

Agenda Item	<b>5</b>
Report No	<b>DSA/002/22</b>

## HIGHLAND COUNCIL

**Committee:** Dingwall and Seaforth 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 Dingwall and Seaforth 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 Dingwall and Seaforth Area Committee on 16 November 2021 which provided Members with information on condition and occupancy rates of garages in Dingwall and Seaforth. An update on progress is provided in this report.

## 5 Current income relating to garages and garage sites

- 5.1 The table below details the current position with garages in Dingwall and Seaforth.

Type	Number of Units	Total weekly	Total annual rent
Garages	277	£3,149.38	£151,170.24
Garage Sites	7	£5.56	£289.32
<b>Total</b>	<b>284</b>	<b>£3,154.94</b>	<b>£151,459.56</b>

- 5.3 The current occupancy levels and details of the budgeted void rent loss are provided below. Allocation of garages and garage sites was suspended whilst the review of garages and garage sites in Dingwall and Seaforth was being carried out.

Type	Occupied	Void
Garages	192	85
Garage Sites	2	5
<b>Total</b>	<b>194</b>	<b>90</b>

- 5.4 This is budgeted as void rent loss within the area HRA Revenue Budget, with current annual budget of £59,393.64 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 non-Council house tenants. The table below shows the current rents for tenants and non-tenants for garages and garage sites in Dingwall and Seaforth.

Type	Council Tenants	Weekly Rent	Non-Tenants	Weekly Rent
Garages	58	£9.82	219	£11.78
Garage Sites	3	£0.71	4	£0.86

- 5.6 The average garage rent Highland-wide is £10.43 per week and the garage site rent £1.63 per week.

## 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 approved by the Housing and Property Committee on 20 January 2022

- 6.2 The impact on garage rents in Ross and Cromarty 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	£9.82	£0.10	£9.92
Garage Rent non-tenant	£11.78	£0.12	£11.90
Garage Site Rent – Council Tenant	£0.71	£0.01	£0.72
Garage Site Rent – Non - Tenant	£0.86	£0.01	£0.87
<b>Annual Income</b>	<b>£151,170.56</b>		<b>£152,974.16</b>

### 1.5% Rent Increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£9.82	£0.15	£10.07
Garage Rent non-tenant	£11.78	£0.18	£11.96
Garage Site Rent – Council Tenant	£0.71	£0.01	£0.72
Garage Site Rent – Non - Tenant	£0.86	£0.01	£0.87
<b>Annual Income</b>	<b>£124,037</b>		<b>£127,882</b>

- 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 Dingwall and Seaforth Garage Demand

- 7.1 At the Dingwall and Seaforth Area Committee of 9 November 2021, Members considered information on the demand and condition of garages with a view to monitoring progress with repairs allocations and future investment.
- 7.2 The area housing team has focussed on inspections, void repairs and allocation of garages that are ready for let. This activity has reduced the number of void garages from 99 to 85 although demand remains stable at 65 due to new garage applications.
- 7.3 While a secondary focus when compared to houses, garage void repairs are being reviewed to target green rated garages in higher demand areas the first instance. The estimated cost of void repairs to return all garages into use is £12,870.
- 7.4 Future investment is being considered at a range of sites with the focus being on parking amenity or structural improvements. Capital Investment priorities will be identified through the 2022/23 financial year.
- 7.5 The Dingwall and Seaforth Garage Action Plan is attached at **Appendix 1** of this report.

- 7.6 A program of works to make safe retaining walls at Millbank and Chestnut Roads, means that the garages in those locations need to be demolished. Area staff are working with affected garage tenants to find nearby alternatives.
- 7.7 The Dingwall and Seaforth Garage Action Plan will span 3 years and in future reports will identify costs associated with specific projects as they are tendered.

Designation: Executive Chief Officer Housing and Property

Date: 1 February 2021

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## APPENDIX 1

### Dingwall and Seaforth Garage Action Plan

Township	RAG Rating	Location	Stock	Occupancy Position	Demand	Action
Dingwall	GREEN	Adams Buildings (Hill Street)	4	4 occupied 0 void	0	Currently used by Community Council for storage. Inspection required. Change red to green.
Dingwall	GREEN	Bruce Avenue	8	6 occupied 2 void	1	Proceed with allocation
Dingwall	RED	Chestnut Road	6	4 occupied 2 void	7	Demolition required due to subsidence of embankment. See also Millbank Road. Existing tenants to be offered alternative garage nearby. Change green to red.
Dingwall	GREEN	Cluny Road (Burnside)	31	16 occupied 15 void	7	Identified for improvement project community and member consultation required.
Dingwall	GREEN	Deas Avenue	18	13 occupied 5 void	3	Proceed with allocation
Dingwall	GREEN	East Burnside (Mackay Square)	16	5 occupied 11 void	1	Potential development site. Feasibility required in 2022/23 year.
Dingwall	GREEN	Fingal Road	6	2 occupied 4 void	3	Meiklefield Masterplan area. Voids held pending development
Dingwall	GREEN	Fraser Road	7	3 occupied 4 void	2	Proceed with allocation after repairs
Dingwall	GREEN	Kinnairdie (Davidson Drive)	20	19 occupied 1 void	4	Proceed with allocation
Dingwall	GREEN	MacIntyre Place	6	5 occupied 1 void	1	Proceed with allocation
Dingwall	GREEN	Macrae Grove	14	14 occupied 0 void	5	N/A
Dingwall	RED	Millbank Road	4	3 occupied 1 void	5	Demolition required due to subsidence of embankment. See also Chestnut Road. Existing tenants to be offered alternative garage nearby. Change green to red.

Township	RAG Rating	Location	Stock	Occupancy Position	Demand	Action
Dingwall	GREEN	Munro Place	1	1 occupied 0 void	1	N/A
Dingwall	GREEN	Old River Road	11	7 occupied 4 void	1	Proceed with allocation
Dingwall	RED	Peffery Road	13	4 occupied 9 void	4	Meiklefield Masterplan area. Voids held pending development
Dingwall	RED	Simpson Place	19	15 occupied 4 void	1	Inspection and report required.
Dingwall	GREEN	West Drive	17	13 occupied 4 void	1	Proceed with allocation
Conon Bridge	GREEN	Logie Place	4	4 occupied 0 void	2	N/A
Conon Bridge	GREEN	Sellar Place	12	11 occupied 1 void	2	Proceed with allocation
Conon Bridge	GREEN	Windsor Place	12	10 occupied 2 void	4	Proceed with allocation
Maryburgh	GREEN	Wrightfield Park	21	19 occupied 2 void	1	Proceed with allocation
Muir of Ord	GREEN	Balvaird Terrace	16	11 occupied 5 void	5	Proceed with allocation
Muir of Ord	RED	Burns Avenue	3	1 occupied 2 void	0	Inspection and report required
Muir of Ord	RED	Fairmuir Road	4	0 occupied 4 void	1	Inspection and report required
Muir of Ord	GREEN	Highfield Circle	4	1 occupied 3 void	2	Inspection and report required
	<b>TOTAL</b>	<b>Ward 8</b>	<b>277</b>	<b>192 occupied 85 void</b>	<b>65</b>	