

# **HIGH PEAK BOROUGH COUNCIL**

## **Individual Executive Decision**

**6 December 2024**

<b>TITLE:</b>	<b>Garage Plot Rental Increase</b>
<b>PORTFOLIO HOLDER:</b>	<b>Councillor Alan Barrow – Executive Councillor for Finance and Corporate Services</b>
<b>CONTACT OFFICER:</b>	<b>Nichola Mycock – Land and Commercial Officer (Assets)</b>
<b>WARDS INVOLVED:</b>	<b>Cross-Borough</b>

### **1. Reason for the Report**

The purpose of this report is to outline the current circumstances and charging regime for garage plots and recommend the implementation of a rent increase on Council-owned garage plots and a change to the garage licence to include an annual upwards only RPI-linked (Retail Price Index) increase.

### **2. Recommendation**

- 2.1 That the portfolio holder considers the content of the report and approves the changes to the charging regime, being:
  - 2.2 Implement an initial rent increase from £90p.a. (plus VAT, apart from Council tenants who do not pay VAT) to £200p.a. (plus VAT, apart from Council tenants who do not pay VAT) from 1 January 2025.
  - 2.3 Implement an increase of the annual rent for garage plots on Elnor Lane, Whaley Bridge, SK23 7HA garage plots to bring them in line with the Council's other garage plots.
  - 2.4 Amend the garage licence so that there is an annual upwards only increase in the licence fee in line with the RPI every two years that takes place on 1 April each year.

### **3. Executive Summary**

- 3.1 High Peak Borough Council provides licences for plots of land at garage sites it owns. Tenants can install their own approved garage structure or continue to use the installed concrete pad to park a motor vehicle on.

- 3.2 There are 31 garage sites across the High Peak with some having a single plot and others having up to 32 plots on them.
- 3.3 The Council is responsible for the maintenance of the wider garage site whilst tenants are responsible for their plot and any structure that has been installed on it.
- 3.4 The majority of garage plots have an annual licence fee of £90p.a. (plus VAT, apart from Council tenants who do not pay VAT).
- 3.5 Garage plots at Elnor Lane, Whaley Bridge, SK23 7HA have an annual licence fee of £50p.a. (plus VAT, apart from Council tenants who do not pay VAT). It is not known why Elnor Lane is cheaper than other sites.
- 3.6 There is not a mechanism in place to automatically increase the licence fee and the last time it was increased was in 2006.

#### 4. **How this report links to Corporate Priorities**

- 4.1 The proposals contribute to the Borough Plan 2023-27 aim of a responsive, smart, financially resilient and forward thinking Council.

#### 5. **Options and Analysis**

- 5.1 With effect from 1 January 2025, implement an increase in the garage plot licence fee; from £90p.a. to £200p.a. (+122%). (**recommended**)
- 5.2 With effect from 1 January 2025, implement a change to the garage plot licence so that there is an annual upwards only increase in the licence fee in line with the RPI that occurs on 1 April each year. (**recommended**)
- 5.3 Make no change to the licence fee for garage plots. (**not recommended**)

#### 6. **Implications**

- 6.1 Community Safety - (Crime and Disorder Act 1998)  
There are no specific implications to this report.
- 6.2 Workforce  
There are no specific implications to this report.
- 6.3 Equality and Diversity/Equality Impact Assessment  
Underpayment of fair rates for licenses of garage plots means the maintenance, upkeep, management, and all other costs of their provision are being subsidised by non-users.

6.4 Financial Considerations

The proposed changes will have a positive effect on receipts for the Council and contribute to the Council's efficiency programme: fees and charges.

6.5 Legal

Additional income will allow for closer scrutiny of the application of the leases to ensure all requirements are being met.

6.6 Sustainability

There are no specific implications to this report as there are no changes proposed to the use of the garage plots in the short term. However, longer-term, a review of the plots should also consider their contribution to sustainability goals.

6.7 Internal and External Consultation

No statutory requirement to consult.

6.8 Risk Assessment

There are no specific implications to this report.

Martin Owen  
**Executive Director (Resources)**

**Web Links and  
Background Papers**

**Contact details**

Nichola Mycock  
Land and Commercial Officer  
nichola.mycock@highpeak.gov.uk

## 7. Background and Detail

- 7.1 High Peak Borough Council has 262 garage plots (that do not contain a Council-provided garage structure) across 31 garage sites; with 218 (83%) let out.
- 7.2 Licence holders can choose to use the concrete pad that is provided by the Council, or they can erect their own garage structure on the plot.
- 7.3 The Council provides licence holders with a specification for the erection of new or replacement garages which includes the size and materials to be used.
- 7.4 If a licence holder no longer requires their plot it is their responsibility to either remove the garage structure (if there is one), or this can be transferred to a new licence holder.
- 7.5 There are issues with some of the garage sites with tenants sub-letting their plot (which is in breach of their licence), not maintaining them, and allowing structures to fall into disrepair.
- 7.6 The proposed rent increase outlined in this report is for the garage plots only and the housing garages (which have prices set annually) are excluded from this review.

## 8. Current Position of the Garage Plots

- 8.1 The garage plots across High Peak are a well-used and valuable asset for those residents who have one.
- 8.2 The Council has managed a long waiting list for garage plots such is the demand for them; especially in residential areas where parking is at a premium.
- 8.3 Table 1 is an overview of the current status of the garage sites.

**Table 1**

Site	No. of Plots	£ per Plot p.a. (excl. VAT)	Vacant Plots	Total Site Income p.a. (excl. VAT)
Acorn Terrace	12	90	0	1080
Anchor Fold	1	90	0	90
Brentwood Road	3	90	0	270
Buxton Road	4	90	0	360
Chatsworth Road	7	90	3	360
Cornwall Avenue	1	90	0	90
Derwent Drive	10	90	0	900
Eastbrook Close	5	90	0	450
Elnor Lane	18 (2x double)	50 (2x single = 45)	0	940

Site	No. of Plots	£ per Plot p.a. (excl. VAT)	Vacant Plots	Total Site Income p.a. (excl. VAT)
		& 1x double = 100)		
Ferneydale Avenue (A)	6	90	0	540
Ferneydale Avenue (B)	3	90	0	270
Fernway	2	90	1	90
Glossop Road (A)	6	90 (1x 180)	0	630
Glossop Road (B)	5	90	2	270
Glossop Road (C)	6	90	1	450
Grove Lane	7	90	0	630
Hogshaw (A)	23	90	10	1170
Hogshaw (B)	6	90	4	180
Longson Road	9	90 (1x 108)	0	829
Meadow Close	19	90 (1x 135)	1	1665
Moss View	2	90	0	180
North Road	6	90	0	540
Moss View	3	90	0	270
Park Road (Buxton)	3	90	0	270
Park Road (Whaley Bridge)	14	90	1 (Plus 2x used by AES)	1170
Reddish Avenue	6	90	0	540
Rhuddlan Place	8	90	1	630
Vaughan Road/ Meveril Road	7	90	1	540
Victoria Park Road	26	90	17	810
Whitfield Avenue	3	90	1	180
Williamson Road	31 (Plus 1x used for soakaway that can't be let)	90	1	2700

- 8.4 The current annual licence fee for a plot is £90p.a. (plus VAT, apart from Council tenants who do not pay VAT).
- 8.5 Garage plots at Elnor Lane, Whaley Bridge, SK23 7HA have an annual licence fee of £50p.a. (plus VAT, apart from Council tenants who do not pay VAT). It is not known why Elnor Lane is cheaper than other sites.

- 8.6 The total income for 2023/24 was £19,094.
- 8.7 The £90 licence fee was set in 2006 and there has been no change since this time.
- 8.8 The current licence agreement does not contain an automatic increase in the annual licence fee.

## 9. High Peak Borough Council Housing Garages

- 9.1 The Council also owns and maintains garages that are only for the use of Council house tenants.
- 9.2 These garages are different from the plots that this report refers to in that they have a structure on them that is owned and maintained by the Council.
- 9.3 The current annual fee for one of these garages is £430.08p.a. (excl. VAT).

## 10. Neighbouring Authorities Plot Fees

- 10.1 Neighbouring Authorities have been contacted to assess if there is any comparable evidence to support the review of HPBC's charges.
- 10.2 Table 2 is a brief overview of the responses.

**Table 2**

<b>Authority</b>	<b>£ per Plot p.a. (excl. VAT)</b>	<b>Comments</b>
Derbyshire County Council	1,000	Hardstanding only. Response via phone call 05.09.24
Derbyshire Dales District Council	120	Response 07.08.24 via email. Only three garages. Rent agreed in 2017. No VAT charged.
Sheffield City Council	136 (Council tenant) 164.32 (non-Council tenant)	Response 20.08.24 via email
Tameside Jigsaw Homes	140.00 (new tenant) 120.00 (existing tenant)	Wont assist with the query. These figures are from 2018.

- 10.3 No response was received from three other neighbouring authorities after multiple enquiries.
- 10.4 An Officer at Derbyshire County Council confirmed that they had taken the decision to give notice to all garage plot tenants and sell the sites in auction or create hardstanding and charge £1,000p.a. (excl. VAT). Prior to this decision,

in 2018 it charged between £215 and £240p.a. (excl. VAT); and £380p.a. (excl. VAT) in Matlock.

- 10.5 Taking the above costs (£12, £1,000, £120, £136 and £140), the average price per plot is £281p.a. (excl. VAT).

## 11. Other Licence Fee Evidence

- 11.1 The Retail Price Index (RPI) is a method of measuring inflation of the price of goods and services and changes on a month-to-month basis.
- 11.2 The RPI is a recognised tool for implementing rent increases and many leases and licences use this to increase the amount paid by a tenant.
- 11.3 Table 3 is a calculation of annual increases in rent based on RPI from April 2006 to April 2024 with an initial rent of £90 per annum. April 2006 is an assumed start point as it is in line with the start of the last financial year the fees were revised.

**Table 3**

Date	Index	Change (%)	Rent
Apr, 2006	196.5		Starting Rent: £90
Apr, 2007	205.4	4.53%	£94
Apr, 2008	214.0	4.19%	£98
Apr, 2009	211.5	-1.17%	£97
Apr, 2010	222.8	5.34%	£102
Apr, 2011	234.4	5.21%	£107
Apr, 2012	242.5	3.46%	£111
Apr, 2013	249.5	2.89%	£114
Apr, 2014	255.7	2.48%	£117
Apr, 2015	258.0	0.90%	£118
Apr, 2016	261.4	1.32%	£120
Apr, 2017	270.6	3.52%	£124
Apr, 2018	279.7	3.36%	£128
Apr, 2019	288.2	3.04%	£132
Apr, 2020	292.6	1.53%	£134
Apr, 2021	301.1	2.90%	£138
Apr, 2022	334.6	11.13%	£153
Apr, 2023	372.8	11.42%	£171
Apr, 2024	385.0	3.27%	Revised Rent: £176

Source Colliers [Accessed 13 August 2024]. Available from <https://www.colliers.com/en-gb/services/retail/retail-lease-advisory/rpi-cpi-rent-review-calculator>

## 12. Proposed change to the Licence Fee

- 12.1 The last licence fee increase was 18 years ago and, in this time, the Council's costs to maintain and manage the sites has increased with inflation.

- 12.2 The average charge across those authorities where a price has been established is £281 (excl. VAT), whereas indexing the HPBC £90 (excl. VAT) p.a. fee from 2006 to 2024 would mean a charge of £176 (excl. VAT) being levied. This provides a range of £176 to £281 p.a. (excl. VAT).
- 12.3 Fair charging is an important principle and setting a fee that is towards the mid-point of the range of the benchmarks will meet this requirement. As such, a £200 (excl. VAT) charge p.a. to be implemented from 1 January 2025 with an annual price rise in line with RPI commencing from April 2026 is proposed.
- 12.4 Uprating the fee for all plots to £200p.a. (assuming no changes to take up) then this would derive £37,600p.a. (an additional £18,506p.a.) which help contribute to the rise on the costs of maintenance and a move to re-set the leasing agreements and compliance regime.
- 12.4 It is understood that increases in the licence fees are likely to be met with some negativity from some licence holders. However, not charging an appropriate fee leaves a burden of costs for the maintenance, management, upkeep, and administration of the garage plots falling to others who do not possess a garage plot. Any changes should, therefore, be communicated clearly and well in advance of their implementation (at least four weeks is proposed) which will give notice to garage plot licensees allowing time for them to make appropriate provision for the price change or releasing the plot if that is their preference.
- 12.5 We are aware that some licence holders sub-let their garage plots, which is against the terms of their licence. This can cause problems with the management of a site.
- 12.6 Some garage structures are not maintained, and several have fallen into a state of disrepair. It is believed that the low licence fee contributes to some licence holders not taking responsibility for their plot and any structure they may have on it.
- 12.7 An increase in the licence fee will help the Council to manage the garage sites actively and may encourage some licence holders to relinquish their plot and make it available to those on the waiting list.
- 12.8 Longer-term, a review of the plots in line with the Council's aims and objectives, including whether they offer value for money will be established. The garage plots will also not be considered alongside the annual review of fees and charges, and will instead be reviewed to include an annual upwards only RPI-linked (Retail Price Index) increase every April.