

REPORT TO: Management Committee of 27 January 2016

TITLE: Rent Increase Consultation

REPORT BY: Operations Manager

PURPOSE OF THE PAPER: To provide feedback on the consultation on rent and approve the rise to take effect from 1 April 2016.

FINANCIAL IMPLICATIONS: Discussed in the November 2015 report

RISK IMPLICATIONS: Discussed in the November 2015 report

ACTION REQUIRED BY COMMITTEE: To note the consultation feedback and approve the rise for the coming year.

At the meeting in November, Committee considered the rent and service charge rises to be applied for the coming year. The draft budget paper recommended that the sheltered service charge be held at its present level, and this was approved. Committee decided to consult with tenants on two options to increase rents as follows:

- **Option 1** – 1.0% average increase. To deliver £6m of improvement works to over 300 homes.
- **Option 2** – 1.5% average increase. As above but also set up a handyman service to help tenants with small jobs in their home.

Tenants were given the opportunity to have their say in a number of ways including email, text or by returning the freepost postcard. The total number of responses received was 145 which accounts for 8% of the total number of Abertay tenants surveyed. This compares to 147 responses (8.3%) received the previous year.

The method of response used and the option chosen are as follows:

Method of return	Total responses	Option1 (1.0%)	Option2 (1.5%)
Card return	134	87	47
Text response	1	1	0
Email response	6	4	2
No option chosen or card spoilt	4 (3%)		
Total	145	92 (63%)	49 (34%)

Summary of the Consultation feedback

The response rate was pretty much the same level as last year. Tenants were again given a range of ways in which they could respond and the overwhelming response received was by freepost card with a small number choosing to email and only one text received.

Of the responses received, **63%** (92) were in favour of the lower increase of 1.0%. The proposal of introducing a handyman service (option 2), was a popular proposal for **34%** (49) of responders, which is quite a sizeable minority. There were a small number (4) of tenants who did not choose any option and of these a few commented on why they felt a rise was not justified giving various reasons.

All comments made have been recorded and are being reviewed by Senior Management with a view to re-assessing some areas of service provision.

It is Abertay's intention to carry out a full tenant satisfaction survey in 2016/17 and any questions that are felt pertinent to comments made will be included in the survey. This is so a comprehensive view of what tenants feel about the service Abertay provides can be achieved.

Conclusion and recommendation

In November, Senior Management recommended to Management Committee two options for a rent increase and service charge of 1.0% and 1.5%. It is clear that although a sizeable minority would quite like to see a handyman service introduced (34%), the majority of tenants (63%) felt that the lowest increase was a more affordable option.

Based on the above, we recommend that Committee approve a rise of 1.0% in rents, to take effect from 1st April 2016

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