



ACHA - Putting Our Tenants and Our Communities First

RENT CONSULTATION  
2022 / 23



# INTRODUCTION

---

Each year ACHA consults its tenants on the level of rent increase. It is important we get feedback from you, our tenants. This feedback, as well as influencing the decision on the rent increase, will also impact on our budget and the money we have available to spend, on your behalf, on the housing stock and housing services.

There are a number of issues ACHA needs to consider in setting rent levels. It is not a simple decision deciding how much to increase rents by. We need to ensure sufficient funds are available to help us deliver our obligations to you under the tenancy agreement. We need to ensure our services perform well, meet your needs and are improving. We need to invest in and maintain the quality of our houses, your homes, and meet Scottish Government standards. We need to ensure our business plan remains viable and that we can repay loans taken to invest in our houses, your homes. Importantly we need to consider how we can balance all of that with making rent as affordable as possible to you, our tenants. Not everything is under ACHAs control or influence as we respond to increasing costs, changes to housing standards and expectations, and a challenging economic backdrop whilst working out how we all operate in the new Covid world.

Help us try to get these decisions right by giving us your feedback and comments on the consultation.

# About ACHA

---

At 31 March 2021 we had 5,177 houses.

During 2020/21:

- We completed 19,000 repairs.
- We made 562 tenancy offers with 171 of those being refused and a total of 410 houses being let.
- We resolved 279 complaints of anti-social behaviour.
- 15 tenants abandoned their property without telling us that they were leaving.
- Our welfare rights staff assisted 1,337 tenants securing a gain of £4.1m for them.
- We collected 98.72% of all rent due – that's £23.000m out of £23.297m.
- We built 17 new houses. We borrow money to pay for these with the rent received paying for interest and loan repayments.
- We worked with tenants to minimise rent arrears with the amount of current tenants rent arrears at 31 March 2021 being £0.227m – around 1% of rent due.

# How we spent your rent in 2020/21

## Repairs and maintenance:

Per £1 of

We spent 32p out of every £1 of rent on repairs and maintenance.

This works out at £28.85 per week of the average weekly rent being spent on repairs and maintenance. We know that tenants value a good repairs and maintenance service. We respond to emergencies in 2.3 hours. We carry out all your annual servicing and inspection eg gas safety etc. We get it right first time 97 times out of 100 and we are delighted that 97.9% of tenants are satisfied with the repairs service.

Average  
Rent £

Weekly  
Amount £

0.32

28.85

## Investing in existing houses:

We spent 33p out of every £1 of rent on investing and upgrading the quality of our houses This works out at £29.50 per week of the average weekly rent being spent on the investment programme. The quality of your home is important to us as well as you and we know we need to do more on this. At March 2021 we still had 2058 houses to bring up to the Scottish Housing Quality Standard and 1722 houses to bring up to the Energy Efficiency Standard for Social Housing. It is also an area where our tenant satisfaction survey shows there are fewer ACHA tenants (85%) satisfied with the quality of their home than the national average (87%). We want to make sure you are satisfied with the quality of your home which is why we have set out an ambitious investment plan to continually invest in our houses. This means investing in renewing and replacing, bathrooms, kitchens, heating systems, electrics, doors, windows and external wall render. Our investment in air source heat pumps and external wall insulation make for warmer homes that are cheaper to heat. A national evaluation of air source heat pumps suggests an average saving of £600 per home.

0.33

29.50

### Staff and service delivery:

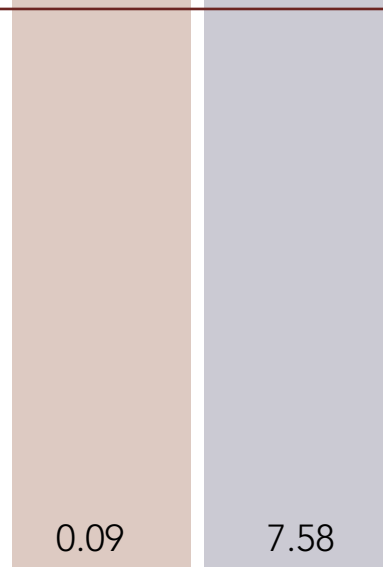
We spent 26p out of every £1 of rent on staff and service delivery. This works out at £23.41 per week out of the average weekly rent. This covers the cost of all our housing staff supporting tenants across Argyll and Bute as well as the cost of running ACHA as an organisation eg IT, HR and Finance etc



---

### Interest and loan repayments:

We spent 9p out of every £1 of rent on interest and loan repayments. This works out at £7.58 per week out of the average weekly rent. Over the years we have had to borrow money to pay for some of the cost of investing in houses and to build new houses – with the rent paid for new houses covering the interest cost and loan repayments for these to avoid them becoming a burden to existing tenants.





## Rent Increase Proposals for 2022/23

We are considering 4 options for the 2022/23 rent increase. In each case we are setting out what we estimate the rent increase would be in 2023/24 and 2024/25 to give some more information on future proposals.

### Why do we need to increase rents?

With increasing levels of inflation we expect our costs to increase. This is particularly the case with building materials and contracts where we are already seeing costs rise. This affects the cost of repairs and maintenance and also our investment programme. Our draft budget would see us spend around £16.8m in 2022/23 on repairs, maintenance and investing in existing houses. We are allowing for a pay increase to staff and an ongoing commitment to invest in IT and our office network, to help improve our service delivery to you and make us more efficient. An allowance of £7.3m has been made in the draft budget for staff and service delivery costs in 2022/23. We also expect to see a small rise in interest costs but we have fixed most of our interest rates to stop that adding too much and have allowed £1.8m in the draft budget for 2022/23. That's a total of £25.9m.

### What would happen if rents increased by less than the options proposed?

If rents increased by 1% less than the proposal in option 1 below (2.5% for 2022/23, 2.5% for 2023/24 and 2.0% for 2024/25) that would reduce ACHA's income by £1.484m over the 3 years - £236k less in 2020/23, £489k less in 2023/24 and £759k less in 2024/25. That would reduce the amount ACHA could spend on investing in existing houses meaning ACHA would only be able to afford to renew 60 fewer bathrooms, 60 fewer kitchens and 60 fewer heating systems over the 3 years. That would mean 10 fewer of each in 2022/23, 20 fewer of each in 2023/24 and 30 fewer of each in 2024/25. It would mean fewer houses meeting the Scottish Housing Quality Standard and that it would take longer to bring your homes up to the standard expected.

**Option 1** is based on increasing rents by 3.5% in 2022/23 with indicative increases in 2023/24 of 3.5% and 2024/25 of 3.0%. This will increase the average weekly rent by £3.22 for 2022/23, £3.33 for 2023/24 and £2.96 for 2024/25. This will allow us to meet estimated cost increases due to inflation. The rate of inflation has increased from 0.5% this time last year to 0.7% in March to 3.2% in August. Based on the Bank of England information it is forecast to continue to rise to 4.0% by the end of 2021. Higher levels of inflation are already affecting building supplies and investment programme contracts. This will result in increased costs to ACHA. It will allow us to fund the following over the 3 years 2022/23 to 2024/25:

- New bathrooms in 195 houses with 48 planned for 2022/23
- New kitchens in 340 houses with 77 planned for 2022/23
- New heating systems in 631 houses with 199 planned for 2022/23
- Electrical rewires in 67 houses with 52 planned for 2022/23
- Replace the windows in 744 houses with 254 planned for 2022/23
- Replacing doors in 163 houses with 46 planned for 2022/23
- Reroofing of 11 houses with 1 planned for 2022/23
- Renewing the render on 195 houses with 63 planned for 2022/23
- Installation of 269 door entry systems with 189 planned for in 2022/23
- Replacement of 264 close windows with 77 planned for 2022/23
- Investing £900,000 in environmental improvements in estate improvement of open spaces, shared gardens and back courts with £300,000 planned for 2022/23.



**Option 2** is based on increasing rents by 4.5% in 2022/23 with indicative increases in 2023/24 of 3.5% and 2024/25 of 3.0%. This will increase the average weekly rent by £4.14 for 2022/23, £3.37 for 2023/24 and £2.99 for 2024/25. In addition to everything in option 1 this will allow us to fund an extra 30 bathrooms, kitchens and heating systems over the 3 years (10 of each per annum). This would bring the total to 225 bathrooms, 370 kitchens and 661 heating systems over the 3 years with 58 bathrooms, 137 kitchens and 209 heating systems being replaced in 2022/23.

---

**Option 3** is based on increasing rents by 4.0% in 2022/23 with indicative increases in 2023/24 of 3.5% and 2024/25 of 3.0%. This will increase the average weekly rent by £3.68 for 2022/23, £3.35 for 2023/24 and £2.97 for 2024/25. In addition to everything in option 1 this will allow us to fund an extra 15 bathrooms, kitchens and heating systems over the 3 years (5 of each per annum). This would bring the total to 210 bathrooms, 355 kitchens and 646 heating systems over the 3 years with 53 bathrooms, 132 kitchens and 204 heating systems being replaced in 2022/23.

---

**Option 4** is based on increasing rents by 4.0% in 2022/23 with indicative increases in 2023/24 of 4.0% and 2024/25 of 3.5%. This will increase the average weekly rent by £3.68 for 2022/23, £3.83 for 2023/24 and £3.48 for 2024/25. In addition to everything in option 1 this will allow us to fund an extra 30 bathrooms, kitchens and heating systems over the 3 years (5 of each in 2022/23, 10 of each in 2023/24 and 15 of each in 2024/25). This would bring the total to 225 bathrooms, 370 kitchens and 661 heating systems over the 3 years with 53 bathrooms, 132 kitchens and 204 heating systems being replaced in 2022/23.

# RENT CONSULTATION RESPONSE 2022/23

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).....

<p><b>Question 1</b> - From the options set out within the Rent Increase Proposal section above, please choose from the following:</p>	
<p><b>Option 1</b> - Rent Increase of 3.5% for 2022/23 followed by further increases of 3.5% in 2023/24 and 3.0% for 2024/25% to allow us to continue to fund existing services and investment in upgrading houses.</p>	<p>Please circle your response</p> <p>Yes</p>
<p><b>Option 2</b> - Rent Increase of 4.5% for 2022/23 followed by further increases of 3.5% in 2023/24 and 3.0% for 2024/25%. In addition to option 1 this will allow us to deliver a further 30 kitchens, bathrooms and heating systems over the 3 years – 10 of each per annum.</p>	<p>Yes</p>
<p><b>Option 3</b> - Rent Increase of 4.0% for 2022/23 followed by further increases of 3.5% in 2023/24 and 3.0% for 2024/25%. In addition to option 1 this will allow us to deliver a further 15 kitchens, bathrooms and heating systems over the 3 years – 5 of each per annum.</p>	<p>Yes</p>
<p><b>Option 4</b> - Rent Increase of 4.0% for 2022/23 followed by further increases of 4.0% in 2023/24 and 3.5% for 2024/25%. In addition to option 1 this will allow us to deliver a further 30 kitchens, bathrooms and heating systems over the 3 years – 5 of each in 2022/23, 10 of each in 2023/24 and 15 of each in 2024/25.</p>	<p>Yes</p>
<p><i>Please add any comments to say how you think we could make these sections of the rent consultation easier to understand:</i></p>	

# RENT CONSULTATION RESPONSE 2021/22

<p><b>Question 2</b> – In future, would you prefer ACHA to give options for future rent levels over 1, 2 or 3 years</p>	<p>Please circle your response</p> <p>1 Year   2 Years   3 Years</p>	
<p><b>Question 3</b> – Is there any further information that you would like ACHA to include as part of our rent consultation that would be useful to you as a tenant?</p>	<p>Please circle your response</p> <p>Yes   No</p>	
<p><b>Question 4</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> <ul style="list-style-type: none"> <li>- Joining the Tenant Consultation Register</li> <li>- Becoming a member of ACHA for just £1 for life and attending our Annual General Meeting</li> <li>- Becoming a governing body member – at board or area committee level</li> <li>- Becoming a member of a local Registered Tenant Organisation - ACHA currently supports two such groups, one in Cardross and the other in Campbeltown</li> <li>- Joining our "Feedb@ck Forum"</li> <li>- Joining "Your Voice" tenant scrutiny group</li> <li>- Taking part in consultation and other surveys</li> <li>- Attending our Tenant and Member Conference</li> </ul>	<p>Please circle your response</p> <p>Yes   No</p> <p>Yes   No</p> <p>Yes   No</p> <p>Yes   No</p> <p>Yes   No</p> <p>Yes   No</p> <p>Yes   No</p> <p>Yes   No</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**

