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## NORTH AYRSHIRE COUNCIL

16 December 2020

### North Ayrshire Council

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**Title:** Housing Revenue Account (HRA) Capital Investment Programme, Revenue Budget and Rent Levels for 2021/22

**Purpose:** To seek approval of the proposed HRA capital investment programme and revenue budget for 2021/22 and the consequential rent levels.

**Recommendation:** Council is invited to: (i) approve the HRA capital investment programme for 2021/22, as detailed in Appendix 1; (ii) approve the HRA revenue budget for 2021/22, as detailed in Appendix 2; (iii) approve a rent increase of 1.90% in 2021/22 for council houses, garage sites, lock-ups and sheltered housing service charges; and (iv) note the indicative rent increases of 2.50% for 2022/23 and 2.50% for 2023/24.

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### 1. Executive Summary

- 1.1 The Housing (Scotland) Act 1987 requires local authorities to maintain a Housing Revenue Account (HRA) to record all income and expenditure related to the provision of Council houses.
- 1.2 The annual review of the HRA Business Plan was carried out during 2020 to assess the factors expected to impact on the HRA budget. Tenants have also been consulted on the budget proposals included within this report. This has resulted in proposed capital and revenue budgets which deliver:
- a capital investment programme which maintains the Scottish Housing Quality Standard and the Energy Efficiency Standard for Social Housing (ESSH);
  - a further 336 new build houses by 31 March 2022, taking the total new builds to 736 units and supporting the delivery of 1,575 units of new build housing by the end of the Strategic Housing Investment Plan 2021-2026;
  - £18.959m of property-related expenditure within the revenue account;
  - £25m additional investment in sheltered housing, to complete our Sheltered Housing Re-provisioning Programme; and
  - £5m investment in regeneration projects and sustainability measures

to reduce fuel poverty, to support our progress in achieving EESH2 by 2032 and to make a positive contribution to estate and town centre regeneration.

- 1.3 In order to meet these commitments, the proposed increase to housing rents is 1.90% for 2021/22. This compares favourably with the 2.5% indicated in the HRA Business Plan last year for 2021/22.
- 1.4 A summary of the anticipated level of earmarked and unearmarked reserves is provided at paragraph 2.28 of the report. Based on the probable outturn for 2020/21 as at 31 August 2020, it is anticipated that the HRA will have reserves of £11.251m at the end of the financial year, of which £1.500m is unearmarked. This equates to 2.9% of revenue expenditure, which is in line with the parameters of the approved reserve policy.
- 1.5 Full details of the capital and revenue budgets are contained in Appendix 1 and Appendix 2 respectively.

## **2. Background**

- 2.1 A Special Meeting of the Council on 18 December 2019 considered housing rent levels for the three years to 2022/23. Members approved an increase of 2.99% for 2020/21 and noted the indicative rent increases of 2.5% for 2021/22 and 2.5% for 2022/23.
- 2.2 The HRA Business Plan financial model was updated during 2020. The updated plan aligns to the Strategic Housing Investment plan 2021-26 with a total of 1,575 new homes targeted for completion by 31 March 2026, with 384 completed at 31 March 2020 and a further 16 expected to be constructed by 31 March 2021. This is a significant reduction from the 341 units planned for 2020/21, attributable to the impact of COVID-19 on the construction industry and Council service delivery. The Business Plan provides assurance of the financial sustainability of the management of the Council's housing stock over the 30-year period it covers.
- 2.3 As part of the annual review of the Business Plan, consideration was also given to the following factors:
  - Capital and revenue expenditure requirements;
  - Stock condition;
  - Council house building targets;
  - Inflation;
  - Outcome of the tenant consultation;
  - Value for money;
  - The ongoing roll-out of welfare reform;
  - Climate change and fuel poverty;
  - Revenue and capital balances;
  - The impact of COVID-19 on the service and tenants.

- 2.4 When updating the Business Plan and preparing the budget, the impact of COVID-19 and risks as a result of the pandemic on capital and revenue costs were assessed. Capital projects were re-based as a result of this review. The proposed HRA capital investment programme and revenue budget include the latest available estimates and financial impacts, which will continue to be monitored.

## **Capital and Revenue Expenditure Requirements**

### Capital

- 2.5 The proposed 2021/22 HRA capital programme of £109.756m is detailed in Appendix 1. As outlined in the appendix, the programme will be funded by a combination of capital funded from current revenue (CFCR), government grants, prudential borrowing, reserves and the affordable housing contribution.
- 2.6 The capital programme will result in major repair or improvement works to housing stock in 2021/22, including:

<b>Programme</b>	<b>No. of Properties</b>	
	<b>2020/21 Projected</b>	<b>2021/22</b>
Roofing and rendering	458	423
Insulated rendering	69	50
Electrical rewiring	17	215
Installation of new kitchens	224	420
New central heating	68	716
Installation of new bathrooms	131	303
External Door Replacement	n/a (new programme)	1081

### Council House Building

- 2.7 The revised Business Plan reflects the Council's commitment to deliver a comprehensive new build programme with a variety of house types, as well as significant investment in housing for older people and tenants with additional support needs. The majority of units due for completion during 2020/21 are delayed due to the COVID-19 pandemic and will now be completed during 2021/22. Details of developments completing during 2021/22, including those delayed due to COVID-19, are shown below:

<b>Project</b>	<b>Number of Units</b>	<b>Status in 2021/22</b>
Flatt Road, Largs	81	81 out of 123 units
St Michael's Wynd, Kilwinning	50	50 out of 79 units

Brathwic Terrace, Arran	34	Completion due Autumn 2021
Harbourside, Irvine	41	41 out of 71 units
Dalrymple Place, Irvine	33	Completion due Autumn 2021
St Beya Gardens, Cumbrae	18	Completion due Summer 2021
Towerlands PS, Irvine	50	Completion due Autumn 2021
Springvale Depot, Saltcoats	14	Completion due Winter 2021
Caley Court, Stevenston	15	Completion due early 2022
<b>Total</b>	<b>336</b>	

Similarly, projects in future years have been impacted due to delays in the design, planning and procurement processes. This has been reflected in the Strategic Housing Investment Plan 2021-2026 which was approved by Cabinet on 10 November 2020. The programme has been reprofiled for the 1,575 new homes targeted for completion by the Council by 31 March 2026, of which 384 were completed at 31 March 2020 and a further 16 are expected to be constructed by 31 March 2021.

- 2.8 The Sheltered Housing Re-provisioning Programme continues to be implemented, and in summer / autumn 2021 refurbishment work will be completed on the remaining two sheltered housing units in the current programme at Friars Lawn, Kilwinning (22 units) and Garrier Court, Springside (19 units). The programme will be updated, with £25m identified to refurbish the remaining sheltered units in North Ayrshire over a 5-year period.
- 2.9 The Council will also complete refurbishment work to convert the former Throughcare office back into two affordable homes at Kinnier Road, Saltcoats by autumn / winter 2021.
- 2.10 Following the success of previous years, funding will be available to continue investment in purchasing ex-local authority houses and empty homes. Acquiring these types of properties will help to address both asset management and estate management issues as well as increasing the Council stock numbers.
- 2.11 The capital programme includes investment to ensure the Council continues to meet the Energy Efficiency Standard for Social Housing (EESH) which provides clear guidance in relation to the level of energy efficiency each Council owned house requires to achieve. In addition, £5m will be invested in regeneration projects and sustainability measures to contribute positively to town centre and estates regeneration, reduce fuel poverty and support our progress in achieving EESH2 by 2032.
- 2.12 The Prudential Code for Capital Finance in Local Authorities requires councils to demonstrate that capital investment programmes and the level required to be funded by borrowing are affordable, prudent and sustainable. The Key Performance Indicator which demonstrates this is the ratio of

financing costs to the net revenue stream. For 2019/20, the Council's ratio was 17.1% compared to The Scottish average of 22.7%. The estimated indicators for the next three years are shown below. The rising ratio reflects the Council's substantial investment in the House Build Programme. The financing costs are considered prudent and affordable within the 30-year Business Plan.

#### Treasury Management Performance Indicators

Ratio of financing costs to net revenue stream	2020/21 Estimate £m	2021/22 Estimate £m	2022/23 Estimate £m
HRA	18.2%	24.2%	25.7%

#### Revenue

- 2.13 The proposed 2021/22 HRA revenue budget is outlined in Appendix 2. Planned expenditure of £52.557m will mainly be funded by rental income and charges for services.
- 2.14 The revenue budget includes funding of £18.959m for property related expenditure in the year. This expenditure will assist the Council in maintaining its efficient performance in respect of the management of void properties and planned and responsive maintenance. Additionally, provision has been made for Tenant-led Budgets and other areas of estate management such as rear sub-divisional fencing and infrastructure improvements.
- 2.15 The revenue budget also includes the provision of a cyclical programme for external door replacement and guttering to reduce the need for reactive repairs in these areas.

#### **Outcome of the Tenant Consultation**

- 2.16 The Housing (Scotland) Act 2001 requires councils to consult with tenants and have regard to the views expressed prior to setting the rents.
- 2.17 In preparing the budget for 2021/22, two options for rent increases were identified by officers. These were considered by the Business Plan Implementation Group in October 2020. The options were subsequently included in the tenant consultation exercise that took place during October and November 2020, namely to increase rents by either 1.9% or 2.5%. The higher increase option reflects additional increased investment in regeneration, and sustainability projects to reduce fuel poverty. Further information on the options considered is included within the Rent Matters Newsletter as attached at Appendix 4.
- 2.18 A total of 929 responses were received from the fully digital consultation, the highest achieved in a rent consultation to date despite the challenges faced in communicating with tenants during the COVID-19 pandemic.

Responses received from the consultation indicated a 73.3% preference for option 1, i.e. a rent increase of 1.90% for 2021/22.

### **Rent Increase**

- 2.19 In order to meet the investment requirements of the 30-year Business Plan, including maintaining the SHQS and Efficiency Standard for Social Housing, introducing cyclical programmes for external doors and guttering to further reduce the need for reactive repairs in these areas, and the Council house building programme, it is proposed to increase housing rents by 1.90% for 2021/22. The Business Plan indicates anticipated rent increases of 2.50% for 2022/23 and 2.50% for 2023/24.

### **Value for Money**

- 2.20 The Council's average weekly rent is below the Scottish average local authority rent for 2020/21 (North Ayrshire Council average is £74.45 compared to Scottish average of £76.49). The proposed rent increase for 2021/22 is expected to maintain the Council's position compared with the Scottish average. The Council's average rent is also significantly lower than the average for registered social landlords within North Ayrshire. Details of weekly rent charges are shown in the following table:

	<b>Average Rent 2020/21</b>
Scottish Local Authority Average	£76.49
North Ayrshire Council	£74.45
East Ayrshire Council	£73.81
South Ayrshire Council	£77.06
ANCHO	£84.59
Irvine Housing Association	£87.47
Cunninghame Housing Association	£89.39

- 2.21 Scotland's Housing Network benchmarks the Scottish Social Housing Charter outcome results of Scottish councils. The results include areas such as housing management performance, repairs and customer satisfaction and value for money. The Network also confirmed that the Service remains the top performer amongst local authority members in terms of both level of service and value for money.
- 2.22 During the customer satisfaction survey completed in Summer 2018, 92.1% of tenants said that the rent for their property represented good value for money.

### **Welfare Reform**

- 2.23 The changes introduced by the Welfare Reform Act 2012 have placed pressure on the management of rent collection. Universal Credit, Full Service, was introduced in North Ayrshire Council in November 2017, with

full migration due to conclude in 2023. At 2019/20 year end the number of tenants claiming Universal Credit was 3,443, an increase of 953 from the previous year.

- 2.24 Like most local authorities who have moved to Full Service, an increase in rent arrears has been experienced. This is, in part, due to Universal Credit being paid monthly in arrears. The end of year position in 2019/20 was £1.565m gross arrears, excluding £0.486 gross technical arrears which were netted off.
- 2.25 Nonetheless, the Council's performance in rent arrears management is very good. In 2019/20, gross rent arrears as a percentage of rent due was 3.65% (Scottish average was 7.26%). The estimated arrears within the 2020/21 budget assumes full DHP funding continuing to be available for under occupation.
- 2.26 In order to continue to meet the priorities within the HRA Business Plan, it is essential that the risks presented by welfare reform and the uncertainties around future rental income are addressed. Therefore, £1.5m continues to be earmarked within the HRA as a contingency to manage the impact of welfare reform.

### **Climate Change and Fuel Poverty**

- 2.27 As part of the Council's continued approach to improve domestic energy efficiency and meet Scottish Government targets, a number of actions are being taken including:
- Incorporating sustainable technologies in new homes such as dual zone heating controls, waste-water heat recovery systems, sunamp heat batteries and solar PV panels;
  - Providing low carbon and energy efficiency advice, and utility provider switching services;
  - Installing cavity wall and loft insulation to existing housing stock to improve energy efficiency and affordable warmth;
  - Retrofit of solar panel systems on up to 500 Council homes;
  - Implementation of district heating schemes comprising shared heating from renewable biomass;
  - Ensuring affordable, energy efficiency homes built under the Council's housing development programme are built to the Greener Standard or equivalent, maximising renewable energy and heat network capability;
  - Developing and implementing an overarching Local Heat and Energy Efficiency Strategy (LHEES) for North Ayrshire, to remove energy efficiency as a driver for fuel poverty.

A £5m fund has been established within the 2021/22 budget to support both the installation of sustainable features within homes, and wider regeneration initiatives.

## Revenue and Capital Balances

- 2.28 The HRA revenue budgetary control report to 31 August 2020, submitted to the Cabinet meeting of 10 November 2020, advised Members of a projected HRA balance of £11.251m at 31 March 2021. This includes an unearmarked balance of £1.500m which equates to 2.9% of revenue expenditure. An analysis of the HRA balances is shown in the following table:

	Balance at 31 March 2020	Use of Earmarked Funds	Earmarking of in year surplus	Projected Balance at 31 March 2021
	£m	£m		£m
HRA Not Earmarked	1.500	-	-	1.500
<b>HRA Earmarked</b>				
Council House Building Fund	6.372	(1.227)	-	5.145
Welfare Reform	1.500	-	-	1.500
Major Refurbishment Works	0.052	-	-	0.052
Sustainability Fund	0.000	-	2.691	2.691
Infrastructure Improvements	0.305	-	-	0.305
Aids & Adaptions	0.058	-	-	0.058
Sheltered Housing Works	0.110	(0.110)	-	-
Additional CFCR	1.000	(1.000)	-	-
<b>Total Earmarked Fund</b>	<b>9.397</b>	<b>(2.337)</b>	<b>-</b>	<b>7.060</b>
<b>Total HRA Balance</b>	<b>10.897</b>	<b>(2.337)</b>	<b>2.691</b>	<b>11.251</b>

- 2.29 The £2.691m funds earmarked for 'sustainability fund' in the table above is an anticipated underspend from 2020/21 revenue at Period 5, which will be utilised to make up part of the £5m fund committed for sustainability and regeneration projects.

## 3. Proposals

- 3.1 Council is invited to: (i) approve the HRA capital investment programme for 2021/22, as detailed in Appendix 1; (ii) approve the HRA revenue budget for 2021/22, as detailed in Appendix 2; (iii) approve a rent increase of 1.90% in 2021/22 for council houses, garage sites, lock-ups and sheltered housing service charges; and (iv) note the indicative rent increases of 2.50% for 2022/23 and 2.50% for 2023/24.

## 4. Implications/Socio-economic Duty

### Financial

- 4.1 The proposed rent increase of 1.90% in 2021/22 will result in resources to invest in the Council's housing stock, with total planned revenue expenditure of £52.557m including CFCR of £10.590m supporting a capital programme totaling £109.756m in 2021/22.



## **Human Resources**

- 4.2 None.

## **Legal**

- 4.3 The Council has consulted with tenants on the proposed rent increases in line with the legal requirement to do so.

## **Equality/Socio-economic**

- 4.4 The investment proposals outlined in the report will ensure the housing stock continues to support the needs of our tenants including those with accessibility issues due to age or disability.

The investment in our properties to provide safer, warmer and more fuel-efficient homes will impact the health and wellbeing of all our tenants including young people and families.

## **Environmental and Sustainability**

- 4.5 These proposals support the Council's Environmental Sustainability and Climate Change strategy.

## **Key Priorities**

- 4.6 Investment through the HRA capital programme and revenue budget supports and links to the following Council Plan 2019-2024 priorities:
- Affordable, modern and well-designed homes that meets residents' needs;
  - Vibrant, welcoming and attractive places;
  - A sustainable environment.

## **Community Wealth Building**

- 4.7 Through delivery of the SHIP, contractors are required to participate in the Council's Community Benefits Programme. Development projects aim to deliver new employment opportunities for the area, including jobs and apprenticeships. Some local contractors are also utilised to deliver the HRA capital programme. Procurement processes are streamlined and accessible, and local businesses are encouraged and supported to bid for work through close working with Corporate Procurement and Economic Development and Regeneration.

## **5. Consultation**

- 5.1 Housing Services engaged in a programme of consultation with key stakeholders in order to gather their views of the current service provision and priorities for future service delivery. This engagement and consultation

was facilitated in the main, through the Business Plan Implementation Group and the Tenants and Residents Network.

- 5.2 In addition, a consultation on the proposed rent increases (Appendix 4) was launched on the Council's website and social media pages and emailed to tenants where addresses available. The consultation period ran between October and November, and tenants were asked to provide their views on two options for rent increases. A total of 929 responses were received, with 73.3% of respondents indicating a preference for option 1, i.e. a rent increase of 1.90% for 2021/22.

Russell McCutcheon  
Executive Director (Place)

For further information please contact Yvonne Baulk, Head of Physical Environment on 01294 324398.

## **Background Papers**

North Ayrshire Council Draft HRA Capital plan 2021/22			
	2021/22	Future Years House Building	Total
Pogramme Description	£000	£000	£000
<b>Council House Building</b>			
Flatt Road (Phase 1)	4,136	0	4,136
St Michael's Wynd	5,248	2,101	7,348
Brathwic Terrace	1,991	0	1,991
Harbourside (Phase 1)	9,685	2,843	12,528
Towerlands Primary School	1,640	0	1,640
Springvale Depot	1,477	0	1,477
Dalrymple Place	3,004	0	3,004
St Colms Pl	3,482	981	4,463
Bourtreehill Village	3,384	1,000	4,384
James MacFarlane	2,767	500	3,267
James Reid	3,000	5,329	8,329
Caley Court	2,384	0	2,384
Garnock Academy Site	4,000	5,256	9,256
Afton Court	911	62	973
Corsehillhead	882	543	1,425
Ayrshire Central Site	7,975	12,077	20,052
Montgomerie Park (Phase 1)	8,000	10,388	18,388
Largs Police Station	508	756	1,264
Fullarton Street	2,000	12,165	14,165
Council House Build General	1,542	1,611	3,153
<b>Refurbishment Schemes</b>			
Friars Lawn	1,487	0	1,487
Kinnear Road	285	0	285
Acquisition of Houses - Open Market	491	0	491
<b>Improvements to Existing Stock</b>			
Bathroom Programme	1,794	0	1,794
Kitchen Programme	2,300	0	2,300
Other Capital Works	7,129	0	7,129
Central Heating	3,502	0	3,502
Windows	320	0	320
Insulated Re-rendering	804	0	804
Electrical Re-wiring	1,236	0	1,236
Roofing and Rendering	3,393	0	3,393
Energy Efficient Standard	5,394	0	5,394
Door Replacement	1,039	0	1,039
Sheltered Housing	2,133	0	2,133
Replacement Warden Call Systems	208	0	208
Professional Management Charges	934	0	934
Solar Panels	232	0	232
Health & Safety Works	207	0	207
Window Replacemet - High Flats	2,298	0	2,298
Major Improvements	6	0	6
Detection Equipment	2,434	0	2,434
Marress House	250	0	250
Irvine High Flats	3,021	0	3,021
Estate Based Regeneration	540	0	540
Nelson Street Regeneration	306	0	306
<b>TOTAL EXPENDITURE</b>	<b>109,756</b>	<b>55,612</b>	<b>165,368</b>
<b>Funded By:-</b>			
CFCR	(10,590)	0	(10,590)
Council House Build Fund	(1,170)	(1,546)	(2,716)
Affordable Housing Fund	(1,757)	(1,197)	(2,954)
Capital Grants - House Building	(13,784)	(11,241)	(25,025)
Other Capital Income	(5,000)		(5,000)
Prudential Borrowing	(77,455)	(41,628)	(119,083)
<b>TOTAL INCOME</b>	<b>(109,756)</b>	<b>(55,612)</b>	<b>(165,368)</b>

NOTE: The above figures include carry forwards from 2020/21 as identified at period 5.

Draft HRA Revenue Budget 2021/22		
	Cost Type	2021/22 (£'000s)
<b>Income</b>	<b>Rents:</b>	
	Council houses	(51,526)
	Other rents	(392)
	Utilities credit billing	(14)
	<b>Other Income:</b>	
	External recharges	(516)
	Internal recharges	(100)
	Health resource funding	(9)
<b>Gross Income</b>		<b>(52,557)</b>
<b>Expenditure</b>	<b>Employee Costs</b>	5,172
	<b>Property Costs:</b>	
	Responsive repairs	1,956
	Void expenditure	3,111
	Planned & Cyclical maintenance	7,971
	Tenant led budgets	221
	Infrastructure improvements	315
	Aids & Adaptations	1,603
	Other property costs	3,782
	<b>Supplies and Services</b>	208
	<b>Transport Costs</b>	33
	<b>Administration Costs</b>	587
	<b>Central Support Costs</b>	1,862
	<b>Payments to Other Agencies, Bodies and Persons</b>	1
	<b>Internal Services</b>	2,457
	<b>Efficiency Savings</b>	2,500
	<b>Capital Financing:</b>	
	CFCR	10,590
	Principal repayments	4,349
	Loans fund interest	5,760
	Loans fund expenses	137
	Revenue interest	(58)
<b>Gross Expenditure</b>		<b>52,557</b>

## Appendix 3

### RENT CONSULTATION 2021/22 – RESULTS

Closing stock at 31 March 2020 - 12,926

Total number of responses – 929

Percentage of tenant responses – 7.19% response

Option:	Delivers:	Percentage of Responses:
<b>Option 1 - increase rents by 1.9%</b>	Base budget	681 responses = 73.30%
<b>Option 2 - increase rents by 2.5%</b>	Base budget plus an additional £5m investment in regeneration and sustainability measures to reduce fuel poverty	248 responses = 26.70%

# RENT MATTERS

**WIN**  
£100 Shopping  
vouchers

Information for North Ayrshire Council Tenants

Autumn 2020

**PLEASE READ - It's important you have your say**

## Dear Tenant,

**We are writing to ask you to take part in this year's rent consultation.**

North Ayrshire Council consults annually with tenants on our proposals relating to rent setting, so this is your opportunity to have a say in how much rent you pay.

The rent setting consultation period will run from 23 October until 20 November. We will use the feedback to prepare a report for a meeting of the Council in December, where Elected Members will consider and approve the level of rent increase for Council tenants for 2021/2022.

We will write to inform you what your new rent charge will be for 2021/2022 at least four weeks in advance of any changes that may be implemented in April 2021.

## Proposals

We are asking our tenants to select their preferred proposal for 2021/22. Details of the two options can be found on page 3 of this leaflet along with ways to give your feedback.

**Please take some time to consider our proposals and let us have your views.**

### Struggling to pay your rent?

It is important that you pay your rent on time and in full. You should contact your Housing Officer immediately



**Pay your rent first**  
Don't risk losing your home

if you are in arrears and have not made an arrangement to clear them.

The Welfare Reform Team can help if you are experiencing financial difficulties, but you must get in touch quickly.

**Call them on 0300 999 4606.**

As a thank you for taking the time to complete our rent consultation you will be entered into our prize draw. One lucky winner will win £100 in shopping vouchers.

**WIN**  
£100 Shopping  
vouchers

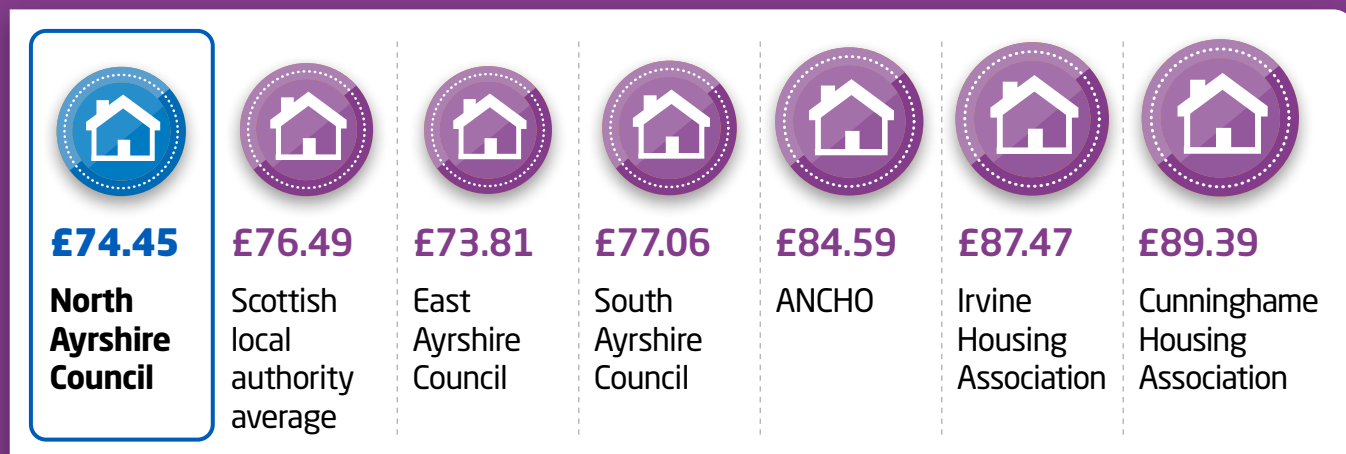
**Don't delay, give us your views today!**

**Thank you and good luck!**



**Everyone pays rent, even if you receive housing benefit, so it is important that we receive feedback from as many tenants as possible.**

## How do our average rents compare for 2020/21?



## How your rent is being spent in 2020/21...



Due to the COVID-19 pandemic, we will not be able to carry out some of the works in our Capital Programme planned for 2020/2021. We continue to prioritise tenant safety.

Any works planned for this year that are not complete by 31 March 2021 will be prioritised in our ongoing Capital Programme.



**We want to consult with you on the proposed annual rent increase for North Ayrshire Council's houses in 2021/22.**



# Your Views Matter

We have outlined two options for rent charges for 2021/22 below:

## Option 1

Increase rents by **1.9%**  
Average increase of **£1.41 per week**

- £535k Tenant Led Budget;\*\*
- £15.2m investment in revenue repairs;
- £1m previously committed investment in our Estate Based Regeneration Programme;
- A £25m sheltered housing re-provisioning programme (over 5 years);
- Second hand and empty home buy backs (minimum of 5 per year);
- **£5m investment in both regeneration projects, and sustainability measures to reduce fuel poverty**

## Option 2

Increase rents by **2.5%**  
Average increase of **£1.86 per week**

- £535k Tenant Led Budget;\*\*
- £15.2m investment in revenue repairs;
- £1m previously committed investment in our Estate Based Regeneration Programme;
- A £25m sheltered housing re-provisioning programme (over 5 years);
- Second hand and empty home buy backs (minimum of 5 per year);
- **£10m investment in both regeneration projects, and sustainability measures to reduce fuel poverty**

Includes all service delivery detailed in Option 1 **plus £5m additional investment.**

- Circa £15.4m in planned improvements for 2021/22, including installing:
  - › 303 bathrooms
  - › 421 kitchens
  - › 1110 external doors (as part of a new cyclical replacement programme)
  - › 180 heating systems
  - › 520 boilers

Delivers the current commitments within the Housing Revenue Account (HRA) 30 year business plan including the house building programme and additional capital investment.

- Circa £15.4m in planned improvements for 2021/22, including installing:
  - › 303 bathrooms
  - › 421 kitchens
  - › 1110 external doors (as part of a new cyclical replacement programme)
  - › 180 heating systems
  - › 520 boilers

Delivers the current commitments within the Housing Revenue Account (HRA) 30 year business plan including the house building programme and additional capital investment.

## **\*\*What are Tenant Led Budgets?**

This is an allocation of the annual budget which will be influenced by tenants for community based projects.

The additional £5m investment included in Option 2 provides the opportunity to further support our communities to create vibrant, welcoming and attractive places. It allows further investment in measures to help reduce tenants' fuel bills, such as additional insulation, solar PV panels and more efficient heating systems.



# Have Your Say

Our plans and how we spend the budget will have an impact on your home and your community. We want to hear what you think.

During the COVID-19 pandemic, many of the traditional forms of consultation cannot safely take place. This is our first 'fully digital' rent consultation so we have made some changes to how we'll gather your views and its now easier for you to have a say.



**All you need to do is select one of the following options:**

- **Text: Option 1 or Option 2 to 07385 383319**  
This number will close at the end of the consultation.
- **By following the Survey Monkey Link**  
<https://www.surveymonkey.co.uk/r/RWGBM8B>
- **Email: [tenantparticipation@north-ayrshire.gov.uk](mailto:tenantparticipation@north-ayrshire.gov.uk)**

## Your rent options for 2021/22

### Option 1

Increase rents by **1.9%**  
Average increase of **£1.41 per week**

- £535k Tenant Led Budget;\*\*
- £15.2m investment in revenue repairs;
- £1m previously committed investment in our Estate Based Regeneration Programme;
- A £25m sheltered housing re-provisioning programme (over 5 years);
- Second hand and empty home buy backs (minimum of 5 per year);
- **£5m investment in both regeneration projects, and sustainability measures to reduce fuel poverty**

### Option 2

Increase rents by **2.5%**  
Average increase of **£1.86 per week**

- £535k Tenant Led Budget;\*\*
- £15.2m investment in revenue repairs;
- £1m previously committed investment in our Estate Based Regeneration Programme;
- A £25m sheltered housing re-provisioning programme (over 5 years);
- Second hand and empty home buy backs (minimum of 5 per year);
- **£10m investment in both regeneration projects, and sustainability measures to reduce fuel poverty**

Includes all service delivery detailed in Option 1  
**plus £5m additional investment.**

\*Based on the average weekly rate in 2020/21