

Agenda Item	<b>6</b>
Report No	<b>SR/3/20</b>

## **HIGHLAND COUNCIL**

**Committee:** Skye & Raasay Area Committee

**Date:** 2 March 2020

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

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

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

- 1.1 This report provides information on garage rents for Skye & Raasay 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 Skye & Raasay 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.

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

- 5.1 The table below details the current position with garages in Skye & Raasay:-

Type	Number of Units	Total weekly	Total annual rent
Garages Ward 10	5	£33.82	£1,758.64

- 5.2 All garages in Skye & Rasaay are currently occupied although there is budget provision of £994 per year for void rent loss.
- 5.3 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 Skye & Raasay:-

Type	Council Tenants	Weekly Rent	Non-Tenants	Weekly Rent
Garages	3	£6.18	2	£7.64

- 5.4 The average garage rent Highland-wide is £9.91 per week.
- 5.5 The repairs budget for garages in Skye & Raasay is £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 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 rents in Skye & Raasay 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	£6.18	£0.19	£6.37
Garage Rent non-tenant	£7.64	£0.23	£7.87
<b>Annual Income</b>	<b>£1,758.64</b>		<b>£1,811.40</b>

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 in 2020/21.

Designation: Executive Chief Officer Housing and Property

Date: 17 February 2020

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**APPENDIX 1**

**Garage / Garage site options – Skye & Raasay**

<b>Description</b>	<b>Weekly Rent</b>	<b>2.5% increase</b>	<b>Weekly Rent (2.5%)</b>	<b>3% increase</b>	<b>Weekly Rent (3%)</b>	<b>3.5% increase</b>	<b>Weekly Rent (3.5%)</b>
Garage Rent - Council Tenant	£6.18	£0.15	£6.33	£0.19	£6.37	£0.22	£6.40
Garage Rent - non- HC tenant	£7.64	£0.19	£7.83	£0.23	£7.87	£0.27	£7.91
<b>Annual Income</b>	<b>£1,758.64</b>		<b>£1,802.61</b>		<b>£1,811.40</b>		<b>£1,821.19</b>