

ACHA - Putting Our Tenants and Our Communities First

RENT CONSULTATION 2024/25

Each year ACHA consults its tenants on the level of rent increase for the following year. It is important we get feedback from you, our tenants, before our Board of Management consider and approve the rents from April 2024 at their meeting in February 2024.

This year has presented a number of continued financial challenges for the Association as well as you, our tenants. The same factors that impact on you as individuals, such as increased costs, high inflation and higher interest rates, impact on ACHA's budget and what ACHA can do as well. Inflation and interest rate increases mean it costs ACHA more to carry out repairs, maintenance and investment works as materials, labour and contractor costs increase. It also means what we pay on interest in relation to loans increases, as do our running costs.

The level of rent increase affects ACHA's income. ACHA's rental income sets a limit on what we have available to spend on services and investment in our housing stock. We are still ambitious about our plans to improve the quality of our houses / your homes and we know these are important but we also know you are concerned about rent increases while your own costs continue to increase.

Looking at how ACHA spends your rent then based on the average weekly rent for 2022/23 of £95.11 ACHA spent:

- £68.39 on the housing stock (£27.99 on repairs and maintenance and £40.40 on investment) allowing us to complete 61 kitchens and bathroom, 36 window and door replacements, 127 heating and rewire elements, 3 roof and roughcast elements and 423 improvements for energy efficiency.
- £19.74 to deliver the service to you (this covers staff and other costs for tenancy support, welfare rights, managing rent arrears, reletting houses and running ACHA) and
- £6.98 on interest.

Rent Increase Proposals

There are 4 proposals we are seeking tenant feedback on. We have set these out below with an explanation of the implications of each, these are based on the current average weekly rent (2023/24) being £100.82. A 5% increase is the minimum increase that ACHA require to retain the assumed investment in our housing stock for 2024/25 and the following years. Based on current and forecast interest rates our interest costs are expected to increase from £6.98 per house per week in 2022/23 to £11.11 in 2024/25. The interest rates you have heard about in the news affect ACHA too.

Option 1 – A 5% rent increase:

A rent increase of 5.0% will add £5.04 per week to the average ACHA rent. The current rate of inflation is 6.7% so a 5.0% increase is 1.7% below the current rate of inflation. A rent increase based on the current rate of inflation would add £6.75 to the average weekly rent so a 5.0% increase would be £1.71 per week less than the current rate of inflation. This will allow us to meet the expected increase in interest costs and maintain spending on staffing, service and performance and although we will still spend £13.3m on the housing stock this will reduce from £68.39 per house per week in 2022/23 to £49.18 per house per week but we would try as far as possible to increase this by grant funding. Each £1.0m of grant we secured would increase the spend by £3.70 per unit per week.

Option 2 – A 6% rent increase:

A rent increase of 6.0% will add £6.05 per week to the average ACHA rent. This is £1.01 per week more than a 5.0% rent increase. This extra £1.01 per week would result in additional income for ACHA of £260,000 and would allow ACHA to invest in the replacement of an additional 33 kitchens. The current rate of inflation is 6.7% so a 6.0% increase is 0.7% below the current rate of inflation. A rent increase based on the current rate of inflation would add £6.75 to the average weekly rent so a 6.0% increase would be £0.70 per week less than the current rate of inflation.

Option 3 – A 7% rent increase:

A rent increase of 7.0% will add £7.06 per week to the average ACHA rent. This is £2.02 per week more than a 5.0% rent increase. This extra £2.02 per week would result in additional income for ACHA of £520,000 and would allow ACHA to invest in the replacement of an additional 66 kitchens. The current rate of inflation is 6.7% so a 7.0% increase is 0.3% more than the current rate of inflation. A rent increase based on the current rate of inflation would add £6.75 to the average weekly rent so a 7.0% increase would be £0.31 per week more than the current rate of inflation.

Option 4 – An 8% rent increase:

A rent increase of 8.0% will add £8.07 per week to the average ACHA rent. This is £3.03 per week more than a 5.0% increase. This extra £3.03 would result in additional income for ACHA of £780,000 and would allow us to invest in the replacement of an additional 99 kitchens. The current rate of inflation is 6.7%, so an 8.0% increase is 1.3% more than the current rate of inflation. A rent increase based on the current rate of inflation would add £6.75 to the average weekly rent so an 8.0% increase would be £1.32 per week more than the current rate of inflation.

How we used your rent to invest in your homes in 2022/23 and 2023/24

During 2022/23 ACHA spent £13.928m of capital expenditure on major works to our existing properties, receiving £3.025m of capital grant from external sources. The continued focus during the year was on a range of energy efficiency works, including more energy efficient heating systems and external wall insulation, making tenants homes more energy efficient and in turn assisting with mitigating rising utility costs for our tenants. A further £7.718m was spent during 2022/23 on planned maintenance and reactive repairs. We are forecasting a total spend of close to £11.0m on major investment works during 2023/24, with grant of £4.3m also forecast in relation to this. Spend on planned maintenance and reactive repairs is forecast at £8.385m for 2023/24.

RENT CONSULTATION RESPONSE 2024/25

Please complete the form below and then follow the instructions on How to Submit your feedback to return the consultation.

All completed returns will be entered in to a prize draw where your household will have a chance to win one of ten available £50 Gift Vouchers.

Your views do count so please take the time to complete the questionnaire.

Thank You

Name: Tel:.....
Address: Email:
..... H/T Ref:
..... (if known).....

How to submit your feedback:

There are a number of ways to complete and send us your response to this consultation. The closing date for responses is Friday 15th December 2023.

- Go to Survey Monkey and instantly submit your response electronically at www.surveymonkey.co.uk/r/ACHA2425
- Scan the QR Code and be taken directly to our Survey Monkey. This code can be scanned on various smart phones and tablets
- Email the completed form to us at rentconsultation@acha.co.uk
- Call the ACHA customer service centre on **0800 028 2755** and provide your response by phone
- Complete this form by hand and post it directly to us at:
Director of Finance and IT, Argyll Community Housing Association,
Dalriada House, Lochgilphead PA31 8JL
- Hand in to any of our ACHA offices



1 - From the options set out within the Rent Increase Proposal section above, please choose from the following:

	Please circle your response
<p>Option 1 - A 5% rent increase Rent increase £5.04 per week Allows us to spend £13.3m on repairs, maintenance and investment in the housing stock. This works out at £49.18 per house per week - a reduction from £68.39 per house per week in 2022/23.</p>	Yes
<p>Option 2 - A 6% rent increase Rent increase £6.05 per week Will allow us to spend a further £260,000 on the investment programme equivalent to replacing an extra 33 kitchens.</p>	Yes
<p>Option 3 - A 7% rent increase Rent increase £7.06 per week Will allow us to spend a further £520,000 on the investment programme equivalent to replacing an extra 66 kitchens.</p>	Yes
<p>Option 4 - An 8% rent increase Rent increase £8.07 per week Will allow us to spend a further £780,000 on the investment programme equivalent to replacing an extra 99 kitchens.</p>	Yes

2 – 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? Please tell us here:

3 – If you would like advice and support on welfare rights or energy efficiency then please tick the relevant box below and one of our staff will be in touch (remember to include your contact details at the top of the survey)

Yes please get in touch to give me some advice for welfare rights	<input type="checkbox"/>
Yes please get in touch to give me some advice for energy efficiency	<input type="checkbox"/>

4 – If there is anything else you want to tell us about? Please tell us here: