

KEY DECISION

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Mayor and Cabinet

**Maximising Value:
A Strategic Review and Disposal Plan for Garage Assets – Batch 01**

Date: 29 January 2025

Key decision: Yes

Class: Part 1

Ward(s) affected: All

Contributors: Capital Programme Delivery, Legal Services, Chief Accountant

Outline and Recommendations

This report presents the ongoing review of council-owned garage sites, originally constructed to serve as parking units. While some garages remain in use for car parking, many are now used for storage, with others standing vacant or in varying states of disrepair. The primary aim of this review is to evaluate current utilisation levels and identify optimal strategies for future use to improve the value and efficiency of these assets.

The garages are being reviewed in batches, with this report focusing on Batch 01, which includes 66 sites. It outlines options such as maintaining the garages for parking or storage, disposal, or redevelopment to maximise social and financial returns for the council. The report also recommends disposing of specific non-strategic sites, aligning with the council's objectives to manage its portfolio effectively and deliver long-term community value.

The Mayor and Cabinet are recommended to:

1 Review of Garage Sites

Note the ongoing review of garage sites, which includes assessments and recommendations on usage, condition, and potential reallocation or disposal.

2 Declaration of Surplus Garage Sites

Declare 14 garage sites from Batch 01 as surplus to operational requirements and authorise their disposal.

3 Delegated Authority for Disposal Terms

Delegate authority to the Executive Director for Corporate Resources, in consultation with the Executive Director of Place and the Director of Law and Corporate Governance, to finalise and agree on disposal terms for these surplus assets.

4 Allocation of Funds for Garage Refurbishment

Approve the allocation of £548,856 to fund targeted refurbishments for priority garages identified for retention. It is proposed that these funds will be replenished using a portion of the capital receipts generated from the disposal of non-strategic garage sites.

Timeline of engagement and decision-making

- **19 December 2023:** Asset Review Board (ARB) – Project kick-off presentation.
- **19 March 2024:** ARB – Presentation of garage site inspection findings.
- **23 August 2024:** Financial review of garages with Director of Place.
- **11 September & 21 November 2024:** Housing Directorate Management Team (DMT) – Garages project review presentation.
- **3 October 2024:** Asset Transformation Board – Presentation of garages review, findings, and general recommendations.
- **December 2024:** Local Ward Councillors informed about the proposed disposal of the garage sites in accordance with the Council’s Constitution.
- **January 2025:** Mayor and Cabinet (M&C) meeting – Seeking approval of recommendations.

1. Summary

- 1.1. This report presents the ongoing review of council-owned garage sites, originally constructed to serve as parking units. While some garages remain in use for car parking, many are now used for storage, with others standing vacant or in varying states of disrepair. The primary aim of this review is to evaluate current utilisation levels and identify optimal strategies for future use to improve the value and efficiency of these assets.
- 1.2. The garages are being reviewed in batches, with this report focusing on Batch 01, which includes 66 sites. It outlines options such as maintaining the garages for parking or storage, disposal, or redevelopment to maximise social and financial returns for the council. The report also recommends disposing of specific non-strategic sites, aligning with the council’s objectives to manage its portfolio effectively and deliver long-term community value.

2. Recommendations

- 2.1. The Mayor and Cabinet are recommended to:
 - 2.1.1. **Review of Garage Sites**
Note the recent review of garage sites, which includes assessments and recommendations on usage, condition, and potential reallocation or disposal.
 - 2.1.2. **Declaration of Surplus Garage Sites**
Declare 14 garage sites as surplus to operational requirements and authorise their disposal.
 - 2.1.3. **Delegated Authority for Disposal Terms**
Delegate authority to the Executive Director for Corporate Resources, in consultation with the Executive Director of Place and the Director of

Law and Corporate Governance, to finalise and agree on disposal terms for these surplus assets.

2.1.4. **Allocation of Funds for Garage Refurbishment**

Approve the allocation of £548,856 to fund targeted refurbishments for priority garages identified for retention. It is proposed that these funds will be replenished using a portion of the capital receipts generated from the disposal of non-strategic garage sites.

3. Policy Context

3.1. This report aligns with Lewisham's Corporate Priorities, as set out in the Council's [Corporate Strategy \(2022-2026\)](#):

- Cleaner and Greener
- A Strong Local Economy
- Quality Housing
- Children and Young People
- Safer Communities
- Open Lewisham
- Health and Wellbeing

3.1.1. This report directly supports the Council's priority of addressing financial challenges by promoting the sustainable management of resources. By recommending the disposal of certain garage sites, it offers a strategic approach to generating capital receipts and reducing ongoing maintenance costs, enabling the Council to make fiscally responsible decisions amidst ongoing budget reductions.

3.1.2. The objectives of this report also correspond directly with the Council's priority for enhancing **Place and Environmental Quality**. By evaluating underused garage sites for potential redevelopment, the project aims to improve neighbourhood environments, enhance safety, and contribute to more sustainable, attractive spaces throughout Lewisham. This is in line with the Council's goal to create cleaner, greener, and more connected spaces across the borough.

3.1.3. This report also closely aligns with the Council's priority on **Quality Housing and Social Value**. Recommendations to convert select garage sites into residential units, potentially including affordable and social housing, directly support the Council's mission to expand high-quality housing. This aligns with the Council's efforts to address housing shortages and provide safe, suitable housing for Lewisham's growing population.

3.1.4. This report is closely connected to the Council's focus on increasing **Inward Investment and Economic Opportunity** and **A Strong Local Economy**. By freeing up garage sites that could be repurposed for local businesses, meanwhile use or affordable workspace, this project aims to attract investment, create job opportunities, and contribute to

local economic development, helping Lewisham thrive as a place where businesses can start and grow.

- 3.1.5. This report is closely connected to the Council's focus on building **Safer Communities**. The review identified certain garage sites that have become hotspots for anti-social behaviour (ASB); declaring these sites surplus and enabling their repurposing can improve safety, deter crime, and foster healthier environments in affected neighbourhoods, supporting the Council's public safety goals.
- 3.2. The recommendations outlined in this report align with the **Asset Management Strategy 2024-2034**, which is crucial for fulfilling many priorities outlined in the Corporate Strategy. Maximizing the utilization of our estate through effective asset management is essential for supporting the Council's overarching goals and objectives.
- 3.3. If suitable sites are identified, some garage sites may be repurposed as pocket parks or play areas to enhance local green space provision. Officers will explore these opportunities where feasible, ensuring alignment with the council's wider strategy for improving public spaces outlined in the **Parks and Open Spaces Strategy 2020–2025**.

4. Background

4.1. Garage Portfolio

Lewisham Council owns and manages a diverse portfolio of 2,379 garage units spread across 222 sites in the borough. Originally intended to serve local residents' parking and storage needs, these garages have become underutilised over time. While some sites remain in high demand, others face challenges such as high vacancy rates, maintenance backlogs, and ASB issues, raising concerns about the sustainability and efficiency of these assets. The garages generate a net annual income of approximately £1.3 million.

4.2. Rationale and Importance of the Review:

The review seeks to ensure that the Council's assets are used in ways that align with both financial objectives and community needs. The ongoing financial challenges facing the Council, compounded by reductions in government funding, make it essential to reassess underperforming assets. The review will assess whether garages should retain their original purpose, be repurposed, or be disposed of to generate capital receipts, providing the Council with resources for essential initiatives such as housing or community-based projects.

The decision to bring the garage portfolio review to Mayor and Cabinet is crucial, as these assets offer significant potential for both income generation and redevelopment. However, their value varies depending on location, condition, and use. The review aims to identify opportunities for optimising these assets, with a tailored approach for each site based on its unique

constraints, such as planning considerations and strategic priorities like housing delivery and ASB mitigation.

4.3. **Tailored Approach for Each Site**

A one-size-fits-all strategy is not feasible given the varied nature of the garage sites. Some may be better suited for retention, while others may be considered for redevelopment or disposal. We are seeking Mayor and Cabinet support to adopt a flexible, site-specific approach that will allow us to maximise the value of each asset while addressing any challenges it presents.

4.4. **Batch Approach for Review**

The review of this batch of garage sites represents a broader examination of the entire portfolio. It provides an opportunity to establish a framework and strategy for managing future batches efficiently. This first batch has also focused on garage sites with high voids, ASB or other issues. We are also seeking delegation to the Executive Director for subsequent batches, ensuring that future decisions remain consistent with the principles agreed upon in this review, and any future decisions will be taken in line with the constitution.

4.5. **Strategic Approach to Managing Garage Sites**

The proposed approach includes the following options:

4.5.1. **Retention for Rental Income:** Retaining some garages to generate rental income, either in the short or long term, depending on market conditions.

4.5.2. **Redevelopment for Housing or Meanwhile Uses:** Redeveloping sites that are suitable for housing or community uses, including workspace provision.

4.5.3. **Addressing ASB and Maintenance Challenges:** Tackling ASB and improving maintenance to reduce voids and increase revenue.

4.6. **Garage Types:** The garage sites under review can be categorised into two types:

4.6.1. **Standalone Garages:**
These are isolated from housing blocks, often with dedicated access, and primarily used for parking or storage.

4.6.2. **Integral Garages:**
These garages are located beneath multi-storey housing blocks and are linked to the wider estate via shared access routes.

Both types of garage typologies present distinct opportunities and challenges, which will be assessed on a site-by-site basis.

- 4.7. **Review Process:** The review was data-driven, comprehensive, and stakeholder-focused, following a structured process:
- 4.7.1. **Site Inspections and Data Collection**
Officers conducted site inspections across all Batch 01 garage locations to assess condition, occupancy, and context, alongside reviewing historical occupancy, maintenance records, and associated costs.
 - 4.7.2. **Stakeholder Engagement**
Key stakeholders, including the garages team and housing teams, were engaged to incorporate their insights. Collaboration with departments such as Housing DMT ensured alignment with broader Council goals, particularly housing, business support, and community needs. Additionally, officers will ensure that residents on estates with sites identified as surplus are informed in an appropriate and timely manner. Clear communication plans will be established to notify residents about the disposal process, its implications, and any next steps. This approach ensures transparency and keeps residents engaged and informed throughout the process.
 - 4.7.3. **Financial and Feasibility Analysis**
A detailed financial analysis compared revenue against maintenance, repair, and management costs. The analysis also explored potential receipt from site disposals and opportunities for redevelopment or repurposing underutilised sites.
 - 4.7.4. **Maximising Capital Value and Repurposing Assets:**
As part of the review, sites with potential for redevelopment or repurposing are identified for transformation into housing, community spaces, or local business hubs. Sites that no longer offer strategic value and could generate significant capital receipts have been prioritised for disposal or redevelopment. This aligns with the Council's broader objectives of sustainable urban regeneration and supporting local economic growth.
 - 4.7.5. **Optimising Revenue-Generating Sites**
High-demand garage sites that continue to provide value for residents and businesses will be retained and optimised. This could involve upgrading these sites to improve their appeal and increase rental income. These garages will continue to contribute to meeting local parking and storage needs and support community wellbeing.
 - 4.7.6. **Continuous Improvement of the Process**
The garage review process will continue in subsequent batches, incorporating lessons learned from Batch 01. An iterative approach will allow for continuous improvement, ensuring decisions are based on the most up-to-date information and aligned with the Council's evolving objectives. All site recommendations will align with the

council's constitution, ensuring adherence to governance and strategic objectives.

4.7.7. Future Management and Operational Improvements for Garages

Officers are also exploring options for more efficient and streamlined management of garages in the future. This includes enhancing reporting procedures for repairs and pre-emptive maintenance, closely monitoring voids, and addressing rent payment arrears from tenants. These improvements will help optimise operations, ensure better resource allocation, and enhance overall performance.

5. Proposed Utilisation Plans for Garages - Batch 01

- 5.1. The scope of the Batch 01 review encompassed an assessment of 66 garage sites across the Council's portfolio, with a focus on maximising value and strategic use.
- 5.2. The 66 sites were selected based on a strategic approach to prioritisation. Key factors included requests for site reviews from the garage management team, focusing on locations requiring extensive repairs or experiencing significant ASB issues. Void rates were also a critical consideration, with attention given to sites where high voids had notable implications for management and revenue. To maximise impact, the selection includes some of the largest sites to explore opportunities for large-scale redevelopment. Additionally, nearby sites were grouped into clusters to streamline site visits and enable a more comprehensive evaluation of opportunities within close proximity. This approach balances addressing urgent challenges with exploring broader development potential.
- 5.3. This includes 22 integral garage sites, comprising 365 units located beneath council-owned housing blocks. These sites are recommended for retention and continued rental, with necessary repairs to maintain and potentially increase revenue. This approach ensures a strategic hold on these assets in support of the existing housing stock.
- 5.4. Four sites were identified as not council-owned and will be removed from the register accordingly.
- 5.5. Among the remaining sites, 26 are recommended for retention for a range of future uses. These may include reinvestment for repairs and recommissioning as garages, conversion to workspace, or potential council-led housing redevelopment in alignment with future council priorities.
- 5.6. 14 sites are proposed for disposal on the open market to maximise capital receipts for the Council, prioritising financial returns while addressing the strategic needs of the broader portfolio.
- 5.7. The findings from the review of the 66 garage sites—representing an initial tranche of the Council's garage portfolio—highlight a varied landscape, with different categories of garages that require different approaches. The

recommendations focus on maximising the value of the garage assets, prioritising financial returns, and ensuring strategic alignment with the Council’s broader goals. The findings are categorised into four key groups:

5.7.1. Garages to Retain (With Repairs and Continued Use)

- 5.7.1.1. Garage sites with high demand, strategic importance, or development potential (even if not immediately realised) should be retained. Reinvestment may be needed to address maintenance backlogs, reduce vacancies, and improve performance. These sites provide consistent income for the Council, and their strategic value to the borough justifies their retention in the portfolio.
- 5.7.1.2. We recommend that all integral garage units be retained for use as parking and/or storage until a full-scale redevelopment of the housing block or estate becomes viable.
- 5.7.1.3. We recommend repurposing one or two vacant integral garages beneath housing blocks for communal storage of bicycles and personal belongings, aligning with the council’s Housing Services *Clear Corridors* policy. This initiative enhances rental potential by offering a chargeable service while supporting safer, obstacle-free corridors in case of emergencies. Officers will work with Housing colleagues to identify a suitable pilot location and proceed with implementation.
- 5.7.1.4. The initial portfolio review identified 311 vacant garages—around 13% of all units—due to factors such as minor repair needs, repossessions for undisclosed reasons, long-term voids, and major works requirements. These voids result in an estimated annual rental income loss of £316,000 (based on 2023 rates). Promptly addressing necessary repairs could substantially reduce void rates, restore revenue, and enhance the utility of these assets for the community.
- 5.7.1.5. The following sites have been prioritised for repairs and continued use as garages/storage units:

	Site Name	Ward	Typology	Total Garage Units	Total Voids
1	Aldersford Close	Telegraph Hill	Integral	84	30
2	Billingford Close	Telegraph Hill	Integral	54	23
3	Iona Close	Rushey Green	Stand alone	50	20
4	Pendennis House Site 2	Evelyn	Stand alone	29	4
5	Alison Close	Blackheath	Stand alone	24	24
6	Lawn Terrace Site 2	Blackheath	Stand alone	20	20
7	Tarquin House	Sydenham	Stand alone	18	1
8	Bembridge House Site 1	Evelyn	Integral	17	-
9	Argosy House	Evelyn	Integral	16	-

10	Clement House	Evelyn	Integral	16	1
11	Harmon House	Evelyn	Integral	16	-
12	Lanyard House	Evelyn	Integral	16	-
13	Pelican House	Evelyn	Integral	16	1
14	Pendennis House Site 1	Evelyn	Integral	16	2
15	Talisman Square	Sydenham	Integral	16	16
16	Bence House	Evelyn	Integral	15	-
17	Hainford Close	Telegraph Hill	Integral	13	3
18	Bembridge House Site 2	Evelyn	Stand alone	12	
19	Bell Green Lane Site 3	Bellingham	Stand alone	11	TBD
20	Carteret Way	Evelyn	Integral	10	1
21	Crossway Court Site 1	Telegraph Hill	Integral	10	-
22	Kempthorne Road	Evelyn	Integral	10	-
23	High Level Drive Site 1	Sydenham	Stand alone	9	1
24	High Level Drive Site 3	Sydenham	Integral	9	3
25	Swallow Close	Telegraph Hill	Stand alone	9	2
26	Trundleys Terrace	Evelyn	Stand alone	6	1
27	Dacres Estate Site 3	Perry Vale	Integral	5	TBD
28	High Level Drive Site 2	Sydenham	Stand alone	4	-
29	Langford House	Evelyn	Stand alone	4	4
30	Walter Green House	Telegraph Hill	Stand alone	3	2
31	Wild Goose Drive Site 4	Telegraph Hill	Integral	22	-
Estimated number of garages to be reinstated – Batch 01					159

Table 1: List of garage sites prioritised for repair.

- 5.7.1.6. These sites represent a stable source of income and are well-placed to continue generating revenue while addressing resident needs for parking and storage.
- 5.7.1.7. Some of these garages were selected due to their high void rates and reinstating them within existing blocks is more cost-effective in the long term. Fully let garages in Batch 01 requiring repairs will be addressed later, as their maintenance needs are less urgent.
- 5.7.1.8. Investing in selected garage units delivers strategic benefits by restoring profitability through repairs and reduced voids, generating revenue to support essential services. Neglecting these sites risks further deterioration, increased ASB, and safety hazards, while premature sales could forfeit long-term value and redevelopment opportunities. Proactive management ensures secure parking and storage, eases street congestion, enhances neighbourhood aesthetics, and maximises both asset value and community benefits.
- 5.7.1.9. We are making a strategic bid for funding to repair the garages, starting with a small council fund allocated for the most urgent properties, but additional funding will be needed

to address broader repairs.

- 5.7.1.10. The estimated repair cost for retained garages in Batch 01 is £548,856, with a total portfolio repair estimate of approximately £2.4 million. As highlighted in Section 5.7.1.8, void garages result in an annual rental income loss of £316,000, making targeted repairs essential to reducing voids and boosting revenue. These estimates, based on external observations only, may change once work begins and further inspections are conducted.
- 5.7.1.11. To address this, we propose an initial capital investment of £548,856 over a two-year period. This amount includes a 10% contingency to account for unforeseen issues, such as hidden damage or structural concerns, ensuring repairs are completed without delays. The funds will allow us to prioritise the most urgent repairs and address selected garages from subsequent batches, maximising the immediate impact on void reduction and rental income recovery.
- 5.7.1.12. The following table outlines the potential payback periods for repairs done on garage sites in Batch 01 based on different weekly rental rates for 159 garages, using the 2023 rental rates and the investment of £548,856:

Weekly Rent	Total Rental Income (159 garages for 52 weeks)	Investment	Payback Period (Investment / Rental Income)
£17.70	£144,504	£548,856	3 years 9 months
£27.70	£226,898	£548,856	2 years 5 months

Table 2: Potential payback periods for Garage Rentals.

- 5.7.1.13. Rental figures will be regularly reviewed, and if they exceed the average noted, the payback period could be shortened. This adjustment would reflect the increased revenue potential, accelerating the return on investment.
- 5.7.1.14. We recommend that the funds for this investment be drawn from the capital receipts reserve, which can then be replenished from a portion of the capital receipts expected from the proposed disposal sites also outlined in this report.
- 5.7.1.15. While this is a substantial investment, it represents a practical starting point in line with our phased approach, considering delivery capacity. Future funding requests for repairs, estimated at £2.4million, will be needed to fully realise the potential of the garage portfolio. This strategy ensures we make meaningful progress now while maintaining flexibility for

additional funding in future years.

5.7.2. Redeveloped Garages and Register Updates

- 5.7.2.1. The review identified several garages on the register that have already been redeveloped or repurposed, no longer serving their original function. As a result, 147 garage units across 19 sites will be removed from the register. This update has been coordinated with relevant officers to ensure accuracy in the portfolio and eliminate discrepancies in the asset management system. These sites were identified during an initial desktop analysis and are not part of the further Batch 01 review.
- 5.7.2.2. The desktop analysis also uncovered two sites, with approximately 10 garage units, missing from the register. These sites will be added to ensure all garage assets are accurately represented and managed.

5.7.3. Garages Recommended for Disposal

- 5.7.3.1. The review identified garage sites suitable for disposal, particularly sites where development potential could be maximised by others and where significant capital receipts could be generated.
- 5.7.3.2. Disposals will reduce the annual revenue generated from these sites, as outlined in the financial implications section of Part 2 of this report.
- 5.7.3.3. Key factors influencing the identification of these sites include:
 - **Direct road access and desirability for redevelopment:** Sites with clear, direct road access are ideal for prospective buyers looking to redevelop small to medium-sized plots, particularly for residential (residential-led) development. These sites offer easy access for construction vehicles and are generally more attractive to developers.
 - **Development potential:** Sites with strong redevelopment potential were prioritised, even if they were not currently performing well in terms of occupancy or revenue. This includes sites that could accommodate residential, mixed-use, or other development types that align with the Council's longer-term objectives.
 - **Potential capital receipts:** The ability to generate capital receipts from disposal was a critical consideration. Sites that could yield significant financial returns, especially those with high demand for redevelopment, were prioritised for sale or potential redevelopment.

- **No strategic value:** Sites that were considered to have no strategic value to the Council's long-term plans, and that offered no community or operational benefits, have been proposed for disposal.

5.7.3.4. The following stand-alone sites have been identified for disposal. Their sale is expected to generate financial returns that can be reinvested into higher-priority Council initiatives. Estimated disposal values are provided in Part 2 of this report.

	Site Name	Location/Ward	Number of Units
1	Algernon Road 1	Ladywell	4
2	Dacres Estate 4	Perry Vale	19
3	Ernest Simmonds House	Telegraph Hill	3
4	Kender Street	Telegraph Hill	33
5	Lawrie Park Gardens	Sydenham	2
6	Marsala Road	Ladywell	7
7	Mill Gardens	Forest Hill	17
8	Oak Cottage Close	Hither Green	1
9	Overcliff Road	Brockley	2
10	Shell Road 1	Ladywell	1
11	Vesta Road	Telegraph Hill	1
12	Wild Goose Drive 2	Telegraph Hill	10
13	Wild Goose Drive 3	Telegraph Hill	10
14	Wistaria House	Telegraph Hill	5
Total Number of garage units proposed for disposal			114

Table 3: List of Batch 01 Garage Sites Proposed for Disposal

- 5.7.3.5. We recommend disposing of the garages at Overcliff Road as a leasehold property, while the remaining garages in this batch are disposed of freehold properties to maximise flexibility and value.
- 5.7.3.6. Due diligence on title will be undertaken, and some sites may require title transfers to facilitate disposal.
- 5.7.3.7. Descriptions of each site recommended for disposal can be found in Appendices 1-15.
- 5.7.3.8. The garages management team will notify tenants impacted by site disposals in accordance with the timelines outlined in their rental agreements, if not longer. If relocation is required, officers will explore the possibility of prioritising tenants on the waiting list for alternative units in the borough, subject to applicable regulations. This approach ensures tenants are supported throughout the process while maintaining fairness and transparency.
- 5.7.3.9. The team has conducted soft market testing and found significant interest in the borough from self-builders wanting to

construct their own homes. This interest is reinforced by the approximately 400 people on Lewisham's self-build register. The site is well suited to a self-builder, and disposing of it could provide a high-quality infill home for a Lewisham resident. Releasing sites for development contributes, albeit modestly, to the borough's housing targets.

- 5.7.3.10. Capital receipts generated from the disposal of these sites will be reinvested to offset capital expenditure required for the refurbishment and reinstatement of retained garage sites. This reinvestment will address necessary repairs and maintenance, enhancing the condition and appeal of these assets. In turn, this is expected to increase rental income potential and improve the overall financial performance of the retained garages, aligning with the council's objectives of maximising asset value and long-term returns.

5.7.4. Garages for Affordable Workspace Adaptation

Certain garage sites offer potential for transformation into workspaces and affordable commercial spaces, aligning with the Council's priority to support local businesses. Located in areas with high demand for commercial space, repurposing these sites will foster entrepreneurship, create job opportunities, and drive local economic growth. Officers will collaborate with the Economy, Jobs, and Partnerships Team to explore grant funding opportunities and develop proposals when appropriate.

5.7.5. Sites for Future Redevelopment

Some garages have potential for future redevelopment into mixed-use developments, including housing, retail, or community spaces. These sites may not be immediately suitable for redevelopment due to planning constraints, lack of immediate demand, or financial feasibility. However, they represent a longer-term opportunity for the Council to maximise land value and support the broader regeneration of the borough. These sites will require careful monitoring to assess when the market conditions and demand align to unlock their development potential.

In terms of exploring affordable workspace adaptation and future redevelopment opportunities for certain garage sites, we are currently aligning internally with the relevant staff and departments within the council to assess the feasibility and potential timelines. This process is crucial for ensuring that any proposed changes align with broader council priorities and are financially viable. Where timelines allow some of these sites will receive justifiable investment to bring voids back into use and generate revenue income until such time as these alternative uses can be delivered.

- 5.8. The garages referenced in Sections 5.7.4 and 5.7.5, along with those reviewed in future batches, will be brought forward at the appropriate time.

Necessary approvals will be obtained in line with the council's constitution. The ongoing review will continue to ensure these sites are utilised to achieve their highest and best use, aligning with the council's strategic objectives and the development potential identified through the review process.

6. Financial Implications

6.1. Garages to Retain (With Repairs and Continued Use)

Reinvesting in vacant garage sites, particularly for repairs and to bring them back into rental use, involves several financial considerations. Below are the general financial implications to consider:

6.1.1. Initial Capital Investment:

The estimated cost for the repairs to Batch 01 is £548,856. These costs will be funded by from the capital receipts reserves, which is a reserve consisting of receipts from prior sales of council assets. These receipts are allocated to capital works within the council based on strategic need. Although these costs are thought to be prudent and a contingency has been included, there is a risk that the costs are greater than this. In this scenario additional funding will be sought which will require further M&C approval.

6.1.2. Ongoing Operational Costs:

- After the use of the garages are reinstated, there will be ongoing expenses for maintenance, tenant management, and addressing issues like vandalism or ASB.

6.1.3. Revenue Generation:

- The reinstated garages offer potential for steady rental income, contingent on local demand and competitive pricing, but with risks of vacancies and non-payment.
- Estimated annual revenue income from these reinstates garages is presented in Part 2 of this report.

6.2. Garages Recommended for Disposal

Disposing of garage sites has several financial implications that can impact the council's budget, asset portfolio, and long-term revenue potential. Here are key financial considerations:

6.2.1. Capital Receipts from Sale:

The council will generate capital receipts from the disposal garage sites, which will be added to the capital receipts reserve and allocated to future capital projects based on strategic need. The disposal values of the garages are dependent on location, accessibility, and redevelopment potential. Sites in high-demand areas with development opportunities typically attract higher bids. **The estimated disposal proceeds are presented in Part 2 of this report.**

- 6.2.2. **Reduction in Maintenance and Operational Costs:**
Disposal eliminates ongoing maintenance, repair, security, and administrative costs, easing the burden of managing underperforming or problematic sites. The estimated repair cost for the 14 garage sites proposed for disposal is £211,241.
- 6.2.3. **Loss of Potential Rental Income:**
- Foregone revenue from potential leasing opportunities, including the trade-off of losing future General Fund income from repaired and rented sites.
 - Estimated annual loss of income from garages proposed for disposal is presented in Part 2 of this report.
- 6.2.4. **Administrative and Legal Costs of Disposal:**
Disposal involves transaction costs, including legal fees, marketing, and necessary due diligence, which will net financial returns to the council. There is a revenue budget currently set up to cover the costs of disposals.
- 6.3. Further detailed analysis will be conducted on a site-specific basis to confirm whether each garage site ownership falls under the General Fund (GF) or the Housing Revenue Account (HRA). This distinction is critical, as it directly impacts the funding available for refurbishment works and the allocation of capital receipts from disposals. It is essential to determine the correct fund prior to any disposal, as the proceeds must be allocated appropriately to either the GF or HRA to ensure compliance with funding regulations. Adhering to this split is crucial to maintaining financial integrity and avoiding potential breaches of funding rules.

7. Legal Implications

- 7.1. This report seeks authority to dispose of garage sites. Where the estimated value of property exceeds £500,000 the Council's constitution requires Mayor and Cabinet must approve any declaration that the property is surplus to requirements.
- 7.2. It is not certain whether the garages are held within the Council's General Fund or its Housing Revenue Account (HRA). It is essential determine this prior to any disposal so that the correct accounting treatment can be applied. Furthermore, there are different legal requirements in relation to disposals, depending on whether the site is held in the General Fund or HRA.
- 7.3. Section 32 of the Housing Act 1985 permits the Council to dispose of land held in its Housing Revenue Account, but such disposal requires the consent of the Secretary of State. The Secretary of State has issued some general consents, meaning that if a general consent applies, there is no requirement for the Council to make a specific application for consent to the Secretary of State. There is a general consent available where the disposal is of vacant

land (i.e. land on which either no dwelling-houses have been built or, where dwelling-houses have been built, such dwelling-houses have been demolished or are no longer capable of human habitation and are due be demolished). There is also a general consent available where the disposal is of land that is not subject to a secure, introductory or demoted tenancy to an unrelated party and the consideration received is equal to the market value of the land.

- 7.4. Section 123 Local Government Act 1972 permits the Council to dispose of its land in any manner it wishes, provided that, in the case of the disposal of its freehold title it obtains the best consideration that is reasonably obtainable.
- 7.5. It is recommended that the Council demonstrates compliance with the statutory requirements by obtaining valuations of each site prior to disposal. In the event that the terms agreed are at less than the best consideration the Council must ensure that the necessary ministerial consents have been obtained prior to the disposal.
- 7.6. The terms of each disposal must be approved by Legal Services on behalf of the Director of Law and Corporate Governance prior to entry into the relevant documents.

8. Risk Implications

- 8.1. This comprehensive approach to risk identification and mitigation aims to enhance the effectiveness of garage site disposals, ensuring alignment with council goals and minimising financial, legal, and community-related challenges.

Risk	Mitigation
8.1.1. Market Fluctuations: Real estate market changes could impact sale prices, leading to lower-than-expected capital receipts or unsold sites.	Conduct regular market assessments and appraisals before listing sites for disposal. Use phased disposal to maximise timing and capture higher value in stronger market conditions.
8.1.2. Legal and Regulatory Compliance: Disposals must meet legal and regulatory requirements, including consents, due diligence, and compliance with council policies.	Collaborate with legal teams to review property titles, zoning, and regulatory obligations. Ensure thorough due diligence and obtain council approvals early.
8.1.3. Loss of Future Strategic Value: Disposal could mean missed opportunities if site development	Prioritise no-strategic-value sites for disposal. For sites with future potential, consider leasing rather than selling

potential increases later.	outright or adding covenants to control future use.
8.1.4. Community Opposition: Local communities may oppose disposals.	Engage with communities early to explain the rationale and benefits of disposals. If feasible, provide alternative storage or parking solutions.
8.1.5. Environmental or Structural Issues: Older sites may have hidden issues (e.g., asbestos) that complicate disposal or add costs.	Conduct environmental and structural surveys early. Include remediation costs in financial projections and disclose known issues to potential buyers transparently.
8.1.6. Title and Boundary Disputes: Boundary issues or unclear ownership may delay disposal or lead to legal disputes.	Conduct title searches and boundary verification early. Work with legal teams to resolve any discrepancies before listing sites for sale.

9. Equalities implications

9.1. There are no direct equality implications arising from this report.

10. Climate change and environmental implications

10.1. Carbon Footprint and Embodied Carbon:

- 10.1.1. **Construction Emissions:** Redeveloping garage sites can generate significant carbon emissions from demolition, machinery, transportation, and new materials.
- 10.1.2. **Embodied Carbon Loss:** Disposing of existing structures without repurposing results in a loss of embodied carbon, wasting the environmental costs of materials and energy already invested.

10.2. Impact on Local Ecosystems and Biodiversity:

- 10.2.1. **Habitat Loss:** Redeveloping sites may lead to the loss of small green spaces or wildlife habitats, impacting local biodiversity.
- 10.2.2. **Opportunities for Green Infrastructure:** Redevelopment can incorporate sustainable features like green roofs, walls, and landscaping to enhance biodiversity and environmental resilience. Some sites may be suitable for pocket parks or other green space use.

10.3. Air Quality:

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- 10.3.1. **Pollution from Construction:** Redevelopment can contribute to air pollution from construction activities and increased vehicle traffic, which could negatively affect air quality for residents and local wildlife.
- 10.3.2. **Green sustainable travel:** Redeveloping garage sites into housing without provisions for cars offers significant environmental benefits. By prioritising car-free developments, the council can help reduce reliance on private vehicles, encouraging sustainable travel options such as walking, cycling, and public transport. This shift decreases carbon emissions, improves air quality, and supports the council's broader climate change objectives. Additionally, repurposing underutilised garage sites for housing contributes to efficient land use while promoting greener, more liveable neighbourhoods.

10.4. Energy Efficiency and Sustainable Building Opportunities:

- 10.4.1. **Energy-Efficient Development:** Redeveloping garage sites presents an opportunity to build energy-efficient or carbon-neutral structures using sustainable materials, renewable energy, and efficient insulation.
- 10.4.2. **Promoting Sustainable Transport:** Redevelopment could include low-carbon transport options, such as EV charging stations, bike storage, or pedestrian-friendly design, supporting sustainable travel.

11. Crime and disorder implications

- 11.1. **Vacant or Underutilised Sites:** Long-term vacancy and poor maintenance of garage sites can lead to hotspots for ASB, such as vandalism, graffiti, drug use, and crime, due to a lack of surveillance and monitoring.
- 11.2. **Attracting Theft and Vandalism:** Unsecured or neglected garages housing valuable items are vulnerable to theft and vandalism, particularly if perceived as abandoned or poorly maintained.
- 11.3. **Disposal/Redevelopment of Underutilised Sites:** Redeveloping or disposing of poorly maintained, underused sites can reduce ASB risks by eliminating neglected spaces that attract crime, fostering safer environments.
- 11.4. **Active Use of Land:** Redeveloping sites for residential, commercial, or community purposes brings increased foot traffic and natural surveillance, displacing negative activities and improving safety.
- 11.5. **Community-Oriented Redevelopment:** Transforming garage sites into community-focused spaces (e.g., housing, parks, workspaces) fosters social cohesion and a sense of ownership, reducing opportunities for crime.
- 11.6. **Safe, Secure Housing:** Redeveloping sites into secure housing or other well-maintained spaces contributes to overall regeneration, promoting safer, more resilient neighbourhoods.

- 11.7. **Eliminating Eyesores:** Redeveloping or disposing of abandoned and neglected sites improves the local environment, reducing the crime often associated with such spaces.

12. Health and wellbeing implications

- 12.1. **Access to Better Quality Housing:** Redeveloping garage sites into affordable, secure housing improves residents' quality of life by providing modern, high-quality living spaces that enhance physical and mental health.
- 12.2. **Reduced Crime, Social Isolation, and Improved Community Wellbeing:** Transforming garage sites into community-focused spaces reduces crime and ASB, creating safer environments that foster a sense of belonging, improve social cohesion, and enhance mental health.
- 12.3. **Better Environmental Conditions:** Redevelopment of underutilised garage sites can eliminate blight, improve the local aesthetic, and create sustainable, green spaces. Exposure to nature and energy-efficient developments reduce stress and promote social interaction, benefiting residents' wellbeing.
- 12.4. **Public Health and Safety:** Well-managed, redeveloped sites improve safety and reduce accidents, contributing to better public health.

13. Background papers

- 13.1. Asset Management Strategy 2024-2034
- 13.2. Garage Sites Asset Review
- 13.3. LB Lewisham Housing Services Clear Corridors Policy January 2024
- 13.4. Parks and Open Spaces Strategy 2020–2025

14. Glossary

- 14.1. [Type here, Arial size 12]
- 14.2. [Link to Oxford English Dictionary here.](#)

Term	Definition
ARB	Asset Review Board
ASB	Anti-social behaviour
DMT	Directorate Management Team

Term	Definition
EV	Electric Vehicle
GF	General Fund
HRA	Housing Revenue Account

15. Report author(s) and contact

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- 15.3. Comments for and on behalf of the Director of Law and Corporate Governance: Melanie Dawson, melanie.dawson@lewisham.gov.uk

16. Conclusion

On the basis of the information within the Part 1 and Part 2 report, Mayor and Cabinet are recommended to approve the various recommendations set out in this report.

17. Appendices

1. The garage site at Algernon Road
2. The garage site at Dacres Estate
3. The garage site at Ernest Simmonds House
4. The garage site at Kender Street
5. The garage site at Lawrie Park Gardens
6. The garage site at Marsala Road
7. The garage site at Mill Gardens
8. The garage site at Oak Cottage Close
9. The garage site at Overcliff Road
10. The garage site at Shell Road
11. The garage site at Vesta Road
12. The garage site at Wild Goose Drive 2
13. The garage site at Wild Goose Drive 3
14. The garage site at Wistaria House