

Agenda Item	14
Report No	LA/10/20

HIGHLAND COUNCIL

Committee: Lochaber Area Committee

Date: 19 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 Lochaber and invites the Committee to set rent levels for garage and garage sites 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 Lochaber Garages and Garage Sites.

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.
- 4.2 At Lochaber Area Committee on 23 January 2019 Lochaber Members set the rent levels for 2019/20 for Lochaber garages and garage sites held on the Housing Revenue Account at 3%.
- 4.3 A further report was submitted to Lochaber Area Committee on 29 August 2019 which provided Members with information on garages and garage sites in Lochaber. Members agreed the proposals and local priorities for dealing with garages and garage sites across both Wards in Lochaber.

5. Current income relating to garages and garage sites.

- 5.1 The table below details the current position with garages in Lochaber.

Type	Number of Units	Total weekly	Total annual rent
Garages	175	£2,230	£115,978
Garage Sites	128	£274	£14,258
Total	303	£2,504	£130,023

- 5.2 Occupancy levels for garage and garage sites vary, but as previously reported to Members high levels of empty garages and garage sites are a feature across both Wards and indeed Highland as a whole. The proposals agreed by Lochaber Members for dealing with garages and garage sites provides the strategic framework to deal with garages and garage sites in Lochaber over the next few years.
- 5.3 Members will recall that a survey was carried out of all garage and garage sites. The garage and garage sites were given a RAG rating, those in the poorest condition being RED, those requiring some repairs rated as AMBER and those in satisfactory condition rated as GREEN. It is likely that investment will be required to deal with garages in the RED category and to bring those garages in the AMBER category up to an acceptable standard.
- 5.4 The current occupancy levels and details of the budgeted void rent loss are provided below:-

Type	Occupied	Void
Garages	95	80
Garage Sites	98	30
Total	193	110

- 5.5 This is budgeted as void rent loss within the area HRA Revenue Budget, with current annual budget of £48,786 per year.

- 5.6 Actual rents paid vary between Council tenants and non-council tenants, as VAT is charged for people renting a garage who are no Council house tenants. The table below shows the current rents for tenants and non-tenants for garages and garage sites by ward in Lochaber.

Type	Council Tenants	Weekly Rent	Non-Tenants	Weekly Rent
Garages	37	£11.01	138	£13.21
Garage Sites	35	£1.92	90	£2.30

- 5.7 The average garage rent Highland-wide is £9.91 per week and the garage site rent £1.69 per week.
- 5.8 The repairs budget for garages in Lochaber is £6,500 for day to day repairs. This only relates to repairs to garages themselves. As previously reported 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 was based on options for a 2.5%; 3% or 3.5% rent increase. A 3% general rent increase is being recommended to Members at the Housing and Property Committee on 29 January 2020 and at full Council on 13 February 2020.
- 6.2 The impact on garage site rents in Lochaber of this level of increase is summarised in **Appendix 1**. A 3% rent increase in line with the agreed Council house rent increase would be as follows:-

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£11.01	£0.33	£11.34
Garage Rent non-tenant	£13.21	£0.40	£13.61
Garage Site Rent – Council Tenant	£1.92	£0.06	£1.98
Garage Site Rent – Non - Tenant	£2.30	£0.07	£2.37
Annual Income	£130,023		£134,178

- 6.3 Actual rent income would be reduced by rent loss on empty garages, which is currently budgeted at £48,786. Any net additional rent income from garages and garage sites generated by a rent increase would be applied as an increase in the area repairs budget for garages and garage sites in 2020/21.

7 Future approach

7.1 Lochaber Members agreed the proposals and set the priorities to deal with garage and garage sites across Lochaber. Work has started to deliver on the agreed priorities however this is a significant task and will take time to complete, Members will be updated on progress through Ward business meetings.

Designation: Executive Chief Officer Property and Housing

Date: 19 February 2020

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(Lochaber, Nairn and Badenoch & Strathspey)

Background Papers: Lochaber Area Committee 29 August 2019 - Housing Revenue Account: Garage and Garage Sites Update [Report](#)

Garage / Garage site options – Lochaber

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	£11.01	£0.28	£11.29	£0.33	£11.34	£0.40	£11.41
Garage Rent - non- HC tenant	£13.21	£0.33	£13.54	£0.40	£13.61	£0.47	£13.68
Garage Site Rent - Council Tenant	£1.92	£0.05	£1.97	£0.06	£1.98	£0.07	£1.99
Garage Site Rent - non- Council Tenant	£2.30	£0.06	£2.36	£0.07	£2.37	£0.08	£2.38
Annual Income	£130,023		£133,515		£134,178		£134,880