

Agenda Item	8
Report No	ERA-05-21

HIGHLAND COUNCIL

Committee: Easter Ross Area Committee

Date: 17 February 2021

Report Title: Housing Revenue Account: Garage Rents 2021/2022

Report By: Executive Chief Officer Housing and Property

1 Purpose/Executive Summary

- 1.1 This report provides information on garage rents for Tain & Easter Ross and Cromarty Firth and invites the Committee to set rent levels for garages held on the Housing Revenue Account for 2021/2022.

2 Recommendations

- 2.1 The Committee is invited to agree a level of rent increase to apply to Tain & Easter Ross and Cromarty Firth 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 Developing local priorities for garages and garage sites held on the Housing Revenue Account are undertaken at a local level. This includes decisions on retention/disposal of garages as well as on rent levels and investment, within the delegated area Housing Revenue Account budget.
- 4.2 At Ross & Cromarty Area Committee on 15 January 2019 Members set the rent levels and applied a 3% increase for 2020/21 for Ross & Cromarty garages and garage sites held on the Housing Revenue Account.

5 Current income relating to garages and garage sites

- 5.1 The table below details the current position with garages in Tain & Easter Ross and Cromarty Firth.

Type	Number of Units	Total weekly	Total annual rent
Garages	362	£3,866	£185,582

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

Type	Occupied	Void
Garages	214	148

- 5.4 This is budgeted as void rent loss within the area HRA Revenue Budget, with current annual budget of £75,083 per year.
- 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 Lochaber.

Type	Council Tenants	Weekly Rent	Non-Tenants	Weekly Rent
Garages	70	£9.63	77	£11.56

- 5.6 The average garage rent Highland-wide is £10.23 per week.
- 5.7 Repairs budgets are not currently disaggregated in the former Ross & Cromarty wards. The repairs budget for garages in Ross & Cromarty is £21,700 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 1% or 2% rent increase. A 2% general rent increase was approved by Members at the Housing and Property Committee on 27 January 2021.

6.2 The impact on garage site rents in Easter Ross of this level of increase is summarised in **Appendix 1**. A 2% 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	£9.63	£0.19	£9.82
Garage Rent non-tenant	£11.56	£0.23	£11.79
Budgeted Annual Income	£185,582		£189,294

6.3 Actual rent income would be reduced by rent loss on empty garages, which is currently budgeted at £75,083. 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 2021/22.

Designation: Executive Chief Officer Housing and Property

Date: 2 February 2021

Author: Rory MacLeod, Housing Manager (North)

Received by Democratic Services: 2 February 2021

Garage / Garage site options – Lochaber

Description	Weekly Rent	1% increase	Weekly Rent (1%)	2% increase	Weekly Rent (2%)	3% increase	Weekly Rent (3%)
Garage Rent - Council Tenant	£9.63	£0.10	£9.73	£0.19	\$9.82	£0.29	£9.92
Garage Rent - non- HC tenant	£11.56	£0.12	£11.68	£0.23	£11.79	£0.35	£11.91
Annual Income	£185,582		£187,438		£189,294		£191,150