

REPORT TO: HOUSING, DUNDEE CONTRACT SERVICES AND ENVIRONMENT SERVICES COMMITTEE - 25TH OCTOBER 2010

REPORT ON: NEW BUILD COUNCIL HOUSE PROGRAMME - RENT POLICY

REPORT BY: DIRECTOR OF HOUSING

REPORT NO.: 629-2010

1. PURPOSE OF REPORT

- 1.1. The purpose of the report is to advise Committee on the rent levels for the houses in Council's new build programme.

2. RECOMMENDATIONS

- 2.1. It is recommended that Committee note the rent levels for these properties set in accordance with the Council's Rent Setting Policy.

3. FINANCIAL IMPLICATIONS

- 3.1. Provision has been made within Housing Revenue Capital Plans for the necessary capital expenditure funded through prudential borrowing.

4. MAIN TEXT

- 4.1. Report No. 624-2007 (10th December 2007) agreed the provision of 135 new build Council houses. Thirty three properties have been purchased from the open market and there are sixty nine properties now on site in the Council's new build programme.
- 4.2. Dundee City Council Housing Rents are calculated using the Gross Annual Value (GAV) allocated to each property. The GAV is a monetary value which was given independently to each property by the Assessor's Department in 1986. Each year rents are increased in accordance with the annual rent increase by applying an up-rating to the Gross Annual Values for each property. Weekly rents are charged at 1/48th of the annual rental figure.
- 4.3. The Housing (Scotland) Act 1987, Part XI, Rents and Service Charges, Section 210, Rents for public sector housing states that a local authority may charge such rents as they determine for the tenancy or occupation of houses provided by them. Tenants in local authority housing are eligible for housing benefit and housing benefit entitlement will be calculated on the basis of individual household circumstances and incomes.

- 4.4. GAV equivalent rents for the new build properties have been calculated by City Development representing the Assessors original classifications modified to reflect modern building methods, modern amenities and energy efficiency resulting in a 25% uplift in GAV. Rents for the new build properties are detailed below. Rents for the properties asterisked are higher due to these being large family houses adapted for wheelchair users.

| House Type | Bedrooms | GAV | Weekly Rent £ |
|--|----------|-------|------------------|
| Flat | 2 | 868 | 78.93 |
| Flat | 3 | 956 | 86.94 |
| Flat | 3 | 981 | 89.21 |
| Semi detached house | 2 | 1,238 | 112.58 |
| Semi detached house | 3 | 1,375 | 125.04 |
| Semi detached house | 3 | 1,562 | 142.04 |
| Detached house | 3 | 1,500 | 136.41 |
| Detached house | 4 * | 1,718 | 156.23 |
| Detached house | 5 * | 2,062 | 187.51 |
| Semi detached bungalow wheelchair adapted | 2 | 1,438 | 130.77 |
| Detached bungalow wheelchair adapted | 2 | 1,531 | 139.23 |
| Detached bungalow wheelchair adapted | 3 | 1,656 | 150.59 |

* Denotes large wheelchair adapted houses.

5. **POLICY IMPLICATIONS**

- 5.1. This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti Poverty, Equality Impact and Risk Assessment. There are no issues.

6. **CONSULTATIONS**

- 6.1. The Chief Executive, Depute Chief Executive (Support Services), Director of Finance, Assistant Chief Executive and all other Chief Officers have been consulted on this report. No concerns have been expressed.

7. **BACKGROUND PAPERS**

7.1. None.

Elaine Zwirlein
DIRECTOR OF HOUSING

October 2010