

Agenda Item	<b>6</b>
Report No	<b>NC/03/20</b>

## HIGHLAND COUNCIL

**Committee:** Nairnshire Area Committee

**Date:** 11 March 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 Nairnshire 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 Nairnshire 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 Nairnshire:-

Type	Number of Units	Total weekly	Total annual rent
Garages Ward 18	34	£229.32	£11,924.64
Garage Sites Ward 18	64	£50.51	£2,626.08
<b>Total</b>	<b>98</b>	<b>£279.83</b>	<b>£14,550.72</b>

- 5.2 Occupancy levels for garages and garage sites are high in Nairnshire. All garage lock-ups are occupied and only 2 garage sites are vacant.
- 5.3 Actual rents paid vary between Council tenants and non-council tenants, as VAT is charged for people renting a garage who are non-Council house tenants. The table below shows the current rents for tenants and non-tenants for garages and garage sites in Nairnshire:-

Type	Council Tenants	Weekly Rent	Non-Tenants	Weekly Rent
Garages Ward 18	8	£5.85	26	£7.02
Garage Sites Ward 18	12	£0.68	52	£0.82

- 5.4 The average garage rent Highland-wide is £9.91 per week and the garage site rent £1.69 per week.
- 5.5 The repairs budget for garages in Nairn is £2,200 for day to day repairs. This only relates to repairs to garages themselves. It is likely that there is additional expenditure through environmental / planned maintenance budgets, but this is not easily disaggregated from overall expenditure on those activities. Garages have been maintained in Nairn and therefore the overall standard of garages and garage sites is good.

## 6 Rent Options

- 6.1 Consultation on general rent increases was based on options for a; 2.5%; 3% and 3.5% rent increase. A 3% general rent increase was approved at 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 Nairnshire 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:-

<b>Description</b>	<b>Weekly Rent</b>	<b>Weekly Increase</b>	<b>New Weekly Rent</b>
Garage Rent – Council Tenant	£5.85	£0.18	£6.03
Garage Rent non-tenant	£7.02	£0.21	£7.23
Garage Site Rent – Council Tenant	£0.68	£0.02	£0.70
Garage Site Rent – Non - Tenant	£0.82	£0.03	£0.85
<b>Annual Income</b>	<b>£14,550</b>		<b>£15,018</b>

6.3 Actual rent income would be reduced by rent loss on empty garages, this is not an issue in Nairnshire as there are high occupancy levels of both garages and garage sites. 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 Garages in Nairnshire have been well maintained and are in good condition. The Rate your Estate model of estate inspections will include garages and garage sites and identify any future maintenance required.

Designation: Executive Chief Officer Property and Housing

Date: 12 February 2020

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**APPENDIX 1**

**Garage / Garage site options – Nairnshire**

<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	£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
Garage Site Rent - Council Tenant	£0.68	£0.02	£0.70	£0.02	£0.70	£0.03	£0.71
Garage Site Rent - non- Council Tenant	£0.82	£0.02	£0.84	£0.03	£0.85	£0.03	£0.85
<b>Annual Income</b>	<b>£14,550</b>		<b>£14,884</b>		<b>£15,018</b>		<b>£15,091</b>