

## **2022/23 Council Housing Rent Consultation**

### **Help us plan how we spend and invest in your homes, neighbourhoods and services.**

With all the challenges tenants have faced over the last year, a rent freeze was agreed for 2021/2022. Now, with the next year's housing budget in mind, the time has come to look at rent charges again and at the type of housing service you want to receive. Brexit, Covid health and safety measures and other increasing costs mean that being able to plan ahead and understand our spending is more vital than ever.

We know that the decisions we make about your rent, and how we spend the money we collect, are extremely important; particularly during such uncertain times. So that's why we're writing to all our tenants directly. We want you to have a say and influence the decisions we make. This booklet sets out some key information about how the housing service works. We hope it will help you answer the questions in the survey.

#### **Housing Service by numbers**

- We have 20,127 Council homes.
- We completed 66,079 repairs to tenants' homes last year. (Note this is lower than other years due to Covid.)
- We are part of EdIndex, which is the largest common housing register in Scotland and made up of the Council and 17 partner social landlords.
- We receive an average of 201 bids from housing applicants for each of the homes advertised to let.
- We have a budget of £104m this year to spend on improving homes and neighbourhoods.

#### **How each £1 of rent is spent**

No matter how much rent you pay, or what size home you live in, every £1 of rent you pay is spent the same way.

#### **Repairing and maintaining homes**

For every £1 of rent you pay, 18p is spent on repairing and maintaining homes. We know repairs are a key priority for tenants. Apart from paying rent, it's the main reason you get in touch with us. So, we're working hard to improve the service. For example, we have recently improved our process for dealing with dampness, mould and condensation, which focuses on better communication with tenants. We are working to improve things even more, to make it easier to report a repair and to fix things first time for you wherever possible. We have already started text message alerts and reminders and we are working to improve online reporting.

#### **Investing in your homes and neighbourhoods**

For every £1 of rent you pay, 39p is spent to invest in your homes and neighbourhoods. This investment is primarily funded by HRA borrowing, which is

repaid by tenants' rent. We are improving the standard of homes by putting in new kitchens and bathrooms and installing secure door entry systems so that our homes continue to meet the Scottish Government's Scottish Housing Quality Standard (SHQS). We are also working hard to make homes easier and cheaper to heat and lower the amount of carbon they produce. We have been putting in new windows, doors, heating systems and better insulation so they meet the Scottish Government's Energy Efficiency Standard for Social Housing (ESSH). We are now working towards the even higher ESSH2 standards by adopting a whole house approach. This involves organising improvements house by house and area by area, rather than upgrading one element i.e. your heating system one year and your windows another year.

### **Building more homes**

For every £1 of rent you pay, 5p is spent on building more homes. We are building new Council Homes for social rent. These are funded by a grant from Scottish Government which covers around a third of the cost. The rest comes from borrowing which is paid for from your rent. Over the last five years we have built new homes for social rent across the city, including major developments in Craigmillar, Gracemount and Pennywell. Many more are currently in development. New social rented homes are built alongside homes for mid-market rent and homes for purchase to create mixed, sustainable communities. Your rent money only pays for new social rented Council homes. All new homes are built to a high standard of energy efficiency, making them easier and cheaper to heat.

### **Staff and service delivery costs**

For every £1 of rent you pay, 29p is used to pay for staff and service delivery costs. This covers staff costs such as the concierge and housing officers. This also includes all the training and equipment staff need to do their jobs. During the Covid outbreak, our offices have changed to operate as Resilience Centres, and we adapted some of our services so we could continue to safely deliver your housing service.

### **Other support services tenants receive**

For every £1 of rent you pay, 7p is spent to provide other support services to tenants. Important support services, to make sure homes are safe and well maintained, are sometimes delivered by other parts of the Council but paid for by your rent. This includes services such as grass cutting around your homes and pest control.

### **Contingency and savings**

For every £1 of rent you pay, 2p is for contingency and savings. This is money we set aside to make sure we're always prepared for any unforeseen circumstances.

### **Your rent**

There are nine different rent levels across the city. This is based on whether a property is a flat or a house and the number of bedrooms.

Your rent money keeps the housing service running and allows us to improve and invest in your houses and services. We want to make sure that rent charges remain

affordable for tenants, but we also want to keep improving our services and homes. So, it is important to get the balance right.

The rent freeze in 2021/22 means that over the next 30 years we have £94m less to invest in Council homes and neighbourhoods. If a second rent freeze is applied in 2022/23, it would mean another £94m loss of income. The Council would have to stretch investment over a longer period of time, as well as, looking at withdrawing or reducing housing services, or increasing rents by much more in future years.

We are considering five options of rent increase in 2022/23, ranging from 1.8% to 5%:

- a 1.8% increase would be an extra £3.68 of rent per fortnight
- a 2% increase would be an extra £4.08 of rent per fortnight
- a 3% increase would be an extra £6.13 of rent per fortnight
- a 4% increase would be an extra £8.17 of rent per fortnight
- a 5% increase would be an extra £10.21 of rent per fortnight.

The lower the rent increase the longer it will take us to deliver all the investment already committed to, and the higher the rent increase the faster we can deliver the investment. For example, if rents were to increase by 1.80% in 2022/23, it would take about eight years longer to upgrade all our existing homes to be net zero carbon. If we increase rents by 5% in 2022/23, we can do this in the original timescale by 2030.

Making sure tenants can stay in their homes as long as they wish is very important. Edinburgh is an expensive city to live in. Council rents, whilst the highest in Scotland, are less than half of private rents in the city. Around 80% of tenants receive some help with their rent each year.

Support and advice are available to help you to manage your rent payments. If you're finding it hard to pay your rent, please contact your local housing officer in the first instance who will be able to help and can also provide information on other support agencies. We also have an income maximisation service particularly aimed at tenants who receive any form of benefits. For more information call 0131 529 7905 or email [incomemaximisation@edinburgh.gov.uk](mailto:incomemaximisation@edinburgh.gov.uk).

## **The Investment Plan**

Our investment plan is shaped by three key factors:

- tenant priorities
- Council commitments, statutory compliance and government targets
- lifecycle and health and safety – maintenance and improvements to keep our homes safe and continue meeting the Scottish Housing Quality Standard (SHQS).

Our current plan is set out in four sections – More Homes, Better Homes, Better Communities and Better Services.

### **More homes**

- Continue with the plan to build 5,000 new social rented homes by December 2027.
- All new homes will be built to high energy efficiency standards.
- Housing-led largescale regeneration, e.g. Meadowbank, Fountainbridge and Granton.

### **Better homes**

- Continue to make homes more modern e.g. to replace all kitchens & bathrooms over 20 years old and continue to meet Scottish Housing Quality Standard.
- Improve all internal stairwells.
- Continue to make homes easier and cheaper to heat by installing insulation, new windows and doors and heating systems; including bringing all homes up to the Energy Efficiency Standard for Social Housing (ESSH2).
- Meeting Council commitments of making all homes net zero carbon by 2030 by adopting the Whole House Retrofit approach.

### **Better communities**

- Upgrade all areas around homes over the next 20 years (estate improvements).
- Deliver well-designed, green, open spaces that encourage people to be active and engage with their local environment.
- Expand the network of Community Gardens across the city.
- Working with tenants and owners in blocks where we share responsibilities for the upkeep of common areas.

### **Better services**

- Responsive services that allow tenants to get in touch easily and kept up to date with regular and clear communications.
- Strong focus on getting the basics right. For example, easy to contact staff and quality repairs service that gets it right first time.
- Local, accessible services, as well as, options to do more online.
- Develop services that help to reduce tenants' living costs – including the Energy Advice Service, Broadband connectivity, and the Tenant Discount Card.
- Reduce costs by making the service work more effectively.

The investment plans are ambitious, and we want to make sure they are delivered. We don't want to have to stop investment, or reduce it, but in order to make it affordable, we may need to deliver it over a longer period of time, depending on the level of rent set.

### **How are decisions made?**

Feedback from tenants really lets us know how you feel about the housing service and to identify areas for improvement. The rent consultation is developed every year with a volunteer group of tenants, who have helped shape everything from the

information, questions and design of the survey. Getting involved with this process is open to any tenant and we always welcome new members in the group. If you are interested, please contact [HSIP@edinburgh.gov.uk](mailto:HSIP@edinburgh.gov.uk) or the Edinburgh Tenants Federation (ETF) at [info@edinburghtenants.org.uk](mailto:info@edinburghtenants.org.uk) or 0131 475 2509.

Council tenants, tenant volunteers, ETF and council officers work together to consult on and set your rent. This is done by:

- Council officers carrying out financial planning to set out a balanced budget
- tenants indicating their preferences in the rent consultation
- Councillors making the final decision on investment and rent charges.

Currently we consult with you on your rent every year and we always ask questions about the next year's budget. This means it's flexible, but less predictable. Some other social landlords set longer-term plans for rent charges, which means rent increases would be set at a fixed percentage for a fixed number of years. This gives tenants and the landlord certainty on what the rent increase will be over a fixed number of years. This helps the landlord to plan their investment, and also means that tenants know what rent they will be paying over a number of years. This is something we might consider in the future and we're keen to hear what you think about this. We've included a question on this in the survey.

Thank you for taking the time to read and answer the questions in the survey. Please [complete the survey on our web pages by 8 December 2021.](#)