

South Ayrshire Council

**Report by Assistant Director – Housing and Operations
and Head of Finance, ICT and Procurement
to South Ayrshire Council (Special)
of 17 January 2024**

Subject: Setting of Council House Rents and Other Rents and Charges (2024/25 – 2026/27) and Proposed Housing Revenue Account (HRA) Revenue Budget 2024/25 and Capital Budget (2024/25 – 2028/29)

1. Purpose

- 1.1 The purpose of this report is for the Council to set an appropriate level for Council house rents, lock-up and garage site rents and other charges for the period 2024/25 – 2026/27 and to approve the proposed HRA revenue budget for 2024/25 and the proposed 5 year capital budget for 2024/25 – 2028/29.

2. Recommendation

2.1 It is recommended that the Council:

- 2.1.1 takes account of the consultation results and feedback from tenants as outlined at [Appendix 1](#), and agrees to apply a fixed council house rent increase of 4.5% each year for 3 years from 2024/25 – 2026/27;
- 2.1.2 agrees to apply a 4.5% increase each year for 3 years from 2024/25 – 2026/27 to other rents and charges recovered through the HRA. This includes:- lock-up rents, garage site rents, garden maintenance charges, communal heating and amenity charges;
- 2.1.3 agrees to retain the existing rental charges for all types of homeless temporary accommodation;
- 2.1.4 approves the proposed 2024/25 HRA revenue budget outlined in section 4.2 of this report and [Appendix 2](#) and the proposed 5 year capital budget as outlined in section 2.3 of this report and [Appendix 3](#); and
- 2.1.5 notes the results from tenant feedback, as outlined in section 4.4 and [Appendix 1](#) of this report, on the preferred ways to contact the Housing Service and notes that these results will be used to inform how teams are organised and any future considerations and proposals around shaping the model of service delivery.

3. Background

- 3.1 Following previous consultations undertaken in 2011, 2014, 2017 and 2020 the Council has agreed rent setting arrangements with tenants on each of these occasions for a 3-year period. 2023/24 is the final year of the previously agreed 3-year setting of rents and other charges within the HRA, and the current rent setting arrangement comes to an end on 20 March 2024.
- 3.2 Taking account of previous feedback and the fact that tenants have previously advised that they favour an arrangement which is not year on year, the similar principle of a 3-year arrangement has formed the basis of this current consultation to inform the next rent setting decision by Council.
- 3.3 As outlined in the report to the meeting of South Ayrshire Council on 1 March 2023, when preparing the 2023/24 budget, it was acknowledged that the rate of inflation was higher than previously assumed and this was impacting on revenue and capital budgets. As part of the approved 2023/24 HRA budget, budgets were adjusted and this contributed to offsetting increased pressures in others areas. An uncommitted sum of £1m has been used in 2023/24 to help mitigate rising repairs costs. Despite the budget and wider economic challenges, in recognition that 2023/24 was the final year of the previously agreed 1.5% rent increase and taking account of other cost of living pressures, the Council maintained its' commitment to apply the 1.5% increase in 2023/24. From published benchmark data South Ayrshire Council had the lowest increase at 1.5% in 2023/24, when rent increases across Scottish Local Authorities (excluding stock transfer authorities) ranged from 1.5% to 6.4%. 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. Based on the 2022/23 average weekly rent of £79.31 (over a 52 week period), the 2023/24 rent increase of 1.5% applied by the Council equated to an average increase of £1.19 per week, which was well below the agreed permitted average at that time.
- 3.4 Officers from Housing Services and Financial Services have updated the HRA Business Plan in respect of current and projected levels of revenue and capital expenditure. This update has taken account of commitments agreed with tenants in respect of cycles of modernisation and future levels of investment needed to maintain the Scottish Housing Quality Standard (SHQS) and work to continually improve the housing stock to meet the Energy Efficiency Standard for Social Housing (ESSH). It also takes account of the Council's commitments and proposals as outlined in the Strategic Housing Investment Plan, in respect of maintaining the future supply for affordable housing for rent.
- 3.5 The updated business plan, together with considerations around maintaining affordability, have informed the options on the next proposed rent increase. Following consultation with Portfolio Holders - Councillors Kilbride and Davis, the following options were agreed to form the basis of the consultation with tenants on proposed future rent increases for the 3-year period from 2024/25 – 2026/27: -
- **Option 1** – Increase rents by 4.5% each year;
 - **Option 2** – Increase rents by 4.75% each year; and
 - **Option 3** – Increase rents by 5.0% each year.

- 3.6 There is a statutory requirement for the Council to consult with tenants on rent setting. At the time of the previous consultation in November/December 2020, Covid-19 restrictions were in place, this limited the level and range of consultation that could take place with tenants. From other survey data, tenants had advised that the tenants' newsletter was their preferred type of communication from the Council. On that basis, a Rent Setting Consultation Newsletter was produced taking account of feedback and suggestions from Tenant Representatives and Interested Tenants. 367 votes were registered in the last round of consultation in 2020, and this was the best consultation response rate the Council has achieved in respect of rent setting. On this basis, the same format was used to conduct this latest round of consultation, incorporating feedback and input to the consultation newsletter from the Tenants Monitoring Group.
- 3.7 The Rent Setting Consultation was published on the Council's website and promoted via the Housing Services Facebook page and via a tenant representative podcast. The Rent Setting Newsletter was issued to all tenants by post and to all new tenants who signed their tenancy agreement during the consultation period which was open from 24 November to 20 December 2023. To help tenants make an informed choice, the newsletter contained the following information:- the background and reason for the consultation, an overview of the Housing Revenue Account and how rental income is used, the investment priorities and current commitments – including the proposed level of capital investment over the next 5 years in the region of £195 million, information on how the Council's rent levels compare with other social landlords and how the previous rent increase applied compares with other local authorities, information on ways tenants can seek help if they are struggling with rent payments, information on the considerations around rising costs and the provisions to manage risk within the housing business plan, and details on each of the rent setting options being presented to tenants for their vote.
- 3.8 The meeting of South Ayrshire Council on 29 June 2023 approved the future operating model for Customer Services. Taking account of this approved model, and given that the newsletter was being sent to all tenants, the opportunity was taken to ask tenants to indicate their top 2 preferred ways to contact the Housing Service.
- 3.9 A briefing note was issued to all Elected Members on 23 November 2023, this provided an overview of the consultation process and a copy of the newsletter and voting form that was issued to all tenants. A web link to the rent setting consultation and newsletter is included in the background papers section of this report.
- 3.10 As part of the last rent setting approved by Council in January 2021, it was agreed to freeze the rent levels for all homeless temporary accommodation. In 2018/19 subsidy levels were reduced for leased homeless accommodation, to date, each year, this has been mitigated by funding received from the Scottish Government.
- 3.11 As part of the budget and capital programme monitoring arrangements, the budgetary position of the HRA revenue and capital budgets are reported to Cabinet throughout the year. The HRA accumulated surplus as at 1 April 2023 was £3.278m, this was inclusive of the £2m minimum working balance, £1m held within the committed surplus which has been approved for use in 2023/24 to help mitigate rising repairs costs and £0.213m of current commitments. This left an uncommitted surplus of £0.065m. The HRA budget monitoring report for the period to 30 September 2023 (period 6) was approved by Cabinet on 28 November 2023, and the 2023/24 projected uncommitted surplus for the HRA was £0.556m.

4. Proposals

4.1 *Rent Setting Proposals for 2024/25 – 2026/27*

- 4.1.1 A total of 397 valid votes were registered as part of the rent setting consultation. The consultation results are summarised at [Appendix 1](#), and these have been used to inform the proposals and recommendations within this report.
- 4.1.2 Taking account of the consultation results and feedback from tenants, it is proposed that Council agrees to apply an increase 4.5% each year to council house rents, for the 3-year period from 2024/25 – 2026/27. This 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.
- 4.1.3 It is proposed that other rents and charges recovered through the HRA also increase by 4.5% each year for the 3-year period from 2024/25 – 2026/27. This includes lock-up rents, garage site rents, garden maintenance charges, communal heating and amenity charges.
- 4.1.4 Taking account of considerations around future subsidy arrangements and funding arrangements for homeless temporary accommodation, it is proposed that existing rent levels for all types of homeless temporary accommodation remain unchanged at this time.

4.2 *Proposed HRA Revenue Budget 2024/25*

- 4.2.1 The approved 2023/24 and proposed 2024/25 HRA budget are outlined in [Appendix 2](#). The proposed base budget for 2024/25, reflects the proposed rent increase of 4.5% and includes for the following:
- payroll costs that reflect the proposed Council pay award;
 - current bad debt provision at 2% of rents receivable in the year;
 - debt charges are based on planned capital investment detailed in section 4.3 below and as outlined in [Appendix 3](#);
 - housing and lock-up stock numbers, and future planned lock up demolitions previously approved by Council;
 - the base budget for maintenance costs has been increased, taking account of increased materials costs. The required uplifts to schedule of rates and an assumed annual inflationary increase has been applied per annum for all other expenditure for the life of the business plan;
 - a level of revenue contribution to help fund the housing capital programme – Capital Funded from Current Revenue (CFCR); and
 - an assumed rent increase of 4.5% for the next 3 years and then an assumed minimum rent increase of 3.0% each year for the life of the business plan.
- 4.2.2 Any future reprofiling of the revenue budget will be reported through the budget monitoring reports to Cabinet.

4.3 **Proposed Housing Capital Budget 2024/25 – 2028/29**

4.3.1 The Housing Capital Programme is presented on a rolling five-year planning cycle to provide greater certainty over future capital investment activity and to allow for better year on year planning and engagement with tenants. The following table outlines the proposed housing capital investment programme for the period 2024/25 – 2028/29, indicating a proposed cumulative spend of £199.586m over the next five-year period. Progress against the housing capital investment programme is reported to Cabinet periodically throughout the year. Each year an updated budget will be presented to Council as part of the HRA budget setting process.

4.3.2 The proposed housing capital budget for the period 2024/25 – 2028/29 includes for the following:

- reflects the budget and adjustments approved for the Housing Capital Programme 2023/24; Monitoring Report as at 30 September 2023, as approved by Cabinet on 28 November 2023;
- an internal modernisation cycle of 15/30 years as previously agreed with tenants, allowing around 2800 properties to be included in projects for full and partial modernisation work over the course of the next 5 years;
- financial provision for safety and compliance work for tenant and resident safety (replacing smoke alarms, heat and carbon monoxide detectors, fixed electrical work and dealing with asbestos materials);
- financial provision over the next 5 years to continue the programme of window replacement to renew windows in remaining properties where windows are over 25 years old;
- taking account of updated and refreshed stock condition data, an increased financial provision has been made to continue the 'fabric first' approach to replace roof coverings, upgrade or replace external wall finishes, install external wall insulation or upgrade/replace cavity wall insulation to improve the energy efficiency of properties and support work towards meeting net zero in properties that are recognised as being harder to treat in terms of thermal efficiency;
- proposed expenditure on new build housing is aligned with the Council's agreed SHIP, and then an assumption of 30 new build units each year thereafter for the life of the plan;
- buy-back of properties at a rate of 30 each year from 2024/25 – 2027/28 and 25 each year for 2028/29 – 2029/30, followed by 20 each year thereafter for the life of the plan; and
- the debt affordability level not exceeding 35% as previously agreed with tenants.

4.4 **Consultation Results – Preferred Ways to Contact the Housing Service**

4.4.1 A summary of the consultation results on the preferred ways for tenants to contact the Housing Service are outlined in [Appendix 1](#). From the votes cast, the preferences expressed are ranked as follows:

- By Phone – 290 votes
- A face-to-face appointment in a Council building - 142 votes
- A face-to-face appointment in your home – 115 votes
- Digital contact using email, online enquiry forms or online service requests – 100 votes
- Phone Appointment – 49 votes
- No preference expressed – 9 voting forms

4.4.2 The feedback received will help inform considerations around how best to organise the Housing teams and any future considerations and proposals around shaping the model of service delivery for Housing Services.

5. Legal and Procurement Implications

5.1 The recommendations in this report are consistent with legal requirements. In accordance with the statutory requirement, once a decision on future rent setting is approved by Council, tenants will be provided with the required 4 weeks' notice of the change and the increase being applied to their rent liability.

5.2 There are no direct procurement implications arising from this report. Professional Design Services will liaise with Procurement on any contractual requirements needed for the delivery of the housing capital programme.

6. Financial Implications

6.1 The proposals within this report ensure that the HRA Business Plan is fundable and sustainable over 40 years, taking account of considered risks and the current levels of proposed investment.

7. Human Resources Implications

7.1 Not applicable.

8. Risk

8.1 *Risk Implications of Adopting the Recommendations*

8.1.1 Adopting the recommendations will provide increased levels of capital spend over the next 5 year period. Given the mixed tenure nature of the housing stock, the delivery of the housing capital programme involves an element of engagement with owners regarding upgrade work and the availability of scheme of assistance grant funding to offer support to owners. There are established procedures in place to manage the owner engagement process, but the engagement process takes time and can impact on the programming and delivery of work. This risk has been identified and assessed in line with the Council's risk management process. It will be managed within existing operational activities and reference to the status of mitigations will be available through the Housing, Operations and Development Directorate Risk Register.

8.2 **Risk Implications of Rejecting the Recommendations**

- 8.2.1 Rejecting the recommendations would have a detrimental impact on the HRA budget and would affect the ability to deliver the housing service and secure the funding required for investment to maintain and improve the Council's housing stock to meet the requirements of the Scottish Housing Quality Standard, improving energy efficiency and undertaking work towards net zero. This would have a negative impact on the achievement or contribution towards Priority 2 of the Council Plan: Live, Work, Learn, and the outcome 'everyone has access to a variety of housing types and sizes and a home that is affordable, energy efficient and adaptable to changing needs'.
- 8.2.2 Rejecting the recommendations would impact on the reputation of the Council, as previous commitments to tenants would not be able to be fulfilled. It would also impact on the Council's ability to meet its' statutory requirement to provide tenants with 4 weeks' notice of any change to their rental charge.

9. **Equalities**

- 9.1 An Equalities Impact Assessment (EQIA), (including the Fairer Scotland Duty in respect of any Strategic decision), has been carried out on the proposals contained in this report, which identifies potential positive and negative equality impacts and any required mitigating actions. The EQIA is attached as [Appendix 4](#).

10. **Sustainable Development Implications**

- 10.1 **Considering Strategic Environmental Assessment (SEA)** - This report does not propose or seek approval for a plan, policy, programme or strategy or document otherwise described which could be considered to constitute a plan, programme, policy or strategy.

11. **Options Appraisal**

- 11.1 An options appraisal has not been carried out in relation to the subject matter. However, following updates to the HRA Business Plan, options on rent increases formed the basis of consultation with tenants as outlined in this report.

12. **Link to Council Plan**

- 12.1 The matters referred to in this report contribute to Priority 2 of the Council Plan: Live, Work, Learn - Everyone has access to a variety of housing types and sizes and a home that is affordable, energy efficient and adaptable to changing needs.

13. **Results of Consultation**

- 13.1 There has been consultation with the Tenants Monitoring Group. Three meetings were held with the Group on 9 November, 14 November and 17 November 2023. Tenants were provided with a presentation on the HRA Business Plan considerations and assumptions used to inform the options for consultation. The Group was also consulted on the proposed content of the Rent Setting Newsletter and the approach for tenant consultation. Comments and feedback received from the Group influenced the final content of the newsletter and the consultation approach.

- 13.2 The rent setting consultation was open to all Council tenants. A Rent Setting Newsletter and voting form was issued to every tenant. The consultation period was open from 24 November – 20 December 2023 inclusive. Tenants were able to register their vote for their preferred option for future rent setting either online or by postal vote, along with providing their feedback on their two preferred ways to contact the Housing Service.
- 13.3 Consultation has taken place with Councillor Martin Kilbride, Portfolio Holder for Buildings, Housing and Environment, and Councillor Ian Davis, Portfolio Holder for Finance, Human Resources and ICT, and the contents of this report reflect any feedback provided.

14. Next Steps for Decision Tracking Purposes

- 14.1 If the recommendations above are approved by Members, the Assistant Director – Housing and Operations and the Head of Finance, ICT and Procurement will ensure that all necessary steps are taken to ensure full implementation of the decision within the following timescales, with the completion status reported to the Cabinet in the ‘Council and Cabinet Decision Log’ at each of its meetings until such time as the decision is fully implemented:

Implementation	Due date	Managed by
Implement agreed rent setting with effect from 21 March 2024	21 March 2024	Service Lead – Housing Services
To set up appropriate accounting budgets for 2024/25 to reflect Council decision	1 April 2024	Head of Finance, ICT and Procurement

Background Papers **Rent Setting Consultation - [Rent Setting Consultation 2023 - South Ayrshire Council \(south-ayrshire.gov.uk\)](#)**

Report to South Ayrshire Council (Special) of 20 January 2021 – [Setting of Council House Rents and Other Rents and Charges \(2021/22 – 2023/24\) and Proposed Housing Revenue Account \(HRA\) Revenue Budget 2021/22 and Capital Budget \(2021/22 - 2025/26\)](#)

Report to South Ayrshire Council of 3 March 2022 – [Housing Revenue Account \(HRA\) – Revenue Budget 2022/23 and Capital Budget 2022/23 to 2026/27](#)

Report to South Ayrshire Council of 1 March 2023 – [Rent Setting and Housing Revenue Account \(HRA\) – Revenue Budget 2023/24 and Capital Budget 2023/24 to 2027/28](#)

Report to South Ayrshire Council of 29 June 2023 - [Future Operating Proposals – Customer Services](#)

Report to Cabinet of 28 November 2023 – [Budget Management – Revenue Budgetary Control 2023/24 – Position at 30 September 2023](#)

Report to Cabinet of 28 November 2023 – [Housing Capital 2023/24: Monitoring Report as at 30 September 2023](#)

Person to Contact

**Tim Baulk, Head of Finance, ICT and Procurement
County Buildings, Wellington Square, Ayr, KA7 1DR
Phone 01292 612620
E-mail tim.baulk@south-ayrshire.gov.uk**

**Kenneth Dalrymple, Assistant Director - Housing and Operations
County Buildings, Wellington Square, Ayr, KA7 1DR
Phone 01292 612041
E-mail kenneth.dalrymple@south-ayrshire.gov.uk**

**Michael Alexander, Service Lead – Housing Services
Riverside House, 21 River Terrace, Ayr, KA8 0AU
Phone 01292 612921
E-mail michael.alexander@south-ayrshire.gov.uk**

Date: 11 January 2024

Summary of Results from Rents Consultation

Consultation Numbers

Number of newsletters/voting forms issued to occupied properties as at 19 November 2023	7785
Number of newsletters/voting forms issued to new tenants in the period 20 November – 20 December 2023	71
Overall number of newsletters/voting forms issued	7856
Total Number of Valid Votes Registered Online	88
Total Number of Valid Votes Registered via postal votes	309
Overall Number of Valid Votes Registered	397
Response Rate	5%
Number of invalid voting forms (not able to be counted for the following reasons: <ul style="list-style-type: none"> No name and address details provided to validate the vote No rent setting option was selected on the voting form Online vote registered and postal vote also submitted (online vote was counted) 	13

Rent Setting Consultation Options

Rent Setting Options	Number of Votes	% of Vote
• Option 1 - Increase rents by 4.5% each year for 3 years	305	76.8%
• Option 2 - Increase rents by 4.75% each year for 3 years	53	13.4%
• Option 3 - Increase rents by 5% each year for 3 years	39	9.8%

Preferred Ways to Contact the Housing Service

Respondents were asked select their 2 top preferred ways to make contact. From the overall number of votes cast, the results are as follows:-

Contact Options	Number of Votes
By Phone	290
By Phone Appointment	49
Digital contact using email, online enquiry forms or online service requests	100
A face-to-face appointment in your home	115
A face-to-face appointment in a Council building	142
No Options Chosen	9

Approved 2023/24 and Proposed 2024/25 HRA Revenue Budget

<i>Approved Budget 2023/24 £m</i>	<i>Subjective Analysis</i>	<i>Proposed Budget 2024/25 £m</i>
5.232	Employee costs	5.357
12.869	Property costs	15.463
0.327	Supplies and services	0.334
0.070	Transport costs	0.072
1.405	Administration costs	1.589
1.801	Support service costs	1.837
0.029	Third party payments	0.030
0.114	Transfer payments	0.117
4.257	Financing costs	7.038
7.510	CFCR	1.798
33.614	Gross Expenditure	33.635
(33.614)	Income	(33.635)
0	Net Expenditure	0

Proposed Housing Capital Budget 2024/25 – 2028/29

<i>Activity</i>	<i>2024/25</i>	<i>2025/26</i>	<i>2026/27</i>	<i>2027/28</i>	<i>2028/29</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Major Component Replacements – Allocated	3.034	0.184	0	0	0
Major Component Replacements – Unallocated	14.322	14.322	11.381	11.341	11.341
Contingencies	0.269	0.269	0.269	0.269	0.269
Demolitions	0.067	0.067	0.067	0	0
Structural and Environmental	10.779	9.579	6.454	6.454	6.454
Fees	0.230	0.230	0.230	0.230	0.230
Footpaths	0.050	0.050	0.050	0.050	0.050
Window Replacement Programme	3.939	3.939	3.939	3.939	3.939
Environmental Improvements	0.707	0.707	0.361	0.361	0.361
Buy back properties	1.000	1.000	1.000	1.000	1.000
New builds	29.993	12.650	2.990	14.030	4.140
<i>Total Expenditure</i>	<i>64.390</i>	<i>42.997</i>	<i>26.741</i>	<i>37.674</i>	<i>27.784</i>

This capital programme would be funded as follows:

Income Source	2024/25	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m	£m
CFCR	1.798	0.992	1.036	1.205	1.461
Borrowing	61.547	38.035	22.989	31.621	25.069
Scottish Government Funding	1.045	3.970	2.716	4.848	1.254
Total	64.390	42.997	26.741	37.674	27.784
Net	0	0	0	0	0

South Ayrshire Council
Equality Impact Assessment including Fairer Scotland Duty

Section One: Policy Details*

Name of Policy	Setting of Council House Rents and Other Rents and Charges (2024/25 – 2026/27) and Proposed Housing Revenue Account (HRA) Revenue Budget 2024/25 and Capital Budget (2024/25 – 2028/29)
Lead Officer (Name/Position)	Michael Alexander – Service Lead, Housing Services
Support Team (Names/Positions) including Critical Friend	Claudine Johnston – Co-ordinator, Housing Services Kevin Anderson, Service Lead, Performance, Policy & Community Planning

*The term Policy is used throughout the assessment to embrace the full range of policies, procedures, strategies, projects, applications for funding or financial decisions.

What are the main aims of the policy?	To set an appropriate rent level for Council house rents, lock-up and garage site rents and other charges for the period 2024/25 – 2026/27 and to approve the proposed HRA revenue budget for 2024/25 and the proposed 5 year capital budget for 2024/25 – 2028/29.
What are the intended outcomes of the policy?	Taking account of consultation results and feedback from tenants, the intended outcome is for the Council to set an appropriate rent level within the Housing Revenue Account (HRA). It is recommended in the report that the Council applies the lowest level of rent increase from the options presented to tenants in the recent rent consultation. The increase is required to provide the necessary funding to deliver the Council's housing service to tenants and to support the funding necessary to invest in the Council's housing stock to maintain and improve properties to meet the Scottish Housing Quality Standard, improve energy efficiency standards and increase the supply of affordable housing to meet the needs of households in housing need.

Section Two: What are the Likely Impacts of the Policy?

Will the policy impact upon the whole population of South Ayrshire and/or particular groups within the population? (please specify)	<p>If approved by Council, the decision will have an impact on all council tenants who have a secure and short Scottish secure tenancy, lock up tenancy, garage site agreement and tenants liable for other charges such as amenity charges or heating charges, as it will increase the level of rent and other charges applied by the Council.</p> <p>It will have a positive impact on the available funding for the Council to deliver the housing service to all tenants and undertake an ongoing capital investment programme to improve the existing stock and increase the supply of</p>
---	---

	<p>affordable housing to meet the needs of households in housing need.</p> <p>If approved by Council, the decision would mean no change to rent levels for homeless temporary accommodation and this would have a positive impact on homeless households occupying temporary accommodation.</p>
--	---

Considering the following Protected Characteristics and themes, what likely impacts or issues does the policy have for the group or community?

List any likely positive and/or negative impacts.

Protected Characteristics	Positive and/or Negative Impacts
Age: Issues relating to different age groups e.g. older people or children and young people	Positive Impact - The proposals for rent setting provide the funding required to maintain and improve the existing housing stock, while also including provision to increase the supply of affordable housing to meet the needs of tenants and prospective tenants of all ages.
Disability: Issues relating to disabled people	Positive Impact - There is provision with the HRA budget to provide adaptations in council owned properties, taking account of any assessed needs by Occupational Therapists. This improves accessibility for disabled tenants within council owned properties.
Gender Reassignment – Trans/Transgender: Issues relating to people who have proposed, started or completed a process to change his or her sex	There are no specific impacts relating to this particular characteristic.
Marriage and Civil Partnership: Issues relating to people who are married or are in a civil partnership	There are no specific impacts relating to this particular characteristic.
Pregnancy and Maternity: Issues relating to woman who are pregnant and/or on maternity leave	There are no specific impacts relating to this particular characteristic.
Race: Issues relating to people from different racial groups,(BME) ethnic minorities, including Gypsy/Travellers	There are no specific impacts relating to this particular characteristic.
Religion or Belief: Issues relating to a person's religion or belief (including non-belief)	There are no specific impacts relating to this particular characteristic.
Sex: Issues specific to women and men/or girls and boys	There are no specific impacts relating to this particular characteristic.

<p>Sexual Orientation: Issues relating to a person's sexual orientation i.e. LGBT+, heterosexual/straight</p>	<p>There are no specific impacts relating to this particular characteristic.</p>
--	--

<p>Equality and Diversity Themes Relevant to South Ayrshire Council</p>	<p>Positive and/or Negative Impacts</p>
<p>Health Issues and impacts affecting people's health</p>	<p>The setting of an appropriate rent level and other levels of charges within the Housing Revenue Account ensures the necessary budgets and funding is available to deliver the housing service and invest in council owned properties to meet the Scottish Housing Quality, work to improve energy efficiency standards, and increase the supply of affordable housing. Improved standards and an increased supply of affordable housing will have a positive impact on health.</p>
<p>Human Rights: Issues and impacts affecting people's human rights such as being treated with dignity and respect, the right to education, the right to respect for private and family life, and the right to free elections.</p>	<p>The setting of an appropriate rent level and other levels of charges within the Housing Revenue Account ensures the necessary budgets and funding is available to deliver the housing service and invest in council owned properties to meet the Scottish Housing Quality, work to improve energy efficiency standards, and increase the supply of affordable housing to meet demand from households in housing need. This will positively impact on human rights.</p> <p>If approved, the decision to retain existing rent charges for all types of homeless temporary accommodation will impact positively on homeless households.</p>

<p>Socio-Economic Disadvantage</p>	<p>Positive and/or Negative Impacts</p>
<p>Low Income/Income Poverty: Issues: cannot afford to maintain regular payments such as bills, food and clothing.</p>	<p>Programmed capital investment will lead to improved standards within properties and any measures to improve energy efficiency within the housing stock will have a positive impact for those on a low income or living in income poverty.</p> <p>An increased rent liability may have a negative impact on households who are not in receipt of Housing Benefit or Universal Credit housing costs.</p> <p>If approved the decision to retain existing rent charges for all types of homeless temporary accommodation will impact positively on homeless households.</p>
<p>Low and/or no wealth: Issues: enough money to meet basic living costs and pay bills but have no savings to deal with any unexpected spends and no provision for the future</p>	<p>Programmed capital investment will lead to improved standards within properties and any measures to improve energy efficiency within the housing stock will have a positive impact for those with low and/or no wealth.</p> <p>An increased rent liability may have a negative impact on households. However, for those households with low and/or no wealth, advice, information or signposting to apply for Housing Benefit or Universal Credit housing costs would be maximised.</p>

	If approved, the decision to retain existing rent charges for all types of homeless temporary accommodation will impact positively on homeless households.
Material Deprivation: Issues: being unable to access basic goods and services i.e. financial products like life insurance, repair/replace broken electrical goods, warm home, leisure/hobbies	<p>Programmed capital investment will lead to improved standards within properties and any measures to improve energy efficiency within the housing stock will have a positive impact for those experiencing material deprivation.</p> <p>An increased rent liability may have a negative impact on households. However, for those households with material deprivation, advice, information or signposting to apply for Housing Benefit or Universal Credit housing costs would be maximised.</p> <p>If approved, the decision to retain existing rent charges for all types of homeless temporary accommodation will impact positively on homeless households.</p>
Area Deprivation: Issues: where you live (rural areas), where you work (accessibility of transport)	There are no specific impacts relating to this socio-economic factor.

Section Three: Evidence Used in Developing the Policy

<p>Involvement and Consultation In assessing the impact(s) set out above what evidence has been collected from involvement, engagement or consultation? Who did you involve, when and how?</p>	<p>A Rent Setting Consultation Newsletter was developed in partnership with tenant representatives on the Tenants Monitoring Group. The newsletter included key information to allow tenants to make an informed decision. The Rent Setting Consultation was published on the Council's website and promoted via the Housing Services Facebook page and via a tenant representative podcast. A newsletter was issued to all tenants (7856 in total) and the consultation period was open from 24 November – 20 December 2023. A total of 397 valid votes were registered online or by post, this represented a response rate of 5%. Taking account of the consultation responses and feedback, the lowest level of proposed increase at 4.5% each year for 3 years has been recommended to Council for approval.</p>
<p>Data and Research In assessing the impact set out above what evidence has been collected from research or other data. Please specify what research was carried out or data collected, when and how this was done.</p>	<p>To help develop the consultation material, information was used from data published by the Scottish Housing Regulator and Scotland's Housing Network. The newsletter contained the following information to help tenants make an informed choice:-</p> <ul style="list-style-type: none"> • the background and reason for the consultation, • an overview of the Housing Revenue Account and how rental income is used, • the investment priorities and current commitments – including the proposed level of capital investment over the next 5 years in the region of £195 million, • information on how the Council's rent levels compare with other social landlords and how the previous rent increase applied compares with other local authorities, • information on ways tenants can seek help if they are struggling with rent payments, • information on the considerations around rising costs and the provisions to manage risk within the housing business plan, and • details on each of the rent setting options being presented to tenants for their vote.

<p>Partners data and research In assessing the impact(s) set out in Section 2 what evidence has been provided by partners?</p> <p>Please specify partners</p>	<p>Information on national rent levels is available from data published by the Scottish Housing Regulator and Scotland's Housing Network. This has been used to assess the impact of proposed increases for tenants in comparison to other social housing providers.</p> <p>Information collated for the Annual Return on the Housing Charter is used to inform considerations. In respect of rents, information is available on the number of tenants receiving assistance with housing costs via Housing Benefit or Universal Credit.</p> <p>Following the completion of energy efficiency improvement work, where required, updated Energy Performance Certificates (EPC's) are commissioned to measure the improvement of energy ratings in properties post completion of work. Updated EPC's are provided by the Energy Agency on completion of works or commissioned by the Council through existing contractual arrangements.</p>
<p>Gaps and Uncertainties Have you identified any gaps or uncertainties in your understanding of the issues or impacts that need to be explored further?</p>	<p>There are no specific gaps or uncertainties. Through early intervention and personal contact Housing staff will provide advice, information or signposting services to households who indicate they are struggling to meet their rent payments.</p>

Section Four: Detailed Action Plan to address identified gaps in:

a) evidence and

b) to mitigate negative impacts

No.	Action	Responsible Officer(s)	Timescale
1	Deliver planned capital investment programme to improve properties and improve energy efficiency standards.	Service Lead – Housing Services and Service Lead - Professional Design Services	Ongoing
2	Deliver programmes of new build housing to increase the supply of affordable housing	Co-ordinator – Housing Policy & Strategy and Service Lead - Professional Design Services	Ongoing
3	Ensure early intervention and contact takes place with households in rent arrears to provide advice, information, signposting and support to households experiencing hardship or missing rent payments. Maximise the take up of applications for Discretionary Housing Payments to assist households in financial hardship.	Service Lead – Housing Services and Co-ordinator – Housing Revenue, Arrears & Support	Ongoing
4	Where appropriate and with the tenants consent, make referrals to Housing Support Providers (such as Ayr Housing Aid Centre, Quarriers, SeaScape)	Service Lead – Housing Services and	Ongoing

	or the Information and Advice Hub to provide targeted support to households experiencing hardship or missing rent payments.	Co-ordinator – Housing Revenue, Arrears & Support	
--	---	---	--

Note: Please add more rows as required.

Section Five - Performance monitoring and reporting

Considering the policy as a whole, including its equality and diversity implications:

When is the policy intended to come into effect?	21 March 2024
When will the policy be reviewed?	The decision is to set rents for a 3 year period from 2024/25 – 2026/27. Following the Council's decision in January 2024, the next rent setting decision would be reviewed and confirmed by Council in January 2027.
Which Panel will have oversight of the policy?	South Ayrshire Council



Section 6

South Ayrshire Council

Appendix 4

Summary Equality Impact Assessment Implications & Mitigating Actions

Name of Policy: Setting of Council House Rents and Other Rents and Charges (2024/25 – 2026/27) and Proposed Housing Revenue Account (HRA) Revenue Budget 2024/25 and Capital Budget (2024/25 – 2028/29)

This policy will assist or inhibit the Council's ability to eliminate discrimination; advance equality of opportunity; and foster good relations as follows:

<p>Eliminate discrimination</p> <p>The rent setting decision will apply to all secure and short Scottish secure tenants of South Ayrshire Council, it does not disproportionately disadvantage one group or community over another. South Ayrshire Council is committed to eliminating discrimination and stigmatisation through the delivery of housing services to all tenants.</p>
<p>Advance equality of opportunity</p> <p>The rent setting decision applies to all secure and short Scottish secure tenants, this provides funding for the delivery of services which is inclusive and ensures equality of opportunity to access housing services by all protected characteristics within the Council's communities.</p>
<p>Foster good relations</p> <p>The rent setting decision will support the Housing Revenue Account to achieve an income stream that will support the delivery of improvements across the housing stock, improving standards for tenants and fulfilling the commitments agreed in consultation with tenants.</p>
<p>Consider Socio-Economic Disadvantage (Fairer Scotland Duty)</p> <p>While the rent setting decision may have a financial impact on some households, the Council is committed to ensuring that there is early intervention and contact is made with tenants who fall into rent arrears to ensure that appropriate advice, information, housing support or signposting</p>

takes place. Where appropriate advice and support will be provided to maximise the take up of applications for Discretionary Housing Payments to households experiencing financial hardship.

Summary of Key Action to Mitigate Negative Impacts	
Actions	Timescale
See details of actions outlined in Section 4.	

Signed:Michael Alexander - Service Lead – Housing Services
Date:10 January 2024.....