

Report for: Homes Policy Development Group

Date of Meeting:	16 th January 2024
Subject:	REVIEW OF THE MID DEVON HOUSING GARAGE, GGRP and CAR PARKING SPACE POLICY
Cabinet Member:	Cllr Simon Clist Cabinet Member for Housing and Property
Responsible Officer:	Simon Newcombe - Corporate Manager for Public Health, Regulation and Housing
Exempt:	None
Wards Affected:	All Wards
	Annex A – Garage, GGRP and Car Parking Space Policy
	Annex B – Garage, GGRP and Car Parking Space Policy Equality Impact Assessment (EIA)

Section 1 – Summary and Recommendation(s)

This policy outlines the Mid Devon Housing (MDH) approach to renting out garages, garage ground rent plots (GGRP) and car parking spaces that it owns. The policy has been updated to formalise the Value Added Tax (VAT) requirements on our charges in line with HM Revenue and Customs (HMRC) rules under VAT Notice 742 – Land and Property. The updated policy set out herein will replace the existing Garage Management Policy. For clarity, the scope of the current and updated policies is set out in Section 2.1 of this report.

As part of the review, the allocation of garages, GGRP or car parking spaces has been better defined and greater priority is given to blue badge holders and to people who live in the same or adjoining street as the asset.

Recommendation:

That the PDG recommends that Cabinet adopt the updated Garage, GGRP and Car Parking Space Policy and Equality Impact Assessment contained in Annexes A and B respectively.

Section 2 – Report

1 Introduction

- 1.1 The Social Housing (Regulation) Act applies to Social Housing Providers and is relevant to social housing dwelling tenants and leaseholders.
- 1.2 The Garage, GGRP and Car Parking Space Policy does not refer to Social Housing or form part of the regulatory framework reforms and standards and therefore is not part of the new consumer regulation regime. There are no statutory Tenant Satisfaction Measures directly applicable to the Policy.

2 Review of the Garage, GGRP and Car Parking Space Policy

- 2.1 This is a review of the existing Garage Management Policy adopted in 2020 which currently already also deals with GGRP and car parking spaces rent. For the avoidance of confusion, under the update the policy name has been broadened to 'Garage, GGRP and Car Parking Space Policy' in order to make the full scope of the policy clear.
- 2.2 A wider Car Parking Management policy regarding the overall operation of MDH parking still applies and is cross-referenced in this policy as required. Once this wider car parking policy comes under review next year it's likely this will be renamed as the MDH Traffic Management Policy to avoid any confusion.
- 2.3 The review has identified a requirement for the current Garage Management Policy to be updated to comply with HMRC VAT Notice 742 and the guidance set out *VAT Government and Public Bodies VATGPB8350 - Other local authority activities: housing and community projects: property improvement grants. covering garage, GGRPs and car parking space rents.*
- 2.4 In accordance with the above, MDH dwelling tenants do not have to pay VAT on a garage, GGRP or parking space if:
 - They are a council tenant of MDH and the garage, GGRP or parking space is within a ½ mile radius of their home
- 2.5 Non-dwelling tenants (of MDH) including registered charities and not for profit organisations will be charged VAT on a garage, GGRP or parking spaces regardless of how far it is from their registered address.

- 2.6 As part of the review the allocation of garages, GGRP or car parking spaces has been better defined and greater priority is given to blue badge holders and to people who live in the same or adjoining street as the asset.
- 2.7 As part of the review the rent payable by charities and not for profit organisations was investigated. It was due to different rates being charged for different organisations which has been an administrative burden on the service. The origins of the reasons for reduced rents were unclear and are potentially discriminatory without sound equality basis. To bring policy consistency, the revised policy states that garages, GGRP and Car Parking Spaces rented by charities and not for profit organisations would be charged at the same rate as MDH dwelling tenants with VAT added as required.
- 2.8 Subject to Cabinet decision, these VAT changes will be incorporated on new invoicing going forward with immediate effect as new garage and GGRPs car parking tenancies are set up. Existing customers will be proactively updated these changes ahead of introduction from 2024/25 onwards.
- 2.9 Excluding VAT, the annual projection for HRA income for 2023/24 for these services is as follows:

• Block garages	£360,711.04
• GGRPs	£20,667.00
• Car Parking spaces	£419.75
Total	£381,797.79

3 Consultation

- 3.1 As the policy does not directly apply to MDH dwelling tenancies no tenant consultation was required.
- 3.2 The policy applies to anyone who rents a garage, GGRP or car parking space from MDH. The changes are largely statutory ones to reflect current HMRC guidance and rules on VAT with some local regularisation of baseline rents for ease of implementation and transparency. Consequently, there was no consultation with existing customers.
- 3.3 Any wider budget changes to reflect a potential overarching uplift to these baseline rents excluding VAT from 2024/25 for this discretionary service provision (including any specific consultation outcomes) will be incorporated into the separate HRA budget update and adoption process and are not relevant to the policy changes/EIA or this report.
- 3.4 Nonetheless, internal consultation took place with MDH officers who administer the policy and the finance and legal teams to understand operational delivery fully and ensure compliance.

4 Safeguarding and vulnerable people

- 4.1 The policy provides clear, updated guidance on the allocation of garages, GGRP or car parking spaces and gives priority to blue badge holders and people living in the same or adjoining street to the asset.

5 Recommendation

- 5.1 In accordance with the above, the following recommendation is made.

That the PDG recommends that Cabinet adopt the updated Garage, GGRP and Car Parking Space Policy and Equality Impact Assessment contained in Annexes A and B respectively.

Financial Implications

The administrative burden of renting garages remains a significant cost to offset against the rent generated. The aligning of rents for charities and not for profit organisations will help alleviate the financial costs in administering the policy.

Legal Implications

MDH has to legally comply with the VAT Government and Public Bodies VATGPB8350 - Other local authority activities: housing and community projects: property improvement grants.

Risk Assessment

Failure to provide housing management staff with the appropriate policies could result in a less consistent and effective service.

Failure to collect rental income could impact the ability to fund necessary management and maintenance activities.

Impact on Climate Change

This policy will have no impact on climate change

Equalities Impact Assessment

MDH have considered the needs of disabled people who require a garage, GGRP or car parking space and given them priority where there is a waiting list.

The EIA is attached to this report in Annex B.

Relationship to Corporate Plan

None

Section 3 – Statutory Officer sign-off/mandatory checks

Statutory Officer: Andrew Jarrett

Agreed by or on behalf of the Section 151

Date: 05 January 2024

Statutory Officer: Maria de Leburne

Agreed on behalf of the Monitoring Officer

Date: 03 January 2024

Chief Officer: Simon Newcombe

Agreed by or on behalf of the Chief Executive/Corporate Director

Date: 14 December 2023

Performance and risk: Steve Carr

Agreed on behalf of the Corporate Performance & Improvement Manager

Date: 02 January 2024

Cabinet member notified: Yes

Section 4 - Contact Details and Background Papers

Contact: Simon Newcombe, Corporate Manager for Public Health, Regulation and Housing or Angela Haigh, MDH Finance and Performance Manager

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Background papers:

HMRC VAT Notice 742 – Land and Property

<https://www.gov.uk/guidance/vat-on-land-and-property-notice-742>

VATGPB8350 - Other local authority activities: housing and community projects: property improvement grants (HMRC internal manual – VAT Government and Public Bodies updated November 2023)

[VATGPB8350 - Other local authority activities: housing and community projects: property improvement grants - HMRC internal manual - GOV.UK \(www.gov.uk\)](#)

Existing Garage Management Policy

<https://www.middevon.gov.uk/media/350530/garage-management-policy-v44.pdf>