

<b>Agenda Item</b>	<b>6</b>
<b>Report No</b>	<b>WRSL/04/25</b>

## **HIGHLAND COUNCIL**

**Committee:** **Wester Ross, Strathpeffer and Lochalsh Area Committee**

**Date:** **20 January 2024**

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

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

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

- 1.1 This report provides information on garage rents for Wester Ross, Strathpeffer and Lochalsh and invites the Committee to set rent levels for garage and garage sites held on the Housing Revenue Account for 2025/2026.

### **2 Recommendations**

- 2.1 The Committee is invited to agree a level of rent increase to apply to Wester Ross Strathpeffer and Lochalsh 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.

## 5 Current income relating to garages

- 5.1 The table below details the current position with garages in Wester Ross, Strathpeffer and Lochalsh including total annual rent due.

Type	Number of Units	Total weekly	Total annual rent
Garages Ward 5	23	£278.65	£13,375.20
Garage Sites Ward 5	10	£18.61	£967.68
<b>Total</b>	<b>33</b>	<b>£297.26</b>	<b>£14,343.88</b>

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

Type	Occupied	Void
Garages Ward 5	19	4
Garage Sites Ward 5	10	0
<b>Total</b>	<b>29</b>	<b>4</b>

The total annual rent payable for occupied garages and garage sites is £11,814.72

- 5.3 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 in Sutherland.

Type	Council Tenants	Weekly Rent	Non-Tenants	Weekly Rent
Garages Ward 5	5	£10.72	14	£12.31
Garage Sites Ward 5	1	£3.71*	9	£1.66

\*This represents a larger consolidated site in Wester Ross resulting in a higher than average rent charge

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

## 6 Rent Options

- 6.1 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.
- 6.2 The impact on garage rents in Wester Ross, Strathpeffer and Lochalsh of an increase of 8%, 9% and 10% is summarised in the tables below.

### 8% Rent Increase VAT exempt (Council Tenants)

Type	Weekly Rent	Weekly Increase	New Weekly Rent
Garages Ward 5	£10.72	£0.86	£11.58
Garage Sites Ward 5	£3.71	£0.29	£4.00

**8% Increase VAT payable (Non-council Tenants)**

Type	Weekly Rent	Weekly Increase	New Weekly Rent
Garages Ward 5	£12.31	£0.99	£13.30
Garage Sites Ward 5	NA	NA	NA

An 8% increase will bring a total £12,759.90 annually based on current occupancy, .an increase of £945.18.

**9% Rent Increase VAT exempt (Council Tenants)**

Type	Weekly Rent	Weekly Increase	New Weekly Rent
Garages Ward 5	£10.72	£0.96	£11.68
Garage Sites Ward 5	£3.71	£0.33	£4.04

**9% Increase VAT payable (Non-council Tenants)**

Type	Weekly Rent	Weekly Increase	New Weekly Rent
Garages Ward 5	£12.31	£1.09	£13.42
Garage Sites Ward 5	NA	NA	NA

A 9% increase will bring a total £12,878.04 annually based on current occupancy, an increase of £1,063.32.

**10% Rent Increase VAT exempt (Council Tenants)**

Type	Weekly Rent	Weekly Increase	New Weekly Rent
Garages Ward 5	£10.72	£1.07	£11.79
Garage Sites Ward 5	£3.71	£0.37	£4.08

**10% Increase VAT payable (Non-council Tenants)**

Type	Weekly Rent	Weekly Increase	New Weekly Rent
Garages Ward 5	£12.31	£1.23	£13.54
Garage Sites Ward 5	NA	NA	NA

A 10% increase will bring a total £12,996.19 annually based on current occupancy, an increase of £1,181.47.

- 6.3 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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