	£6,812	£10,218	£13,624	£17,030
Low	1	£640	£1,279	£1,919	£1,919	£1,919
Bubble	1	£286	£572	£858	£858	£858
<b>Total Cumulative Income Loss:</b>		<b>£34,531</b>	<b>£66,123</b>	<b>£96,611</b>	<b>£124,873</b>	<b>£152,069</b>

4.22 To ensure that works are completed, within a manageable cost envelope, it is proposed to implement the asbestos roof replacements in phases. This approach will allow the Council to spread the costs over multiple financial years and ensure that the most critical repairs are addressed first. The recommendation is to phase over seven years, but there are options to extend this up to ten years, depending on future capital receipts from disposal sites.

4.23 The Council has identified a funding strategy for the programme, including using:

**Remaining Resources from Existing Programme Reserves**

4.24 Following the completion of the existing capital Garage Improvement Plan (GIP), there is an estimated residual amount of £150K. It is recommended that this funding be used to support the new Garage Asset Management Plan.

**Contributions from Freeholders**

4.25 The Council receives contributions from freeholders (residents that have bought their garage), from works undertaken to their garages as part of the previous GIP programme, which are only allocated once payment has been received, along with future monies from the next iteration of the garage plan. This is estimated to be around £151K over the next five years.



### **Capital Receipts**

- 4.26 The Council commissioned a report in 2022 from the Beacon Partnership focusing on the garages blighted with sprayed asbestos. The report identified 26 sites suitable for development. Some of these sites can be utilised to support the Council's ambition of delivering new homes, whilst providing capital receipts to support the Garage Asset Plan. It is recommended that the Housing Development team bring future business cases to the Cabinet as and when opportunities arise, and this will include any approval for disposal of sites that will generate a capital receipt.
- 4.27 Early indications show that there are significant capital receipts to be achieved over the next five years, with some potential mitigation for delays in receipt and projected levels. It should be noted that the value of capital receipts each year may vary depending on opportunities. Capital receipts over the first five years of the plan are estimated to be £2.25Million and have been modelled in the table in para. 5.1. Proposals will be presented to Cabinet on a case-by-case basis as and when identified sites become known to be disposed for approval.

### **Revenue Generation**

- 4.28 Past investment in the garage stock (through the current GIP) has resulted in increased income, that is now forecast to be £4.014Million in 2024/25 (ongoing) against a budget of £3.835Million (as reported at quarter two budget monitoring in the November Cabinet report). It is recommended that the additional revenue is added to the General Fund to fund the following expenditure:
- That £29K of the £179K above should be used to increase the revenue (day to day repairs and maintenance) budget to bring this up to current revenue forecast expenditure of £120K per annum. With future years budget increasing in line with inflation each year.
  - that the remaining £150K is used to fund any future borrowing requirements to fund the Asbestos Roof Replacement programme either through direct revenue contributions or servicing (repayment of loan through Minimum Revenue Provision and interest payments) of any borrowing.

### **Borrowing**

- 4.29 Following the existing capital GIP scheme, where the Council borrowed to invest in the stock, it is proposed that the Council continue this approach for the next phase. It is recommended that servicing any new debt be funded within the existing envelope (within the £150K budget).
- 4.30 The Cabinet is asked to approve the financial plan above and recommend to Council a £4.5Million budget for roof replacements as part of planned preventive maintenance (PPM) approach and a planned maintenance budget of £250K per annum for five years, to be built into the February 2025 Capital Strategy.

## 5. IMPLICATIONS

### Financial Implications

- 5.1 Based on the latest financial information known at the time of writing the report, the below table provides a high-level analysis of how the plan will be funded. Current projections indicate that this will be completed within seven years. However, as noted in the report, this may fluctuate and could take up to ten years, depending on how quickly sites are disposed.

	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Planned Preventative Maintenance	250	258	266	274	282	290	299	1,919
Asbestos Roof Replacement	584	602	620	639	658	678	698	4,479
<b>Total Cost</b>	<b>834</b>	<b>860</b>	<b>886</b>	<b>913</b>	<b>940</b>	<b>968</b>	<b>997</b>	<b>6,398</b>
<b>Funding</b>								
Remianing gip from 2024/25	- 150	0	0	0	0	0	0	- 150
Freehold contribution	- 72	- 42	- 23	- 8	- 5	0	0	- 150
Capital receipts	-	- 700	- 650	- 300	- 300	- 300	0	- 2,250
Borrowing	- 462	0	-95	-493	-557	-627	-997	- 3,231
Revenue contribution	- 150	- 118	- 118	- 112	- 78	- 41	0	- 617
<b>Total Receipts</b>	<b>- 834</b>	<b>- 860</b>	<b>- 886</b>	<b>- 913</b>	<b>- 940</b>	<b>- 968</b>	<b>- 997</b>	<b>- 6,398</b>

- 5.2 Any capital and borrowing requirement to support the delivery of the Garage Asset Management Plan will be incorporated in both the 2025/26 Capital Strategy and Treasury Management Strategy 2025/26, which will be reported to Council in February 2025.

### Legal Implications

- 5.3 All works and services as set out in this report will be procured in accordance with the Council's Constitution, in particular the Contract Procedure Rules and where applicable the Public Contracts Regulations 2015.
- 5.4 The duty to manage asbestos is contained in regulation 4 of the Control of Asbestos Regulations 2012. The duty holder (in this case the Council) must:
- take reasonable steps to find out if there are materials containing asbestos in non-domestic premises, and if so, its amount, where it is and what condition it is in
  - make, and keep up to date, a record of the location and condition of the asbestos- containing materials - or materials which are presumed to contain asbestos.
  - assess the risk of anyone being exposed to fibres from the materials identified.
  - prepare a plan that sets out in detail how the risks from these materials will be managed.
  - periodically review and monitor the plan and the arrangements to act on it so that the plan remains relevant and up to date.

- provide information on the location and condition of the materials to anyone who is liable to work on or disturb them.
- 5.5 Therefore, it is important for the Council to have a long-term plan in place for the remaining asbestos roofs, with the assumption they will deteriorate over time.

### **Risk Implications**

- 5.6 Failure to have a fully funded management plan in place will place the Council in breach of the Control of Asbestos Regulations 2012. There is the risk to human health if asbestos risk is not assessed in a timely manner, as it deteriorates, and exposure takes place.
- 5.7 Whilst the asbestos roofs remain in situ, there are risks of further deterioration which could affect the Council's income stream if the garages cannot be let.
- 5.8 Delaying the removal of the asbestos roofs will subsequently result in deterioration, risking asbestos dust fibres being released and additional cost implications of carrying out environmental clean ups (estimated cost of £2.5k per garage).
- 5.9 There is a risk that sites identified for disposal will not be identified to the amount required as set out in the table in para. 5.1, this will need to be kept under review and reported back to the Cabinet.

### **Appendices**

- A Garage Asset Management Plan