



Rent consultation 2025 – 2028

Have your say on rent!

When setting our rents, we want to make sure that we meet our duties to you, respond to your priorities and maintain high levels of service delivery. As a key part of this, we are carrying out our statutory consultation with tenants on what level of rent is set from April 2025.

This year, we are consulting on a rent increase, each year, for the next three years. This will offer both you and us certainty on what the rent increase will be from 2025/26 to 2027/28. It will also help us with planning the investment in our housing stock and communities while making sure we can continue to provide value for money in the services we deliver to you.

To help you make an informed decision on the proposed rent increase, we have included information on:

- ✓ why we are consulting on a rent increase.
- ✓ how we use your rent.
- ✓ the investment priorities and current commitments which are used in planning rent levels.
- ✓ our rent levels and how they compare with other landlords.
- ✓ different options for you to consider and choose from.

Why are we consulting on the rent increase?

We have a legal duty to consult with tenants affected by the increase and consider their views. We also have to make sure that we meet the Scottish Social Housing Charter aims and outcomes, which expect social landlords to set rents and service charges in consultation with their tenants and other customers. This is to make sure that:

- a balance is struck between the level of services provided, the cost of the services and how far current and future tenants can afford them.
- tenants get clear information on how their rent and other money is spent, including details of individual items spent above thresholds agreed between landlords and tenants.

We are contacting our tenants and registered tenant organisations and asking for their views on the rent increase proposals.

Why your opinion on the rent increase is important

By taking part in our consultation, your views will help shape and agree our rent strategy and the wider housing service for the next three years. This helps us plan ahead when considering what we can spend and invest in.

We know the decisions we make about your rent and how we spend the money we collect is extremely important. When considering future rent levels, we are committed to:

- keeping our rents as affordable as possible;

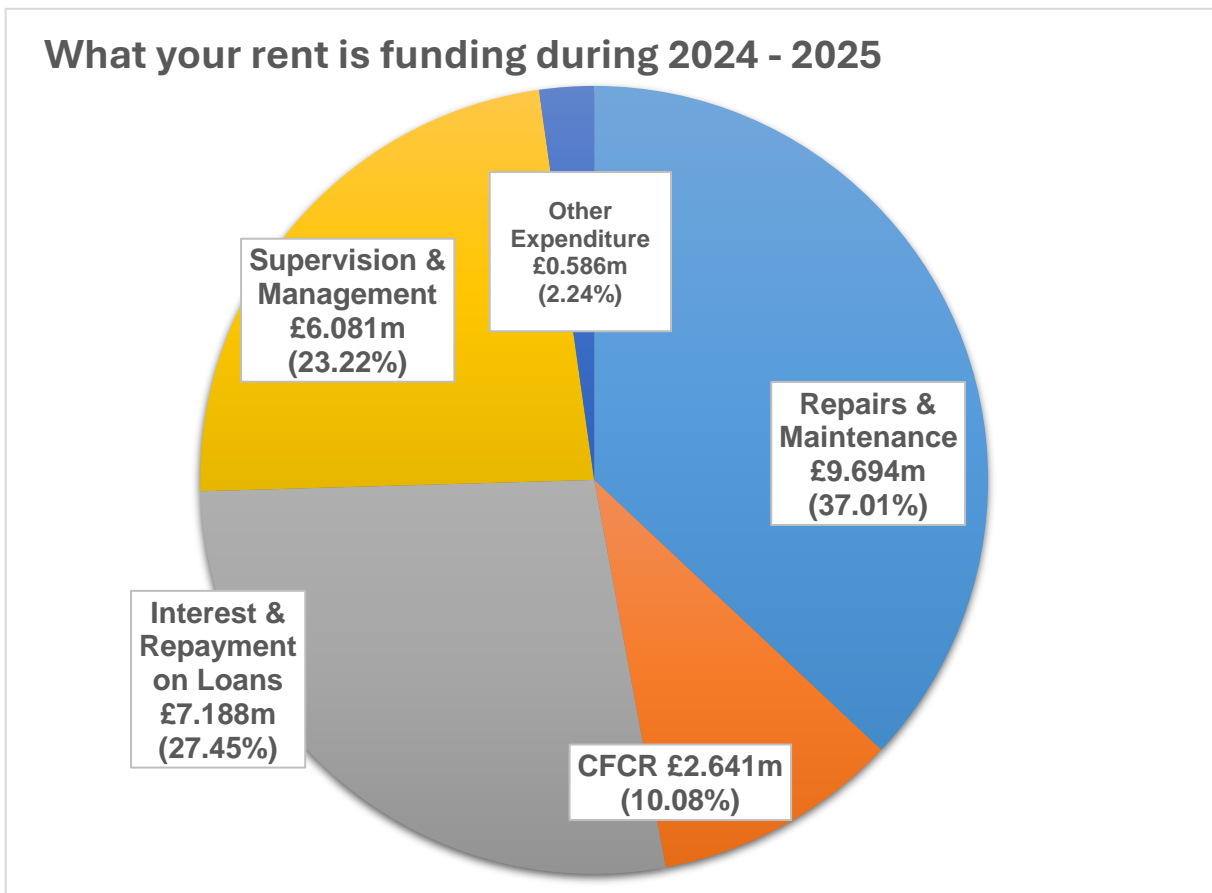
- making sure that services and levels of investment are maintained to meet legal standards and commitments agreed with tenants; and
- delivering tenant priorities to achieve a high level of tenant satisfaction.

We need to find the right balance between affordable rent and the need to cover the cost of providing services to you while continuing to invest in our housing stock. Your feedback could affect the amount of rent you pay in the future and the level of money we have to invest in our service.

How we use the rent you pay

Our rent levels directly affect how much money we have to spend on housing investment, priorities and commitments. Every penny we collect from rent goes back into improving and delivering our housing stock, services and tenant priorities.

All rent is held in the Housing Revenue Account (HRA) which is ring fenced money. This means it can only be spent on housing services. The HRA records all spending, investment and income related to running our housing stock, services and / or facilities provided to our tenants. By law, we must balance the HRA each year. We are reviewing and setting the HRA budget plan. To do this we consider how much income we expect to collect from rent, and any other income, against the cost of delivering the housing service. For 2024/25 the total of £26.19 million included the management, maintenance, upgrading of and repairs to council housing stock, repaying borrowing for previous investment and funding new build housing.



* Capital Funded from Current Revenue (CFCR) is used to fund future capital works which pays for heating, kitchen and window replacements and so on.

Our current investment priorities and commitments

The three-year rent strategy will help us to invest in priority areas. Our Housing Investment Plan sets out our investment priorities, identified by tenants through the recent tenant survey, as well as regulatory upgrades which we must meet.

A key aim of our investment programme is to make sure that our houses meet the Scottish Housing Quality Standard (SHQS) and the Energy Efficiency Standard for Social Housing (ESSH). All social housing landlords must make sure that their stock meets the second stage of ESSH by 2032. This will help make tenants' homes warmer, help reduce tenants' energy costs and help prevent and reduce fuel poverty.

To meet these standards, we have been carrying out extensive remedial and improvement works which were identified as priorities by our tenants. These include insulation (internal, external and loft top up), heating upgrades, bathroom and kitchen upgrades and window replacements. The total spend for this year is set out in the table below.

As well as energy efficiency measures to homes, we will continue to make sure that they are safe and meet the legal landlord requirements.

Our current spending commitments are:

The table below shows you the increasing amounts that we have spent on these key improvements in recent years. A current priority is the ongoing programme of accelerated investment which is targeted at properties in most need.

	2020 – 2021	2021 – 2022	2022 – 2023	2023 – 2024	2024 – 2025
Improvement Spend	£2,596,555	£5,100,000	£7,514,000	£10,678,000	£16,942,000*

*expected spend by end of financial year

Why do we need to increase rent?

We are currently facing significant financial pressures along with ongoing increases in costs. For example, the cost of materials, supplies and labour needed to repair, maintain, and upgrade tenant homes along with increasing energy costs.

As a responsible landlord, we plan ahead to make sure we will have enough income to provide homes that meet the standards set out by the Government while delivering improvements and supporting our tenants.

To meet this level of investment and improvement, our business plan requires that we increase the rent by at least 6% every year over the next five years and then by inflation plus 1%. Any less will mean we would need to reduce our spending on investment to our properties and the services we provide. This would lower the quality of our homes and mean we couldn't support our tenants in the same way to stay in their homes.

Your rent and affordability

We are committed to keeping our rent levels as affordable as possible for our tenants and potential tenants whilst continuing to deliver your priorities and meeting high

levels of tenant satisfaction. You can read more about this in our [Annual Performance Report](#).

Last year, we restructured how we charge our rents so that they are fairer for our tenants. It means that similar homes with similar characteristics and amenities are charged a similar rent. The table below shows you our average weekly rents by property size for 2024 – 2025.

Size	Our average weekly rent 2024 – 2025
Bedsit	£49.58
1 bedroom	£66.32
2 bedrooms	£73.58
3 bedrooms	£88.91
4 bedrooms	£107.46
Overall	£75.77

(average weekly rent over 52 weeks)

A key part of reviewing our business plan is to make sure that rents remain affordable now and in the future. Keeping rents as affordable as possible is a key objective for social landlords. When assessing if our rents are affordable, we have:

- compared our rents with other social landlords, housing associations and other tenure types; and
- considered rent and income ratios along with a range of income, wage and salary benchmarks.

Our rent levels and how they compare with other landlords

Our rents remain the lowest nationally when compared to all Scottish local authorities. Our average rents are lower than any of our peer local authorities and local operating housing associations. They are also significantly lower than Local Housing Allowance (LHA) which is used to work out how much Universal Credit or Housing Benefit tenants would get if they rented from a private landlord.

Please see the table below showing how our recent rent levels compare with other social landlords and that our rents continue to be amongst the lowest in Scotland.

Neighbouring council average weekly rents

	Average weekly rents		
	2022 – 2023	2023 – 2024	2024 – 2025
Moray Council	£65.13	£67.50	£75.77
Aberdeen City	£81.94	£86.18	£90.92*
Aberdeenshire	£90.48	£95.08	£98.82*
Angus	£75.46	£78.68	£87.76*
Highland	£82.55	£85.89	£93.99*
National local authority average	£81.03	£84.31	£90.28*

(*estimated average weekly rent over 52 weeks based on ARC data)

Neighbouring housing association average weekly rents

	Average weekly rents		
	2022 – 2023	2023 – 2024	2024 – 2025*
Grampian HA	£103.17	£104.44	£115.41
Langstane	£91.25	£95.97	£111.89
Osprey	£92.30	£95.52	£113.93
National housing association average	£94.55	£99.71	£104.82

(*estimated average weekly rent over 52 weeks based on ARC data)

Rent setting options

We are asking you to consider and choose from the two following increase options. Either option will mean that our average weekly rent will continue to be less than the average weekly rent for both neighbouring local authority landlords and locally operating Registered Social Landlords (RSLs). We expect our average weekly rent will still be amongst the lowest of social landlords in Scotland.

Option One – 6% increase

2024 – 25	2025 – 2026		2026 – 2027		2027 – 2028	
Current average weekly rent	Average weekly increase	Average weekly rent	Average weekly increase	Average weekly rent	Average weekly increase	Average weekly rent
£75.77	£4.55	£80.32	£4.82	£85.14	£5.11	£90.25

*Please note that the figures above are averages and may vary slightly in individual cases that receive transitional relief due to the implementation of the Rent Setting Policy from 1 April 2024.

What will Option One offer?

Option One will provide enough funding to meet the cost of delivering the housing service and maintain both the current and proposed levels of funding needed to deliver the housing investment programme and continue to deliver on key service priorities. This includes:

- housing management and tenancy sustainment
- meeting our statutory requirements
- reducing the number of households in fuel poverty
- ongoing investment in our existing stock and delivering new affordable housing
- continued investment in our environmental improvement programmes

Although this option does generate funding, it doesn't guarantee any flexibility should there be more unexpected or increased costs. Such costs may mean we have to reduce investment in other areas, such as bathroom or kitchen improvements.

Option Two – 7% increase

2024 – 25	2025 – 2026		2026 – 2027		2027 – 2028	
Current average weekly rent	Average weekly increase	Average weekly rent	Average weekly increase	Average weekly rent	Average weekly increase	Average weekly rent
£75.77	£5.30	£81.07	£5.68	£86.75	£6.07	£92.82

*Please note that the figures above are averages and may vary slightly in individual cases that receive transitional relief due to the implementation of the Rent Setting Policy from 1 April 2024.

What will Option Two offer?

Option Two will make sure that we have enough resources to provide the level of service outlined in Option One above, but in a shorter time. In addition, it will generate additional income that we will use to meet the Energy Efficiency Standard in Social Housing more quickly. For example, it will allow us to deliver an accelerated kitchen and bathroom improvement programme.

How you can tell us what you think

As a tenant, it is very important that you have your say on the rent we charge you, even if you get help to pay your rent. Please consider the options and the impact they would have on the level of investment in your home, your neighbourhood and the housing services that we provide.

We have written to tenants and included a link (in an email) or QR code (in a letter) which takes you to our online survey. It will only take you a few minutes to fill in. If you need help to fill in the survey, please contact us by phoning 0300 123 4566 or emailing housing@moray.gov.uk.

To ask for a paper copy of the survey, please email housingpolicy@moray.gov.uk or phone 0300 123 4566. Please fill in the survey and return it to us before the closing date.

Impact of the Rent Setting Policy

Many tenants will only be subject to the agreed increase. However, some tenants will be subject to changes in their rent due to the [Rent Setting Policy](#) which was introduced earlier this year.

To reduce the impact on our tenants, the policy is being phased in to make sure that the largest increase or reduction in rent due is limited to £7.50 per week. This is separate to any agreed rent increase which we are consulting on. This means that:

- some tenants rent may increase as it adjusts to the amount set by the [Rent Setting Policy](#) and it will further increase by the amount agreed following this consultation.
- some tenants rent may reduce as it adjusts to the amount set by the [Rent Setting Policy](#), but it will increase by the amount agreed following this consultation.

Tenants in financial hardship

Tenants in financial hardship can get help by contacting their Area Housing Officer and / or get enhanced support from Welfare Benefits and Money Advice Teams. This helps maximise their income and address any debt or budgeting issues.

On Housing Benefit? You will be protected from the increase.

On Universal Credit? You will need to tell the DWP of the increase (and will then be protected).

If you are on a low income, you can use one of the following independent benefit calculators to see if you qualify for any additional support.

- [Entitledto](#) calculator
- [Turn2us](#) calculator
- [Policy in Practice](#) calculator

What will happen when the consultation ends?

The consultation ends on Friday 3 January 2025. We will use your feedback to prepare a report to Elected Members who will decide the level of rent increase for 2025 – 2028 at the meeting of Moray Council in February 2025.

When a final decision has been made, we will write to tenants and give at least four weeks' notice before we make any changes to the amount of rent they pay.

How we use your personal information

We will use the personal information you give us to find out if you would like additional support from our services, or to let us to pick a winner for our prize draw. Your personal information will not be disclosed to third parties unless required by law. You can read more in our Feedback Form and Satisfaction Surveys Privacy Notice at www.moray.gov.uk/housingprivacynotices.