

REPORT TO: East Lothian Council

MEETING DATE: 21 February 2017

BY: Depute Chief Executive (Partnerships and Community Services)

SUBJECT: Proposals to increase Council House Rents – Consultation Exercise

1 PURPOSE

- 1.1 To outline the results of the consultation exercise on the proposals to increase the Council House Rents in 2017/18.
- 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 continued 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 longstanding Project Group comprising Council staff from Community Housing, Revenues and Finance, the Cabinet Spokesperson for Housing & Environment, as well as members of ELTRP, reconvened in August 2016 to discuss and agree the approach for the consultation on the 2017/18 proposed increase.

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 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 on what their rent pays for and also on a proposal to consider a potential rent increase of 5%; and
- agreed the timeline for the consultation.

3.5 All of the above measures continue to build upon similar successful exercises over the last few years.

Consultation Outcome

3.6 The vast majority of the feedback was received through the questionnaire, 11 of which were completed online, the same amount of online returns in the previous year.

3.7 A total of 1,099 completed questionnaires (including 12 responses from local Tenants and Residents Groups) were received. This represents a return rate of 13% of all letters issued (compared to a 14% return rate last year). ELTRP also responded by providing a written report with their feedback.

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

- 93% of those who responded were happy with the level of consultation and information they get about the annual rent increase
- 91% said that they think the rent they pay is good value for money
- 77% said they think the Council are proposing a fair increase of 5%
- 93% agree with the Council's commitment to build new houses to help address the housing shortage in East Lothian

- 98% agree that the Council should continue to modernise its existing stock (e.g. new kitchens/bathrooms/rewiring/improving energy efficiency).

3.9 We also asked tenants if they agree that their rent should pay for the following key areas:

- service delivery (e.g. repairs/housing management) **96%**
- modernisation of council houses **95%**
- delivery of new affordable houses **80%**
- energy efficiency measures **85%**

91 tenants made a comment as we asked them what they thought was missing and some respondents gave emphasis to particular areas. For example, 12 stated modernisation, 27 new affordable housing and 10 said energy efficiency. Other general comments were about other services, other house improvements and the repairs service.

3.10 Tenants were also given the opportunity to let us know their views about the current rent charging frequency and the policy of payment breaks. From three options tenants were asked to select what option would suit them best:

- Continue to pay rent fortnightly over 24 fortnights retaining the rent payments breaks in July and December **63%**
- Spread out fortnightly payments over 26 fortnights and remove payment breaks altogether **5%**
- Pay rent monthly over 12 months **32%**

3.11 In addition views were sought on the payment methods currently used by tenants and what they would like to use in the future. The top three responses were: direct debit 57%, at council building with cash 23% and other 13%.

In terms of what methods tenants would like to use in the future (tenants were asked to tick as many as they like):

- Direct debit **63%**
- Self Service Kiosk at Council Office **11%**
- Payment over phone using credit/debit card **9%**
- Payment via Council website **6.5%**
- None of the above **25%**

3.12 East Lothian Tenants and Residents Panel made a written response to the consultation after holding a consultation event in November 2016 to

inform ELC tenants and gather views regarding the potential rent increase.

3.13 ELTRP reported that the majority of the 29 delegates attending the event:

- were happy with the information received through the rent consultation process
- who took part in the sessions thought the rent they paid was good value for money
- who took part in the session did not think 5% was a fair increase. Those tenants who thought it unfair were concerned that the increase was not in line with inflation and pensions
- whilst delegates believed in building new affordable housing of all tenures, the majority thought it important to bring forward more council houses in particular
- all tenants thought investment in current stock was important
- tenants would prefer the payment method of rent to stay the same now and in the future.

3.14 A number of suggestions were made for future improvements to the consultation process and these will be considered and worked through with the project group. The group will also consider recent guidance produced by the Scottish Housing Regulator in respect of how social landlords consult tenants about rent increases.

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

4 POLICY IMPLICATIONS

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

5 INTEGRATED IMPACT ASSESSMENT

5.1 The subject of this report does not affect the wellbeing of the community or have a significant impact on equality, the environment or economy.

6 RESOURCE IMPLICATIONS

6.1 Financial – None.

6.2 Personnel - None.

6.3 Other – None.

7 BACKGROUND PAPERS

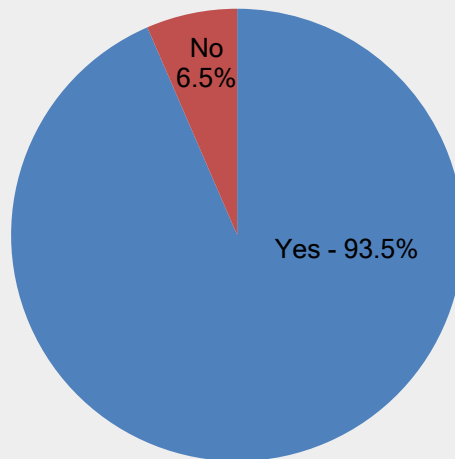
7.1 Appendix 1 – Summary of responses received during the Rent Increase Consultation Exercise 2017/18.

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DESIGNATION	Head of Communities and Partnerships
CONTACT INFO	James Coutts – Ext 7483
DATE	19 January 2017

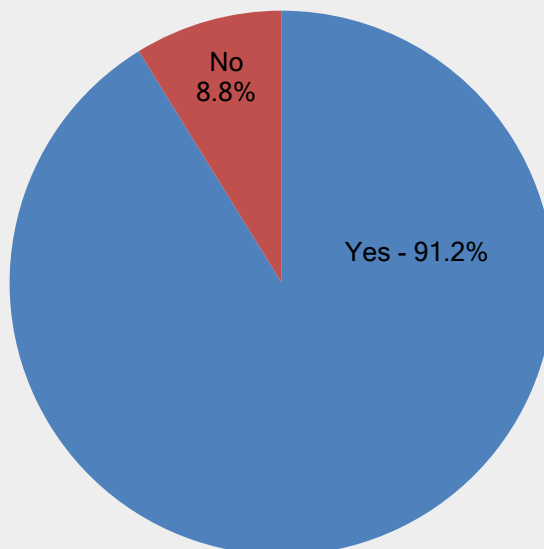
Appendix 1 – Summary Report on Rent Level Consultation 2017-18

In November 2016 we wrote out to all our tenants and sent them a consultation questionnaire. This gave tenants the opportunity to let us know their views on the rent consultation and also the potential increase of 5%. Shown below is a summary of all the responses received.

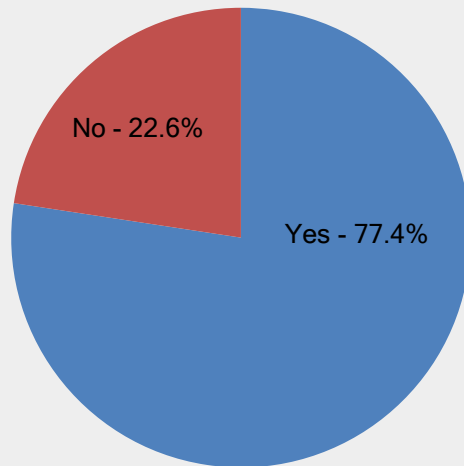
Question 1. Are you happy with the level of consultation and information you get about the annual rent increase?



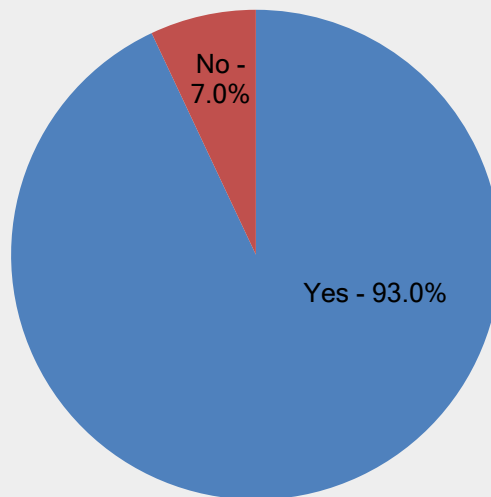
Question 2. Do you think the rent you pay is good value for money?



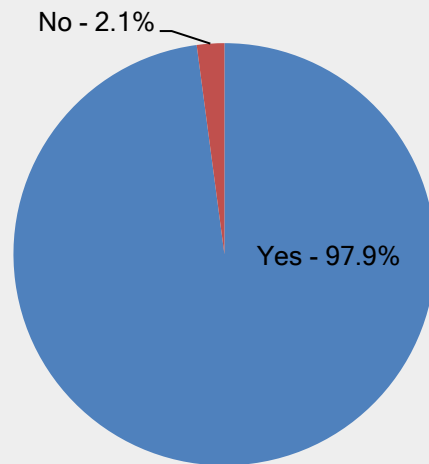
Question 3. By increasing rent the council continues to deliver existing services, invest in our stock and deliver new houses. Do you think that the proposal to increase rents by 5% is fair



Question 4. Do you agree with the council's commitment to build new houses to help address the housing shortage in East Lothian?



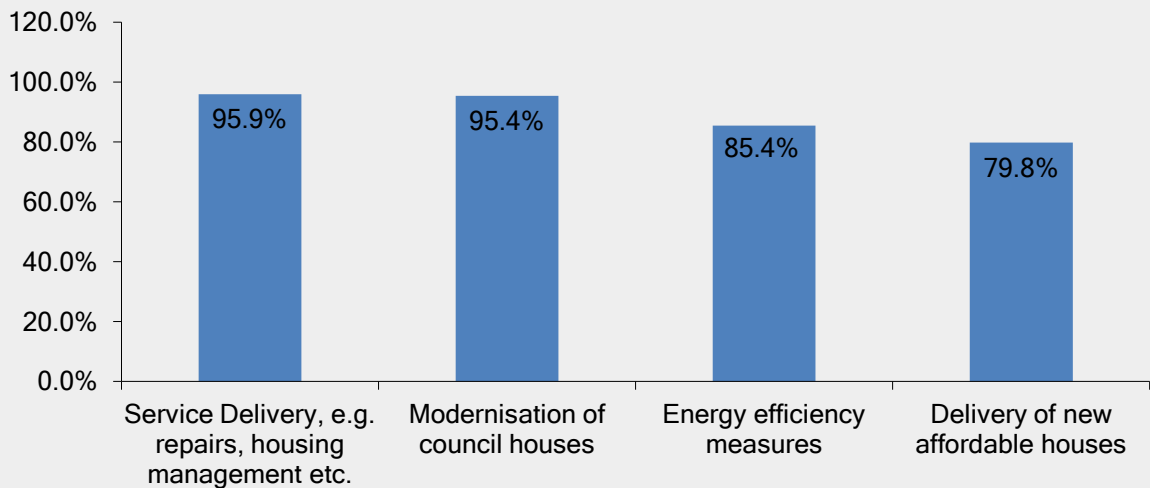
Question 5. Do you agree that the council should continue to modernise it's existing stock? (e.g. new kitchens/bathrooms/rewiring/improving energy efficiency)



Question 6

We asked tenants if they agreed that their rent should be used to pay for the following key areas?

Question 6. Do you agree that your rent should be used to pay for the following key areas? Please tick all that apply.



If they did not agree, we gave tenants the opportunity to tell us what they thought was missing. A total of 91 tenants made a comment and some respondents gave emphasis to particular areas, for example, 12 stated modernisation, 27 new affordable housing and 10 said energy efficiency. Other general comments were about other services, other house improvements and the repairs service.

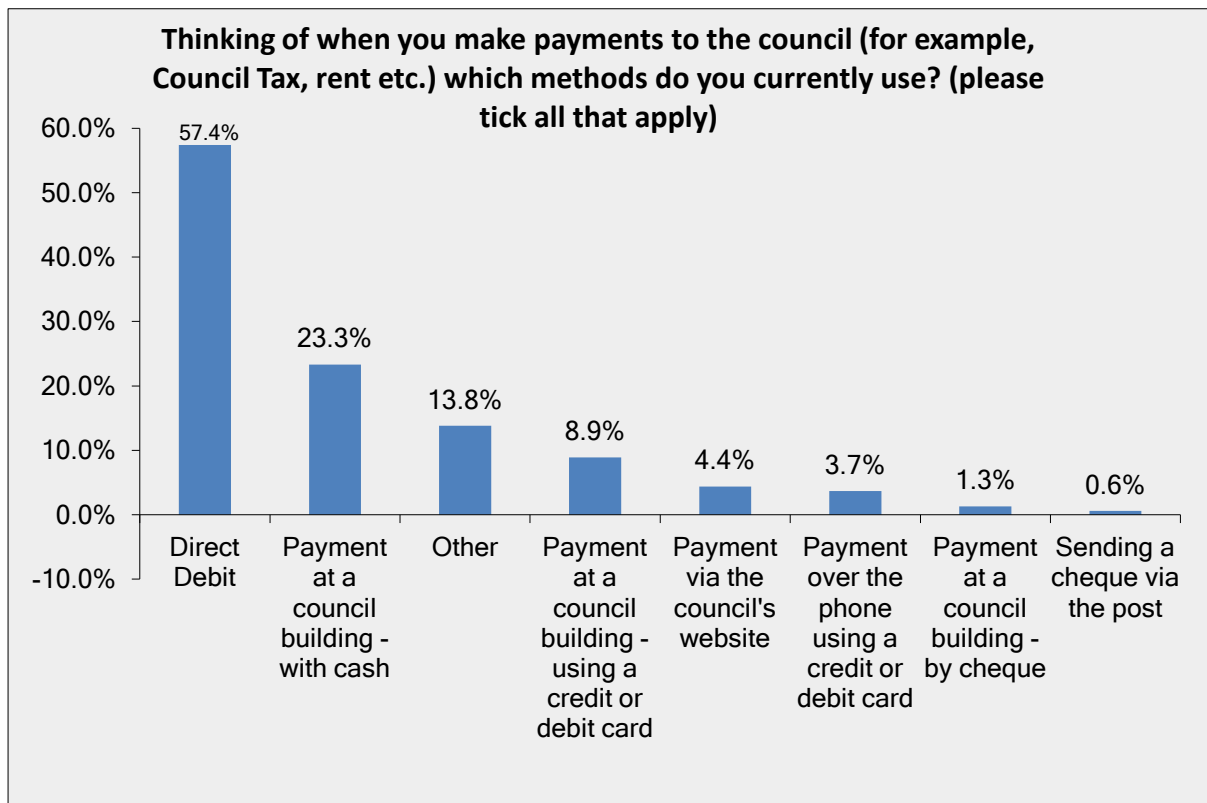
Question 7

Tenants were also given the opportunity to let us know their views about the current rent charging frequency and the policy of payment breaks. From 3 options tenants were asked to select what option would suit them best:

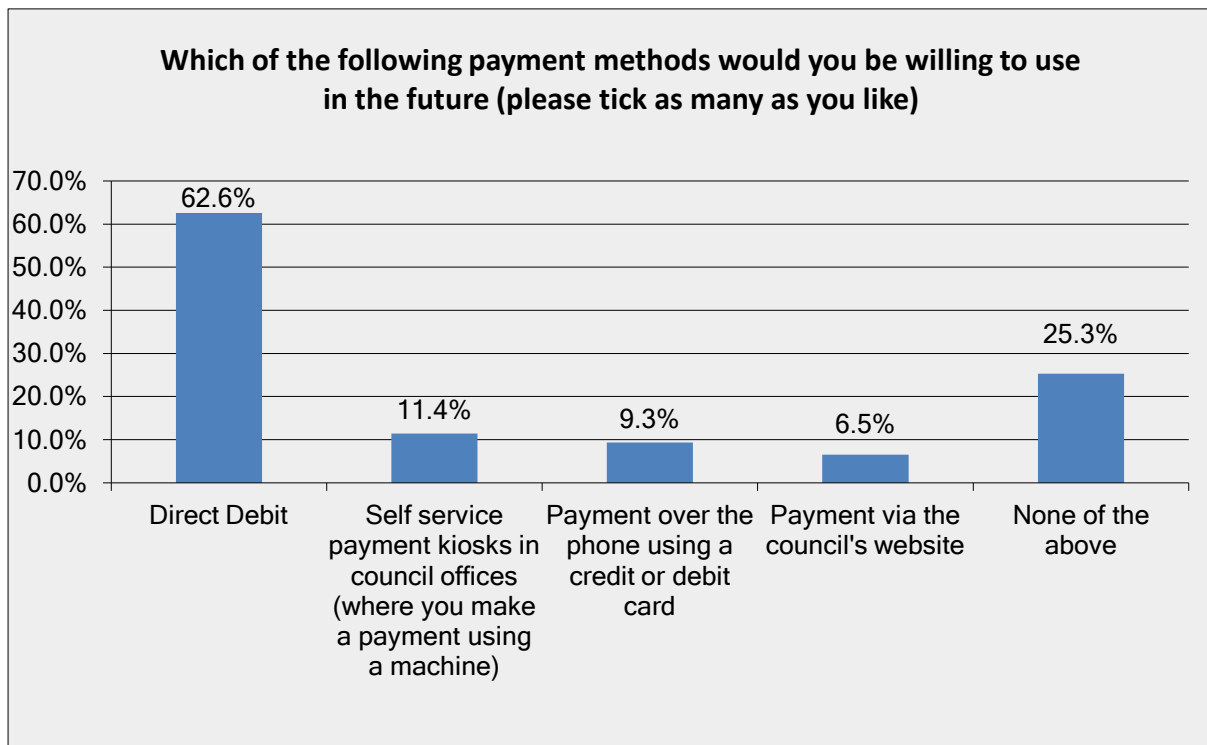
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- Pay rent monthly over 12 months **32%**

Question 8

In addition views were sought on the payment methods currently used by tenants

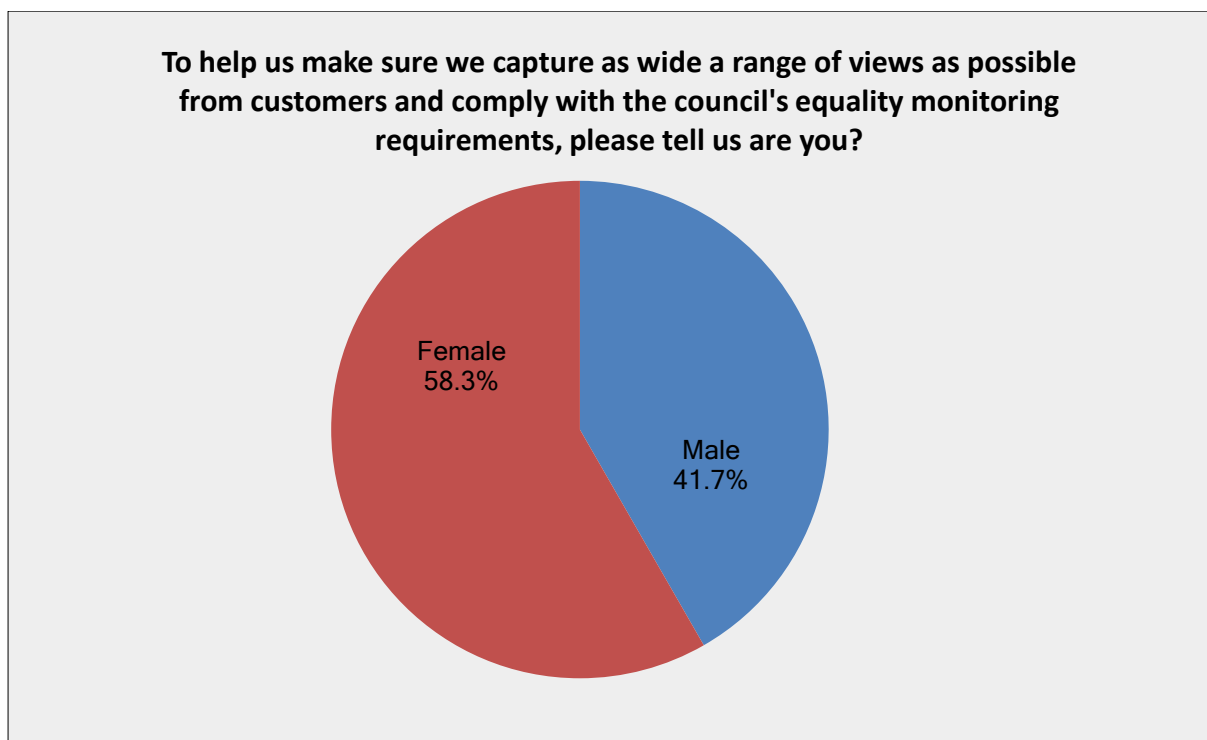


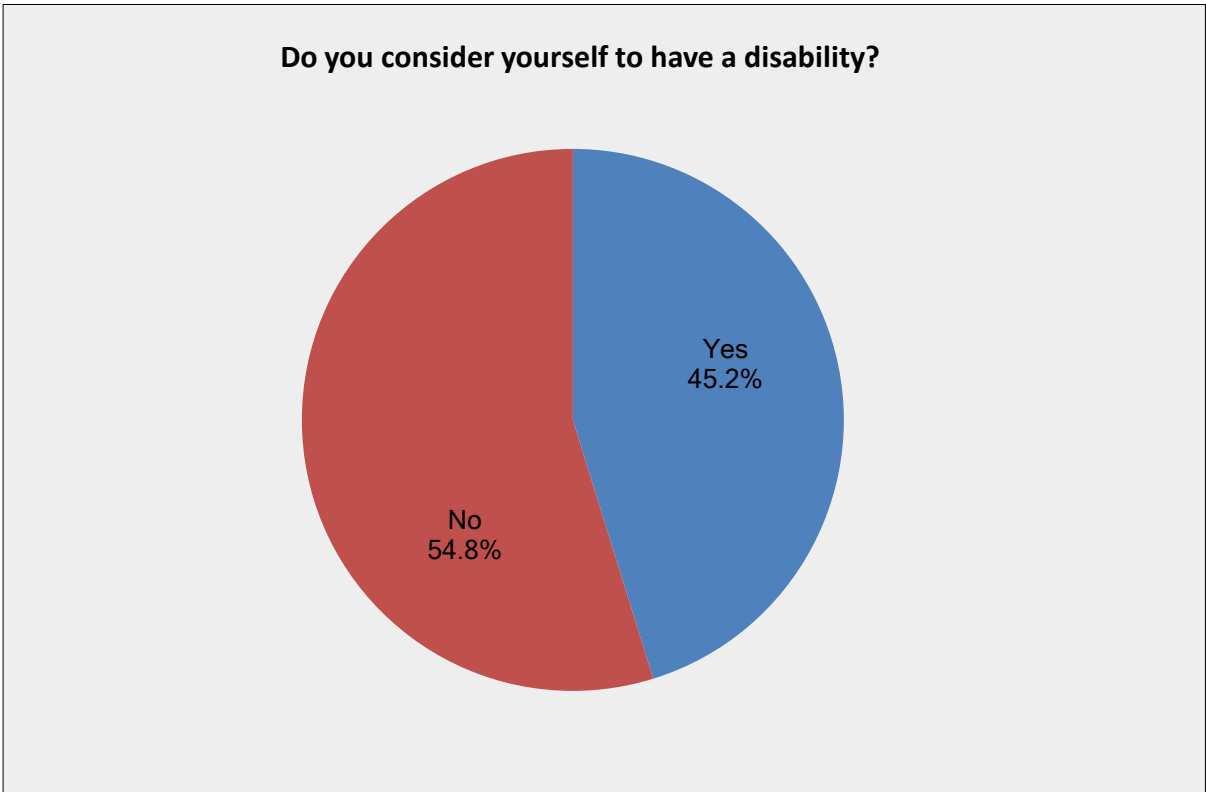
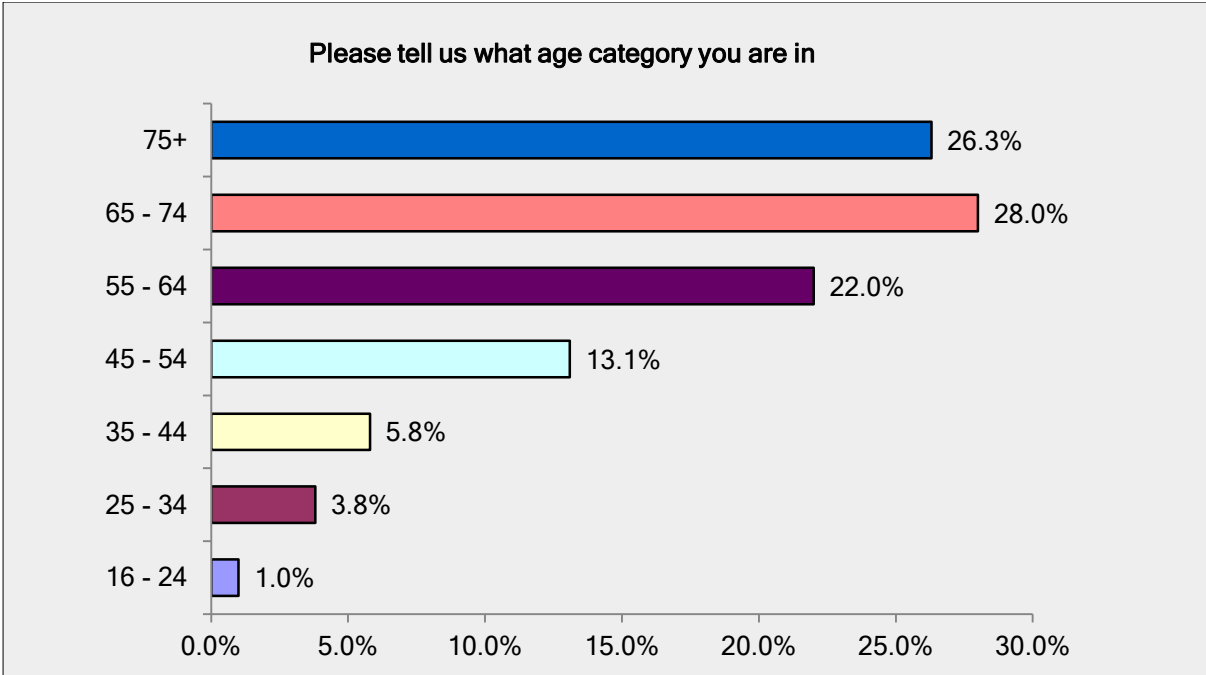
We also asked tenants to let us know what methods of payment they would like to use in the future (tenants were asked to tick as many as they like):



Equalities Monitoring Information

To help us ensure that we capture as wide a range of views as possible from customers and comply with the Council's equality monitoring requirements we asked tenants a number of questions.





Please tell us what your Ethnic origin is?

