

FAQ – Rent Increase Consultation 2021/22

Here are some Frequently Asked Questions which will hopefully answer any queries you have about the Annual Rent Increase Consultation.

- **Why is my opinion on the rent increase important?**

As your landlord we want to know what you think about your home, tenancy and community. In addition, under Section 25 of the Housing (Scotland) Act 2001 Dundee City Council has a statutory duty to consult with its tenants when it proposes to increase the rent or service charges they pay to the Council.

What you tell us could affect the amount of rent or service charge you pay now and in the future.

- **What are the options that are being consulted on?**

Tenants are being asked to express their views on 3 proposed options. These are:

| Option 1 - Rent Increase 1.50% (or average weekly increase of £1.17) |
|---|
| <p>This level of service includes the provision of the existing housing repairs service, external cyclical maintenance together with funding to deliver key housing priorities including:</p> <ul style="list-style-type: none">- tenancy sustainment- reducing the level of households in fuel poverty- ongoing investment in existing stock and creation of new affordable housing- continued investment in environmental improvements programme- ongoing improvements in energy efficiency through capital investment e.g. external wall insulation, replacement of heating and water boiling system. |
| Option 2 - Rent Increase 1.75% (or average weekly increase of £1.37) |
| <p>Every penny we collect from rent goes back into housing services and improving the housing stock. If we charge more rent, we have more money to spend.</p> <p>Tenants have told us the energy efficiency is very important, as these improvements make homes easier and cheaper to heat. If you decide to opt for this rent increase, we will use all the extra money to spend on energy efficiency, for example, external wall insulation and installation of solar panels.</p> <p>Please be aware that energy efficiency and reducing households in fuel poverty is already one of our main housing priorities. Over the next 5 years we already plan to spend over £41m on this priority and this is already covered by the lowest rent increase for Option 1.</p> <p>Paying more rent would allow us to increase that spend by £2.4m and deliver these improvements in a shorter time frame. This <u>extra</u> money typically provides external wall insulation for 340 houses or installation of solar panels for 275 houses.</p> <p>For more information about energy efficiency please visit www.dundee.gov.uk.</p> |
| Option 3 - Rent Increase 2.00% (or average weekly increase of £1.57) |
| <p>Every penny we collect from rent goes back into housing services and improving the housing stock. If we charge more rent, we have more money to spend.</p> <p>Tenants have told us that energy efficiency is very important, as these improvements make homes easier and cheaper to heat. If you decide to opt for this rent increase, we will use the extra money to spend on energy efficiency, for example, external wall insulation and installation of solar panels.</p> |

Please be aware that energy efficiency and reducing households in fuel poverty is already one of our main housing priorities. Over the next 5 years we already plan to spend over £41m on this priority and this is already covered by the lowest rent increase for Option 1.

Paying more rent would allow us to increase that spend by £4.8m and deliver these improvements in a shorter time frame. This extra money typically provides external wall insulation for 680 houses or installation of solar panels for 550 houses.

For more information about energy efficiency please visit www.dundee.gov.uk.

- I am a sheltered housing tenant, will my service charge increase?**

The cost of providing the sheltered service is not funded by rent and instead is recovered by a service charge. There are no proposals to increase the charge you pay for 2021/22. The charge will continue to be as follows:

| | Present Charge £ | Proposed Charge £ |
|---|---------------------|----------------------|
| Sheltered Housing Accommodation Service charge (per week) | 28.58 | 28.58 |

- What does my sheltered housing charge pay for?**

The charge covers the running costs of the service, including sheltered wardens' salaries, repairs, maintenance and non-domestic rates for the sheltered complexes, also costs associated with providing the out of hours alarm service.

- I am a sheltered housing tenant, will my heating charge increase?**

The cost of providing heating within complexes that have communal heating systems is not funded by rent and instead is recovered by a separate heating charge. The overall cost of the service must be fully recovered by income. There are no plans to increase this charge next year and the proposed charges are as follows:

| | Present Charge £ | Proposed Charge £ |
|--|---------------------|----------------------|
| Sheltered Housing Accommodation | | |
| <u>Heating charges (per week)</u> | | |
| Brington Place | 6.46 | 6.46 |
| Baluniefield | 7.11 | 7.11 |

- My property is connected to a district heating system, will my charge increase?**

The costs associated with these systems are not funded by rent and instead are recovered by a heating charge. The overall cost must be fully recovered by income. There are no plans to increase this charge next year and the proposed charges are as follows:

| | Present Charge £ | Proposed Charge £ |
|---------------------------------|---------------------|----------------------|
| <u>District Heating Charges</u> | | |
| Total charge (per kwh consumed) | 0.08 | 0.08 |

- **Will any of my other housing charges change?**

The cost of providing services such as stair cleaning (where this is provided) is not funded by rent and instead is recovered by a separate service charge. The overall cost of providing these services must be fully recovered by income and therefore, when the cost of providing the service increases due to inflation, the charge payable by tenants will increase. The proposed charges for other housing charges next year are as follows:

| | Present Charge £ | Proposed Charge £ |
|---|---------------------|----------------------|
| Car Parking | | |
| Garages / lock ups (per week) | 9.30 | 9.50 |
| Garage sites (per week) | 2.70 | 2.75 |
| Other Housing Charges | | |
| <u>Multi-storey laundrette</u> | | |
| Auto wash (per use) | 1.90 | 1.90 |
| Tumble dryer (per use) | 1.10 | 1.10 |
| Cabinet dryer (per use) | 1.10 | 1.10 |
| <u>Communal Stair Cleaning</u> (per week) | 1.68 | 1.79 |

- **When will the new rent charge apply from?**

Once approved, the new charges will be effective from Monday 5th April 2021.

- **Can anybody give an opinion on the Rent Consultation?**

No. Only Council tenants can take part in the consultation.

- **When is the consultation period?**

The consultation starts on **October 30th** and runs until **December 23rd 2020**.

- **I receive benefits. Will the rent increase be covered by this?**

Yes, however changes due to Welfare Reform may impact the amount you are paid. If you have any questions about how your benefit might be affected, you can contact the dedicated Benefits Enquiries Team on 01382 431205 or by email on revenues.division@dundeeccity.gov.uk or call Welfare Rights on 01382 431167. In addition to this, the CONNECT team are available on 01382 431205 to discuss and address the key issues people face as a result of recent welfare reforms.

- **Why does our rent need to rise at all?**

Not increasing rent charges for the next financial year would mean the Council would need to find £760,000 to maintain services at their current level. There are a number of factors involved, but a few reasons are; the price of materials to repair, maintain and upgrade houses increasing, and pay inflation.

- **What is my rent money spent on?**

To find out more about How Your Rent is Spent, please visit www.dundeeccity.gov.uk/rent-consultation where you will find a link to the Housing Revenue Methodology

- **Will it affect my Council Tax?**

No. Council Tax is separate from the rental income. It is your rent that pays for all aspects of the housing service that you receive.

- **I am having difficulties paying my rent. Who can I contact?**
If you are having difficulties paying your rent, you should seek advice as soon as possible from the Rent Control on 01382 307300. Staff are there to offer advice and assistance, and all interviews are held in confidence. Dundee Money Action is a free service for people experiencing debt issues and can be contacted on 01382 431180.
- **What will the Council do with this feedback?**
The outcome of the consultation will be reported to elected members on Monday 25th January 2021, when they will make final decisions regarding the budget and rent level for financial year 2021/22. Any comments will also be directed to the appropriate Service for consideration.
- **How will I be told about the results of this Consultation?**
We will let you know the results of the consultation and what decisions have been made in a number of ways. This will include publishing the results and online. We will also inform the DFTA, Registered Tenant Organisations and report to Committee.
- **When will I be told what the actual rent increase will be and how will I be told?**
Letters will be sent to all tenants at the start of March informing them of the actual rent increase.
- **Who should I speak to if I need this information in another format?**
If you require this information in an alternative format, please do not hesitate to contact the Performance Liaison Officer, Mark Cooper, on 01382 307330.
- **Who should I speak to if I have any further questions about the Rent Consultation?**
Mark Cooper
Performance Liaison Officer
01382 307330
mark.cooper@dundeecity.gov.uk