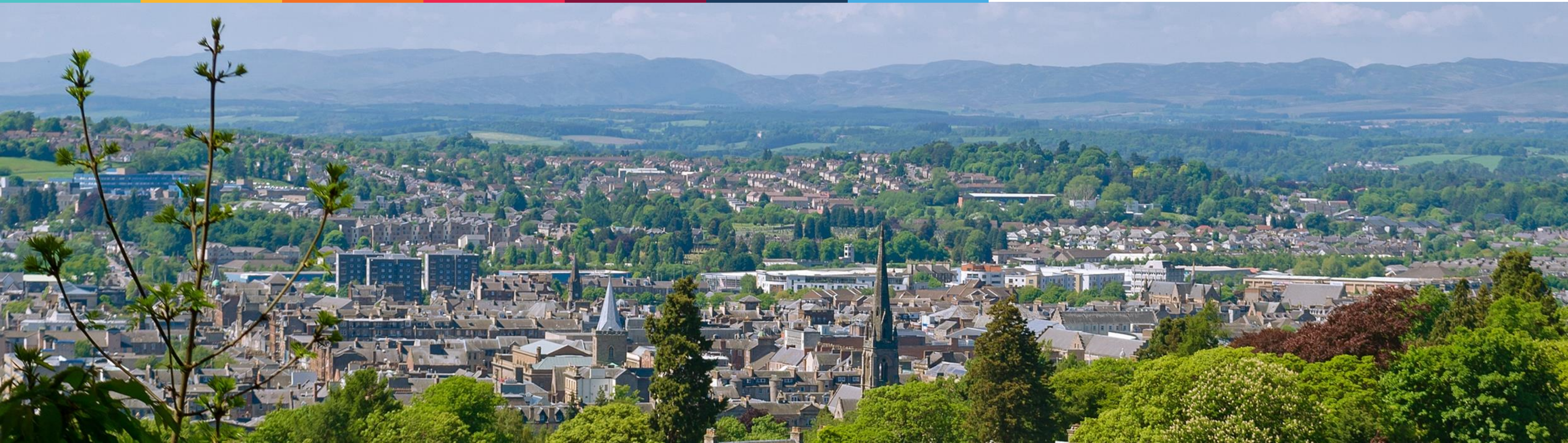
TENANTS' AUTUMN CONFERENCE 2025

RENT SETTING OVERVIEW AND PROPOSALS 2026/27

THURSDAY 30 OCTOBER 2025



Welcome & Introductions

- Welcome – Elaine Ritchie – Strategic Lead – Housing & Communities
- Follow Up Event from our Summer Conference
- Rent Setting Proposals – how we allocate your rent money
- Rent setting very important given the challenges faced as a service and by some tenants
- Opportunity to ask questions during the breakout sessions
- Staff on hand to also deal with any questions or queries
- Please enjoy!

The Agenda for Today

- ❑ 10am- Welcome and Introductions
- ❑ 10.15am- Information about the Rent Level Options
- ❑ 10.35am- Break
- ❑ 10.50am- Breakout Sessions
- ❑ 11.30am- Community Champions Award Presentations
- ❑ 12pm- Next Steps
- ❑ 12.15pm- Conference Closes

Some Background……

- Housing Stock of 8,226
- Income from house rents £35.7m (93% of all HRA income)
- 3rd Lowest rent in Scotland
- Staff Numbers – 275.12fte (HRA)

Size	PKC (24/25) (ARC Return)	Scottish (24/25) (ARC Return)	PKC (25/26)
Bedsit	£53.02	£87.12	£59.07
One Bedroom	£74.09	£93.27	£79.24
Two Bedroom	£80.22	£96.00	£85.74
Three Bedroom	£90.40	£104.51	£96.07
Four Bedroom	£96.87	£115.58	£105.29

Statutory Guidance:- The Scottish Housing Regulator

The Scottish Social Housing Charter- Rents and Service Charges says that:

Social landlords set rent and service charges in consultation with their tenants and other customers so that:

- a balance is struck between the level of services provided, the cost of the services and how far current and prospective tenants and other customers can afford them
- tenants get clear information on how rent and other money is spent, including any details of individual items of expenditure above thresholds agreed between landlords and tenants.

Statutory Guidance- the Scottish Government

Guidance on the Operation of Local Authority Housing Revenue Accounts

- Issued by Scottish Government in 2014
- Summarises the legal basis for having a separate council landlord account and associated accounting rules.
- Consolidate information on the role of the HRA detailing:

  - How the HRA must operate

  - Who the resources contained within the HRA are meant to benefit

  - What outcomes can be expected from the HRA resources

What do we spend your rent money on?

Where your rent goes (spend per £1)

- Neighbourhood Services **31p**
- Repairs and Maintenance **33p**
- Financing Debt **23p**
- Contribution towards the Capital Programme **4p**
- Corporate Support Services **9p**

Important Dates…….

Timeline:

Apr. 2025

Enclosed questionnaire in Spring edition of On the House magazine .

June 2025

Feedback the results of the questionnaire at locality tenant conferences - further discussion about tenant priorities about rent levels and services

July–Aug. 2025

Continue to host Tenant Network Events to engage tenants about their priorities. Give people as many opportunities to contribute to discussions

Sep. 2025

onwards - Information gathered is fed into the decision making process

Oct. 2025

Autumn locality tenant conferences – rent level options proposals, affordability and service delivery impacts

Nov.–Dec. 2025

Rent Increase Voting Survey – sent out to all tenants to capture preferred rent increase option

Some of the Challenges we are facing!

- Covid-19 legacy issues continue to have an ongoing impact
- High interest rates
- Increased costs for materials and disruption to supply chains
- Increased energy costs and high inflation
- Increased Statutory duties such as Electrical Inspection Condition Report (EICR)
- Increased Landlord obligations – cyclical servicing & maintenance of many systems
- HRA has fixed costs regardless of any other pressures
- Staff costs – pay settlement fully funded by HRA
- Bad Debt Provision
- Meeting tenant priorities and expectations
- Identify any potential savings

Rent Increase Options

- Identify base option (the lowest we can go) – minimum required to fund pressures.

- Building on the base option, a further 2 genuine options for tenants to consider.

- Provide details on all 3 options.

- Advise tenants of average weekly increase in £'s- not just percentages.

What are the Rent Level Options for 2026/27?

Proposed Savings

- Retaining staff slippage at 5% to match general fund - £30,000
- Reducing the bad debt provision to 2.6% of income - £494,000
- Reduce costs in relation to the Electrical Inspection Condition Report (EICR) budget - £200,000

Heating & Lighting Charges – Multi-Storey & Sheltered Housing

- Charges based on previous full year costs
- Full cost recovery (so other tenants are not subsiding those with communal heating and lighting)– charges either increase or decrease based on costs
- Last year's decreased in all properties except one
- Charges for next year increase in majority of areas except for 1 property
- Charges are based on actual usage in properties

- Proposed decrease is £0.38 per week
- Proposed increases range from £0.14 to £3.09 per week

Affordability is key.......

- Affordability model used to consider any options to tenants
- Use income levels across P&K

- General guide is no more than 25% to 30% of income should be used towards housing costs

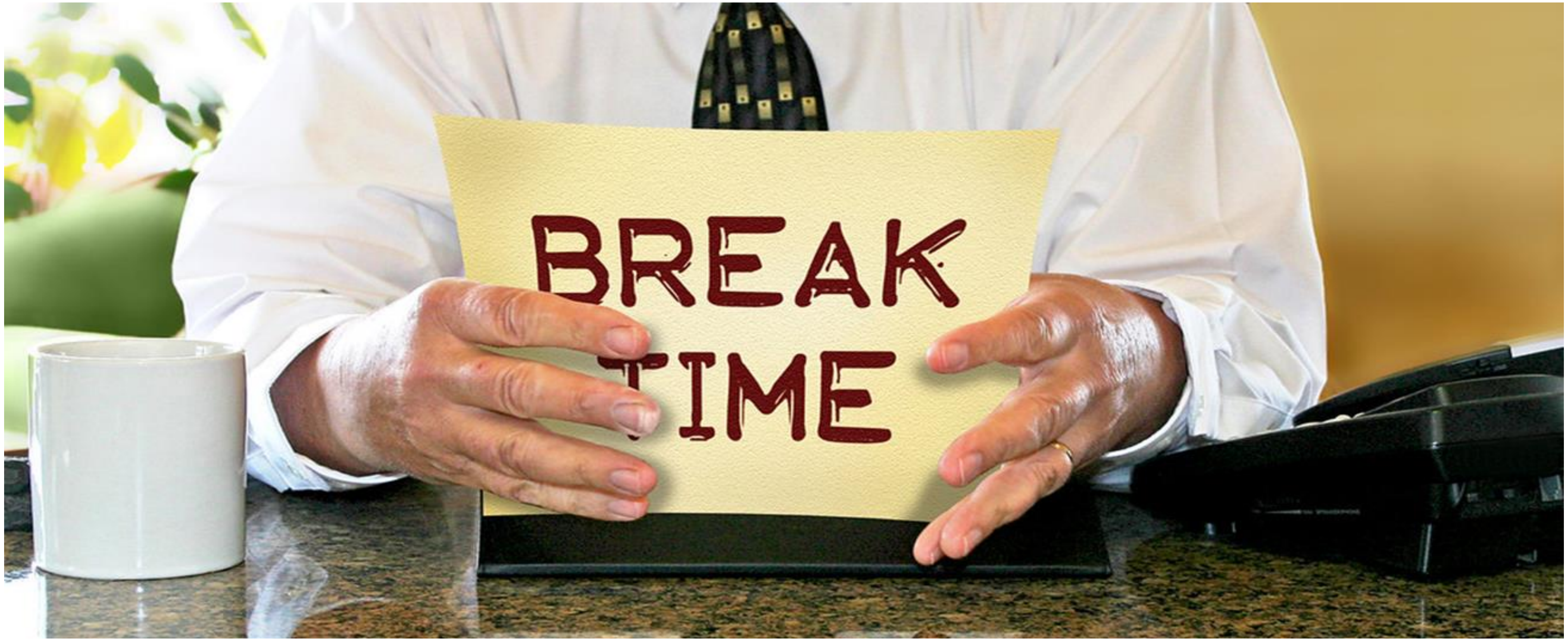
- 86% of tenants can afford PKC rent based on their income alone, without taking into account any Housing Benefit received.

- Model compares PKC rents with “local” Local Authorities and RSLs
- PKC rents are on average 8% lower than LAs and 22% lower than RSLs

Summary

- Significant pressures faced by HRA
- Need to minimise rent increase for tenants
- Savings of £724k identified

Break – Tea and Coffee Time...



Breakout Sessions

10.50am-11am- **Pressures**

11am-11.10am- **Priorities**

11.10am-11.20am- **Proposed Options** for 2026/27 Rent Increases

11.20am-11.30am- **Support** Tenants May Need

Community Champion Awards

Next Steps and Close

Today we have provided an overview of:

- **Proposed Rent level options** for 2026/27
- The **challenges** we and tenants are facing
- How we have kept **affordability** at the heart of the process
- You have had opportunity, through the breakout sessions, to contribute further to this process and **share your views**

Next Steps and Close

Next, we will:

- Send out the **Rent Increase Voting Survey** to all tenants to capture preferred rent increase option
- We will put in place a **range of measures to support** as many tenants, as possible, complete this survey – phone, online, in person etc
- We will collate all the **feedback from the survey and from elected members** and present a report with the recommended option to the **Housing and Social Wellbeing Committee in January 2026**
- The **approved rent increase** will then be implemented in **April 2026**

Next Steps and Close

Finally: