

Take part in this consultation to be entered in a **Prize Draw** giving you the chance to win a **£100 shopping voucher!** More details on page 12.



Rent Setting Newsletter

November 2023

Gemmell Crescent, Ayr



Lady Walk, Maybole



Back Peebles Street, Ayr



Rent

**HAVE YOUR SAY,
REGISTER YOUR VOTE.**

Consultation closes on
Wednesday 20th December 2023

Tell us your views on your preferred way to contact the Housing Service

Find out more information on the rent setting proposals and how to give us your views...

Inside
THIS ISSUE

Aims of the Consultation
Page 3

Rental Income - How Is It Used
Page 4

Contacting the Housing Service
Page 9

Rent Setting Options
Page 10

Background

The agreed rent setting arrangements that are currently in place come to an end on 20 March 2024. The Council is keen to seek views and feedback from all tenants on the options for future rent setting that will be effective from 21 March 2024 onwards.

In order to help you provide feedback on the options available, we have included information on how the rent you pay is used to deliver the housing service. We have included details of what other things we take into consideration to identify the options for setting your rent charge in future years.

Previous Consultation

The last consultation on rent setting took place with tenants during November/December 2020. The feedback received helped inform the decision that was taken by Council on 20 January 2021. At that time, the Council agreed for the 3 year period from 2021/22 - 2023/24 to:

- Increase rents by 1.5% each year.
- Aligned rents for 1 bedroom new build properties and applied the 1.5% increase.
- Freeze the rental charge for all other new build properties.



This Consultation

Due to Covid-19 restrictions that were in place at the time of the last consultation in November/December 2020, we used a newsletter, with online or postal voting as the method of consultation to engage with all tenants to seek views on rent setting. 367 votes were registered and this was the highest level of consultation responses received.

The Council is committed to ensuring that all tenants have a voice and get the opportunity to have a say in how rents are set. Therefore, we would ask every tenant to take the time to consider this information and have their say.

We would encourage tenants to complete the voting form online for their preferred option. Please visit <https://forms.office.com/e/x7hShTetmF> or scan the QR code to cast your vote.

If you do not have access to online facilities, please complete the enclosed voting form and return it to us using the freepost envelope provided.

Each Council tenancy is entitled to one vote on their preferred rent setting option, so please select and use your preferred method to let us know your views.

This consultation will be open from from 24th November 2023 and will close on 20th December 2023.

The results from this tenant consultation will be included in a report to a meeting of South Ayrshire Council in January 2024, when Elected Members will take a decision on the future rent setting that will apply from 21 March 2024 onwards.

Housing Services Rent Setting Consultation (2024/25 - 2026/27)
Tenant Vote & Feedback Form



Opportunities to ask questions or to speak directly to a Council Officer

As part of the consultation process, there will be opportunities for you to ask questions or to make arrangements to speak directly to Council Officers. Please contact Gordon Campbell in our Tenant Participation Team by email or phone for further information:

Email: tp@south-ayrshire.gov.uk

Phone: 01292 612968

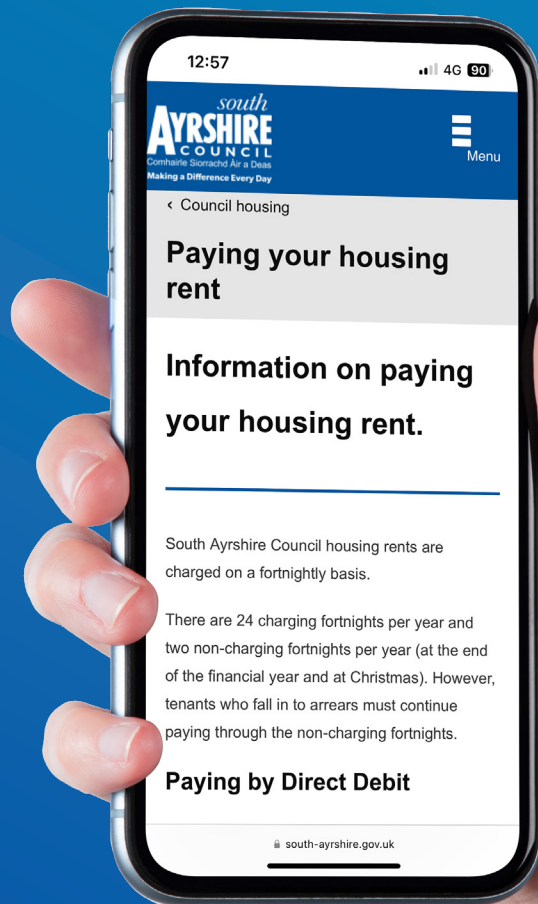
What are the aims of the rent setting consultation?

Within this Rents Consultation Newsletter, we aim to provide you with information on:

- ✓ How rental income is used.
- ✓ The investment priorities and the current commitments that were previously agreed with tenants which form part of the assumptions in our planning for future rent setting.
- ✓ The risks that have been considered as part of the Housing Business Plan.
- ✓ How the rent levels for South Ayrshire Council compare with other Social Landlords across Scotland.

And also:

- ✓ To seek your views on your preferred method of contacting the Housing Service.
- ✓ To help you make an informed decision and provide feedback on the options available.



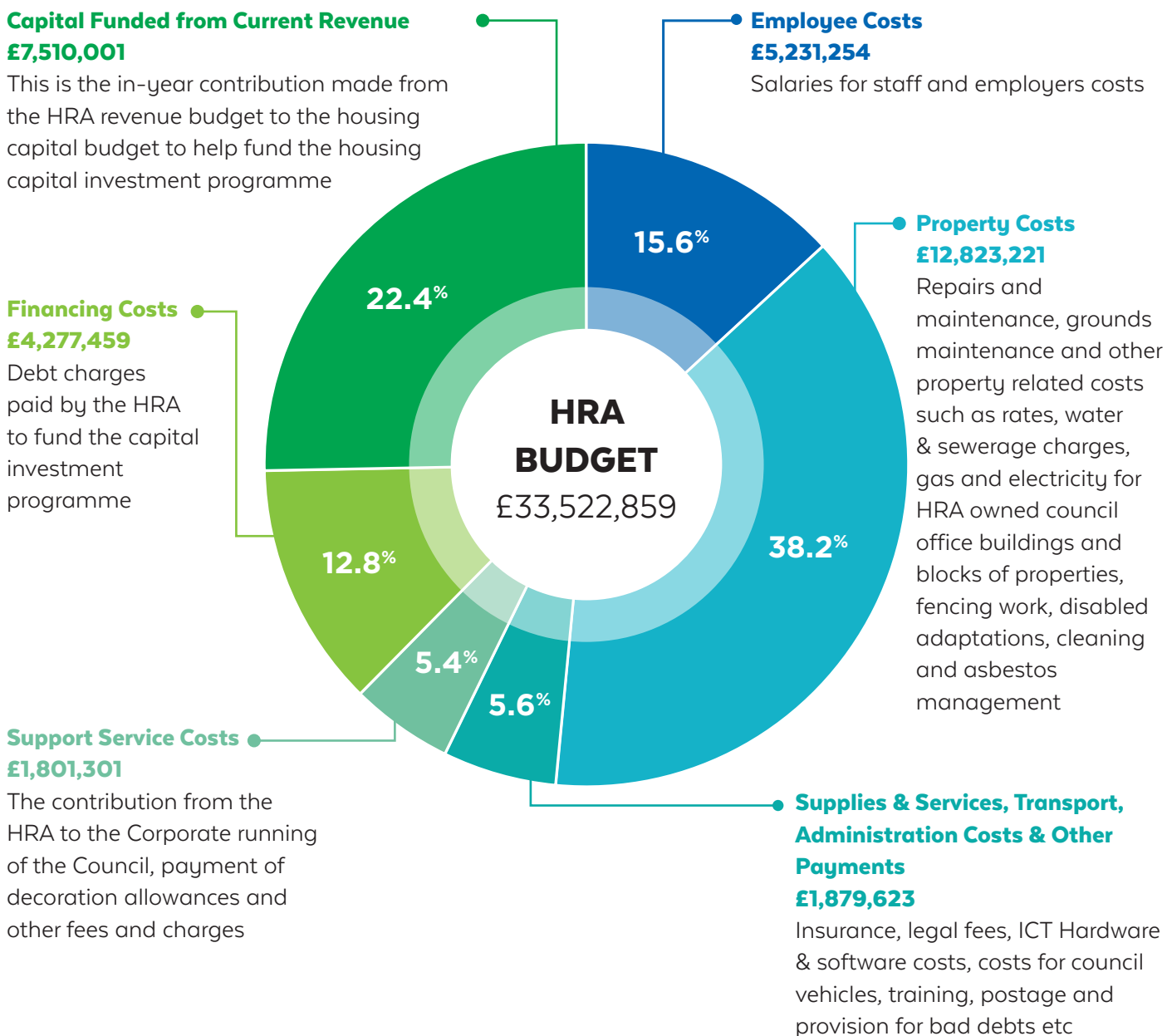
Rental Income: How is it currently used?

The Housing Revenue Account (HRA) is operated by the Council for the delivery of services to tenants and for investment in the Council's housing stock.

Each year, the Council sets the Revenue and Capital budgets for the HRA. In setting this budget, the Council takes account of how much income it expects to collect from rent and any other income. It then takes account of the costs to deliver the housing service – this includes:

- staff costs, repairs and maintenance costs, other running costs, financing costs (which is the amount of money paid by the HRA for money it has borrowed to pay for previous and ongoing improvement works and new build housing) and the contribution that it will make from the revenue budget to the capital budget. This is referred to as CFCR (Capital Funded from Current Revenue).

Based on the current financial year 2023/24, the approved Revenue budget and projected gross expenditure for the HRA is £33,522,859 with the budget split across the following areas:



Investment Priorities & Current Commitments

Over the course of the next 5 years (2024/25 - 2028/29), the HRA Business Plan assumes that the Council will spend in the region of £195 million to deliver capital improvement works and contribute to the supply of affordable housing.

Each year, the Council approves the amount of money that will be spent on capital investment to make improvements to council houses.

Our approach is guided by the need to meet the Scottish Housing Quality Standard (SHQS) which includes improving the energy efficiency of properties.

In addition, the Council is committed to the supply of affordable housing through the provision of new build council housing and the purchase of properties, through the Council's Buy-Back Scheme.

As previously agreed with tenants, the Council is working to modernise properties every 15 years. This means that kitchens and central heating boilers will be replaced every 15 years and other internal components such as bathrooms, heating radiators and pipework and electrical wiring being replaced every 30 years. Over the course of the next 5 years, around 2800 properties are expected to be included in projects for full or partial modernisation work.

In addition to these programmes of work, the Council must ensure that safety and compliance work is carried out. This includes fixed electrical testing

every 5 years and ensuring that smoke alarms, heat detectors and carbon monoxide detectors are maintained and replaced as required.

The Council also carries out external works to replace roof coverings, upgrade or replace the external walls to properties, install external wall insulation or cavity wall insulation to improve energy efficiency. Programmes of external work are driven by feedback from our Property Maintenance Service and information from stock condition surveys.

Over the next 5 years, the Council will continue a programme of window replacement to renew windows in remaining properties where windows are over 25 years old.

Research Resource carried out a comprehensive survey on behalf of the Council during January and February 2023.

801 tenants were surveyed, 732 (91.4%) of respondents advised that they were 'very or fairly satisfied' with the quality of their home.



Modernised Kitchen



Replacement Roof Covering, Ayr



New roof coverings, new render to external walls and upgraded cavity wall insulation - Symington



New Build Housing Development under construction at Mainholm, Ayr.
















91.4%

of tenants who responded to the last survey were satisfied with the quality of their home.

Rent Levels & How they compare with other Social landlords . . .

From information published by the Scottish Housing Regulator on 31 August 2023, the table below shows the average rents for South Ayrshire Council for each apartment size, and how these compare with the rents of other social Landlords across Scotland. This information is based on rent levels in 2022/23 for the period ending March 2023.

Average weekly rent for each apartment size in 2022/23					
APARTMENT SIZE	1 APARTMENT (Bedsit)	2 APARTMENT (1 Bedroom)	3 APARTMENT (2 Bedroom)	4 APARTMENT (3 Bedroom)	5+ APARTMENT (4+ Bedroom)
 S.A.C.	 £71.48	 £77.13	 £78.39	 £82.90	 £87.50
 SCOTTISH AVERAGE	 £78.26	 £83.46	 £86.28	 £93.96	 £103.72
 DIFFERENCE	↓ -8.7%	↓ -7.6%	↓ -9.1%	↓ -11.8%	↓ -15.6%

Source: Scottish Housing Regulator - Landlord Report for 2022/23 - based on 52 week rent year.

From published benchmark data, of all Scottish Local Authorities with housing stock and operating as a landlord, South Ayrshire Council had the lowest rent increase at 1.5% in 2023/24. Rent increases across Scotland ranged from 1.5% to 6.4%, with the average being 3.9%.

Taking account of the cost of living pressures, in 2023/24, Scottish Government Ministers agreed with Council's to keep rent increases to an average of less than £5.00 per week. The rent increase of 1.5% that was applied by South Ayrshire Council in 2023/24 was well below the permitted average.

Your Rent & Affordability

When considering future rent levels, the Council is committed to ensuring that services to tenants and levels of investment are maintained to meet legislative standards and commitments agreed with tenants.

The Council is aware of the importance of achieving a balance on how much income is required to deliver the service and keeping rents at an affordable level for tenants.

The information on how South Ayrshire Council's rent levels compare with other Social Landlords is a useful guide for tenants.

Housing Benefit

Once the Council has made a decision on the level of rent increase to be applied, if you are already receiving Housing Benefit this will be automatically recalculated and you will be advised of your new benefit entitlement.

Universal Credit

Once the Council has made a decision on the level of rent increase to be applied, we will write to you again and if you are already receiving Universal Credit and help with your housing costs, we will advise you how and when to update your journal.

What do I do if I am struggling to pay my rent?

If you are having difficulty paying your rent, you should contact us as soon as possible. We will discuss the situation with you and offer advice and information on how to deal with your rent charge. If you are on a low income, you may qualify for Housing Benefit or Universal Credit.

Benefits Staff are available to provide advice on Housing Benefit and you can contact the Housing Revenue, Arrears & Support Team for advice regarding your housing costs as part of your DWP Universal Credit claim. The amount of benefit you are entitled to depends on your income, who lives in your home and how much your rent is.

If you need Money Advice or Welfare Rights Advice, please contact your Housing Officer who can make a referral to these services on your behalf or you can contact these services direct on 0300 123 0900.

Good Value for Money

As part of the recent comprehensive survey carried out by Research Resource, 801 tenants were surveyed. 714 (89.1%) of respondents felt that the rent for their property represented 'good value for money'.



Rising Costs

have had an impact on how housing services are delivered.

The Council has seen an increase in costs because of higher rates of inflation, the cost of materials and increases in payroll costs. This has been considered and financial assumptions have been updated to reflect these additional costs when preparing the options for consultation on future rent setting.

The Council previously also approved the use of existing uncommitted reserves, to deal with expected additional costs for housing repairs to help maintain services and minimise the future impacts on tenants.

Risk

With any financial plan, the Council must take account of any risks and make financial provision to manage and reduce risks where possible.

The financial assumptions include provision for bad debts - i.e. rent that may not be collected by the Council and rent that is lost by the Council for properties that are empty.

Following previous consultation with tenants, it was agreed that the Council would hold £2 million of financial reserves in the HRA, at all times. This gives a contingency to deal with emergencies or situations where unexpected expenditure arises.

This approach has continued and forms part of the assumptions and calculations made for this consultation.



YOU SAID

In the two previous rounds of rents consultation with tenants, respondents felt that the Council should put more money into carrying out window replacement work.

WE DID



Since 2018/19, available funding from uncommitted reserves has been directed to window replacement work.

Over this period, in order to improve energy efficiency, we have replaced windows in properties which are not served by a gas supply, this included all villages in North and South Carrick, along with the villages of Annbank, Tarbolton and Craigie Village.

Windows have also been replaced for a group of properties within the Ardfin Sheltered Housing Complex, Prestwick and Newton Park Court Sheltered Housing Unit, Ayr which were constructed in the

1980's and 1990's respectively and the original double glazed units were failing.

From 2021, the window replacement programme has operated on a 'date of construction' basis, or where upgrade work to external walls has been planned and the window replacement work has been scheduled to be completed before or alongside this work. So far, new windows have been installed in 1550 properties, and we are currently dealing with properties constructed up to 1935. By the end of March 2024, the Council expects to have installed replacement windows in around 1770 properties.



How do you want to contact the Housing Service?

Give us your views on your preferred ways to make contact with the Housing Service

On 29th June 2023, the Council approved the future operating model for Customer Services. This means that going forward Customer Services will be provided by phone, phone appointment, through digital contact or face-to-face by appointment in each of the 5 main towns across South Ayrshire on the following days each week:

The Wallace Tower, High Street, Ayr
Tuesdays to Fridays

Municipal Buildings, South Beach, Troon
Tuesdays

Prestwick - 2, The Cross
Wednesdays

Girvan - Carrick Opportunities Centre
Thursdays

Maybole - 70C High Street
Fridays

In addition to the above locations, the Housing Service provides face-to-face appointments and delivers services from our office at 80/88 Kyle Street, Ayr.

Taking account of this customer services model, as part of this consultation, we are keen to seek your views on your preferred ways to contact the Housing Service.

From the following options, using the online survey or voting form, tell us your 2 preferred ways to contact the Housing Service:

- By Phone
- By Phone Appointment
- Digital contact using email, online enquiry forms or online service requests
- A face-to-face appointment in your home
- A face-to-face appointment in a Council building

Your feedback will help us to organise our teams and shape the model of service delivery to be used by the Housing Service.



Rent Setting Options

After taking into consideration the running costs for the Housing Service, along with the funding that is needed to continue to improve the Council's housing stock and increase the supply of housing, it is necessary to apply a rent increase in 2024/25 onwards. Each of the 3 options outlined will be effective from 21 March 2024, and are based on setting a rent increase to be applied each year, for a 3 year period (2024/25 - 2026/27 i.e. up to March 2027, and provide you with details of how the increase would support service delivery and investment in the housing stock.

In addition, a sample of house sizes/types from across the Council's housing stock are included within the details on each of the options, to let you see how the proposed increase will change the amount of rent you may pay.

You can now place your vote online by visiting or by scanning the QR code or by completing the enclosed voting form.

<https://forms.office.com/e/x7hShTetmF>



If your specific house size or type is not included within the tables for each of the options, and you would like to know how the options would affect the rent you may have to pay, please contact us and we can provide you with this information.

Email: tp@south-ayrshire.gov.uk **Phone:** 01292 612968

OPTION 1

An increase of 4.5% each year, for the 3 year period (2024/25 - 2026/27)

What will this option offer?

An increase of 4.5% will be applied each year, for a 3 year period. It will allow the Council to meet the costs of delivering the housing service and maintain the current and proposed levels of funding needed to deliver the housing capital investment programme, to continue to work towards meeting the Scottish Housing Quality Standard, improving energy efficiency, and continuing with the planned Council new build housing developments.

What is the impact of a proposed Increase of 4.5%, year on year, over the 3-year period?

PROPERTY SIZE & TYPE	CURRENT WEEKLY RENT CHARGE	POTENTIAL 2024/25		POTENTIAL 2025/26		POTENTIAL 2026/27	
		Amount of Weekly Increase	Weekly Rent Charge	Amount of Weekly Increase	Weekly Rent Charge	Amount of Weekly Increase	Weekly Rent Charge
1 BEDROOM FLAT	£80.86	£3.63	£84.49	£3.80	£88.29	£3.97	£92.26
1 BEDROOM BUNGALOW	£91.82	£4.13	£95.95	£4.32	£100.27	£4.51	£104.78
2 BEDROOM NEW BUILD FLAT	£91.07	£4.10	£95.17	£4.28	£99.45	£4.48	£103.93
2 BEDROOM FLAT	£84.17	£3.78	£87.95	£3.96	£91.91	£4.13	£96.04
3 BEDROOM NEW BUILD HOUSE	£100.11	£4.50	£104.61	£4.71	£109.32	£4.92	£114.24
3 BEDROOM HOUSE	£92.21	£4.15	£96.36	£4.34	£100.70	£4.53	£105.23
4 BEDROOM HOUSE	£95.79	£4.31	£100.10	£4.51	£104.61	£4.71	£109.32

Rent charges are based on 48 weeks - 2 rental periods (4 weeks) are non-charging

OPTION 2

An increase of 4.75% will be applied each year, for a 3 year period

What will this option offer?

An increase of 4.75% will be applied each year, for a 3 year period. This will offer the same as Option 1. However, it will also generate an additional income of £0.506m over the 3 year period. This will provide additional flexibility to meet any potential increases in inflationary costs above those already built into the plan, to ensure that plans do not need to change, and/or allow the Council to carry out more improvement work.

What is the impact of a proposed Increase of 4.75%, year on year, over the 3-year period?

PROPERTY SIZE & TYPE	CURRENT WEEKLY RENT CHARGE	POTENTIAL 2024/25		POTENTIAL 2025/26		POTENTIAL 2026/27	
		Amount of Weekly Increase	Weekly Rent Charge	Amount of Weekly Increase	Weekly Rent Charge	Amount of Weekly Increase	Weekly Rent Charge
1 BEDROOM FLAT	£80.86	£3.85	£84.71	£4.02	£88.73	£4.21	£92.94
1 BEDROOM BUNGALOW	£91.82	£4.37	£96.19	£4.58	£100.77	£4.80	£105.57
2 BEDROOM NEW BUILD FLAT	£91.07	£4.33	£95.40	£4.53	£99.93	£4.75	£104.68
2 BEDROOM FLAT	£84.17	£4.00	£88.17	£4.19	£92.36	£4.39	£96.75
3 BEDROOM NEW BUILD HOUSE	£100.11	£4.76	£104.87	£4.98	£109.85	£5.22	£115.07
3 BEDROOM HOUSE	£92.21	£4.38	£96.59	£4.59	£101.18	£4.80	£105.98
4 BEDROOM HOUSE	£95.79	£4.55	£100.34	£4.76	£105.10	£4.99	£110.09

Rent charges are based on 48 weeks - 2 rental periods (4 weeks) are non-charging

OPTION 3

An increase of 5.0% will be applied each year, for a 3 year period

What will this option offer?

An increase of 5.0% will be applied each year, for a 3 year period. This will offer the same as Option 1. However, it will also generate an additional income of £1.013m over the 3 year period. This will provide additional flexibility to meet any potential increases in inflationary costs above those already built into the plan, to ensure that plans do not need to change, and/or allow the Council to carry out more improvement work.

What is the impact of a proposed Increase of 5.0%, year on year, over the 3-year period?

PROPERTY SIZE & TYPE	CURRENT WEEKLY RENT CHARGE	POTENTIAL 2024/25		POTENTIAL 2025/26		POTENTIAL 2026/27	
		Amount of Weekly Increase	Weekly Rent Charge	Amount of Weekly Increase	Weekly Rent Charge	Amount of Weekly Increase	Weekly Rent Charge
1 BEDROOM FLAT	£80.86	£4.05	£84.91	£4.25	£89.16	£4.46	£93.62
1 BEDROOM BUNGALOW	£91.82	£4.59	£96.41	£4.82	£101.23	£5.06	£106.29
2 BEDROOM NEW BUILD FLAT	£91.07	£4.55	£95.62	£4.78	£100.40	£5.02	£105.42
2 BEDROOM FLAT	£84.17	£4.21	£88.38	£4.42	£92.80	£4.64	£97.44
3 BEDROOM NEW BUILD HOUSE	£100.11	£5.01	£105.12	£5.26	£110.38	£5.52	£115.90
3 BEDROOM HOUSE	£92.21	£4.61	£96.82	£4.84	£101.66	£5.08	£106.74
4 BEDROOM HOUSE	£95.79	£4.79	£100.58	£5.03	£105.61	£5.28	£110.89

Rent charges are based on 48 weeks - 2 rental periods (4 weeks) are non-charging

How to vote in this consultation

Online

You can complete the voting form online at

<https://forms.office.com/e/x7hShTetmF>

or scan the below QR code on your mobile device.



Post

For those with no or limited online access, complete the included Tenant Voting Form and use the Freepost envelope to return the form to us at no cost.

PRIZE DRAW!

By taking part in this consultation and providing your details to allow us to verify your eligibility to vote, your details will be entered in the Prize Draw giving you the chance to win a £100 shopping voucher.



How your personal information will be used...

It is our responsibility to keep your information safe.

We will only collect the minimum amount of personal information we need to verify your eligibility to vote as part of this consultation.

We will not share the personal information you provide as part of this consultation with anybody else.

To find out what to expect when the Council collects your personal information, please visit our website - www.south-ayrshire.gov.uk/personal-information/

To view the Council's Housing Privacy notices click on the link www.south-ayrshire.gov.uk/privacy-notices/ and scroll down to the Housing Privacy Notice or click here.

This information can be translated into other languages and formats on request

可按要求將本資訊翻譯成其他語言和轉變為其他格式。

: درخواست کرن پر ان معلومات کا ترجم دیگر زبانو اور شکلو می کیا جا سکتا

Na życzenie klienta, informacje te mogą być udostępnione w innych językach oraz formatach.

Ця інформація може бути перекладена іншими мовами та надана в іншому форматі за запитом.