

Agenda Item	6
Report No	LA/4/21

HIGHLAND COUNCIL

Committee: Lochaber Area Committee

Date: 18 January 2021

Report Title: Housing Revenue Account: Garage Rents 2021/2022

Report By: Executive Chief Officer Housing and Property

1 Purpose/Executive Summary

- 1.1 This report provides information on garage rents for Lochaber and invites the Committee to set rent levels for garage and garage sites held on the Housing Revenue Account for 2021/2022.

2 Recommendations

- 2.1 The Committee is invited to agree a level of rent increase to apply to Lochaber 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 A report was submitted to Lochaber Area Committee on 29 August 2019 which provided Members with information on garages and garage sites in Lochaber. The proposals agreed at Lochaber Area Committee provides the strategic framework to deal with garages and garage sites in Lochaber over the next few years.
- 4.3 At Lochaber Area Committee on 19 February 2020 Lochaber Members set the rent levels and applied a 3% increase for 2020/21 for Lochaber 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 in Lochaber.

Type	Number of Units	Total weekly	Total annual rent
Garages	172	£2,204	£105,826
Garage Sites	132	£297	£15,477
Total	304	£2,501	£121,303

- 5.2 Occupancy levels for garage and garage sites vary, but as previously reported to Members high levels of empty garages and garage sites are a feature across both Wards and indeed Highland as a whole.
- 5.3 The current occupancy levels and details of the budgeted void rent loss are provided below.

Type	Occupied	Void
Garages	86	86
Garage Sites	100	32
Total	186	118

- 5.4 This is budgeted as void rent loss within the area HRA Revenue Budget, with current annual budget of £50,089 per year.
- 5.5 Actual rents paid vary between Council tenants and non-council tenants, as VAT is charged for people renting a garage who are no Council house tenants. The table below shows the current rents for tenants and non-tenants for garages and garage sites in Lochaber.

Type	Council Tenants	Weekly Rent	Non-Tenants	Weekly Rent
Garages	18	£11.34	68	£13.61
Garage Sites	19	£1.97	81	£2.37

- 5.6 The average garage rent Highland-wide is £10.23 per week and the garage site rent £1.60 per week.
- 5.7 The repairs budget for garages in Lochaber is £6,695 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 Consultation on the general rent increase was based on options for a 1% or 2% rent increase. A 2% general rent increase is being recommended to the Housing and Property Committee on 27 January 2021.
- 6.2 The impact on garage site rents in Lochaber of this level of increase is summarised in **Appendix 1**. A 2% rent increase in line with the agreed Council house rent increase would be as follows:

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£11.34	£0.22	£11.56
Garage Rent non-tenant	£13.61	£0.27	£13.88
Garage Site Rent – Council Tenant	£1.97	£0.03	£2.00
Garage Site Rent – Non - Tenant	£2.37	£0.04	£2.41
Annual Income	£121,303		£123,643

- 6.3 Actual rent income would be reduced by rent loss on empty garages, which is currently budgeted at £50,089. 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 in 2021/22.

7 Progress on the Strategic Framework for Dealing with Garages

- 7.1 Members will recall that a survey was carried out of all garages and garage sites across Lochaber. This provided information on ownership status, condition and indicative costs for repair/demolition. The garage and garage sites were given a RAG rating, those in poorest condition being RED, those requiring some repairs being AMBER and those in satisfactory condition being GREEN. At Lochaber Area Committee on 29 August 2019 Members agreed the strategic framework to deal with garages and garage sites in Lochaber over the next few years.
- 7.2 This is a significant task and will take time to complete however work has commenced to deliver on this strategy. Progress is detailed below:
- 7.3 RED garages in Kennedy Road have been demolished and replaced with improved car parking.
- 7.4 The Highland Council Housing Development team and local Housing Management team reviewed the survey condition report with a view to identifying sites which may have a modest newbuild capacity/potential. Consideration was given to:-

- Access to the site
- Size of the site
- Land availability adjacent to the site
- Current use and broader parking issues
- Condition
- Ownership of the garage structures

7.5 This exercise has now identified:-

- Which sites which should be appraised for development opportunity.
- Which sites could become part of a programme for demolition and parking improvement.
- Which garages should be repaired.
- Which garages should be retained.

7.6 These findings will now be taken to a Ward Business meeting for further discussion with Members.

Designation: Executive Chief Officer Housing and Property

Date: 22 December 2020

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Garage / Garage site options – Lochaber

Description	Weekly Rent	1% increase	Weekly Rent (1%)	2% increase	Weekly Rent (2%)	3% increase	Weekly Rent (3%)
Garage Rent - Council Tenant	£11.34	£0.11	£11.45	£0.22	£11.56	£0.34	£11.68
Garage Rent - non- HC tenant	£13.61	£0.13	£13.74	£0.27	£13.88	£0.40	£14.01
Garage Site Rent - Council Tenant	£1.97	£0.01	£1.98	£0.03	£2.00	£0.05	£2.02
Garage Site Rent - non- Council Tenant	£2.37	£0.02	£2.39	£0.04	£2,41	£0.07	£2.44
Annual Income	£121,303		£122,437		£123,643		£124,874