

Financial Business Plan for Clackmannanshire Council Housing 2013-2018

Rent Consultation

Background

In 2006 and 2007 we talked to our tenants to ask them how they wanted us to spend the rent money we collect. This confirmed the investment priorities that our tenants wanted, which were:

- All our stock to meet the Scottish Housing Quality Standard (SHQS) by 2015. All properties should be compliant with the basic Tolerable Standard, free from serious disrepair, energy efficient, fitted with modern facilities and services, healthy, safe and secure.
- Deliver the Clackmannanshire Standard - To include higher quality 'Secure by Design' front doors and higher quality kitchen and bathroom standards as part of the replacement programme.
- The Housing Revenue Account to retain £3m as a reserve balance.

Achievements

Since then, we've worked to improve our properties and invest for the future. The Council has invested £40 million in the last 5 years to improve the standard and availability of council housing. This has delivered:

- SHQS - 89% of our housing stock now meets this national standard, which is currently the highest in Scotland for local authority landlords;
- Clackmannanshire Standard - the kitchen and front door replacement programme is now complete;
- Bathroom programme - due to complete in 2016;
- In the last year, 1,084 houses have received full new central heating systems with "A" rated energy efficient combi boilers;
- Gas networks being provided to areas previously off the gas grid - areas such as Craigview, Branshill Park in Sauchie, Carseview in Tullibody, and areas of Tillicoultry;
- New build Council houses in Alva and Tullibody, due for let from April 2013.

The Current Plan & Rent Levels

The current plan approved by [Council in 2009](#) agreed rent increases of RPI inflation + 2% until 2015, and then RPI inflation + 1% for the remainder of the plan period.

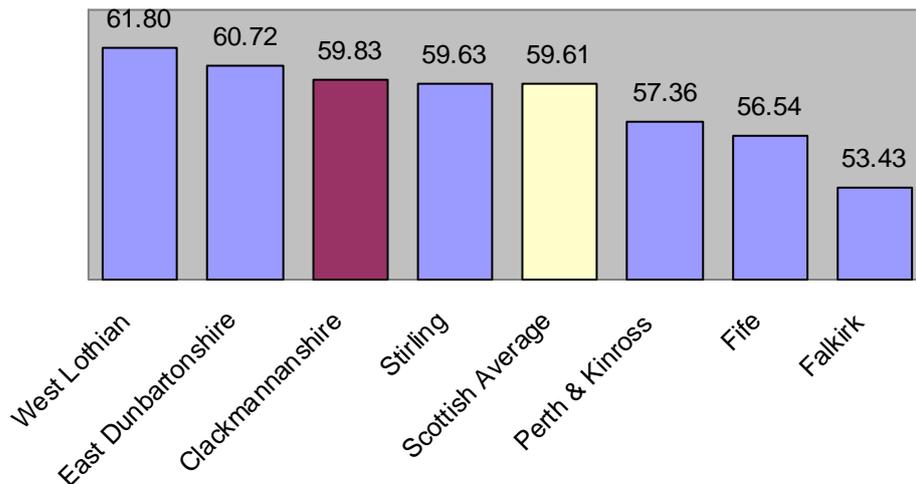
We previously set rent levels to cover delivery on your priorities in 2007, but we have delivered savings, reduced borrowing, and kept as many properties as possible from demolition since the last Business Plan was finalised. This

has enabled us to review rent levels, which is why we are asking you for your views again.

The savings generated in the previous plan, along with having borrowed less and reviewing how much we hold in reserve, allows us the option to reduce the planned rent increases without affecting the service we provide to our tenants.

Currently, our rent charges are slightly above the Scottish average:

Average Weekly Rent levels in 2012/13 (Sample local authorities)



Q1: The Council's rent is slightly above the Scottish average, and the proposals are for rent increases to be slightly less than those approved in the previous business plan. Do you think the rent you pay now is good value for money?

- Strongly Agree
- Agree
- Disagree
- Strongly disagree
- No preference

Q2: Do you think the rent charged by Clackmannanshire Council is affordable?

- Strongly Agree
- Agree
- Disagree
- Strongly disagree
- No preference

New Priorities

During the summer of 2012, we were out and about asking what the people of Clackmannanshire wanted us to invest in. The majority of respondents strongly agreed that the Clackmannanshire Housing Strategy should include the following priorities:

- Best use of housing stock
- Improving neighbourhoods and communities
- Energy efficiency and fuel poverty
- Housing investment

The outline priorities for investment for the next 5 years have already been agreed [by Council](#). These priorities include provision for the completion of the bathroom programme, and a window replacement programme which is due to start next year.

Future Housing Need

Evidence from the [Clackmannanshire Housing Need and Demand Assessment](#) (HNDA) shows that we need more homes to meet the future growing population and smaller household sizes. Over the next 10 years, our research shows that we need to provide an additional 5,724 properties with 3,220 being for social rent. To support this, we have budgeted to buy or build approximately 20 new properties a year for the next 30 years, as we urgently need more stock to allow us to continue to provide the residents of Clackmannanshire with suitable and affordable housing.

Q3: Our proposal includes the provision of around 600 new houses over the next 30 years. Do you think it is important that the council focuses on increasing the number of socially rented houses available in Clackmannanshire?

Yes

No

Proposed Plan

Previously, tenants requested that we keep a reserve of £3m to make sure that we could deliver the improvements agreed in the current plan. This improvements programme is nearly complete, with the bathroom replacement programme due to complete in 2016. This means that we no longer need to keep this level of money in reserve, and we are reducing the reserve funds to around £700,000. This means that we can look at reducing the planned rent rises without affecting the services provided.

The table below shows the average rent level based on the current plan until 2017/18 compared with the new proposed plan. We have assumed RPI

inflation will be 3%. Our proposed plan will still require above inflation increases for the first few years, however, by year 5 we assume we will be able to restrict rent increases by inflation. The table demonstrates that, by the end of the plan period, tenants will be paying around £2 a week less than the current business plan.

Average rent increases 2013 - 2018

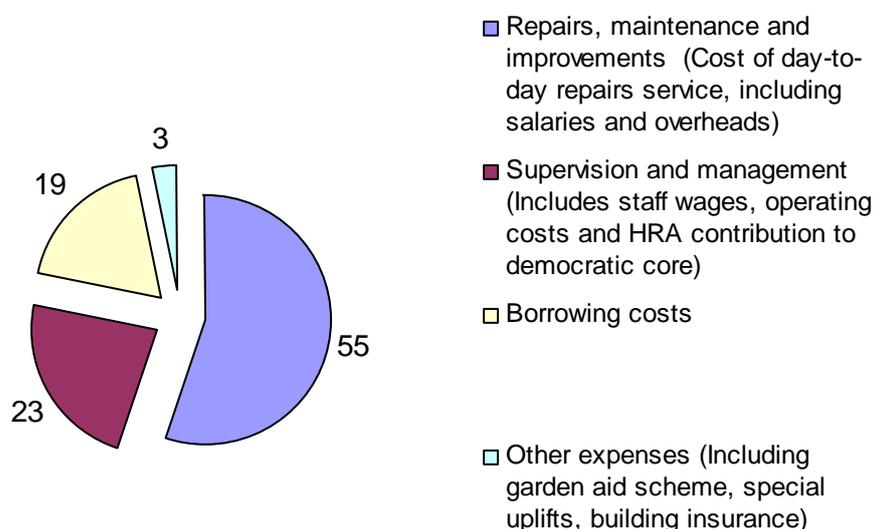
	2013/14	2014/15	2015/16	2016/17	2017/18
Avg Rent (£) - Current Plan	67.79	71.18	74.03	76.99	80.07
Avg Rent (£) - Proposed Plan	67.79	70.50	73.15	75.71	77.98
Saving (£)	0.00	0.68	0.88	1.28	2.09

Q4: Do you agree with our proposals to reduce the budgeted rent increases?

- Strongly Agree
- Agree
- Disagree
- Strongly disagree
- No preference

Planned Spending

Our planned spending for each £1 of rent received in 2013/14 is split as follows:



We will continue to be proactive with our investment in our stock, and will carry out major repairs when elements of the building come to the end of their specified life:

Element to be replaced	Lifespan to be replaced (years)
Roofs	Average 50+ years
Windows	30
Kitchens	25
Bathrooms	25
Doors	25
Re-wiring	25
Central Heating (Full system replacement including radiators etc)	25+
Central Heating Boilers	12 - 15

Q5: The new proposal includes additional funding for energy efficiency measure. Do you think the Council does enough to make its properties energy efficient?

Yes

No

Consideration for the Future

We will be carrying out another review of our business plan in 2017. We are asking our tenants to think about what services they want to continue receiving once the current programme of delivering the Clacks Standard to all tenants is completed.

We might be able to reduce future rent increases, but that means that some services you receive will be affected. For instance, we currently provide decoration allowances and disturbance payments for tenants who have had replacement kitchens and / or bathrooms. Until the current programmes are finished, this will continue. We need to know if you think we should consider the removal of this allowance and payments from future programmes.

As part of the housing rent, tenants are provided with access to special uplifts and this is paid for as part of your rent payment - [Bulky Uplifts](#). We also provide help to some tenants (who meet strict criteria) to maintain their gardens. This is something else we need your views on.

Q6: Do you think we should continue to provide free bulky uplifts for council tenants (this is included in their rent payments)?

- Strongly Agree
- Agree
- Disagree
- Strongly disagree
- No preference

Q7: Do you think we should continue to provide help for people who cannot maintain their gardens?

- Strongly Agree
- Agree
- Disagree
- Strongly disagree
- No preference

We do not currently have a large variation in rent charges, no matter the size of the property. We would like you to tell us if we should review the way we charge rent for different sizes of properties.

Q8: Do you think the Council should look into review how we charge rent for different sizes of properties?

Yes

No

Q9: New build properties have higher energy efficiency standards than existing homes and are generally cheaper to heat. Do you think that new build properties should have a higher rent charge?

Yes

No

Q10: As part of our kitchen and bathroom programmes we fully decorate the room we are working on. Do you think we should also pay a disturbance allowance in these cases? (Removal of the disturbance payments may mean that we can restrict future rent rises).

Strongly Agree

Agree

Disagree

Strongly disagree

No preference

It's important that we take account of what current and prospective tenants, and other customers, are likely to be able to afford.

In line with the Scottish Social Housing Charter (Outcomes 13, 14 & 15), the Council is looking at how we consult on future rent setting. We need to take into consideration current and prospective tenants views and what other customers are likely to be able to afford. The Council rents are generally set in February of each year. We will make information available each December and January to allow as many people as possible to have the chance to tell us their views.

Q11: How would you prefer to take part in this?

- Email
- Phone
- Online
- Mobile App
- Tenants
- Consultation
- Other (Please specify)

Q12: Are you a current Council tenant?

- Yes
- No

Q13: If No, are you (tick all that apply)

- Owner Occupier
- Private Rented
- Housing Association Tenant
- Applicant on Waiting List
- Other (Please specify)

If you wish to make any other comments, please use the box below: