

Agenda Item	5
Report No	CIA/3/23

HIGHLAND COUNCIL

Committee: City of Inverness Area Committee

Date: 13 February 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 Inverness 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 Inverness 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 At City of Inverness Area Committee on 17 February 2022 Members set the rent levels and applied a 1.5% increase for 2022/23 for Inverness 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 across all Inverness Wards based on full occupancy:-

Type	Number of Units	Total weekly	Total annual nett rent
Garages Ward 12	12	£74.88	£ 3,594.24
Garages Ward 13	57	£355.68	£17,072.64
Garages Ward 14	73	£455.52	£21,864.96
Garages Ward 15	124	£773.76	£37,140.48
Garages Ward 16	71	£443.04	£21,265.92
Garages Ward 17	1	£6.24	£299.52
Garages Ward 19	5	£31.20	£1,497.60
Garage Sites Ward 12	13	£13.39	£696.28
Garage Sites Ward 13	16	£16.48	£856.96
Garage Sites Ward 14	79	£81.37	£4,231.24
Garage Sites Ward 16	24	£24.72	£1,285.44
Garage Sites Ward 17	25	£25.75	£1,339.00
Total	500	£2,302.03	£111,144.28

- 5.2 Occupancy levels for garage and garage sites vary. The Inverness Housing Team has a specific focus on reviewing best use and improving occupancy rates across all Inverness Wards.
- 5.3 The current occupancy levels and details of the budgeted void rent loss are provided below.

Type	Occupied	Void
Garages Ward 12	11	1
Garages Ward 13	56	1
Garages Ward 14	67	6
Garages Ward 15	94	30
Garages Ward 16	68	3
Garages Ward 17	1	0
Garages Ward 19	4	1
Garage Sites Ward 12	11	2
Garage Sites Ward 13	10	6
Garage Sites Ward 14	52	27
Garage Sites Ward 16	24	0
Garage Sites Ward 17	20	5
Total	418	82

- 5.4 This is budgeted as void rent loss within the area HRA Revenue Budget, with current annual budget of £7,929.00 although spend this year is likely to be in excess of budget.
- 5.5 It is acknowledged that there are too many empty garages and sites and we are planning to reduce this following a full review, which will include assessment of condition, viability of repair, potential other uses and demolition.
- 5.6 Actual rents paid vary between Council tenants and non-council tenants, as VAT is charged for people renting a garage who are not Council house tenants. The table below shows the current rents for tenants and non-tenants for garages and garage sites in Inverness.

Type	Council Tenants	Weekly Rent	Non-Tenants	Weekly Rent
Garages	112	£6.24	231	£7.49 (£6.24+VAT)
Garage Sites	33	£1.03	125	£1.24 (£1.03 +VAT)

The average garage rent Highland-wide is £10.46 per week and the garage site rent £1.65 per week. In order to reach the Highland average rent would need to increase by 67% for garages and 61% for garage sites.

- 5.7 The repairs budget for garages in Inverness is £10,600 for day to day repairs. This only relates to repairs to garages themselves. As previously reported additional expenditure relating to garage repairs would have to be identified through area environmental/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% or 5% or 7% rent increase. A 4% general increase was agreed by Members at Housing and Property Committee on 26 January 2023. Due to the low rents in Inverness we have also included 10% for consideration.
- 6.2 The impact on garage and garage site rents in Inverness with these increases is summarised in the tables below.

3% rent increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£6.24	£0.19	£6.43
Garage Rent non-tenant	£6.24 + VAT	£0.19	£6.43 +VAT
Garage Site Rent – Council Tenant	£1.03	£0.03	£1.06
Garage Site Rent – Non - Tenant	£1.03 + VAT	£0.03	£1.06 + VAT
Annual Income	£111,144.28		£114,478.61

4% rent increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£6.24	£0.25	£6.49
Garage Rent non-tenant	£6.24 + VAT	£0.25	£6.49 +VAT
Garage Site Rent – Council Tenant	£1.03	£0.04	£1.07
Garage Site Rent – Non - Tenant	£1.03 + VAT	£0.04	£1.07 + VAT
Annual Income	£111,144.28		£115,590.05

5% rent increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£6.24	£0.31	£6.55
Garage Rent non-tenant	£6.24 + VAT	£0.31	£6.55 + VAT
Garage Site Rent – Council Tenant	£1.03	£0.06	£1.09
Garage Site Rent – Non - Tenant	£1.03 + VAT	£0.06	£1.09 + VAT
Annual Income	£111,144.28		£116,701.50

7% rent increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£6.24	£0.44	£6.68
Garage Rent non-tenant	£6.24 + VAT	£0.44	£6.68 + VAT
Garage Site Rent – Council Tenant	£1.03	£0.07	£1.10
Garage Site Rent – Non - Tenant	£1.03 + VAT	£0.07	£1.10 + VAT
Annual Income	111,144.28		£118,924.38

10% rent increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£6.24	£0.62	£6.86
Garage Rent non-tenant	£6.24 + VAT	£0.62	£6.86 +VAT
Garage Site Rent – Council Tenant	£1.03	£0.10	£1.13
Garage Site Rent – Non - Tenant	£1.03 + VAT	£0.10	£1.13 + VAT
Annual Income	£111,144.28		£122,258.71

6.3 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.

Members are asked to agree a level of rent increase to apply to Inverness Garages and Garage Sites for 2023/24.

Designation: Executive Chief Officer Housing and Property

Date: 13 February 2023

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