

Agenda Item	6
Report No	LA/4/23

HIGHLAND COUNCIL

Committee: Lochaber Area Committee

Date: 24 January 2023

Report Title: Housing Revenue Account: Garage Rents 2023/2024

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 2023/2024.

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. Investment will be needed in budget year 2023/24 to progress the improvement plan as detailed at appendix 1 of 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 at **Appendix 1**.
- 4.3 At Lochaber Area Committee on 7 February 2022 Lochaber Members set the rent levels and applied a 1% increase for 2022/23 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 annual rent
Garages	114	£74,301.12
Garage Sites	112	£13,784.16
Total	226	£88,085.28

- 5.2 In addition to the above number of units there are 23 garages in Clerk Drive, Corpach which have been closed on the housing system. These garages are not available for re-let due to their poor condition and therefore have been removed from the housing system to prevent void rent loss accumulating. The Clerk Drive garages are on the Lochaber Garage Action plan attached to this report.
- 5.3 The current occupancy levels and details of the budgeted void rent loss are provided below.

Type	Occupied	Void
Garages	91	23
Garage Sites	111	1
Total	202	24

- 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 Lochaber Garage Action Plan agreed by Lochaber Members has already addressed a large proportion of the void rent loss as we actioned those garages identified as RED and AMBER through demolition or repair and have allocated the GREEN void garages and garage sites. Garage void rent loss in Lochaber has improved as a result of the action plan.
- 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	19	£11.69	72	£14.03
Garage Sites	20	£2.03	91	£2.44

5.6 The average garage rent Highland-wide is £10.46 per week and the garage site rent £1.65 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 has to be identified through area environmental and planned maintenance budgets.

6 Rent Options

6.1 Tenant consultation on the general rent increase for Council house rents for 2023/24 was based on options for a 3%, 5% or 7% rent increase.

6.2 A 7% rent increase is recommended for garage and garage site rents. This is below the current (November 2022) inflation rate of 10.7%. The additional revenue received through this increase will be ring fenced to fund garage repairs and improvements, and will partly offset increases in the cost of repairs

6.3 The impact on garage rents in Lochaber of an increase of 3%, 5% and 7% is summarised in the tables below.

3% Rent Increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£11.69	£0.35	£12.04
Garage Rent non-tenant	£14.03	£0.42	£14.45
Garage Site Rent – Council Tenant	£2.03	£0.06	£2.09
Garage Site Rent – Non - Tenant	£2.44	£0.07	£2.51
Annual Income	£88,085.28		£90,727.84

5% Rent Increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£11.69	£0.58	£12.27
Garage Rent non-tenant	£14.03	£0.70	£14.73
Garage Site Rent – Council Tenant	£2.03	£0.10	£2.13
Garage Site Rent – Non - Tenant	£2.44	£0.12	£2.56
Annual Income	£88,085.28		£92,489.54

7% Rent Increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£11.69	£0.81	£12.50
Garage Rent non-tenant	£14.03	£0.98	£15.01
Garage Site Rent – Council Tenant	£2.03	£0.14	£2.17
Garage Site Rent – Non - Tenant	£2.44	£0.17	£2.61
Annual Income	£88,085.28		£94,251.25

6.4 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 2023/24.

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 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 Action Plan 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 Garages and Garage Sites Action Plan for Improvement is attached at **Appendix 1** of this report. Good progress has been made to date, fourteen of the previous RED / AMBER actions are now GREEN. There has been good feedback from communities where garages have been removed improving the appearance of estates and parking.
- 8.3 The Garage action plan for Lochaber is a significant piece of working spanning three financial years, the Service will continue to focus on the remaining four RED garages. Where Environmental Improvement budget is required to deal with the remaining RED garages this will be discussed with local Members through their Ward Business meeting.

Designation: Executive Chief Officer Housing and Property

Date: 24 January 2023

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APPENDIX 1

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

RAG Rating	Location	Stock	Occupancy Position	Action	Update on Action Plan Progress (2022) With current RAG Rating
Ward 11 Caol & Mallaig					
RED	Blar Mhor Road Garages 241-246	6 Garage Lock ups	1 occupied 5 voids	Demolition & re-surface area	Garages demolished area resurfaced and parking improved GREEN
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	RED to be dealt with 2023/24
RED	Kilmallie Road Garages 201-206	6 Garage Lock ups	2 occupied 4 voids	Invest in repair and re-let	RED to be dealt with 2023/24
RED	Camesky Road Caol 140-142	3 Garage Lock ups	3 voids	Demolition & re-surface area	Garages demolished area resurfaced to improve parking issues GREEN
RED	Camesky Road Caol 236 -240	5 Garage	2 occupied 3 voids	Invest in repair and re-let	

		Lock ups			
RED	Broom Drive	13 Garage Lock ups	4 occupied 9 voids	Invest in repair and re-let	RED to be dealt with 2023/24
RED	Camaghael Rd 248 - 254	7 Garage Lock ups	1 occupied 6 voids	Demolition & re-surface area	Garages demolished GREEN
RED	Birch Road 255 - 260	6 Garage Lock ups	6 voids	Demolition & re-surface area	Garages demolished area resurfaced to improve parking issues GREEN
RED	Clerk Drive Corpach	25 Garage Lock ups	3 occupied 22 voids	Engineers report to be commissioned with options. Demolition most likely option.	RED to be dealt with 2024/25
RED	Blar Mhor Rd 1 - 13	11 Garage Lock ups	8 occupied 3 voids	Invest in repair and re-let	Repaired and allocated – no voids - GREEN
RED	Blar Mhor Rd 14 - 22	9 Garage Lock ups	6 occupied 3 voids	Invest in repair and re-let	Repaired and allocated – no voids GREEN
RED	Glen Nevis Rd	8 Garage Lock ups	7 occupied 1 void	Block of 3 garages to be demolished remaining 5 garages are occupied.	3 Garages being demolished. Remainder occupied. GREEN

AMBER	Erracht Drive Garage Site 1-5	8 Garage Sites	8 occupied	Housing Management action to improve area	Area improved GREEN
AMBER	Glenkingie Street/Terrace	26 Garage Sites	17 occupied 9 voids	Housing Management action to improve area. Voids to be allocated.	Area improved & Voids allocated GREEN
GREEN	Glen Nevis Road	11 Garage Sites	8 occupied 3 voids	Voids to be allocated	Voids allocated GREEN
GREEN	Glendessary Street Garage Sites	11 Garage Sites	4 occupied 7 voids	Voids to be allocated	Voids allocated GREEN
GREEN	Glenpane Street Garage Sites	5 Garage Sites	3 occupied 2 void	Voids to be allocated	Voids allocated GREEN
GREEN	Glenloy Street Caol, Garage site	7 Garage Sites	7 occupied	No action required	GREEN
GREEN	Corpach Garage (1 and 2 Drumfada	2 Garage Sites	2 occupied	No action required	GREEN
GREEN	Caledonian Road	5 Garage Sites	5 occupied	No action required	GREEN
GREEN	Birch Road Caol	1 Garage Site	1 occupied	No action required	GREEN
GREEN	Annat View	1 Garage Site	1 occupied	No action required	GREEN

GREEN	Camesky Road Caol (55/56/57 and 234-242)	5 Garage Sites	5 occupied	No action required	GREEN
GREEN	Annat View 4 & 6	2 Garage Lock ups	2 occupied	No action required	GREEN
Ward 21 Fort William & Ardnamurchan					
AMBER	Banff Crescent Garages 21 to 40	20 Garage Lock ups	16 occupied 4 voids	Consultation on part demolition and repair of remaining garages	AMBER Currently being repaired
RED	Moray Place 1 to 6	6 Garage Lock ups	6 voids	Demolition and re- surfacing area	Garages demolished area resurfaced to improve parking issues GREEN
RED	Douglas Place 46- 51 & 60-63	10 Garage Lock ups	6 occupied 4 voids	Consultation on part demolition and repair of remaining garages	46-49 allocated. 51-63 Demolished resurfaced to improve parking issues GREEN
RED	Claggan-Carn Dearg Garages 1- 20 & 31-36	26 Garage Lock ups	21 occupied 5 voids	Consultation on demolition or repair of garages.	Garages well used all allocated future roof repairs to be planned GREEN
RED	Grange Road	11 Garage Sites	9 occupied 2 void	Consultation on future use. Housing management action to improve area.	Area improved voids dealt with - GREEN

AMBER	Righ Crescent	2 Garage Sites	2 occupied	Housing management action to improve area.	Area improved - GREEN
GREEN	Wades Road Kinlochleven	26 Garage Sites	25 occupied 1 void	Void to be allocated	Void allocated - GREEN
GREEN	Loch Eildih Road	2 Garage Sites	2 occupied	No action	GREEN
GREEN	Abhainn Cottages Duror	2 Garage Sites	2 occupied	No action	GREEN