

Agenda Item	7
Report No	CIA/04/24

HIGHLAND COUNCIL

Committee: Inverness City Committee

Date: 05 February 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 Inverness and invites the Committee to set rent levels for garage and garage sites held on the Housing Revenue Account for 2024/2025.

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 Committee on 13th February 2023 Members set the rent levels for garages and garage sites, applying an increase of 10% for 2023/24 for Inverness garages and garage sites held on the Housing Revenue Account.
- 4.3 Members are advised that a review of garages and garage sites across the Inverness area is underway and being carried out by colleagues within our Building Maintenance Team. Members will be provided with specific updates on the garage and garage site estate at future ward business meetings.

5 Current income relating to garages and garage sites

- 5.1 The table below details the current position with garages in Inverness.

Table 1: Garage/Garage site unit number and annual net rent

Type	Number of Units	Total Net Weekly Rent	Total Annual Net Rent
Garages Ward 12	12	£82.32	£3,951.36
Garages Ward 13	57	£391.02	£18,768.96
Garages Ward 14	73	£500.78	£24,037.44
Garages Ward 15	124	£850.64	£40,830.72
Garages Ward 16	71	£487.06	£23,378.88
Garages Ward 17	1	£6.86	£329.28
Garages Ward 19	5	£34.30	£1,646.40
Garage Sites Ward 12	13	£14.82	£711.36
Garage Sites Ward 13	16	£18.24	£875.52
Garage Sites Ward 14	79	£90.06	£4,322.88
Garages Sites Ward 16	24	£27.36	£1,313.28
Garage Sites Ward 17	25	£28.50	£1,368.00
Total	500	£2,531.96	£121,534.08

- 5.2 The current occupancy levels of garages and garage sites are provided in the table below.

Table 2: Garage and garage site occupancy rates

Type	Occupied	Void
Garages Ward 12	12	0
Garages Ward 13	55	2
Garages Ward 14	69	4
Garages Ward 15	92	32
Garages Ward 16	69	2
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	22	2
Garage sites Ward 17	20	5
Total	417	83

- 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 Inverness.

Table 3: Actual garage and garage site rent values

Type	Council Tenants	Weekly Rent	Non-Tenants	Weekly Rent
Garage	110	£6.86	233	£8.23 (£6.86+VAT)
Garage Sites	32	£1.14	125	£1.37 (£1.14+VAT)

- 5.4 The average garage rent Highland-wide is £9.94 per week and the garage site rent £1.77 per week.
- 5.5 The repairs budget for garages in Inverness this financial year is £10,600 for day to day repairs. This only relates to repairs to garages themselves. Additional required 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 2024/25 was based on options for 6.5%, 7.3% and 7.95% rent increase. The rent increase for Council houses is being considered at Housing and Property Committee on 31 January 2024. Due to the low garage and garage sites rents in comparison to Highland averages, a 10% option is also included below for consideration.

6.2

The impact on garage rents in Inverness of an increase of 6.5%, 7.3%, 7.95% and 10% is summarised in the tables below.

6.5% Rent Increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£6.86	£0.45	£7.31
Garage Rent non-tenant (inc VAT)	£8.23	£0.53	£8.76
Garage Site Rent – Council Tenant	£1.14	£0.07	£1.21
Garage Site Rent non-Tenant (inc VAT)	£1.37	£0.09	£1.46
Annual Net Income	£121,534.08		£129,433.80

7.3% Rent Increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£6.86	£0.50	£7.36
Garage Rent non-tenant (inc VAT)	£8.23	£0.60	£8.83
Garage Site Rent – Council Tenant	£1.14	£0.08	£1.22
Garage Site Rent non-Tenant (inv VAT)	£1.37	£0.10	£1.47
Annual Net Income	£121,534.08		£130,406.07

7.95% Rent Increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£6.86	£0.55	£7.41
Garage Rent non-tenant (inc VAT)	£8.23	£0.65	£8.88
Garage Site Rent – Council Tenant	£1.14	£0.09	£1.23
Garage Site Rent non-Tenant (inc VAT)	£1.37	£0.11	£1.48
Annual Income	£121,534.08		£131,196.04

10% Rent Increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£6.86	£0.69	£7.55
Garage Rent non-tenant	£8.23	£0.82	£9.05
Garage Site Rent – Council Tenant	£1.14	£0.11	£1.25
Garage Site Rent non-Tenant	£1.37	£0.13	£1.50
Annual Income	£121,534.08		£133,687.49

Designation: Executive Chief Officer Property and Housing

Date: 19 January 2024

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