

PERTH AND KINROSS COUNCIL

Housing and Health Committee

27 January 2016

Housing Revenue Account (HRA) Strategic Financial Plan incorporating the 5 Year Capital Investment Programme and Rent Strategy to 2020/21, Reserves Strategy and other Housing Charges for 2016/17

Joint Report by Depute Chief Executive, HCC (Corporate and Community Development Services) and Chief Operating Officer and Head of Finance

PURPOSE OF REPORT

This report sets out the proposed Housing Revenue Account (HRA) Budget for five years from 2016/17 to 2020/21. It recommends increases to rents for houses and other HRA property and recommends an appropriate level of reserves. It also presents the proposed budget for the next five years of the Capital Investment Programme of £79 million from 2016/17 to 2020/21. All of the proposals contained within the report have been updated in the HRA 30 year Standard Delivery Plan which confirms the affordability of the proposals.

1. BACKGROUND / MAIN ISSUES

- 1.1 The Council owns and manages over 7,400 houses. The Housing Revenue Account (HRA) meets all operational expenditure of supporting tenancies, building maintenance and capital financing charges associated with investment in existing and new social rented housing stock. It also contributes to financing major upgrades and improvements in the investment programme, through revenue contributions to capital projects.
- 1.2 The HRA receives income from rents (houses, garages and other properties) and interest on balances which funds all relevant expenditure.
- 1.3 Our Standard Delivery Plan (SDP) continues to form the basis of our proposals to ensuring that the Council's houses comply with the Scottish Housing Quality Standard (SHQS).
- 1.4 The HRA Business Plan is updated each year to reflect the available budget, tenants' priorities, rent strategies and economic conditions and is approved by Housing and Health Committee to ensure the SDP continues to be affordable and sustainable. The HRA Business Plan has been updated to reflect the proposals within this report. The attached HRA budget for 2016/17 (Appendix 1) has been prepared in accordance with Housing Acts and Scottish Government directives.
- 1.5 A house condition survey to assess the condition of the Council's housing stock was commissioned by Housing and Community Care during 2014 to help refine the stock information database. The primary objectives of the survey were to:

- Benchmark the current performance of our housing stock against the SHQS
- To estimate short term investment levels required in our housing stock
- To examine longer term investment requirements over a 30 year business planning cycle

The survey was carried out between October 2014 and January 2015 with the final report received in October 2015. The findings from the survey are currently being used to inform the Local Housing Strategy and the Housing Needs Demand Assessment which will be reported to Committee later in the year.

- 1.6 Other factors influencing the Capital Programme and rent setting include the UK Government's deficit reduction plan which involves savings to be made from the introduction of the Welfare Reform agenda, some proposals of which affect Housing Benefit.

Universal Credit is currently being phased in across the UK and was introduced in Inverness in November 2013. The UK Government then announced further roll outs across the United Kingdom in four tranches. Perth and Kinross Council is included in tranche four, beginning in April 2016.

The full financial impact of these changes on the Housing Revenue Account (including payment of rental benefits direct to individuals rather than landlords as is currently the case) is difficult to assess. However, provision has been made for an adjustment to the bad and doubtful debt provision, along with a programme of proactive measures to minimise potential increases in rent arrears. These actions will be implemented on a case by case basis if necessary. The introduction of Universal Credit could potentially have a major impact on rent levels for the HRA, so provisions will be reviewed as details of the planned changes emerge over time.

2. TENANT ENGAGEMENT

- 2.1 The Scottish Social Housing Charter set the standards and outcomes that all social landlords should aim to achieve when performing their housing activities. Outcomes 14 and 15 are the outcomes primarily linked to the rent setting process and the financial aspect/delivery of the HRA and require that social landlords set rents and service charges in consultation with their tenants and other customers so that:

"A balance is struck between the level of services provided, the cost of the services and how far the current and prospective tenants and other customers can afford them" and "tenants get clear information on how rent and other money is spent, including any details of individual items of expenditure above thresholds agreed between landlords and tenants."

These outcomes reflect local authorities' legal duties to consult tenants on affordability and decisions about how rental income is spent. Landlords must also decide whether to publish information on expenditure and the format and level of detail to be included within this information.

Perth and Kinross Council must engage in discussions with tenants about rents and any decisions made in relation to rent levels should reflect tenants' views.

- 2.2 As a result, The STEARS (Strategic Tenant Engagement in Annual Rent Setting) group was established in 2014/15 to review the approach to tenant involvement in rent setting and make sure the Council was meeting its Charter outcomes. Last year was the first year of the revised consultation process with our tenants and the same process was followed this year.

In April 2015 all Council tenants received a questionnaire asking for their views and priorities in relation to rent setting and how additional rent money should be spent.

A total of 564 (8%) of tenants responded, highlighting their priorities as follows:

- Maintaining and improving your house e.g. energy efficiency – **63%**
- Increasing housing stock for rent – **48%**
- Improving the quality of repairs and getting them right first time – **43%**
- Improving how we deal with concerns about your neighbourhood – **32%**
- Reducing the time we take to re-let homes – **21%**
- Making environmental improvements – **20%**
- Providing support and guidance to help people keep their tenancies - **16%**
- Reducing rent arrears – **15%**
- Providing more tenant participation/involvement activities – **5%**

At the annual tenants' conference in June 2015 attended by 54 tenants, additional questions were asked to gain more detailed information on these priorities, the questions and results are detailed at Appendix 2.

- 2.3 The overall feedback received from tenants has been used to influence the spending priorities identified through the budget setting process. As a result of the feedback gained from the tenants, the following elements have been incorporated into the budget setting process:-

- An additional £15million for increasing our Council stock through new builds
- An additional £9million of investment for improving energy efficiency across our Council stock
- An increase in the number of capital improvement staff to deliver the projects from the additional investment made in the capital programme
- Estate Based Initiatives, which have proved successful in raising the consciousness of communities about the need to preserve the condition of their neighbourhoods and also be actively involved in their improvement. It is proposed to increase the current budget, to continue working with tenants to take responsibility for their neighbourhoods; and to improve the environment. An allocation of budget is also proposed to manage Open Space held on HRA land
- An increase in the number of Support Officers to provide housing support to vulnerable tenants

- An increase in tenancy management costs to enhance face-to-face contact and support for tenants

To conclude, the consultation process has included and provided tenants with feedback on how their views have been used to influence the budget process and influence the rent increases. A Tenants' Winter Forum was held in November. The sessions were led by the Depute Chief Executive H&CC (Corporate and Community Development Services) and the Convenor of Housing and Health and involved presentations, facilitated workshops and a question and answer session with senior managers.

Nineteen tenants attended the winter forum and were positive about their fuller involvement in the overall process and the fact that the spending proposals reflect their priorities. There was no disagreement about the proposed rent increase and rent strategy proposed to tenants.

3. HOUSING REVENUE ACCOUNT

- 3.1 A budget for the HRA (as shown in Appendix 1) is balanced each financial year to ensure the operating costs are met from the yearly rental income. The budget includes an amount for Prudential Borrowing to meet the revenue cost of the capital investment programme. Since the SDP commenced in 2004, £57 million has been borrowed. This included the first major works necessary to meet the SHQS, namely, the installation of new kitchens and bathrooms.
- 3.2 The additional cost pressures which the HRA must contain within the next 5 financial years relate to the main areas described below:-
 - The budget assumes a 1% pay increase for Single Status and Trades staff for 2016/17 and 1.5% from 2017/18 onwards. The budget also reflects the cost of incremental progression and changes to national insurance rates
 - Increased prudential borrowing costs as a result of the requirements of the Capital Investment Programme
 - An adjustment to the bad and doubtful debt provision to take account of any increased risk to the Council as a result of the introduction of the UK Government's Welfare Reforms
 - An increase in the number of capital improvement staff to enhance the delivery of the Capital Investment Programme
 - An increase in tenancy management costs to enhance face-to-face contact and support for tenants
 - An increase in the current budget for Estate Based Initiatives to raise awareness of tenants' and residents' responsibilities for their own environment and to enable tenants to participate in making environmental improvements to their neighbourhoods
 - An allocation of budget for Open Space Maintenance to ensure ongoing maintenance and appearance of open space on HRA land
 - An increase in the number of Support Officers to provide housing support to vulnerable tenants

3.3 In addition, a range of efficiency savings and income generation opportunities in the HRA can be delivered to minimise the impact on future rents and future borrowing requirements. These savings can be summarised as:-

- A review of the Housing Repairs Service
- Efficiency savings achieved through a revised approach towards dealing with Energy Performance Certificates
- Efficiencies made in supplies and service budgets within Housing Needs and Sheltered Housing
- Efficiencies from rationalisation of Council buildings
- Increased charges for the Garden Maintenance Scheme to cover the full cost of this service to the HRA
- Increased charges for heat & light charges to tenants and private owners in multi-storey flats

The full detail of the pressures and savings are detailed in Appendix 3

4. CAPITAL INVESTMENT PROGRAMME

4.1 Good progress has again been made with the SDP during 2015 and the number of houses achieving overall compliance with the SHQS has continued to rise. The independent stock condition survey (mentioned in 1.5), which included 30% of the total Council house stock, provided a useful validation of SHQS performance and correlated favourably with existing records.

4.2 Based on the stock data at 31 March 2015, the overall level of SHQS compliance was 92.33% i.e. 6,846 Council houses. Of the 7.67% that were not compliant:-

- 2.12% of the stock contained elements of the standard that were 'exempt' from the standard because the work could not be carried out for technical reasons
- 4.9% of the stock contained elements which were considered to be 'abeyances' where work was unable to be carried out mainly due to owners' unwillingness to take part in common works
- 0.65% of the stock was recorded as failing the standard (48 houses)

4.3 The planned investment programme of £79.5 million for the 5 year period from April 2016 to March 2021 is summarised in Appendix 4. A number of community benefits will arise from this level of investment as well as improving our Council stock. The proposed Housing Investment Programme required to continue to comply with SHQS over the next 5 years is summarised as follows:-

- Energy efficiency works - £12.6 million
- Central heating renewal - £7.9 million
- External fabric works - £5.1 million
- Double glazing - £3.4 million
- Environmental Improvements - £2.0 million
- Multi-storey flats - £1.8 million
- Kitchens and bathrooms - £1.7 million
- Installation of controlled door entry systems - £0.7 million

- Fire Precaution Measures - £0.7 million
- Total Investment – £35.9 million

Relevant business cases have been produced for those capital programmes listed above where appropriate and are available in the Councillors' lounge or online on the Councillors' CHIP SharePoint site.

4.4 The capital programme in Appendix 4 also details the proposals for the following non SHQS elements:-

- Council house new build programme
- Purchasing houses through the open market
- Lock-ups and garage sites review
- Major adaptations to properties for disabled people
- Adaptations to shops & offices
- Mortgage to Rent – Under certain circumstances where owner occupiers have difficulty in meeting mortgage payments the Government can arrange for the Council to buy the property and rent it back to the same individual as a tenant to avoid homelessness
- Boilers – a number of replacement boilers for communal premises are scheduled to be installed over the next year
- Replacement of lifts to ensure fire safety regulations in multi-storey accommodation is met
- Muirton shops development
- Information and systems technology will be required to support new ways of working e.g. PCs, mobile technology, servers etc.

5. INCREASING COUNCIL HOUSE STOCK

5.1 During 2008, the Scottish Government announced plans to provide grants to local authorities to support new-build Council housing. Seven separate tranches of funding have since been released and Perth and Kinross Council has successfully obtained grant awards from all seven phases of the funding programme.

5.2 The aim of the Council's new build housing programme is to provide housing of the most appropriate size within areas of high demand. The programme currently comprises 222 properties: phases 1, 2, 3, 4, 5 and part of phases 6 and 7 comprising 166 houses are now completed; with the remaining elements of phases 6 and 7 underway.

- Phase 1 - 6 houses at Letham in Perth and 20 houses at Methven
- Phase 2 - 10 houses at Friarton in Perth
- Phase 3 - a further 10 houses at Methven, 19 houses at Alyth, 10 houses at Scone and 6 houses at Pitlochry
- Phase 4 - a further 10 houses at Scone, 12 houses at Pitlochry and 17 houses at Blairgowrie
- Phase 5 – 16 houses at Jeanfield Road in Perth and 8 houses at Inchtute

- Phase 6 – a further 14 houses at Jeanfield Road in Perth, a further 11 houses at Alyth, 12 houses at Auchterarder, 16 houses at Balbeggie and 7 houses at Old Mill Road, Rattray
- Phase 7 – a further 10 houses at Auchterarder and 8 houses at Glenearn Road, Perth

The size, type, location and funding of the new build programme is determined through the Strategic Housing Investment Plan which is regularly reported to Committee.

- 5.3 The Capital Investment Plan previously included further investment in new house building with the addition of 25 houses per annum across Perth and Kinross. Due to increased funding from Scottish Government and the Council's Earmarked Reserve for Affordable Housing, this has increased the capacity to approximately 40 houses per annum.

The additional investment of £15million referred to in section 2.3 will increase the overall capacity to approximately 80 houses per annum during the period 2016/17 to 2020/21. This additional investment will be allocated to year 5 of the Capital Investment Programme and drawn down as and when development opportunities arise when the Local Development Plan releases land for house building.

- 5.4 The Capital Investment Plan assumes the Council house building programme will continue to receive the same level of financial funding per house from the Scottish Government and continuing use of the Council's Earmarked Reserve for Affordable Housing.
- 5.5 The HRA Capital Investment Programme, detailed in Appendix 4, incorporates the existing committed new build programme and an indicative future new build programme with the funding assumptions as presented in section 5.4. There are 7 projects which are currently being explored awaiting final feasibility which, if they proceed, will result in approximately 100 new houses over the next 2 to 3 years.
- 5.6 The HRA Capital Investment Programme also includes funding for increasing the Council house stock by purchasing houses through the open market. It is anticipated that, by 31 March 2016, 71 houses will have been purchased at a cost of approximately £7.6 million (including the upgrading to SHQS). The purchase of the 71 houses has facilitated a further 76 moves through the resulting vacancy chains, supporting people into more suitable accommodation.
- 5.7 In response to tenants' priorities to increase housing stock for rent it is proposed to continue the level of funding allocated for buy-backs of £5 million over the next 5 years. This funding will be accelerated as and when required as properties become available to purchase.
- 5.8 The Council has been successful in obtaining financial funding in addition to the Housing Allocation Grant from the Scottish Government for 2013/14, 2014/15 and 2015/16 of £1,530,000 which has allowed the purchase of approximately 15 properties over and above the existing budget within the Capital Investment Programme. It is unknown if this additional funding, which would allow the

Council to purchase some additional properties over and above the existing budget, will continue.

6. RENT STRATEGY

- 6.1 When setting the 2015/16 budget, the Housing and Health Committee approved a rent increase of 3.2% for 2015/16 and a four year rent strategy for 2016/17 to 2019/20 at an indicative rate of 4% (Report 15/50 refers).
- 6.2 In order to deliver on tenants' priorities, meet the fixed costs borne by the HRA and taking into account efficiency savings as referred to in sections 3.2 and 3.3, a 2.2% rent increase will be required for 2016/17.
- 6.3 The proposed rent strategy for the four year period from 2017/18 to 2020/21 will be set at an indicative rate of 2.2% (this was 4% in report 15/50 which set the rents for 2015/16). This provides a baseline level for tenants and allows the Council to highlight the potential rent increase required to deliver the future capital investment programme and running costs of the HRA.

This proposal was discussed at the Tenants' Winter Forum event on 11 November highlighting to tenants the benefits of such a strategy. Tenants were advised that this is a strategy, not a fixed rent increase for the next 5 years and aims to provide a more planned and consistent approach for tenants and to minimise future fluctuations dependent on consultation with tenants on their spending priorities for future years.

This approach will also aid future discussions and decisions surrounding the rent harmonisation process for the rent restructuring which is currently underway.

- 6.4 The rent strategy as detailed above would allow the HRA to:-
- Set rents at reasonable levels over the period, leaving Perth and Kinross Council rents lower than the Scottish average
 - Finance the cost of the future investment programmes to continue to improve our housing stock
 - Provide headroom to allow for an increased commitment of 80 new houses each year
 - Increase the Council house stock by purchasing houses through the open market
 - Finance the revenue borrowing cost of previous capital programme investment to meet the SHQS and provide a new build programme (222 houses to date)
 - Resource Neighbourhood Management Services in managing tenancies, fostering tenant participation and work with partner colleagues in the community to create safe and vibrant neighbourhoods
 - Enable a Reserves Strategy to provide uncommitted reserves of £800k

7. USE OF BALANCES/RESERVES STRATEGY

- 7.1 When reviewing their medium term financial plans and preparing annual budgets, local authorities should consider the establishment and maintenance of reserves. These can be held for three main purposes:-
- To provide working balances to cushion the impact of uneven cash flows and avoid unnecessary borrowing
 - To cushion the impact of unexpected events or emergencies
 - To build up funds, often referred to as earmarked reserves, to meet known or predicted requirements
- 7.2 Money held in the general reserve is, therefore, not being directly used to deliver the Housing Business Plan but is set aside for the purposes outlined above.
- 7.3 The financial risks to which the HRA could potentially be exposed include the possibility of:-
- Additional repairs due to severe weather events and other emergencies
 - The current economic climate and the change in Housing Benefits legislation which may impact upon income recovery with the potential for an increase in non-collection levels
 - The economic conditions, which could also impact on commercial lets, resulting in lower rent levels or properties remaining void for longer periods
- 7.4 At this time, it is not possible to estimate the potential financial impact of the UK Government's Welfare Reforms on the HRA and budgets with any accuracy. It is likely that there will be a number of budget pressures such as increased bad debt, increase in arrears levels, but they are not quantifiable at this time. However, a provision for increased bad debt has been factored into the revenue budget in Appendix 1.
- 7.5 In view of the potential risks facing the HRA and in accordance with guidance set out in the CIPFA Local Authority Panel (LAAP) Bulletin 77, the Head of Finance, therefore, recommends retaining an uncommitted reserve on the Housing Revenue Account of between 2% and 4% of gross expenditure – approximately £540,000 to £1,100,000. This will be reviewed in future years and amended as required.
- 7.6 At the Housing and Health Committee of 28 January 2015 members agreed that the HRA should maintain an uncommitted general reserve balance of £800,000 (Report 15/50). After reviewing the 30 year business plan, it is felt prudent that the balance should continue to be maintained at the present level. The business plan assumes that a balance of £800,000 will be maintained for the next 5 years.
- 7.7 At this time, it is not anticipated that there will be any requirement to utilise the reserve in 2015/16 and consequently the balance will remain at £800,000.

8. COMPARISON WITH OTHER LOCAL AUTHORITIES AND REGISTERED SOCIAL LANDLORDS

- 8.1 Appendix 5 shows the Council house rents in Perth and Kinross compared to other councils in Scotland. Based on recent information provided by other councils, Perth and Kinross would have an average rental figure of £66.00 compared to the projected Scottish average of £68.14 for 2016/17. This would mean Perth and Kinross Council would remain the 9th lowest rent in Scotland, £2.14 lower than the projected Scottish average.
- 8.2 The level of rent increases for 2015/16 across local authorities in Scotland ranged from 1.0% to 6.9% with the Scottish average being 3.2%.
- 8.3 Table 1 below details 2015/16 average rent levels for the main Registered Social Landlords (RSLs) within Perth & Kinross.

Registered Social Landlord 2015/16	Apartment Size/Weekly Rent (£)				
	1	2	3	4	5+
PKC	60.64	62.15	64.75	69.32	79.76
Caledonia	36.10	62.49	68.00	77.05	89.61
Hillcrest HA	30.03	56.88	72.44	85.59	111.29
Kingdom HA	n/a	55.66	67.54	81.64	n/a
Fairfield Co-op	n/a	59.57	65.08	69.48	78.32

Table 1: Average Rents 2015/16 (based on 52 weeks)

Source: Registered Social Landlord and Local Authority Databases – November 2015

9. PROPOSED RENTS FOR OTHER SERVICES

- 9.1 It is recommended that a range of non-commercial rents - excluding the HRA rents for housing stock which is covered in section 6 - are amended as detailed below from 4 April 2016. The proposals ensure the Council continues to demonstrate that it has set rents which reflect the characteristics of individual dwellings and services provided. The different types of properties are covered separately below:-
- 9.2 Rental charges for Greyfriars Hostel, RIO House and Tayview House
- It is proposed to increase rental charges at Greyfriars Hostel, RIO House and Tayview House, temporary accommodation for people who are homeless, by 2.2% to meet property costs and the financing of upgrades to the properties.
- 9.3 Rental charges for dispersed temporary accommodation
- It is proposed to increase rental charges for properties owned by the HRA but allocated as temporary accommodation for homeless people by 2.2% to meet property costs and the financing of upgrades to the properties.

9.4 Rental charges for chalets and stances for Gypsy Travellers

It is proposed to increase rental charges by 2.2% to meet recurring property costs and the financing of previous upgrades to the sites and chalets.

9.5 Lock-ups

It is proposed to increase rental charges for lock-ups by 2.2% in line with house rents.

9.6 Garage Sites

It is proposed to increase rental charges for garage sites by 2.2% in line with house rents.

9.7 Commercial rents

Rents from commercial properties are negotiated by Estates colleagues on a property by property basis. These contracts include agreed levels of fees and are not within the scope of this report.

10. PROPOSED HOUSING SERVICE CHARGES

10.1 Local Housing Authorities separate service charges from housing rents in order to ensure that charges for services, such as caretaking, are fair and transparent. Service charges usually reflect additional services which may not be provided to every tenant, or which may be connected with communal facilities rather than directly to the occupation of a dwelling. In addition, the HRA charges owners for services provided as determined by title deeds, the Tenement Management Scheme and the Property Factors Agreement.

10.2 The range of service charges currently levied by the HRA to tenants and owner occupiers are shown in tables 2 and 3 below. All services, apart from the garden maintenance scheme and communal heating at particular locations, are included in tenants' rents. Owner occupiers in locations with mixed tenure have additional charges as they have to meet some costs which are already included in tenants' rents.

10.3 The garden maintenance scheme is currently provided to approximately 750 elderly tenants at a cost to the HRA of £124 per year, whereas the current charge to tenants who receive this service is only £59.52 per year. It is proposed to increase this charge to recover the full cost of providing this service, with the increases being phased over a 5 year period as follows:-

- 2016/17 - £72.00 per year
- 2017/18 - £85.00 per year
- 2018/19 - £98.00 per year
- 2019/20 - £111.00 per year
- 2020/21 - £124.00 per year

- 10.4 The current charge to Council tenants and private owners at Market, Milne and Lickley Court for communal heating and stair lighting does not cover the actual cost of the service being provided due to historical subsidised charges and historical increases in energy costs.

Energy prices have been higher than the inflationary increases we have passed onto tenants and private owners. This position has been reviewed alongside the introduction of the HRA Guidance which has resulted in moving towards full cost recovery of communal heating and stair lighting costs.

It is proposed to increase the current charge by £3.92 per week, which will see the charge for these services increase from £6.59 per week to £10.51 per week. The charge will be reviewed on an annual basis looking at the previous year's energy costs.

- 10.5 As well as the revised charges for garden maintenance and communal heating and lighting as detailed in sections 10.3 and 10.4, it is proposed to increase the remaining charges by 2.2% and implement the following charges detailed in tables 2 and 3 from 4 April 2016:-

Service Charges to Tenants	2015/16 Current Annual Charge	2016/17 Proposed Annual Charge
Garden Maintenance Scheme	£59.52	£72.00
Retirement Complexes	£198.24	£202.56
Communal Heating – (Market, Milne and Lickley)	£316.32	£504.48
Heating and Lighting at Sheltered Housing complexes	£429.60 - £580.80	£439.20 - £593.76

Table 2: Service Charges to Tenants

- 10.6 As a result of the Property Factors Agreement being in place since 1 April 2014, Housing & Health Committee approved a range of charges to owner occupiers of multi-tenure blocks (report 14/114 refers). The proposed increases in these charges which incorporate the increased costs for Market, Milne and Lickley Court as detailed in section 10.4 are detailed in table 3 below:-

Service Charges to Owner Occupiers	2015/16 Current Annual Charge	2016/17 Proposed Annual Charge
Stair Lighting	£35.79	£36.58
Market Court	£606.36	£771.74
Milne Court	£606.36	£771.74
Lickley Court	£606.92	£772.30
Potterhill	£284.41	£289.63
Pomarium (No's 7-51)	£286.43	£291.65
Pomarium (no's 52-95)	£287.03	£292.26
Charterhouse Court	£765.55	£781.95

Table 3: Service Charges to Owner Occupiers

- 10.7 Local authorities are entitled to levy a service charge for temporary accommodation for enhanced property management services and costs incurred in providing accommodation to homeless people. Each type of temporary accommodation will have different costs which are the basis of the service charges. As a result of efficiencies savings being achieved within our homeless services, the service charges have been reviewed to take account of the level of service being provided across the various temporary accommodation units. The proposed service charges for each type of temporary accommodation are detailed below:-

Service Charges to Tenants	2015/16 Current Weekly Charge	2016/17 Proposed Weekly Charge
Dispersed tenancies	£121.80	£120.00
Greyfriars Hostel	£107.87	£104.00
RIO House	£51.72	£46.00
St Catherine's Square	£123.92	£120.00
Tayview House	£136.60	£133.00

Table 4: Temporary accommodation service charges

10.8 Rechargeable Repairs

Housing and Community Care have a policy to recover the costs of repairs, clearance and related works, from current or former tenants and owners/residents. Accounts are raised for a number of reasons, including:-

- To recover the cost of work arising from tenant misuse
- To consistently enforce the conditions of the Scottish Secure Tenancy
- To deter misuse of Council property by future tenants

- 10.9 A summary of all housing charges for 2016/17 is detailed at Appendix 6.

11. CONCLUSION AND RECOMMENDATIONS

- 11.1 This report details the proposed HRA budget for the 5 year period from 2016/17 - 2020/21 and recommends rent increases for houses and other HRA properties. The measures outlined will support continued and sustained improvements in the delivery of housing services and more specifically will meet tenant's priorities to increase our housing stock, minimise rent arrears and improve the delivery of housing support within our localities.

The cumulative effect of these measures will support the delivery of the charter outcomes to meet housing need in the area, to provide safe and secure housing and support sustainable tenancies and communities throughout the area.

11.2 It is recommended that Committee:

- (i) Approves the Housing Revenue Account Budget for 2016/17 and provisional budgets for financial years 2017/18 to 2020/21 as set out in Appendix 1.
- (ii) Approves the proposed Housing Revenue Account Capital Investment Programme for 2016/17 to 2020/21 as set out in Appendix 3.
- (iii) Approves the Rent Strategy for 2016/17 and a provisional Rent Strategy for the following 4 years to 2020/21 as stated in Section 6.
- (iv) Approves the rent increase of 2.2% for the year commencing 4 April 2016 as follows:-
 - All Council houses. This would mean an average weekly rent increase of £1.42 per week, giving an average weekly rent of £66.00 per week based on 52 weeks.
- (v) Approves the rent increase of 2.2% for the year commencing 4 April 2016 for:
 - All lock-ups.
 - All garage sites
 - Chalets and stances for travelling people at Double Dykes and Bobbin Mill.
 - Temporary accommodation units at Greyfriars Hostel, RIO House, Tayview House and dispersed tenancies owned by the HRA.
- (vi) Approves the Housing Revenue Account Reserves Strategy proposed in Section 7 to maintain the current level of reserves at £800,000.
- (vii) Approves the proposal to set Housing service charges from 4 April 2016 as stated in Section 10.
- (viii) Notes and approves where necessary the revised level of all housing related charges as detailed in Appendix 6.
- (ix) Notes the progress made to date in delivering the SHQS for improving and managing the housing stock as set out in Section 4 and the related Business Cases.

Author

Name	Designation	Contact Details
Steven Coyle	Business & Resources Team Leader	sjcoyle@pkc.gov.uk 01738 476739

Approved

Name	Designation	Date
John Walker	Depute Chief Executive, H&CC (Corporate and Community Development Services)	15 January 2016
John Symon	Head of Finance	

If you or someone you know would like a copy of this document in another language or format, (on occasion, only a summary of the document will be provided in translation), this can be arranged by contacting the Customer Service Centre on 01738 475000.

You can also send us a text message on 07824 498145.

All Council Services can offer a telephone translation facility.

1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	Yes / None
Community Plan / Single Outcome Agreement	None
Corporate Plan	Yes
Resource Implications	
Financial	Yes
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	Yes
Strategic Environmental Assessment	Yes
Sustainability (community, economic, environmental)	Yes
Legal and Governance	None
Risk	None
Consultation	
Internal	Yes
External	Yes
Communication	
Communications Plan	None

1. Strategic Implications

Corporate Plan

1.1 The Council's Corporate Plan 2013 – 2018 lays out five outcome focussed strategic objectives which provide clear strategic direction, inform decisions at a corporate and service level and shape resources allocation. They are as follows:

- (i) Giving every child the best start in life;
- (ii) Developing educated, responsible and informed citizens;
- (iii) Promoting a prosperous, inclusive and sustainable economy;
- (iv) Supporting people to lead independent, healthy and active lives; and
- (v) Creating a safe and sustainable place for future generations.

1.2 This report relates to all of these objectives.

2. Resource Implications

Financial

2.1 There are no direct financial implications arising from this report other than those reported within the body of the main report.

3. Assessments

Equality Impact Assessment

- 3.1 Under the Equality Act 2010, the Council is required to eliminate discrimination, advance equality of opportunity, and foster good relations between equality groups. Carrying out Equality Impact Assessments for plans and policies allows the Council to demonstrate that it is meeting these duties.

The information contained within this report has been considered under the Corporate Equalities Impact Assessment process (EqIA) and has been assessed as **not relevant** for the purposes of EqIA.

Strategic Environmental Assessment

- 3.2 The Environmental Assessment (Scotland) Act 2005 places a duty on the Council to identify and assess the environmental consequences of its proposals.

The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

Sustainability

- 3.3 Under the provisions of the Local Government in Scotland Act 2003 the Council has to discharge its duties in a way which contributes to the achievement of sustainable development. In terms of the Climate Change Act, the Council has a general duty to demonstrate its commitment to sustainability and the community, environmental and economic impacts of its actions.

The information contained within this report has been considered under the Act. However, no action is required as the Act does not apply to the matters presented in this report.

4. Consultation

Internal

- 4.1 The Chief Executive, all Deputy Chief Executives, all Directors and Head of Legal Services have been consulted in the preparation of this report.

External

- 4.2 All Perth and Kinross Council tenants were invited to attend a Tenant's Conference in June 2015 and a Tenant's Winter Forum in November 2015 and their feedback is detailed in Appendix 2.

The Tenant Committee Report Panel were consulted on this report. They reported that this is a good report which leads to a fair and just increase in rent.

We look forward to the outcomes of the rent restructure which is nearing completion.

2. BACKGROUND PAPERS

None

3. APPENDICES

Appendix 1 – HRA Provisional Revenue Budget 2016-2021

Appendix 2 – Feedback from tenant's conference

Appendix 3 – HRA Executive Summaries 2016-2021

Appendix 4 – HRA Capital Investment Programme 2016-2021

Appendix 5 – Estimated Projected Average Rents

Appendix 6 – Housing Related Charges 2016/17

APPENDIX 1 – HOUSING REVENUE ACCOUNT

	2015/16 Approved Budget £'000	2016/17 Proposed Budget £'000	2017/18 Provisional Budget £'000	2018/19 Provisional Budget £'000	2019/20 Provisional Budget £'000	2020/21 Provisional Budget £'000
STAFF COSTS						
Single Status - Gross Pay	3,382	4,251	4,411	4,466	4,522	4,583
Supn	578	724	751	760	770	780
NI	211	371	382	385	388	392
Craft Workers - Gross Pay	1,492	1,486	1,429	1,372	1,397	1,422
Supn	254	253	243	233	237	241
NI	97	135	131	128	130	131
Pensions	100	100	100	100	100	100
Overtime	116	88	88	88	88	88
Slippage	(200)	(200)	(200)	(200)	(200)	(200)
General Fund Recharges	802	885	898	911	924	938
Other Staff Costs	288	304	304	304	304	304
TOTAL STAFF COSTS	7,120	8,397	8,537	8,547	8,660	8,779
PROPERTY COSTS						
Non Domestic Rates	104	104	104	104	104	104
Rents	98	98	98	98	98	72
Water & Sewage	3	3	3	3	3	3
Energy Costs	292	282	282	282	282	282
Property Insurance	415	414	414	414	414	414
Cleaning	71	64	64	64	64	64
Property Maintenance	3,435	3,535	3,485	3,435	3,485	3,535
Other Property Costs	1,103	1,072	1,955	1,964	2,001	2,039
TOTAL PROPERTY COSTS	5,521	5,572	6,405	6,364	6,451	6,513
TOTAL SUPPLIES & SERVICES	1,466	1,403	1,398	1,393	1,393	1,393
TRANSPORT COSTS						
Travel & Subsistence	1	1	1	1	1	1
Car Allowances	83	86	86	86	86	86
Other Transport Costs	547	505	505	505	505	505
TOTAL TRANSPORT COSTS	631	592	592	592	592	592
TRANSFER PAYMENTS	85	78	78	78	78	78
THIRD PARTY PAYMENTS	107	107	107	107	107	107
SUPPORT SERVICES	1,973	1,955	1,955	1,955	1,955	1,955
FINANCING/CAPITAL CHARGES	5,451	6,056	6,645	7,094	7,621	7,959
CFCR	4,276	4,191	3,407	3,787	3,875	4,197
GROSS EXPENDITURE	26,630	28,351	29,124	29,917	30,732	31,573
INCOME						
Internal Recharges	766	1,494	1,494	1,494	1,494	1,494
Council House Rents	25,021	25,903	26,659	27,435	28,232	29,055
Other Rental Income	792	903	920	937	955	973
IORB	51	51	51	51	51	51
TOTAL INCOME	26,630	28,351	29,124	29,917	30,732	31,573
NET EXPENDITURE	0	0	0	0	0	0

Appendix 2 – Feedback from Tenant’s Conference 24th June 2015

Question 1 – Maintaining and Improving your Home

- Improving energy efficiency (e.g. solar panels/external insulation) – 41%
- Extensions and Conversions – 10%
- Kitchens, Bathrooms & Double Glazing – 41%
- None of the above – 0%

Question 2 – Improving the quality of repairs and getting them right first time

- Increasing the number of appointments available – 36%
- Offer appointments in the evenings and weekends – 53%
- Increasing the number of ways for you to tell us about the quality of your repairs – 20%
- None of the above – 0%

Question 3 – Improving how we deal with concerns about your neighbourhood

- Increasing face to face contact with tenants – 27%
- Increasing ways for you to tell us about your concerns – 29%
- Work with you to review existing targets for resolving anti-social behaviour complaints – 44%
- None of the above – 0%

Question 4 – Making environmental improvements within neighbourhoods

- Continue with estate based walkabouts to identify improvements – 42%
- Improve our approach to maintaining open spaces on HRA land – 43%
- Increasing the funding for estate based initiatives to support local decisions and priorities – 45%
- None of the above – 0%

Question 5 – Providing support and guidance to help people keep their tenancies

- Providing Support Officers to work with tenants – 55%
- Extending the service delivered by Welfare Rights Officers – 30%
- Enhancing Money Advice Services for tenants – 27%
- None of the above – 6%

Appendix 3
REVENUE BUDGET 2016/21
SERVICE – HOUSING REVENUE ACCOUNT
EXECUTIVE SUMMARY

Date: 23 November 2015

	Activity Expenditure Pressure & Impact Analysis	Un-Funded Expenditure Pressures				
		2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
1	<p><u>Increase in Staff Costs</u></p> <p>The increase in staff costs includes the cost of increments and a 1% pay award increase for 2016/17 and 1.5% from 2017/18 onwards in line with the Council's Medium Term Financial Planning assumptions. This pressure also reflects the reduction in the employer's superannuation rate from 18% to 17% and the increase in employers national insurance rates from 2016/17 onwards.</p>	197	110	111	113	115
2	<p><u>Adjustment to Bad & Doubtful Debt Provision</u></p> <p>Due to the proposed changes in payment of Housing Benefits from direct to a landlord to direct to the tenant as a part of the Welfare Reform changes an adjustment in bad and doubtful debt provision will be required to meet the potential increase in non-payment of rent to the HRA from April 2017.</p> <p>The current rent collection rate for mainstream tenants sits at around 98% and this revised provision provides for a reduction in collection rates to approximately 95%. There is still considerable uncertainty regarding the likelihood of this level of non-payment of rents actually arising and the Government's intentions regarding how frequently rent direct arrangements for individuals will/can be reviewed, but it is felt prudent to make an adjustment to the provision based on feedback from other local authorities where Universal Credit has already been introduced. 2018/19 and future years' provisions will be reviewed as the full impact becomes known, and any further adjustments required will be reflected in future budget setting exercises.</p> <p>The current bad and doubtful debt provision equates to £430,848. The adjustment in 2017/18 reflects the adjustment to the provision from 1.75% to 5% of the net income with the increases in 2018/19 and beyond being the annual uplift required in line with the anticipated increased income levels each year.</p>	15	883	36	37	38
3	<p><u>Movement in Loan Charges</u></p> <p>The capital investment programme has been revised to ensure we continue to meet the SHQS obligations arising from the Stock Condition Survey, any future new Scottish Housing Quality Standard and our tenant's priorities. These commitments alongside an increase in the Council House Stock programme will result in an increase in Loan Charges arising from the increased prudential borrowing to fund these works.</p>	605	589	449	527	338

	Activity Expenditure Pressure & Impact Analysis	Un-Funded Expenditure Pressures				
		2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
4	<p><u>Capital Improvement Staff</u></p> <p>The capital programme has been expanded to include additional works to further improve the energy efficiency measures of our Council stock. The additional energy efficiency measures will provide tenants with a reduction and more affordable fuel bills. Additional staff (1fte Project Manager, 1fte Clerk of Works and 1fte Tenant Liaison Officer) will be required to take forward this programme to ensure it is delivered within the agreed timescales. These staff will be charged to the revenue budget in accordance with the decision to not capitalise our Improvements Team which was taken in 2011/12. Improving the energy efficiency of our homes is consistent with the priorities of our tenants and contributes towards meeting the outcomes of the Council's Anti-Poverty strategy.</p>	111	0	0	0	0
5	<p><u>Increase in Tenancy Management Costs</u></p> <p>The redesign and review of Housing Services will deliver a more integrated, locality based approach to the way we deliver services to tenants across the area and this was reflected in the 2015/16 budget setting process. To further meet the changing needs of our tenants and ensure a more regular face to face contact with Housing staff within the localities, supporting tenants to maintain their tenancies and increasing the capacity of our communities we will need to enhance our frontline resource by employing an additional 2 posts per year over 2 years. This approach is consistent with the views of our tenants who have indicated a desire for a greater level of support for more vulnerable tenants and an increase in our face to face contact.</p>	65	65	0	0	0
6	<p><u>Estate Based Initiatives</u></p> <p>The need to enhance the physical environmental areas within our housing estates was highlighted as a key priority by our tenants in the recent Tenant Satisfaction Survey and at our June conference. The delivery of an enhanced Estate Based Initiative Scheme will enable tenants to in partnership with the Council and local Elected Members, to have a real say in how the budget is spent in their local area and this will support our work in fulfilling the Scottish Social Housing Charter. Additional benefits which could emerge are employability schemes and social enterprises. This is an increase year on year to the existing base budget of £100,000 which will result in a total budget of £350,000 after 5 years. Early pilots have been well received both from the community and elected members.</p>	50	50	50	50	50

	<u>Activity Expenditure Pressure & Impact Analysis</u>	Un-Funded Expenditure Pressures				
		2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
7	<p><u>Maintenance of Open Spaces</u></p> <p>A non-recurring budget pressure was identified for 2015/16 for the upkeep of HRA open spaces (previously maintained by The Environment Service) - to allow staff the opportunity to assess the suitability of allocating each garden area to individual residents/tenants. This outcome of this assessment has evidenced that many of the sites are not suitable to be designated to individual properties.</p> <p>To ensure the ongoing maintenance and appearance of our open spaces we will continue to provide maintenance in these areas on an ongoing basis. This approach is consistent with the views of our tenants who have expressed a desire for us to improve our approach.</p>	50	0	0	0	0
8	<p><u>Increase in Tenancy & Sustainment Support Staff</u></p> <p>There is recognition that our future front line services are focused, resourced, and shaped around a supportive environment for our tenants. Two additional Support Officers were appointed in 2015/16 and it has been demonstrated that our tenants are becoming increasingly vulnerable with a need for additional posts to provide support, advice and assistance to help people sustain their tenancies.</p> <p>An additional 5 posts over a 2 year period to provide support to our tenants will strengthen our locality based Housing Support Services.</p> <p>This approach supports the feedback at our Tenants Conference where our tenants told us that providing additional support to tenants should be a priority.</p>	110	65	0	0	0

	<u>Activity Expenditure Pressure & Impact Analysis</u>	Un-Funded Expenditure Pressures				
		2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
9	<u>Movement in relation to Contribution to Capital Projects (CFCR)</u> <p>As a result of the net movement between pressures and income/savings options this is the projected movement in CFCR. It is recommended that any surplus (CFCR) is used to fund capital spending, thus reducing the borrowing requirement in the Housing Investment Programme and hence reduce Capital Financing Costs in future years.</p> <p>The level of CFCR is each year will be as follows:</p> <p>2016/17 - £4,191,000 2017/18 - £3,407,000 2018/19 - £3,787,000 2019/20 - £3,875,000 2020/21 - £4,197,000</p>	(85)	(784)	380	88	322
	TOTAL	1118	978	1026	815	863

	<u>Compensating Saving / Budget Flexibility & Impact Analysis</u>	Net Saving					Staffing Implications				
		2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2016/17	2017/18	2018/19	2019/20	2020/21
1	<p><u>Increase in Council House Rents</u></p> <p>In order to deliver on tenant's priorities, meet the fixed costs borne by the HRA, and any efficiency savings, a 2.2% rent increase will be required for 2016/17. The proposed rent strategy for the next four years will be set at an indicative rate of 2.2%. This provides a baseline level to highlight the potential rent increase required to deliver the future capital investment programme and running costs of the HRA. The indicative rate for future years will potentially vary due to any further priorities identified by tenants.</p> <p>2016/17 – 2.2% 2017/18 – 2.2% (Provisional) 2018/19 – 2.2% (Provisional) 2019/20 – 2.2% (Provisional) 2020/21 – 2.2% (Provisional)</p> <p>Depending on the outcome of the consultation on the draft Scottish Housing Quality Standard version 2 there may be a requirement to re-negotiate the above proposed rent increases for future years.</p> <p>The future provisional rents will be adjusted each year to reflect the anticipated level required to meet the needs of the HRA Business Plan.</p> <p>These updated income figures reflect revised assumptions regarding increased stock due to reduced right to buy sales, and further increases in housing stock based on the planned progress in delivering the new build and additional stock programmes.</p>	889	763	784	805	827	0	0	0	0	0

	<u>Compensating Saving / Budget Flexibility & Impact Analysis</u>	Net Saving					Staffing Implications				
		2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2016/17	2017/18	2018/19	2019/20	2020/21
	<p>It should be noted that there are no increases attributed to Shops & Offices.</p> <p>Impact Analysis Workforce: None Customer: Tenants will be consulted on the Standard Delivery Plan and proposed levels of rent increase. Equalities / Diversity: No identified equality/diversity issues Outcome and Performance: This will allow Perth & Kinross Council to meet the requirements of the Scottish Quality Housing Standard.</p>										
2	<p>Transformation Review of Housing Repairs Service</p> <p>A review of the future delivery of the Housing Repairs service which will focus on areas such as fleet management, future stores options and related supply chain solutions and trades productivity and value for money.</p> <p>The review will also link in with the Transformation projects approved by Council in respect of procurement efficiencies and new ways of working</p> <p>Impact Analysis Workforce: The staff numbers affected will be known once the review has been completed Customer: Better service to the customer should be realised from this review Equalities / Diversity: No identified equality/diversity issues Outcome and Performance: An increase in the level of productivity should result in a more efficient service delivery</p>	100	200	200	0	0		0	0	0	0

	<u>Compensating Saving / Budget Flexibility & Impact Analysis</u>	Net Saving					Staffing Implications				
		2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2016/17	2017/18	2018/19	2019/20	2020/21
3	<u>Energy Performance Certificates</u> All Council houses will have an Energy performance Certificate by 31 March 2018 following the appointment of an EPC Assessor. This saving relates to the deletion of the existing budget for EPC's with future certificates being produced by Property Inspector's following appropriate training. <u>Impact Analysis</u> Workforce: None Customer: None Equalities / Diversity: No identified equality/diversity issues Outcome and Performance: Certificates for Council houses will be produced quicker and in a more cost effective way	0	0	27	0	0		0	0	0	0
4	<u>Sheltered Housing & Housing Needs Efficiencies</u> A review of existing budgets and expenditure for supplies and services <u>Impact Analysis</u> Workforce: None Customer: None Equalities / Diversity: No identified equality/diversity issues Outcome and Performance: No impact	99	5	5	0	0		0	0	0	0
5	<u>Rationalisation of Council Buildings</u> The Service currently operates from a number of leased buildings across the city centre. All of these have rent review/lease break options over	0	0	0	0	26		0	0	0	0

	<u>Compensating Saving / Budget Flexibility & Impact Analysis</u>	Net Saving					Staffing Implications				
		2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2016/17	2017/18	2018/19	2019/20	2020/21
	<p>the next 3-5 years. This proposal would see all of these lease break opportunities being invoked and the services relocate to a Council owned property elsewhere in the city centre.</p> <p>This saving relates to the HRA share of the savings as a result of moving out of York Place.</p> <p>Impact Analysis Workforce: None Customer: None Equalities / Diversity: No identified equality/diversity issues Outcome and Performance: No impact</p>										
	<p>Review of Garden Maintenance Scheme</p> <p>Review of existing Garden Maintenance Scheme charges which is currently provided to approximately 750 elderly Council tenants. The current annual cost to the HRA of the service equates to £120 per tenant per year whereas the current charge to tenants who receive this service is £59.52 meaning that this service is currently being subsidised by the wider Council tenants.</p> <p>This proposal seeks to move to a full cost recovery model phased over a 5 year period which will see the charge to tenants who receive this service increase by approximately £13 per year with the revised charges being as follows:</p> <p>2016/17 - £72.00 2017/18 - £85.00 2018/19 - £98.00 2019/20 - £111.00 2020/21 - £124.00</p>	10	10	10	10	10		0	0	0	0

	<u>Compensating Saving / Budget Flexibility & Impact Analysis</u>	Net Saving					Staffing Implications				
		2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2016/17	2017/18	2018/19	2019/20	2020/21
	<p><u>Impact Analysis</u> Workforce: None Customer: Increased charges to Council tenants Equalities / Diversity: No identified equality/diversity issues Outcome and Performance: No impact</p>										
8	<p><u>Review of Multi-Storey Heating & Lighting Costs</u></p> <p>The current charge to Council tenants and private owners at Market, Milne and Lickely Court for communal heating and stair lighting does not cover the actual cost of the services being provided due to historical subsidised charges and historical increases in energy costs.</p> <p>This proposal will see an increase in the current charge by £3.92 per week from £6.59 per week to £10.51 per week to a total of 105 Council tenants and private owners.</p> <p>The charge will be reviewed on an annual basis looking at the previous year's cost of gas and electricity.</p> <p><u>Impact Analysis</u> Workforce: None Customer: Increased charges to Council tenants and private owners Equalities / Diversity: No identified equality/diversity issues Outcome and Performance: No impact</p>	20	0	0	0	0		0	0	0	0
	TOTAL	1118	978	1026	815	863		0	0	0	0

	<u>Compensating Saving / Budget Flexibility & Impact Analysis</u>	Net Saving					Staffing Implications				
		2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	2016/17	2017/18	2018/19	2019/20	2020/21

Appendix 4 - HRA CAPITAL INVESTMENT PROGRAMME 2015-21

SERVICE	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Central Heating & Rewiring	2,978	1,850	1,700	1,750	1,500	1,040
Double Glazing	1,815	1,768	950	0	300	400
Controlled Door Entry	493	941	10	10	10	10
Kitchen Programme	383	464	25	25	25	600
Bathroom Programme	315	151	15	15	15	400
External Fabric Repairs	2,207	400	950	1,400	800	1,000
Energy Efficiency	796	1,350	5,125	4,700	900	500
Multi Storey Flats	77	1,908	0	0	0	100
Environmental Improvements	423	380	400	400	400	400
Fire Precaution Measures	30	30	30	350	249	50
STANDARD DELIVERY PLAN SUBTOTAL:	9,517	9,378	9,205	8,650	4,199	4,500
Council House New Build	3,544	732	0	0	0	0
Council House New Build - Future Programme	0	4,150	2,918	2,996	3,076	18,158
Increase in Council House Stock	1,956	1,000	1,000	1,000	1,000	1,000
GF to HRA Transfer	391	0	0	0	0	0
Lock-ups & Garage Sites	116	2,084	1,697	0	0	0
Muirton Shops Development	450	450	0	0	0	0
Major Adaptations to Council House Stock	50	150	250	250	250	250
Nimmo Place	461	22	0	0	0	0
New Row	247	0	0	0	0	0
St Catherine's Road	428	30	0	0	0	0
Glengarry Road	281	0	0	0	0	0
Shops & Offices	3	74	75	75	50	75
Replacement Lifts	23	47	0	0	150	0
Greyfriars	133	0	0	0	0	0
Sheltered Housing	17	0	0	0	35	0
General Capital Works	341	160	160	160	160	160
ICT	47	150	50	50	50	50
Mortgage to Rent	250	250	250	250	250	250
SUBTOTAL = TOTAL GROSS EXPENDITURE	18,255	18,541	15,605	13,431	9,220	24,443
Less: Amount to be funded from Current Revenue (C.F.C.R.)	(4,276)	(4,191)	(3,407)	(3,787)	(3,875)	(4,197)
Less: Amount to be funded from Capital Receipts	(821)	0	0	0	0	0
Less: Other Income	0	0	0	0	0	0
PRUDENTIAL BORROWING REQUIREMENT	13,158	14,350	12,198	9,644	5,345	20,246

**Appendix 5 – Scottish Average Rents Received
Per Dwelling (£ per house per week)**

	Actual 2015-16	Estimated 2016-17	% Increase	rank 2015-16	Estimated rank 2016-17	Movement
City of Edinburgh	92.79	94.65	2.00%	1	1	→
Renfrewshire	73.67	75.88	3.00%	2	2	→
Shetland Islands	72.04	73.91	2.60%	3	3	→
West Dunbartonshire	70.51	72.63	3.00%	5	4	↑1
Orkney Islands	71.55	72.55	1.40%	4	5	↓1
Aberdeen City	70.11	71.30	1.70%	6	6	→
Dundee City	69.42	70.81	2.00%	7	7	→
Clackmannanshire	67.65	70.02	3.50%	9	8	↑1
South Ayrshire	68.60	69.97	2.00%	8	9	↓1
East Renfrewshire	66.38	69.63	4.90%	11	10	↑1
East Dunbartonshire	67.45	68.80	2.00%	10	11	↓1
Midlothian	65.51	68.79	5.00%	16	12	↑4
East Ayrshire	66.24	68.61	3.58%	12	13	↓1
Aberdeenshire	65.73	68.19	3.75%	14	14	→
Scotland	65.99	68.14	3.26%			
West Lothian	66.04	68.02	3.00%	13	15	↓2
Highland	65.51	66.82	2.00%	15	16	↓1
North Ayrshire	65.44	66.75	2.00%	17	17	→
Perth & Kinross	64.58	66.00	2.20%	18	18	→
Fife	63.98	65.58	2.50%	19	19	→
Stirling	63.35	63.98	1.00%	20	20	→
South Lanarkshire	61.34	63.49	3.50%	21	21	→
Falkirk	59.64	61.79	3.60%	22	22	→
Angus	59.53	61.55	3.40%	23	23	→
North Lanarkshire	57.49	59.10	2.80%	24	24	→
East Lothian	55.42	58.19	5.00%	25	25	→
Moray	51.92	54.52	5.00%	26	26	→

Please note that Rank 1 is the highest rent in Scotland and an upward movement means that the Council has become more expensive.

The above tables predicts the position of Perth & Kinross in each option for rent increases using information received from other Councils proposed or agreed rent increases.

Appendix 6 – Housing Related Charges

Mainstream Accommodation	
Mainstream Rent	Rent ranges from £38.15 - £119.78 per week
Temporary Homeless Accommodation	
Bed and Breakfast	Charge depends on establishment rate and family / room size
Dispersed Tenancies	Rent ranges from £55.85 - £91.97 per week Service Charge - £120.00 per week
Greyfriars Hostel	Rent - £170.85 per week Service Charge - £104.00 per week Heat & Light - £11.90 per week
RIO House	Rent - £228.17 per week Service Charge - £46.00 per week Heat & Light - £18.35
St Catherine's Square	Rent ranges from £65.73 - £69.57 per week Service Charge - £120.00 per week
Tayview House	Rent - £141.44 per week Service Charge - £133.00 per week Heat & Light - £21.22 per week
Sheltered Housing	
Sheltered Housing (PKC)	Rent ranges from £60.86 - £95.13 per week
Retirement Complexes	£202.56 per year
Other Accommodation Services	
Rechargeable repairs	Cost varies depending on the extent of the works
Inappropriate emergencies	£40 per call out
Planned maintenance	Cost varies depending on the extent of the works
Stair lighting	£36.58 per year
Lock-up rent	£8.45 per week (Council Tenants) £10.14 per week (Non-Council Tenants)
Garage Site	£2.04 per week
Heat, light and Caretaking (Council Tenants)	Sheltered Housing - £439.20 - £593.76 per year Market, Milne and Lickley Court - £504.48 per year
Multi-Tenure Blocks (Owner Occupiers)	Market, Milne and Lickley Court - £771.74 - £772.30 per year Charterhouse Court - £781.95 per year Potterhill & Pomarium - £289.63 - £292.26 per year
Legal expenses	Single Tenant - £323 Joint Tenant - £330 Eviction fees/costs - £200 - £300
Garden Maintenance	£72 per year

