

Agenda Item	5
Report No	BIER/3/25

The Highland Council

Committee: Black Isle and Easter Ross Area

Date: 27 January 2024

Report Title: Housing Revenue Account: Garage Rents 2025/2026

Report By: Assistant Chief Executive - Place

1. Purpose/Executive Summary

1.1 This report provides information on garage rents for Black Isle and Easter Ross and invites the Committee to set rent levels for garages held on the Housing Revenue Account for 2025/2026.

2. Recommendations

2.1 Members are asked to:

- i. **SCRUTINISE and AGREE** the level of rent increase to apply to Black isle and Easter Ross Garages.

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 **Risk** - There are no risk implications arising from this report.

3.4 **Health and Safety (risks arising from changes to plant, equipment, process, or people)** – There are no health and safety implications arising from this report.

3.5 **Gaelic** - There are no Gaelic implications arising from this report.

4. Impacts

4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 **Integrated Impact Assessment - Summary**

4.3.1 An Integrated Impact Assessment screening has been undertaken on the proposed HRA budget for 2025/26 and the conclusions have been subject to the relevant Manager Review and Approval. This has been informed by the feedback received by tenants through the rent consultation process.

4.3.2 Although the Assessment is primarily focused on mainstream Council house rents, much of the detail applies to garage rents and the affordability issues around the recommended increase.

4.3.3 The Screening process has concluded that there are generally positive impacts generated by the outcomes of the rent-setting process. The proposed budget for 2025/26 will ensure that there is investment in the HRA to ensure effective delivery of housing management and maintenance services to tenants (and to future tenant through the Highland Housing Register).

Members are asked to consider the summary detailed below, to support the decision-making process.

4.3.4 Impact Assessment Area	Conclusion of Screening/Full Assessment
Equality	<ul style="list-style-type: none"> • Children and Young People – Positive • Children affected by disability – Positive • Older adults – Positive
Socio-economic	<p>Minimal – while tenants have expressed their concern about affordability issues, Highland Council rents remain well below the national average for social landlords and significantly below private rented sector rents.</p> <p>Established processes are in place to support tenants through income maximisation, benefit awards, and through the Rent Arrears Management Policy.</p>
Human Rights	Positive – the proposed 2025/26 HRA budget will enable housing to be provided, maintained and managed to support tenants and applicants who require housing services (both legislative and non-legislative).
Children’s Rights and Well-being	Positive – the proposed 2025/26 HRA budget will enable housing services to be continued to

	households, including children with vulnerabilities and complex needs.
Island and Mainland Rural	No Impact
Climate Change	Positive – the additional revenue generated from the recommended rent increase will assist with capital investment in energy efficiency works in housing stock.
Data Rights	No Impact

5. Background

- 5.1 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.

6. Current Income Relating to Garages

- 6.1 The table below details the current position with garages in Caithness including total annual rent due.

Type	Number of Units	Total weekly	Total annual rent
Garages Ward 6	261	£3,202.85	£153,736.80
Garages Ward 7	42	£504.00	£24,192.00
Garages Ward 9	46	£605.25	£29,052.00
Total	349	£4,312.10	£206,980.80

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

Type	Occupied	Void
Garages Ward 6	174	87
Garages Ward 7	29	13
Garages Ward 9	41	5
Total	244	105

The total annual rent payable for occupied garages and garage sites is £145,512.96

- 6.3 Actual rents paid vary between Council tenants and non-council tenants, as 20% 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.

Type	Council Tenants	Weekly Rent	Non-Tenants	Weekly Rent
Garages Ward 6	61	£10.91	113	£13.09
Garages Ward 7	14	£10.91	15	£13.09
Garages Ward 9	7	£11.25	34	£13.50

6.4 The average garage rent Highland-wide is £10.93 per week and the garage site rent £1.95 per week.

7. Rent Options

7.1 Tenant consultation on the general rent increase for Council house rents for 2025/2026 was based on options for 8%, 9% or 10% rent increase. The largest proportion of council house tenants have supported the 8% increase option. The Housing and Property Committee meeting on 29 January 2025 will consider and decide upon the council house rent increase.

7.2 The impact on garage rents in Caithness of an increase of 8%, 9% and 10% is summarised in the tables below.

8% Rent Increase

Type	Council House Tenants (ex VAT)			Non-Tenants (incl VAT)		
	Rent	Increase	New Rent	Rent	Increase	New Rent
Garages Ward 6	£10.91	£0.87	£11.78	£13.09	£1.05	£14.14
Garages Ward 7	£10.91	£0.87	£11.78	£13.09	£1.05	£14.14
Garages Ward 9	£11.25	£0.90	£12.15	£13.50	£1.08	£14.58

An 8% increase will bring a total £157,154.00 annually based on current occupancy, an increase of £11,641.04

9% Rent Increase

Type	Council House Tenants (ex VAT)			Non-Tenants (incl VAT)		
	Rent	Increase	New Rent	Rent	Increase	New Rent
Garages Ward 6	£10.91	£0.98	£11.89	£13.09	£1.18	£14.27
Garages Ward 7	£10.91	£0.98	£11.89	£13.09	£1.18	£14.27
Garages Ward 9	£11.25	£1.01	£12.26	£13.50	£1.22	£14.72

A 9% increase will bring a total £158,609.13 annually based on current occupancy, an increase of £13,096.17

10% Rent Increase VAT exempt (Council Tenants)

Type	Council House Tenants (ex VAT)			Non-Tenants (incl VAT)		
	Rent	Increase	New Rent	Rent	Increase	New Rent
Garages Ward 6	£10.91	£1.09	£12.00	£13.09	£1.31	£14.40
Garages Ward 7	£10.91	£1.09	£12.00	£13.09	£1.31	£14.40
Garages Ward 9	£11.25	£1.13	£12.38	£13.50	£1.35	£14.85

A 10% increase will bring a total £160,064.26 annually based on current occupancy, an increase of £14,551.30

- 7.3 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 2025/26.

Designation: Assistant Chief Executive - Place

Date: 20 January 2025

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