

Agenda Item	7
Report No	LA/5/22

HIGHLAND COUNCIL

Committee: Lochaber Area Committee

Date: 7 February 2022

Report Title: Housing Revenue Account: Garage Rents 2022/2023

Report By: Executive Chief Officer Housing and Property

1 Purpose/Executive Summary

- 1.1 This report provides information on garage rents for Lochaber and invites the Committee to set rent levels for garage and garage sites held on the Housing Revenue Account for 2022/2023.

2 Recommendations

- 2.1 The Committee is invited to agree a level of rent increase to apply to Lochaber 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 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 A report was submitted to Lochaber Area Committee on 29 August 2019 which provided Members with information on garages and garage sites in Lochaber. The proposals agreed by Members in that report provides the strategic framework to deal with garages and garage sites in Lochaber over the next few years. An update on progress is provided in this report.
- 4.3 At Lochaber Area Committee on 19 February 2020 Lochaber Members set the rent levels and applied a 3% increase for 2020/21 for Lochaber 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 Lochaber.

Type	Number of Units	Total weekly	Total annual rent
Garages	172	£2,248.76	£116,935.52
Garage Sites	121	£279.61	£14,539.72
Total	293	£2,528.37	£131,475.24

- 5.2 Allocation of garages and garage sites was suspended whilst the review of garages and garage sites in Lochaber was being carried out. The review is now complete and garages available for rental have been allocated.
- 5.3 The current occupancy levels and details of the budgeted void rent loss are provided below.

Type	Occupied	Void
Garages	88	84
Garage Sites	102	19
Total	190	103

- 5.4 This is budgeted as void rent loss within the area HRA Revenue Budget, with current annual budget of £50,575 per year. The Strategy agreed by Members at Area Committee will address a large proportion of the void rent loss as we action those garages identified as RED and AMBER through demolition or repair and allocate the GREEN void garages and garage sites.
- 5.5 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 Lochaber.

Type	Council Tenants	Weekly Rent	Non-Tenants	Weekly Rent
Garages	20	£11.57	68	£13.88
Garage Sites	19	£2.01	83	£2.41

- 5.6 The average garage rent Highland-wide is £10.43 per week and the garage site rent £1.63 per week.
- 5.7 The repairs budget for garages in Lochaber is £7,000 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 Tenant consultation on the general rent increase for Council house rents for 2022/23 was based on options for a 1% or 1.5% rent increase. A 1% general rent increase was agreed by Members at Housing and Property Committee on 20 January 2022.
- 6.2 The impact on garage rents in Lochaber of an increase of 1% and 1.5% is summarised in the tables below.

1% Rent Increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£11.57	£0.11	£11.68
Garage Rent non-tenant	£13.88	£0.13	£14.01
Garage Site Rent – Council Tenant	£2.01	£0.02	£2.03
Garage Site Rent – Non - Tenant	£2.41	£0.02	£2.43
Annual Income	£124,037		£127,203

1.5% Rent Increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£11.57	£0.17	£11.74
Garage Rent non-tenant	£13.88	£0.20	£14.08
Garage Site Rent – Council Tenant	£2.01	£0.03	£2.04
Garage Site Rent – Non - Tenant	£2.41	£0.04	£2.45
Annual Income	£124,037		£127,882

- 6.3 Any net additional rent income from garages and garage sites generated by a rent increase would also be applied as an increase in the area repairs budget for garages and garage sites in 2022/23.

7 Lochaber Garage and Garage Site Action Plan

- 7.1 When considering the garage rent levels at Lochaber Area Committee on 23 January 2019 Members requested officers carry out a review of garages and garage sites across Lochaber, this piece of work was to include a condition survey to identify what improvements could be made to garages and garage sites across Lochaber.

- 7.2 The condition survey was presented to Members at their Ward Business meeting on 10 June 2019 with a further report being present to Lochaber Area Committee on 29 August 2019. This provided Members with information on the garage stock in Lochaber and set out the future approach to deal with Lochaber garages and garage sites.
- 7.3 At Lochaber Area Committee on 29 August 2019 Members agreed that the key actions for the Service would be:
- All garages and garage sites across Lochaber will be reviewed to establish if there is potential for housing development.
 - A RAG rating approach will be adopted with a focus on RED garages.
 - Garages and garage sites will be included in Rate your Estate walkabouts.
 - There will be further discussion with Members where Capital Environmental Improvement spend would be required to make improvements to garages and garage sites.
 - The repairs budget for garages is £7,000. Where budget allows this will be used to make improvements to AMBER garages identified as not suitable for future housing development and in need of low-level repairs.
 - There will be further discussion with Members at Ward Business meeting where disposal of garages is a more viable option.

8 Progress

- 8.1
- A working group was established which involved a small team of local officers who were tasked to look at each area where there are garage sites and garage lockups in Lochaber.
 - The Housing Development Team were requested to carry out a review of all garages and garage sites in Lochaber to establish if there would be any housing development potential in these areas. Kearney Donald Partnership were asked by the Development Team to carry out this review. This work was complete in March 2021, Kearney Donald produced a report which identified ten potential sites. Further analysis of these ten sites was carried out by the Housing Development Team resulting in one potential housing development site. Further investigations are ongoing into the viability of this site being used for housing development.
 - The working group, referring to the condition survey report, the development review report from Kearney Donald, local knowledge and site visits, prioritised each garage area using the RAG rating and produced an action plan for improvement. The action plan was presented and approved by Members at their Ward Business Meeting on 13 September 2021
- 8.2 The Lochaber Action Plan for Improvement is attached at **Appendix 1** of this report.
- 8.3 The Service is consulting with tenants, residents, and Community Councils where removal of garages is identified as the best option. So far there has been positive feedback from communities on the proposals to remove garages, this being viewed as an improvement to these housing estates.

8.4 The Garage action plan for Lochaber is a significant piece of working spanning three financial years, good progress has been made to date.

Designation: Executive Chief Officer Housing and Property

Date: 7 February 2021

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APPENDIX 1

Housing Garages & Garage Sites - Lochaber - Action Plan for Improvement

RAG Rating	Location	Stock	Occupancy Position	Action	Works scheduled in Budget Year 2021/22 & estimated costs £	Works scheduled in Budget Year 2022/23 & estimated costs £	Works scheduled in Budget Year 2023/24 & estimated costs £
Ward 11 Caol & Mallaig							
RED	Blar Mhor Road Garages 241-246	6 Garage Lock ups	1 occupied 5 voids	Demolition & re-surface area	15,000		
RED	Kilmallie Road/ Torcastle Crescent 108, 109, 118, 119, 120, 121, 129, 130, 131	9 Garage Lock ups	5 occupied 4 voids	Invest in repair and re-let		13,000	
RED	Kilmallie Road Garages 201-206	6 Garage Lock ups	2 occupied 4 voids	Invest in repair and re-let		4,000	
RED	Camesky Road Caol 140-142	3 Garage Lock ups	3 voids	Demolition & re-surface area	15,000		
RED	Camesky Road Caol 236 -240	5 Garage Lock ups	2 occupied 3 voids	Invest in repair and re-let		10,000	

RED	Broom Drive	13 Garage Lock ups	4 occupied 9 voids	Invest in repair and re-let		6,000	
RED	Camaghael Rd 248 - 254	7 Garage Lock ups	1 occupied 6 voids	Demolition & re-surface area	15,000		
RED	Birch Road 255 - 260	6 Garage Lock ups	6 voids	Demolition & re-surface area	15,000		
RED	Clerk Drive Corpach	25 Garage Lock ups	4 occupied 21 voids	Engineers report to be commissioned. Consideration and consultation on future use. Costs will be determined by agreed options. Repair costs reflected in budget.			60,000
RED	Blar Mhor Rd 1 - 13	11 Garage Lock ups	8 occupied 3 voids	Invest in repair and re-let	8,000		
RED	Blar Mhor Rd 14 - 22	9 Garage Lock ups	6 occupied 3 voids	Invest in repair and re-let	4,000		
RED	Glen Nevis Rd	8 Garage Lock ups	7 occupied 1 void	Invest in repair and re-let		8,000	
AMBER	Erracht Drive Garage Site 1-5	8 Garage Sites	8 occupied	Housing Management action to improve area			
AMBER	Glenkingie Street/Terrace	26 Garage Sites	17 occupied 9 voids	Housing Management action to improve area. Voids to be allocated.			
GREEN	Glen Nevis Road	11 Garage Sites	8 occupied 3 voids	Voids to be allocated			
GREEN	Glendessary Street Garage Sites	11 Garage Sites	4 occupied 7 voids	Voids to be allocated			

GREEN	Glenpane Street Garage Sites	5 Garage Sites	3 occupied 2 void	Voids to be allocated			
GREEN	Glenloy Street Caol, Garage site	7 Garage Sites	7 occupied	No action			
GREEN	Corpach Garage (1 and 2 Drumfada	2 Garage Sites	2 occupied	No action			
GREEN	Caledonian Road	5 Garage Sites	5 occupied	No action			
GREEN	Birch Road Caol	1 Garage Site	1 occupied	No action			
GREEN	Annat View	1 Garage Site	1 occupied	No action			
GREEN	Camesky Road Caol (55/56/57 and 234-242)	5 Garage Sites	5 occupied	No action			
GREEN	Annat View 4 & 6	2 Garage Lock ups	2 occupied	No action			
TOTAL	Ward 11				£60,000	£53,000	£60,000
Ward 21 Fort William & Ardnamurchan							
RED	Banff Crescent Garages 21 to 40	20 Garage Lock ups	16 occupied 4 voids	Consultation on part demolition and repair of remaining garages		30,000	
RED	Moray Place 1 to 6	6 Garage Lock ups	6 voids	Demolition and re-surfacing area	15,000		
RED	Douglas Place 46-51 & 60-63	10 Garage Lock ups	6 occupied 4 voids	Consultation on part demolition and repair of remaining garages		20,000	
RED	Claggan-Carn Dearg Garages 1-20 & 31-36	26 Garage Lock ups	21 occupied 5 voids	Consultation on demolition or repair of garages.			80,000

RED	Grange Road	11 Garage Sites	9 occupied 2 void	Consultation on future use. Housing management action to improve area.			
AMBER	Righ Crescent	2 Garage Sites	2 occupied	Housing management action to improve area.			
AMBER	Garbhein Crescent Kinlochleven	1 Garage Site	1 occupied	Housing management action to improve area.			
GREEN	Wades Road Kinlochleven	26 Garage Sites	25 occupied 1 void	Void to be allocated			
GREEN	Loch Eildih Road	2 Garage Sites	2 occupied	No action			
GREEN	Abhainn Cottages Duroor	2 Garage Sites	2 occupied	No action			
TOTAL	Ward 21				£15,000	£50,000	£80,000