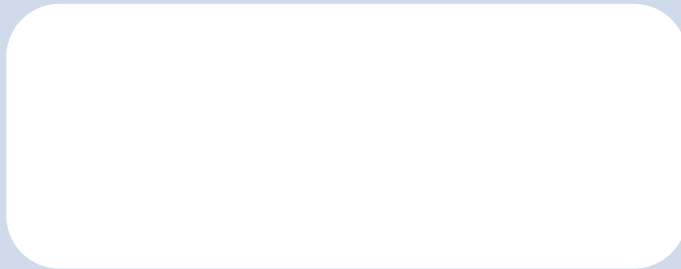


How we set rent levels



In order to meet our commitments to our tenants and new build programme, we have to review the level of rent that we charge each year. In forecasting rents for future years, we have to ensure that we deliver all our business priorities. However, we will consult annually on our actual proposed increase in rent.

Each year we review the services that we provide to make sure that they meet your needs. This helps us to cost our services for the year ahead and calculate what rent we will need to charge tenants to cover this cost. Once we have done this, we will write to all tenants at that time and provide further updates through the *Homefront* newsletter.

All Councils must consult with their tenants and registered tenants' organisations every year about any potential rent increase. This letter forms part of the consultation exercise and, although we already have some feedback, we would really like to hear from you, too. We are committed to tenant participation and we will consider all feedback during the consultation exercise before we make any final decision.

The Council is considering a potential rent increase of 4.3% for 2013/14. This is our best estimate of what it will take to maintain existing services and continue our investment in the maintenance and improvement of council houses in this difficult and uncertain financial climate.

This letter explains how your rent money is spent, please take a few minutes to complete the enclosed questionnaire to let us know your views on the rent consultation and proposed increase.

Alternatively, if you would like more information or would like to discuss these rent proposals please contact Deborah Piner within the Service Development Team no later than **Friday 18th January 2013**. You can contact Deborah on freephone 0800 413 721, email tenantconsultation@eastlothian.gov.uk or write to: Community Housing, East Lothian Council, Penston House, Macmerry Industrial Estate, Macmerry, EH33 1EX.

East Lothian Tenants and Residents Panel (ELTRP) will be holding a consultation event on Monday 10th December 2012 in the Brunton Hall from 6pm until 8pm. ELTRP want to hear what you think of the rent increase proposal. They will ensure that all views expressed will be fed back to East Lothian Council.

A member of staff from the Housing Benefit Team will also be present to give advice on the new Housing Benefit changes and how they will affect you. There will also be staff from the Revenues Section on hand to inform people of the support available if you are finding it difficult to pay your rent or if you would like general information about your rent.

We will gather in all responses from the consultation exercise and prepare a report for a meeting of the full Council. At a special meeting in February 2013, Councillors will consider the consultation responses and make a final decision on the rent and service charges increases.

We will write to our tenants with that decision at least four weeks before the actual rent increase date of 1st April 2013.

Housing Benefit

You may be entitled to Housing Benefit to help you with your rental payments. To find out if you are eligible to apply for Housing Benefit please contact our Benefit Section on 01620 827971 or 01620 827887, email benefits@eastlothian.gov.uk

Rent First

The Council provides tenants with quality housing, while at the same time offers one of the lowest rent charges in Scotland. To help us maintain this level of service, it is important that tenants pay their rent on time, as detailed in their tenancy agreement. Any loss of rental income to the Council means that we have less money to deliver quality services to our tenants such as repairs, upgrades and disabled adaptations.

We are committed to preventing rent arrears, while making sure that tenants who do have problems paying their rent get the support they need to stay in their Council home. The enclosed Rent First leaflet has more information for anyone needing help and advice with rent payments.

Yours sincerely

Richard Jennings
Head of Housing & Environment



Versions of this leaflet can be supplied in Braille, large print, on audiotape or in your own language. Please phone Customer Services on 01620 827199

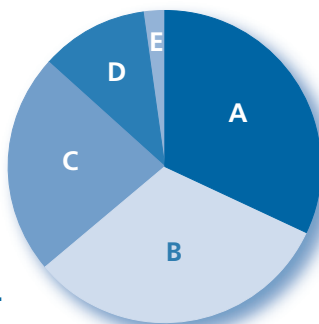
Please use this ready reckoner, which will show you what effect the potential rent increase will have on your fortnightly rent.

To calculate what your proposed rent would be, use the column on the left-hand side to find your current fortnightly rent. Now follow the row across into the right-hand side to find out what your new fortnightly rent would be.

Existing Properties		New Build Properties	
Current fortnightly rent	Proposed fortnightly rent	Current fortnightly rent	Proposed fortnightly rent
84.36	87.99	105.45	109.98
87.22	90.97	109.03	113.72
88.18	91.97	110.23	114.97
89.14	92.97	111.43	116.22
90.10	93.97	112.63	117.47
91.06	94.98	113.83	118.72
92.02	95.98	115.03	119.98
92.98	96.98	116.23	121.23
93.94	97.98	117.43	122.48
94.90	98.98	118.61	123.71
95.86	99.98	119.83	124.98
96.82	100.98	121.02	126.22
97.78	101.98	122.23	127.49
97.80	102.01	122.24	127.50
98.74	102.99	123.41	128.72
99.68	103.97	124.42	129.77
100.64	104.97	124.60	129.96
101.60	105.97	124.86	130.23
102.56	106.97	125.56	130.96
103.52	107.97	125.80	131.21
104.48	108.97	127.00	132.46
105.44	109.97	128.20	133.71
106.40	110.98	129.40	134.96
107.36	111.98	130.60	136.22
108.32	112.98	131.82	137.49
109.28	113.98	133.00	138.72
110.24	114.98	134.22	139.99
111.20	115.98	135.40	141.22
112.14	116.96	136.60	142.47
113.10	117.96	137.80	143.73
114.06	118.96	139.00	144.98
115.02	119.97	140.18	146.21
		141.38	147.46
		142.58	148.71
		143.78	149.96

How your rent is spent

The money you pay in rent goes towards the cost of providing you with the services you receive as a council tenant. The main items of expenditure are repairs and maintenance, loan charges, operating costs, and employee costs.



How the average rent of £48.13 per week is spent

A	£15.40	Repairs & Maintenance
B	£15.40	Loan Charges
C	£11.07	Operating Costs
D	£5.29	Employee Costs
E	£0.97	Leasing Costs

Budget headlines

To pay for the significant investment and based on our current plans to improve existing council houses and provide new ones we must borrow money and make repayments over a number of years. Part of this money you pay goes towards servicing these loan charges so that we can deliver the modernisation and new build programmes.

The Housing Capital Investment Programme sets out how much money the Council plans to spend on improving existing council houses and providing new ones. Our spending commitment for 2012/13 is shown in the table below:

Housing Capital Investment Programme	2012/13 £million
Modernisation	11.000
New Housing	19.200
Mortgage to Rent Scheme	0.500
Leasing	0.875
Total	31.575

On conclusion of this consultation and once the budgets have been set for the coming years, we will communicate our Capital Investment Plans through *Homefront*, our tenants newsletter.

2012/13 Modernisation Programme in brief

During 2012/13 some key elements of our modernisation programme will include:

- **£2.4m** spend on new kitchens and bathrooms
- **£2.0m** spend on extractor fans and electrical rewiring
- **£1.6m** spend on central heating replacements
- **£200,000** spend on local initiatives to improve your area
- **£750,000** spend on disabled adaptations
- **£500,000** spend on roofing projects
- **£1.2m** spend on roughcasting and painter work
- **£250,000** spend on lead service pipe renewal

Works are scheduled on independent stock condition surveys and our programme may be subject to change. We will write to you directly if you are to have work carried out at your property during 2012/13.