

**REPORT TO:** East Lothian Council

**MEETING DATE:** 11 February 2014

**BY:** Depute Chief Executive (Partnerships and Community Services)

**SUBJECT:** Proposals to Increase Council House Rents – Consultation Exercise

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## **1 PURPOSE**

- 1.1 To outline the results of the consultation exercise on the proposals to increase the Council House Rents in 2014/15.
- 1.2 To outline the key aspects of the consultation process.

## **2 RECOMMENDATIONS**

- 2.1 Council is asked to note the results of the consultation exercise.
- 2.2 Council is asked to note the consultation process and that this will be further improved and consolidated on in future years.

## **3 BACKGROUND**

- 3.1 The Council has a statutory obligation under the Housing (Scotland) Act 2001 to consult with all tenants when making any proposals to increase rents. In doing so the Council must:

- Consult all tenants affected by the proposal, and
- Have regard to the views expressed during the consultation exercise.

### **Consultation Approach**

- 3.2 With the aim of improving on the approach to consulting on rent proposals adopted in previous years, the Council undertook to continue to work with and agree a robust approach in conjunction with East Lothian Tenants & Residents Panel (ELTRP).

3.3 The Project Group originally set up in June 2008, comprising of Council staff from Community Housing and Finance, the Cabinet Spokesperson for Housing & Environment, as well as members of ELTRP reconvened in September 2013 to discuss and agree the approach for 2014/15.

#### 3.4 **The Project Group:**

- Designed, agreed and implemented the consultation approach for the rent proposals, which gave tenants the opportunity to complete a consultation questionnaire to give their views on the rent consultation and proposed rent increase. It was agreed that for the first time, tenants would also have the opportunity to complete their questionnaire online. They could comment in other ways too i.e. via free phone, email or by writing in.
- Designed a customer friendly consultation letter, which included key information to tenants to allow them to understand how their rent money is spent and the key services it pays for. A ready reckoner was also included which showed tenants what effect the potential rent increase will have on their current fortnightly rent.
- Agreed as part of the consultation, to hold a Tenants Open Day, the aim of which was to provide more information to tenants on what their rent pays for and also to have information stalls on other HRA and related services.
- Agree the timeline for the consultation.

3.5 All of the above measures continue to build upon the improved approach introduced in 2013/14.

#### **Consultation Outcome**

3.6 Whilst the consultation process itself has continued to improve, there was also a significant increase in the number of responses from individuals again this year. The vast majority of the feedback was received through the questionnaire, four of which were completed online.

3.7 A total of 1,241 completed questionnaires (268 more than last year) were received along with four telephone enquiries and one written response representing a return rate of 14.7% of all letters issued (11.5% return rate last year).

3.8 The results of all the feedback received from tenants who completed the consultation questionnaire are shown below.

- 93.2% of those who responded were happy with the level of consultation and information they get about the annual rent increase. This represents a decrease of 1.9% on last year's figure.
- 88% said that they think the rent they pay is good value for money (2% decrease on last year).

- 83.7% think the Council is proposing a fair rent increase of 4.3%. (1.6% decrease on last year).
- 94.2% agree with the Council's commitment to build new houses, to help address the housing situation in East Lothian (decrease of 0.8%).
- 97.3% agree that the Council should continue to modernise its existing stock e.g. kitchen and bathroom replacement (increase of 1.7% on last year).
- 94.2% agree that their rent should be used to pay for the following key areas – service delivery, modernisation of council houses and delivery of new affordable homes (decrease of 0.3%).

3.9 There were two additional questions added to the questionnaire this year about the frequency of rent payments and rent payment breaks at the request of Finance staff who are considering the possibility of reviewing the current charging/payment frequency and the policy of payment breaks. The consultation results will be fed into any future review and members will be kept apprised of any developments.

- The majority of tenants (52%) said that a fortnightly payment frequency best suits their household budget
- Most tenants (64.5%) said that they would prefer to keep rent payment breaks and pay a higher amount over 24 fortnights.

3.10 Tenants were given the opportunity to give any other comments at the end of the questionnaire and these were generally about the modernisation of houses, positive comments about the Council and the services it provides, comments on the repairs service, rent payments and payment breaks.

3.11 A summary of all the responses received from tenants who completed the questionnaire is shown in Appendix 1.

3.12 The Tenants Open Day was attended by 17 tenants who gave positive feedback about the event and the range of information that was available. A report of the event has been produced that will be considered when planning any similar events.

3.13 The Rent Increase Consultation Register (Appendix 2) is lodged in the Members' Library.

3.14 The Council will be further informed by a separate report on a recent comprehensive tenant satisfaction survey, which will be completed shortly. This representative survey also looked at value for money in more detail and asked further questions around the repairs service, financial inclusion and looked for reasons why tenants might not use the internet (noting the low numbers of electronic returns for the rents consultation) amongst others.

#### **4 POLICY IMPLICATIONS**

- 4.1 The improved consultation process underlines the Council's commitment to its Tenant Participation Strategy.

#### **5 EQUALITIES IMPACT ASSESSMENT**

- 5.1 This report is not applicable to the well being of equalities groups and an Equalities Impact Assessment is not required.

#### **6 RESOURCE IMPLICATIONS**

- 6.1 Financial – None.  
6.2 Personnel - None.  
6.3 Other – None.

#### **7 BACKGROUND PAPERS**

- 7.1 Appendix 1 – Summary of responses received during the Rent Increase Consultation Exercise 2014/15.  
7.2 Appendix 2 – Rent Increase Consultation Register lodged in the Members' Library – Reference: 18/14.

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<b>DATE</b>	17 <sup>th</sup> January 2014

# Rent Consultation Questionnaire

## Proposed Rent Increase for 2014/15

We want to hear your views on the rent consultation and proposed rent increase. Please take a few minutes to fill in this form.

- Q1 Are you happy with the level of consultation and information you get about the annual rent increase? If no please tell us why?**
- Yes ..... 93.2%  
 No ..... 5.4%  
 Comment ..... 5.6%
- Q2 Do you think the rent you pay is good value for money? If no please tell us why?**
- Yes ..... 88.2%  
 No ..... 9.3%  
 Comment ..... 11.4%
- Q3 By increasing rent the Council continues to deliver existing services, invest in our stock and deliver new houses. Do you think the Council is proposing a fair rent increase? If no, please tell us why?**
- Yes ..... 83.7%  
 No ..... 14.0%  
 Comment ..... 15.1%
- Q4 Do you agree with the Council's commitment to build new houses to help address the housing situation in East Lothian? If no, please tell us why?**
- Yes ..... 94.2%  
 No ..... 4.6%  
 Comment ..... 7.8%
- Q5 Do you agree that the Council should continue to modernise its existing stock (for example new kitchens, bathrooms etc.)? If no, please tell us why?**
- Yes ..... 97.3%  
 No ..... 2.7%  
 Comment ..... 9.1%
- Q6 Do you agree that your rent should be used to pay for the following key areas? Service delivery, modernisation of council houses, delivery of new affordable houses. If no, please state what is not important or what you think is missing?**
- Yes ..... 94.2%  
 No ..... 3.8%  
 Comment ..... 7.2%
- Q7 The Council currently charges rent on a fortnightly basis. Which rent payment frequency best suits your household budget? Please tick the appropriate box.**
- Weekly ..... 12.3%  
 Fortnightly ..... 52.3%  
 Monthly ..... 32.6%
- Q8 The Council currently offers rent payment breaks in July and December and your annual rent charge is divided in to 24 fortnightly payments. Please tick the appropriate box.**
- Would you prefer to keep rent payment breaks and pay a higher amount over 24 fortnights? ..... 64.5%  
 Or would you prefer not to have rent payment breaks and pay a smaller amount over 26 fortnights? ..... 28.8%
- Q9 Do you have any other comments you would like to make?**
- Comment ..... 27.2%
- Q10 Type of response:**
- Postal Questionnaire ..... 99.3%  
 Online Survey ..... 0.3%  
 Local TRA ..... 0.2%

Summary of comments received during Rent Consultation 2014/15.

**Question 1 - Are you happy with the level of consultation and information you get about the annual rent increase? If no, please tell us why?**

Although in the main tenants were happy, of those who commented a lot felt that they were not consulted and that the rent will be increased no matter what tenants say.

**Question 2 - Do you think the rent you pay is good value for money? If no, please tell us why?**

Comments generally related to tenants feeling that houses are not being looked after and are poorly maintained. Some tenants commented that they are still waiting on a new kitchen or bathroom and a feeling that they have to wait a long time to get repairs done.

**Question 3 - By increasing rent the Council continues to deliver existing services, invest in our stock and deliver new houses. Do you think the Council is proposing a fair rent increase? If no, please tell us why?**

Some of those who commented felt that the increase was too high and some noted that the increase was above inflation. Others said that they are finding it difficult in the current economic climate.

**Question 4 - Do you agree with the Council's commitment to build new houses to help address the housing situation in East Lothian? If no, please tell us why?**

Some respondents made comments about how houses are allocated in East Lothian and also that this should not be to the detriment of existing houses being upgraded and maintained.

**Question 5 - Do you agree that the Council should continue to modernise its existing stock (for example new kitchens, bathrooms etc.)? If no, please tell us why?**

The majority of the comments related to the length of time it takes to get a new kitchen or bathroom. Also, some commented that this work should only be carried out if necessary and that there should be a fair system to prioritise the properties needing upgraded.

**Question 6 - Do you agree that your rent should be used to pay for the following key areas?**

**1) Service delivery e.g. repairs, housing management etc. 2) Modernisation of council houses 3) Delivery of new affordable houses. If no, please state what is not important or what you think is missing?**

Some of the tenants who commented here felt that they should not be paying for new builds and that money should be found from elsewhere for this. There were also comments about the need for existing properties to be repaired and modernised.

**Questions 7 and 8 did not give the opportunity for comments.**

**Question 9 – Do you have any other comments you would like to make?**

Of those who returned questionnaires, 27% commented and the top four categories tenants commented on (with the most common first) were modernisation, positive comments, repairs service and rent payments and payment breaks.

In terms of the comments made relating to modernisation most of them were from tenants wondering when they would get their new kitchen or bathroom. Tenants also made positive comments about the Council and the services it provides. The repairs service was commented on and reference to the length of time it takes to get repairs done. There were also general comments about rent payments and payment breaks.