

Agenda Item	<b>7</b>
Report No	<b>BSAC/04/20</b>

## HIGHLAND COUNCIL

**Committee:** Badenoch and Strathspey Area Committee

**Date:** 11 February 2020

**Report Title:** Housing Revenue Account: Garage Rents 2020/21

**Report By:** Executive Chief Officer Property and Housing

### **1. Purpose/Executive Summary**

- 1.1 This report provides information on garage rents for Badenoch and Strathspey and invites the Committee to set rent levels for garages held on the Housing Revenue Account for 2020/21.

### **2. Recommendations**

- 2.1 The Committee is invited to agree a level of rent increase to apply to Badenoch and Strathspey Garages.

### **3. Implications**

- 3.1 Resource – Resource implications are detailed in the report.
- 3.2 Legal – There are no legal implications arising from this report.
- 3.3 Community (Equality, Poverty and Rural) – There are no equality implications arising from this report.
- 3.4 Climate Change / Carbon Clever – There are no climate change/Carbon Clever implications arising from this report.
- 3.5 Risk – There are no risk implications arising from this report.
- 3.6 Gaelic - There are no Gaelic implications arising from this report.

#### 4. Background

4.1 The People Committee held on 25 January 2018 considered garage and garage site rents as part of the Housing Revenue Account Revenue estimates report for 2018/19. It was decided that developing local priorities for garages and garage sites held on the Housing revenue Account should be undertaken locally in future. This includes decisions on retention / disposal of garages as well as on rent levels and investment, within the delegated are Housing Revenue Account budget. There are no garage sites in Badenoch and Strathspey.

#### 5. Current income relating to garages and garage sites.

5.1 The table below details the current position with garages in Badenoch and Strathspey.

Type	Number of Units	Total weekly	Total annual rent
Garages	12	£80.73	£4,197.96
<b>Total</b>	<b>12</b>	<b>£80.73</b>	<b>£4,197.96</b>

5.2 Actual rents paid vary between Council tenants and non-council tenants, as VAT is charged for people renting a garage who are not Council house tenants. The table below shows the current rents for tenants and non-tenants for garages in Badenoch and Strathspey.

Type	Council Tenants	Weekly Rent	Non-Tenants	Weekly Rent
Garages	3	£5.85	9	£7.02

5.3 The average garage rent Highland-wide is £9.91 per week.

5.4 The repairs budget for garages in Badenoch and Strathspey is £1,000 for day to day repairs. This only relates to repairs to garages themselves. Additional expenditure relating to garage repairs would have to be identified through area environmental/planned maintenance budgets.

#### 6. Rent Options

6.1 Consultation on the general rent increase has been based on options for a 2.5%; 3% or 3.5% rent increase. A 3% general rent increase is being recommended to the Housing and Property Committee on 29 January 2020.

6.2 The impact on garage site rents in Badenoch and Strathspey of this level of increase is summarised in **Appendix 1**. A 3% rent increase in line with the recommended Council house rent increase would be as follows:-

Description	Current Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£5.85	£0.18	£6.03
Garage Rent non-tenant	£7.02	£0.21	£7.23
Annual Income	<b>£4,197</b>		<b>£4,324</b>

6.3 There would be no reduction in rent income as a result of rent loss on empty garages as all garages across Badenoch and Strathspey are occupied. Any net additional rent income from garages generated by a rent increase would be applied as an increase in the area repairs budget for garages in 2020/21.

## **7 Future approach**

7.1 A recent survey of the garages Cromdale indicate they may require some investment. Improvement and modernisation of these garages is expensive in comparison with income received. Although additional income from any rent increase applied locally will be available for investment in garages locally it is likely that improvements will also require to be funded from area HRA revenue and capital environmental budgets. Garage improvements will need to be prioritised against other improvement priorities.

7.2 More detailed information on the condition of the garages in Cromdale will be discussed with Ward Members. In the meantime, Members are asked to agree a level of rent increase to apply to Badenoch and Strathspey garages for 2020/21.

Designation: Executive Chief Officer Property and Housing

Date: 29 January 2020

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## APPENDIX 1

### Garage options – Badenoch and Strathspey

Description	Weekly Rent	2.5% increase	Weekly Rent (2.5%)	3% increase	Weekly Rent (3%)	3.5% increase	Weekly Rent (3.5%)
Garage Rent - Council Tenant	£5.85	£0.15	£6.00	£0.18	£6.03	£0.21	£6.06
Garage Rent - non- HC tenant	£7.02	£0.18	£7.20	£0.21	£7.23	£0.25	£7.27
Annual Income	<b>£4,197.96</b>		<b>£4,305.60</b>		<b>£4,324.32</b>		<b>£4,347.72</b>