

2024/25 Council housing rent consultation

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

Summary

Every year we ask tenants to give their views on the rent they pay. With budgets being set for next year and beyond, we want to let you know how your rent is being spent and ask you what you think we should be doing next.

We understand that many people have been affected by the recent rising cost of living, which is why getting your feedback is so important. Understanding your views on rent will help us to balance keeping rents affordable with having enough money to spend on improving homes and services.

You could win a £100 shopping voucher by completing our short survey to tell us about your views on rent.

If you have any questions, please email housing.research@edinburgh.gov.uk or call 0131 529 7805.

Please complete the online survey by 17 December 2023.

What we've delivered so far

Over the last five years (2018/19 to 2022/23), we've built 563 new social rented homes. There are also around 300 social rented homes under construction and a further 2,000 in the design or pre-construction stage.

We've also invested £190 million on existing homes and neighbourhoods, including:

- 2,800 homes with new kitchens and bathrooms
- 4,300 homes with new modern heating systems
- 1,500 homes with new doors and windows
- 12,000 homes with electrical upgrades (rewiring or new smoke detectors)
- 4,600 Council and privately owned homes benefitting from external fabric upgrade
- 3,000 adaptation measures to help tenants to live independently
- 750 blocks of flats with new door entry systems.

We've also bought back almost 300 ex-Council homes in the last eight years. This has helped to increase the number of available Council homes and consolidate block ownership, which in turns helps us to manage block repairs and improvements.

We've made improvements, including energy efficiencies, to more than 900 Council and privately owned homes in Murrayburn, Dumbryden and Hailesland as part of our Mixed Tenure Improvement Service. A further 370 homes are expected to be upgraded this year.

Your rent

Almost all of the funding for the housing service comes from your rents and we must balance keeping rents affordable with having enough money to spend on improving homes and services. The following paragraphs explain how your rent was spent in 2022/23.

Planned investment represented 37% of the expenditure. Building new homes and improving existing homes are funded mainly by borrowing (about two thirds of the investment costs). We repay the borrowing using the rent collected from tenants.

Repairing and maintaining homes represented 22% of the expenditure. Repairs are a key priority for both you and us. They're one of the main reasons you get in touch with us and we're working hard to improve the service.

Supplies and services represented 11% of the expenditure. This includes important services provided by other parts of the Council and/or contractors to make sure homes are safe and well maintained, such as grass cutting and pest control.

Support services represented 9% of the expenditure. Support from other Council teams makes sure housing services run well, for example, Finance, Human Resources, and the Contact Centre helpline.

Employee costs represented 12% of the expenditure. These include the concierge teams and housing officers, and all the training and equipment staff need to do their jobs.

Premises costs represented 6% of the expenditure. This is the costs for running the offices and other places used by staff.

Contingency and savings represented 3% of the expenditure. This is money set aside for any unforeseen circumstances and to fund future investment.

Fast facts about Edinburgh's rent level

- Weekly rent for two-bedroom Council flat is £105.51.
- Weekly Local Housing Allowance (the maximum benefit private renters could claim) for two-bedroom properties in Edinburgh is £189.86.
- Weekly rent for two-bedroom private rented properties in Edinburgh on average is £314.31.

Planned investment

Earlier this year we agreed to invest a further £1.7 billion over the next ten years to build new homes and improve existing homes to make them easier to heat, which will help you to save money and help us to meet our net zero carbon commitments. This was to be supported by a 3% rent increase a year for ten years.

New Homes - £960 million will be invested to support the delivery of 2,400 social rent and 1,200 mid-market rent homes by 2035/36.

Whole house retrofit and mixed tenure investment - £352 million will be invested to bring existing homes to meet energy efficiency standards to reduce energy demand and carbon emissions.

Core and cyclical investment on existing homes - £285million will be invested to maintain existing homes to good conditions, modern standards and meet Scottish Housing Quality Standard.

Estate improvement - £65 million will be invested to improve housing estates through placemaking and help wider area regeneration.

Buying back ex-Council homes - £53 million will be invested to increase the number of homes in Council blocks, which in turns helps to manage block repairs and upgrades.

Paying rent

We understand that many tenants are under increasing financial pressure. Last year's survey found that almost half of respondents had found it more difficult to pay some costs/bills, but only a third of them had got advice.

Around 8 out of every 10 tenants get help to pay their rents through Housing Benefits (HB) or Universal Credit (UC). These tenants are usually not affected by any proposed rent increase as their HB/UC

entitlement will increase to cover the rent rise, assuming there are no other changes in the household circumstances, and they are not affected by a benefits cap and/or under-occupation reduction.

A Tenant Hardship Fund was set up in April this year to support tenants facing financial hardship, including those who cannot access benefits. The Fund is administered by a team with specialist expertise in relation to rent collection and the benefits system, who can support tenants to access benefits where appropriate.

If you're worried about money or having difficulty paying your rent, contact your housing officer in the first instance, who can refer you to suitable advice and support services, including the Tenant Hardship Fund. Information on help with the costs of living can be found on www.edinburgh.gov.uk/costofliving.

Rent proposals

Most tenants who took part in last year's Tenant Survey agreed with setting up a longer-term plan for rent charges. This year we're proposing setting a fixed percentage rent increase every year for the next five years - this would give you and us certainty on what the rent increase would be from 2024/25 to 2028/29.

We're consulting on three possible rent increase options and what these could deliver. These are 4.1%, 5.0% or 8.4% increase which could be applied every year for the next five years:

Option 1 is 4.1% increase each year for the next five years to deliver last year's plan. It will help to deliver 2,000 new social rented homes and upgrade 5,200 existing homes to modern and high energy efficiency standards in the next ten years. The average weekly rent will increase by £4.31, from £105.06 to £109.37.

Option 2 is 5.0% increase each year for the next five years to be in line with inflation. It will help to deliver 2,300 new social rented homes and upgrade 5,600 existing homes to modern and high energy efficiency standards in the next ten years. The average weekly rent will increase by £5.25, from £105.06 to £110.31.

Option 3 is 8.4% increase each year for the next five years to deliver the pre-Covid investment plan. It will help to deliver 3,560 new social rented homes and upgrade 12,400 existing homes to modern and high energy efficient standards in the next ten years. The average weekly rent will increase by £8.83, from £105.06 to £113.89.

We're also proposing that tenants who move into new build homes (completed after March 2025) pay a bit more. We feel this is fair as new homes are in better condition and cheaper to run than our older, existing homes. We also want to know if you think a higher rent should be applied to homes that have been modernised and upgraded.

The new build and modernisation premiums and longer-term rent increase would help us continue to carry out our investment plan, providing more and better homes and improve communities and services.

We would still consult with you on other things to do with your rent and ask for your opinions.

Please let us know what you think by completing the online survey.

How the budget is set

Council tenants, tenant volunteers, ETF, Council officers and Councillors work together to consult on and set your rent: Council officers carry out financial planning to set out a balanced budget; tenants indicate their preferences in the rent consultation, and Councillors agree the budget at their meeting in February 2024.

Do you want to get more involved?

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

please contact HSIP@edinburgh.gov.uk or the Edinburgh Tenants Federation (ETF) at info@edinburghtenants.org.uk or 0131 475 2509.