

Agenda Item	10
Report No	ERA-07-23

## HIGHLAND COUNCIL

**Committee:** Easter Ross Area Committee

**Date:** 23 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 Easter Ross and invites the Committee to set rent levels for garage 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 Easter Ross Garages.

### 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 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 At Easter Ross Area Committee on 17 February 2022 Members agreed to apply no increase for 2022/23 for Easter Ross 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 in Easter Ross.

Type	Number of Units	Total annual rent
Garages Ward 6	304	£159,479.04
Garages Ward 7	52	£26,392.32
<b>Total</b>	<b>356</b>	<b>£185,871.36</b>

- 5.2 The current occupancy levels and details of the budgeted void rent loss are provided below.

Type	Occupied	Void
Garages Ward 6	180	124
Garages Ward 7	30	22
<b>Total</b>	<b>210</b>	<b>146</b>

- 5.3 This is budgeted as void rent loss within the area HRA Revenue Budget, with current annual budget of £83,979 per year.
- 5.4 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 in Easter Ross.

Type	Council Tenants	Weekly Rent	Non-Tenants	Weekly Rent
Garages Ward 6	127	£9.82	177	£11.78
Garages Ward 7	32	£9.82	20	£11.78

- 5.5 The average garage rent Highland-wide is £10.46 per week.

## 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 Easter Ross 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	£9.82	£0.29	£10.11
Garage Rent non-tenant	£11.78	£0.35	£12.13
<b>Annual Income</b>	<b>£185,871.36</b>		<b>£191,442.56</b>

### 5% Rent Increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£9.82	£0.49	£10.31
Garage Rent non-tenant	£11.78	£0.59	£12.37
<b>Annual Income</b>	<b>£185,871.36</b>		<b>£195,159.89</b>

### 7% Rent Increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£9.82	£0.69	£10.51
Garage Rent non-tenant	£11.78	£0.82	£12.60
<b>Annual Income</b>	<b>£185,871.36</b>		<b>£198,877.22</b>

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.

Designation: Executive Chief Officer Housing and Property

Date: 17 January 2023

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