

Agenda Item	5.
Report No	CC/08/21

HIGHLAND COUNCIL

Committee: Caithness Committee

Date: 19 February 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 Caithness 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 Caithness 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 Caithness Area Committee on 19 February 2020 Members set the rent levels and applied a 3% increase for 2020/21 for Caithness 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 Caithness.

Type	Number of Units	Total weekly	Total annual rent
Garages	392	£4,614	£221,503
Garage Sites	469	£829	£43,089
Total	861	£5,443	£264,592

- 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	174	218
Garage Sites	325	144
Total	499	362

- 5.4 This is budgeted as void rent loss within the area HRA Revenue Budget, with current annual budget of £134,975 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 Caithness.

Type	Council Tenants	Weekly Rent	Non-Tenants	Weekly Rent
Garages	52	£10.48	122	£12.39
Garage Sites	48	£1.56	277	£1.87

- 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 Caithness is £21,400 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 was approved by the Housing and Property Committee on 27 January 2021.
- 6.2 The impact on garage site rents in Caithness 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	£10.48	£0.21	£10.69
Garage Rent non-tenant	£12.39	£0.25	£12.64
Garage Site Rent – Council Tenant	£1.56	£0.03	£1.59
Garage Site Rent – Non - Tenant	£1.87	£0.04	£1.91
Annual Income	£264,592		£269,884

- 6.3 Actual rent income would be reduced by rent loss on empty garages, which is currently budgeted at £134,975. 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 Caithness. 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.
- 7.2 Discussions were postponed because of the pandemic however options are again being considered.
- 7.3 These options will now be taken to a Ward Business meeting for further discussion with Members.

Designation: Executive Chief Officer Housing and Property

Date: 26 January 2021

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Garage / Garage site options – Caithness

Description	Weekly Rent	1% increase	Weekly Rent (1%)	2% increase	Weekly Rent (2%)	3% increase	Weekly Rent (3%)
Garage Rent - Council Tenant	£10.48	£0.10	£10.58	£0.21	£10.69	£0.31	£10.79
Garage Rent - non- HC tenant	£12.39	£0.12	£12.51	£0.27	£12.64	£0.37	£12.76
Garage Site Rent - Council Tenant	£1.56	£0.01	£1.57	£0.03	£1.59	£0.05	£1.61
Garage Site Rent - non- Council Tenant	£1.87	£0.02	£1.89	£0.04	£1.91	£0.06	£1.93
Annual Income	£264,592		£267,238		£269,884		£272,530