

Agenda Item	7
Report No	SR/4/23

## HIGHLAND COUNCIL

**Committee:** Skye & Raasay Area Committee

**Date:** 30 January 2023

**Report Title:** Housing Revenue Account: Garage Rents 2023/2024

**Report By:** Executive Chief Officer Housing and Property

### **1 Purpose/Executive Summary**

- 1.1 This report provides information on garage rents for Skye & Raasay and invites the Committee to set rent levels for garage held on the Housing Revenue Account for 2023/2024.

### **2 Recommendations**

- 2.1 The Committee is invited to agree a level of rent increase to apply to Skye & Raasay Garages.

### **3 Implications**

- 3.1 Resource – Resource implications are detailed in the report. Investment will be needed in budget year 2023/24 to progress the improvement plan as detailed at appendix 1 of 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 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 Skye & Raasay Area Committee on 21 February 2022 Members set the rent levels and applied a 1% increase for 2022/23 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 in Skye & Raasay.

Type	Number of Units	Total weekly	Total annual rent
Garages Ward 10	5	£35.93	£1724.64

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

Type	Occupied	Void
Garages Ward 10	5	0

- 5.3 This is budgeted as void rent loss within the area HRA Revenue Budget, with current annual budget of £1,045.00 per year.
- 5.4 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 in Skye & Raasay.

Type	Council Tenants	Weekly Rent	Non-Tenants	Weekly Rent
Garages Ward 10	3	£6.57	2	£8.11

- 5.5 The average garage rent Highland-wide is £10.46 per week.

## 6 Rent Options

- 6.1 Tenant consultation on the general rent increase for Council house rents for 2023/24 was based on options for a 3%, 5% or 7% rent increase.
- 6.2 A 7% rent increase is recommended for garage and garage site rents. This is below the current (November 2022) inflation rate of 10.7%. The additional revenue received through this increase will be ring fenced to fund garage repairs and improvements, and will partly offset increases in the cost of repairs.
- 6.3 The impact on garage rents in Skye & Raasay of an increase of 3%, 5% and 7% is summarised in the tables below.

### 3% Rent Increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£6.57	£0.20	£6.77
Garage Rent non-tenant	£8.11	£0.24	£8.35
<b>Annual Income</b>	<b>£1,724.64</b>		<b>£1,776.38</b>

### 5% Rent Increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£6.57	£0.33	£6.90
Garage Rent non-tenant	£8.11	£0.41	£8.52
<b>Annual Income</b>	<b>£1,724.64</b>		<b>£1,810.87</b>

### 7% Rent Increase

Description	Weekly Rent	Weekly Increase	New Weekly Rent
Garage Rent – Council Tenant	£6.57	£0.46	£7.03
Garage Rent non-tenant	£8.11	£0.57	£8.68
<b>Annual Income</b>	<b>£1,724.64</b>		<b>£1,845.36</b>

- 6.4 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 2023/24.

Designation: Executive Chief Officer Housing and Property

Date: 30 January 2023

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