

Rent proposals for 2024/25

Moladh àrdachadh màil airson
2024/25

Consultation

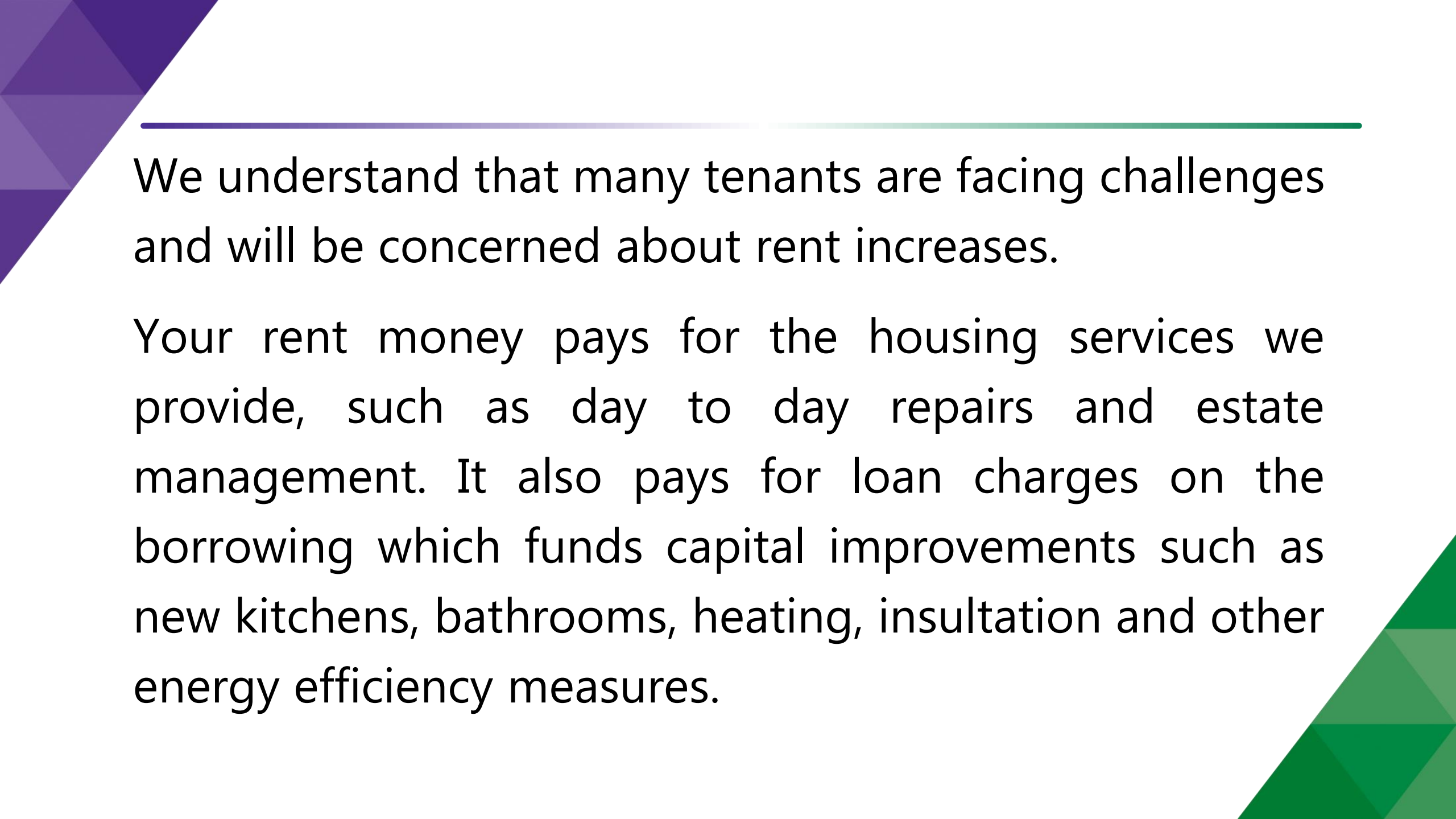
Everyone pays rent - even if you get Housing Benefit or Universal Credit to help you do so. Whichever way you pay, it is important that we get your views.

Every year we consult with all our Council house tenants about changes to their rent. This helps to decide how much rent we can collect and, in turn, what housing services we can deliver in the following year.

Challenges - External Factors


National Issues:

- Inflation and cost of living crisis
- Energy supply and cost
- Increase in cost of materials




We understand that many tenants are facing challenges and will be concerned about rent increases.

Your rent money pays for the housing services we provide, such as day to day repairs and estate management. It also pays for loan charges on the borrowing which funds capital improvements such as new kitchens, bathrooms, heating, insulation and other energy efficiency measures.

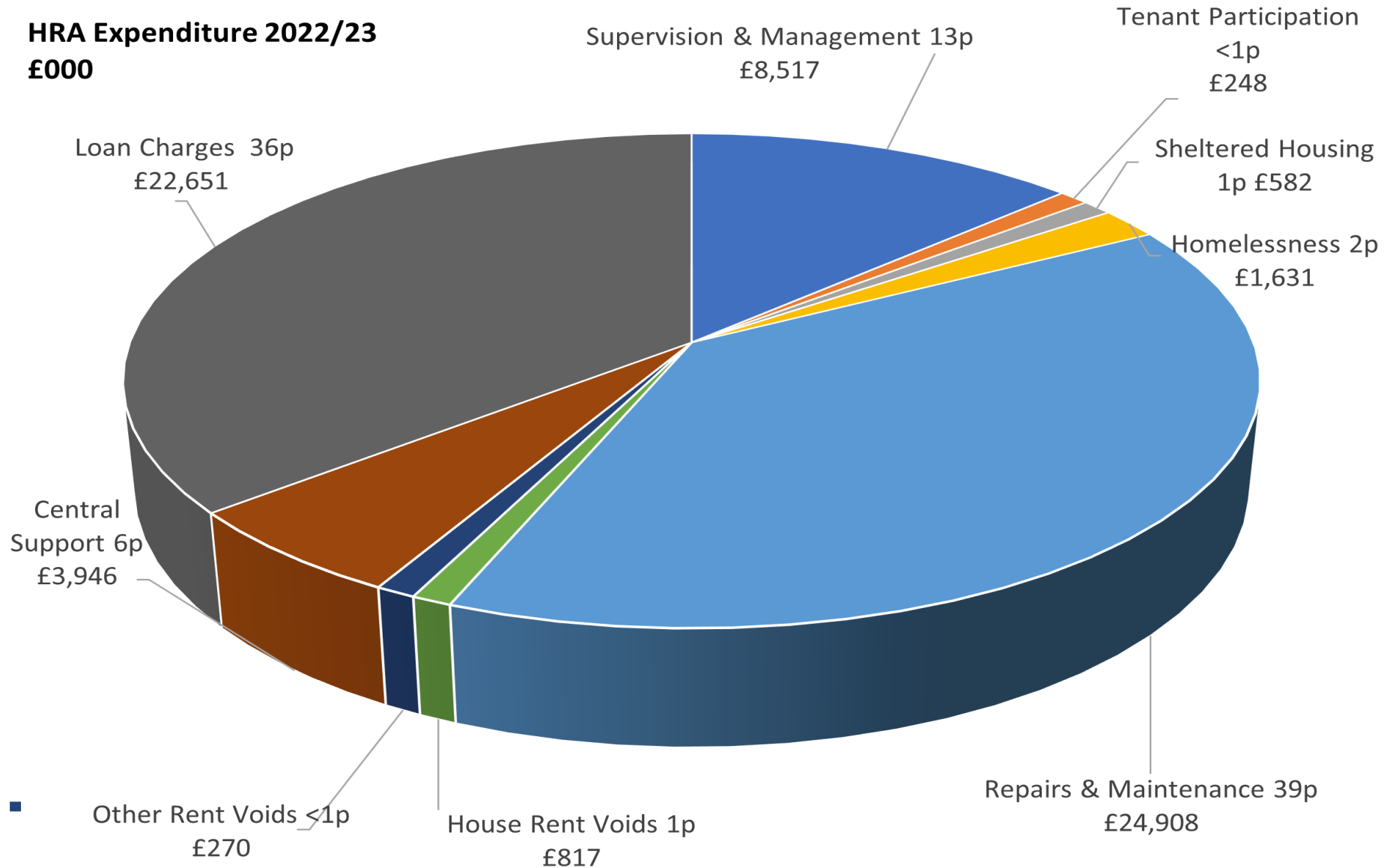


In 2022-23 the Housing Revenue Account, which is made up of your rent money, spent £63.570m providing housing services to you and your communities.



How your rent money is spent 2022-23

HRA Expenditure 2022/23
£000



Capital Programme

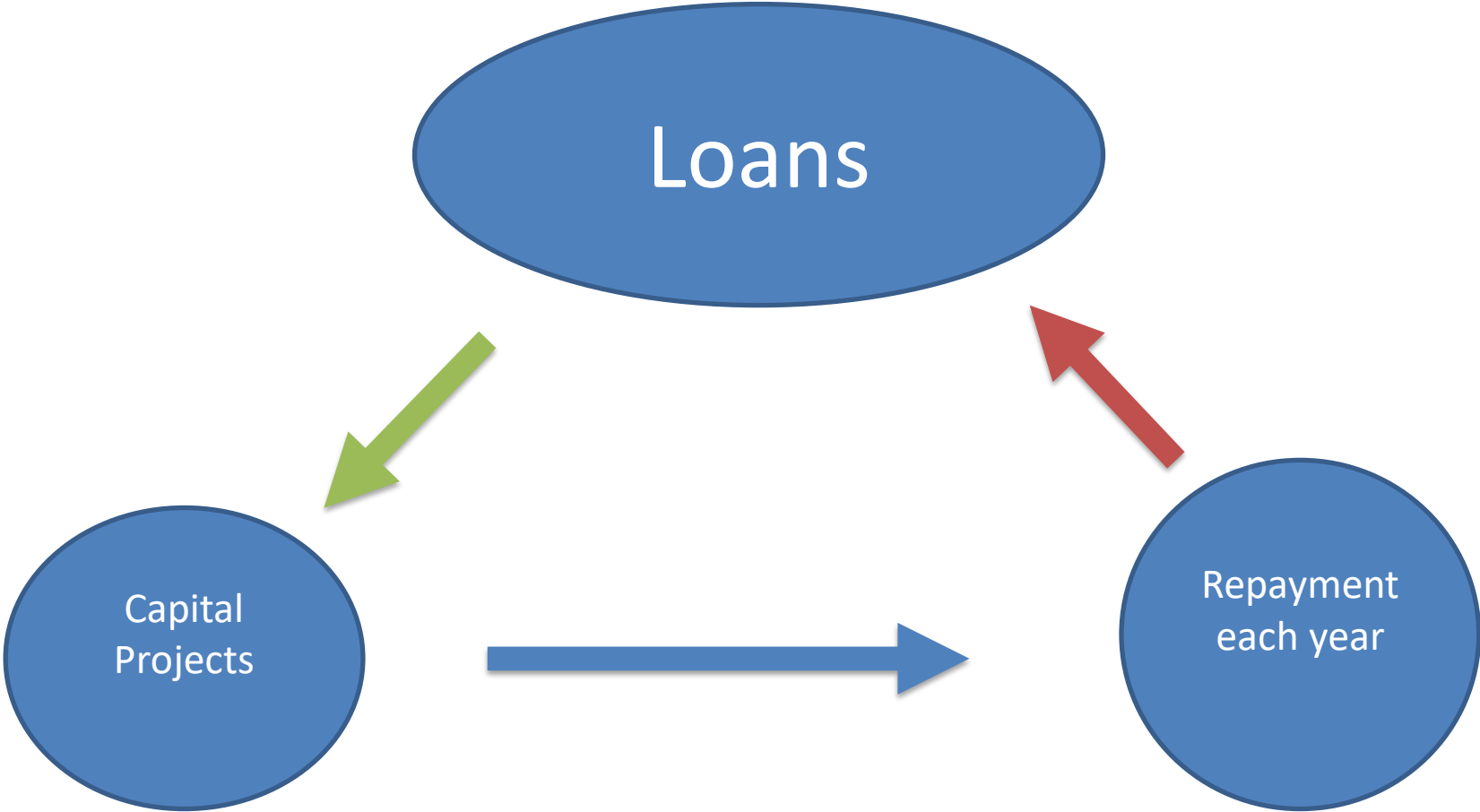
The Council has a 5-year Housing Revenue Account Capital Plan that sets out our level of investment on improvements that are funded through borrowing.

Although this programme focuses strongly on energy efficiency measures, it does not include any additional investment on the Scottish Government targets for Energy Efficiency Standard for Social Housing (ESSH2) or additional energy efficiency measures.

Funding the Capital Programme

Funding for the programme will come from prudential borrowing and has an impact on future loan charges payable through annual rents. Due to building cost inflation the same level of capital investment will result in a lower volume of work, so overall the programme will slow down. Higher interest rates on borrowing mean we have additional repayment costs for the same amount of borrowing. Loan charges are estimated to increase by £3.209m next year.

Capital vs Revenue



Your rent options for 2024/25

We have tried to balance the cost pressures facing the Housing Revenue Account with the impact of the cost-of-living crisis on you as tenants. We want to keep rents as low as possible, but also to maintain services as far as possible. To find out your views we are consulting on 3 options, summarised below. We are proposing three options - to increase rents by either: 7.95%, 7.3% or 6.5%

Option 1: 7.95% Increase

The housing budget would increase by **£897,000** over the next year. This would allow all frontline services to be protected and non-emergency repairs, such as fencing, gates and gutter clearing to be resumed.

Average increase £6.68 per week

** Increases based on average weekly rate in 2023/24*

Option 2: 7.3% Increase

This option would increase the housing budget by **£499,000** over the next year.

This option would allow some non-emergency repairs to be delivered. Working more efficiently by grouping together jobs of a similar nature.

Average increase £6.16 per week

** Increases based on average weekly rate in 2023/24*

Option 3: 6.5% Increase

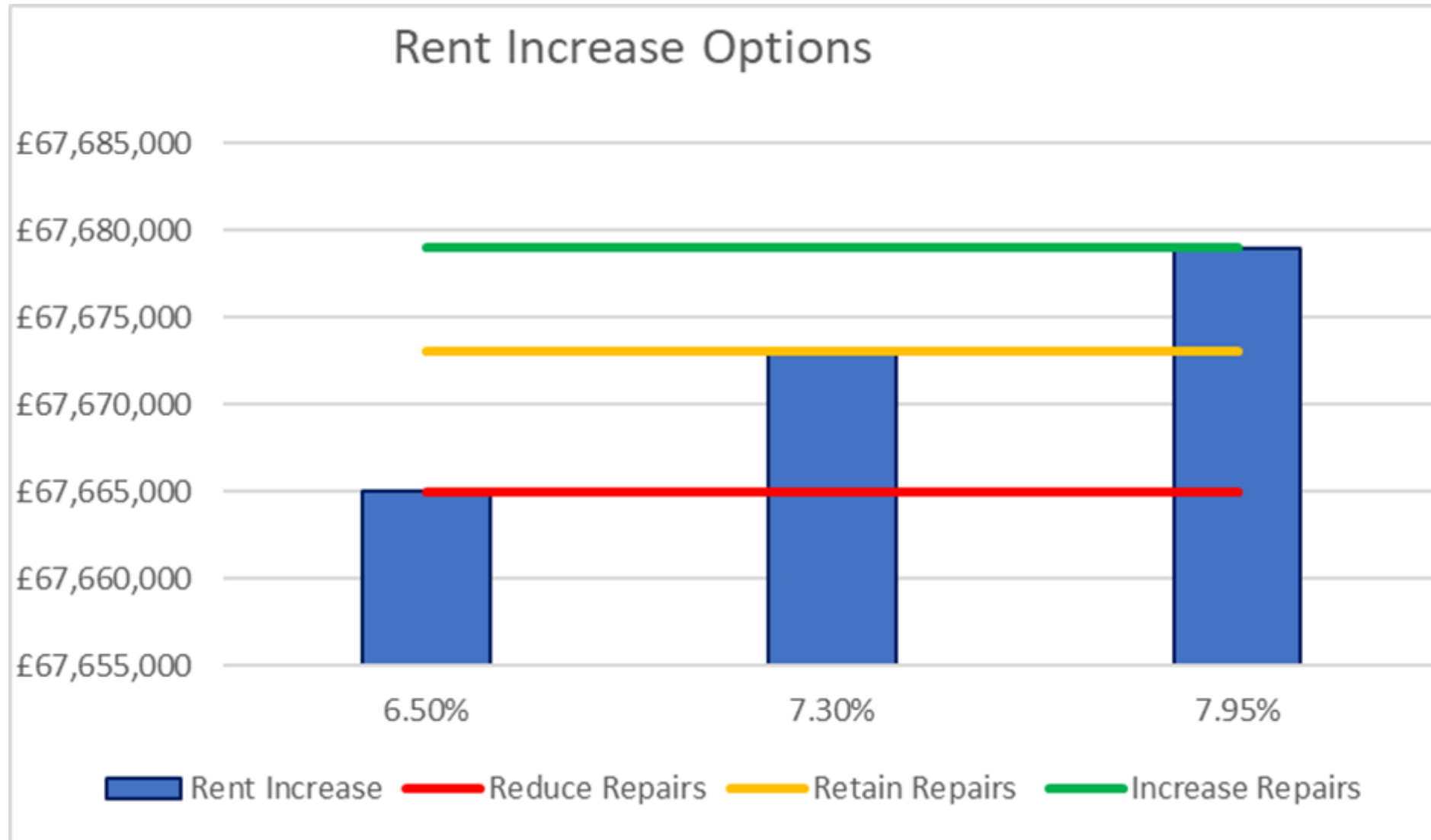
This option will allow the housing budget to break even

The housing service we can deliver with this option will largely remain as they currently are. However, should inflation continue to rise the money available for estate improvements will decrease.

Average increase £5.44 per week

** Increases based on average weekly rate in 2022/23*

The diagram below shows our costs for delivering varying levels of service and the rent increase required to sustain this.



Current Rent – Comparison 2024/25

Size of Property	Current average weekly rent	Option 1 7.95%	Difference +	Option 2 7.3%	Difference +	Option 3 6.5%	Difference +
Bedsit	£72.90	£78.70	£5.80	£78.22	£5.32	£77.64	£4.74
1 Bedroom	£76.38	£82.45	£6.07	£81.96	£5.58	£81.34	£4.96
2 Bedroom	£84.78	£91.52	£6.74	£90.97	£6.19	£90.29	£5.51
3 Bedroom	£94.28	£101.78	£7.50	£101.16	£6.88	£100.41	£6.13
4+ Bedrooms	£105.38	£113.76	£8.38	£113.07	£7.69	£112.23	£6.85

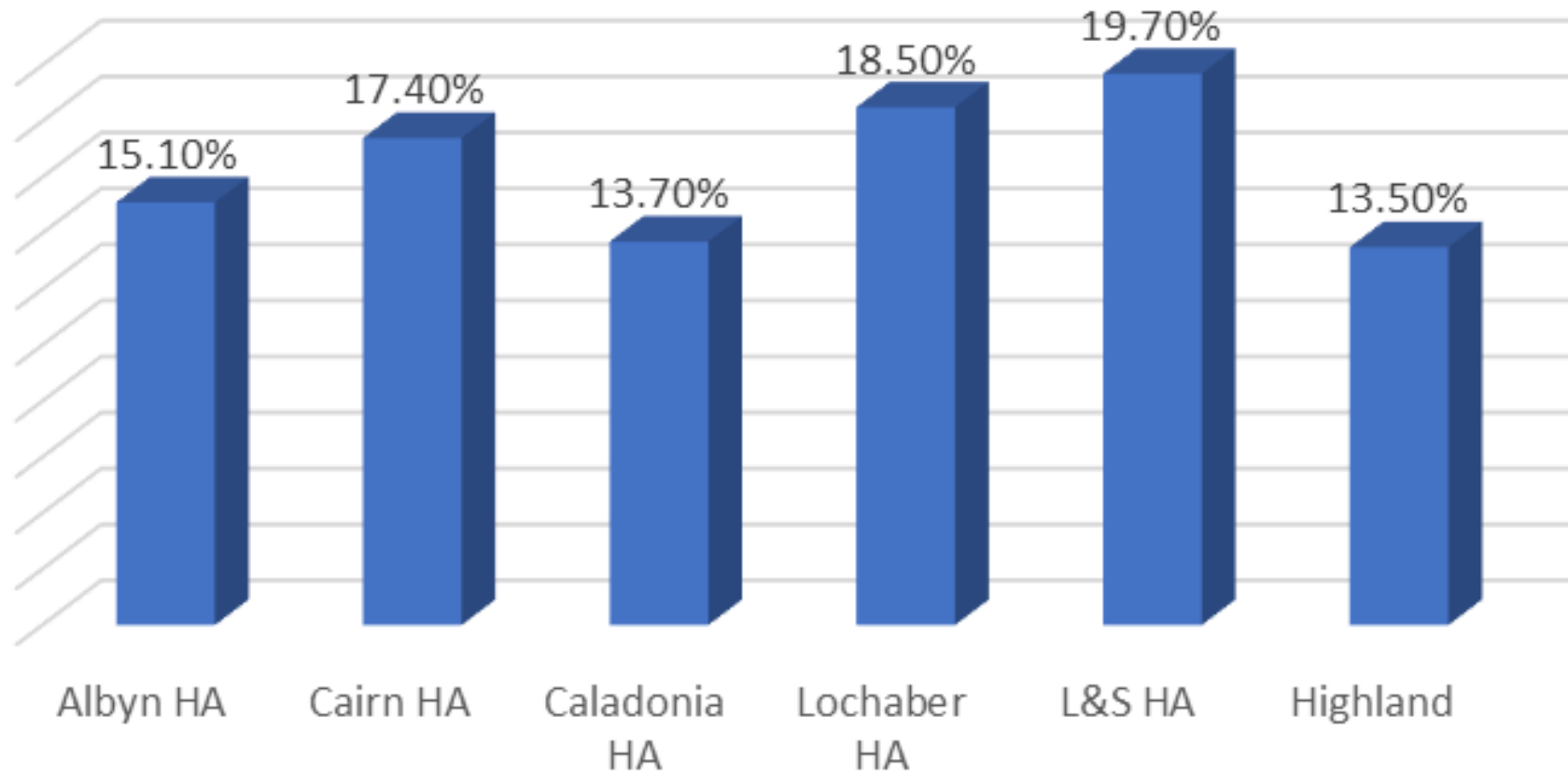
New Build Supplement

Highland Council charge a new build supplement for tenants moving into a new property to reflect the greater efficiency to run the home. This starts at around £11 p/w on top of the rent, increasing in line with the rents. We are considering increasing the supplement to £15 for tenants moving into a new property from April 2024. This is an option being considered to offset some of the additional costs incurred in building new homes, do you think this is fair?

- a. Yes, it is fair to pay an increased supplement for a more efficient house.
- b. Tenants who move to a new build from 1 April 2024 continue to pay the same level as the current supplement.

Overall, do you feel that your rent is good value for money?

Cumulative increases over the last 5 years across Highland social landlords



How our rents compare

Rents for Highland Council homes remain lower than the national average.



Bedsit

Highland Council
£72.90

Scottish Average
£82.28



1 Bed

Highland Council
£76.38

Scottish Average
£87.75



2 Bed

Highland Council
£84.78

Scottish Average
£90.71



3 Bed

Highland Council
£94.28

Scottish Average
£98.79



4+ Bed

Highland Council
£105.38

Scottish Average
£109.05

Your Views Matter

We want to know four things:

1. Which rent increase option you prefer?
2. What are your views on the new build supplement?
3. How often do you want to receive your rent statements?
4. Is your rent good 'value for money'?



Have Your Say

You can tell us what you think by using one of the methods below

- **Online:** by following the Survey Monkey Link below or use the QR code

<https://www.surveymonkey.co.uk/r/RC23document>

- **By Text: Option 1 or Option 2 or Option 3**
- **Option a or b – about the new build supplement**
- **Annually or Quarterly, for rent statement**
- **Option a, b, c, d or e “Do you think the rent you pay is good value for money?”**

to **07387 234107** (This number will be manned Mon to Fri 9am to 5pm and close at the end of the consultation.)

- **By email:** tenant.participation@highland.gov.uk



Questions?

If you are unable to respond using any of these options, or if you have any questions on this presentation or the rent consultation, please call **07387 234107 to speak to one of the Tenant Participation team.**

As a thank you for participating in this consultation you will be entered into a prize draw to win a £50 shopping voucher!