



ACHA - Putting Our Tenants and Our Communities First

RENT SETTING CONSULTATION  
2021 / 22



# RENT SETTING CONSULTATION 2021/22

## Why rent setting is so important

Our aim is simple; to improve, develop and manage quality affordable homes across Argyll and Bute. Like other registered social landlords, we are a not-for-profit organisation. This means that the money collected from rent is invested in maintaining and improving tenant’s homes and managing our housing.

## Supporting the business plan

We are committed to supporting our tenants, both current and future, to access affordable housing in their local area. Our rent strategy is a central part of the business planning process, with all registered social landlords required to produce a 30 year business plan. We use this as a planning tool which demonstrates financial viability in terms of our ability to keep providing our key services, with a focus on providing first class services to all our tenants whilst continuing to improve the quality of all of our homes through capital investment. This capital spend includes significant investment in all of our homes to meet the Energy Efficiency Standard for Social Housing (ESSH). There is a new build development programme and this is partly paid for by grants, with the net cost met by borrowing. This is then paid for through rents over the lifetime of the houses. Rents are our main source of income and a key factor in what we can spend on services in future years.

## How satisfied are ACHA tenants?

The Scottish Housing Regulator collects information on how satisfied tenants are with the services they receive from their landlord. The data below relates to 2018/19 (the most recent year information is available for):

ACHA tenant satisfaction compared to Scottish average 2018/19	ACHA Tenant Satisfaction	Scottish Average Satisfaction
Satisfied rent represents value for money	90%	83%
Satisfied with overall service provided	89%	90%
Satisfied with repairs service	98%	92%
Satisfied with management of neighbourhood they live in	82%	88%
Satisfied with standard of home when moving in	97%	91%
Satisfied with the quality of their home	85%	88%

We are pleased that tenant satisfaction with ACHA is higher than the Scottish average in a number of areas, but there is scope to improve satisfaction levels related to management of neighbourhoods and the quality of homes.

## How well does ACHA perform?

The Scottish Housing Regulator collects information on how well social landlords perform. The table below sets out ACHA's performance in 2019/20 against the Scottish average for 2018/19 (the most recent data available for the Scottish average) on a range of key aspects of performance.

ACHA performance 2019/20 compared to Scottish average 2018/19	ACHA Performance 2019/20	Scottish Average Performance 2018/19
Time to complete emergency repairs	2.54 hours	3.65 hours
Time to complete non emergency repairs	7.68 days	6.58 days
Repairs completed right first time	85%	93%
Anti social behaviour cases resolved	95%	88%
Time taken to relet houses	35.69 days	31.89 days
Houses that became vacant during the year	9.76%	8.56%
Tenancy offers refused during the year	28%	36%
Gross rent arrears at financial year end	3.11%	5.66%
Percentage of houses meeting SHQS	56.93%	94.09%
Percentage of houses meeting EESSH	64.10%	97.89%

ACHA performs well in relation to emergency repairs, rent arrears, antisocial behaviour cases and tenancy refusals. There are some improvements to be made to achieve the Scottish average for non emergency repairs, right first time repairs and time taken to relet houses. The greatest areas for improvement are in relation to meeting SHQS and EESSH, both of which require significant investment in the housing stock.

## How do ACHA's finances look?

The table below summarises some key financial information on cost per house for ACHA, compared to the Scottish average.

ACHA finances 2018/19 compared to Scottish average 2018/19	ACHA Expenditure 2018/19 £	Scottish Ave Expenditure 2018/19 £
Management & maintenance admin per house	1,400	1,304
Repairs & maintenance per house	1,184	1,092
Improvement to existing houses per house	1,941	781
Interest per house	331	567
Borrowing per house	10,162	15,486

ACHA spends around 8% more than the Scottish average on management and maintenance administration, and repairs and maintenance. Interest is around 40% less than the Scottish average due to borrowing per house being lower. ACHA spends more than double the Scottish average on improvements to existing houses. It is this expenditure which will improve the quality of the housing stock, quality of local neighbourhoods and bringing our houses up to SHQS and EESSH standards.

The current level of expenditure on ACHA houses, estates and on housing management services has a direct impact on areas that tenants have told us are important to them – improvements to houses, satisfaction of repairs, emergency repair times and improvements on dealing with antisocial behaviour. Work on improving relet times and rent arrears ensures that we minimise lost income.

## How do ACHA rents compare?

Compared to the average weekly rents for all other Registered Social Landlords (RSLs) in Scotland our rents remain lower. Our average weekly rent for 2018/19 was £83.60 in comparison to the average for all RSLs of £85.17 (this figure includes all applicable service charges as well as basic rent). This is the most recent benchmarking information we have on rents currently due to Covid-19 delays in the Scottish Housing Regulator publishing the Annual Return on the Scottish Social Housing Charter.

## How affordable are ACHA rents?

The table below shows weekly rent expressed as a percentage of earnings based on different household makeups and house sizes. Earnings are based on the living wage. Apartment size, referred to in the table, is used by the Scottish Housing Regulator to report on within the Annual Return on the Scottish Social Housing Charter. This is based on a count of the number of bedrooms in addition to the living room (i.e. a 2 Apt is a one-bedroom dwelling with a living room)

Household Makeup	House size	Rent as % of Income
Single person	2 or 3 apartment	29% to 30%
Couple no children one full/one part time	2 or 3 apartment	19% to 20%
Couple with no children both full time	2 or 3 apartment	15% to 16%
Couple with 2 children	3 or 4 apartment	14% to 15%
Couple with 3 children	4 or 5 apartment	14% to 15%
Single parent with 1 child	2 or 3 apartment	21% to 22%
Single parent with 2 children	3 or 4 apartment	18% to 20%
Single pensioner	2 or 3 apartment	25% to 26%
Pensioner couple	2 or 3 apartment	19% to 20%

From the table above ACHA rents are generally between 14% to 16% of household income. However this is higher for single persons (29% to 30%), single parents (18% to 22%), pensioners (19% to 26%) and couples with no children and one partner employed part time (19% to 20%). When compared to the average for Argyll and Bute as a whole rent levels as a % of income based on the living wage for ACHA (as per table above) are in line with or marginally more affordable by around 1%.

## What are the proposals for rents?

Previously ACHA have consulted on rent increases linked to the Retail Price Index (RPI)+1%. The published information relating to September 2020 shows RPI at 1.1%. This would have previously meant consulting on rents at 2.1%. The annual increase in the Consumer Price Index (CPI) at September 2020 was 0.5%. The current ACHA business plan assumes an increase in rents of 3.0% for 2021/22.

- A rent increase of 3.0% would help preserve ACHAs assumed level of income and the planned investment in existing houses.
- A rent increase, for example, of RPI+1% (2.1%) would result in around £207,000 less for ACHA to spend on repairs and maintenance and invest in improving the quality of existing houses (based on our current business plan), but is subject to any potential price increase in the cost of contracts and materials.

Our currently approved business plan assumes a 3% rent increase for 2021/22. This will allow us to invest £15.91 million in repairs, maintenance and improvement to our housing stock and estates. A rent increase of 2.5% would reduce the amount available to invest in these houses by £117,000, whilst an increase of 2.0% would reduce the amount available to invest by £234,000.

ACHAs business plan is a long term one looking forward over 30 years. For the next 3 years it assumes rent increases of 3.0%, 3.2% and 3.15%. This will allow a total investment in repairs, maintenance and improvement to our housing stock and estates of £48.11 million over that 3 year period. Lower rent increases of 2.5%, 2.7% and 2.65% would reduce the amount invested over the 3 years by £744,000.

Considering all of the above ACHA will consider increases between 1.5% and 3.0% as part of our budget and rent setting process.

## Who decides and when will ACHA agree the annual rent for 2021/22?

ACHA's Board of Management will consider all views and comments we receive, together with the financial implications, at its meeting on 4th February 2021. You will be advised of any changes to your rent by the end of February 2021. Any change to your rent will be applied with effect from Monday 5th April 2021.

## Your Feedback

We want your views – please tell us what you think by completing the comments slip at the back of this leaflet. Alternatively, email us at [rentconsultation@acha.co.uk](mailto:rentconsultation@acha.co.uk) or go to our website and submit your comments via our online survey at [www.acha.co.uk](http://www.acha.co.uk). The consultation will close on Friday 18th December 2020.

# RENT CONSULTATION RESPONSE 2021/22

Please complete the questions below and then follow the instructions at the end for returning the consultation. Your views do count so please take the time to complete the questionnaire.

Thank You

Name: ..... Tel:.....  
 Address: ..... Email: .....  
 ..... HH/HT Ref:  
 ..... (if known).....

<b>Question 1 - Did you understand the different sections of the rent consultation leaflet?</b> Please circle your response		
Why rent setting is so important	Yes	No
Supporting the business plan	Yes	No
How satisfied are ACHA tenants?	Yes	No
How well does ACHA perform?	Yes	No
How do ACHA's finances look?	Yes	No
How do ACHA rents compare?	Yes	No
How affordable are ACHA rents?	Yes	No
What are the proposals for rents?	Yes	No
Who decides and when will ACHA agree the annual rent for 2021/22?	Yes	No
<i>Please add any comments to say how you think we could make these sections of the rent consultation easier to understand:</i>		
<b>Question 2 - In overall terms did you find the contents of the rent consultation leaflet helpful? If no please add a comment below (particularly if there is information you would like to see included within this document in the future)</b>		
	Yes	No
<b>Question 3 – In future, would you prefer ACHA to have longer term certainty on future rent levels (for example, ACHA giving indicative rents for up to 3 years)? Please add any further comment on this below.</b>		
	Yes	No

# RENT CONSULTATION RESPONSE 2021/22

Question 4 – Please rank the following in order of importance and scope for ACHA to improve, from 1 to 5 (1 being most important and 5 least important). Use all 5 numbers 1,2,3,4 and 5.	Rank - Importance	Rank – Scope to Improve
Work to maximise rental income through reducing rent arrears and improving relet times to reduce rent loss on empty properties.		
How we manage your local neighbourhood including estate management and tackling anti social behaviour		
How well we carry out emergency repairs to your property		
How well we carry out non emergency repairs and planned maintenance to your property		
The overall condition of your house and the programme of investment ACHA have to meet the required standards (SHQS and EESSH)		
<p><b>Question 5 -</b> Would you be prepared to become more involved in the running of the organisation and the development of services, through any of the following (by circling Yes you agree to ACHA contacting you with further information?)</p> <p style="text-align: right;">Please circle your response</p>		
- Joining the Tenant Consultation Register	Yes	No
- Becoming a member of ACHA for just £1 for life and attending our Annual General Meeting	Yes	No
- Becoming a governing body member – at board or area committee level	Yes	No
- Becoming a member of a local Registered Tenant Organisation- ACHA currently supports two such groups, one in Cardross and the other in Campbeltown	Yes	No
- Joining “Your Voice” tenant scrutiny group	Yes	No
- Taking part in consultation and other surveys	Yes	No
- Attending our Tenant and Member Conference	Yes	No
<p><b>Question 6 –</b> How did you first hear about our 2021/22 Rent Consultation? Please circle:</p> <p style="text-align: center;"> <input type="radio"/> Post                      <input type="radio"/> Email                      <input type="radio"/> Facebook                      <input type="radio"/> Tenant Newsletter         </p> <p>- Other: (Please specify) _____</p>		

There are a number of ways to complete and send us your response to this consultation. You can email the completed form to us at [rentconsultation@acha.co.uk](mailto:rentconsultation@acha.co.uk) or go to our website at [www.acha.co.uk](http://www.acha.co.uk) and, using the link provided, submit your response via our online survey.

Alternatively, you can complete this form and post it directly to us at the following address

**Director of Finance and IT,  
Argyll Community Housing Association,  
Dalriada House,  
Lochgilphead PA31 8JL**