

Agenda Item	7.
Report No	SCC/05/20

HIGHLAND COUNCIL

Committee: Sutherland County Committee

Date: 24 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 the Sutherland Wards 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 Sutherland 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.

5 Current income relating to garages and garage sites.

- 5.1 The table below details the current position with garages across all the Sutherland:-

Type	Number of Units	Total weekly	Total annual rent
Garages Ward 1	39	£302.93	£15,752.36
Garages Ward 4	53	£423.00	£21,996.00
Garage Sites Ward 1	11	£50.60	£607.20
Garage Sites Ward 4	72	£326.90	£3,922.80
Total	175	£813.05	£42,278.36

- 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 Sutherland and indeed Highland as a whole. This is likely to reflect lack of demand, possibly related to garage condition.

- 5.3 The current occupancy levels and details of the budgeted void rent loss are provided below:-

Type	Occupied	Void
Garages Ward 1	31	8
Garages Ward 4	50	3
Garage Sites Ward 1	11	0
Garage Sites Ward 4	60	12
Total	152	23

- 5.4 This is budgeted as void rent loss within the area HRA Revenue Budget, with current annual budget of £9,282 per year for Sutherland.

- 5.5 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 and garage sites in Sutherland:-

Type	Council Tenants	Weekly Rent	Non-Tenants	Weekly Rent
Garages	20	£6.99	61	£8.19
Garage Sites	7	£0.88	64	£1.07

- 5.6 The average garage rent Highland-wide is £9.91 per week and the garage site rent £1.53 per week.

5.7 The repairs budget for garages in Sutherland is £4,900 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 general rent increases has been based on options for a 2.5%; 3% or 3.5% rent increase. A 3% general rent increase was approved at the Housing and Property Committee on 29 January 2020.

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

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£6.99	£0.21	£7.20
Garage Rent non-tenant	£8.19	£0.25	£8.44
Garage Site Rent – Council Tenant	£0.88	£0.03	£0.91
Garage Site Rent – Non - Tenant	£1.07	£0.03	£1.10
Annual Income	£42,278.36		£43,546.71

6.3 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 As with other areas it would be useful to discuss and agree local priorities for garages and garage sites. This would include a local assessment of demand and condition and would enable decisions on future investment and use.

7.2 Improvement and modernisation of these facilities is expensive in comparison with the income received. Although additional income from any rent increase applied locally will be available for investment in garage and garage sites locally it is likely that improvements will also require to be funded from area HRA revenue and capital environmental budgets. Garage and garage site improvements will need to be prioritised locally against other improvement priorities.

7.3 It is recommended that more detailed information on garages and garage sites is discussed with Ward members to develop future priorities for garage and garage sites. In the meantime, Members are asked to agree a level of rent increase to apply to Sutherland Garages and Garage Sites for 2020/21.

Designation: Executive Chief Officer Property and Housing

Date: 10 February 2020

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APPENDIX 1

Garage / Garage site options – Sutherland

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	£6.98	£0.17	£7.15	£0.21	£7.20	£0.24	£7.22
Garage Rent - non- HC tenant	£8.19	£0.20	£8.40	£0.25	£8.44	£0.29	£8.48
Garage Site Rent - Council Tenant	£0.88	£0.02	£0.91	£0.03	£0.91	£0.03	£0.91
Garage Site Rent - non- HC Tenant	£1.07	£0.03	£1.10	£0.03	£1.10	£0.04	£1.11
Annual Income	£42,278.36		£43,335.32		£43,546.71		£43,758.10