

Agenda Item	3
Report No	NC/01/22

HIGHLAND COUNCIL

Committee: Nairnshire Area Committee

Date: 1 March 2022

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

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 2022/23.

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 10 March 2021 Nairnshire Members set the rent levels for 2021/22 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	£238.62	£11,453.76
Garage Sites	63	£52.36	£2,722.92
Total	97	£290.98	£14,176.68

- 5.2 Occupancy levels for garages and garage sites are high in Nairnshire. At the time of writing this report 3 garage lockups were vacant, and these were being allocated to the waiting list and all garage sites were occupied.
- 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	10	£6.15	24	£7.38
Garage Sites annual rent	11	£37.08	52	£44.52

- 5.4 The average garage rent Highland-wide is £10.43 per week and the garage site rent £84.76 per annum.
- 5.5 The repairs budget for garages in Nairnshire is £2,300 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 well maintained in Nairnshire and therefore the overall standard of garages and garage sites is good.

6. Rent Options

6.1 Tenant consultation on general rent increases for Council house rents for 2022/23 was based on options for a 1% or 1.5% rent increase. A 1% general increase was agreed by Members at Housing and Property Committee on 20 January 2022.

6.2 The impact on garage rents in Nairnshire of an increase of 1% and 1.5% is summarised in the tables below.

1% Rent Increase

Description	Current Rent	Increase	New Rent
Garage Rent – Council Tenant - weekly	£6.15	£0.06	£6.21
Garage Rent non-tenant - weekly	£7.38	£0.07	£7.45
Garage Site Rent – Council Tenant annual	£37.08	£0.37	£37.45
Garage Site Rent – Non - Tenant - annual	£44.52	£0.45	£44.97
Annual Income	£14,176.68		£14,318.45

1.5% Rent Increase

Description	Current Rent	Increase	New Rent
Garage Rent – Council Tenant - weekly	£6.15	£0.09	£6.24
Garage Rent non-tenant - weekly	£7.38	£0.11	£7.49
Garage Site Rent – Council Tenant annual	£37.08	£0.56	£37.64
Garage Site Rent – Non - Tenant - annual	£44.52	£0.67	£45.19
Annual Income	£14,176.68		£14,389.33

6.3

When setting the garage rent at Area Committee on 10 March 2021 Members requested that for year 2022/23 the Service report on the rent increase required to bring Nairnshire garage rents up to the Highland average. A 50% increase in garage rents and a 100% increase in garage site rents would be required to bring Nairnshire rents close to the Highland average. The table below provides these details:

Description	Current Rent	Increase	New Rent
Garage Rent – Council Tenant - weekly	£6.15	£3.08	£9.23
Garage Rent non-tenant - weekly	£7.38	£3.69	£11.07
Garage Site Rent – Council Tenant annual	£37.08	£37.08	£74.16
Garage Site Rent – Non - Tenant - annual	£44.52	£44.52	£89.04
Annual Income	£14,176.68		£22,626.48

Actual rent income is 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 2022/23.

Designation: Executive Chief Officer Property and Housing

Date: 4 February 2022

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