

Housing Revenue Account Budget Consultation 2024/25

Questions that must be answered are marked with an asterisk (*)

1. **Are you responding as...?** * Please tick one box only

- A resident of the Canterbury district
- A visitor to the Canterbury district
- A business, organisation or community group, please provide the name: _____
- A councillor, please specify:
- Canterbury City Council councillor, please provide your name: _____
- Kent County Council councillor, please provide your name: _____
- Parish or town council councillor, please provide your name and the name of the parish or town council: _____
- Other, please state: _____

Rent

Rent is the Housing Revenue Account's (HRA) primary source of income to pay for the revenue costs, or running costs, of housing management and maintenance.

It also pays for the capital expenditure which covers investment in buildings and planned maintenance, like replacement windows or new kitchens and bathrooms.

Government rent policy provides a framework for the council to increase rents by inflation, the rate at which the cost of living is increasing, as measured by what is known as the Consumer Prices Index (CPI) + 1%.

The CPI rate for September 2023 was 6.7% so adding + 1% gives a total of 7.7%.

The below table estimates the effect of this on the average weekly rents for all major property designations and sizes in the council's portfolio.

What this might mean for you:

Estimated average weekly rents 2024/25		
Property designation	Average rent 2023/24 per week	Average rent 2024/25 per week
General needs	£108.23	£116.56
Hostel	£92.41	£99.52
Non-sheltered older persons' accommodation	£98.35	£105.92
Sheltered	£92.29	£99.40
Average for all designations	£105.41	£113.53

The council may agree to a lower percentage increase but this would mean that it might not be able to afford the current level of service to tenants.

Overall, 75% of our tenants receive either full or partial Housing Benefit or Universal Credit to help pay their rent. This will protect them from the full impact of the increase.

It is possible the government may consult on a proposal to impose a lower rent increase but no details are available at the moment.

Such proposals make it difficult for the council to plan effectively for the future of the housing service.

Recent government interventions have had a negative impact on the council's housing finances on a permanent basis.

The rent reduction policy of 1% per annum between 2016/17 and 2019/20 reduced income to the HRA by approximately £2.8 million a year and the rent cap in 2023/24, which limited the increase to 7%, was 4.1% lower than expected.

There is no mechanism for the council to claw back the reduction in rental income in subsequent financial years.

In addition, the cost of managing and maintaining the housing we own continues to rise at rates much higher than CPI, particularly for maintenance, utilities and skilled professional staff.

2. **What do you think about the proposal to increase council rents by CPI + 1% (7.7%)? * Please tick one box only**

Support

Object

Neither

2a. **Please tell us why:**

Service charges

Some tenants have to pay service charges for specific things.

This is usually for communal facilities in blocks of flats and includes things like heating, lighting and cleaning.

These charges are usually fairly small and we aim to recover the amount of money it costs us.

In general needs flats, the only costs to have been identified separately and charged to tenants are the lighting and cleaning of communal areas.

Service charges for communal lighting are based on the previous year's actual expenditure.

Last year there was a huge increase in utility bills, which was not passed on to tenants in full, because the scale of the increases in fuel contract prices was not known when the budget was prepared.

The cost of communal cleaning varies more, depending on the layout of the building, and charges are based on figures provided by the contractor.

An area of concern in sheltered housing and Sheltered Plus is the cost of heating.

Most schemes have communal heating systems and residents pay to heat and light their homes and communal areas through service charges.

Last year, in the absence of firm information from utilities suppliers when the budget was compiled, it was anticipated the contract prices of gas and electricity would increase by 50% in 2023/24.

It was agreed the heating service charges would be increased by 25% in 2023/24 for one year only and that the situation would be reassessed in the light of actual utilities bills.

The increases for heating are significant and could be staged.

However, this runs the risk that costs will always outstrip income and, in the meantime, other tenants will be subsidising the heating and lighting of sheltered and Sheltered Plus tenants, which many people would argue is not fair or appropriate.

These proposals do not currently include the cost of the Independent Living Service.

Estimated average weekly service charges 2024/25						
Property designation	Communal lighting 23/24	Communal lighting 24/25	Communal cleaning 23/24	Communal cleaning 24/25	Heating 23/24	Heating 24/25
General needs	£1.04	£1.56	£2.30	£2.45	£0 (1 exception at £3.83)	£0 (1 exception at £19.52)
Hostel	£7.28	£12.18	£10.81	£11.31	£10.93	£18.60
Non-sheltered older persons' accommodation	£1.04	£1.56	£2.30	£2.45	£0 (4 exceptions at £3.83)	£0 (4 exceptions at £19.52)
Sheltered	£4.62	£4.78	£4.64	£4.61	£8.66	£13.15

3. **What do you think about these proposals?** * Please tick one box only

Support Object Neither

3a. **Please tell us why:**

Garage rent

The garages the council lets or rents out are part of the HRA.

In February 2022, the council adopted the HRA Garage Management Strategy to maximise rental income.

This approach aims to do this by:

- adopting a commercial approach to setting garage rent level
- increasing garage rents by at least £1.50 per week from 2022/23
- benchmarking garage rents against neighbouring councils

The average weekly rent for garages owned by neighbouring councils is £17.95 and £16.80 per week in the private sector.

Canterbury City Council's standard garage rent in 2023/24 is the lowest in east Kent at £11.22 per week.

On the evidence of the benchmarking comparisons, it's recommended to increase garage rents by £1.50 per week.

4. **What do you think about this proposal?** * Please tick one box only

Support

Object

Neither

4a. **Please tell us why:**

5. **Do you have any other comments on our proposed Housing Revenue Account budget for 2024/25?**

Corporate consultations

We have several corporate consultations coming up soon and we would like to hear from you.

Which of the following corporate consultations would you like to be informed about? * Please tick those that apply

Canterbury District Local Plan

Transport Strategy

Levelling Up Fund projects

Climate Change Action Plan

Air Quality Action Plan

None

Other, please state below

If you'd like to be informed, and are happy for the council to contact you about corporate consultations, please tick the box to indicate your consent to us contacting you:

I consent to being contacted by the council

How would you like to be contacted? *

By email By post

Please provide your email address: *

Please provide your details:

Title *

First name

Surname *

Address *

Address

Town *

Postcode *

How did you find out about this consultation? * Please tick those that apply

- Email from the council
- Council Facebook post
- Council Twitter post
- Council LinkedIn post
- Council website
- Word of mouth
- Other, please state below

About you

The council has a legal duty to consider the needs of its diverse range of customers. As well as questions about our services we ask questions about you. Although you do not have to answer these questions, without this information the council will be limited in understanding whether views differ among different groups of people.

Canterbury City Council is the data controller and the only recipient of your personal data. Your personal information is processed under General Data Protection Regulations Article 6.1 (e) in the performance of an official duty. Your personal data will be stored for two years.

You have the rights to:

- Access your personal data
- Rectify or correct your personal data
- Restrict the processing of your data
- Complain to the Information Commissioner's Office

You also have the right to object to our processing of your personal data.

The appointed Data Protection Officer is Canterbury City Council's Head of Corporate Governance, who can be contacted by email at dataprotection@canterbury.gov.uk, by phone on **01227 862 175** or at the address below.

Canterbury City Council, Council Offices, Military Road, Canterbury, Kent, CT1 1YW.
Phone: **01227 862 000**. Web: www.canterbury.gov.uk

Please provide your postcode:

What age are you? Please tick one box only

- | | |
|-----------------------------------|--|
| <input type="checkbox"/> Under 18 | <input type="checkbox"/> 55 to 64 |
| <input type="checkbox"/> 18 to 25 | <input type="checkbox"/> 65 to 74 |
| <input type="checkbox"/> 26 to 34 | <input type="checkbox"/> 75 to 84 |
| <input type="checkbox"/> 35 to 44 | <input type="checkbox"/> 85 and above |
| <input type="checkbox"/> 45 to 54 | <input type="checkbox"/> Prefer not to say |

What gender are you? Please tick one box only

- Male
- Female
- Prefer to self-describe (for example, non-binary, gender fluid etc), please provide further details below if you wish
-
- Prefer not to say

Do you consider yourself to be disabled? Please tick one box only

- Yes
- No
- Prefer not to say