

**PERTH AND KINROSS COUNCIL****Housing and Health Committee****25 January 2017****Housing Revenue Account (HRA) Strategic Financial Plan incorporating the 5 Year Capital Investment Programme and Rent Strategy to 2021/22, Reserves Strategy and other Housing Charges for 2017/18****Joint Report by Depute Chief Executive H&CC (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 2017/18 to 2021/22. It recommends increases to rents for houses and other HRA property, service charges and recommends an appropriate level of reserves. It also presents the proposed budget for the next five years of the Capital Investment Programme of £77 million from 2017/18 to 2021/22. 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 7,500 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 HRA 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 2017/18 (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
- estimate short term investment levels required in our housing stock
- 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 were then used to inform the Local Housing Strategy and the Housing Needs Demand Assessment which was reported to Committee in May 2016 (Report 16/234 refers).

- 1.6 Other factors influencing the Capital Programme and rent setting include the UK Government's Welfare Reform agenda, some elements of which affect Housing Benefit.

Universal Credit is currently being phased in across the UK and was introduced in Perth & Kinross in April 2016. Recent confirmation has been received from the Department of Work and Pensions (DWP) that full roll-out of Universal Credit will be introduced to Perth & Kinross in April 2018.

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, an adjustment to the bad and doubtful debt provision has been made, 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.

In April 2016 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 1,425 (19%) of tenants responded, highlighting their priorities as follows:-

- Maintaining and improving your house e.g. energy efficiency – **63%**
- Increasing housing stock for rent – **46%**
- Improving the quality of repairs and getting them right first time – **43%**
- Improving how we deal with concerns about your neighbourhood – **26%**
- Making environmental improvements – **24%**
- Providing support and guidance to help people keep their tenancies - **20%**
- Reducing the time we take to re-let homes – **18%**
- Reducing rent arrears – **15%**
- Providing more tenant participation/involvement activities – **5%**

At the annual tenants' conference in June 2016 attended by 40 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:-

- Continue to invest money for increasing our Council stock through new builds
- Continued investment in improving energy efficiency across our Council stock
- Additional investment to improve the external fabric (roofing etc) across our Council stock
- A further increase to the budget for 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
- An increase in the level of support to provide housing support to vulnerable tenants
- An increase in tenancy management costs to enhance face-to-face contact and support for tenants

A Tenants' Winter Forum was held in November and 30 tenants attended this event. The sessions were led by the Head of Housing & Strategic Commissioning and the Convenor of Housing and Health and involved presentations, facilitated workshops and a question and answer session with senior managers.

In addition to the priorities on rents, proposed levels of service charges for tenants and private owners were also discussed. Individual contact has been made with all tenants and owners to ensure that those directly affected are aware of and have been able to comment on the proposals.

Thirty 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, service charge levels and rent strategy proposed to tenants.

To conclude, the consultation process has provided tenants with feedback on how their views have been used to influence both the budget process and the rent strategy.

### **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, £68 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 (as shown in Appendix 3) which the HRA must contain within the next 5 financial years relate to the main areas described below:-

- The budget assumes a 1.25% pay increase for Single Status and Trades staff for 2017/18 and 1% for 2018/19 onwards and the cost of incremental progression
- The cost of the Apprenticeship Levy on the assumption that this will be met in full by the Council and that it cannot be offset against existing apprenticeship costs
- 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 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 increase in the level of support to provide housing support to vulnerable tenants
- A reduction of income levels for garage sites and lock-ups as a result of the capital refurbishment programme

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 transformational 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
- A phased increase in charges for the Garden Maintenance Scheme to cover the full cost of this service to the HRA
- Efficiencies from the introduction of online services and mobile working solutions across the Council
- Review of the level of Neighbourhood Street Sweeps

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 2016 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 2016, the overall level of SHQS compliance was 94.57% i.e. 7,052 Council houses. Of the 5.43% that were not compliant:-

- 0.19% 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
- 4.76% 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
- 0.48% of the stock was recorded as failing the standard (36 houses)

4.3 The planned investment programme of £77 million for the 5 year period from April 2017 to March 2022 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:-

- External fabric works - £8.3 million
- Central heating renewal - £7.2 million

- Energy efficiency works - £6.9 million
- Kitchens and bathrooms - £4.8 million
- Multi-storey flats\* - £2.7 million
- Double glazing - £2.1 million
- Environmental Improvements - £1.9 million
- Fire Precaution Measures - £0.7 million
- Installation of controlled door entry systems - £0.5 million
- Total Investment – £35.1 million

\*Work on the 5 multi storey blocks includes all the types of improvement work listed in 4.3.

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
- Investment in our Sheltered Housing complexes for Housing with Additional Support
- 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 during 2017/18
- Replacement of lifts to ensure fire safety regulations in multi-storey accommodation is met
- 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 The Council has been continuing to increase its housing stock in three key ways: new build programme, buyback scheme and renovation of existing HRA properties.

In summary, by the end of March 2017, 564 affordable houses will have been built since 2011, 100 former council houses purchased and 12 properties converted into flats for social rent. An update is provided on each of these below.

### **Building new houses for social rent**

- 5.2 During 2008, the Scottish Government announced plans to provide grants to local authorities to support new-build Council housing and Perth and Kinross Council has successfully obtained grant awards each year of the funding programme.
- 5.3 The aim of the Council's new build housing programme is to provide high quality affordable housing within areas of high demand to meet housing need. The first 8 phases are summarised below:-
- 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 Inchturk
  - 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 (Glenearn Road now moved to Phase 8)
  - Phase 8 – 16 houses at Nimmo Avenue in Perth, 8 houses at Cairns Crescent, in Perth and 20 houses at Birch Avenue in Scone

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.

- 5.5 Additional investment of £15 million was included in the capital programme last financial year to increase the overall capacity to approximately 80 houses per annum during the period 2017/18 to 2021/22. 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.
- 5.6 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.
- 5.7 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. Work is currently underway identifying future sites for new build which will be reported to Committee once confirmation is received that these sites are viable projects.

### **Purchasing former Council houses (buybacks)**

- 5.8 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 2017, 100 houses will have been purchased at a cost of approximately £10 million (including the upgrading to SHQS). The purchase of the 100 houses has facilitated a further 109 moves through the resulting vacancy chains, supporting people into more suitable accommodation.

- 5.9 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 £4.3 million over the next 5 years. This funding will be accelerated as and when required as properties become available to purchase.
- 5.10 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, 2015/16 and 2016/17 of £2.5 million which has allowed the purchase of approximately 25 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 additional properties over and above the existing budget, will continue.

### **Renovation of HRA properties**

- 5.11 In addition to building new houses for social rent and purchasing former Council houses, the service has recently renovated and converted 12 properties in Perth and created 22 flats for social rent, adding to the housing stock. There was Scottish Government funding available to support these conversions.

## **6. RENT STRATEGY**

- 6.1 When setting the 2016/17 budget, the Housing and Health Committee approved a rent increase of 2.2% for 2016/17 and a four year rent strategy for 2017/18 to 2020/21 at an indicative rate of 2.2% (Report 16/28 refers).

This provided 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.

- 6.2 Due to the unique position we are in with the introduction of the new rent model being fully implemented from April 2017 and in order to aid the transition for tenants from their current weekly rent to their new weekly rent, it is proposed that there will be a nil rent increase for 2017/18 only. The nil rent increase will allow tenants to know what their rent will be for next year based on the information that has previously been issued.

The impact of the one year nil rent increase has been factored into the 30 year business plan which demonstrates that this is affordable to the HRA and will have no impact on the level of service that tenants receive either from staff within the service or from the capital programme referred to in sections 4.3 and 4.4.

- 6.3 The proposed rent strategy for the four year period from 2018/19 to 2021/22 will be set at an indicative rate of 2.2%.



This proposal was discussed at the Tenants' Winter Forum event on 17 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.

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 (266 houses to date)
- Resource Locality Teams 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 Advisory Panel Bulletin (LAAP) 99 published in July 2014, the Head of Finance, therefore, recommends retaining an uncommitted reserve on the Housing Revenue Account of between 2% and 4% of gross expenditure – approximately £560,000 to £1,120,000. This will be reviewed in future years and amended as required.
- 7.6 At the Housing and Health Committee of 27 January 2016 members agreed that the HRA should maintain an uncommitted general reserve balance of £800,000 (Report 16/28 refers). 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 2016/17 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, with Perth & Kinross Council currently having the 9<sup>th</sup> lowest rent in Scotland, at £1.74 below the Scottish average.

Based on recent information provided by other councils and assumptions on potential rent increases, comparisons have been made on potential rent levels for Councils for 2017/18 as detailed in Appendix 5.

As a one year nil rent increase is being proposed and based on these assumptions, Perth and Kinross would have an average rental figure of £66.00 compared to the projected Scottish average of £69.56 for 2017/18. This would mean Perth and Kinross Council would be the 8<sup>th</sup> lowest rent in Scotland, £3.56 lower than the projected Scottish average.

- 8.2 The level of rent increases for 2016/17 across local authorities in Scotland ranged from 1.0% to 5.2% with the Scottish average being 2.68%.
- 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	60.51	62.13	64.85	69.37	79.63
Caledonia	89.65	85.32	76.38	83.48	98.31
Hillcrest HA	31.96	69.58	78.42	87.07	95.56
Kingdom HA	57.33	67.41	73.49	84.26	87.68
Fairfield Co-op	n/a	59.57	65.47	69.90	75.47

Table 1: Average Rents 2015/16 (based on 52 weeks); Scottish average £67.74; PKC £66.00  
Source: Scottish Housing Regulator 2015/16 Landlord Reports

## 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 3 April 2017. 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

It is proposed to have a nil rent increase for Greyfriars Hostel to reflect the same rental strategy for mainstream rents.

### 9.3 Rental charges for dispersed temporary accommodation

It is proposed to have a nil rent increase rental charges for properties owned by the HRA but allocated as temporary accommodation for homeless people to reflect the rental strategy for mainstream rents.

### 9.4 Rental charges for chalets and stances for Gypsy Travellers

It is proposed to have a nil rent increase for chalets and stances for Gypsy Travellers to reflect the rental strategy for mainstream rents.

### 9.5 Lock-ups

It is proposed to have a nil rent increase for lock-ups to reflect the rental strategy for house rents.

### 9.6 Garage Sites

It is proposed to have a nil rent increase for garage sites to reflect the rental strategy for 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 for the services they receive as determined by their title deeds.

10.3 The garden maintenance scheme is currently provided to approximately 750 elderly tenants at a cost to the HRA of £124 per year. At the Housing and Health Committee of 27 January 2016 members agreed that the charge to recover the full cost of this service should be phased in over a 5 year period (Report 16/28 refers). 2016/17 was the first year of the increase with the charge being increased over the next 4 years as follows:-

- 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 At the Housing and Health Committee of 27 January 2016 members agreed that the charge to Council tenants and private owners at Market, Milne and Lickley Court for communal heating and stair lighting will be adjusted each year to reflect the previous year's energy costs.

Based on this approach, it is proposed to reduce the charge by £36.48 this year. The charge will continue to be reviewed annually based on 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 adjust the remaining charges detailed in tables 2 and 3 from 3 April 2017:-

Service Charges to Tenants	2016/17 Current Annual Charge	2017/18 Proposed Annual Charge
Garden Maintenance Scheme	£72.00	£85.00
Retirement Complexes	£202.56	£202.56
Communal Heating – (Market, Milne and Lickley)	£504.48	£468.00
Heating and Lighting at Sheltered Housing complexes	£371.04 - £633.60	£374.92 - £640.12

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 reduction in heating and lighting costs for Market, Milne and Lickley Court as detailed in section 10.4 are detailed in table 3 below:-

Service Charges to Owner Occupiers	2016/17 Current Annual Charge	2017/18 Proposed Annual Charge
Stair Lighting	£36.58	£36.58
Market Court	£771.74	£735.25
Milne Court	£771.74	£735.25
Lickley Court	£772.30	£735.81
Potterhill	£289.63	£289.63
Pomarium (No's 7-51)	£291.65	£291.65
Pomarium (no's 52-95)	£292.26	£292.26
Charterhouse Court	£781.95	£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. In line with the proposal for a nil increase in rents, it is also proposed to have a nil rent increase for the service charges for each type of temporary accommodation as detailed in table 4:-

Service Charges to Tenants	2016/17 Current Weekly Charge	2017/18 Proposed Weekly Charge
Dispersed tenancies	£120.00	£120.00
Greyfriars Hostel	£104.00	£104.00
St Catherine's Square	£120.00	£120.00

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 2017/18 is detailed at Appendix 6.

## 11. CONCLUSION AND RECOMMENDATIONS

11.1 This report details the proposed HRA budget for the 5 year period from 2017/18 - 2021/22 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 2017/18 and provisional budgets for financial years 2018/19 to 2021/22 as set out in Appendix 1.

(ii) Approves the proposed Housing Revenue Account Capital Investment Programme for 2017/18 to 2021/22 as set out in Appendix 4.

(iii) Approves the Rent Strategy for 2017/18 and a provisional Rent Strategy for the following 4 years to 2021/22 as stated in Section 6.

(iv) Approves the nil rent increase for the year commencing 3 April 2017 as follows:-

- All Council houses. This would mean that average weekly rents would not increase, meaning the average weekly rent would remain at £66.00 per week based on 52 weeks

(v) Approves the nil rent increase for the year commencing 3 April 2017 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 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 3 April 2017 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 and maintaining the SHQS for improving and managing the housing stock as set out in Section 4 and the related Business Cases.

#### Author

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#### Approved

Name	Designation	Date
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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

### 1. Strategic Implications

#### Community Plan / Single Outcome Agreement

1.1 The Single Outcome Agreement for Perth & Kinross has five outcomes which provide a clear strategic direction, inform decisions at a corporate and service level and shape the allocation of resources. The following are relevant to this report:-

- (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
- (v) Creating a safe and sustainable place for future generations

#### Corporate Plan

1.2 As above.

### 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 Equality Impact Assessment undertaken in relation to this report can be viewed clicking [here](#).

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.

However, no action is required as the Act does not apply to the matters presented in this report. This is because the Committee are requested to note the contents of the report only and the Committee are not being requested to approve, adopt or agree to an action or to set the framework for future decisions.

#### 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. Under the Climate Change (Scotland) Act 2009 the Council also has a duty relating to climate change and, in exercising its functions must act: -

- in the way best calculated to delivery of the Act's emissions reduction targets
- in the way best calculated to deliver any statutory adaptation programmes
- in a way that it considers most sustainable

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.

#### Legal and Governance

- 3.4 The Head of Legal Services was consulted on this report.

#### Risk

- 3.5 None arising from this report.

#### **4. Consultation**

##### Internal

- 4.1 The Chief Executive, all Depute 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 2016 and a Tenant's Winter Forum in November 2016 and their feedback is detailed in Appendix 2.

The Tenant Committee Report Panel was consulted on this report. They commented that 'this is a long and comprehensive report and is very interesting to read, especially from the tenants' point of view.'

#### **5. Communication**

None

#### **2. BACKGROUND PAPERS**

None

#### **3. APPENDICES**

Appendix 1 – HRA Provisional Revenue Budget 2017-2022  
Appendix 2 – Feedback from tenant's conference  
Appendix 3 – HRA Executive Summaries 2017-2022  
Appendix 4 – HRA Capital Investment Programme 2017-2022  
Appendix 5 – Estimated Projected Average Rents  
Appendix 6 – Housing Related Charges 2017/18



## **Appendix 2 – Feedback from Tenant’s Conference 1<sup>st</sup> June 2016**

### **Question 1 – How can we improve the Support and Guidance we offer?**

- Increased access to programmes to enhance budgeting skills (for example Skills with Bills) – 13%
- Review our welcome packs to provide information on access to local support within the community – 8%
- More regular tenancy visits in the first 3 months of the tenancy – 25%
- Introduce annual visits to tenants – 29%

### **Question 2 – How can we continue to maintain and improve your home?**

- Improving energy efficiency (central heating, external wall insulation, solar panels etc) – 29%
- External fabric repairs and improvements (roofing & roughcasting) – 29%
- Modernisation (kitchens, bathrooms, windows and doors) – 13%
- Enhance our approach to dealing with dampness and condensation – 13%

### **Question 3 – How can we improve the quality of our repairs service?**

- Consider introducing a 6 day week for our in-house trades operatives – 4%
- Improve the diagnosis of repairs at point of reporting by increasing technical knowledge of Repairs Centre staff – 17%
- Improving our communication with you when you report a repair – 8%
- Consider introducing a caretaking/man in a van service for minor repairs – 17%
- All of the above – 38%

### **Question 4 – What more can we do to reduce repairs?**

- More frequent outreach surgeries in localities for Welfare Rights, Benefits and Credit Union – 0%
- Continue with legal proceedings including eviction as a last resort where tenants refuse to engage or accept our support – 4%
- Dedicated officers supporting high level rent arrears cases and Universal Credit – 8%
- Continue to promote a payment culture through an extension of our Rent 1<sup>st</sup> Campaign – 13%
- All of the above – 50%

### **Question 5 – How can we enhance the environment in your area?**

- Better use of open green spaces within communities – 8%
- Improvements to fencing and walls – 17%
- Continue to roll out our Estate Based Initiatives Project – 4%
- Look for opportunities to work in partnership with The Environment Service and local community groups to address issues such as the condition of greenspace and litter – 50%

**APPENDIX 3  
REVENUE BUDGET 2017/22  
SERVICE – HOUSING REVENUE ACCOUNT  
EXECUTIVE SUMMARY**

**Date: 9 December 2016**

	<b><u>Activity Expenditure Pressure &amp; Impact Analysis</u></b>	<b>Un-Funded Expenditure Pressures</b>				
		<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>
<b>1</b>	<p><b><u>Increase in Staff Costs</u></b></p> <p>The increase in staff costs includes the cost of increments and a 1.25% pay award increase for 2017/18 and 1% from 2018/19 onwards in line with the Council's Medium Term Financial Planning assumptions. This pressure also reflects the incremental progressions for staff and the related costs of the Apprenticeship Levy.</p>	186	107	108	109	110
<b>2</b>	<p><b><u>Adjustment to Bad &amp; Doubtful Debt Provision</u></b></p> <p>Due to the proposed Welfare Reform changes in Housing Benefit payments from direct to landlord to directly to the tenant an adjustment in bad and doubtful debt provision is required to meet the potential increase in non-payment of rent to the HRA from April 2017.</p> <p>Uncertainty continues regarding the likelihood of this level of non-payment of rents arising and the Government's intentions regarding the frequency that rent direct arrangements for individuals will/can be reviewed. It is however considered prudent to make this 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 is £446,042. The adjustment in 2017/18 reflects the adjustment to the provision from 1.75% to 3.5% of the net income with a further increase to 5% in 2018/19. The increases in 2019/20 and beyond relate to annual uplifts required in line with the anticipated increased income levels each year.</p>	456	425	39	40	40

	<b><u>Activity Expenditure Pressure &amp; Impact Analysis</u></b>	<b>Un-Funded Expenditure Pressures</b>				
		<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>
<b>3</b>	<p><b><u>Movement in Loan Charges</u></b></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>	574	524	470	164	314
<b>4</b>	<p><b><u>Increase in Tenancy Management Costs</u></b></p> <p>The redesign of Housing Services has delivered an integrated, locality based approach to the delivery of frontline services to tenants across the area. This was reflected in the 2015/16 budget setting process. To further meet the changing needs and requests of our tenants and ensure a greater level of face to face contact with locality Housing staff, supporting tenants to maintain their tenancies and increasing the capacity of our communities approval was given in 2016/17 to enhance our frontline resource with an additional 2 posts per year over 2 years to 2017/18. 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	0	0	0	0
<b>5</b>	<p><b><u>Estate Based Initiatives</u></b></p> <p>The need to continue to enhance 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 in partnership with the Council and local Elected Members, to have a real say in how the budget is spent in their local area. This will support our work in fulfilling the requirements of the Scottish Social Housing Charter and realise additional benefits such as employability schemes and social enterprises. This is an increase year on year to the existing base budget of £150,000 which will result in a total budget of £350,000 after 4 years.</p>	50	50	50	50	0
<b>6</b>	<p><b><u>Increase in Tenancy &amp; Sustainment Support Staff</u></b></p> <p>There is recognition that future front line housing delivery must continue to be focused, resourced, and shaped around a service that is supports tenants to remain within their homes and sustain their tenancies. It has been demonstrated that our tenants are becoming increasingly vulnerable and require a greater level of support, advice and assistance to sustain their tenancies.</p>	65	0	0	0	0

	<b><u>Activity Expenditure Pressure &amp; Impact Analysis</u></b>	<b>Un-Funded Expenditure Pressures</b>				
		<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>
	<p>When the budget was approved in January 2016, it was agreed that there would be additional 5 posts over a 2 year period to provide support to our tenants will strengthen our locality based Housing Support Services. Three posts were appointed to in 2016/17 with the remaining 2 posts for 2017/18.</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>					
<b>7</b>	<p><b><u>Reduction in Garages &amp; Lock-ups Income</u></b></p> <p>Reduction in income levels due to a reduction in available garage sites and lock-ups as a result of the capital refurbishment programme.</p>	50	0	0	0	0
<b>8</b>	<p><b><u>Movement in relation to Contribution to Capital Projects (CFCR)</u></b></p> <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>2017/18 - £2,857,000  2018/19 - £2,827,000  2019/20 - £3,150,000  2020/21 - £3,624,000  2021/22 - £3,983,000</p>	(1334)	(30)	323	474	359
	<b>TOTAL</b>	<b>112</b>	<b>1076</b>	<b>990</b>	<b>837</b>	<b>823</b>

	<b><u>Compensating Saving / Budget Flexibility &amp; Impact Analysis</u></b>	<b>Net Saving</b>					<b>Staffing Implications</b>				
		<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
<b>1</b>	<p><b><u>Increase in Council House Rents</u></b></p> <p>Housing &amp; Health Committee recently approved rent restructure proposals which will mean all tenants move to the new rent structure from April 2017. In order to ease the transition to the new rent it is proposed to have a nil rent increase during 2017/18 only.</p> <p>This proposal will minimise the financial impact on tenants facing an increase under the new structure and will be more straightforward for all tenants to understand.</p> <p>The nil rent increase will however result in a reduction in income due to the HRA as a result of stock levels changing through higher than normal levels of right to buy sales during 2016/17 due to the cessation of right to buy.</p> <p>The rent strategy for the following four years will continue as agreed last year at an indicative rate of 2.2%. This baseline level highlights the potential rent increase required to deliver the future capital investment programme and running costs of the HRA.</p> <p>The indicative rate for future years is likely to vary due to any further priorities identified by tenants.</p> <p>2017/18 – 0%  2018/19 – 2.2% (Provisional)  2019/20 – 2.2% (Provisional)  2020/21 – 2.2% (Provisional)  2021/22 – 2.2% (Provisional)</p> <p>The outcome of the consultation on the draft Scottish Housing Quality Standard version 2 may</p>	(119)	771	780	801	823	0.0	0.0	0.0	0.0	0.0



	<b><u>Compensating Saving / Budget Flexibility &amp; Impact Analysis</u></b>	<b>Net Saving</b>					<b>Staffing Implications</b>				
		<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	<p>identify a requirement to re-negotiate proposed rent increases for future years.</p> <p>Future provisional rents will be adjusted each year to reflect anticipated levels 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> <p>It should be noted that there are no increases attributed to Shops &amp; Offices.</p> <p><b><u>Impact Analysis</u></b>  <b>Workforce:</b> No impact  <b>Customer:</b> Tenants will be consulted on the Standard Delivery Plan and proposed levels of rent increase.  <b>Equalities / Diversity:</b> No identified equality/diversity issues  <b>Outcome and Performance:</b> This will allow Perth &amp; Kinross Council to meet the requirements of the Scottish Quality Housing Standard.</p>										
<b>2</b>	<p><b><u>Transformation Review of Housing Repairs Service</u></b></p> <p>A review of the future delivery of the housing repairs service is underway to identify areas to improve efficiency and productivity and deliver a new model of delivery and £500,000 savings over</p>	50	150	200	0	0	TBC	TBC	TBC	0.0	0.0

	<b><u>Compensating Saving / Budget Flexibility &amp; Impact Analysis</u></b>	<b>Net Saving</b>					<b>Staffing Implications</b>				
		<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	<p>a 4 year period.</p> <p>The review also links to Transformation projects approved by Council in respect of procurement efficiencies and new ways of working.</p> <p>The savings have been reviewed and re-phased in-line with the revised project plan and key milestones.</p> <p><b><u>Impact Analysis</u></b>  <b>Workforce:</b> The staff numbers affected will be known once the review has been completed  <b>Customer:</b> Better service to the customer should be realised from this review  <b>Equalities / Diversity:</b> No identified equality/diversity issues  <b>Outcome and Performance:</b> An increase in the level of productivity should result in a more efficient service delivery</p>										
<b>3</b>	<p><b><u>Energy Performance Certificates</u></b></p> <p>All Council houses will have an Energy performance Certificate by 31 March 2018 following the appointment of a fixed term EPC Assessor. This saving relates to the deletion of the existing non-staff costs budget for EPC's with future certificates being prepared by Property Inspector's.</p> <p><b><u>Impact Analysis</u></b>  <b>Workforce:</b> 1.0 fte Staff 1.0fte, Vacancies 0.0fte, Fixed term 1.0fte, Known retirals 0.0fte  <b>Customer:</b> No impact  <b>Equalities / Diversity:</b> No identified equality/diversity issues  <b>Outcome and Performance:</b> Certificates for</p>	0	27	0	0	0	0.0	1.0	0.0	0.0	0.0

	<b><u>Compensating Saving / Budget Flexibility &amp; Impact Analysis</u></b>	<b>Net Saving</b>					<b>Staffing Implications</b>				
		<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	Council houses will be produced quicker and in a more cost effective way										
<b>4</b>	<p><b><u>Sheltered Housing &amp; Housing Needs Efficiencies</u></b></p> <p>A review of existing budgets and expenditure for supplies and services.</p> <p><b>Impact Analysis</b>  <b>Workforce:</b> No impact  <b>Customer:</b> No impact  <b>Equalities / Diversity:</b> No identified equality/diversity issues  <b>Outcome and Performance:</b> No impact</p>	5	5	0	0	0	0.0	0.0	0.0	0.0	0.0
<b>5</b>	<p><b><u>Rationalisation of Council Buildings</u></b></p> <p>Housing Services are currently delivered from a number of leased buildings across the city centre. All of these have rent review/lease break options over 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><b>Impact Analysis</b>  <b>Workforce:</b> No impact  <b>Customer:</b> No impact  <b>Equalities / Diversity:</b> No identified equality/diversity issues  <b>Outcome and Performance:</b> No impact</p>	0	0	0	26	0	0.0	0.0	0.0	0.0	0.0

	<b><u>Compensating Saving / Budget Flexibility &amp; Impact Analysis</u></b>	<b>Net Saving</b>					<b>Staffing Implications</b>				
		<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
<b>6</b>	<p><b><u>Review of Garden Maintenance Scheme</u></b></p> <p>In January 2016, committee approved the Review of existing Garden Maintenance Scheme charges currently delivered to approximately 750 elderly Council tenants. It was agreed to phase the increase in charges over a 5 year period, 2017/18 is year 2 with the revised charges for each year as follows:</p> <p>2017/18 - £85.00 2018/19 - £98.00 2019/20 - £111.00 2020/21 - £124.00</p> <p><b><u>Impact Analysis</u></b>  <b>Workforce:</b> No impact  <b>Customer:</b> Increased charges to Council tenants  <b>Equalities / Diversity:</b> No identified equality/diversity issues  <b>Outcome and Performance:</b> No impact</p>	10	10	10	10	0	0.0	0.0	0.0	0.0	0.0
<b>7</b>	<p><b><u>Corporate IT Transformation Efficiencies</u></b></p> <p>The Corporate review of online services and mobile working has identified a reduction in staff costs and efficiencies across the HRA.</p> <p><b><u>Impact Analysis</u></b>  <b>Workforce:</b> 5.0fte Staff 234.18fte, Vacancies 7.17fte, Fixed term 3.32fte, Known retirals 3.16fte</p> <p><b>Customer:</b> No impact  <b>Equalities / Diversity:</b> No identified equality/diversity issues  <b>Outcome and Performance:</b> No impact</p>	126	113	0	0	0	5.0	4.5	0.0	0.0	0.0

	<b><u>Compensating Saving / Budget Flexibility &amp; Impact Analysis</u></b>	<b>Net Saving</b>					<b>Staffing Implications</b>				
		<b>2017/18 £000</b>	<b>2018/19 £000</b>	<b>2019/20 £000</b>	<b>2020/21 £000</b>	<b>2021/22 £000</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
<b>8</b>	<p><b><u>Review of Neighbourhood Street Sweeps</u></b></p> <p>The Letham area currently receives additional street sweeps from TES. This proposal ceases this arrangement to provide the same level of service as other localities in Perth &amp; Kinross.</p> <p><b><u>Impact Analysis</u></b>  <b>Workforce:</b> No impact  <b>Customer:</b> No impact  <b>Equalities / Diversity:</b> No identified equality/diversity issues  <b>Outcome and Performance:</b> No impact</p>	40	0	0	0	0	0.0	0.0	0.0	0.0	0.0
	<b>TOTAL</b>	<b>112</b>	<b>1076</b>	<b>990</b>	<b>837</b>	<b>823</b>	<b>5.0</b>	<b>5.5</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**APPENDIX 4**  
**HRA CAPITAL INVESTMENT PROGRAMME 2017-22**

SERVICE	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Central Heating & Rewiring	1,664	1,750	1,500	1,300	1,000
Double Glazing	650	500	300	400	200
Controlled Door Entry	489	10	10	10	10
Kitchen Programme	1,050	25	25	600	2,000
Bathroom Programme	1,000	15	15	65	25
External Fabric Repairs	1,750	1,400	1,800	1,800	1,500
Energy Efficiency	1,750	2,634	1,346	1,000	200
Multi Storey Flats	2,443	105	0	100	50
Environmental Improvements	400	200	400	400	500
Fire Precaution Measures	30	350	249	50	50
<b>STANDARD DELIVERY PLAN SUBTOTAL:</b>	<b>11,226</b>	<b>6,989</b>	<b>5,645</b>	<b>5,725</b>	<b>5,535</b>
Council House New Build - Current Programme	1,469	0	0	0	0
Council House New Build - Future Programme	2,914	2,996	3,076	3,158	18,241
Increase in Council House Stock	867	867	867	867	867
Lock-ups & Garage Sites	1,697	0	0	0	0
Muirton Shops Development	0	0	0	0	0
Major Adaptations to Council House Stock	250	250	250	250	250
St Catherine's Road	0	0	0	0	0
Glengarry Road	0	0	0	0	0
GF to HRA Transfer	0	0	0	0	0
Nimmo Place	0	0	0	0	0
Shops & Offices	70	70	50	70	50
Greyfriars	0	0	0	0	50
Sheltered Housing	100	100	25	0	25
Housing with Additional Support	576	0	0	0	0
General Capital Works	160	160	160	160	160
Replacement Lifts	0	0	150	0	0
ICT	50	50	50	50	50
Mortgage to Rent	250	250	250	250	250
<b>SUBTOTAL = TOTAL GROSS EXPENDITURE</b>	<b>19,629</b>	<b>11,732</b>	<b>10,523</b>	<b>10,530</b>	<b>25,478</b>
Less: Amount to be funded from Current Revenue (C.F.C.R.)	(2,857)	(2,827)	(3,150)	(3,624)	(3,983)
Less: Amount to be funded from Capital Receipts	0	0	0	0	0
Less: Other Income	0	0	0	0	0
<b>PRUDENTIAL BORROWING REQUIREMENT</b>	<b>16,772</b>	<b>8,905</b>	<b>7,373</b>	<b>6,906</b>	<b>21,495</b>

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

	Actual 2016-17	Estimated 2017-18	% Increase	rank 2016-17	Estimated rank 2017-18	Movement
City of Edinburgh	94.65	96.54	2.00%	1	1	→
West Dunbartonshire	75.09	78.09	4.00%	3	2	↑1
Renfrewshire	75.14	76.64	2.00%	2	3	↓1
Shetland Islands	73.94	75.86	2.60%	4	4	→
Orkney Islands	73.38	74.41	1.40%	5	5	→
Clackmannanshire	70.02	72.47	3.50%	8	6	↑2
Midlothian	68.79	72.23	5.00%	12	7	↑5
East Renfrewshire	69.22	72.20	4.30%	10	8	↑2
Aberdeen City	70.11	71.44	1.90%	6	9	↓3
South Ayrshire	69.98	71.38	2.00%	9	10	↓1
East Ayrshire	68.61	71.08	3.60%	13	11	↑2
Dundee City	70.11	70.81	1.00%	7	12	↓5
West Lothian	68.18	70.23	3.00%	15	13	↓2
East Dunbartonshire	68.80	70.18	2.00%	11	14	↓3
<b>Scotland</b>	<b>67.74</b>	<b>69.56</b>	<b>2.68%</b>			
Aberdeenshire	68.19	69.49	1.90%	14	15	↓1
Highland	66.74	68.01	1.90%	16	16	→
North Ayrshire	66.52	67.52	1.50%	17	17	→
Fife	65.58	67.22	2.50%	19	18	↑1
<b>Perth &amp; Kinross</b>	<b>66.00</b>	<b>66.00</b>	<b>0.00%</b>	<b>18</b>	<b>19</b>	<b>↓1</b>
South Lanarkshire	63.06	64.83	2.80%	21	20	↑1
Stirling	63.95	64.59	1.00%	20	21	↓1
Falkirk	61.85	64.08	3.60%	22	22	→
Angus	61.55	63.64	3.40%	23	23	→
East Lothian	58.29	61.20	5.00%	25	24	↑1
North Lanarkshire	59.24	61.02	3.00%	24	25	↓1
Moray	54.94	57.80	5.20%	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 on the assumption that every other Council will increase their rents by the same level as last financial year.

## Appendix 6 – Housing Related Charges

<b>Mainstream Accommodation</b>	
Mainstream Rent	Rent ranges from £39.00 - £89.00 per week
<b>Temporary Homeless Accommodation</b>	
Bed and Breakfast	Charge depends on establishment rate and family / room size
Dispersed Tenancies	Rent ranges from £39.00 - £89.00 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
St Catherine's Square	Rent ranges from £44.00 - £59.00 per week Service Charge - £120.00 per week
<b>Sheltered Housing</b>	
Sheltered Housing (PKC)	Rent ranges from £44.00 - £84.00 per week
Retirement Complexes	£202.56 per year
<b>Other Accommodation Services</b>	
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 - £374.92 - £640.12 per year Market, Milne and Lickley Court - £468.00 per year
Multi-Tenure Blocks (Owner Occupiers)	Market, Milne and Lickley Court - £735.25 - £735.81 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	£85 per year