



We Are Seeking Your Views on Our Annual Rent Review 2020/2021



Rent Review 2020/2021: Consultation Document

Every year, the Association consults with our tenants on our proposed rent increase and at the end of February 2020, the Management Committee will consider feedback from service users when considering the level of increase to be applied.

This year, the rent consultation period will run from **Friday 10th January 2020 to Friday 14th February 2020.**

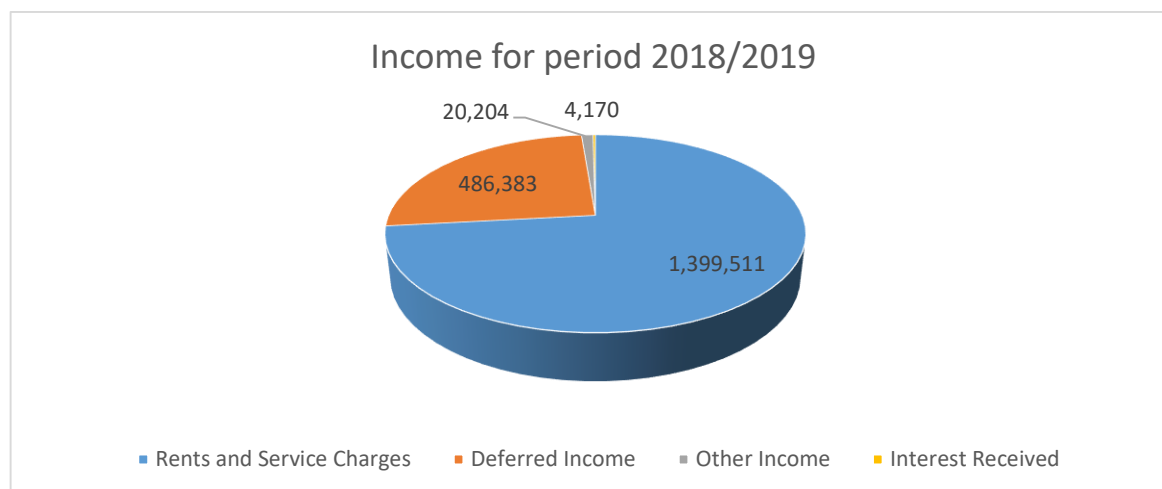
Our Approach to Setting Rents

Before deciding by how much rents might change, the Association prepares a budget for the year ahead. When setting a budget, we need to take account of many things, including the following: -

- Day to day repairs costs for the houses
- Planned maintenance costs, e.g. gutter cleaning, annual gas safety checks etc.
- Planned renewal works including new kitchens, new bathrooms and new fascia boards and gutters
- Mortgage costs, Bank interest and taxes
- Salary costs including pensions and national insurance
- Property and other insurances
- Office costs e.g. rent, heat and power and cleaning
- Affiliation fees to other organisations
- Legal fees and other professional fees
- Staff and Committee training
- Day to day running costs e.g. stationery, telephone, postage, photocopier charges
- Fixed assets e.g. computer systems, office equipment, maintenance etc.

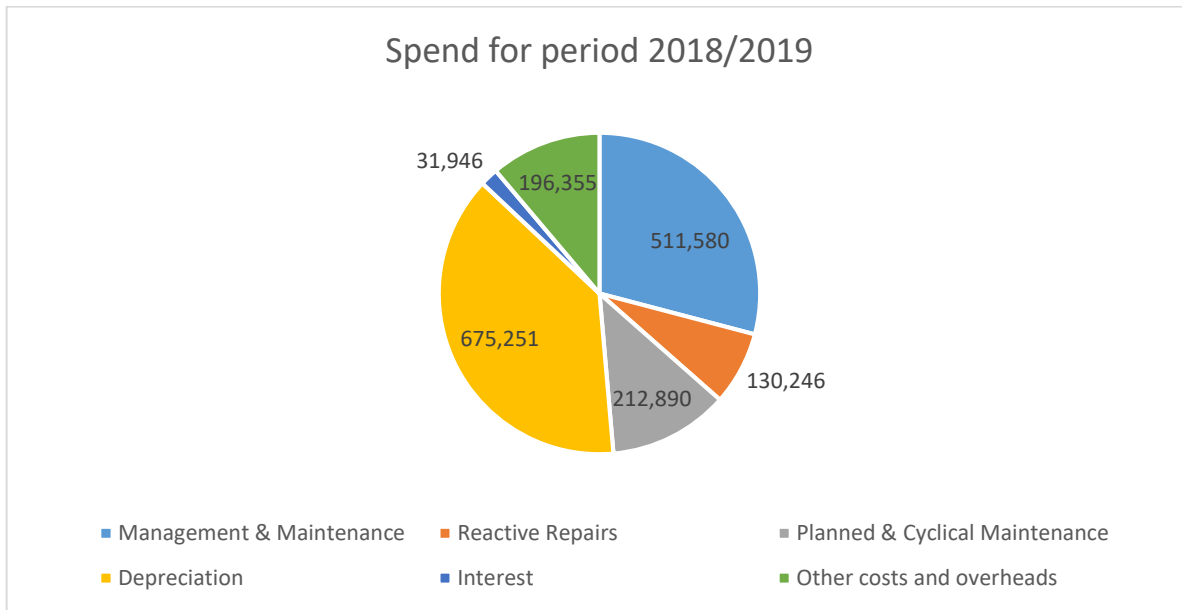
Income

The majority of the Association's Income comes from rents and service charges. Other sources of income come in the form of Bank interest and Factoring fees. Our Income for the period **2018/2019** is detailed in the chart below:



Once we have identified all areas of expenditure and income, we determine how much money we have at our disposal in order to fund all of our activities for the year.

This is how we spent your rent money during 2018/2019:



Our expenditure also includes the following services:

- Estate Management – A caretaking service that helps to maintain the upkeep of the estate, and involves, clearing of paths, grass cutting, bulk uplift, gritting services during the winter period, taking bins out in certain closes and maintenance of shrubs and hedges.
- Close Cleaning Services – this service is carried out weekly by our Contractor, Caledonian Services

In the year to 31 March 2019, the Association turnover was **£1,906,098** and a surplus of **£152,000** was recorded, increasing reserves to **£4,457,920**.

Affordability

We are aware that tenants are facing financial uncertainty for a variety of reasons like rising costs, low wages, welfare reform changes etc. However, it is imperative that we cover the costs of the services that we provide and have enough income to meet the cost of delivering good quality accommodation and housing services.

It is important that rent is paid on time and in full to ensure that these services continue.

If you need support or advice about paying your rent, or your entitlement to benefits, please contact our office on 01389-877924.

The Viability of the Association

Every year we are required to cover our costs and ensure that we have adequate funds available for future maintenance costs when we have to replace things like heating systems, renew kitchens, windows etc. There would be little point if we were to cut rents only to find that in a couple of years time we had to agree huge rent rises to compensate.

We must ensure that we can cover our costs and are not spending more than we can afford to year after year.

How do our rents compare to other Housing Associations?

We must also try to ensure that our rents are “comparable” with those of similar sized housing associations. Each year comparability figures are gathered and a report is presented to our Management Committee. The Scottish Housing Regulator published our rent comparability figures against the Scottish average for the period 2018/2019.

Size of Units	No of Units	Current avg rent Charge	Scottish avg weekly rent charge
2 Apartment	57	£74.77	£76.10
3 Apartment	137	£81.67	£77.70
4 Apartment	115	£86.24	£84.44
5 & 6 Apartment	23	£88.23	£93.49

Comparison information is available on the Scottish Housing Regulator website: www.scottishhousingregulator.gov.uk

Proposed Rent Increase

The Association’s long-term projections and 5 yearly budgets are based on rent increases of 0.05% above the rate of inflation (RPI). Unfortunately, due to increased running costs and a rise in inflation, the Association has no option but to increase rents to cover these costs and to ensure our long-term viability.

For 2020/2021, we are proposing an average increase of 2.6%, which is the minimum required to avoid impact on our current service provision.

This increase has been determined as RPI of 2.1% at October 2019 + 0.5%.

To ensure that our residents are fully informed, we have provided a breakdown for your information showing the calculation in monetary terms and how this will affect your weekly rent charge.

Figures shown are average rent charges and not individual charges.

Average Weekly Rents: 2019/2020

Size of Units	No of Units	Current avg Weekly rent	Proposed 2.6% Increase	New avg weekly rent charge
2 Apartment	57	£77.19	£2.01	£79.20
3 Apartment	137	£84.05	£2.19	£86.24
4 Apartment	115	£88.83	£2.31	£91.14
5 & 6 Apartment	23	£90.79	£2.36	£93.15

There are various ways that you can consult with us on our proposal:

- Complete and return the attached pro-forma
- Visit our website at: www.faifleyha.co.uk and complete the 'Contact Us' page
- Text us on: 07797800658
- Visit our offices at the Skypoint Centre
- Email us at: enquiry@faifleyha.co.uk
- Attend a drop in session at our offices on **Monday 20th January 2020** from **10am to 12.30pm** or **Monday 27th January 2020** from **2.30pm – 6pm** to discuss our proposals.

Please come along and staff can answer any questions you may have about your rent, what it pays for and discuss any concerns you have about the affordability aspect.

Do You Have a View on This Year's Proposed Rent Increase?

If you wish your view to be taken into account, you may wish to let us know by completing the box below and returning this pro-forma to the Association's offices at the Skypoint Centre, Lennox Drive, Faifley, Clydebank, G81 5JY, or, by any of the methods detailed above.

Please return the completed form in the enclosed stamped addressed envelope no later than **Friday 14th February 2020**

Do you agree with our proposal to apply an average 2.6% increase? Yes No
(please circle)

If not, what do you consider a reasonable increase? -----% £ ----- per week

What services are most valuable to you and should be prioritised?

Are there any services which should be reviewed to deliver savings?

Any other comments?

Name:-----

Address:-----

Tel No:-----

Date:-----

We will enter all respondents into a prize draw for a £25.00 voucher so make sure you enter your name, address and telephone number to ensure you don't miss out!