

Agenda Item	10
Report No	BI/6/23

HIGHLAND COUNCIL

Committee: Black Isle Area Committee

Date: 31 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 Black Isle 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 Black Isle 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 Black Isle Area Committee on 15 February 2022 Members set the rent levels and applied a 1% increase for 2022/23 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 in Black Isle.

Type	Number of Units	Total weekly	Total annual rent
Garages Ward 9	49	£553.40	£26,563.20

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

Type	Occupied	Void
Garages Ward 9	42	7

- 5.3 This is budgeted as void rent loss within the area HRA Revenue Budget, with current annual budget of £1,045.00 per year across Ross & Cromarty
- 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 Black Isle.

Type	Council Tenants	Weekly Rent	Non-Tenants	Weekly Rent
Garages Ward 9	15	£9.92	34	£11.90

- 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 Black Isle 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	£9.92	£0.30	£10.22
Garage Rent non-tenant	£11.90	£0.36	£12.26
Annual Income	£26,563.20		£27,360.10

5% Rent Increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£9.92	£0.50	£10.42
Garage Rent non-tenant	£11.90	£0.60	£12.50
Annual Income	£26,563.20		£27,891.36

7% Rent Increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£9.92	£0.69	£10.61
Garage Rent non-tenant	£11.90	£0.83	£12.73
Annual Income	£26,563.20		£28,422.62

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: 23 January 2023

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