



ADDITIONAL INFORMATION

This is a supplement to the original agenda and includes an addendum to Annex 4 of agenda item 6.

**NOTTINGHAM CITY COUNCIL
EXECUTIVE BOARD**

Date: Tuesday 25 February 2014

Time: 2.00 pm

Place: Ground Floor Committee Room - Loxley House

Constitutional Services Officer: Laura Wilson **Direct Dial:** 0115 8764301

AGENDA

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6. **Medium Term Financial Plan 2014/15-2016/17 – Housing Revenue Account**

Rent setting consultation summary

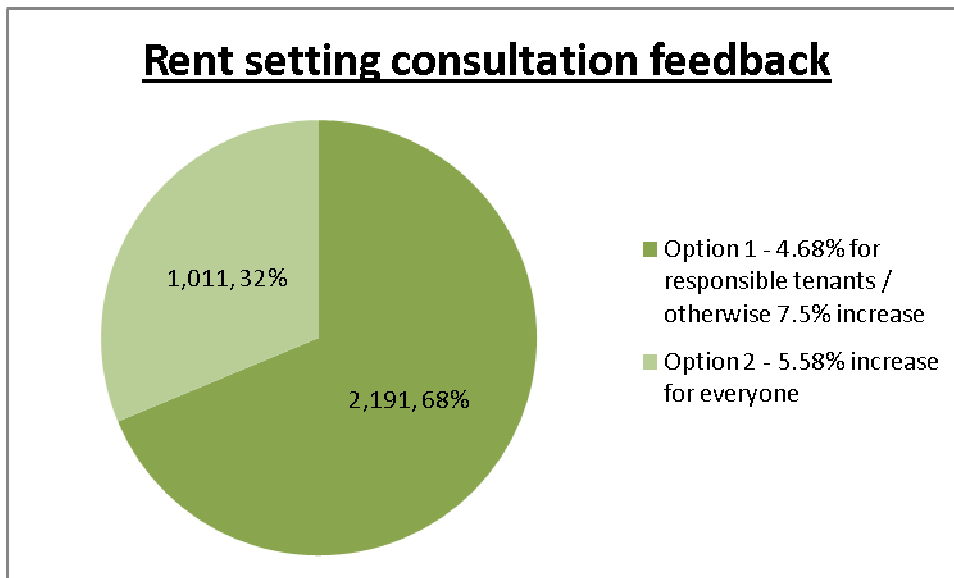
Overview

26,620 rent setting consultation packs sent out Friday 14th February (see attached). Of this figure the numbers of tenants in receipt of full or partial housing benefit was 17,568 (66%).

Responses

3,202 (including 91 online) completed responses were received by the close of consultation on Friday 21st February. This amounts to a 12% response rate to the consultation.

The breakdown of responses is as follows:



Housing benefit analysis

A random sample of 50 responses has been taken from both Option 1 and Option 2 to find out the benefit status of respondents. Results showed that the percentage of benefit respondents in both samples was 62%.

Comments

Below are a few of the more general comments that we have received from tenants preferring option 1 and option 2.

Option 1

Main type of comments in relation to option 1

'I think it is right to reward tenants who are responsible'

'This might kick-start irresponsible tenants into striving to improve their property and think about being better neighbours'

Other comments that come up multiple times:

‘Responsible tenants should not be subsidising irresponsible tenants’

‘This is a good idea’

‘Will I receive the £100 as a cheque?’

‘Do people on housing benefit also get the £100?’

‘The £100 reward will really help me at Christmas.’

Option 2

Main type of comment in relation to option 2

‘Option 2 is fairer for everybody’

Other comments that come up multiple times:

‘Option 2 will be less to pay each week’

‘Option 1 is very unfair. The people on benefits are the winners here’

‘What are the criteria for being a responsible tenant and how would this be policed in reality’

‘Option 1 is divisive’

‘Option 1 has too many clauses in it. You could lose your job and become in arrears and lose your reward through no fault of your own’

General other comments across both options

‘Both options are too high – rents shouldn’t be increased at all’

‘Does option 1 mean we lose of two rent free weeks a year?’

‘Nottingham City Homes provides good value for the rent we pay’

Tenant and Leaseholder Congress meeting – 12th February

A special meeting of the Tenant and Leaseholder Congress was held Wednesday 12th February to discuss rent setting and the tenant reward scheme.

Members were generally supportive of the principles of a tenant reward scheme, believing that incentives could encourage behavioural change in tenants who don’t currently act responsibly.

TLC were keen that the criteria of the reward scheme would need to be worked up sensitively, to prevent any unfair exclusions and that the correct support mechanisms should be in place to help tenants become responsible tenants.

Specific quotes from members included:

“A tenant reward scheme would be a brilliant idea. It could help change the behaviour of the minority of tenants who do not take responsibility for their tenancy.”

“It’s right that people who are good tenants, and play by the rules, should get some reward. It might also act as an incentive to the less responsible tenants as well.”



<<Name>>
<<Address Line 1>>
<<Address Line 2>>
<<Address Line 3>>
<<Address Line 4>> <<Address Line 5>>

13th February 2014

Dear <<Name>>

Nottingham City Council, along with Nottingham City Homes, recognises the difficult financial situation many of our tenants face. Over the last few years, the Council has kept your rent as low as possible to help you through these tough times.

The Council will shortly be making a decision on setting the rent for next year and would like your views on the options before it makes a final decision.

Your rent is spent directly on managing, maintaining and improving council homes in Nottingham. 82% of you have told us you believe the rent you pay represents good value for money for the services you receive. We are determined to continue to offer good value for money in the future.

The Government is changing the rent policy for all Councils and Housing Associations. A rent increase of 5.48% (or an increase of £3.74 per week to the average council rent) is needed to continue investing in your homes. This includes maintaining them to our decent homes standard and making thousands of homes more energy efficient through our cladding and insulation works – helping you to save money on your fuel bills.

We recognise that such an increase will be difficult for many people and want to do all we can to help. So, we've been working with the Council to think of ways to reduce this impact, continue to make sure your homes are maintained to a high standard and reward the many responsible tenants who look after their homes, pay their rent and are good neighbours.

As such, there are two rent increase options that the Council is considering: Option 1: an option that rewards responsible tenants by reducing the effect of the rent increase to 4.68% or, Option 2: the option of a flat 5.48% increase for all tenants. The two options are explained in the enclosed leaflet. Please read this carefully.

We know that pensioners and people on low incomes will be particularly concerned by the increase. If you are on full or partial Housing Benefit you will see your benefit increase to help cover any rent increase – so long as your circumstances remain the same.

Nottingham City Council's Executive Board will be meeting on the 25th February where they will set the rent for next year.

We are keen to get your views on which option you would prefer so that we can pass these on to Councillors to consider. Please read the information and complete the enclosed form and return it in the FREEPOST envelope provided by **Friday 21st February**. Or you can email us at rentsetting@nottinghamcityhomes.org.uk or tell us what you think online at www.nottinghamcityhomes.org.uk

We will make sure that Councillors receive your views before they make a final decision.

Yours sincerely

Nick Murphy
Chief Executive, Nottingham City Homes

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Your rent pays for improvements to your home and your neighbourhood.

Over the last year we've been improving council housing across the city and we've seen rising tenant satisfaction levels as a result. But we know that there's much more to do.

It's all about creating homes and places where people want to live. Over the next five years, we'll be investing £240m on what you've told us are the priorities for your homes and neighbourhoods.

You have told us that you want all council housing to be safe, secure, warm and modern.

So, we will be investing in:

- Security – we'll be fitting more than 31,000 new secure composite doors to homes
- Making your homes warmer, more energy efficient and helping you lower your energy bills. We'll be replacing 4,500 old inefficient boilers, upgrading heating systems and insulating more than 7,000 solid wall homes with average annual savings of £200 on fuel bills for each tenant
- Modernising your homes – we'll be fitting more than 3,600 new kitchens and bathrooms
- Replacing more than 1,000 new windows and roofing works on nearly 6,000 homes
- Providing local jobs and training opportunities for local people through our work.

Tell us what you think...

The city council's Executive Board is meeting on 25th February to consider what rent to set – so we want to know what you think before then and no later than **Friday 21st February**.

You can give us your views in the following ways:

1. Complete the enclosed feedback form and return it to us in the **FREEPOST** envelope provided
2. Complete the online survey at www.nottinghamcityhomes.org.uk
3. Email us at rentsetting@nottinghamcityhomes.org.uk

We are also speaking to the Tenant and Leaseholder Congress and Tenant and Resident Associations for their views on both of these options.

What happens next?

After the city council's Executive Board meet on 25th February, we will let you know which option has been decided, through your rent increase notification letter at the beginning of March.

The rent increase will come into effect from April 2014.

2014/15 Rent setting Tell us what you think...



Rent setting: Option 1 and Option 2

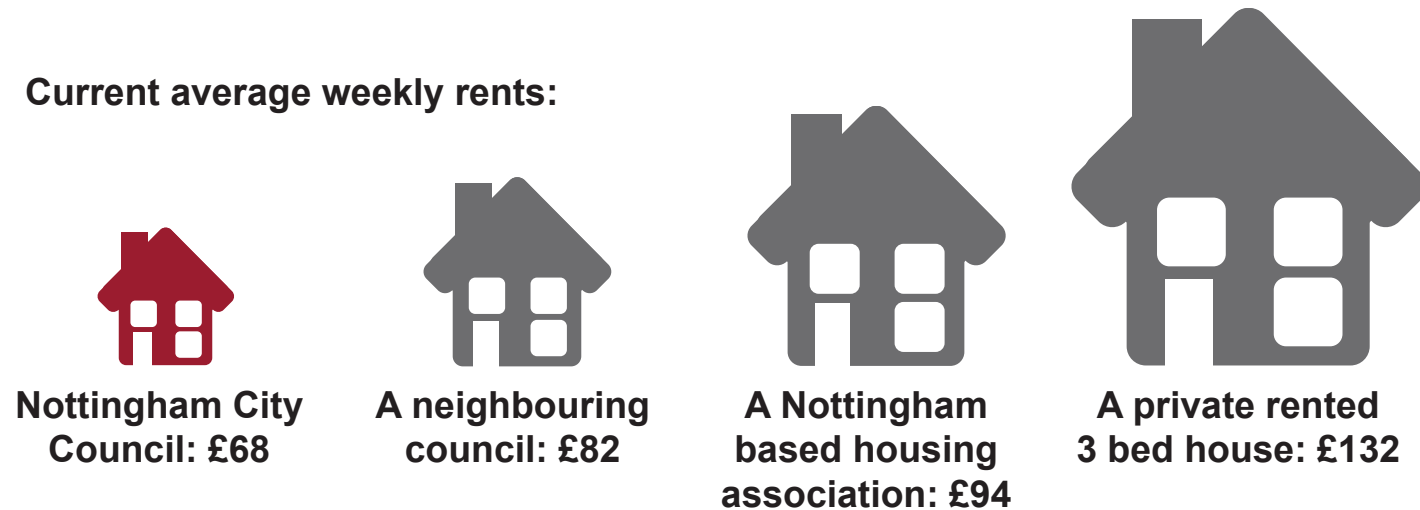
Option 1 4.68% for responsible tenants / otherwise 7.5% increase	Option 2 5.48% increase
Increase average rent by £5.11 per week AND reward all responsible tenants with a £100 credit on your rent account at Christmas. This reduces the average effective cost of the rent increase to £3.19 per week for responsible tenants.	Increase average rent by £3.74 per week.

If you are on full or partial Housing Benefit, you will see your benefit increase to help cover any rent increase – so long as your circumstances remain the same.

You can save £32.40 over a year with Option 1 compared to Option 2 if you are a 'responsible tenant'

We're committed to keeping our rents affordable, and providing the best value for money in the city.

Current average weekly rents:



Option 1 explained

Who is a 'responsible tenant'?

The good news is that the vast majority of our tenants are already 'responsible tenants'.

You are a responsible tenant if you:

- look after your home or your garden
- pay your rent on time or stick to your agreed arrangements to pay your rent arrears
- do not commit crime or anti-social behaviour in your neighbourhood.

Under Option 1 all responsible tenants will be entitled to a £100 credit, once a year, to their rent account. This would be included on their rent account each Christmas – a time of year that can be difficult for many of our tenants.

If this option is chosen, we'll give you more details about qualifying as a responsible tenant when we send you your rent increase notification letter at the beginning of March.

Worried you might not be a responsible tenant?

Everybody can benefit from the lower rent increase, just by keeping to the rules!

You would not be eligible for the lower rent increase if you:

- Fail to look after your home or garden, including:
 - if you receive a second warning letter because of the condition of your home and / or garden
 - if you fail to keep your gas safety servicing appointments
 - being charged for causing damage to your property and you have not paid in full or kept to an agreed payment plan.
- Fail to make arrangements to pay your rent arrears, including:
 - if you are subject to a Possession Order for rent arrears and fail to keep to an agreed payment plan
 - if you are served with a Notice Seeking Possession for rent arrears and fail to keep to an agreed payment plan.
- Commit crime or anti-social behaviour, including:
 - if you receive a Notice, a Possession Order, a Demotion Order, an Injunction OR had an Undertaking granted by the Courts for ASB or criminal activity associated with your property.

The responsible tenant reward scheme would not begin until April 2014 (subject to the decision by Nottingham City Council's Executive Board). This gives you time to talk to us about what you need to do to become a responsible tenant and the support we can provide to help.

Rent setting feedback form



Please complete this form and return it in the FREEPOST envelope provided by Friday 21st February.

Name: _____

Address: _____

_____ Post code: _____

Rent setting options

Which of the following would be your preferred rent setting option?

Option 1 – 4.68% for responsible tenants / otherwise 7.5% increase

Option 2 – 5.48% increase for everyone

Any comments



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