

Agenda Item	7
Report No	NC/04/24

HIGHLAND COUNCIL

Committee: Nairnshire Area Committee

Date: 22 January 2024

Report Title: Housing Revenue Account: Garage Rents 2024/2025

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 2024/25.

2. Recommendations

- 2.1 The Committee is invited to agree a level of rent increase to apply to Nairnshire Garages and Garage Sites for 2024/25.

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 23 January 2023 Nairnshire Members set the rent levels for 2023/24 for Nairnshire garages, increasing rents by 7% 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	£261.96	£12,574.08
Garage Sites	63	£62.10	£ 2,980.80
Total	97	£324.06	£15,554.88

- 5.2 Occupancy levels for garages and garage sites are high in Nairnshire. At the time of writing this report all garage lockups were occupied and only 1 garage site was vacant.
- 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	8	£6.68	26	£8.02
Garage Sites annual rent	9	£40.32	54	£48.36

- 5.4 The average garage lock-up rent Highland-wide is £9.94 per week and the garage site rent £1.77 per week. Rent levels in Nairnshire are below the Highland average. A 49% rent increase would bring the rent level for garage lock ups in Nairn to the Highland average and 128% rent increase garage sites to the Highland average.
- 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 2024/25 was based on options for a 6.5%, 7.3% and 7.95% rent increase. The rent increase for Council houses will be considered at Housing and Property Committee on 31 January 2024.
- 6.2 The impact on garage rents in Nairnshire of an increase of 6.5%, 7.3%, 7.95%, 10% and 20% is summarised in the tables below.

6.5% Rent Increase

Description	Current Rent	Increase	New Rent
Garage Rent – Council Tenant - weekly	£6.68	£0.43	£7.11
Garage Rent non-tenant - weekly	£8.02	£0.52	£8.54
Garage Site Rent – Council Tenant annual	£40.32	£2.62	£42.94
Garage Site Rent – Non - Tenant - annual	£48.36	£3.14	£51.50
Annual Income	£15,554		£16,565

7.3% Rent Increase

Description	Current Rent	Increase	New Rent
Garage Rent – Council Tenant - weekly	£6.68	£0.49	£7.17
Garage Rent non-tenant - weekly	£8.02	£0.59	£8.61
Garage Site Rent – Council Tenant annual	£40.32	£2.94	£43.26
Garage Site Rent – Non - Tenant - annual	£48.36	£3.53	£51.90
Annual Income	£15,554		£16,689

7.95% Rent Increase

Description	Current Rent	Increase	New Rent
Garage Rent – Council Tenant - weekly	£6.68	£0.53	£7.21
Garage Rent non-tenant - weekly	£8.02	£0.64	£8.66
Garage Site Rent – Council Tenant annual	£40.32	£3.21	£43.53
Garage Site Rent – Non - Tenant - annual	£48.36	£3.84	£52.20
Annual Income	£15,554		£16,791

10% Rent Increase

Description	Current Rent	Increase	New Rent
Garage Rent – Council Tenant - weekly	£6.68	£0.67	£7.35
Garage Rent non-tenant - weekly	£8.02	£0.80	£8.82
Garage Site Rent – Council Tenant annual	£40.32	£4.03	£44.35
Garage Site Rent – Non - Tenant - annual	£48.36	£4.83	£53.19
Annual Income	£15,554		£17,109

20% Rent Increase

Description	Current Rent	Increase	New Rent
Garage Rent – Council Tenant - weekly	£6.68	£1.33	£8.01
Garage Rent non-tenant - weekly	£8.02	£1.60	£9.62
Garage Site Rent – Council Tenant annual	£40.32	£8.06	£48.38
Garage Site Rent – Non - Tenant - annual	£48.36	£9.67	£58.03
Annual Income	£15,554		£18,664

6.3 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.

7 Garages –Housing Development Potential and Storage Costs

7.1 Nairnshire Members requested the Service to carry out a feasibility to identify if any areas where there is housing owned garage lock-up and garage sites in Nairnshire could have any future housing development potential. This work was carried out during 2023. Members received a briefing at their Ward Business meeting on 6 December 2023 that only one site has any potential and that further work will be carried out by the Housing Development Team in relation to this site and reported back to Members at a future Ward Business meeting in 2024.

7.2 For noting. It is recognised that garages are mainly used for storage purposes. Members had asked the Service to identify what the costs were for storage in the private sector so they could consider this when setting the rent levels for 2024/25. Four local storage companies were identified who rent containers of a similar size to a garage. These storage companies charge £145, £120, £95 and £90 per month.

Designation: Executive Chief Officer Property and Housing

Date: 19 December 2023

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