

Rent Level Options 2020/21



Voting Form

1st Proof - 30 Sept 2019



Each year the Council reviews and increases the rent levels we charge to tenants for the Housing services we provide. These annual increases are necessary to ensure that we continue to meet our duties to you as a landlord and maintain high levels of service delivery. Any increase in rent is required to cover any additional costs such as inflation, and price increases for stock and supplies and to ensure we have enough money to maintain our properties.

The rent increase is one of the most important decisions that we take each year and because this decision affects all 7,636 tenants it's very important that you have an opportunity to have your say.

For the third year we are consulting and engaging with you over the level of rent to be set for next year - 2020/21. We want to give all tenants a voice in decisions that affect you, your home and the services that you receive. As in previous years, three options are being proposed. It's important that we let you know the impact the options will have on the services we deliver for you.

Rent Levels

We remain committed to maintaining our rent levels as affordable as possible, whilst continuing to deliver on your priorities and high levels of tenant satisfaction. All of which you can read more about in our Annual Performance report.

Our rent levels are the 6th lowest in Scotland and remain the most affordable housing option for residents in Perth and Kinross.

We think it is important that we highlight to you that in comparison with neighbouring Local Authorities and nationally, rent increases in Perth and Kinross have been significantly lower over the last 3 years, as outlined below.

	2017/18	2018/19	2019/20	Change
Angus	3.1%	4.0%	3.5%	+10.6%
Dundee	1.25%	3.0%	3.75%	+ 8.0%
Fife	3.0%	4.9%	3.2%	+ 11.1%
Stirling	0.3%	1.6%	4.0%	+ 5.9%
National Average	2.3%	2.3%	3.0%	+7.6%
Perth & Kinross	0%	2.2%	1.5%	+ 3.7%

Your Rent Options for 2020/21

We will continue to maintain investment in our current Capital Programme and this will not be affected by the rent option that is chosen.

This guaranteed investment will include:

- *maintaining investment in new-build housing;*
- *continuing to invest in improvements to stock/ areas such as:*
 - *Central Heating (£1.3million)*
 - *Re-wiring (£3million)*
 - *Windows and Doors/Triple Glazing (£0.25million)*
 - *Kitchen Upgrades (£4.5million)*
 - *Bathroom Upgrades (£2.2million)*
 - *External Fabric (£6.7million)*
 - *Energy Efficiency (£2.3million)*
 - *Environmental Improvements (£0.9million)*
 - *Fire Precaution Measures (£2million)*
 - *Sound Insulation (£0.45million)*
 - *Structural Repairs (1.25million)*

The Housing Revenue Account (HRA) does, however, face general increases in costs in key areas of service delivery, particularly repairs and improvements. This is due to an increase in our stock numbers through our successful new-build and buy-back programme - in turn meaning more properties become available for re-let requiring any necessary works to be completed before a new tenant moves in. Our stock base is ageing and the general cost of stock purchase and fuel costs have increased nationally.

All of this means that this year the level of increase for 2020/21 needs to be higher than in recent years to allow us to continue to meet our obligations to you as a landlord and maintain current performance.

What your rent level vote will determine is how much more additional money we could spend on your services on top of this new and increased investment. The three proposed options are also set out in the table along with what these would allow us to do. We have also provided information on how these options would affect the average rent cost. This will help you to make your decision.

Option 1 3.5%	Option 2 4.0%	Option 3 4.5%
<p>New and increased investment in:</p> <ul style="list-style-type: none"> Housing Repairs and voids to meet increased demand Personalised Tenant Budget to support tenancy sustainment Increased investment in Planned Maintenance Investment in IT developments to support mobile working Dedicated Housing Occupational Therapist 		
Option 1 3.5%	Option 2 4.0%	Option 3 4.5%
<p>This will allow us to make the following additional investment:</p> <ul style="list-style-type: none"> Extra £4million for the purchase of additional buy-backs (approximately 30 properties). Extra £1million for property refurbishments. 	<p>This will allow us to make the following additional investment:</p> <ul style="list-style-type: none"> Extra £5million for the purchase of additional buy-backs (approximately 38 properties). Extra £1million for property refurbishments. Increase investment in Re-wiring by £500,000 (200 properties). Increase investment in Kitchens by £250,000 (140 properties). Increase investment in Energy Efficiency by £1million (250 properties). Increase investment in Sound Insulation by £250,000. Additional investment to outsource rent voting survey to support 25-30% tenant response level. 	<p>This will allow us to make the following additional investment:</p> <ul style="list-style-type: none"> Extra £5million for the purchase of additional buy-backs (approximately 38 properties). Extra £1.75million for property refurbishments. Increase investment in Re-wiring by £500,000 (200 properties). Increase investment in Kitchens by £250,000 (140 properties). Increase investment in Energy Efficiency by £1.75million (440 properties). Increase investment in Sound Insulation by £250,000. Increase investment in Multi-Storey Flats by £250,000. Additional £250,000 for Housing with Additional Support. A new £1million budget for locality priorities in partnership with tenants. Additional investment to outsource rent voting survey to support 25-30% tenant response level.
<p>Average Weekly Rent Increase</p> <ul style="list-style-type: none"> Bedsit £1.66 1 Bedroom £2.26 2 Bedroom £2.43 3 Bedroom £2.72 4+ bedroom £3.11 	<p>Average Weekly Rent Increase</p> <ul style="list-style-type: none"> Bedsit £1.90 1 Bedroom £2.58 2 Bedroom £2.78 3 Bedroom £3.11 4+ bedroom £3.55 	<p>Average Weekly Rent Increase</p> <ul style="list-style-type: none"> Bedsit £2.13 1 Bedroom £2.90 2 Bedroom £3.13 3 Bedroom £3.50 4+ bedroom £4.00

Affordability

It's important that we consider the impact of any increase on our average rent levels and how affordable these are for current and future tenants. The table below compares the new average rent level to other social housing providers in the area and neighbouring Councils. You can see from the table below that average rents would continue to be lower for each of the options.

We are also confident that with any of the increases proposed, we will continue to remain one of the lowest Local Authority rents nationally.

Proposed Increase	New Average 2020/21 weekly rent for Perth and Kinross	Social Housing Providers in Area	Local Authority Scottish Average
3.5%	£71.22	£87.28	£72.55
4.0%	£71.56		
4.5%	£71.91		

Next Steps

Please take some time to consider the three options and the impact they would have on the level of investment in your and other tenants' homes. If you have any questions or would like further information, then please contact either your Locality Housing Team on **01738 476000 Option 2** or email **HNeighbourhoodServices@pkc.gov.uk**

We would like to hear your thoughts and opinions.

- *The tear-off slip below allows you to vote for your preferred option and to provide additional comments. Please return this in the envelope provided no later than **Friday 13 December 2019**.*
- *You can also vote for your preferred option online at <https://consult.pkc.gov.uk>*
- *We will include our tenants' preferred option within our rent setting report to our Housing & Communities Committee in January 2020.*

Cut here

Please place a cross in the box beside the option you prefer, and return this slip to us in the envelope provided.

- **Option 1**
- **Option 2**
- **Option 3**

How We Use Your Personal Information

The information provided by you will be used by Perth & Kinross Council to consider rent levels for 2020/21. The information will not be disclosed to third parties except as described below.

The Council may check information provided by you, or information about you provided by a third party, with other information from certain third parties or share your information with them in order to verify its accuracy, prevent or detect crime, protect public funds or where required by law.

For further information, please look at our website www.pkc.gov.uk/dataprotection or email DataProtection@pkc.gov.uk or telephone 01738 477933.

If you or someone you know would like a copy of this document in another language or format, (on occasion, only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000.

You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

www.pkc.gov.uk

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