

Agenda Item	4
Report No	NC/03/21

HIGHLAND COUNCIL

Committee: Nairnshire Area Committee

Date: 10 March 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 Nairnshire and invites the Committee to set rent levels for garage and garage sites held on the Housing Revenue Account for 2021/22.

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 Developing local priorities for garages and garage sites held on the Housing revenue Account is undertaken locally at Area Committees. 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 Nairnshire Area Committee on 11 March 2020 Nairnshire Members set the rent levels for 2020/21 for Nairnshire garages, increasing rents by 3% for garages 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 across Nairnshire.

Type	Number of Units	Total weekly	Total annual rent
Garages	34	£236.48	£11,351.04
Garage Sites	64	£52.08	£2,708.16
Total	98	£288.56	£14,059.20

- 5.2 Occupancy levels for garages and garage sites are high in Nairnshire. At the time of writing this report all garage lockups are occupied and only 1 garage site is 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	Rent Charge	Non-Tenants	Rent Charge
Garages weekly rent	8	£6.03	26	£7.24
Garage Sites annual rent	12	£36.40	52	£43.68

- 5.4 The average garage rent Highland-wide is £10.23 per week and the garage site rent £83.40 per annum.
- 5.5 The repairs budget for garages in Nairnshire 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 Nairnshire 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; 1% or 2% rent increase. A 2% general rent increase was approved at Housing and Property Committee on 27 January 2021.

6.2 The impact on garage site rents in Nairnshire 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	Rent	Increase	New Rent
Garage Rent – Council Tenant - weekly	£6.03	£0.12	£6.15 per week
Garage Rent non-tenant - weekly	£7.24	£0.14	£7.38 per week
Garage Site Rent – Council Tenant annual	£36.40	£0.72	£37.12 annual rent
Garage Site Rent – Non - Tenant - annual	£43.68	£0.87	£44.77 annual rent
Annual Income	£14,059		£14,329

6.2 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 2021/22.

Designation: Executive Chief Officer Housing and Property

Date: 27 January 2021

Author: Sandra MacLennan, Housing Manager (South)

Garage / Garage site options – Nairnshire

		1% increase	Weekly Rent (1%)	2% increase	Weekly Rent (2%)	3% increase	Weekly Rent (3%)
Garage Lockups charged weekly rents							
Garage Rent - Council Tenant Weekly Rent	£6.03	£0.06	£6.09	£0.12	£6.15	£0.18	£6.21
Garage Rent - non- HC tenant Weekly Rent	£7.24	£0.07	£7.31	£0.14	£7.38	£0.21	£7.45
Garage Sites charged annual rents		1% increase	Annual rent 1% increase	2% increase	Annual rent 2% increase	3% increase	Annual rent 3%
Garage Site Rent - Council Tenant Annual rent	£36.40	£0.36	£36.76	£0.72	£37.12	£1.09	£37.49
Garage Site Rent - non- Council Tenant Annual rent	£43.60	£0.43	£44.03	£0.87	£44.47	£1.33	£44.93
Total Annual Income	£14,059		£14,192		£14,329		£14,468